

**SMARTBROKER**HOLDING

# **INTERIM REPORT 2024**



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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.

## Developments in the first half of 2024

- Revenue increased to € 25.5 million due to the launch of Smartbroker+ in Q2 2023, compared to € 23.4 million in the previous year
- Operating EBITDA of € 2.9 million compared to € 1.7 million in the previous year | Fewer marketing costs than planned in the first half of 2024
- Operational stability of Smartbroker+ achieved | Clearance of the backlog of customer enquiries that arose during the migration of existing customers | Digitalisation of key operational processes
- Expansion of Smartbroker+ to include the product components, securities sub-accounts, foreign currency accounts, bond trading and RFQ trading | Introduction of more trading venues
- Adjustment of the pricing model for the old Smartbroker platform pursuant to agreement with DAB | Remaining customers of the old Smartbroker platform are free to stay with DAB and will be serviced by Smartbroker | Sharp drop in trading activity at DAB due to the price adjustment
- Minimal customer acquisition activities due to migration-related backlog and features that are still missing | Therefore only approx. 5,000 new customers (gross) acquired
- As of 30 June 2024: 178,000 customers<sup>1</sup> | € 9.9 billion in assets under custody (AuC)
- Average assets under custody per customer: € 56,000
- Media: Consolidation of reach, in particular by modernising products and realigning the editorial strategy | In HY1: 1.3 billion page views; an average of 3.7 million users per month | Achieved the leading market position among financial portal operators

<sup>1</sup> adjusted for around 79,000 zero balance securities accounts in Smartbroker 1.0 (DAB)

## Key figures

In € millions   Rounded	HY1 2024 HGB	HY1 2023 HGB	Change in %	HY1 2022 HGB
Revenue	25.5	23.4	9.0%	27.7
thereof Media	12.3	14.8	16.9%	17.4
thereof Transaction	13.2	8.7	51.7%	10.4
Operating EBITDA	2.9	1.7	70.6%	4.6
thereof Media	2.1	3.4	-38.2%	-
thereof Transaction	0.8	-1.7	-147.1%	-
Operating earnings (EBIT)	-2.2	-0.5	340.0%	2.5
Earnings before taxes	-2.2	-0.5	340.0%	2.3
Earnings after taxes	-2.1	-1.7	23.5%	1.2
Operating cash flow	2.6	1.0	160.0%	4.7
Free cash flow	0.6	-4.6	-113.0%	-6.1
Investments	2.0	5.6	-64.3%	10.8
Equity	48.6	47.8	1.7%	50.6
Net cash	9.2	8.7	5.7%	5.9
Total equity and liabilities	64.3	72.0	-10.6%	82.3
Number of shares	16,781,252	15,681,252	0.6%	15,101,252
Earnings per share, in €	-0.12	-0.11	9.1%	0.08



In € millions   Rounded	HY1 2024	2023	Change in %	2022
Number of customers	178,000*	180,000*	-1.1%	267,000
Assets under custody (in € millions)	9,924	9,400	5.6%	9,156
Average assets under custody per securities account (in €)	56,000**	52,000*	7.7%	34,300
Number of trades (in millions)	1.9	3.7	-	4.6
Average number of trades per securities account	21	17	23.5%	18
Page views for the financial portals (in millions)	1,300	2,100	-	2,600
Average number of employees	265	261	1.5%	239

\* adjusted for around 79,000 zero balance securities accounts in Smartbroker 1.0 (DAB)

## 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,**

The first half of 2024 proved better than expected for us in the Media segment, and in the Transaction segment, was still strongly characterised in the first few months of the year by customer communication relating to the migration of customers from DAB BNP Paribas to Baader Bank AG.

We saw relatively high transaction figures in the first two months of the year, after which trading activity cooled off. Owing to the market environment and the lower number of new customers, revenue performance in the Transaction segment fell short of our expectations.

We were able to achieve higher revenue than envisaged in the Media segment. At present, we are expecting these figures to continue until the end of 2024. We are currently making several efforts and carrying out restructuring in order to expand our editorial content, especially on [www.wallstreet-online.de](http://www.wallstreet-online.de), and to invest in video formats in particular. We hope this will increase the reach of our products in the medium term.

The combination of higher revenues in the Media segment and lower costs overall, but also lower marketing costs for Smartbroker+ in particular, resulted in EBITDA in the first half of 2024 that was significantly higher than planned.

The Transaction segment is now largely characterised by the Smartbroker+ product.

In order to complete the launch of Smartbroker+ and the migration of existing customers on schedule, we have utilised a large number of IT freelancers over the past year. We replaced these resources with internal staff as far as possible during the first six months of the year. Our goal is the sustainable development of internal expertise in all business areas. The further expansion of the Smartbroker+ product is the main goal for the next few quarters and years.

A large number of product improvements were achieved in the first six months of 2024:

- We have been offering our customers securities sub-accounts and foreign currency accounts since the beginning of the year.
- Bond trading has been implemented and our customers can now buy close to 40,000 international bonds at many different trading venues through Smartbroker.

There is again the option to trade via gettex at € 0.00 (upwards of a trading volume of € 500/order) here too.

- RFQ trading has now been implemented for all relevant trading venues.
- Smartbroker+ customers can apply for a digital Lombard loan of up to € 100,000.
- The digital sale of fractional parts has been implemented.
- The speed of processing securities account withdrawals/transfers has been greatly increased through partial automation.

We expect to continue developing Smartbroker+ at a fast pace for many years to come.

In addition to the pure product improvements, we have also further improved our terms and conditions for the benefit of our customers.



The range of shares that can be saved in share savings plans has been increased from 200 to over 2,800. At the same time, the minimum savings rate for all share, ETF and fund savings plans has been lowered to €1.00 and the fee for administering share savings plans has been reduced from the previous 0.80%, minimum € 1.00 per intervention, to € 0.00.

The fee for orders on the gettex trading platform with a volume of less than € 500 has been reduced from € 4 to € 1.

We therefore believe we are well equipped to face the competition over the next few years.

The dominant theme for the months of August/September 2024 is the completion of crypto trading. We are also currently in the process of introducing an interest rate offer for our customers, which will make Smartbroker+ an even more attractive overall proposition.

We are using a technical interface to create the foundation for Smartbroker to be able to accept orders via external front-ends, such as Brokerize, in the near future. This function will give us potential access to numerous customer groups, especially active customers.

For us, the first few months of 2024 were largely characterised by a very high volume of communication with our Smartbroker+ customers, due to the migration from DAB Bank to Baader Bank AG at the end of October 2023. We were unable to process this volume of enquiries, which was exacerbated by seasonal issues such as taxes and exemption requests, with the speed and quality that our customers expected. Due to this situation, our measures to acquire new customers for Smartbroker+ were postponed from the beginning of 2024 to halfway through the year.

The number of new customers in mid-2024 is therefore still below our expectations.

Numerous tracking functions and analyses have had to be programmed in recent months for marketing purposes. These are not visible to the customers themselves, but they will enable us as a company to analyse and optimise our marketing activities very precisely.

We expect to significantly increase our marketing activities over the next few months.

Virtually everything we do in terms of marketing activities must be directly measurable for us - in terms of the quantity, but above all, the quality of the customers we acquire. We pursue a data- and performance-oriented marketing strategy. Setting this up takes a little more time than 'taking out a TV ad'.

However, we believe that this is the more sustainable way.

Our current marketing is limited to a few partnerships and some advertising on Google and in the app stores. We have not yet run any broad-based campaigns on social media, such as YouTube, Instagram, Facebook, X etc. Nor are we currently doing any TV or OOH advertising.

We also expect the range of topics covered by our campaigns to become significantly broader over the next few months.

In short, we are expecting to reach the new customer figure for 2024 of around 20,000 to 30,000 customers in Q4 2024.

We expect customer growth to be significantly higher in 2025. We have already laid the foundations for this with the current product. Over the next few months, the basis for this will also be in place in the form of the set-up in the marketing team.

We have the financial resources for significantly greater customer growth over the next few years thanks to the capital increase of € 7.6 million in May 2024 and our strong operating business.

Kind regards,

**André Kolbinger**

## Basis of presentation

### Differentiation between Parent Company and Group

Throughout this report, 'Smartbroker Holding AG', SBH or the 'Parent Company' is used to refer to the parent company. Smartbroker AG, a wholly owned subsidiary of SBH and BaFin-regulated securities institution and operator of i.a. Smartbroker+, is referred to as Smartbroker AG or SBAG. 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 interim report, only one gender form is used. Any other gender form is expressly included.

### Forward-looking statements

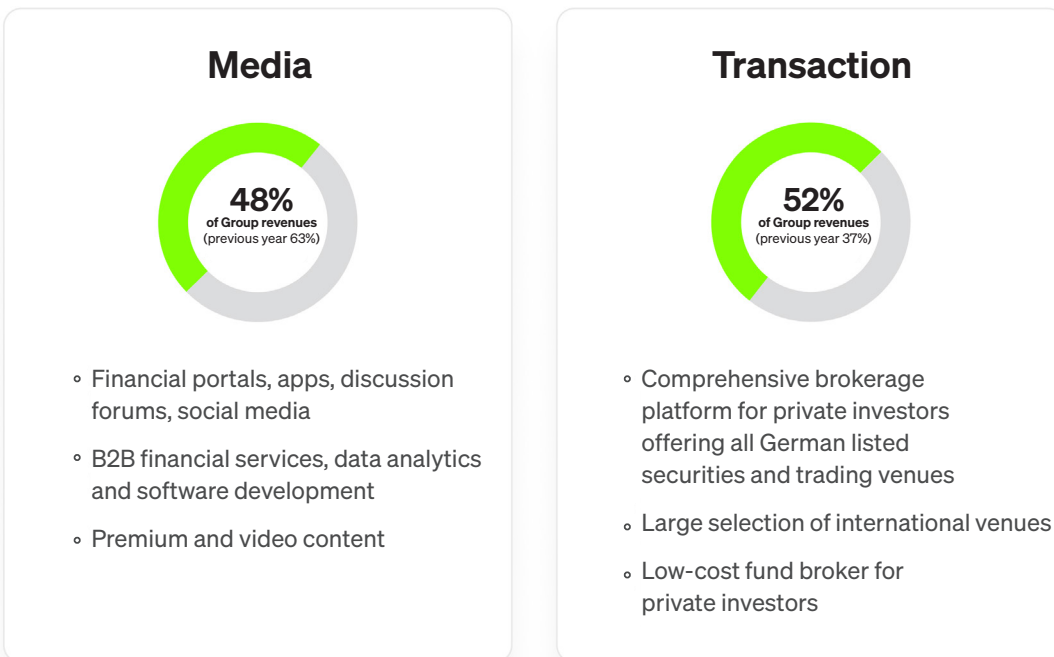
This report contains forward-looking statements, which include both our own assumptions as well as third-party assessments. Such statements are always associated with uncertainties and risks. If fundamental assumptions do not turn out to be accurate as planned, actual results may deviate from expectations.

## 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 stock corporation 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	€ 16,781,252.00
Number of shares	16,781,252

### Share price development

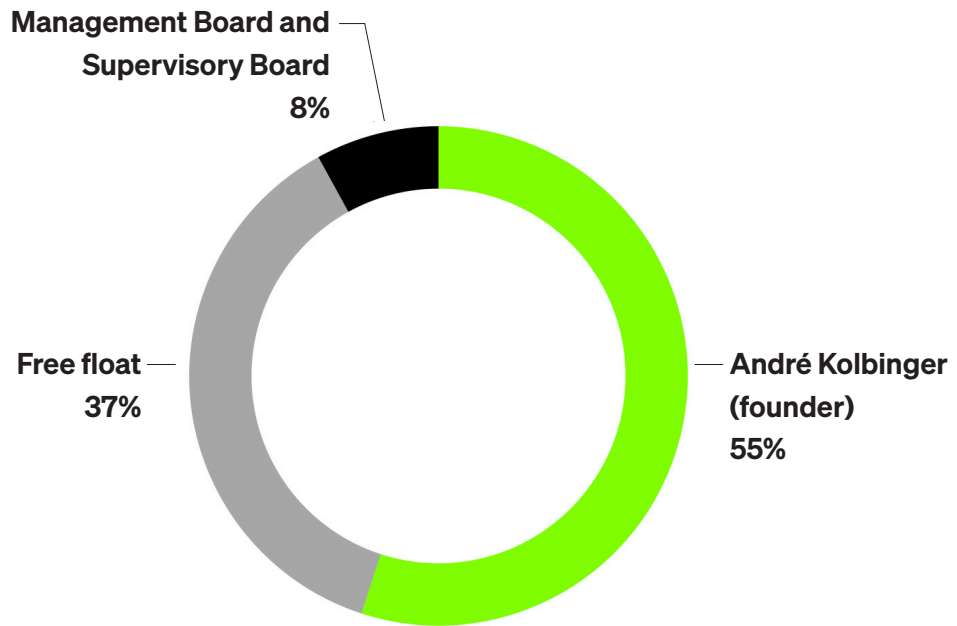
Share price, 28 June 2024	€ 6.34
Share price, 29 December 2023	€ 9.34
52W performance	-36%
52W period low	€ 5.86
52W period high	€ 12.30

\* Share price data refer to XETRA closing share prices; 52W = 30 June 2023 – 30 June 2024



## Shareholder structure

Shareholder structure data as at 30 June 2024  
André Kolbinger shown as the sum of private holding and holdings of family members



## 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.

# Management Report

of the Smartbroker Group

## Group Profile

### Group 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 first half of 2024, the following individuals were appointed as members of the Management Board:

- **André Kolbinger, Chair of the Management Board, Chief Executive Officer**  
Entrepreneur, Member of the Management Board since 19 August 2022, also on the Supervisory Board of ARIVA.DE AG (subsidiary of Smartbroker Holding AG), Kiel
- **Oliver Haugk, Member of the Management Board, Co-Chief Executive Officer**  
Diplom-Kaufmann, Member of the Management Board since 1 November 2017
- **Stefan Zmojda, Member of the Management Board, Chief Revenue Officer**  
Dipl. Betriebswirt (FH), Member of the Management Board since 1 January 2016
- **Michael Bulgrin, Member of the Management Board, Chief Content Officer**  
Diplom-Kaufmann, Member of the Management Board since 1 November 2017

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

As of 30 June 2024, 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.
- Marcus Seidel, Member of the Supervisory Board**  
 Entrepreneur, Member of the Supervisory Board since 20 August 2020
- Dr Daniel Berger, Lawyer, (Vice Chairman of the Supervisory Board)** was elected to the Supervisory Board by the Annual General Meeting on 17 October 2023. Dr Berger is also a member of the Supervisory Board of Smartbroker AG, Berlin (subsidiary of Smartbroker Holding AG).

### 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%:



wallstreet:online Fonds Advisory GmbH was liquidated in the second half of 2023. wallstreet:online Corporate Finance AG, Mint Assets GmbH, Erste ICO Consulting Projektgesellschaft GmbH and crumbi AG were liquidated in the first half of 2024. Blockchain Consult GmbH is currently still in the process of liquidation.

\*not operating, in liquidation; As at 30/6/2024



## 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 first half of 2024 was then characterised by the clearance of the migration-related backlog of customer enquiries, the achievement of operational stability and the expansion of the product to include missing components - and thus the creation of the foundation for the customer acquisition activities planned for the second half of 2024.

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 was only available via a web interface. Securities account management and the technical execution of securities trading were carried out by the partner bank DAB BNP Paribas S.A. Germany branch, Munich ('DAB'). This product was replaced by Smartbroker+ with the launch of Smartbroker+ and the subsequent migration of existing customers. Smartbroker 1.0 customers who have not agreed to the migration to Baader Bank can continue to use the old product at DAB BNP Paribas S.A., albeit on different terms, and will also continue to be serviced by Smartbroker AG.

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.

Another portal operated by the Smartbroker Group is FondsDISCOUNT.de. This website specialises in brokering securities accounts with third-party banks such as comdirect, FNZ or FFB. Investors can use the portal to purchase investment funds without upfront fees while enjoying personalised customer service. Investments in equity interests, crowd investments and direct investments are also possible on special terms.

Across the Transaction segment, the Group managed around 178,000 customers<sup>1</sup> and customer assets under custody of around € 9.9 billion through its subsidiary Smartbroker AG ('SB AG') at the end of the first half of 2024. This equates to an average volume of more than € 56,000 per account. The zero balance securities accounts of around 79,000 Smartbroker 1.0 customers were closed in Q1 2024.

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 is supplemented by the platforms' respective social media channels, for which a new editorial direction was decided in the first half of the year and the basis created for a new monetisation strategy.

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.

<sup>1</sup> After adjustment of zero balance securities accounts as already anticipated in the 2023 Annual Report for better comparability (approx 79,000)

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 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. The linking of the Media and Transaction segments will also be a key focus of developments over the next few months and years in order to open up additional monetisation channels based on functional links.

In the first half of 2024, the Group systematically pressed ahead with the initiatives launched in 2023 to strengthen the competitive position of the Media segment. As well as continuing the visual reworking of the wallstreet-online.de and ariva.de portals, the main focus was on editorial reorganisation. The strong focus on reader interests, particularly with regard to specific trading content, has already led to significant increases in reach. Furthermore, Smartbroker+ was integrated into the Media products for the first time and is already contributing to the acquisition of new customers for the Transaction product. This interlinking strategy will be vigorously pursued over the coming months in order to enable Smartbroker+ customers to trade directly from the portals from 2025.

Following the successful launch of Smartbroker+ and the subsequent migration of existing customers from Smartbroker 1.0 to the new product at the end of last year, the priority in the first half of 2024 has been to establish operational stability. Due to contractual deadlines, Smartbroker+ had to be launched on the market as a minimum viable product. This, combined with the migration of existing customers with over one million securities account positions in October last year, led to an exceptionally high number of customer enquiries. Clearance of the backlog and the establishment of more efficient operating processes were achieved by the end of Q2 2024. This also had a positive impact on customer ratings, especially in the app stores, which have shown a positive trend since Q2 2024. The strategy of offering customer support that is easily accessible both by phone and electronically, and providing a high level of service will continue to be pursued and is seen as a differentiating feature compared to competing providers.

The expansion of the Smartbroker+ product range was another focus in the first half of 2024. In addition to the introduction of bond trading, other key product components such as RFQ trading, securities sub-accounts and foreign currency accounts were also introduced. The completion of these product components meant that a range of services could be established that was comparable to the previous offering through Smartbroker 1.0. Furthermore, the foundations were laid for the introduction of securities lending and crypto trading. The introduction of crypto trading in particular will be a high priority in Q3. The Group will also push ahead with the development initiatives relating to the integration of the Media and Transaction offerings.

For our advertising customers, particularly in the retail finance sector, our strategy of linking Transaction and Media offers interesting and virtually unique advertising opportunities. The development of a strong sales environment will continue to be a high priority for our product initiatives going forward.

The aim of all strategic measures is the sustainable expansion of the competitive position while at the same time achieving profitable growth. In the first half of 2024, the Company recorded a fall in the number of securities accounts year-on-year, partly due to the elimination of zero balance securities accounts and losses of customers following the migration to Smartbroker+. Due to the focus on clearing the backlog of customer enquiries and establishing operational stability, the number of new securities accounts opened in the first half of 2024 was at a low level. Now that stability and the aforementioned product add-ons have been achieved, the commercial focus in the second half of 2024 will increasingly be on acquiring new customers. In order to make the implementation of this strategy more transparent, the Company has published monthly operating performance indicators since the beginning of 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.

Due to the contractual time constraints and the associated deadline pressure, more use was made of services provided by freelancers in the area of development in 2023. With a few exceptions, these freelancers were replaced by internal staff in the first half of 2024. The goal is to sustainably develop internal expertise in all areas of business operations.

In the first half of 2024, the Group invested around € 2 million in the new Smartbroker+ trading platform. A total of around € 29 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.

# Economic Report

## Market Environment

A detailed description of the market environment can be found in the Company's 2023 Annual Report. Since the publication of the annual report, there have been no significant deviations or new developments that have had a material impact on the Group's market environment.

It should be emphasised that the difficult macroeconomic conditions persist. Falling, but still high, inflation rates, the continuation of the Russian war of aggression in Ukraine and geopolitical shifts with potentially long-term effects are making a significant contribution to uncertainty on the stock markets. The Company believes that in turn this has led to a reduction in private investors' interest in capital market information and a decline in their trading activity. The persistently low volatility on the stock exchanges also had an impact on all areas of the Group, but particularly on business in the Media segment in the first half of 2024.

## Business Development

The first half of 2024 followed on seamlessly from the previous challenging years. The testing market situation, characterised by international inflation, continued uncertainty in the markets and low trading volume on the stock exchanges were negative factors affecting our largest business segments. However, thanks to the consistent updating and realignment of our Media offerings, page views on the media portals and apps increased by around 20% year-on-year.

Trading activity among Smartbroker customers continued to decline year-on-year. The number of trades in the first half of 2024 was around 15% lower than in HY1/2023 - with a correspondingly negative impact on revenue performance. In addition, the price increase agreed with DAB BNP Paribas for the remaining existing customers led to a significant decline in trading activity among the DAB customers serviced. This was offset by the persistently high interest rate level, from which the Company was able to benefit by sharing in the interest earned on customer deposits.

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

<sup>3</sup> Federal Statistical Office (Destatis), January 2024

Due to the contractual deadlines for the launch of Smartbroker+ and the migration of existing customers from Smartbroker 1.0 to the new product, Smartbroker+ was launched as a minimum viable product in late summer 2023. This meant that individual product components that existing customers were familiar with from the DAB product were not yet available, leading to queries and dissatisfaction among existing customers, and consequently to a backlog of customer enquiries. Secondly, the missing product components had to be delivered subsequently in order to meet customer expectations and secure all planned revenue streams. The clearing of the backlog, establishment of operational stability and the expansion of the product to include the missing components were all achieved in the first half of 2024. Having said that, the negative customer experiences in the phase around the migration and reviews in the app stores led to a reluctance on the part of customers to trade, which had a negative impact on revenue performance and made it more difficult to acquire new customers. In addition to 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 Company's own portals, the focus in the second half of the year will therefore be primarily on improving customer perception and measures to acquire new customers.

Opportunities to reduce costs and increase efficiency are analysed on an ongoing basis and taken where possible.

Adjusted for the zero balance securities accounts at DAB BNP Paribas that were closed in Q1 2024, the number of securities accounts held at Smartbroker AG is at the same level as at the end of 2023. As at 30 June 2024, Smartbroker AG serviced around 178,000 customers. Smartbroker AG was able to marginally increase assets under custody to € 9.9 billion (31 December 2023: € 9.4 billion) during the first half of 2024. The average volume per securities account grew from around € 52,000 as at 31 December 2023 to around € 56,000 as at 30 June 2024, mainly due to market conditions. However, new customer acquisition had not yet been pursued to any significant extent due to the backlog extending into Q2 2024 and the functionalities still to be implemented. Initiatives to acquire new customers are scheduled to begin in the second half of 2024, particularly in Q4.

The Group reports its financial results on the basis of the German Commercial Code (HGB). In the first half of 2024, the Group generated revenue of € 25.5 million, which equates to an increase of around 9% year-on-year (previous year: € 23.4 million). The interim result after taxes was € -2.1 million (previous year: net loss of € -1.7 million).

The key financial performance indicators for the Group in its operating business developed as follows in the first half of 2024:

<b>Key performance indicators</b>	<b>Result HY1 2024</b>	<b>Plan HY1 2024</b>
Revenue	€ 25.5 million	€ 24.9 million
EBITDA	€ 2.9 million	€ 0.2 million

## Analysis of Assets, Financial Position and Earnings

### Financial position

For a detailed presentation of the assets, please refer to the balance sheet and the consolidated fixed assets schedule. Total assets amounted to € 64,326 thousand as at 30 June 2024 (previous year: € 63,836 thousand).

In € millions	30/6/2024	31/12/2023
Fixed assets	38.4	41.7
Current assets	25.2	21.3
Equity	48.6	43.1
Liabilities	10.9	15.0
Total equity and liabilities	64.3	63.8
Equity ratio	76%	67%

### Financial position

The Group's solvency was ensured at all times during the reporting period. As at 30 June 2024, the cash balance amounted to € 17,518 thousand.

In € millions	HY1 2024	HY1 2023
Cash flow from operating activities	2.1	1.0
Cash flow from investing activities	(2.4)	(4.8)
Cash flow from financing activities	5.4	(2.3)
Cash and cash equivalents at the beginning of the period	12.3	27.4
Cash and cash equivalents at the end of the period	17.5	21.3

Cash flow from operating activities was positive in the first half of 2024. 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 in the first half of 2024 compared to the previous year. Financing activities mainly comprised the repayment of bank loans and the capital increase of € 7.6 million in May 2024.

## Earnings

Revenue across the Group was up 9% year-on-year. EBITDA (earnings before interest, depreciation, amortisation and taxes) rose from € 1,697 thousand in the same period in the previous year to € 2,919 thousand in the first half of 2024. The improvement in EBITDA is mainly due to increased revenue in the Transaction segment as a result of the launch of Smartbroker+. The interim result for 2024 was € -2,092 (previous year: € -1,727 thousand) due to the high scheduled amortisation of Smartbroker+.

At Group level, the Smartbroker Group generated revenue of € 25,512 thousand in the first half of 2024 (equivalent period in the previous year: € 23,425 thousand). The cost of materials of € 9,171 thousand was below the level in the previous year (previous year: € 9,804 thousand), of which € 243 thousand was attributable to customer acquisition costs for Smartbroker (previous year: € 348 thousand). Personnel costs were up 5% to € 10,352 thousand (equivalent period in the previous year: € 9,875 thousand).

Total amortisation of intangible assets and depreciation of fixed assets amounted to € 5,113 thousand in the first half of 2024 (equivalent period in the previous year: € 2,183 thousand), of which € 1,396 thousand (equivalent period in the previous year: € 1,436 thousand) was attributable to goodwill and hidden reserves from capital consolidation.

Other operating expenses of € 3,284 thousand (equivalent period in the previous year: € 3,811 thousand) comprised general administrative expenses such as rent, insurance and consulting costs, costs for stock exchange listing etc.

Financial income in the first half of 2024 was € -17 thousand (previous year: € -13 thousand).

The Group recorded a net loss of € -2,092 thousand (equivalent period in the previous year: € -1,727 thousand) in the first half of 2024.

In € millions	HY1 2024	HY1 2023
Revenues	25.5	23.4
Cost of materials	(9.2)	(9.8)
Personnel expenses	(10.4)	(9.9)
Depreciation and amortisation	(5.1)	(2.2)
EBIT	(2.2)	(0.5)
Net loss	(2.1)	(1.7)

## Investments

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

## Employees

In the first half of 2024, on average 265 employees were employed by the Smartbroker Group.

	Annual average		
	HY1 2024	2023	Change
Number of employees	265	261	4

Including Management Board members and working students.

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

## Summary Statement on the Company's Performance in the First Half of 2024

The first half of 2024 was characterised by Media business that remained at a low level, low trading activity among Smartbroker customers and the second expansion stage of the Smartbroker+ product, to which the latest product features have been added. Customer acquisition costs were at a very low level in the first half of 2024 due to minimal marketing activities, similar to the previous year.

Overall, the Group closed with a loss after tax of € -2.1 million. Total assets were up € 0.5 million to € 64.3 million. Consolidated cash flow from operating activities amounted to € 2.1 million. Cash and cash equivalents amounted to € 17.5 million as at 30 June 2024.

## Opportunities and Risk Report

For a detailed presentation of the Group's opportunities and risks, please refer to the information in the consolidated management report for the 2023 financial year. Since the publication of the annual report, there have been no significant deviations or new developments that have a material impact on the Group's risk profile.

There are still uncertainties in the capital markets. This has an impact on private investors' interest in investing in capital markets, their trading activity and their use of financial media. The Company is expecting the challenging situation to continue in the second half of 2024, but could also improve slightly depending on interest rate policy.

The launch of the SMARTBROKER+ product in August 2023 will open up new earnings potential and growth opportunities for the Smartbroker Group in 2024 as a whole. The realisation of this potential depends, among other things, on the successful further development of the product (subsequent delivery of all functionalities in order to align the product range with the existing Smartbroker platform; addition of more product features in line with customer demand, such as securities sub-accounts, extended information on the web interface), as well as the migration of existing customers to the new system and the rate at which new customers can be acquired for SMARTBROKER+.

General market conditions influence the Group's key operating performance indicators. In the Transaction segment, these conditions have an impact on the number of new customers and trades per securities account, for example, and in the Media segment, on the page views of the media portals and apps.



## Forecast Report

A full product range and the operational stability that has been established will ensure regular operation of Smartbroker+ for the first time in the second half of 2024. Smartbroker+ will contribute to the Group's revenue and profitability. Product add-ons such as crypto trading and a high level of customer service will contribute to further differentiation from competing offerings, which requires a correspondingly strong product, IT and customer service team. The top priority in the second half of the year will be to ramp up measures to acquire new customers. These are due to be implemented in Q4 in particular and are expected to lead to gross new customer growth of between 20,000 and 30,000. In spite of increased expenditure on new customer acquisition, Smartbroker+ product enhancements and the continued subdued advertising market environment, the Company is expecting positive operating cash flow for 2024.

### Group revenue and profitability forecast

The Group's solvency was ensured at all times during the reporting period. As at 30 June 2024, the cash balance amounted to € 17,518 thousand.

In € millions	2024F <sup>1</sup>
Revenue	50 - 55
EBITDA	+ 3 to + 5

<sup>1</sup>2024F: 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 or grow slightly in line with market developments. In a full-year comparison, business in the Media segment will be roughly on a par with the previous year and will therefore be able to achieve positive EBITDA margins. In the Transaction segment, the Company is planning gross customer growth of between 20,000 and 30,000. Due to the follow-up work required in customer service as a result of the migration

and the initiatives to establish operational stability and product completeness, the focus on acquiring new customers is not expected to return until after the end of Q3 2024. Nevertheless, the net number of customer securities accounts should increase by the end of 2024 and thus return to a sustainable positive trend.

Berlin, 2 September 2024

Management Board of Smartbroker Holding AG

André Kolbinger

Stefan Zmojda

Michael Bulgrin

Oliver Haugk

# Interim Consolidated Financial Statements as at 30 June 2024

and

## Management Report

**Smartbroker Holding AG**  
**Ritterstraße 11**  
**10117 Berlin**

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## Consolidated Balance Sheet as at 30 June 2024 for Smartbroker Holding AG

In € thousands

ASSETS	30/6/2024	31/12/2023
<b>A. Fixed assets</b>	<b>38,417</b>	<b>41,669</b>
I. Intangible assets	35,777	38,770
1. Internally generated industrial property rights and similar rights and assets	8,061	8,997
2. Purchased licences, software and similar rights and assets	11,392	12,143
3. Goodwill thereof from capital consolidation	16,324 15,919	17,630 17,199
II. Fixed assets	1,670	1,841
1. Other property, plant and equipment	1,670	1,841
III. Financial assets	970	1,058
1. Interests in affiliated companies	<1	<1
2. Securities held as fixed assets	587	600
3. Other loans	383	459
<b>B. Current assets</b>	<b>25,248</b>	<b>21,254</b>
I. Inventories	3	1
II. Receivables and other assets	7,727	8,990
1. Trade and other receivables	5,732	7,084
2. Capital contributions called but not paid	49	0
3. Other assets	1,946	1,906
III. Cash and cash equivalents	17,518	12,263
<b>C. Prepayments and accrued income</b>	<b>661</b>	<b>912</b>
<b>Total assets</b>	<b>64,326</b>	<b>63,836</b>

In € thousands

LIABILITIES	30/6/2024	31/12/2023
<b>A. Equity</b>	<b>48,589</b>	<b>43,051</b>
I. Subscribed capital	16,781	15,681
II. Capital reserve	45,272	38,727
III. Equity difference from currency conversion	165	179
IV. Retained losses	-13,614	-11,518
V. Non-controlling interests	-15	-18
<b>B. Negative goodwill from capital consolidation</b>	<b>0</b>	<b>0</b>
<b>C. Provisions</b>	<b>2,844</b>	<b>3,381</b>
1. Provisions for taxes	205	380
2. Other provisions	2,639	3,001
<b>D. Liabilities</b>	<b>10,887</b>	<b>15,000</b>
1. Bank loans and overdrafts	8,313	10,446
2. Advance payments received from customers	0	60
3. Trade payables	1,947	3,852
4. Other liabilities	627	642
<b>E. Accruals and deferred income</b>	<b>838</b>	<b>933</b>
<b>F. Deferred tax liabilities</b>	<b>1,168</b>	<b>1,471</b>
<b>Total liabilities</b>	<b>64,326</b>	<b>63,836</b>

## Consolidated Profit and Loss Statement from 1 January 2024 to 30 June 2024 for Smartbroker Holding AG

In € thousands	1/1/ -30/6/24	1/1/ -30/6/23
1. Revenues	25,512	23,425
2. Other internal work capitalised	27	1,376
<b>Total</b>	<b>25,539</b>	<b>24,801</b>
3. Other operating income	187	386
4. Cost of materials	-9,171	-9,804
<b>Gross profit</b>	<b>16,555</b>	<b>15,383</b>
5. Personnel expenses	-10,352	-9,875
6. Depreciation and amortisation	-5,113	-2,183
7. Other operating expenses	-3,284	-3,811
<b>Operating profit</b>	<b>-2,194</b>	<b>-486</b>
8. Other interest and similar income	84	118
9. Interest and similar expenses	-101	-132
<b>Earnings before taxes</b>	<b>-2,211</b>	<b>-499</b>
10. Taxes on income and profit	118	-1,228
thereof from release/formation of deferred taxes	303	-1,004
<b>Earnings after taxes</b>	<b>-2,093</b>	<b>-1,727</b>
<b>Consolidated net loss</b>	<b>-2,093</b>	<b>-1,727</b>
11. Profit/loss attributable to non-controlling interests	-3	41
12. Consolidated profit/loss carried forward from previous year	-11,518	4,393
<b>Consolidated retained earnings</b>	<b>-13,614</b>	<b>2,707</b>

## Consolidated Cash Flow Statement from 1 January 2024 to 30 June 2024 for Smartbroker Holding AG

In € thousands

Cash Flow Statement (in accordance with DRS 21)	1/1/ -30/6/2024	1/1/ -30/6/2023
<b>Cash flow from operating activities</b>	<b>2,098</b>	<b>997</b>
<b>Consolidated net loss/profit for the year (including minority interests)</b>	<b>-2,092</b>	<b>-1,727</b>
Depreciation/write-ups of fixed assets	5,113	2,183
Increase/decrease in provisions	-538	669
Other non-cash expenses/income	-416	386
Increase/decrease in inventories, trade receivables and other assets not allocated to investing or financing activities	1,262	-842
Increase/decrease in trade payables and other equity and liabilities not allocated to investing or financing activities	-1,508	-210
Interest expenses/income	17	13
Income tax expenses/income	-118	1,228
Income tax payments	379	-705
<b>Cash flow from investing activities</b>	<b>-2,362</b>	<b>-4,812</b>
Payments for investments in intangible assets	-2,430	-4,399
Proceeds from disposals of fixed assets	36	21
Payments for investments in fixed assets	-140	-583
Proceeds from disposals of financial assets	88	30
Interest received	84	118

In € thousands	1/1/ -30/6/2024	1/1/ -30/6/2023
<b>Cash flow from financing activities</b>	<b>5,412</b>	<b>-2,264</b>
Proceeds from contributions to equity by shareholders of the Parent Company	7,645	0
Repayments of bonds and (financial) loans	-2,132	-2,312
Interest paid	-101	-132
Net change in cash and cash equivalents	5,148	-6,080
Changes in cash and cash equivalents due to exchange rate fluctuations and valuation	107	27
Changes in cash and cash equivalents due to changes in the scope of consolidation		
<b>Change in cash and cash equivalents</b>	<b>5,255</b>	<b>-6,053</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>12,263</b>	<b>27,374</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>17,518</b>	<b>21,321</b>



## Consolidated Statement of Changes in Equity from 1 January 2024 to 30 June 2024 for Smartbroker Holding AG

In € thousands	1/1/ 2024	1/1/ 2023	Capital increase		Disposal/addition of non-controlling interests		Net loss/ profit for the year		Currency conversion		30/6/2024	31/12/ 2023
			1 HY 2024	2023	1 HY 2024	2023	1 HY 2024	2023	1 HY 2024	2023		
<b>Group equity</b>	<b>43,051</b>	<b>49,431</b>	<b>7,645</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>-2,092</b>	<b>-5,923</b>	<b>-14</b>	<b>-462</b>	<b>48,589</b>	<b>43,051</b>
<b>Parent Company's equity</b>	<b>43,069</b>	<b>49,397</b>	<b>7,645</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>-2,096</b>	<b>-5,976</b>	<b>-14</b>	<b>-462</b>	<b>48,604</b>	<b>42,963</b>
Subscribed capital	15,681	15,681	1,100	0	0	0	0	0	0	0	16,781	15,681
Capital reserve	38,727	38,727	6,545	0	0	0	0	0	0	0	45,272	38,727
Equity difference from currency conversion	179	637	0	0	0	0	0	0	-14	-451	165	179
Retained losses/earnings	-11,518	-5,648	0	0	0	5	-2,096	-5,869	0	-11	-13,614	-11,518
<b>Non-controlling interests</b>	<b>-18</b>	<b>35</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>-53</b>	<b>0</b>	<b>0</b>	<b>-15</b>	<b>-18</b>

# Smartbroker Holding AG

## Notes to the Consolidated Financial Statements as at 30 June 2024

### 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 in their entirety 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:**

	<b>Included affiliated companies</b>	<b>Percentage of capital</b>
1	Smartbroker Holding AG, Berlin	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	50.00
7	wallstreet:online publishing GmbH, Berlin	90.00
8	GF Global Funds SICAV, Liechtenstein	66.00
9	Smartbroker AG, Berlin	100.00

*crumbl AG (in liquidation), Berlin, Wallstreet Online Corporate Finance AG (in liquidation), Berlin, Mint Assets GmbH (in liquidation), Berlin and Erste ICO Consulting Projektgesellschaft GmbH (in liquidation), Berlin were liquidated in the first half of 2024. Blockchain Consult GmbH (in liquidation), Frankfurt am Main is currently in the process of liquidation.*

**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 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. In the first half of 2024, the Group realised inter-company profits within its scope of consolidation. As part of the Smartbroker project, inter-company results in the amount of € 33 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.

The goodwill of Markets Inside Media GmbH, which was acquired in 2018, is based on a useful life of 15 years. The brand names capitalised as part of the initial

consolidation and the deferred tax liabilities attributable thereto are amortised over a period of 15 years.

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

**Property, plant and equipment** are recognised at 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 € 800.00 are depreciated in full in the year of acquisition.

Regarding **financial assets**, shares and securities are measured at the lower of cost or fair value in the event of expected permanent 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 certain period 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 on 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 € 1,863 thousand to intangible assets are primarily based on acquisitions as part of the further development of the Smartbroker+ project (€ 1,815 thousand) and the further development of the CRM software (€ 48 thousand).

Goodwill includes an amount of € 404 thousand (previous year: € 431 thousand) that was included in the annual financial statements of Markets Inside Media GmbH in 2020. The remaining € 15,919 thousand (previous year: € 17,199 thousand) resulted from the initial consolidation of acquired shares.

In property, plant and equipment, additions of € 140 thousand resulted in particular from purchases of new technical and office equipment.

Other loans encompass two loans, namely € 283 thousand (previous year: € 339 thousand) to TS private assets GmbH and € 100 thousand (previous year: € 120 thousand) to Neufeldtneun 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.

Capital contributions called but not paid include an amount of € 49 thousand relating to the capital increase in the first half of the year. Payments in this amount were received shortly after the closing date for the interim financial statements.

Other assets mainly include inland revenue receivables of € 1,405 thousand (previous year: € 1,405 thousand). Other assets also include receivables from security deposits of € 439 thousand (previous year: € 460 thousand).



**Accruals and deferred income**

Accruals and deferred income include expenses incurred prior to 30 June 2024, insofar as they represent expenses relating to a specified period after that date.

**Equity**

Subscribed capital of € 16,781,252.00 is divided into 16,781,252 no-par value bearer shares each with a notional stake of € 1.00 in the share capital.

A capital increase at a price of € 6.95 was carried out in the reporting year. A total of 1,100,000 no-par value bearer shares were issued. The new subscribed capital now amounts to € 16,781 thousand (previous year: € 15,681 thousand), while the capital reserve totals € 45,272 thousand (previous year: € 38,727).

The currency differences of € 165 thousand (previous year: € 179 thousand) arose from the translation of ABC New Media AG's equity from CHF into EUR.

The share of non-controlling interests in equity is € -15 thousand.

The net loss was € 13,614 thousand as at 30 June 2024.

**Other provisions**

Other provisions are mainly related to obligations to employees, including holiday provisions (€ 1,122 thousand; previous year € 1,214 thousand), outstanding invoices (€ 404 thousand; previous year € 522 thousand), bonuses for the Management Board and managing directors (€ 251 thousand; previous year € 206 thousand), cost for financial statements and audit (€ 355 thousand; previous year € 605 thousand), and Supervisory Board remuneration (€ 162 thousand; previous year € 141 thousand).

**Liabilities**

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

In € thousands	Residual maturity								
	Type of liability	up to 1 year		more than 1 year		more than 5 years		Total	
		30/6/2024	2023	30/6/2024	2023	30/6/2024	2023	30/6/2024	2023
Bank loans and overdrafts	4,046	4,258	4,267	6,188	0	0	8,313	10,446	
Advance payments received from customers	0	60	0	0	0	0	0	60	
Trade payables	1,947	3,852	0	0	0	0	1,947	3,852	
Other liabilities	627	642	0	0	0	0	627	642	
VW customer base	0	0	0	0	0	0	0	0	
of which taxes	329	342	0	0	0	0	329	342	
<b>Total</b>	<b>6,620</b>	<b>8,812</b>	<b>4,267</b>	<b>6,188</b>	<b>0</b>	<b>0</b>	<b>10,887</b>	<b>15,000</b>	

€ 6,957 thousand of bank loans and overdrafts is secured by joint and several guarantees from the subsidiaries Markets Inside Media GmbH, ABC New Media AG, ARIVA.DE AG and Smartbroker AG. In addition, € 1,297 is secured by joint and several guarantees/co-liability of the subsidiaries Markets Inside Media GmbH, ABC New Media AG and ARIVA.DE AG.

### Accruals and deferred income

Accruals and deferred income includes accruals for subscription payments of € 77 thousand (previous year: € 232 thousand). € 740 thousand (previous year: € 701 thousand) is mainly due to accruals of advertising revenues in the Investor Relations segment, which were received as at 30 June 2024 but the advertising was not delivered until the period after.

### Deferred taxes

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

In € thousands	30/6/2024	31/12/2023	Change
Deferred tax assets arising from the disclosure of hidden reserves	556	524	32
Deferred tax assets from the capitalisation of internally generated intangible assets	2,581	2,852	-271
Tax loss carryforwards	-1,905	-1,905	0
<b>Total</b>	<b>1,232</b>	<b>1,471</b>	<b>-239</b>

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 and Loss Statement

### Other operating income

Other operating income of € 187 thousand (previous year: € 386 thousand) includes income from the reversal of provisions (€ 75 thousand; previous year € 22 thousand) and income from currency conversion (€ 30 thousand; previous year € 195 thousand).

Other operating income also includes income unrelated to the accounting period of € 6 thousand (previous year: € 1 thousand).

### Other operating expenses

Other operating expenses of € 3,284 thousand (previous year: € 3,811 thousand) include administrative expenses such as rental and leasing costs of € 1,120 thousand (previous year € 1,084 thousand), costs for non-deductible input tax of € 584 thousand (previous year € 323 thousand), legal and consulting costs of € 349 thousand (previous year € 890 thousand), accounting and auditing costs of € 201 thousand (previous year € 181 thousand) as well as expenses for licenses of € 158 thousand (previous year € 105 thousand).

Other operating expenses include currency conversion expenses of € 42 thousand (previous year: € 276 thousand).

In addition, other operating expenses include expenses unrelated to the accounting period of € 12 thousand (previous year: € 97 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, € 7,406 thousand was still outstanding as of 30 June 2024. The risk of potentially having to cover the claim is considered low.

## Other financial obligations

These obligations include:

Smartbroker Group Financial obligations	30/6/2024		
<i>In € thousands</i>			
until	until 06/2025	1 to 5 years	> 5 years
Totals leasing	98	7	0
Totals rent	1,888	6,621	702
Totals for maintenance and service contracts	721	947	0
<b>Total financial obligations</b>	<b>2,707</b>	<b>7,574</b>	<b>702</b>

Other financial obligations of up to 1 year amounted to € 2,707 thousand (previous year: € 1,863 thousand), of 1 to 5 years € 7,574 thousand (previous year: € 6,399 thousand) and of more than 5 years € 702 thousand (previous year: € 1,428 thousand).

Rent consists mainly of the rent of the office building of ARIVA.DE AG in Kiel with a financial obligation of € 1,120 thousand over the next five years and the rent for the office space for Smartbroker AG and Smartbroker Holding AG in Berlin Ritterstrasse with a total financial obligation of € 7,358 thousand as per the lease agreement.

Both these items represent a greater financial burden, but are necessary especially in order to implement the Smartbroker project and to accommodate the associated additional personnel requirements. This increased risk is mitigated by sublease agreements to external companies for periods during which the office accommodation is not yet used for the Company's own employees.

**Related party transactions**

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

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.

Smartbroker Holding AG has reached an agreement with its subsidiaries Markets Inside Media GmbH, Leipzig, Ariva.de AG, Kiel and ABC New Media AG, Zurich (Switzerland) for the placement of advertising on the media outlets belonging to the subsidiaries. The remuneration paid to Smartbroker Holding AG is customary in the market in each case. Under the trust agreement with Smartbroker AG regarding the acquisition of VW's portfolio, Smartbroker Holding AG received a revenue share of 55% of the revenues generated with this customer base in the first half of 2024. As part of the cooperation agreement with Smartbroker AG regarding the Smartbroker project, Smartbroker Holding AG receives a 10% share of revenue. Smartbroker Holding AG bears the costs for marketing and for the development of the new website. Contractual terms are at arm's length and customary in the market.

## Employees

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

<b>Overview of Group employees</b>	<b>1 HY 2024</b>	<b>2023</b>
Smartbroker Holding AG	54	79
Ariva.de AG	64	64
Markets Inside Media GmbH	9	11
Smart Investor Media GmbH	5	5
Smartbroker AG	129	95
wallstreet:online Publishing GmbH	4	7
<b>Total</b>	<b>265</b>	<b>261</b>

**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 € 2,876 thousand (previous year: € 4,399 thousand) for the 'Smartbroker+' project. It also includes an amount of € 140 thousand (previous year: € 583 thousand) for the purchase of office furniture and other fixtures and fittings for the new office as well as technical equipment.

Cash flow from financing activities includes servicing of the loans taken out, where € 2,132 thousand (previous year: € 2,132 thousand) relates to repayment and € 107 thousand (previous year: € 132 thousand) to interest.



**Smartbroker Holding AG  
Management Board**

Andre Kolbinger

Oliver Haugk

Michael Bulgrin

Stefan Zmojda

## Consolidated Schedule of Liabilities from 1 January 2024 to 30 June 2024

In € thousands	1/1/2024			Carrying amount	
		Borrowing	Settlement	30/6/2024	31/12/2023
Loans	<b>10,446</b>	<b>0</b>	<b>-2,133</b>	<b>8,313</b>	<b>10,446</b>
Liabilities financial institutions (<1 yr)	107	0	-54	53	107
Liabilities financial institutions (1-5 yrs)	10	0	-3	7	10
Loan BVB 4.5 million	1,275	0	-450	825	1,275
Loan DZ Bank 2.5 million	755	0	-283	472	755
Loan DZ Bank 8 million	5,049	0	-843	4,206	5,049
Loan BVB 5 million	3,250	0	-500	2,750	3,250

# Consolidated Fixed Assets Schedule as at 30 June 2024 for Smartbroker Holding AG

	Historical acquisition and manufacturing costs					Accumulated depreciation			Book values				
	1/1/2024	Additions	Disposals	Rebookings	Additions to consolidated companies	Currency conversion	30/6/2024	1/1/2024	Additions	Disposals	30/6/2024	30/6/2024	1/1/2024
I. Intangible assets													
1. Internally generated industrial property rights and similar rights and assets	11,092	1,051	0	0	0	0	12,143	2,096	1,986	0	4,082	8,061	8,997
2. Purchased concessions, industrial property rights and similar rights and assets, including licences on such rights and assets	16,534	813	94	0	0	<1	17,253	4,391	1,545	76	5,860	11,392	12,143
3. Goodwill	27,009	0	0	0	0	0	27,009	9,379	1,306	0	10,685	16,324	17,630
	54,635	1,864	94	0	0	<1	56,405	15,866	4,837	76	20,627	35,777	38,769
II. Fixed assets													
1. Property, plant and equipment	4,665	140	53	0	0	0	4,752	2,824	275	17	3,082	1,670	1,841
	4,665	140	53	0	0	0	4,752	2,824	275	17	3,082	1,670	1,841
III. Financial assets													
1. Interests in affiliated companies	<1	0	0	0	0	0	<1	0	0	0	0	<1	<1
2. Shareholdings	12	0	0	0	0	0	12	12	0	0	12	0	0
3. Securities held as fixed assets	1,250	0	13	0	0	0	1,237	650	0	0	650	587	600
4. Other loans	459	0	76	0	0	0	383	0	0	0	0	383	459
	1,721	0	89	0	0	0	1,632	662	0	0	662	970	1,058
<b>Total fixed assets</b>	<b>61,021</b>	<b>2,004</b>	<b>236</b>	<b>0</b>	<b>0</b>	<b>&lt;1</b>	<b>62,789</b>	<b>19,352</b>	<b>5,112</b>	<b>93</b>	<b>24,371</b>	<b>38,417</b>	<b>41,669</b>