

SMARTBROKERHOLDING

ANNUAL REPORT 2023



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Investing Redefined

Our unique combination of a comprehensive digital brokerage and investment platform with the largest group of publisher-independent financial news and community portals adds value to Germany's retail investing marketplace in a targeted and differentiated way.

We empower investors to make informed decisions and implement their investment strategies in a highly efficient way – via Smartbroker+, our low-cost online brokerage platform and the country's most active investor community.

Highlights

“The 2023 financial year was characterised by the game-changing transformation of our Smartbroker product and the associated internalisation of large parts of our value chain within the Transaction segment. This culminated in the market launch of Smartbroker+ at the end of August 2023 and the migration of existing Smartbroker 1.0 customers to the new Smartbroker+ platform two months later. In December 2023, less than six months after its launch, the consumer organisation Stiftung Warentest named Smartbroker+ the cheapest provider (among all German retail brokers) of all three securities account models that were tested, thus recognising Smartbroker+'s prominent market position.

In operational terms, this transformation characterised the financial year not only for our Transaction segment, but for the entire organisation. It was accompanied by a challenging market environment that also had an adverse impact on both segments, Media and Transaction. The persistent uncertainty in the markets for the second year running, the war in Ukraine, and, for the first time in more than twenty years, fundamentally changing inflation and interest rate environments, have fuelled uncertainty among investors. This has led to a decline in both the trading activity of private investors and savers as well as in available advertising budgets. Although most share indexes in the western world ended 2023 at record highs, the trading volume generated by private investors and savers was at a low level not seen for a long time.

This environment led to a decline in profitability in the Media business in 2023. In spite of this, we were able to continue investing in the Transaction segment and launched our most important future project - Smartbroker+ - on the market in late summer 2023 in line with our revised schedule following significant initial delays and write-downs in the previous year. The migration of most of our existing customers has enabled us to exploit the commercial benefits of the expanded business model since November 2023. Internalisation gives us full control over our future product for the first time. Smartbroker+ retains our USP in the retail brokerage market - a full range of products at the lowest price - and combines this with a modern and intuitive customer experience as well as a modular and expandable technical infrastructure, which will be refined by our own team on an ongoing basis, adapted to customer needs and progressively interlinked with our media offerings. We therefore believe we are well equipped to face the competition over the next few years.”

André Kolbinger, CEO of Smartbroker Holding AG

Developments 2023

- Revenue fell to € 46.5 million due to the market environment, which was still characterised by low volatility and low turnover on the stock exchanges, and the delayed launch of Smartbroker+, compared with € 52.8 million in the previous year.
- Operating EBITDA after customer acquisition costs of € 1.3 million, compared with € 8.8 million in the previous year | Targeted investment in the market launch of Smartbroker+ essentially completed
- Successful market launch of Smartbroker+ at the end of August 2023 | Migration of most existing customers at the end of October 2023 | Successful extension of contract with DAB for long-term support of existing customers who have not migrated
- Streamlining the customer base as part of the migration to Smartbroker+ by closing zero balance securities accounts | 65% of existing active Smartbroker 1.0 customers, 76% of AUCs and 66% of order volume transferred to Smartbroker+
- Planned significant reduction in customer acquisition activities in preparation for migration | Thus only approx. 14,000 new customers (gross) acquired,
- As at 31 December 2023, after streamlining: 180,000 securities accounts | € 9.4 billion in assets under custody (AUCs)
- Average assets under custody per customer: € 52,000 (after elimination of zero balance securities accounts)
- Media: Weak and uncertain stock market environment reflected in declining reach figures | 2.1 billion page views and average 2.8 million users per month | Succeeding in maintaining relative market position

KEY FIGURES

In € millions Rounded	2023 HGB	2022 HGB	Change in %	2021 HGB	2020 HGB
Revenue	46.5	52.8	(12%)	48.2*	28.2
thereof Media	27.3	33.3	(18%)	35.5	26.9
thereof Transaction	19.2	19.5	(2%)	12.7	1.3
Operating EBITDA after customer acquisition costs	1.3	8.8	(86%)	4.4**	4.5
thereof Media	6.9	13.9	(51%)	-	-
thereof Transaction	(5.6)	(5.1)	(10%)	-	-
Operating earnings (EBIT)	(5.2)	(8.4)	38%	0.3	2.0
Earnings before taxes	(5.3)	(9.9)	47%	0.0	4.6
Earnings after taxes	(5.9)	(10.1)	41%	(0.5)	3.6
Operating cash flow	(1.6)	5.7	(127%)	13.9	1.2
Free cash flow	(13.3)	(9.4)	(42%)	(19.8)	(1.3)
Investments (fixed assets, intangible assets)	(11.8)	(15.1)	22%	(20.3)	(5.7)
Equity	43.1	49.4	(13%)	49.5	30.2
Net cash	1.8	12.5	(85%)	19.8	6.6
Total equity and liabilities	63.8	73.9	(14%)	75.4	51.2
Number of shares	15,681,252	15,681,252	-	15,101,252	14,382,144
Earnings per share, in €	(0.38)	(0.64)	(41%)	0.04	0.25

* Smartbroker AG fully consolidated as of 1 August 2021

** In 2021, EBITDA was adjusted for one-off costs of -€ 0.5 million in connection with the capital increase carried out in July 2021.

In € millions Rounded	2023	2022	Change in %	2021	2020
Securities accounts ¹	180,000	267,000	(33%)	246,000	117,000
Assets under custody (in € millions)	9,400	9,156	3%	8,820	4,310
Average assets under custody per securities account (in €)	52,000*	34,300	52%	35,800	37,000
Number of trades (in millions)	3.7	4.6	(20%)	5.3	1.7
Average number of trades per securities account	17	18	(6%)	29	29
Page impressions for the financial portals (in millions)	2,100	2,600	(19%)	3,900	3,400
Average number of employees	261	239	9%	196	107

*After elimination of approx. 60,000 zero balance securities accounts

¹Excluding the Smartbroker 1.0 zero balance securities accounts to be closed in the first half of 2024 (approx. 60,000)

About Smartbroker Holding

The Smartbroker Group operates Smartbroker +- a multiple award-winning online brokerage platform, which is the only provider in Germany to combine the product range of traditional brokers with the favourable terms and conditions of neo brokers. In addition, the Group operates four high-reach stock market portals and related digital assets, apps and social media (wallstreet-online.de, boersenNews.de, FinanzNachrichten.de and ARIVA.DE). With several hundred million page views per month, the Group is by far the largest publisher-independent financial portal operator in German-speaking countries, and also hosts the region's largest finance community.

Letter from the Management Board



Dear Ladies and Gentlemen,

Dear Shareholders,

2023 was a crucial year in the historically far-reaching transformation of our company, which began in 2019 and has been at the centre of our day-to-day business operations since 2021. Building on the roots of our online portals and digital media offerings, which have been growing for over 25 years, we have evolved into Germany's most affordable comprehensive digital broker with Smartbroker 1.0, which was launched in December 2019, and SMARTBROKER+, which was launched in August 2023 and re-engineered from the ground up. Two months after the market launch of SMARTBROKER+, we successfully completed one of the largest migrations of securities account customers in the German financial sector in November 2023, streamlining our customer base in the process. Since 2019, we have invested over € 73 million in the development and expansion of our new business area and have almost quadrupled our Group revenue from around € 12 million to over € 46 million in 2023.

This rapid development also had its downsides. In autumn 2022, we had to completely realign our project, partner and implementation strategy that was originally chosen for the launch of SMARTBROKER+ due to a lack of progress and a sharp rise in costs. This led to the project being restarted in January of the reporting year by an in-house IT team, which involved high extraordinary write-offs, some of which occurred in 2022. The project, which was set up again and streamlined at the beginning of 2023, was implemented very quickly and in line with the revised expectations in close cooperation with our new partners and thanks to our greatly expanded and closely managed internal development team.

We have expanded and deepened our organisation significantly in anticipation of the further growth of SMARTBROKER+. This planned, one-off development of

our organisation will result in higher fixed costs in the long term. These costs will reduce our profitability both in the year under review and in the next one to two years, but will create a solid foundation for our expected long-term growth.

The far-reaching transformation of our company took place against the backdrop of an extraordinarily difficult macroeconomic business environment. The huge change in the interest rate and inflation environment in conjunction with a tight monetary policy, multiple geopolitical crises and the dwindling hope of a return to familiar parameters have fuelled major uncertainties since 2022. Although many share indices reached new highs at the end of the 2023 financial year, both the number of shareholders in Germany and order volumes traded on the stock exchanges fell. Interest in capital market information declined for the second year in a row. This had an adverse effect on the reach of our media products, which in turn led to significant reductions in sales revenue and earnings in our 'Media' segment.

Nevertheless, we were able to make all planned investments for 2023 as intended and complete the expansion of our organisation. As a result, our capital investment needs will be greatly reduced over the next few years. Our balance sheet structure is sufficient to make the planned further development of SMARTBROKER+ a reality and to finance customer growth in the region of around 27,000 customers in 2024.

SMARTBROKER+ will make its first full-year contribution to the Group's sales revenue in the 2024 financial year. The focus will be on normalising operations and building on the growth achieved in the very successful years 2020 and 2021. In the meantime, the after-effects of the transformation years, particularly for our customers, were still being felt at the start of the year under review. Since then, however, we have been able to restore the availability of our customer service to the usual high level and process the customer enquiries that had accumulated at the end of 2023 and beginning of 2024. From May 2024, we will start to ramp up new customer acquisition. At the same time, we will invest in the further expansion of the SMARTBROKER+ product range. Our forecast for the current financial year is characterised by higher expenditure on new customer acquisition, product development and the continued subdued advertising market environment. Nevertheless, the planned investment in customer growth compared to 2023 is expected to increase materially again thus heralding a sustainable growth phase for the company.

On behalf of the entire Management Board, I would like to express my sincere thanks to our customers for the trust they have placed in us. I would also like to thank our shareholders for their perseverance throughout a very difficult phase. And above all, my gratitude goes to our employees, who once again contributed to the success of the Smartbroker Group with their tremendous commitment and admirable dedication during the year. This support allows us to look to the future with confidence. We are optimistic about the further commercial opportunities that will present themselves across our two business segments, Media and Transaction, and we are looking forward to finally putting the years of transformation behind us.

Kind regards,

André Kolbinger

Basis of presentation

Differentiation between Parent Company and Group

Throughout this report, 'Smartbroker Holding AG' or the 'Parent Company' is used to refer to the parent company. Where information relates to the consolidated Group, the report refers to the 'Smartbroker Group', 'the Group', 'the Company' or simply to 'we'. Where the aforementioned differentiations are not used and no other reference is made, the information refers equally to the Group as well as the Parent Company.

Gender form

For simplification purposes, in sections of the business report, only one gender form is used. Any other gender form is expressly included.

Forward-looking statements

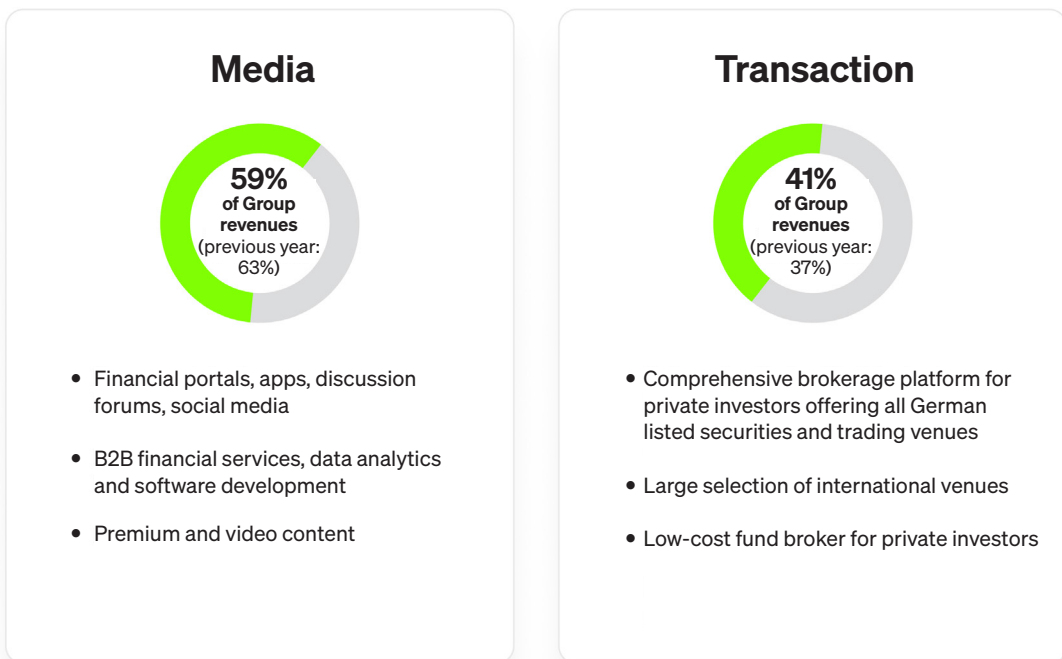
This report contains forward-looking statements which include both our own assumptions as well as third-party assessments. Such statements are always associated with uncertainties and risks. If fundamental assumptions do not turn out to be accurate as planned, actual results may deviate from expectations.

Business Model

The Smartbroker Group is a financial services provider with a comprehensive product range, combining digital retail brokerage, savings and investment solutions with financial media and capital markets information. The Company develops and operates brokerage platforms for private investors and savers as well as Germany's largest financial community, financial portals and associated social media. In addition, the Group offers customised B2B software solutions for financial data, web services and the production of regulatory documents through ARIVA AG.

THE SMARTBROKER GROUP

From information to transaction



Smartbroker Group on the way to becoming the leading integrated financial platform for private investors and savers

The Group combines transaction (brokerage) and digital media services for private investors and savers thus benefiting from growth trends in both markets.

Transaction: The Group offers various brokerage products for private investors and savers via our subsidiary Smartbroker AG. The combination of a comprehensive product range and low fees, particularly through the Smartbroker+ product, set us apart from the competition. Since the introduction of Smartbroker+, we also have high-tech and user-friendly apps and websites, and a technology platform under our control, where we operate the front ends and middleware ourselves, and which we can develop efficiently and quickly thanks to its modular structure.

Media: In the Media segment, the Smartbroker Group positions itself as a leading provider of stock market portals, news apps, financial communities and social media products. Our wide reach based on a long-established market position, targeted/high-affinity audience as well as our innovative advertising formats form important distinguishing features.

Further details on the individual business segments can be found in the Management Report.

Synergies: Since the launch of the Transaction segment, we are covering the lion's share of the value chain of private wealth accumulation - from information gathering and investment decision-making to executing the transaction and subsequent monitoring. Following the successful launch of Smartbroker+ in summer 2023, this offering will be constantly expanded going forward. The focus will increasingly be on leveraging synergies between the Media and Transaction segments.

This will include using the media portals and apps to target potential new customers for Smartbroker+, as well as integrating media and news offerings into the Smartbroker+ trading apps. Advertisers will be able to benefit from cross-platform advertising. In addition, direct trading in financial instruments from the media pages and discussion forums will be possible from 2025.

The Smartbroker Holding Share

Smartbroker Holding AG is a public company under German law with its registered office in Berlin. The Company's shares are listed on the Basic Board of the Frankfurt Stock Exchange.

Basic information

ISIN	DE000A2GS609
WKN	A2GS60
Ticker symbol	SB1
Listing	Frankfurt Stock Exchange (Basic Board)
Share type	Bearer shares
Share capital	€ 15,681,252
Number of shares	15,681,252

Share price development

Share price 29 Dec 2023	€ 9.34
Share price 30 Dec 2022	€ 5.84
52W performance 2023	> 60%
52W period low	€ 5.83
52W period high	€ 12.50

* Share price data refer to XETRA closing share prices; 52W = 30 December 2022 - 29 December 2023

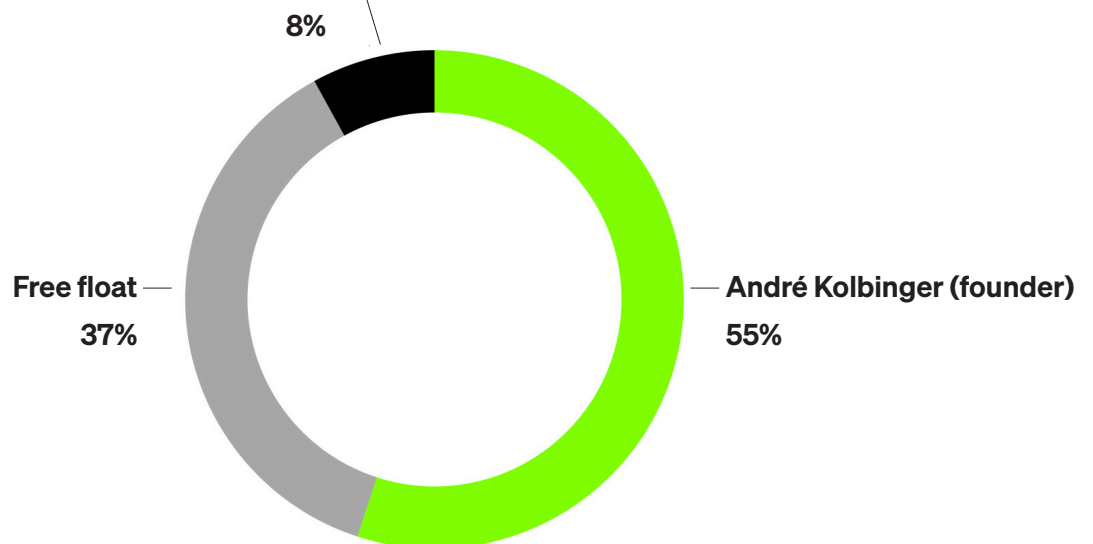
Share Price Development and Shareholder Structure



Shareholder structure data as at 31 December 2023

André Kolbinger shown as the sum of private holding and holdings of family members

Management Board and Supervisory Board



ESGC Report

The Company integrates considerations regarding sustainability, the environment, social responsibility, compliance and good corporate governance into its day-to-day corporate management and the assessment of its business activities. The management is keen to carry out more in-depth analyses and compile the derived recommendations for action in a voluntary ESGC report (Environmental, Social, Governance, Compliance report). Boosting efforts in the Environment and Social areas as well as standardising procedures and tools that are already deployed in selected Group subsidiaries are important concerns in terms of sustainable corporate governance.

Measures currently being implemented include:

Environment

- All of the Group's web servers are powered by 100% renewable energy
- Reduction of paper consumption to the bare minimum and full digitalisation of work processes wherever possible
- One subsidiary's office building is powered fully by its own solar power

Smartbroker Holding is responsible for the environmental compatibility and sustainability of its products and services. During development and implementation, the careful use of all resources is taken into account at all locations. This includes the appropriate and efficient use of energy, supplies and materials, as well as business travel and remote working practices.

Social

- Compliance with all essential aspects of applicable labour law and rapid processing of any new or outstanding requirements
- Create a safe, modern and pleasant working environment where all employees feel welcome

- Lively, open communication in the workplace, across teams and job levels; transparent communication of all matters that are key to the Company at regular town hall meetings
- Appropriate professional development for employees, appropriate pay and opportunities for training and development
- Regular team events with dedicated team budgets
- Onboarding initiatives for new employees

Governance & Compliance

Responsible, prudent corporate governance, compliance with all legal requirements, but also ethical responsibility, transparency and openness are core principles underpinning all corporate actions at the Smartbroker Group.

The subsidiary Smartbroker AG is a securities institution licensed by BaFin (Federal Financial Supervisory Authority) ('zugelassenes Wertpapierinstitut' Section 15 Wertpapierinstitutsgesetz (WpIG) (German Securities Institutions Act) and is therefore subject to a number of national and international requirements and legal provisions that regulate the increased requirements with regard to risk management and compliance functions, for example, but also stipulate codes of conduct and organisational procedures.

A detailed employee manual describes the business organisation, regulates all essential aspects of internal processes and explains the conduct, organisational and transparency obligations with regard to the investment services business, the compliance function, risk management and measures to prevent money laundering and fraud. In addition, it sets out information on the initial training and continuing professional development of employees and the principles for personal transactions. As part of the Smartbroker+ internalisation project, a market abuse monitoring system was also developed, which is monitored on an ongoing basis, and risk management was enhanced by appointing experienced specialist staff. The reporting and notification system ensures that all disclosure and information obligations are complied with. Every employee has access to a whistleblower system for reporting violations of rules and laws.

Consolidated Management Report

of the Smartbroker Group
and Smartbroker Holding AG

Group Profile

Company Structure and Organisation

The Smartbroker Group ('Smartbroker Group', 'the Group', 'the Company' or simply 'we') is a technology company headquartered in Berlin and employs over 260 employees at its locations in Berlin, Kiel, Leipzig, Munich and Zurich. As a financial services provider, the Group develops and operates digital brokerage platforms for private investors and savers as well as financial media portals, thereby combining important aspects of the retail investment market. The two main business areas are 'Transaction' (digital brokerage solutions) and 'Media' (financial and stock exchange portals, discussion forums, B2B software solutions).

Management

At the end of the 2023 financial year, the following individuals were appointed as members of the Management Board:

- **André Kolbinger, Chair of the Management Board, Co-Chief Management Officer**
 Entrepreneur, Member of the Management Board since 19 August 2022, also on the Supervisory Boards of ARIVA.DE AG (subsidiary of Smartbroker Holding AG), Kiel, and crumbl AG (in liquidation) (subsidiary of Smartbroker Holding AG),
- **Oliver Haugk, Member of the Management Board, Co-Chief Management Officer**
 Diplom-Kaufmann, Member of the Management Board since 1 November 2017, also on the Supervisory Board of crumbl AG (in liquidation) (subsidiary of Smartbroker Holding AG),
- **Roland Nicklaus, Member of the Management Board, Chief Financial Officer**
 Italian and Business Administration (BA), Member of the Management Board since 1 April 2021, also on the Supervisory Board of Smartbroker AG (subsidiary of Smartbroker Holding AG), Berlin,
- **Stefan Zmojda, Member of the Management Board, Chief Revenue Officer**
 Dipl. Betriebswirt (FH), Member of the Management Board since 1 January 2016, also on the Supervisory Board of crumbl AG (in liquidation) (subsidiary of Smartbroker Holding AG),

- **Michael Bulgrin, Member of the Management Board, Chief Content Officer**
Diplom-Kaufmann, Member of the Management Board since 1 November 2017, also on the Supervisory Board of ARIVA.DE AG, Kiel, (subsidiary of Smartbroker Holding AG),

Oliver Haugk was appointed Co-Chief Management Officer by the Supervisory Board effective 1 July 2023; his Management Board employment contract has been extended until 31 December 2026. André Kolbinger's Management Board employment contract has also been extended until 31 December 2027.

Roland Nicklaus stepped down from the Management Board of Smartbroker Holding AG effective 31 March 2024.

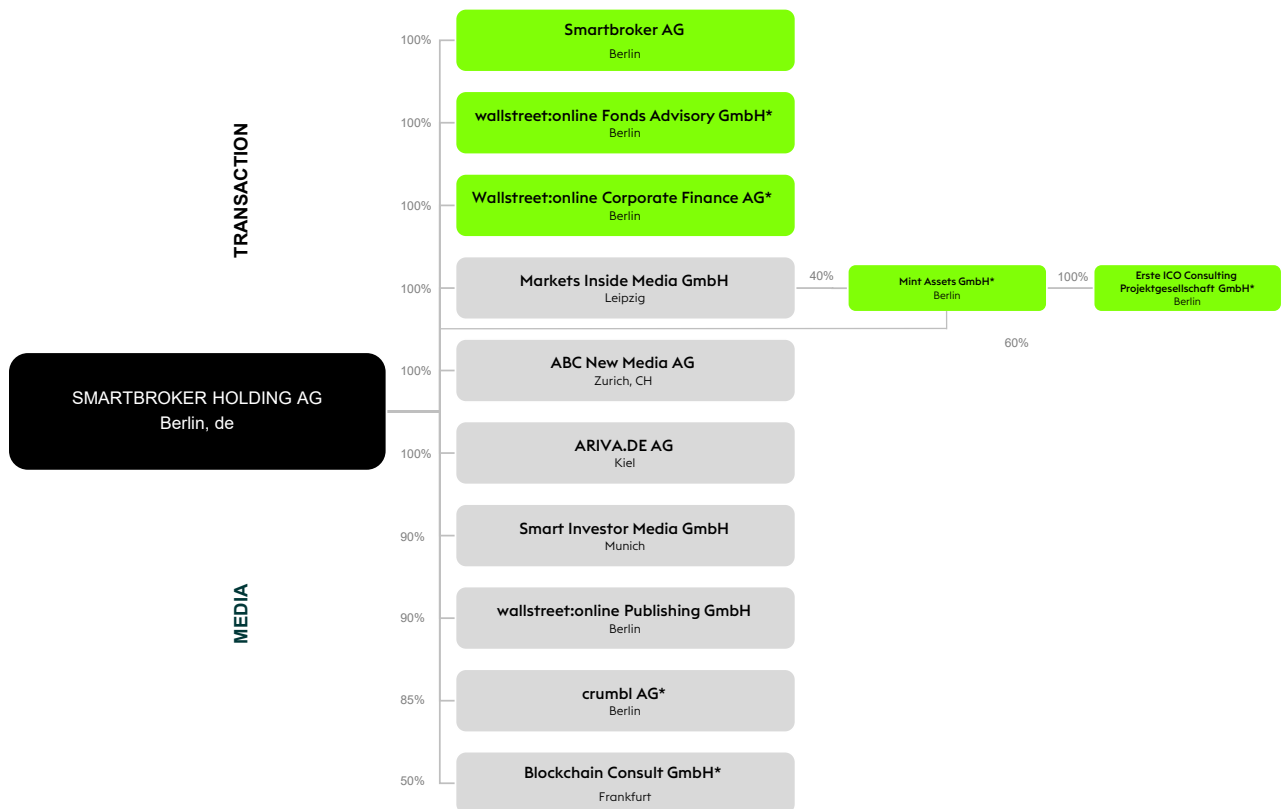
At the end of 2023, the Supervisory Board was composed as follows:

- **Silvia Gromoll, Chair of the Supervisory Board**
Tax consultant, Diplom-Kauffrau (FH), Member of the Supervisory Board since 24 June 2022, also on the Supervisory Board of Smartbroker AG, Berlin. Ms. Gromoll is employed as Head of Finance & Tax (in-house tax consultant) in André Kolbinger's Family Office.
- **Dr Daniel Berger, Member of the Supervisory Board**
(Vice Chair), Lawyer, Member of the Supervisory Board since 17 October 2023, also Chair of the Supervisory Board of Smartbroker AG, Berlin. Mr Berger is a partner in the law firm Wirth-Rechtsanwälte
- **Marcus Seidel, Member of the Supervisory Board**
Entrepreneur, Member of the Supervisory Board since 20 August 2020

Dr Daniel Berger was appointed to the Supervisory Board of Smartbroker Holding AG by the Annual General Meeting of shareholders on 17 October 2023. René Krüger, Member of the Supervisory Board since 9 September 2010 and most recently Vice Chair, stepped down from the Supervisory Board of SBH on 17 October 2023. He was appointed to the Management Board of Smartbroker AG effective 1 November 2023.

Legal Structure

The registered office of the Parent Company, Smartbroker Holding AG, is Berlin ('Smartbroker Holding AG', 'SBH' or 'the Parent Company'). As at the reporting date, the Parent Company had, directly or indirectly, the following subsidiaries with shareholdings of more than 50%:



*not operating, in liquidation; As at 31/12/2023

Business Model

The Smartbroker Group is a financial technology provider that combines digital personal investing and saving with financial media and stock market information. The Company develops and operates brokerage platforms for private investors and savers as well as financial communities and portals. In addition, the Group offers B2B software solutions for financial data, web services and the production of regulatory documents through ARIVA.DE AG.

The Media business, which was established in 1998, provided access to the brokerage sector from 2018 through the investment in Smartbroker AG. The core product in the Transaction segment, Smartbroker 1.0, was launched at the end of 2019. The product that was launched on the market at that time was commercially successful, but was operated to a very high degree by external partners and therefore had a comparatively low level of vertical integration. The Smartbroker 2.0 project was initiated in 2021 to increase this level and ensure the Company's long-term control over the product, including free access to the price-performance directory, the number of new customers to be acquired, the possibility of regular product add-ons and the introduction of new features. The aim was to internalise the main outsourced functions and bring them in-house, to provide end customers with product access via mobile apps in addition to the web user interface and to broaden Smartbroker's income streams. The Smartbroker 2.0 project was essentially completed with the market launch of Smartbroker+ in August 2023 and the migration of existing customers to this new platform in October 2023.

The Transaction-Media combination thus ensures the Company's position as a comprehensive provider for private investors and savers in all fields of execution-only investing and capital markets information. The Smartbroker Group addresses the following customer and user groups:

- With Smartbroker+, **savers and investors** can trade virtually all securities registered in Germany at any German trading venue at the lowest fees.

- For **capital market enthusiasts**, the Smartbroker Group's websites and apps offer coverage of economic and stock market news, investment trends and analyses. Savers, investors and those interested in the capital markets can exchange views in the online social forums and receive further information and opinions on financial and investment topics.
- **Advertisers and bank partners** use the Group's outlets to target attractive consumer groups - via the web and in-app.

The Transaction segment is operated through the subsidiary Smartbroker AG. Its mission is to broker transactions of financial instruments or provide verification of these (investment brokerage), the acquisition and sale of financial instruments in the name of third parties on account of third parties (acquisition brokerage), the brokerage of investment accounts and securities accounts without securities services (zero balance accounts/zero balance securities accounts) as well as the operation and marketing of its online financial portals. The main sources of income arise from transaction, acquisition, retention and internal commissions as well as rebates from product partners and trading venues.

Smartbroker or Smartbroker+ a digital next generation broker for private investors and savers, constitutes the most important component and, at the same time, is the largest driver of sales revenue and growth in the Transaction segment.

Smartbroker 1.0 is only available via a web interface. Securities account management and the technical execution of securities trading are currently being carried out by the partner bank DAB BNP Paribas S.A. Germany branch, Munich ('DAB'). Active marketing is no longer being conducted for this product; instead, new customer acquisition activities were scaled back as planned over the course of the first half of the year and will be discontinued completely in June 2023.

In the new Smartbroker+ system, which can also be accessed via mobile apps for iOS and Android as well as via its web interface, securities account management and transaction processing will be handled by Baader Bank AG. Both the control and vertical integration of Smartbroker AG have been expanded significantly in this product, in particular through the development and continuous operation of the front ends, the control of middleware operation and the significantly closer integration with the transaction processing partner.

A secondary brokerage platform, FondsDISCOUNT, specialises in funds, direct and crowd investing and the distribution of participations in closed-end funds. The Company offers the option to invest in funds without issue premiums. The Smartbroker Group also caters to the former brokerage customers of Volkswagen Bank whose customer base was acquired by the Company in 2020.

Across the Transaction segment, the Group managed around 180,000 securities accounts¹ through its subsidiary Smartbroker AG ('SB AG') at the end of 2023, with assets under custody approaching € 9.4 billion. This equates to an average volume of more than € 52,000 per account. As part of the launch of Smartbroker+ and the migration of existing Smartbroker 1.0 customers to the new platform, the Company, together with DAB, decided to serve notice on Smartbroker 1.0 customers whose securities accounts had a zero balance ('zero balance securities accounts'). The slow accumulation of zero balance securities accounts is common in the industry and at the end of 2023 the Company had around 79,000 such accounts, which will be closed during Q1 2024. Excluding these zero balance securities accounts, the Company therefore managed around 180,000 securities accounts with an average volume of around € 52,000 as at the end of 2023.

The Company also develops and operates financial and stock market portals and discussion forums on financial, economic and political topics relating to fields such as the capital market, market trends, investing, wealth accumulation and management. The primary brands are wallstreet-online.de, boersenNews.de, Finanznachrichten.de and Ariva.de. The media offering also includes the printed magazine Smart Investor (also available in digital format at smartinvestor.de) and a new editorial team that was set up in 2022, which has since expanded the previous media offering to include paid-for content (Börsenbriefe). So far, this has made an insignificant contribution to sales revenue.

Within the B2C media segment, the Company's main revenue sources stem from advertising placed on its various media by bank partners, issuers of financial products and advertising agencies on behalf of consumer brands and companies. Lower income is also generated from Börsenbriefe and Smart Investor magazine subscriptions in print and digital versions.

The segment is supplemented by B2B media. Subsidiary ARIVA.DE AG offers website creation (web, app), processing and provision of financial data and regulatory documents and supplies market data, master data and price

¹ after elimination of zero balance securities accounts (around € 79,000)

information to banks and financial institutions. Revenue is generated from the licensing of software ('software as a service') and sales of products and services relating to the development and provision of digital content. Notably, the services relating to the provision of market data, price information and charts have also been used in the self-developed front ends (web, app) of Smartbroker+ which constitutes a synergistic effect between the Group's Media and Transaction offerings.

Corporate Strategy

The Smartbroker Group's strategy is to provide comprehensive and low-cost products and applications for private investors, savers and capital market enthusiasts, linking customer interest in the areas of information and transaction. The growth of the profitable Media business in recent years enabled significant investment in the Transaction segment – initially by building up a stake in Smartbroker AG and since the end of 2019, by jointly launching Smartbroker/Smartbroker+. This step diversified the Group's revenue and established a new business segment that not only represents growth potential per se, but also complements the existing product suite and offers synergies both in terms of revenue and costs.

The current and future corporate strategy is derived from this approach. The Group's goal is to achieve medium and long-term growth in the customer base in the Transaction segment by several tens of thousands of new customers per year. In the Media segment, revenue is expected to increase in line with the growth of the overall online advertising market. Due to the Group's almost singular focus on the development and market launch of Smartbroker+, the 2022 and 2023 financial years represented a transition and transformation phase that has now largely been completed.

Against the backdrop of the extended control over the new Transaction product, new product launch plans and commercial initiatives have been defined for both business segments in order to further strengthen their competitive position. In the Media segment, visual and functional revisions were made to the portals (for example, relaunch of the Ariva News app and rebrush of www.wallstreet-online.de). The reconfiguration of the portals is being carried with care so as not to overburden existing customers or users and only present a reasonable number of

simultaneous changes. This will be continued going forward, primarily to link the portals more closely with Smartbroker+ so that Smartbroker+ customers will be able to trade directly from the portals from 2025, for example.

Following the successful launch of Smartbroker+ at the end of August 2023, its ongoing development is a top priority. Due to contractual deadlines, Smartbroker+ had to be launched on the market as a minimum viable product. The first task on the product side was therefore to restore the scope of services that was familiar from Smartbroker 1.0. Focus subsequently shifted to the constant expansion of the product features. This includes the introduction of crypto trading, the expansion of the web interface (in particular trading and filter functionalities) and the further integration of our media offering and communities into the Smartbroker+ apps.

Customer support pursues a strategy of being easily accessible, both by phone and electronically, and providing a high level of service. To this end, our own employees provide support. However, the launch of Smartbroker+ as a minimum viable product and the migration of existing customers with over one million securities account positions in October generated an exceptionally high number of customer enquiries, some of which were very complex. This led to longer processing times. Although the support team was boosted significantly in terms of numbers in the run up to the customer migration, the delays resulted in customer complaints, which also found their way into negative public reviews of Smartbroker+, especially online and in the app stores. Once the backlog of customer enquiries has been reduced, the short-term strategic goal is therefore to influence the online reviews so that they increasingly reflect the high level of customer satisfaction with the Smartbroker+ product and the temporary customer service problems fade into the background.

For our advertising customers, particularly in the retail finance sector, our strategy of linking Transaction and Media offers virtually unique advertising opportunities. The new product partnerships acquired last year with Xtrackers, Amundi and SPDR in the area of ETF savings plans and new premium partners Citi and Unicredit for retail derivatives are forward-looking in this respect.

The aim of all strategic elements is the sustainable expansion of the competitive position while at the same time achieving profitable growth. For 2024, the Company is projecting a fall in the number of securities accounts in the first few months of the financial year, partly due to the elimination of zero balance

securities accounts and losses of customers following the migration to Smartbroker+. The number of new securities accounts opened should gradually increase over the course of the year and the commercial focus will be placed increasingly on acquiring new customers. In order to make the implementation of this strategy more transparent, the Company will publish monthly operating performance indicators from February 2024.

Research and Development

Smartbroker Holding AG strives to continuously develop its products and services, design them efficiently and respond rapidly and appropriately to reasonable requests from users and customers. Fundamental research work is not carried out.

The Group completed the development work on the Smartbroker+ project in 2023. The project comprised the expansion of the Group's own IT infrastructure, the creation of web- and app-based user interfaces, customer databases, parts of the middleware, as well as the necessary internal integrations and those with the securities account management and transaction processing systems of the partner bank. Most of the work was carried out internally.

The transaction platform and securities account management were outsourced to Baader Bank during the setup of Smartbroker+. The Smartbroker Group contributes the front ends, which were developed internally, as well as important back-office functions, regulatory components and the middleware, which will be operated in cooperation with another partner. Customer support will be handled by the Group as is currently the case. These measures have significantly improved the Group's control over the Smartbroker+ product; considerably simplified the future operation of the product, customer acquisition and customer support and enabled the ongoing further development of the product for the first time.

In the year under review, the Group invested around € 10 million (including own personnel costs) in the new Smartbroker+ trading platform. A total of around € 27 million has been invested in the development of Smartbroker+ over the project term since 2021. € 13 million of this amount had to be impaired in 2022. The extraordinary write-offs in 2022 were due to delays or non-deliveries of central technical components that were initially outsourced to external

service providers and which made it necessary to completely restructure the Smartbroker 2.0 project in autumn 2022. Following the restructuring, these components were made available either using our own IT resources or by other service providers and delivered on time. The service providers responsible for the delays were no longer involved in the final project.

Economic Report

Market Environment

Macroeconomic framework

The macroeconomic situation was characterised by the after-effects of previous and ongoing crises and was weak overall. Loss of purchasing power as a result of sustained price hikes and inflation in many sectors, particularly energy and food, weak economic development, geopolitical crises and monetary policy tightening were characteristic features of 2023.

As a result of these developments, gross domestic product was down around 0.3% year-on-year (after price adjustment). Private consumption in particular was down 0.8%, remaining slightly below the pre-pandemic level in 2019. However, government consumption and gross fixed capital formation were also down and both exports and imports recorded negative growth rates of -1.8% and -3.0% respectively. These factors increasingly clouded economic development with growth rates moving from zero in the first two quarters into negative territory during the year, closing Q4 at -0.3%.²

Over the course of the year, the rate of inflation – measured by the change in the consumer price index – steadily moved away from its highs of 8.7% in January and February 2023 and was consistently below 4% in Q4. The annual average inflation rate was 5.9% in 2023, compared to 6.9% in 2022. Following the historically sharp rise in prices in 2022, which was mainly due to the soaring cost of energy and food after the outbreak of the war in Ukraine, the situation has progressively eased, but remains at an historically high level. The annual trend in inflation rates at consumer level was also driven by one-off effects in connection with relief measures, which mitigated the rise in energy prices, for example.³

Overall economic development did not leave the German labour market unscathed, but it held up relatively well in 2023. Both unemployment and underemployment rose year-on-year, but only marginally. The number of people unemployed was 2.6 million, 0.2 million more than in 2022, while the number of underemployed rose by 0.3 million to 3.5 million. The labour market continued to be supported by short-time working measures, although these declined for the third year in a row and only affected an annual average of around 0.2 million people compared to 0.4 million in the previous year. The annual average unemployment rate rose by

² Federal Ministry for Economic Affairs and Climate Action, January 2024 and Bundesbank, monthly report December 2023

³ Federal Statistical Office (Destatis), January 2024

0.4% to 5.7% compared to 2022, where an increase was recorded in all German federal states. The rate of underemployment was also on a downward trajectory. Employment rose 0.7% to an historic high of just under 46 million people, while employment subject to compulsory social security contributions was also up 0.8% (as at June 2023) to 34.7 million. In 2023, an average of 761,000 job vacancies was recorded, around 10% fewer than in the previous year, but still a high level in an historical context.⁴

Public spending (federal government, federal states, local authorities and social security) rose 7.7% in the first three quarters of 2023. This was offset by a 6.1% increase in public sector revenue, which led to an increase in net borrowing of just under € 26 billion compared with the first nine months of 2022 to around € 91 billion, with more than 75% of the increase being borne by the federal government. For the federal government, the higher interest burden due to the higher interest rate level and other factors, such as the electricity and gas price brakes for private households and companies, had the greatest impact.⁵

The global economy in 2023 was also characterised by growing risks in connection with the Russian war of aggression against Ukraine, supply bottlenecks and increases in price levels. Other factors such as the sustained weak growth in China following the easing of the strict, and more recently, arbitrary coronavirus policy, developments in the property sector there and the smouldering geopolitical conflict over Taiwan also played a role. Israel's military actions in the Gaza Strip, which began in October 2023 and are still ongoing, have not yet had any significant impact on the global economy. However, they have led to delays and higher costs in many supply chains and could quickly escalate further. Overall, according to preliminary estimates, global trade recovered slightly by 0.5% in 2023 following the sharp decline in the previous year, but remained below the historical average. Global GDP also expanded at an historically weak rate of around 3%. This is also reflected in the status of the S&P Global Index (PMI, Purchasing Managers' Index), which was slightly higher in December 2023 compared to the previous year, but at 51 points was still only around the growth threshold of 50 points.⁶

The German stock market index, DAX, achieved a very strong performance for the year, gaining 20% and closing just below the 17,000-point mark. This performance ranks as an historic high more than compensating for the losses in

⁴Bundesagentur für Arbeit (Federal Employment Agency), January 2024

⁵Federal Statistical Office (Destatis), January 2024

⁶Federal Ministry for Economic Affairs and Climate Action, January 2024

the previous year. The TecDAX was up 11% year-on-year and the SDAX around 14%. International indices also closed the year on a very positive note. The S&P 500, for example, was up 25% and the NASDAQ 100 achieved an historic performance surging to 54%.⁷ However, trading volumes fell sharply in Germany. The cash market of the Frankfurt stock exchange, for example, recorded a decline in trading volume of around 21% from € 1.6 trillion to € 1.2 trillion.⁸

Outlook 2024

In its 2023/24 Annual Report published in November 2023, the German Council of Economic Experts expects the German economy to shrink slightly by 0.4% in 2023 and to rise again by 0.7% in 2024. This delayed and weaker recovery compared to previous forecasts is partly due to the tightening of monetary policy and persistently high inflation. However, the GCEE expects that falling inflation combined with high pay agreements will increase the real disposable income of German consumers over the course of 2024. This in turn will boost consumption. Overall, easing price pressure, falling inflation, higher consumption and rising international demand should once again lead to growing economic volume in 2024 and in the years that follow.⁹

Industry-related framework conditions – Transaction

According to Deutsches Aktieninstitut ('DAI'), Germany's leading association for the promotion of equity culture and equity capital markets, after reaching a new historic high in 2022, the number of private investors fell slightly in the 2023 financial year by just under 600,000. In 2023, 12.3 million individuals invested in stocks, funds and ETFs, which corresponds to approx. 18% of the population aged 14 and over in Germany. The number of shareholders in Germany thus remained above the 12 million mark for the fourth year in a row with one in five people using the capital markets for their own wealth accumulation despite high inflation and rising interest rates.¹⁰

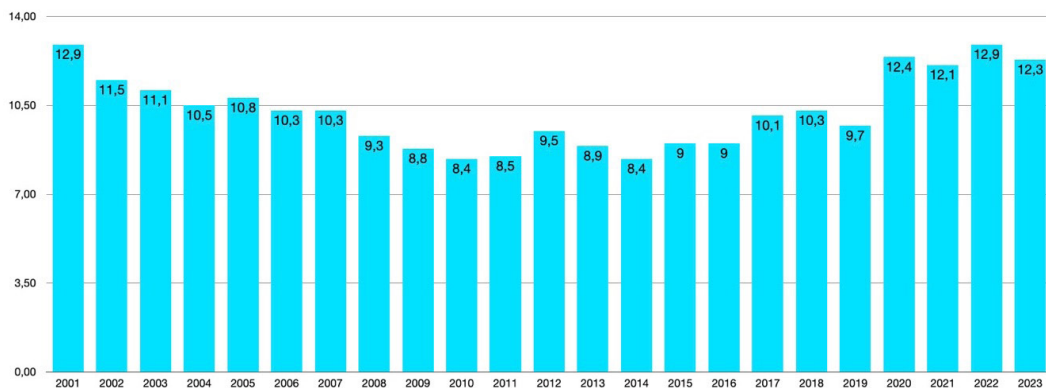
⁷ ariva.de

⁸ Deutsche Börse Cash Market Annual Statistics 2023, published January 2024

⁹ German Council of Economic Experts, Annual Report 2023/24, published November 2023

¹⁰ DAI, shareholder figures from Deutsches Aktieninstitut 2023, published January 2024

Number of private investors in Germany with securities accounts, in millions, at the end of the year



Source: DAI 2023

Of the more than 12 million shareholders, around 7.6 million invest in funds and ETFs, 2.0 million in stocks and shares and 2.6 million in both categories.¹¹ Investors aged 40 and over remained loyal to their chosen form of investment in the year under review. The decline in the total number of shareholders is largely due to the reduction in the number of younger savers under the age of 40 (more than 500,000). According to the German Bundesbank, the number of securities accounts held by private households in Germany at the end of 2022 was just under 30 million,¹² meaning that a saver or investor had an average of 2.4 securities accounts.

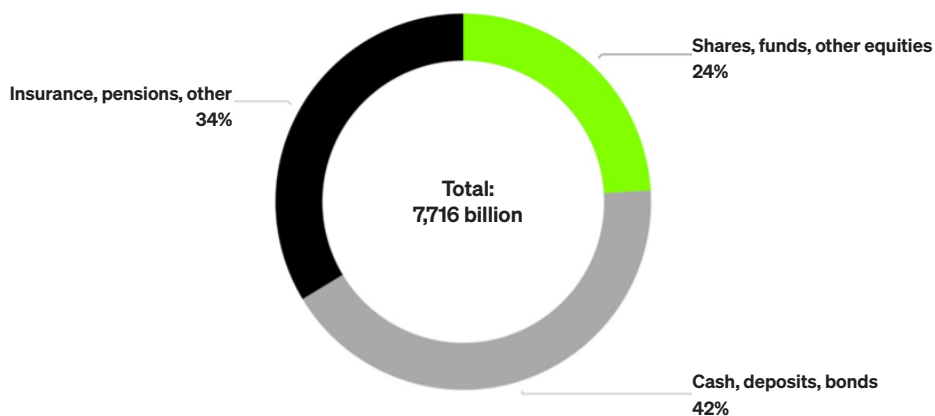
The financial assets of German households rose 6.4% year-on-year to just over € 7,700 billion in Q4 2023. The savings rate remained at just over 11% in the first half of 2023, which is roughly in line with the long-term pre-pandemic average. The categories 'Shares and other equity' and 'Investment funds' rose particularly sharply, by 11.2% and 12.5% respectively. Nevertheless, together they still only account for just under a quarter of gross household assets. The distribution of financial assets remained largely stable compared to the previous year. Based on data for Q4 2023, German households held € 3,413 billion in cash, deposits and bonds, € 2,373 billion in insurance, pensions and standard guarantee schemes and other receivables, and € 1,929 billion in shares, other equity and investment funds (including approximately € 439 billion in unlisted shares and other equity rights). The 'Cash and deposits' category thus continues to account for the largest share of household assets, although according to the

¹¹ DAI, shareholder figures from Deutsches Aktieninstitut 2023, published January 2024

¹² Bundesbank, number of securities accounts by depositor group, 2022

German Bundesbank, this category has consistently generated negative real returns since the beginning of 2015. In contrast, overall return is supported over long periods by the positive contribution of stocks and shares. The debt ratio remained largely stable, meaning that the net asset position of households improved by just over 6%.¹³

Financial assets of German households 2023, in %



Source: Bundesbank

Industry-related framework conditions – Media

As predicted by the online marketing section of the German Association for the Digital Economy (‘OVK’), the digital advertising market returned to growth in 2023. While industry sales were up only 1.1% in 2022 - following the extremely high growth during the coronavirus pandemic – they rose 6.4% in 2023. Many of the trends that emerged during the pandemic (working from home, online shopping, online banking) proved to be sustainable even after the end of measures to contain the pandemic, thus leading to sustained strengthening of display advertising. In 2023, the German online display advertising market recorded significant growth of 6.4% (€ 5.5 billion).¹⁴

The main growth drivers include video advertising in particular, which at over € 2 billion accounts for more than a third of total revenue and for which the OVK is forecasting further gains in market share. Automated technology is used to

¹³ Bundesbank, acquisition of financial assets by private households, January 2024; Bundesbank press release dated 18 January 2024

¹⁴ Online marketing section ‘OVK-Report für Digitale Werbung 2023/02’, November 2023

place approx. three quarters of display advertising. In 2023, the financial sector was able to defend third place among the top economic sectors in terms of gross online marketing spend, and with a 23% online share of the media mix, showed the highest digital penetration of all sectors surveyed by the OVK.

Business Development

2023 presented the Smartbroker Group with a variety of challenges. These were gradually addressed over the course of the year. The testing market situation, characterised by inflation, continued uncertainty in the markets and low trading volume, had an adverse impact on our largest business areas. Annual page views on the media portals and apps fell by around 20%, having already fallen by 30% in the previous year. In line with the lower interest in financial information, the trading activity of Smartbroker customers also continued to decline year-on-year. Both of these factors again had an adverse impact on revenue performance.

In addition, internal strategic mistakes made in 2021/2022 led to a postponement of the market launch of Smartbroker 2.0 with far-reaching consequences. The project had to be realigned and redefined in terms of the scope of the platform elements to be developed internally and externally. The extensive development work that had to be carried by us and our new partners prior to the launch of Smartbroker+ was largely completed on time and on budget over the course of the year. Smartbroker+ was launched on the market as a minimum viable product in late summer. Two months after the launch, most of the economically active existing Smartbroker 1.0 customers were migrated or secured by contract. In addition, the Company took these significant changes as an opportunity to clear out almost 80,000 inactive zero balance securities accounts that had built up over time and to close them gradually by the end of the first half of 2024. An agreement was also reached with DAB BNP Paribas as broker to continue managing existing securities accounts that were not migrated to Smartbroker+ at DAB BNP Paribas. Together, these measures resulted in over 95% of the revenue-generating and therefore economically relevant SB 1.0 customer base being secured as at November 2023. This means that the main investments in the internalisation and deepening of value creation in the Smartbroker+ product are largely complete. Future investments can be reduced and are expected to focus primarily on the further expansion of product features, increasing the depth of information and functionality of Smartbroker+ and the gradual integration of content and functions between Smartbroker+ and the proprietary portals.

Profitability in the Media business could not be maintained due to the difficult stock market situation, now in its third year, in particular the low trading volumes of retail investors and the resulting weaker demand for stock market information.

It has fallen significantly below the average in previous years. Nevertheless, the segment continues to operate profitably. Opportunities to reduce costs and increase efficiency are analysed on an ongoing basis and taken where possible.

Smartbroker AG was able to marginally increase the number of securities accounts managed and assets under custody during the first half of 2023. However, the acquisition of new customers was gradually reduced and stopped completely in July 2023 in preparation for the migration of existing customers to Smartbroker+ in November. Following the customer migration, an unexpectedly high number of customer queries were received from mid-November onwards that could not be dealt with immediately, even though customer service capacity had been increased by more than 100% in preparation for the migration. Until an appropriate service level could be guaranteed, which was achieved at the end of Q1/beginning of Q2 2024, no new customers were actively acquired to any significant extent.

As at 31 December 2023 and adjusted for around 60,000 zero balance securities accounts, the subsidiary Smartbroker AG managed around 180,000 securities accounts (previous year: 267,000, including zero balance securities accounts). Nevertheless, customer assets under custody grew around 3% at the same time to € 9.4 billion (previous year: € 9.2 billion). The average volume per customer securities account rose from around € 34,000 as at 31 December 2022 to around € 52,000 as at 31 December 2023, primarily due to the elimination of zero balance securities accounts.

The Group reports its financial results on the basis of the German Commercial Code (HGB). In 2023, the Group generated revenue of € 46.5 million, which equates to a decline of around 11.8% year-on-year (previous year: € 52.8 million). The net loss for the year was € 5.9 million (previous year's net loss: € 10.1 million).

The key financial performance indicators for the Group in its operating business developed as follows in the 2023 financial year:

Key performance indicators	Result 2023	Plan 2023 (guidance)
Revenue	€ 46.5 million	~€ 46 - 51 million
EBITDA	€ 1.3 million	~ € -1 to +1 million

The performance indicators for the Company financial statements are as follows:

Key performance indicators	Result 2023	Plan 2023
Revenue	€ 14.7 million	€ 15.8 million
EBITDA	€ -2.7 million	€ -0.1 million

Subsequent events

To finance the further growth of Smartbroker+, the Company carried out a capital increase of € 7.6 million from authorised capital by resolution of the Management Board and Supervisory Board on 10 May 2024, which became effective upon entry in the commercial register on 27 May 2024.

Analysis of Assets, Financial Position and Earnings

Assets

Consolidated financial statements

For a detailed presentation of the assets, please refer to the balance sheet and the consolidated fixed assets schedule. Total assets amounted to € 63,836 thousand as at 31 December 2023. (previous year: € 73,933 thousand).

In € millions	31/12/2023	31/12/2022
Fixed assets	41.7	36.9
Current assets	21.3	36.3
Equity	43.1	49.4
Liabilities	15.0	18.5
Total equity and liabilities	63.8	73.9
Equity ratio	67%	67%

Annual Financial Statements

For a detailed presentation of the assets, please refer to the balance sheet and the fixed assets schedule. Total assets for 2023 amounted to € 82,139 thousand (previous year: € 88,606 thousand), down € 6,467 thousand year-on-year. This was mainly due to the repayment of bank loans and the loss for the financial year.

In € millions	31/12/2023	31/12/2022
Fixed assets	73.2	63.6
Current assets	8.6	24.7
Equity	55.9	58.6
Liabilities	24.0	27.7
Total equity and liabilities	82.1	88.6
Equity ratio	68%	66%

Financial position

Consolidated financial statements

The Group's solvency was ensured at all times during the reporting year. As at 31 December 2023, the cash balance amounted to € 12,263 thousand.

In € millions	2023	2022
Cash flow from operating activities	0.2	5.0
Cash flow from investing activities	(11.0)	(22.0)
Cash flow from financing activities	(4.5)	18.7
Cash and cash equivalents at the beginning of the period	27.4	25.5
Cash and cash equivalents at the end of the period	12.3	27.4

Cash flow from operating activities decreased due to the more difficult market environment. The decline in investing activities was primarily due to the completion of the Smartbroker Cloud platform at the end of August 2023 and the resulting lower costs incurred over the year as a whole compared to the previous year. Financing activities mainly comprised the repayment of bank loans.

Annual Financial Statements

The Group's solvency was ensured at all times during the reporting year. As at 31 December 2023, the cash balance amounted to € 1,787 thousand (previous year: € 15,781 thousand).

Our cash flow budgeting foresees an appropriate performance for the 2024 financial year, with sufficient liquidity available to finance the further growth of Smartbroker+.

Earnings

Due to the challenging market environment in 2023, the Group was unable to match the growth in previous years. Revenue was down 12% across the Group. The Group also suffered significant operating losses in terms of earnings. EBITDA (earnings before interest, depreciation, amortisation and taxes) fell

from € 8,773 thousand in 2022 to € 1,346 thousand in 2023. The deterioration in EBITDA is mainly due to the market-related decline in the Media business and higher one-off costs in connection with the migration of Smartbroker customers from DAB to Smartbroker+ in the second half of the year. At € -5,922, the result for the year was significantly better than in 2022 (€ -10,067 thousand).

Consolidated Financial Statements

At Group level, the Smartbroker Group generated revenue of € 46,544 thousand in 2023 (previous year: € 52,788 thousand). The cost of materials of € 21,218 thousand was at a similar level to the previous year (previous year: € 21,058 thousand), of which € 452 thousand was attributable to customer acquisition costs for Smartbroker (previous year: € 4,019 thousand). Personnel costs were up 8% to € 20,256 thousand (previous year: € 18,746 thousand).

Total amortisation of intangible assets and depreciation of fixed assets amounted to € 6,567 thousand in 2023 (previous year: € 17,185 thousand), of which € 2,872 thousand (previous year: € 2,845 thousand) was attributable to goodwill and hidden reserves from capital consolidation. Extraordinary write-offs relating to the original Smartbroker 2.0 project setup amounted to a total of € 12,586 thousand in the 2022 financial year.

Other operating expenses of € 8,052 thousand (previous year: € 7,956 thousand) comprised general administrative expenses such as rent, insurance and consulting costs, costs for stock exchange listing etc.

Financial income in 2023 was € -31 thousand (previous year: € -1,520 thousand). € -77 thousand of this amount was attributable to write-downs on securities.

The Group recorded a net loss for the year of € -5,922 thousand (previous year's net loss: € -10,067 thousand).

In € millions	2023	2022
Revenues	46.5	52.8
Cost of materials	(21.2)	(21.1)
Personnel expenses	(20.3)	(18.7)
Depreciation and amortisation	(6.6)	(17.2)
EBIT	(5.2)	(8.4)
Net loss/profit for the year	(5.9)	(10.1)

Annual Financial Statements

Smartbroker Holding AG generated revenue of € 14,742 thousand (previous year: € 18,218 thousand) – down 19%.

The Media business declined significantly in 2023. The reason for this was the difficult market environment due to significantly lower volatility and low trading volumes on the financial markets.

The cooperation agreement with Smartbroker AG on the joint operation of Smartbroker remained in place as planned. The Parent Company assumed significant product development and marketing costs for the Smartbroker project and in return received a portion of the subsidiary's revenues. Revenue from Smartbroker amounted to € 603 thousand in 2023 (previous year: € 1,187 thousand). The decrease was due to the contractually agreed reduction in the percentage share of revenues and the market-related decline in trading activity among Smartbroker customers. Revenue from the VW customer base acquired in 2020 amounted to € 720 thousand (previous year: € 797 thousand).

The cost of materials amounted to € 8,888 thousand in 2023 (previous year: € 9,659 thousand), which equates to a decline of 8%.

Personnel expenses amounted to € 7,278 thousand in 2023 (previous year: € 5,922 thousand). The increase of 23% is due to the costs for personnel in product, IT and operations, who were hired for the development and operation of Smartbroker+.

Depreciation and amortisation shrank significantly to € 1,615 thousand (previous year: € 7,042 thousand). Extraordinary write-offs relating to the original Smartbroker 2.0 project setup amounted to a total of € 6,653 thousand in the 2022 financial year.

Other operating expenses were up 52% to € 3,478 thousand (previous year: € 2,292 thousand). This was due to the increase in subletting for office space and higher costs for the acquisition of IT staff to develop Smartbroker+.

Financial income was down 63.19% to € 1,325 thousand (previous year: € 3,599 thousand). Securities were written down to their current market value. The profit transfers from Markets Inside Media GmbH and ARIVA.DE AG had a positive effect on financial income.

The net loss for the 2023 financial year amounted to € -2,748 thousand.

Investments

Consolidated Financial Statements

Cash flow from investing activities mainly includes the completion of Smartbroker+.

Annual Financial Statements

Investments in intangible assets of € 6,653 thousand were made for the new and further development of the Smartbroker+ project.

Investments in fixed assets relate mainly to hardware purchases.

The following financial asset investments were made in affiliated companies/ subsidiaries:

Name	Stake	Type
Smartbroker AG, Berlin	100.00	Payment into capital reserve

In the 2023 financial year, write-downs on securities due to expected permanent impairment were recognised in the amount of € 77 thousand.

As at 31 December 2023, write-downs of € 1,459 thousand were recognised on financial assets due to expected permanent impairment, including the investment in Smart Investor Media GmbH and wallstreet:online Publishing GmbH totalling € 1,412 thousand.

Employees

Consolidated Financial Statements

In 2023, on average 261 employees were employed by the Smartbroker Group.

	Annual average		
	2023	2022	Change
Number of employees	261	239	22

Including Management Board members and working students.

The increase is largely attributable to the hiring of new employees in relation to the Smartbroker project.

Annual Financial Statements

In 2023, on average 79 employees were employed by Smartbroker Holding AG including four Management Board members.

	Annual average		
	2023	2022	Change
Number of employees	79	50	29

Including Management Board members and working students.

Summary Statement on the Company's Performance in 2023

The Group looks back on another challenging year. The 2023 financial year was characterised by a sharp decline in the Media business, low trading activity among Smartbroker customers and the completion of the Smartbroker+ product which was launched successfully at the end of August 2023. Earnings were also impacted by the costs of migrating existing Smartbroker customers from the old setup to the new Smartbroker+ platform. Despite the difficult market environment, Smartbroker Holding AG considers the 2023 financial year to be a successful one. In spite of the major difficulties at the start of the Smartbroker project in the 2022 financial year and headwinds from the markets, the Company managed to finalise Smartbroker+ and launch it on the market in a very short space of time thanks to the project realignment in 2023. As in the previous year, the decline in Transaction revenues and investor relations advertising were countered by savings in the area of customer acquisition costs for Smartbroker.

Overall, the Group closed with a loss after tax of € -5.9 million. Total assets were down € 10.1 million to € 63.8 million. Consolidated cash flow from operating activities amounted to € 0.2 million. Cash and cash equivalents amounted to € 12.3 million as at 31 December 2023.

Opportunities and Risk Report

Opportunity and risk management principles

The Smartbroker Group is positioned in a dynamic market environment. Following a phase of strong growth (2019-2021), the Company had to substantially reconfigure its most important future product, Smartbroker, in order to gain greater control over the product and increase its own vertical integration. The operational changes that were required here were extensive and the years 2022 and 2023 were needed in order to implement these changes. This transformation is now largely complete and the Company has set itself the goal of maintaining the profitable growth of 2019-2021 and meeting its projections.

The Company looks back on a history of more than 25 years and has been listed on the Open Market of the Frankfurt Stock Exchange since 2006. The acquired know-how, industry expertise and the dense network of partners built up during this time allow the Company to recognise and realise the opportunities arising from its activities.

The information on opportunities and risk management applies to both the Group and the Parent Company, unless stated otherwise.

Opportunities

Since our foundation in 1998, we have established ourselves as the largest publisher-independent financial portal operator in German-speaking Europe through organic and inorganic growth, ongoing investments in our product offering and the in-house development of our own media platforms. Smartbroker+, a product that was able to establish itself in the brokerage segment within a very short space of time due its offering and price structure, was launched on the market in 2019 together with the now 100%-owned subsidiary Smartbroker AG.

We benefit from the market developments described in the earlier sections of this report, as the target market of private investment in listed securities is growing in its own right, and within the segment the market is moving towards digital, low-cost providers increasingly used by execution-only investors. We

cover all asset classes and forms (shares, funds, ETFs, direct investment, savings plans) through the broad-based range offered in the Transaction segment. In addition, the Company supports investors in their decision-making through its media offerings (stock market portals and apps) offering users a combination of information (stock market portals) and transactions (brokerage platforms, in particular Smartbroker+). The Company assumes that the market will continue to perform positively in the long term, mixed with short-term volatility, which may also have a materially adverse impact at times. Specialist, digital brokers meet the requirement of offering permanently favourable terms and at the same time offer a product range that investors and savers are used to from traditional banks. From our perspective, brokers such as Smartbroker, which offer comparable services at low or no fees, are well placed to take market shares from the more expensive providers. The fragmented banking market in Germany with its more than 1,450 credit institutions¹⁵ also offers challengers the opportunity to expand their market position more easily than in a market dominated by few major players. We also see further opportunities in the increasing affinity of private savers and investors for securities. This is reflected, for example, in the growing number of shareholders in Germany and in the customer growth recorded by neo brokers and other digital brokers. With increasingly differentiated product offerings, the demand of price-sensitive investors for low-cost offers and the willingness to switch usually also increases, which benefits platforms such as our Smartbroker.

In summary, the Group benefits from a corporate perspective from diversified sources of income and has established a secure competitive position thanks to our product quality, innovative strength and pricing model. The Group assumes that the target markets offer sufficient potential for long-term growth. Further investments in technology and product capacities should enable the expansion of the partner and customer network. Furthermore, the closer integration of the two main business segments offers additional growth opportunities for turnover and profitability.

The following section first discusses the risk management of the subsidiary Smartbroker AG for the Transaction segment. This is followed by disclosures on risk management at Smartbroker Holding AG for the Media business and general business risks.

¹⁵ Deutsche Bundesbank, Bankstättelbericht 2022, published 6 February 2024

Risks in connection with the Transaction segment

The subsidiary Smartbroker AG is a securities institution licensed by BaFin and consequently subject to the applicable legal provisions. The Wertpapierinstitutsgesetz (German Securities Institutions Act) requires sound corporate governance arrangements that are fit for purpose and appropriate to the nature, scale and complexity of the risks inherent in the business model and the business transactions conducted by the securities institution. It also describes the overall responsibility of the Management Board for the risk strategy and the internal principles for dealing with risks as well as the monitoring function of the administrative or supervisory body.

Proper business organisation includes appropriate risk management, which consists, among other things, of procedures for determining and ensuring risk-bearing capacity, defining strategies and setting up control procedures, regulations for determining the financial situation of the institution at any given time, an internal control system and appropriate safeguards for the use of IT.

The risk management system of Smartbroker AG essentially includes the definition of a risk policy (basic statements on how to deal with risks), a risk culture (nature of risk policy implementation) as well as the risk management process (from the identification and assessment of risks to risk control, monitoring and communication). Smartbroker AG's risk policy is based on value-oriented governance and ensures that the risk appetite, i.e. the acceptable, aggregated amount of risk after risk mitigation measures does not exceed the available risk coverage potential. The risk culture enshrines, among other things, the role model function of the Management Board to pro-actively perform as examples of the value system – integrity and sincerity, accountability, respect and diversity. The personal responsibility of all employees to align their work with the value system, the defined risk appetite and the defined risk limits as well as open communication and critical dialogue also form part of the culture.

The risk management process is based on the identification of risks by means of a risk inventory, which is determined, reviewed and adjusted, if necessary, at least annually or on an ad hoc basis, as required. The identified risks are categorised as follows:

- Credit risks (counterparty risks, risk of loss due to the deterioration of creditworthiness or the default of a business partner)
- Market price risks (including potential losses that may result from changes in market parameters)
- Liquidity risks (risks that may arise from disruptions in own liquidity or from changes in own refinancing conditions)
- Operational risks (unintended events that occur as a result of the inadequacy or failure of internal processes, employees or technology or through external influences and lead to damage or other significant negative consequences for Smartbroker AG, such as legal risks, compliance risks, sourcing risks, conduct risks, fraud risks, personnel risks, operating risks, liability risks, information security risks, pension risks or project risks)
- Other risks (e.g., strategic risks, reputational risks and other business risks)

In addition, these risks classified as risks that would threaten the continued existence of the Company as a going concern, material risks, relevant risks or non-relevant risks are checked for possible risk concentration.

It is Smartbroker AG's policy to generally avoid all risks that are not directly related to its business activities. For all other identified risks, individual mitigation activities are determined and evaluated. The procedures for quantifying and managing risks ensure that the material risks are covered by the risk coverage potential at all times, thereby ensuring risk-bearing capacity. This applies to both the normative and the economic perspective of risk-bearing capacity. The economic perspective takes into account the risk potential of material risks arising from the categories counterparty risks, market price risks, operational risks, business risks and other risks at a defined confidence level. This demonstrates that the economic risk coverage potential is sufficient to ensure the continued existence of the institution from its own resources, i.e., without recourse to external funds, even in the event of rare and severe losses, and thus to protect creditors from losses.

In essence, the normative perspective's principal intention is to ensure that institutions comply with all regulatory and external restrictions as well as internal requirements on an ongoing basis.

The combined aim of both perspectives is to ensure ongoing compliance with regulatory requirements as well as internal objectives, i.e. the economic perspective, and thus to affirm the going concern approach.

These perspectives form the decision-making framework to determine the extent to which risk-mitigating actions will be implemented for any particular risk. The handling of risks is monitored on an ongoing basis, for example through the Compliance, Information Security Management, Data Protection and Risk Controlling functions, which are accountable to and report directly to the Risk function of the Management Board ('Back Office').

As is the case for all regulated companies, Smartbroker AG is exposed to risks arising from changes in the legal and regulatory framework. The ban on payments for order flow adopted at European level has led to the need to review the business model and positioning in the competitive environment. The ban comes into force on 1 July 2026 for securities orders from customers resident or established in Germany.¹⁶

Risks in connection with the Media segment and general risks

Technology Risks

As an advertising technology company and provider of software solutions, Smartbroker Holding is dependent on the continuous availability of its IT systems, technological infrastructure and communications systems. Any interruption could lead to a loss of revenue or customers as well as damage to the Company's reputation. System interruptions could be caused by external circumstances, force majeure, cyber attacks, computer viruses, insufficient dimensioning or excessive load. To minimise the risk, the Group relies on the use of firewalls, redundant server structures via Cloud solutions with automated ad-hoc scaling, advanced system monitoring, the use of software from well-known third-party providers in areas where development is not carried out in-house and relevant employee training.

¹⁶ BaFin, PFOF: BaFin will not initially prosecute violations in the case of orders from Germany, March 2024

In addition, the Company operates in a dynamic market environment that is characterised by technological innovations and rapidly changing product standards and requirements. New or improved products and technologies from competitors could weaken the Group's market position or make it more difficult to place its products (e.g., ad blocking). In the mobile environment in particular, Alphabet (Google) and Apple have great market power with their platforms and therefore channels for displaying information and advertising. To counter this, the Company is focusing on continuous investment in its product range and aligning it as closely as possible with the current and anticipated requirements of its customers, partners and the relevant platforms.

Market Risks

The Company's Media business operates in a highly competitive market environment. Current or future competitors may have greater capital resources and could use them to expand their market position at Smartbroker Holding's expense. New market trends such as the increased use of video content and social media platforms, including in the financial sector, could make the Group's offering less attractive or, in the worst case, obsolete. On the advertising side, large, market-dominant companies could change fundamental market dynamics that make Smartbroker Holding's products more difficult or impossible to use. A tightening of the regulatory framework by the legislator could potentially have far-reaching adverse effects, particularly in terms of higher costs, increased legal risks and lower revenues. Adaptation measures in in-app advertising (e.g., context-based advertising) are being applied and essentially offset the adverse effects, the marketing of own products, in particular Smartbroker+, is gaining importance and the media outlets of Smartbroker Holding are benefiting from the advantages of topic-based websites and apps with a targeted readership. We are analysing the developments on a continuous basis and are putting in place adaptation measures requested by advertising customers or networks whenever technically feasible.

On the Transaction side, the adaptation by traditional banks of their product offering along the lines of neo brokers or the entry of new digital providers could lead to the further intensification of competition (such as app-based brokerage solutions, alignment of fee structures etc.).

A general deterioration of the economic environment, recessionary tendencies or a persistently weak performance of the stock markets could lead to the need for stock market information on the part of retail investors declining, partners limiting their advertising spend and users reducing or stopping their use of Smartbroker Holding and subsidiary company products. Of particular note here are the further developments in the multiple military conflicts in Ukraine and Israel as well as the smouldering conflict over Taiwan and their impact on the global economy.

The Smartbroker Group looks back on a 25-year-long history and has established a broad product range with well-diversified sources of income. The profits generated are used to sustainably promote competitiveness. The close customer relationships and long-standing expertise of Smartbroker Holding's product and management teams enable early identification of trends and market changes.

Legal Risks

The Group is subject to a large number of legal regulations and standards. The introduction of new directives or regulations, for example in the area of data protection or the reimbursement of banks and brokers by trading venues and issuers ('payment for order flow'), could have a negative impact on the Company's profitability.

The Group companies comply with all the respective applicable laws and regulations and provide the necessary resources to ensure long-term compliance and quick responses to any changes in the conditions of our external framework. Operating risks in the advertising business are also countered with relevant legal disclaimers. These are checked regularly for accuracy and completeness, also with the help of an external legal adviser. The Group has sufficient insurance cover to protect itself against possible liability risks. Smartbroker AG filed a lawsuit against a service provider from the failed predecessor project to Smartbroker 2.0, which has now been suspended due to the service provider's ongoing insolvency proceedings. At the time of this report, the Group was not involved in any legal proceedings that had the potential to materially affect business performance.

Financial Risks

In order to maintain and further expand the Company's profitability, the Company is dependent on growing its customer network, maintaining existing customer relationships and continuing to successfully market its products.

Market developments and competitive pressure could lead to declining sales and profit margins. In addition, the Company is dependent on the payment behaviour of its customers. The receivables are generally unsecured and result from sales generated predominantly with customers based in Europe. Receivables from advertising revenues in particular can fluctuate throughout the year in line with the natural seasonality of the advertising market. In addition, these revenues are dependent on the general state of the capital markets.

The Company maintains sufficient liquidity to meet working capital requirements. At year-end 2023, the cash balance at Group level stood at € 12.2 million.

In order to have sufficient liquidity even in the event of a short-term negative business performance, the Company generally maintains a positive cash balance. In addition, at the reporting date the Group had an unused credit line of € 2 million in place and access to external financing options at standard market conditions. However, potential negative developments in the financial markets could make (re-)financing at acceptable conditions more difficult or prevent it. The SBH AG share price has shown considerable fluctuations since the initial listing and is likely to remain volatile in the future. The general fluctuations of the stock market – technology stocks in particular often exhibit significant fluctuations in price and trading volume – may affect the SBH share price regardless of actual business performance.

The Company confirms that it has sufficient financial resources for the current period to be able to carry out its existing business activities and planned product investments. In addition, Smartbroker Holding has long-standing, trusted business relationships with its principal banks and consequently assumes that existing credit lines can be extended or new credit facilities concluded if desired.

Personnel Risks

The success of the Smartbroker Group depends to a large extent on its ability to attract talented employees and specialist staff with industry knowledge and to employ them on a long-term basis. The labour market is highly competitive, especially in the technology sector, and the demand for experts in areas such as programming or product management remains high. The same applies to recruitment in areas such as compliance and risk controlling, which essentially relate to the Transaction segment. If important key positions cannot be filled in time or if a large number of employees decide to leave the Company within a short period of time, this could lead to significant restrictions in the operating processes.

Among other things, Smartbroker Holding relies on industry-standard remuneration including performance-related variable elements as well as a comprehensive range of additional benefits. The Company strives to provide a state-of-the-art working environment and to enable mobile working depending on the requirements of the respective role. In addition, in-house training is designed to ensure that replacements can always cover critical positions.

Planning Risks

All plans and forward-looking statements are based on assumptions and are naturally subject to risks and uncertainties. The regular review of these assumptions by the Management Board should enable the early detection of any deviations and the implementation of countermeasures. Achieving the sales and profitability targets for 2024 and the further business vision in subsequent years will depend, among other things, on the timing and scope of the renewed active acquisition of new customers for the Smartbroker+ product in terms of customer numbers and customer quality. This in turn requires an end customer product that is comparable to the old Smartbroker with regard to the scope of services and stability, as well as the processing of customer enquiries that arose in connection with the migration of existing customers from November 2023 onwards, where delays were reflected in numerous negative online complaints. Such complaints and negative assessments would make the acquisition of new customers more difficult and expensive and should therefore be eliminated as far as possible before making a start on new customer marketing. Achieving

the targets is also dependent on the capital market environment, in particular the trading volumes and trading frequency of retail investors, the interest rate level set by the European Central Bank, the successful further expansion of Smartbroker+ functionalities and the maintenance and expansion of the network of lucrative advertising partners.

External Effects

Economic conditions and the development of the local and global economy have a significant influence on the development of the advertising and financial technology industry. This was evident during the coronavirus pandemic, based on the impact of the comprehensive containment measures on economic development, for example, and, most recently, in connection with the geopolitical conflicts and wars in Ukraine, the Middle East and over Taiwan. Sustained high inflation, changes in the interest rate environment, a longer-term tightening of monetary policy or a further weakening of economic growth could have an impact on available advertising budgets and the interest of private investors in investing in the capital market. Although such crises and changes may possibly lead to an increase in volatility and thus to an increase in the number of securities transactions in the short term, there is a risk of a longer-term negative market environment, which could have a detrimental effect on the Company's business activities.

The Company examines external influences and anticipates possible effects on its business activities to the best of its ability.

General Risk Management

Risk management is an integral part of the corporate governance of the Smartbroker Group. The Management Board is responsible for introducing, updating and implementing the risk management system. Its effectiveness is monitored by the Supervisory Board.

The Company's risk management system analyses current developments in all areas of business and compares them with the plans. In the event of any deviations, steps are initiated for the swift implementation of countermeasures.

The Management Board obtains information on the Company's earnings and liquidity situation on a monthly basis and on the general business situation on an ongoing basis. The Company's management is geared towards achieving growth and long-term value generation, accepting reasonable risks.

The Supervisory Board is kept regularly informed about existing risks and countermeasures and receives a detailed overview of the Company's financial development as well as other important key figures for the individual Group companies and the Parent Company. These are in particular turnover, earnings before interest, taxes, depreciation and amortisation, liquidity and the gross margin of selected products.

At the time of this report, the Management Board was not aware of any risks that could jeopardise the continued existence of the individual companies or the Group as a going concern, or of any liquidity risks that could have an impact on the Group's assets, financial position and earnings.

Control of the Accounting Process

In addition, the internal control system is intended to ensure the correctness of the Group's accounting, correctly representing the actual circumstances with regard to the Company's assets, financial position and earnings in the financial reports. Operational responsibility for this lies with the Management Board, which is supported by the commercial management.

The control system includes the processes of finance and accounting as well as other corporate processes that provide the information required for the preparation of the annual and consolidated financial statements. The dual control principle, separation of functions, IT-supported access restrictions and controls and standardised financial accounting processes are important pillars of proper implementation.

As of the reporting date, there are no discernible risks that could jeopardise the existence of individual Group companies or the Group, nor are there any liquidity risks that could have an impact on the assets, financial position and earnings.

Forecast Report

2024 is the first normal year following the transformation of the Transaction segment from Smartbroker 1.0 to Smartbroker+. Smartbroker+ will contribute to the Group's turnover and profitability for a full year for the first time. The focus for the financial year will be on creating a product that is comparable to Smartbroker 1.0 in terms of scope of services and stability, normalising operations including reducing the backlog of customer enquiries, increasing efficiency in regular operating processes and resuming intensified efforts to acquire new Smartbroker+ customers. In addition, the Smartbroker+ product will be expanded and improved beyond the scope previously offered, which will require a correspondingly strong product and IT team. In spite of increased expenditure on new customer acquisition, Smartbroker+ product enhancements and the continued subdued advertising market environment, the Company expects a marginally positive operating cash flow for 2024.

Assessment of key market developments

- The market environment in 2023 was very challenging and it was difficult to identify any clear trends. Inflation, rising interest rates, negative sentiment and uncertainty on many markets were combined with new all-time index highs (DAX40, Nasdaq 100, S&P 500), albeit often driven by a small group of stocks with very low trading volumes.
- According to the German Bundesbank, household assets rose again in the first three quarters of 2023 after falling slightly over such a long period year-on-year for the first time since the 2008 financial crisis. Equity investments made a significant positive contribution to the total return on investment of German households, although this was negative overall in real terms due to the high proportion of demand deposits and cash holdings. The proportion of shares, investment funds and other equity interests was up slightly from 23.3% to 24.6% of household assets. This illustrates the changing decision-making mechanisms of households, which differ increasingly in terms of their risk-return considerations and are also looking for investment opportunities with fair real returns, but are currently still strongly dominated by risk avoidance strategies. However, this trend is expected to emphasise the long-term importance of the capital markets for the wealth creation of private households in the future.

- Longer-term trends such as digitalisation, the spread of user-friendly digital products for banking and investing, commission-free business models and access to reliable financial information and financial education, particularly on video content and social media channels, are expected to contribute to further growth in our addressable market.
- Product innovations such as low-cost ETFs that clearly and simply track indices or specific investment topics, easily accessible technical products that make investing money simple and cheap and the greater spread of financial knowledge make it easier to transform the purely interest-oriented saver into an investor who can benefit from both dividends and capital gains and thus increase their long-term returns while considering their personal risk profile.
- Pressure on state pension systems is prompting a search for alternative investments. 2023 has shown that even in times of rising interest rates, capital market savings and investments continue to constitute a pillar of personal retirement planning.
- A new generation of investors are the 'digital natives' who almost exclusively use online or mobile means for their daily banking transactions, and are inclined to use digital platforms for securities trading and wealth management.
- Germany's fragmented banking market with its almost 1,500 institutions offers a favourable starting position for neo and next generation brokers as new market participants.
- Ongoing digitalisation is causing a shift in the media landscape and consumption towards digital media on desktop, app, mobile web and online video content. As a result, advertising expenditure on these channels is increasing.
- In our view, all of these factors drive the sustained growth of our addressable markets. We have therefore developed a comprehensive product roadmap and aligned marketing strategies to further unlock market potential by expanding our existing customer relationships and broadening our partner network.

Company Initiatives

- Reduction of the backlog of customer queries and complaints, which arose primarily with the migration of existing Smartbroker 1.0 customers to Smartbroker+. Improvement of Smartbroker+ customer ratings on popular online media and in the app stores
- Resumption of new customer acquisition, likely to be in mid-2024
- Further development of the Smartbroker+ product (restoration of the scope of the Smartbroker 1.0 offering, introduction of crypto trading, more functionality and depth of information on the Smartbroker+ website, more savings plans)
- Closer functional integration of Smartbroker+ into the Media portals and apps, in particular through new functions such as direct acquisition of securities from the portals and apps for Smartbroker+ customers. Expansion of the range of information and community content on Smartbroker+.
- Increased efficiency in financial editing for faster and more comprehensive generation of high-quality content, e.g. at individual company level.
- Further customisation and reworking of the stock market portals with the aim of improving usability for readers and strengthening integration with Smartbroker+.
- Various projects on the introduction or expansion of the field of application of AI, including in the areas of editing, programming and customer support.

In addition to the factors and uncertainties mentioned in the risk report, it is unclear how further developments in the wars in Ukraine and in Israel will affect the economy in Europe, the volatility of the financial markets, the available advertising budgets and thus the Group's business activities.

The Smartbroker Group expects revenue of between € 50 million and € 55 million in 2024, with operating EBITDA after customer acquisition costs expected to be between € -1 million and € 3 million.

Group revenue and profitability forecast

In € millions	2024F ¹
Revenue	50 - 55
EBITDA	- 1 to + 3

¹2024F: Forecast based on current assumptions and plans subject to risks and uncertainties

Planning is based on the assumption that business in the Media segment will remain stable in line with market developments. In a full-year comparison with the previous year, the Media business will once again decline slightly and, although it will be able to achieve positive EBITDA margins, these will not reach the level in the years prior to 2023. In the Transaction segment, the Company is expecting gross customer growth in the low five-digit range. Due to the follow-up work required in customer service as a result of the migration, the focus on acquiring new customers is not expected to return until mid-2024. Nevertheless, the net number of customer securities accounts should increase slightly by the end of 2024 and thus return to a sustainable positive trend.

Forecast for Smartbroker Holding AG

The above information relates to the Group. For Smartbroker Holding AG as single operating entity, management plans on the basis of a still difficult stock market environment with continued weak Media business. We expect a marginally positive EBITDA for Smartbroker Holding AG in 2024.

Declaration

on Dependency Report pursuant to Section 312 of the German Stock Corporation Act (AktG)

Pursuant to Section 312 of the German Stock Corporation Act (AktG), we have prepared a report on relations with affiliated companies, which concludes with the following declaration pursuant to Section 312 (3) of the German Stock Corporation Act (AktG):

“No legal transactions have been carried out or measures taken or omitted at the instigation of or in the interest of the controlling company or any company affiliated with it, beyond the facts stated in the dependency report.

According to the circumstances known to us at the time when the legal transaction was carried out or the measure was taken or omitted, Smartbroker Holding AG received appropriate consideration for each legal transaction and has not been disadvantaged by the fact that the measure was taken or omitted.”

Berlin, 15 July 2024

Management Board of Smartbroker Holding AG

André Kolbinger

Stefan Zmojda

Michael Bulgrin

Oliver Haugk

Consolidated Financial Statements as at 31 December 2023

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CONSOLIDATED BALANCE SHEET AS AT 31 December 2023 for Smartbroker Holding AG

In EUR thousands

ASSETS	31/12/2023	31/12/2022
A. Fixed assets	41,669	36,914
I. Intangible assets	38,769	33,639
1. Internally generated industrial property rights and similar rights and assets	8,997	0
2. Purchased licences, software and similar rights and assets	12,143	8,644
3. Goodwill thereof from capital consolidation	17,630 17,199	20,805 20,321
4. Advance payments	0	4,190
II. Fixed assets	1,841	1,771
1. Other property, plant and equipment	1,841	1,771
III. Financial assets	1,058	1,504
1. Interests in affiliated companies	<1	<1
2. Other equity interests	0	10
3. Securities held as fixed assets	600	980
3. Other loans	459	514
B. Current assets	21,254	36,265
I. Inventories	1	3
II. Receivables and other assets	8,990	8,889
1. Trade and other receivables	7,084	6,149
2. Other assets	1,906	2,739
III. Cash and cash equivalents	12,263	27,374
C. Prepayments and accrued income	912	754
Total assets	63,836	73,933

In EUR thousands

LIABILITIES	31/12/2023	31/12/2022
A. Equity	43,051	49,431
I. Subscribed capital	15,681	15,681
II. Capital reserve	38,727	38,727
III. Equity difference from currency translation	179	637
IV. Retained losses/earnings	-11,518	-5,649
V. Non-controlling interests	-18	35
B. Negative goodwill from capital consolidation	0	0
C. Provisions	3,381	4,013
I. Provisions for taxes	380	549
II. Other provisions	3,001	3,464
D. Liabilities	15,000	18,466
I. Bank loans and overdrafts	10,446	14,867
II. Advance payments received from customers	60	184
III. Trade payables	3,852	2,982
IV. Other liabilities	642	433
E. Accruals and deferred income	933	1,185
F. Deferred tax liabilities	1,471	839
Total liabilities	63,836	73,933

Consolidated Profit & Loss Statement from 1 January 2023 to 31 December 2023 for Smartbroker Holding AG

In EUR thousands	01/01-31/12/23	01/01-31/12/22
1. Revenues	46,544	52,788
2. Decrease in stocks of finished goods	-2	-1
3. Other internal work capitalised	2,543	2,392
Total	49,086	55,178
4. Other operating income	1,786	1,355
5. Cost of materials	-21,218	-21,058
Gross profit	29,654	35,475
6. Personnel expenses	-20,256	-18,746
7. Depreciation and amortisation	-6,567	-17,185
8. Other operating expenses	-8,052	-7,956
Operating profit	-5,222	-8,412
9. Other interest and similar income	291	29
10. Depreciation of financial assets and securities held as current assets	-77	-1,172
11. Interest and similar expenses	-245	-378
Earnings before taxes	-5,253	-9,932
12. Taxes on income and profit	-669	-134
thereof from release/formation of deferred taxes	-632	219
Earnings after taxes	-5,922	-10,067
Consolidated net loss	-5,922	-10,067
13. Profit/loss attributable to non-controlling interests	53	25
14. Consolidated profit/loss carried forward from previous year	-5,649	4,393
Consolidated retained earnings	-11,518	-5,649

Consolidated Cash Flow Statement from 1 January 2023 to 31 December 2023 for Smartbroker Holding AG

Cash Flow Statement (in accordance with DRS 21)

In EUR thousands	01/01 - 30/12/2023	01/01 - 30/12/2022
Cash flow from operating activities	189	5,040
Consolidated net loss/profit for the year (including minority interests)	-5,922	-10,067
Depreciation/write-ups of fixed assets	6,645	18,357
Increase/decrease in provisions	-631	-2,101
Other non-cash expenses/income	-752	1,271
Increase/decrease in inventories, trade receivables and other assets not allocated to investing or financing activities	-259	-392
Increase/decrease in trade payables and other equity and liabilities not allocated to investing or financing activities	583	-1,230
Interest expenses/income	-46	348
Other investment income	0	0
Income tax expenses/income	669	134
Income tax payments	-98	-1,281
Cash flow from investing activities	-11,008	-21,988
Proceeds from disposals of intangible assets	0	45
Payments for investments in intangible assets	-10,961	-18,854
Proceeds from disposals of fixed assets	11	157
Payments for investments in fixed assets	-717	-1,700
Proceeds from disposals of financial assets	373	73
Payments for investments in financial assets	-5	-521
Payments for additions to the scope of consolidation	0	-1,217
Interest received	291	29

In EUR thousands	01/01 - 30/12/2023	01/01 - 30/12/2022
Cash flow from financing activities	-4,511	18,666
Proceeds from contributions to equity by shareholders of the Parent Company	0	10,034
Proceeds from the issuance of bonds and (financial) borrowings	0	13,000
Repayments of bonds and (financial) loans	-4,266	-3,990
Interest paid	-245	-378
Change in cash and cash equivalents	-15,329	1,717
Changes in cash and cash equivalents due to exchange rate fluctuations and valuation	219	131
Change in cash and cash equivalents	-15,110	1,849
Cash and cash equivalents at the beginning of the period	27,374	25,525
Cash and cash equivalents at the end of the period	12,263	27,374

Consolidated Statement of Changes in Equity from 1 January 2023 to 31 December 2023 for Smartbroker Holding AG

In EUR thousands	01/01/2023		01/01/2022		Disposal/addition of non-controlling interests		Net loss/profit for the year		Currency conversion		31/12/2023	31/12/2022
					2023	2022	2023	2022	2023	2022		
Group equity	49,431	49,464	0	10,034	5	-340	-5,923	-10,066	-462	339	43,051	49,431
Parent Company's equity	49,397	49,064	0	10,034	5	0	-5,976	-10,041	-462	339	42,963	49,397
Subscribed capital	15,681	15,101	0	580	0	0	0	0	0	0	15,681	15,681
Capital reserve	38,727	29,272	0	9,454	0	0	0	0	0	0	38,727	38,727
Equity difference from currency conversion	637	298	0	0	0	0	0	0	-451	339	179	637
Retained losses/earnings	-5,648	4,393	0	0	5	0	-5,869	-10,041	-11	0	-11,518	-5,648
Non-controlling interests	35	400	0	0	0	-340	-53	-25	0	0	-18	35

Smartbroker Holding AG

Notes to the Consolidated Financial Statements as at 31 December 2023

General remarks

These consolidated financial statements are prepared in accordance with Sections 290 ff. of the German Commercial Code (HGB).

The consolidated profit and loss statement has been prepared using the nature of expense method.

In order to improve the clarity of presentation, we have summarised individual items of the consolidated balance sheet and consolidated profit and loss statement and broken them down and explained them separately in the relevant notes. Disclosures on appurtenance to other items and 'thereof' qualifiers are also made here.

Register information

The Parent Company has its registered office at Ritterstrasse 11 in 10969 Berlin and is listed in the Commercial Register of the Municipal Court of Charlottenburg under Number HRB 96260 B.

Scope of Consolidation

The consolidated financial statements include all companies over which the company exercises a controlling influence, either directly or indirectly.

Subsidiaries without significant business operations, which are also not material to the presentation of a true and fair view of the net assets, financial position, results of operations and cash flows, have not been included in these financial statements.

The consolidated entities (fully consolidated) include:

	Included affiliated companies	Percentage of capital
1	Smartbroker AG, Berlin ¹	Parent Company
2	Markets Inside Media GmbH, Leipzig	100.00
3	ABC New Media AG, Zurich, Switzerland	100.00
4	ARIVA.DE AG, Kiel	100.00
5	Smart Investor Media GmbH, Munich	90.00
6	Blockchain Consult GmbH (in liquidation), Frankfurt am Main ²	50.00
7	crumbl AG (in liquidation), Berlin ²	84.62
8	Wallstreet Online Corporate Finance AG (in liquidation), Berlin ²	100.00
9	wallstreet:online publishing GmbH, Berlin	90.00
10	Mint Assets GmbH (in liquidation), Berlin ²	100.00
11	Erste ICO Consulting Projektgesellschaft GmbH (in liquidation), Berlin ²	100.00
12	GF Global Funds SICAV, Liechtenstein	66.00
13	Smartbroker AG, Berlin ³	100.00

wallstreet:online Fonds Advisory GmbH (in liquidation), Berlin has been liquidated. The company was removed from the Commercial Register through an entry dated 20 November 2023.

Principles of Consolidation

The capital consolidation is conducted according to the revaluation method. For the shares acquired, the revaluation method is applied at the time of acquisition.

According to this methodology, the value of the shares owned by the Parent Company represents the amount of the subsidiary's equity attributable to these shares. Equity is recognised at the amount corresponding to the fair value of the assets, liabilities, prepayments and accrued income/accruals and deferred income to be included in the consolidated financial statements at the time of consolidation.

Any difference remaining after offsetting is recognised as goodwill if it arises on the asset side. The difference is released to income over

¹wallstreet:online AG was renamed Smartbroker Holding AG by resolution of the Annual General Meeting on 24 June 2022.

²These companies are in liquidation with resolutions from 2021 and 2022.

³wallstreet:online capital AG was renamed Smartbroker AG by resolution of the Annual General Meeting on 15 June 2022.

10 years, which corresponds to the weighted average remaining useful life of the depreciable assets acquired. Goodwill arising from the separate financial statements of Markets Inside Media GmbH is amortised over 15 years and recognised in profit or loss. For reasons of simplification, the differences of the companies that are no longer operationally active were dissolved directly against the profit and loss carried forward by the Parent Company. Receivables and liabilities between Group companies are offset.

In the consolidated profit and loss statement, income from inter-company sales and other intra-Group income are offset against the corresponding expenses. During 2023, the Group realised inter-company profits within its scope of consolidation. As part of the Smartbroker project, inter-company profits of € 151 thousand were eliminated at Parent Company level upon consolidation due to capitalisation of own work by its subsidiary ARIVA.DE AG.

The currency differences arising from the consolidation of liabilities and expenses and income are recognised in profit or loss as other operating income or other operating expenses.

Accounting and Valuation Methods

The consolidated financial statements are prepared in accordance with the accounting standards of the German Commercial Code (HGB).

Assets and liabilities are valued uniformly in the consolidated financial statements. Deviating accounting and valuation principles in the annual financial statements of the Group companies are adjusted (commercial balance sheet II).

Acquired and internally generated intangible assets are recognised at acquisition or production cost and, if subject to depreciation, are amortised on a straight-line basis over their useful lives of 2 to 15 years. Acquired domain names are not depreciated on a scheduled basis because, in application of the tax perspective, the domain name is deemed to offer the possibility of use for an unlimited period of time.

Goodwill from the initial consolidation of shares is amortised on a straight-line basis over a period of 10 years. The customer bases of ARIVA.DE AG and Smartbroker AG that are allocated to goodwill are depreciated on a straight-line basis over 5 years.

With regard to goodwill, annual impairment tests are carried out.

Fixed assets are recognised at acquisition or production cost and, if depreciated, are reduced by scheduled depreciation.

Tangible fixed assets are depreciated in accordance with the expected useful life. Low-value assets with a net individual value up to € 250 are depreciated in full or recognised as an expense in the year of acquisition; their immediate disposal is assumed. Fixed assets with a net individual value of between € 250 and € 800 are depreciated in full in the year of acquisition. Depreciation on additions to fixed assets is also recognised on a pro rata temporis basis.

Regarding **financial assets**, shares and securities are measured at the lower of cost or fair value in the event of impairment and loans are generally recorded at par value.

Receivables and other assets are stated at nominal value. All items subject to risk are taken into account through the formation of appropriate individual value adjustments; the general credit risk is taken into account through lump-sum deductions.

Cash and cash equivalents are shown on the balance sheet at nominal value.

Prepayments and accrued income includes expenses prior to the balance sheet date insofar as they represent an expense for a period of time after this date.

Subscribed capital under Equity is valued at the nominal amount.

Provisions are recognised at the settlement amount which, according to a reasonable commercial judgement, is necessary to cover all risks and contingent liabilities known at the balance sheet date.

Liabilities are recognised at their settlement amounts.

Accruals and deferred income includes all receipts up to the balance sheet date, insofar as they represent income for future periods.

Deferred taxes are calculated within the scope of consolidation measures by disclosing hidden reserves in accordance with Sections 300 to 307 of the German Commercial Code (HGB), but not from the initial recognition of goodwill or negative goodwill from capital consolidation.

Deferred taxes are recognised for temporary valuation differences between the HGB balance sheet and the tax basis of the holding company. Deferred tax assets also include tax deduction claims resulting from the expected future utilisation of existing tax loss carryforwards and their realisation is likely. The recoverability of these tax deduction claims is assessed based on the Company's individual forecast results, which are derived from the Company's overall planning, taking into account tax adjustment effects and the effects on earnings from the reversal of taxable temporary differences. The planning horizon is five years. Deferred taxes are calculated based on the tax rates that apply on the balance sheet date or have been announced for the date on which the deferred tax assets and liabilities are realised. The tax rate applicable to the Company is unchanged at 30%. It is made up of the corporation tax rate plus the solidarity surcharge and a trade tax rate calculated as the average of the different trade tax rates.

Currency conversion

The initial recording of assets and liabilities resulting from foreign currency transactions is undertaken using currency conversions on commercial balance sheet II based on the spot exchange rate on the transaction date.

Any monetary assets and liabilities that are in foreign currency are converted at the spot exchange rate on the closing date. In the case of a remaining term of one year or less, neither the realisation principle (Section 298 (1) in conjunction with Section 252 (1) no. 4 clause 2 HGB) nor the purchasing cost principle (Section 298 (1) in conjunction with Section 253 (1) sentence 1 HGB) are applied for exchange rate-related value changes.

Non-monetary assets, which have been acquired in foreign currency, are converted upon the date of receipt. Any subsequent valuation is undertaken in the domestic currency on the basis of the acquisition costs recorded on the date of receipt.

With the exception of equity (subscribed capital, reserves, profit or loss carried forward), which is translated at the historical spot exchange rates on the date of initial consolidation, the assets and liabilities in the annual financial statements prepared in foreign currencies are shown at the current spot exchange rate at the end of the year converted into euro. The items in the profit and loss statement

are converted into euro at the average exchange rate. Any resulting differences are shown in consolidated equity under the item 'Equity difference from currency conversion'.

Exchange-rate-related differences arising from the consolidation of liabilities and expenses and income are generally recognised under other operating income or expenses.

Notes to the Consolidated Balance Sheet

Fixed assets

The development of fixed assets is shown in the fixed assets schedule as an annex to the notes, detailing depreciation and amortisation.

Additions of € 11,133 thousand to intangible assets are primarily based on acquisitions and capitalised own work from the development of a front and back end in the Smartbroker+ project (€ 10,816 thousand) as well as the acquisition of Salesforce CRM software (€ 151 thousand). The Smartbroker+ project was commissioned on 30 August 2023 and depreciated as scheduled on a straight-line basis over a period of three years from 1 September 2023. The cumulative development costs of € 11,237 thousand to this point were additionally capitalised through a transfer posting.

Goodwill includes an amount of € 431 thousand that was included in the annual financial statements of Markets Inside Media GmbH before 2020. The remaining EUR 17,199 thousand resulted from the initial consolidation of acquired shares. Goodwill of Smart Investor Media GmbH was written down to € 0 thousand due to gloomy prospects for future advertising revenue.

In property, plant and equipment, additions of € 664 thousand resulted in particular from purchases of new IT infrastructure (€ 479 thousand) and office equipment (€ 125 thousand).

The interest in FinMarie GmbH was sold during the financial year for € 80 thousand.

The securities were written down by € 77 thousand due to permanent impairment. Other securities with a carrying amount of € 303 thousand were sold on the stock exchange.

Other loans encompass two loans, namely € 339 thousand to TS private assets GmbH and € 120 thousand to Neunfeldtneun GmbH & Co. KG.

Receivables and other assets

As in the previous year, receivables and other assets have a remaining term of less than one year. Trade receivables include individual valuation adjustments and a general provision for doubtful debts.

Other assets mainly include inland revenue receivables of € 1,405 thousand (previous year: € 2,327 thousand). Other assets also include receivables from security deposits of € 460 thousand (previous year: € 497 thousand), of which € 21 thousand has a maturity of less than one year.

Accruals and deferred income

Accruals and deferred income include expenses incurred prior to 31 December 2023, insofar as they represent expenses relating to a specified period after that date.

Equity

Subscribed capital of € 15,681,252.00 is divided into 15,681,252 no-par value bearer shares each with a notional stake of € 1.00 in the share capital.

In a resolution passed on 24 August 2021, the Company's share capital can be increased on one or more occasions up to a total of € 7,550,626.00 until 23 August 2026, with the approval of the Supervisory Board, by issuing up to a total of € 7,550,626 new no-par value bearer shares (registered shares) each at a pro rata amount of the share capital of € 1.00 against cash or non-cash contributions (Authorised Capital 2021). If the share capital is increased by way of cash contributions, the shareholders must be given subscription rights.

An Annual General Meeting was held on 24 August 2021 at which the Supervisory Board was authorised to issue up to 6,040,501 convertible bonds or warrants. To this end, the Annual General Meeting resolved to conditionally increase the share capital by up to € 6,040,501 by issuing up to 6,040,501 new bearer conversion and option rights (Contingent Capital 2021/I). The

contingent capital increase will only be implemented if the holders of the conversion or option rights exercise these rights or fulfil conversion obligations arising from such bonds.

An Annual General Meeting was held on 24 June 2022 at which the Supervisory Board was authorised to issue up to 1,019,104 share options with subscription rights to members of the Management Board, managers of the Company and affiliated German and international companies (Stock Option Plan 2022). To this end, the Management Board resolved to increase the share capital by up to € 1,019,104.00 by issuing up to 1,019,104 new registered shares (Contingent Capital 2022/I). The contingent capital increase will only be implemented to the extent that the holders of the subscription rights issued as part of the Stock Option Plan 2022 exercise their right to subscribe to shares in the Company and the Company does not provide any treasury shares to fulfil the options. The new shares will participate in profits from the beginning of the financial year for which there is no resolution on the appropriation of profits at the time of issue.

There was no increase in authorised or contingent capital in the reporting year.

The currency differences of € 179 thousand (previous year: € 637 thousand) arose from the translation of ABC New Media AG's equity from CHF into EUR.

Amounts totalling € 8,561 thousand were blocked for distribution in accordance with Section 268 (8) of the German Commercial Code (HGB). € 9,508 thousand of this amount applies to the measurement of internally generated intangible assets less deferred tax liabilities recognised on these.

The share of non-controlling interests in equity is € -18 thousand.

The net loss was € 11,518 as at the reporting date.

Other provisions

Other provisions are mainly related to obligations to employees, including holiday provisions (€ 1,214 thousand; previous year € 1,260 thousand), outstanding invoices (€ 522 thousand; previous year € 842 thousand), bonuses for the Management Board and managing directors (€ 206 thousand; previous year € 484 thousand), cost for financial statements and audit € 605 thousand (previous year € 389 thousand) and Supervisory Board remuneration (€ 141 thousand; previous year € 142 thousand).

Liabilities

Details of the residual terms and the collateralisation of the liabilities are provided in the schedule of liabilities.

In EUR thousands	Residual maturity							
	up to 1 year		more than 1 year		more than 5 years		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Liabilities to banks	4,258	4,424	6,188	10,443	0	0	10,446	14,867
Advance payments received from customers	60	184	0	0	0	0	60	184
Trade payables	3,852	2,982	0	0	0	0	3,852	2,982
Other liabilities	642	433	0	0	0	0	642	433
VW customer base	0	0	0	0	0	0	0	0
of which taxes	342	298	0	0	0	0	342	298
Total	8,812	8,023	6,188	10,443	0	0	15,000	18,466

Of the total liabilities owed to financial institutions of € 10,446 thousand (previous year: € 14,867 thousand), € 10,329 thousand is secured by joint and several guarantees from the subsidiaries Markets Inside Media GmbH, ABC New Media AG and ARIVA.DE AG. Of this amount, € 8,300 thousand is additionally secured by joint and several guarantee/co-liability of the subsidiary Smartbroker AG.

Accruals and deferred income

Accruals and deferred income includes accruals for subscription payments of € 232 thousand (previous year: € 314 thousand). € 701 thousand (previous year: € 871 thousand) is mainly due to accruals of advertising revenues in the Investor Relations segment, which were received in 2023 but the advertising was not delivered until 2024.

Deferred taxes

Deferred tax liabilities result from the following circumstances and have developed as follows:

In EUR thousands	31/12/2023	31/12/2022	Change
Deferred tax assets arising from the disclosure of hidden reserves	524	588	-64
Deferred tax assets from the capitalisation of internally generated intangible assets	2,852	251	2,601
Tax loss carryforwards	-1,905		-1,905
Total	1,471	839	632

The valuation of the resulting deferred taxes is based on an average tax rate of 30%.

For the calculation of the tax for Switzerland (ABC New Media AG), 17% is used.

Notes to the Consolidated Profit & Loss Statement

Revenues

In EUR thousands	2023	%	2022	%
Revenues				
Media business (financial portals/B2B)	27,352	58.77	33,298	63.08
Transaction business (Smartbroker/VW/Fondsdiscount)	19,192	41.23	19,490	36.92
	46,544	100.00	52,788	100.00

Other operating income

Other operating income of € 1,786 thousand (previous year: € 1,355 thousand) includes income from the reversal of provisions (€ 320 thousand; previous year € 922 thousand) and income from currency conversion (€ 12 thousand; previous year € 140 thousand).

Other operating income also includes income unrelated to the accounting period of € 906 thousand (previous year: € 17 thousand). Of this amount, € 598 thousand resulted from the correction of losses from currency conversions recognised incorrectly in previous years and € 268 thousand from accounting entries following an external tax audit.

Cost of materials

The cost of materials was € 21,218 thousand (previous year: € 21,058 thousand). Customer acquisition costs were reduced further compared to the previous year. However, the launch of Smartbroker+ resulted in costs for ongoing business operations, in particular for the purchase of share prices as well as technical operations and maintenance of services, so that overall costs were kept constant year-on-year. In addition, one-off costs were incurred in 2023 for the migration of existing customers to Smartbroker+.

Personnel expenses

Personnel expenses consist of wages and salaries of € 17,610 thousand (previous year: 16,258 thousand), social security contributions of € 2,612 thousand (previous year: € 2,474 thousand) and pension expenses of € 34 thousand (previous year: 14 thousand). The increase is due to new recruitments in the Smartbroker+ segment.

Depreciation and amortisation

Depreciation and amortisation are subdivided into intangible assets and fixed assets of € 6,085 thousand (previous year: € 4,599 thousand) and into extraordinary write-offs of intangible assets and fixed assets of € 482 thousand (previous year: € 12,586 thousand).

The extraordinary write-offs of € 482 thousand relate to amortisation of the goodwill of Smart Investor Media GmbH.

Other operating expenses

Other operating expenses of € 8,052 thousand (previous year: € 7,956 thousand) include administrative expenses such as rental and leasing costs of € 2,007 thousand (previous year: € 1,637 thousand), costs for non-deductible input tax of € 1,109 thousand (previous year: € 923 thousand), legal and consulting costs of € 1,497 thousand (previous year: € 1,131 thousand), accounting and auditing costs of € 559 thousand (previous year: € 582 thousand) as well as expenses for licences of € 222 thousand (previous year: € 412 thousand).

Other operating expenses include currency conversion expenses of € 82 thousand (previous year: € 421 thousand).

In addition, other operating expenses include expenses unrelated to the accounting period of € 114 thousand (previous year: € 20 thousand).

Other Disclosures

Smartbroker Holding AG has issued a letter of comfort covering the lease agreement of its subsidiary Smartbroker AG in the amount of € 10,932 thousand. Of this, € 8,229 thousand was still outstanding as of 31 December 2023. The risk of potentially having to cover the claim is considered low.

Other financial obligations

Smartbroker Group		31/12/2023		
Financial obligations				
In EUR thousands				
until	until 12/2024	1 to 5 years	> 5 years	
Leasing				
Totals leasing	182	70	0	
Rent				
Totals rent	2,010	7,948	702	
Maintenance and service contracts				
Totals for maintenance and service contracts	721	939	0	
Total financial obligations	2,913	8,957	702	

Other financial obligations of up to 1 year amounted to € 2,913 thousand (previous year: € 2,002 thousand), of 1 to 5 years € 8,957 thousand (previous year: € 7,362 thousand) and of more than 5 years € 702 thousand (previous year: € 1,576 thousand).

Rent consists mainly of the rent for the office building of ARIVA.DE AG in Kiel with a financial obligation of € 1,132 thousand over the next 5 years and the rent for the office space for Smartbroker AG and Smartbroker Holding AG in Berlin Ritterstrasse with a total financial obligation of € 8,797 thousand as per the lease agreement.

Equity-settled share-based payments to employees are recognised directly in equity. Issuing options has the effect of diluting the value of the existing shares for existing shareholders (loss of assets), which does not affect the Company's

net assets and earnings position in view of the separation principle under stock corporation law. When options are exercised, the exercise price to be paid by the employee is added to the subscribed capital up to the notional value of the shares issued. In previous years, the Company granted share-based payments to members of the Management Board. None of the options granted could be exercised as at the reporting date, as the contractually agreed waiting period had not yet expired.

Related party transactions

In the year under review, any transactions with related parties were conducted at arm's length.

In 2018, Smartbroker Holding AG concluded a loan agreement with TS private assets GmbH. The sole shareholder of TS private assets GmbH is Thomas Soltau, who is a member of the Board of subsidiary Smartbroker AG. The loan agreement concluded with TS private assets GmbH is in line with the customary conditions in the market.

In 2020, Smartbroker Holding AG signed a partnership programme with Firstlead GmbH, Berlin. The main shareholder of Firstlead GmbH is Supervisory Board member Marcus Seidel. The contract agreed with Firstlead GmbH is in line with the customary conditions in the market.

In 2021, Smartbroker Holding AG concluded a consultancy agreement with its CEO Roland Nicklaus. The contract negotiated with Mr Nicklaus is in line with the customary conditions in the market.

Total remuneration of the Management Board

The remuneration paid to the Management Board of the Parent Company for the performance of their duties in the Parent Company and the subsidiaries was € 3,444 thousand (previous year: € 4,156 thousand).

Total remuneration of the Supervisory Board

The remuneration paid to the Supervisory Board of the Parent Company for the performance of its duties in the Parent Company and the subsidiaries was € 119 thousand in 2023 (previous year: € 126 thousand).

Employees

Average number of employees of the companies included in the notes to the consolidated financial statements:

Overview of Group employees	2023	2022
Smartbroker Holding AG	79	50
ARIVA.DE AG	64	61
Markets Inside Media GmbH	11	12
Smart Investor Media GmbH	5	3
Smartbroker AG	95	113
wallstreet:online publishing GmbH	7	0
Total	261	239

Audit and consulting fees

The total fee charged by the Group's auditors for the 2023 financial year was € 182 thousand (previous year: € 300 thousand) and is entirely attributable to auditing services. The fee includes fees of € 45 thousand for other statutory auditing services.

Group relationships

Smartbroker Holding AG prepares the consolidated financial statements for the largest and smallest number of companies. The consolidated financial statements are published in the company register.

Subsequent events

After the end of the financial year, no events occurred that are of material significance for the Company's assets, financial position and earnings.

Economic conditions and the development of the local and global economy have a significant influence on the development of the advertising and financial technology industry. The armed conflict in Ukraine had an adverse impact on numerous supply chains, particularly in raw materials. As a result, a global rise in inflation was observed which levelled off again in spring 2023. However, an expansion of the conflict to other countries could lead to stronger adverse impact on the global economy and thus also have a strong impact on investment behaviour. Although such crises may lead to an increase in volatility and thus to an increase in the number of securities transactions in the short term, there is a risk of a longer-term negative market environment, which could have a detrimental effect on the Company's business activities.

To finance the further growth of Smartbroker+, the Company carried out a capital increase of € 7.6 million from authorised capital by resolution of the Management Board and Supervisory Board on 10 May 2024, which became effective upon entry in the commercial register on 27 May 2024.

Notes to the Consolidated Statement of Cash Flows

Cash and cash equivalents consist of the balance sheet items cash on hand and bank balances.

Cash flow from investing activities mainly includes the purchase of intangible assets totalling € 10,961 thousand (previous year: € 18,854 thousand), including in particular expenses for the 'Smartbroker+' project and the new CRM system 'Salesforce'. A total of € 664 thousand (previous year: € 1,700) relates to the purchase of office furniture, plant and equipment as well as fixtures and fittings for the new office.

Cash flow from financing activities includes in particular expenses for the repayment of loans taken out in the previous year and interest.

Berlin, 15 July 2024

Smartbroker Holding AG

Management Board

André Kolbinger

Stefan Zmojda

Michael Bulgrin

Oliver Haugk

Consolidated Schedule of Liabilities from 1 January 2023 to 31 December 2023 for Smartbroker Holding AG

In EUR thousands	01/01/2023			Carrying amount	
		Borrowing	Settlement	31/12/2023	31/12/2022
Loans	14,867	0	-4,266	10,446	14,867
Liabilities financial institutions (<1 yr)	113	0	-6	107	113
Liabilities financial institutions (1-5 yrs)	117	0	-107	10	117
Loan BVB 4.5 million	2,175	0	-900	1,275	2,175
Loan DZ Bank 2.5 million	1,321	0	-566	755	1,321
Loan DZ Bank 8 million	6,891	0	-1,686	5,049	6,891
Loan BVB 5 million	4,250	0	-1,000	3,250	4,250

The schedule of liabilities for 2022 included a liability from a current account of € 155 thousand which will be used for loan repayment.

Consolidated Fixed Assets Schedule as at 31 December 2023

In EUR thousands

	Historical acquisition and manufacturing costs					Accumulated depreciation				Carrying amount			
	01/01/2023	Additions	Disposals	Rebookings	Additions to the consolidated companies	Currency conversion	31/12/2023	01/01/2023	Additions	Disposals	31/12/2023	01/12/2023	
I. Intangible assets													
1. Internally generated industrial property rights and similar rights and assets	907	3,769	0	6,416	0	0	11,092	907	1,188	0	2,096	8,997	0
2. Purchased concessions, industrial property rights and similar rights and assets	11,396	317	0	4,821	0	<1	16,534	2,752	1,621	0	4,391	12,143	8,644
3. Goodwill	27,009	0	0	0	0	0	27,009	6,204	3,175	0	9,379	17,630	20,805
4. Advance payments	16,852	7,047	0	-11,237	0	0	12,687	12,662	0	0	12,687	0	4,190
	56,164	11,133	0	0	0	<1	67,322	22,525	5,985	0	28,553	38,769	33,639
II. Fixed assets													
1. Property, plant and equipment	4,051	664	50	0	0	0	4,665	2,280	582	38	2,824	1,841	1,771
	4,051	664	50	0	0	0	4,665	2,280	582	38	2,824	1,841	1,771

Fixed Assets Schedule (contd.)

In EUR thousands

	Additions				Disposals			Carrying amount	
	01/01/2023	Additions	Disposals	Rebookings	Additions to the consolidated companies	Currency conversion	31/12/2023	01/01/2023	31/12/2023
III. Financial assets									
1. Interests in affiliated companies	<1	0	0	0	0	0	<1	<1	<1
2. Shareholdings	800	0	788	0	0	0	12	0	10
3. Securities held as fixed assets	1,553	0	303	0	0	0	1,250	600	980
4. Other loans	514	5	60	0	0	0	459	459	514
	2,867	5	1,151	0	0	0	1,721	1,058	1,504
Total fixed assets	63,082	11,802	1,201	0	0	<1	73,708	41,669	36,914

Independent Auditor's Report

Bestätigungsvermerk des unabhängigen Abschlussprüfers

An die Smartbroker Holding AG, Berlin

Prüfungsurteile

Wir haben den Konzernabschluss der Smartbroker Holding AG, Berlin, und ihrer Tochtergesellschaften (der Konzern) – bestehend aus der Konzernbilanz zum 31. Dezember 2023, der Konzern-Gewinn- und Verlustrechnung, dem Konzerneigenkapitalspiegel und der Konzernkapitalflussrechnung für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 sowie dem Konzernanhang, einschließlich der Darstellung der Bilanzierungs- und Bewertungsmethoden – geprüft. Darüber hinaus haben wir den zusammengefassten Lagebericht der Smartbroker Holding AG, Berlin, der mit dem Lagebericht der Gesellschaft zusammengefasst wurde, für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 geprüft. Die unter „Sonstige Informationen“ genannten Bestandteile des Geschäftsberichts haben wir in Einklang mit den deutschen gesetzlichen Vorschriften nicht inhaltlich geprüft.

Nach unserer Beurteilung aufgrund der bei der Prüfung gewonnenen Erkenntnisse

- entspricht der beigefügte Konzernabschluss in allen wesentlichen Belangen den deutschen handelsrechtlichen Vorschriften und vermittelt unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens- und Finanzlage des Konzerns zum 31. Dezember 2023 sowie seiner Ertragslage für das Geschäftsjahr vom 1. Januar bis zum 31. Dezember 2023 und
- vermittelt der beigefügte zusammengefasste Lagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns. In allen wesentlichen Belangen steht dieser zusammengefasste Lagebericht in Einklang mit dem Konzernabschluss, entspricht den deutschen gesetzlichen Vorschriften und stellt die Chancen und Risiken der zukünftigen Entwicklung zutreffend dar. Unser Prüfungsurteil zum zusammengefassten Lagebericht erstreckt sich nicht auf den Inhalt der unter „Sonstige Informationen“ genannten Bestandteile des Geschäftsberichts.

Gemäß § 322 Abs. 3 Satz 1 HGB erklären wir, dass unsere Prüfung zu keinen Einwendungen gegen die Ordnungsmäßigkeit des Konzernabschlusses und des zusammengefassten Lageberichts geführt hat.

Grundlage für die Prüfungsurteile

Wir haben unsere Prüfung des Konzernabschlusses und des zusammengefassten Lageberichts in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführt. Unsere Verantwortung nach diesen Vorschriften und Grundsätzen ist im Abschnitt „Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des zusammengefassten Lageberichts“ unseres

Bestätigungsvermerks weitergehend beschrieben. Wir sind von den Konzernunternehmen unabhängig in Übereinstimmung mit den deutschen handelsrechtlichen und berufsrechtlichen Vorschriften und haben unsere sonstigen deutschen Berufspflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zum Konzernabschluss und zum zusammengefassten Lagebericht zu dienen.

Sonstige Informationen

Die gesetzlichen Vertreter sind für die sonstigen Informationen verantwortlich. Die sonstigen Informationen umfassen die Ausführungen im Geschäftsbericht 2023 unter „1. Highlights“, „2. Brief des Vorstands“, „3. Geschäftsmodell“, „4. Die Smartbroker Holding AG Aktie“ und „5. ESCC-Bericht“.

Unsere Prüfungsurteile zum Konzernabschluss und zum zusammengefassten Lagebericht erstrecken sich nicht auf die sonstigen Informationen und dementsprechend geben wir weder ein Prüfungsurteil noch irgendeine andere Form von Prüfungsschlussfolgerung hierzu ab.

Im Zusammenhang mit unserer Konzernabschlussprüfung haben wir die Verantwortung, die oben genannten sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen

- wesentliche Unstimmigkeiten zum Konzernabschluss, zu den inhaltlich geprüften Angaben im zusammengefassten Lagebericht oder unseren bei der Prüfung erlangten Kenntnissen aufweisen oder
- anderweitig wesentlich falsch dargestellt erscheinen.

Falls wir auf Grundlage der von uns durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

Verantwortung der gesetzlichen Vertreter und des Aufsichtsrats für den Konzernabschluss und den zusammengefassten Lagebericht

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Konzernabschlusses, der den deutschen handelsrechtlichen Vorschriften in allen wesentlichen Belangen entspricht, und dafür, dass der Konzernabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie in Übereinstimmung mit den deutschen Grundsätzen ordnungsmäßiger Buchführung als notwendig bestimmt haben, um die Aufstellung eines Konzernabschlusses zu ermöglichen, der frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen (d.h. Manipulationen der Rechnungslegung und Vermögensschädigungen) oder Irrtümern ist.

Bei der Aufstellung des Konzernabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit zu beurteilen. Des Weiteren haben sie die Verantwortung, Sachverhalte in Zusammenhang mit der Fortführung der Unternehmenstätigkeit, sofern einschlägig, anzugeben. Darüber hinaus sind sie dafür verantwortlich, auf der Grundlage des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit zu bilanzieren, sofern dem nicht tatsächliche oder rechtliche Gegebenheiten entgegenstehen.

Außerdem sind die gesetzlichen Vertreter verantwortlich für die Aufstellung des zusammengefassten Lageberichts, der insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt. Ferner sind die gesetzlichen Vertreter verantwortlich für die Vorkehrungen und Maßnahmen (Systeme), die sie als notwendig erachtet haben, um die Aufstellung eines zusammengefassten Lageberichts in Übereinstimmung mit den anzuwendenden deutschen gesetzlichen Vorschriften zu ermöglichen, und um ausreichende geeignete Nachweise für die Aussagen im zusammengefassten Lagebericht erbringen zu können.

Der Aufsichtsrat ist verantwortlich für die Überwachung des Rechnungslegungsprozesses des Konzerns zur Aufstellung des Konzernabschlusses und des zusammengefassten Lageberichts.

Verantwortung des Abschlussprüfers für die Prüfung des Konzernabschlusses und des zusammengefassten Lageberichts

Unsere Zielsetzung ist, hinreichende Sicherheit darüber zu erlangen, ob der Konzernabschluss als Ganzes frei von wesentlichen falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern ist, und ob der zusammengefasste Lagebericht insgesamt ein zutreffendes Bild von der Lage des Konzerns vermittelt sowie in allen wesentlichen Belangen mit dem Konzernabschluss sowie mit den bei der Prüfung gewonnenen Erkenntnissen in Einklang steht, den deutschen gesetzlichen Vorschriften entspricht und die Chancen und Risiken der zukünftigen Entwicklung zutreffend darstellt, sowie einen Bestätigungsvermerk zu erteilen, der unsere Prüfungsurteile zum Konzernabschluss und zum zusammengefassten Lagebericht beinhaltet.

Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit § 317 HGB unter Beachtung der vom Institut der Wirtschaftsprüfer (IDW) festgestellten deutschen Grundsätze ordnungsmäßiger Abschlussprüfung durchgeführte Prüfung eine wesentliche falsche Darstellung stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn vernünftigerweise erwartet werden könnte, dass sie einzeln oder insgesamt die auf der Grundlage dieses Konzernabschlusses und zusammengefassten Lageberichts getroffenen wirtschaftlichen Entscheidungen von Adressaten beeinflussen.

Während der Prüfung üben wir pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung. Darüber hinaus

- identifizieren und beurteilen wir die Risiken wesentlicher falscher Darstellungen im Konzernabschluss und im zusammengefassten Lagebericht aufgrund von dolosen Handlungen oder Irrtümern, planen und führen Prüfungshandlungen als Reaktion auf diese Risiken durch sowie erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unsere Prüfungsurteile zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als das Risiko, dass aus Irrtümern resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, da dolose Handlungen kollusives Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen bzw. das Außerkraftsetzen interner Kontrollen beinhalten können.
- gewinnen wir ein Verständnis von dem für die Prüfung des Konzernabschlusses relevanten internen Kontrollsystem und den für die Prüfung des zusammengefassten Lageberichts relevanten Vorkehrungen und Maßnahmen, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit dieser Systeme abzugeben.
- beurteilen wir die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte und damit zusammenhängenden Angaben.
- ziehen wir Schlussfolgerungen über die Angemessenheit des von den gesetzlichen Vertretern angewandten Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit des Konzerns zur Fortführung der Unternehmenstätigkeit aufwerfen können. Falls wir zu dem Schluss kommen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, im Bestätigungsvermerk auf die dazugehörigen Angaben im Konzernabschluss und im zusammengefassten Lagebericht aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser jeweiliges Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch dazu führen, dass der Konzern seine Unternehmenstätigkeit nicht mehr fortführen kann.
- beurteilen wir Darstellung, Aufbau und Inhalt des Konzernabschlusses insgesamt einschließlich der Angaben sowie ob der Konzernabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse so darstellt, dass der Konzernabschluss unter Beachtung der deutschen Grundsätze ordnungsmäßiger Buchführung ein den tatsächlichen Verhältnissen entsprechendes Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt.

- holen wir ausreichende geeignete Prüfungsnachweise für die Rechnungslegungsinformationen der Unternehmen oder Geschäftstätigkeiten innerhalb des Konzerns ein, um Prüfungsurteile zum Konzernabschluss und zum zusammengefassten Lagebericht abzugeben. Wir sind verantwortlich für die Anleitung, Beaufsichtigung und Durchführung der Konzernabschlussprüfung. Wir tragen die alleinige Verantwortung für unsere Prüfungsurteile.
- beurteilen wir den Einklang des zusammengefassten Lageberichts mit dem Konzernabschluss, seine Gesetzesentsprechung und das von ihm vermittelte Bild von der Lage des Konzerns.
- führen wir Prüfungshandlungen zu den von den gesetzlichen Vertretern dargestellten zukunftsorientierten Angaben im zusammengefassten Lagebericht durch. Auf Basis ausreichender geeigneter Prüfungsnachweise vollziehen wir dabei insbesondere die den zukunftsorientierten Angaben von den gesetzlichen Vertretern zugrunde gelegten bedeutsamen Annahmen nach und beurteilen die sachgerechte Ableitung der zukunftsorientierten Angaben aus diesen Annahmen. Ein eigenständiges Prüfungsurteil zu den zukunftsorientierten Angaben sowie zu den zugrunde liegenden Annahmen geben wir nicht ab. Es besteht ein erhebliches unvermeidbares Risiko, dass künftige Ereignisse wesentlich von den zukunftsorientierten Angaben abweichen.

Wir erörtern mit den für die Überwachung Verantwortlichen unter anderem den geplanten Umfang und die Zeitplanung der Prüfung sowie bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Prüfung feststellen.

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