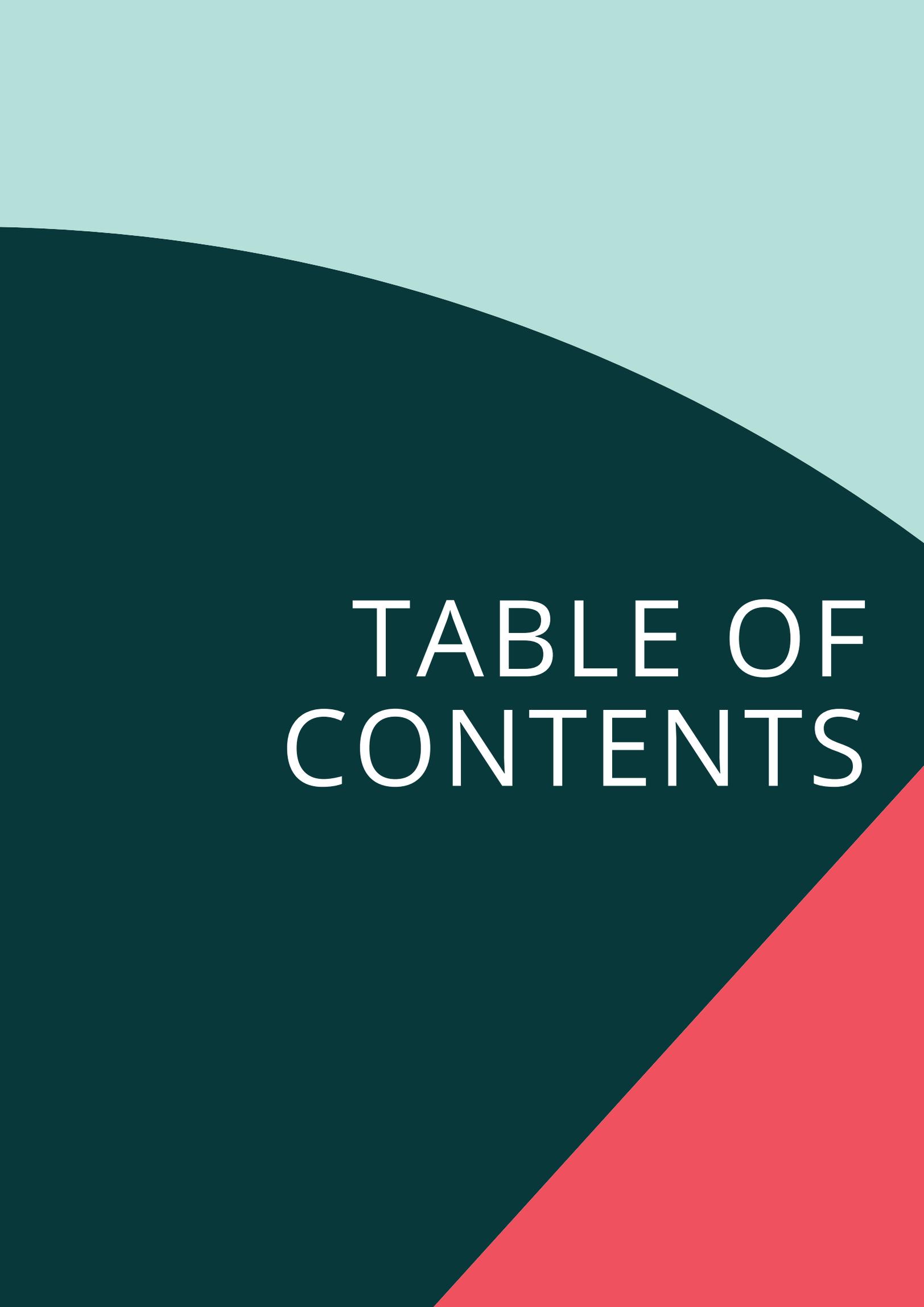


# 2021

Annual Report

wallstreet:online



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wallstreet:online

**INVESTING REDEFINED** | Through the combination of a comprehensive digital brokerage and investment platform with the largest group of publisher-independent financial portals, the wallstreet:online Group connects Germany's retail investing ecosystem in a unique way.

We empower investors to make informed decisions and implement their investment strategies in a highly efficient way – via Smartbroker, Germany's largest next generation broker by assets under custody and the country's most active investor community.

"2021 was an extremely successful year for wallstreet:online, characterised by growth, innovation, and investment. We continued to expand our transaction business which - since the Smartbroker launch in December 2019 - has complemented and enriched our established financial media business.

Smartbroker is an award-winning digital brokerage and investment platform for private investors, uniquely combining the comprehensive product offering of classical brokers with the extremely favourable conditions of neo brokers. Gaining majority ownership of the Smartbroker operator wallstreet:online capital AG in July 2021 laid the groundwork for the future long-term growth of the Group.

In the past year, nearly 120,000 additional securities accounts were opened at Smartbroker, an increase of 140% compared to 2020. The Group doubled its assets under custody to €8.8 billion at the end of 2021 and generated €16 million in revenues in the transaction segment – 31% of the Group's revenues. The targeted product investments and the favourable timing of the Smartbroker launch have enabled the Company and thus our shareholders to profit from the dynamic growth in the areas of personal savings and investments, as well as online advertising."

**MATTHIAS HACH, CEO DER WALLSTREET:ONLINE AG**

- 82% revenue growth to €51.4 million | 63% of the increase was attributable to the transaction segment and 37% to the media business
- Operating EBITDA before client acquisition costs of €17.5 million | Enabled targeted investment of €13.1 million in the accelerated growth of Smartbroker
- Smartbroker leads the growth in the transaction segment | Comprehensive product range at the most favourable prices enabled the doubling of securities accounts
  - » 120,000 securities accounts net additions in 2021 | Bringing the total number to approx. 246,000 securities accounts, of which approx. 200,000 Smartbroker securities accounts
  - » Smartbroker once again won important awards, being repeatedly recognised as one of the leading digital brokers for private investors
  - » Doubling of the Group-wide assets under custody to €8.8 billion – equivalent to approx. €36 thousand per account, and thus materially above the market average for typical next generation brokers
- Media: increase in annual page impressions by more than 15% to approx. 4 billion on the Group's financial media portals | 836k registered users across the Group's discussion forums, making wallstreet:online the largest financial community in Germany by a considerable margin
- Achieved substantial progress in the internalisation process of our transaction IT infrastructure
- Applied for an extension to our existing BaFin (Bundesanstalt für Finanzdienstleistungsaufsicht, German financial services supervisory authority) licence, covering additional securities services
- Obtained substantial majority in the shares of the Smartbroker operating company, wallstreet:online capital AG
- Expansion of the management team with industry experts Matthias Hach as CEO & Chairman of the Management Board and Roland Nicklaus as CFO
- Strengthened the organisation by expanding the management levels – above all in the Compliance, Governance, Finance, and IT departments as well as by hiring more than 40 new employees

## KEY INDICATORS | PRO FORMA\*

In € millions   Rounded	Full Year		
	2021	2020	Change in %
Revenues	51.4	28.2	82%
Operating EBITDA before client acquisition costs	17.5	12.0	45%
Operating EBITDA after client acquisition costs	4.4	4.5	(2%)
Securities accounts	246,000	117,000	110%
Assets under custody (in € millions)	8,820	4,310	105%
Ø Assets under custody per securities account (in €)	36,000	37,000	(3%)
Ø Number of trades per securities account	29	29	-
Page impressions for the financial portals (in millions)	3,900	3,400	15%
Ø Number of employees	196	107	83%

\*Pro forma numbers for 2021: wallstreet:online capital AG fully consolidated as of 1 January 2021 (figures based upon management information system).  
Audited annual Financial Statements: wallstreet:online capital AG fully consolidated as of 1 August 2021 (figures based on HGB - German Commercial Code)



Revenue growth 2021



Adj. EBITDA before CAC  
growth 2021



Assets under custody  
growth 2021

CAC = Client Acquisition Costs

## **ABOUT WALLSTREET:ONLINE**

The wallstreet:online Group operates the Smartbroker – a multiple award-winning online broker, which is the only provider in Germany to combine the extensive product range of traditional brokers with the extremely favourable conditions of neo brokers. In addition, the Group operates four high-reach stock market portals (wallstreet-online.de, boersenNews.de, FinanzNachrichten.de and ARIVA.de). With several hundred million monthly page impressions, the Group is the by far largest publisher-independent financial portal operator in German-speaking countries, and also hosts the region's largest finance community.

## THE GROUP'S BUSINESS SEGMENTS



### Transaction | Digital Brokerage



„Germany's only digital retail broker combining the extensive product range of traditional brokers with the extremely favourable conditions of neo brokers.“

#### Our Awards



#### Our Partners (selection)



### Financial Media | Community



„Germany's leading publisher-independent financial and stock news portal operator including the largest finance community.“

#### Our Reach

- 3.9bn page impressions in 2021
- ~ 3m monthly active users in 2021; reaching min. 40% of Germany's execution-only investors and savers

#### Our Advertising Partners (selection)





### DEAR LADIES AND GENTLEMEN, DEAR SHAREHOLDERS,

We look back on an extremely successful fiscal year 2021. We achieved, and in part exceeded, our ambitious growth objectives for our transaction business, revenues, and profitability. This enabled us to continue to invest into our product capabilities, new client acquisitions and expanding existing client relationships. Our next generation broker Smartbroker operated almost 200,000 client securities accounts and further strengthened its market position.

In 2021, the Group reached a new revenue record with €51.4 million – an increase of 82% compared to 2020. The operational EBITDA before client acquisition costs for Smartbroker increased by 45% to €17.5 million.

wallstreet:online is benefiting from the growth momentum of two key markets at the heart of the digitalisation trend. Digital advertising formats dominate the media and advertising business, as marketers and brands follow their customers to digital, mobile, and in-app outlets. By 2025, more than 60% of advertising budgets in Germany will be spent on digital media – thus, wallstreet:online's target market will exceed €1.5 billion<sup>1</sup> – and this is only considering advertising spent on financial products, which represents only a small part of the Group's total addressable market.

Moreover, the number of online securities transactions is growing annually between 6% and 8%. Market

observers are assuming approx. 5 million execution-only investors in Germany in 2021. By 2025, 40% of all German retail securities holders, currently roughly 12 million individuals, are estimated to be attributable to this category.<sup>2</sup>

Although the relatively high market volatility in 2021 can be regarded as one factor for the increased trading activity of personal investors and savers, we are convinced that favourable long-term trends will provide sustained growth for our target markets. Moreover, the continuous low interest environment will result in the search for yield alternatives. The same applies for high inflation rates. In addition, the pressure that is burdening the state-backed pension system will continue to strengthen the need for private, sustainable wealth creation across various asset classes, including listed assets. The technological developments of recent years enabled the establishment of new digital business models, offering investors comprehensive products and services at much lower fees than traditional banks and brokers, including those online providers of the first generation of the internet. These innovations are not only used by first-time investors and digital natives, but rather by investors and savers from all backgrounds and age groups, who wish to implement their investment strategies via transparent solutions in an efficient, cost-effective and independent manner. According to the "German Listed Equities Institute" (Deutsches Aktieninstitut), a record of approx. 2.7 million new

<sup>1</sup> Company's forecast based on 2021 eMarketer data  
<sup>2</sup> Oliver Wyman, 2021 study

shareholders joined the stock market in 2020. The level of shareholders remained stable in 2021, underlining the increased confidence in listed assets. Strategy consultants Oliver Wyman describe a second clear trend, namely towards online brokerage and self-management through digital platforms: the percentage of securities accounts managed by digital providers increased from approx. 34% to 37% in 2020. We are convinced that digital platforms such as our Smartbroker, which are precisely tailored to client needs and combine low fees with a comprehensive product range, are contributing to this positive development.

### **SMARTBROKER IS SPEARHEADING THE GROWTH IN THE TRANSACTION SEGMENT**

wallstreet:online was able to more than double the number of managed securities accounts as well as the assets under custody in the past year. At the end of the year, the subsidiary wallstreet:online capital AG managed a total of approx. 246,000 securities accounts. Smartbroker accounted for 200,000 of those, after adding approx. 120,000 new accounts during the year – a year-over-year growth of more than 140%. The clients' assets under custody grew by 105% to more than €8.8 billion across Group companies. This corresponds to approx. €36 thousand per securities account, ranging substantially above the customary averages of the neo broker industry, in line or even above the typical levels of traditional retail brokers.

We are proud of the growth attained and the positive feedback from our clients. In 2021, important initiatives were promoted to continue to strengthen our offerings and open up new client groups. The investments in marketing and client acquisition were expanded compared to 2020. The profitable media business enabled us to largely self-finance these costs, accelerating the market share expansion of our next generation broker, which was at approx. 1% in 2021 based on the number of securities accounts<sup>3</sup> in Germany. At the same time, key elements of Smartbroker's technological, legal, and organisational setup have been developed further, to make our financial platform more independent – both organisationally and technically – and to lift wallstreet:online to the next level as soon as possible.

The Company set out to develop and enhance its own IT infrastructure. Many processes of the brokerage value chain will be internalised, and optimised and designed to accommodate future innovations. This expansion entails the technical development of the new platform, as well as expanding the teams with specialised personnel in order to fulfil the new tasks internally. During the last year, we had the privilege of welcoming approx.

40 new employees to our team who are mainly reinforcing our client services, IT, compliance and financial departments.

In addition, we submitted our application to the BaFin for the expansion of our current licence as a securities institute to cover additional securities services. We reached important milestones in all segments in 2021 and intend to continue our growth journey in 2022: we anticipate receiving the licence upgrade during the second or third quarter of 2022 and to launch Smartbroker 2.0 in the second half of the year. The related important upgrades will place the account opening, account management and order routing processes in our own hands, enable the introduction of new securities account categories, a mobile trading app as well as a new user interface for Smartbroker's web application. We expect to substantially accelerate and simplify the securities account openings. The product enhancements should also increase the growth potential by appealing to new client groups via app-based social media channels and reduce client acquisition costs over time.

In July 2021, the legally required change of control investigation into the acquisition of a further stake by wallstreet:online AG in wallstreet:online capital AG was approved by BaFin. wallstreet:online AG thus assumed a majority stake of more than 95% in wallstreet:online capital AG, the Smartbroker operating entity. In January 2022, the resolution was adopted by the General Meeting of wallstreet:online capital AG to squeeze out the shares of the minority shareholders against a cash payment. The process was completed in April 2022 and wallstreet:online now holds 100% in the Smartbroker operator. Thus, the groundwork has been laid to further connect the business segments and capitalise on the various identified strategic and financial synergies.

### **SUSTAINABLE GROWTH IN THE MEDIA BUSINESS ONCE AGAIN CONFIRMS WALLSTREET:ONLINE AS THE LARGEST PUBLISHER-INDEPENDENT FINANCIAL PORTAL OPERATOR IN GERMAN-SPEAKING COUNTRIES**

wallstreet-online.de, the Group's first financial media website, was founded in 1998. Throughout the years, the strong organic growth combined with multiple targeted acquisitions established wallstreet:online as the largest publisher-independent financial portal operator in German-speaking Europe, and the host of the region's largest finance community with nearly 850,000 registered users. Today, the Company owns, among others, the websites, apps, forums, and communities of wallstreet-online.de, boersenNews.de, FinanzNachrichten.de and Ariva.de.

<sup>3</sup> Additional details on this in the chapter "Market Environment" below

On-going investments in the functionality and design of our websites and apps have contributed to the sustained growth of our media segment. The number of annual page impressions increased by approx. 15% to almost 4 billion in 2021. The number of registered users in the Group's discussion forums increased to more than 836,000 users. The 32% revenue growth was entirely organic, and was achieved without corresponding personnel increases, thanks to the scalable technology setup and processes.

In January 2022, wallstreet:online established wallstreet:online Publishing GmbH, bundling all owned editorial offerings and editorial media assets as well as adding new trading-specific content and video formats. In addition to our free media content on our websites, apps, forums, and communities, we are launching a new line of paid content services which will generate new, subscription-based revenue streams, adding to the Group's profitability from the beginning of next year. This new paid content will mainly consist of Börsenbriefe, actionable insights and recommendations for private investors.

### ONE UNIQUE VALUE PROPOSITION FOR OUR SHAREHOLDERS AND RETAIL CLIENTS

The wallstreet:online Group covers the segments financial media and personal digital savings and investments – offering our shareholders the opportunity to participate in two of the most important growth markets at the centre of digitalisation. For our retail customers, Smartbroker combines the comprehensive product range of classic brokers and the extremely favourable conditions of neo brokers and is further enhanced by an unassailable wealth of user generated content and recommendations from our forums, communities, and information websites. Our financial stability as well as the many years of industry expertise and the wide network connecting us to important partners on the German financial market set us further apart from the other brokers in the market. Smartbroker's rapid rise is proof of the attractiveness of its product offering - making it one of the strongest challengers in the digital broker market today.

### 25% REVENUE GROWTH PLANNED FOR 2022

In March of this year, wallstreet:online AG announced a revenue goal of between €62 million and €67 million – representing organic growth of approx. 25% vs. 2021. The operating EBITDA before client acquisition costs is forecasted to be between €16 million and €18 million, with client acquisition costs of around €6 million. The decrease in client acquisition costs compared to 2021 is owed to the strategic decision to fully focus on the market launch of Smartbroker 2.0 and only then accelerate

the new client outreach again. Given this investment and the aforementioned technology and product plans, the transaction segment, led by Smartbroker, is projected to contribute more than 40% to the Group's revenues for the first time. The Company forecasts it will be able to acquire more than 55 thousand new brokerage accounts in 2022, while trading activity is to remain stable. Important product and business initiatives are also planned for the media segment in order to continue the profitable growth – e. g. upgrading the apps of Ariva and wallstreet:online as well as investing into the optimisation of all media portals on an ongoing basis.

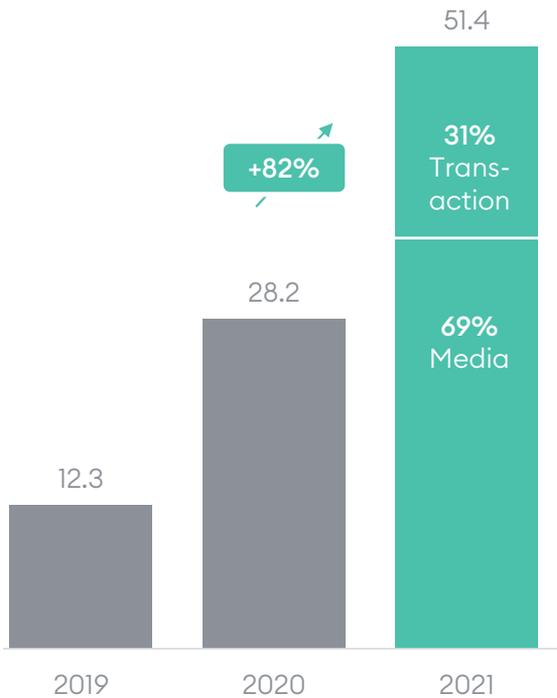
The strong start into the first months of the current year builds on the growth trend of 2021 and gives us the confidence to continue to expand all segments as planned.

I joined the Group in March 2021 with the clear motivation to make wallstreet:online the leading financial platform for private investors in Germany. The mix of up-to-date financial market news, the access to an active financial community of hundreds of thousands of like-minded savers and investors as well as the comprehensive brokerage offerings make wallstreet:online the ideal platform for investors during all phases of the investment cycle. As Management Board, we are convinced that we will be able to continue to expand our market position and are working very hard on the implementation of the projects that are planned for 2022.

On behalf of the Management Board and the entire management team, I heartily thank all employees for their tireless dedication and hard work as well as all partners and shareholders for their confidence. We are looking forward to opening the next chapter of our growth story together. Finally, our thanks go out to the Supervisory Board for the consistently constructive cooperation and support.

Kind regards,  
Matthias Hach

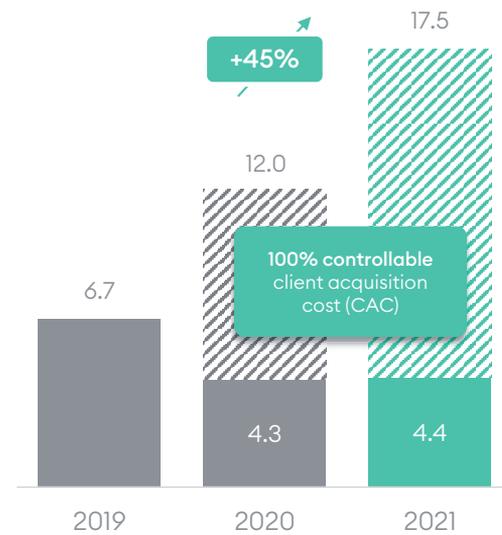
## Revenues, in € millions



In 2021, the Group achieved new record revenues with €51.4 million – a 82% increase over the previous year. This figure represents pro forma revenues based on the management information system, which include wallstreet:online capital AG fully consolidated as of 1 January 2021. In accordance with the German Commercial Code, the figure would be approx. €56.8 million without any significant effects on the EBITDA.

The operating EBITDA before client acquisition costs for Smartbroker grew by 45% to €17.5 million.<sup>4</sup> Thus, the Company fulfilled or exceeded its guidance both for the revenues as well as the EBITDA for the third year in a row.

## Operating EBITDA, in € millions



The diversification of the Group's revenue base was successfully continued in 2021. For the first time, the transaction segment contributed more than 30% of the annual revenues. The media business was able to increase its revenues by more than 30% as planned. The entirety of this increase was organic. This development underlines the attractiveness of both offerings, which will be further harnessed by deepening the ties between the segments and realising synergies.

<sup>4</sup> Pro forma figures for 2021: wallstreet:online capital AG fully consolidated as of 1 January 2021 (figures based on management information system). Audited Financial Statements: wallstreet:online capital AG fully consolidated as of 1 August 2021 (figures based on German Commercial Code, HGB)

## Financial performance

*In € millions | rounded, pro forma*

	2021	2020
<b>Revenues</b>	<b>51.4</b>	<b>28.2</b>
of which Transaction	15.9	1.3
of which Media	35.5	26.9
EBITDA	3.9	7.5
Adjustments for one-time effects*	0.5	(3.0)
<b>Operating EBITDA</b>	<b>4.4</b>	<b>4.4</b>
Client acquisition cost for Smartbroker	13.1	13.1
<b>Operating EBITDA before client acquisition cost</b>	<b>17.5</b>	<b>17.5</b>

\* The operating EBITDA has been adjusted for one-time effects. In 2020, these essentially referred to the proceeds from the sale of shares in Trade Republic; in 2021, these essentially referred to the cost of the capital increase completed in July 2021.

## 2021 actuals compared to guidance

<i>In € millions   Rounded</i>	Guidance for 2021	Operating results for 2021
Revenues	45.0 – 50.0	51.4
Operating EBITDA before CAC*	16.5 – 18.5	17.5
Operating EBITDA after CAC*	4.0 – 6.0	4.4

\* CAC: client acquisition costs

The guidance presented in February 2021 forecasted revenues between €45 million and €50 million, which would have corresponded to growth of at least 60%. The pro forma group revenues amounted to €51.4 million in 2021, which corresponds to 82% growth vs. 2020, substantially exceeding the guidance. The guidance for the operating EBITDA was fulfilled, both including and excluding the cost for the new client acquisition.



## BASIS OF PRESENTATION

### DIFFERENTIATION BETWEEN PARENT COMPANY AND GROUP

Throughout this report, “wallstreet:online AG”, the “AG” or the “Parent Company” shall be used to refer to the parent company. For information regarding the Group, the report shall refer to the “wallstreet:online Group”, “the Group”, “the Company” or simply to “we”. Where the aforementioned differentiations are not used and no other reference is made, the information shall refer equally to the Group as well as the Parent Company.

### GENDER FORM

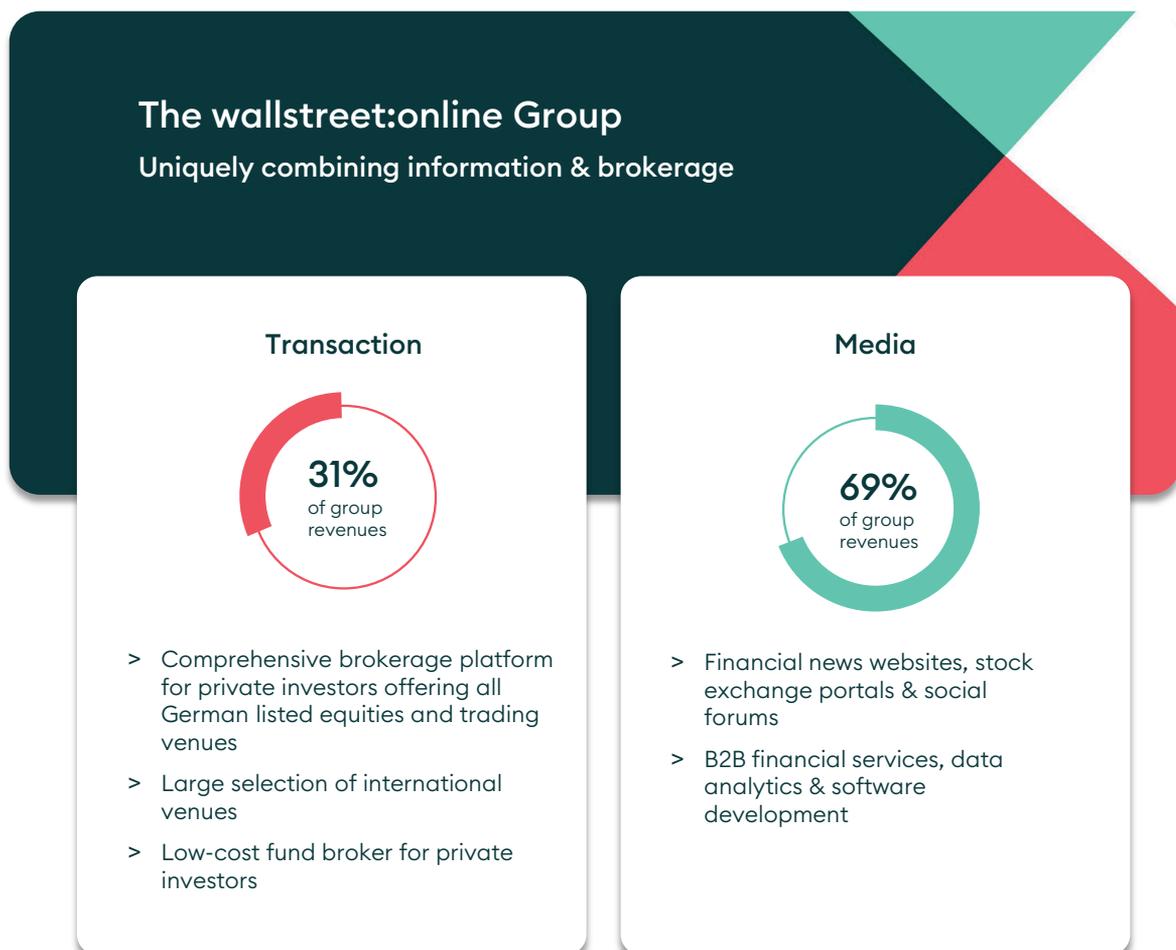
For simplification purposes, in sections of the business report, only one gender form is used. Any other gender form is expressly included.

### 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, the actual results may deviate from the expectations.

## 04 BUSINESS MODEL & TECHNOLOGY

The wallstreet:online Group is a financial services provider with a comprehensive product range, combining digital private brokerage, savings and investment solutions with financial media and stock exchange information. The Company develops and operates brokerage platforms for private investors and savers as well as Germany's largest financial community and group of financial media portals. Moreover, the Group offers customised B2B software solutions for financial data, web services and the production of regulatory documents.



### TRANSACTION



Smartbroker is an award-winning digital next generation broker which combines the comprehensive product range of traditional brokers and direct banks with the extremely favourable conditions of the most recent generation of neo brokers.

Smartbroker was launched in December 2019 in order to address the market need for a premium broker for execution-only investors at minimal or zero fees. The in-

vestments in the brokerage technology – combined with the long-term market presence and the comprehensive industry network of the Group – enabled the launch of a digital broker without the product restrictions and limitations which typically characterise the offerings of regular neo brokers.

With Smartbroker, investors can trade almost all listed securities and, in so doing, have the freedom of choice to use their preferred trading venue. The offering includes trading on all German stock exchanges, in direct trading, via gettex, Lang & Schwarz, Tradegate and Xetra. Moreover, Smartbroker offers the possibility of trading international shares on the respective domestic stock exchanges – including trading on the Nasdaq, NYSE, and LSE. Broken down by investment classes, the broker offers the free-of-charge trading of shares, funds, ETFs, savings plans and bonds via gettex, trading via Lang & Schwarz at €1 per trade as well as derivatives trading at zero cost via select premium partners. For order volumes below €500, trading fees of €4 are charged within Germany.

### PRODUCT FEATURES

- Comprehensive digital brokerage offering for private investors
- Trading of virtually all listed securities on all German trading platforms and exchanges, permanently from €0 commission, including shares, bonds, funds, ETFs, derivatives and precious metals
- Trading of shares, funds, ETFs, and bonds via Gettex from €0, via Lang & Schwarz from €1 | Derivatives trading from €0 via premium partners Morgan Stanley, HSBC, UBS and Vontobel
- Trading of international shares on the respective domestic stock exchanges
- Permanently free securities accounts
- Permanently free savings plans
- Sub-securities accounts, sub-accounts, currency accounts

FondsDiscount was founded in 2004 and is the Group's second digital brokerage platform, which offers retail investors the opportunity to save and invest in funds without issue premia, providing clients with substantial price advantages over conventional banks. The offering encompasses a large selection of funds and investment products – e. g. sustainability, equity or real estate funds as well as crowd-funding, renewables and direct-investing products – all complemented by professionally compiled information documents regarding the investment products and current financial topics. Various types of securities accounts, the wide range of funds combined with small minimum investment thresholds enable the implementation of various investment strategies. In addition, the Company serves the former brokerage clients of Volkswagen Bank GmbH via the wo-capital.

de platform. In a successful migration project, wallstreet:online capital was able to move almost 100% of these clients' assets onto its platform after acquiring the client base from VW. Since then, a successful cooperation has unfolded with Volkswagen Bank, which also includes a five-year cooperation to channel new client prospects towards wallstreet:online. There has been an ongoing exchange of ideas and regular joint marketing campaigns. Cross-selling to the clients began at the end of 2021 and will be further expanded in 2022.

### MILESTONES IN 2021 IN THE TRANSACTION SEGMENT

- Sustained strong growth of revenues and number of clients
- wallstreet:online doubled its securities accounts and assets under custody in 2021 – Smartbroker grew by 140% to 200,000 securities accounts
  - » 120,000 new securities accounts opened in 2021
  - » The Group managed approx. 246,000 securities accounts by the end of the year, 200,000 of which at Smartbroker
  - » The clients' assets under custody doubled in 2021 to €8.8 billion
  - » With that, the Company operates the largest next generation broker in Germany based on assets under custody
- Revenue contribution from the transaction segment expanded to 31%
- Smartbroker won numerous important industry awards, including 1st place in the brokerage category from magazine "Euro", 1st place in "Fund brokerage and savings plans (funds, ETFs, shares)" from magazine "Euro am Sonntag", as well as top results in the "Focus Money" rankings of "The Best ETF Savings Plans" and "The Best Share Savings Plans"
- The "Finanztest" magazine, which is part of the renowned "Stiftung Warentest" group, designated Smartbroker as the most cost-effective provider on the market in 2021, enabling cost savings of more than €800 compared to traditional banks and brokers<sup>5</sup>
- Applied for the extended securities licence at BaFin
- Kicked-off the internalisation processes for Smartbroker's IT infrastructure as well as the expansion of the product range
- Optimisation of the digital subscription platform for paperless processing of investments into funds

<sup>5</sup> „Finanztest“ 12/2021 issue, calculations based on a €50k securities account with 12 transactions per year, order values above €6k and €2.5k respectively

- Cross-selling to former VW clients | Launch of the marketing cooperation with VW

All of the Group's transaction products appeal to personal investors who place importance in a comprehensive product selection, the highest quality of order execution, security, transparency and fair, low fees. The product suite is clearly focused on the digital trading and saving of securities. wallstreet:online fulfils both the demands of investors who are using the offering for long-term wealth accumulation via savings plans as well as active traders who are pursuing a more short-term investment approach. The offering will be expanded by adding new, self-developed technology and internalising parts of the brokerage value chain.

## B2C-MEDIA



The Group operates four high-reach stock market portals, apps, communities, discussion forums and a print magazine. With several hundred million monthly page impressions and more than 836,000 registered users, the Group is by far the largest publisher-independent financial portal operator and host of the largest financial community in German-speaking Europe. In addition to international news agencies, the own editorial staff, renowned financial professionals, select community experts and specialised industry authors present the latest developments around markets, trends, assets, the economy, and politics.

WSO offers users a mix of up-to-date information and news geared towards private investors as well as the possibility to interact with like-minded savers and investors in the Group's social networks. Conversely, advertisers and brands rely on WSO for its extensive reach within a clearly-defined target group of investors, savers, and capital market enthusiasts. Based on company estimates, more than 40% of all execution-only investors in Germany regularly use at least one of the Group's portals.<sup>6</sup> The Company's audience displays above-average education, income, and wealth levels<sup>7</sup> – enabling the Company to attain consistently high margins for on-line advertising integrated on its portals. Including all market players, wallstreet:online is the second-largest

financial platform operator in the German-speaking world by monthly page impressions.<sup>8</sup>

The commercialisation of the portals is done in-house. A combination of direct deals with advertisers and agencies and the automated placement of advertising through real-time bidding protocols ("RTB") enables the Company to attain high fill rates, planning reliability and stable profit margins. In addition to conventional display formats such as banner ads, the Company relies upon self-developed, dynamic advertising formats such as the "dynamic placement" as well as the development of comprehensive deal solutions and advertising campaigns consisting of various integrations, formats, and placements.

## PRODUCT FEATURES

- Comprehensive offering of financial news portals and specialised communities on investing, markets, finance, the economy, and politics
- Media offering across brands and channels including web, apps, communities, print and social media
- Attractive, diverse offering of innovative advertising formats, such as:
  - » Proprietary advertising format "dynamic placement": Suitable advertising content is adapted to the user's behaviour and selected and displayed in real time
  - » Complete solutions addressing the investor relations advertising needs of domestic and international companies: WSO offers to create high-reach, high-impact ad campaigns for listed companies seeking to increase publicity and liquidity in their shares
  - » Native advertising formats: look-and-feel matches the style of the respective community discussion forums, ad content matches the discussion content

## MILESTONES IN 2021 IN THE B2C MEDIA SEGMENT

- All of the Group's portals and news pages recorded increases in web page views and user figures
  - » wallstreet:online established a defensible market position as one of the leading providers of digital financial media in the German-speaking world – continued organic growth, also as large advertising agencies generally award budgets to the two or three largest providers in a specific

<sup>6</sup> Own calculations, assuming 5m execution-only investors in Germany (source: Oliver Wyman), compared to the number of unique users per month.

<sup>7</sup> wallstreet-online Client Analysis 2021, Germany Investments and Trading Report (Investment Trends)

<sup>8</sup> Source: IVW German Information Association for the Distribution of Advertising Media (Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern) e.V., 2022

segment, in order to attain the most efficient advertising spend return on investment

- The number of annual page impressions increased by 15% to approx. 4 billion in 2021
- The number of registered users in the discussion forums increased to more than 836,000 users
- Ongoing technical and creative improvements to increase user-friendliness
- Ongoing optimisation of the real-time data infrastructure to guarantee highest levels of availability
- Expansion of the cooperation with wallstreet:online's premium partners Vontobel, Morgan Stanley, UBS and HSBC, whose structured products are being made available to Smartbroker's brokerage clients and who, at the same time, use the Company's portals for their own marketing and client acquisition purposes
- Establishing RTB as an additional reliable income source from digital advertising
- Relaunching of the wallstreet:online app at the beginning of the year as well as initiating the relaunch of the Ariva.de website and apps

## B2B-MEDIA



The subsidiary ARIVA.DE AG offers a comprehensive range of customised B2B software solutions in addition to its media portal and apps. This includes processing and supplying high-quality financial data and regulatory documents, offering individual web services, and creating and hosting complete websites and apps. Its client base constitutes banks, exchanges, and similar financial institutions. Securities information, market data, key indicators and required regulatory documents are provided individually in line with client requirements.

Ariva is one of the pioneers on the market and one of the few providers who distributes German Stock Exchange market data in real time. Modern technology, continuous monitoring by in-house operations teams, redundant server structures and proprietary connections to the largest data suppliers guarantee highest reliability and service quality. All software solutions are self-developed and are being optimised according to client needs on an ongoing basis. These factors are the basis of long-lasting client relationships and Ariva's sustainable growth.

## PRODUCT FEATURES

- **Market and financial data:** Ariva supplies banks, financial institutions and private investors with market data, master data and share price information for shares and indices from global stock exchanges. The Company procures the real-time market data from the stock exchanges and provides them to various target groups in an individualised manner. In addition to providing standard KPIs and indices, the company can implement individual data sets calculated in real-time and displayed regardless of stock exchange opening hours
- **Web services & analytical tools:** Building on the data services, Ariva offers applications to integrate content into clients' websites and apps in an interactive manner, e. g. depiction of charts and custom product information depending on the user interaction; implementation of user forums; planning and managing of entire websites and apps
- **Regulatory solutions:** The company enables the automated creation and management of regulatory documents which fulfil all standards regarding content, version management, long-term archiving, reporting and audit trails. The offer includes both regulatory documents as well as product information sheets, PRIIP-KIDs ("Key Information Document for Packaged Retail and Insurance-Based Investment Products"), fund documents and individual marketing documents, which are implemented upon client requirements and delivered in an automated way

The years-long experience, high service quality and comprehensive product range of proprietary software products, which are deeply integrated into the clients' processes and products, have enabled Ariva's stable market position as a quality leader.

## MILESTONES IN 2021 IN THE B2B MEDIA SEGMENT

- Technological innovations in supplying share price data, providing increased security, faster delivery, and easier connection of new clients to existing data services
- The expansion and optimisation of the quote server were completed – the increased stability enables future growth
- The company website of ARIVA.DE AG, ariva.ag, was redesigned and expanded which, already in 2021, resulted in an increased number of new client enquiries

## WALLSTREET:ONLINE ON THE WAY TO BECOMING THE LEADING INTEGRATED FINANCIAL PLATFORM FOR PRIVATE INVESTORS

In recent years, the digital investment market for private investors became an important pillar of the financial industry. Technical innovation, progressive digitalisation and the launch of new business models have enabled so-called digital-first providers to expand the market with customised, cost-effective solutions, enabling savers and investors to implement their investment strategies efficiently and independently. For example, new digital banks and financial service providers, who operate lean organisational structures and scalable technology platforms, without branch offices or supporting certain classic banking products, can offer affordable, comprehensive solutions for modern securities investment and asset management.

In addition, the development of the media and advertising landscape is also heavily influenced by digitalisation. Brands and advertisers follow their customers, who are consuming content increasingly or mainly online. Accordingly, digital formats became important advertising channels and, in many markets, already represent the majority of advertising budgets.

wallstreet:online combines transaction and media services for private investors and thus profits from the aforementioned growth trends in both markets. The Company established its market position as one of the go-to German-language web destinations for information on stocks, markets, assets analyses, wealth management and investing early on. Over the course of years, the offering has been expanded by the social media components of discussion forums and additional financial portals and apps.

**MEDIA:** wallstreet:online is a leading provider of stock exchange portals, news apps and financial communities. The wide reach, the targeted audience as well as the own innovative advertising formats form important distinguishing characteristics. The Company is constantly investing in the continued development of its products and the improvement of the technical infrastructure in use, to guarantee best user experience, stability, and performance across all platforms.

**TRANSACTION:** Via the subsidiary wallstreet:online capital AG, the Group offers a broad range of brokerage products for private investors in Germany. All brands share the notion to offer comprehensive, high-quality products and client services at the lowest price. Within a short period of time, the Group became the largest neo broker operator in Germany by assets under custody and counted approx. 200,000 securities accounts by the end of 2021 for Smartbroker alone. The profitable media segment enabled the largely internal financing of Smartbroker's development and growth. In 2021, wallstreet:online AG spent €13.1 million for marketing and client acquisition for Smartbroker.

This strategy is to be maintained in order to sustainably expand the market position. Moreover, ongoing investments in the functionality, stability and user-friendliness of the brokerage platforms are planned. The Company is striving for sustainable, organic growth and intends to use targeted investments to continue the expansion of its customer base. The further development of the transaction platform and the product range are central to both the acquisition of new customers and the maintenance and increase of the trading activity of existing customers.

First and foremost, the investment focuses on the new version of Smartbroker and the associated internalisation of important processes along the brokerage value chain. The „Smartbroker 2.0“ project includes:

- Launch of the Smartbroker app with simultaneous redesign of the entire user experience including the web application – creation of an integrated state-of-the-art financial platform in terms of functionality, speed, user-friendliness and "look and feel"
- Implementation of the Company's own IT infrastructure – the "Smartbroker Cloud Platform" internalises essential processes that were previously fulfilled by external partners, such as the individual custody account management
- Simplification and acceleration of the custody account opening process

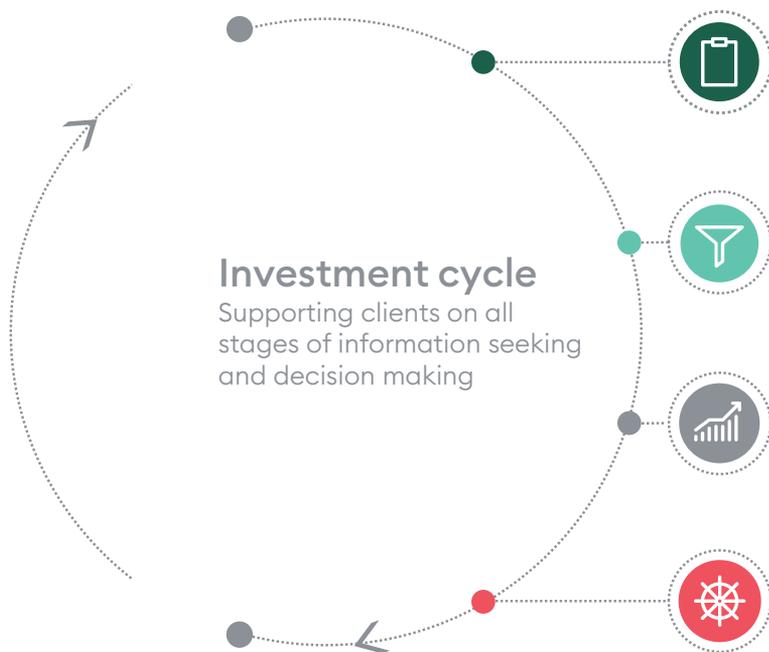
- Subsequently, expansion of the supported account type to include joint securities accounts, junior securities accounts, company accounts, etc.
- Expansion of the product range to include cryptocurrencies
- The trading app makes it possible to address new customer groups via own and external social media channels and enables the reduction of customer acquisition costs going forward
- Expansion of the Company's internal customer service team, increasing service hours and channels

These important product innovations are dependent on the extension of wallstreet:online capital AG's BaFin licence and the formal completion of the full acquisition of wallstreet:online capital AG by the Parent Company. The latter was completed in April 2022. The Company plans to launch Smartbroker 2.0 and the underlying Smartbroker Cloud platform in H2 2022.

After the implementation of the internalisation project, the Groups aims to further expand its market share by attracting new customers from three main target groups: (1) first-time investors who use Smartbroker as their main and oftentimes only brokerage platform, (2) customers of traditional banks and brokers who switch to Smartbroker due to the better user experience and lower fees, and (3) customers of neo brokers who prefer Smartbroker due to the comprehensive product offering, albeit at the same low fee structure.

Smartbroker 2.0 offers all customers easy and cost-effective access to the capital markets, and the opportunity to invest and build up assets over time, e. g. to save for retirement or other projects. The easy, swift account opening, and the intuitive user interface of the new app and desktop applications will enable secure trading with just a few clicks. This means that investors will always be up to date and can trade at short notice, even on-the-go, according to their ideas and market conditions.

**SYNERGIES:** In addition to the ambitious growth targets in the individual business areas, the completion of the internalisation project is also intended to increasingly realise synergies between the media and transaction segments of the Company. In terms of product offering, this will allow the Company to support users throughout all stages of the investment cycle. The Group will fulfil its strategic mission of establishing a financial technology platform that can be used by savers and investors for (i) financial education and planning; (ii) information gathering and investment strategy decisions; (iii) the transactional implementation of those strategies and decisions; and (iv) their ongoing monitoring and optimisation.



### Planning & educating

The Group's media outlets form the largest German publisher-independent portal for financial and stock exchange news. As such, they represent an important source of information for all kinds of investors planning their investment.

### Designing & informing

We support investors in designing their investment strategy by providing the latest information on assets, markets and trends. The discussion portals can be a viable tool to review investment ideas and asset analyses.

### Investing

Smartbroker enables investors to trade all licensed securities on any German venue starting from €0 commission, including stocks, bonds, funds, ETFs, derivatives, metals; International equities tradable on the respective primary exchange.

### Managing & monitoring

The Company's intuitive, user-friendly investment platforms allow for on-the-fly adjustments of investing strategies, monitoring of performance, automated execution of savings plans etc.

The closer concatenation of the media portals and the brokerage offering will also open up new avenues of innovation, for example in the area of "social trading". Following the launch of the Smartbroker app, management expects to be able to reduce customer acquisition cost by shifting advertising budgets to its own and external social media channels. Further connecting factors that will drive increased monetisation include utilising new advertising space within the Smartbroker apps, the expansion of cooperations with selected existing partners, e. g. in derivatives trading, as well as closing new partnerships with companies who seek the Company's combination of financial media and brokerage.

In addition, Ariva acts as a technical partner and provides both market data and key metrics for Smartbroker 2.0 and delivers individual web services. The Company benefits from its many years of experience providing stock exchange connectivity as well as data processing and homogenisation for extensive projects.

wallstreet:online operates in a dynamic environment and benefits from the growing addressable market of direct private investments in listed securities. The segment is characterised by its significant market volume, is growing sustainably and does not represent a limiting factor for the further development of the Company. In addition, a shift towards digital, low-cost providers becomes evident, as execution-only investors move towards these solutions.

The reasons for the increasing interest in the stock market and the rising number of private investors using the capital markets to build up assets are manifold. According to the Deutsches Aktieninstitut ("DAI"), 12.1 million people were invested in shares, funds, and ETFs in 2021 – the third highest level since data collection began. The low interest rate environment, the inflation trend as well as the high real estate prices make the capital market an attractive long-term yield alternative. The slight decline of just under 280 thousand investors compared to the record year 2020 is seen by the DAI as a short-term, non-structural effect, which can be attributed, among other things, to the good stock market performance in 2021 and the associated profit taking.<sup>9</sup>

The long-term market growth is based, among other things, on digitalisation, the development of modern solutions that allow self-directed, self-advised asset management at the click of a button, and the increasing democratisation of the market. Low-cost brokers, low minimum investment amounts and a wide range of reliable sources of free information in online media outlets and forums enable the exchange with like-minded people and facilitate initial financial education for first-time investors. Digital channels provide investors with ongoing access to all essential investment management and information tools. The use of functional apps and the increasing publicity of financial topics on social media also motivate young investors to take their first step on the stock market.<sup>10</sup> A targeted marketing approach, combined with specific product design geared towards customer needs, broadens the product range and thus the accessible customer groups. This results in increased demand and sustainable market growth.

Experts are increasingly broaching the issue of a significant pension gap and regard the need for higher private retirement savings as a central challenge for politicians and citizens. The "baby boomer generation" entering into retirement will cause a doubling of pensioners by 2040. Maintaining the pension level and capping contributions at the current level would seriously increase the deficits of the statutory pension insurance funds from 2025. Already today, the approximately 35 million

German citizens between the ages of 20 and 65 cannot secure their standard of living during retirement purely from the state pension. When they retire, they receive on average 48% of their last gross income, which results in an average pension gap of €540 per month to secure their standard of living. Slightly more than half of all employed people reduce this gap with statutory supplementary provisions (Riesterrente) or voluntary occupational pension schemes. Due to a presumed future decline in the pension level, the private savings play a decisive role which will only become more pronounced in the future.<sup>11</sup>

Another factor for sustainable market growth of private investors and thus of digital brokers can be traced back to the assets inherited annually in Germany. In 2020, more than €50 billion was inherited – twice as much as in 2010. The majority of this, €30.5 billion, was in the category "other assets: bank deposits, securities, shares and participation certificates".<sup>12</sup> The actual amount of inherited assets is significantly higher, as the official statistics only record inheritances that are effective for tax purposes. It can be assumed that a growing share is being reinvested via digital channels, as the heirs increasingly belong to a digital-savvy generation.

The consulting firm Oliver Wyman confirms the growing confidence in the stock market as an important pillar of wealth and savings accumulation and takes a positive stance on this market's outlook. Digital banking providers in particular can expect customer growth. The firm estimates that the market share of neo brokers by the number of trades settled was already almost 10% in 2020. The digital "low-cost providers" are gaining new customers primarily from the promising segment of young professionals. They assume a structural shift in private pension savings towards the stock markets, among others due to the low nominal interest rates for overnight deposits, negative interest rates and custody fees.<sup>13</sup>

Oliver Wyman reckon with an average of two securities accounts per investor and 12 to 14 million people – including 5 million execution-only investors – who were invested in the capital market in Germany in 2020, hence managing around 25 million securities accounts. This corresponds to growth of 3.5% p.a. since 2016. The official statistics of the Bundesbank underline the market dynamics and show that there were already 27.8 million securities accounts of private investors in Germany in November 2021.<sup>14</sup>

Oliver Wyman estimates that 40% of all retail investors will be self-directed by 2025. Savings plans are also emerging as an increasingly popular tool. Around

<sup>9</sup> DAI, 2021  
<sup>10</sup> DAI, 2021

<sup>11</sup> Research Centre for Intergenerational Contracts (Forschungszentrum Generationenverträge) Union Investment, Pension Atlas (Vorsorgeatlas), 2021  
<sup>12</sup> Federal Statistical Office (Destatis), Inheritances and gifts 2021, August 2021  
<sup>13</sup> Oliver Wyman, Digital securities brokerage in Germany 2021  
<sup>14</sup> Deutsche Bundesbank, Statistics from the Securities Portfolios 2021

15-20% of all transactions were attributable to savings plans in 2020, and the trend is rising, with just under one in five execution-only investors running at least one savings plan.<sup>15</sup> This underscores the long-term, sustainable interest in the capital market and is consistent with the client behaviour which wallstreet:online observes on its own platforms.

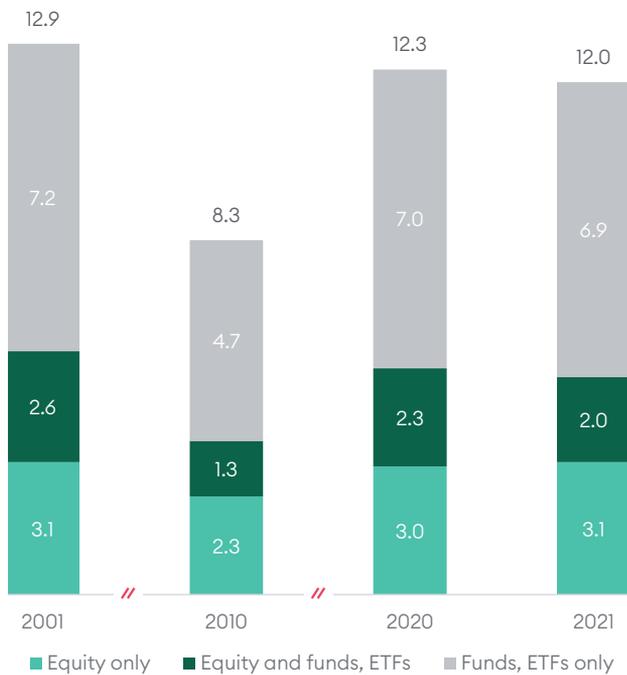
A look at the international markets reveals further growth potential. The equity share of financial assets of private households in the USA amounted to 55%; it was 33% in the UK and 22% in the Netherlands - significantly higher than in Germany<sup>16</sup> where the ratio was 17%<sup>17</sup> in 2021.

Other important factors are interest rate levels, the increased concern with personal investing – not least because the prospects of state pension levels are considered insufficient especially by young people – as well as the market entry of a new generation of ‘digital natives’

who prefer self-determined investing over institutional asset management. Although neo brokers now account for 10% of the retail investment market by number of transactions,<sup>18</sup> more than €1,200 billion, equivalent to more than 95% of total household savings in listed equities, is still invested with first-generation online brokers and traditional banks with branch networks.

With its diverse brokerage offering, wallstreet:online covers the most important investment classes and investment forms (equities, funds, ETFs; direct investment, savings plans) for private investors and positions itself to benefit sustainably from positive market developments through its focus on product development and technical innovation. Smartbroker’s offering, which combines a comprehensive product stack with favourable conditions, creates the base to take over market shares from the more expensive providers as well as to develop new customer groups for the market.

**Shareholders and investors in Germany in millions**



Source: Deutsches Aktieninstitut

**Number of securities accounts of German private investors in millions, at the end of the year**



Source: Oliver Wyman<sup>19</sup>

<sup>15</sup> Oliver Wyman, Digital securities brokerage in Germany 2021

<sup>16</sup> Kantar Shareholder Study for 2021; Financial Times “Europe’s Cautious Savers Catch on to Share-Dealing Craze”, February 2021

<sup>17</sup> DAI, 2021, percentage based on the German population of at least 14 years of age

<sup>18</sup> Oliver Wyman, Digital securities brokerage in Germany 2021

<sup>19</sup> 2021 data, based on estimate as of February 2021

wallstreet:online AG is a stock corporation under German law and has 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	WSO1
Listing	Frankfurt Stock Exchange (Basic Board)
Share Type	Bearer shares
Share Capital	€ 15,101,252
Number of Shares	15,101,252

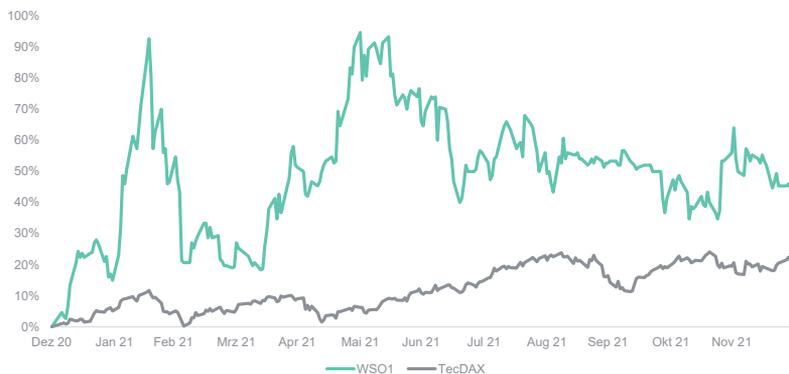
*\*In 2020, a 1:8 share split was implemented*

## Share Price Development

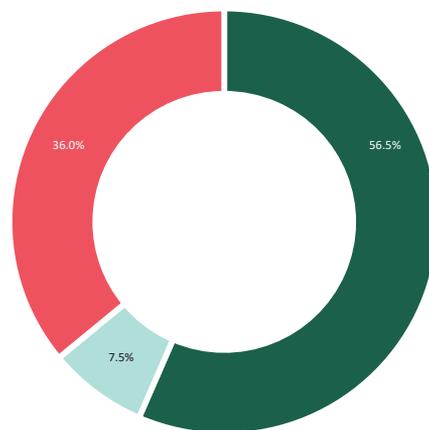
Share Price 30 Dec 2020	€ 15.0
Share Price 30 Dec 2021	€ 21.6
52W Performance 2021	+44%
52W Period Low	€ 15.0
52W Period High	€ 29.2

*\*Share price data refers to XETRA closing share prices; 52W = 30 December 2020 - 30 December 2021*

## Share Price Development and Shareholder Structure



*Performance and shareholder structure data as of 31 December 2021*



- Free float 36.0%
- André Kolbinger (Founder) 56.5%
- Management 7.5%

The Company integrates considerations regarding sustainability, the environment, and social responsibility into its corporate management and the assessment of its business activities. The management plans to deepen current analyses and compile the derived recommendations for action in a voluntary ESGC reporting (Environmental, Social, Governance, Compliance reporting). Part of the efforts will include standardising procedures and tools that are already deployed in selected Group subsidiaries.

Currently implemented measures include:

## ENVIRONMENT

- All of the Group's web servers are powered by renewable energy
- Reduction of paper consumption to a minimum
- One subsidiary's office building is powered fully by solar energy

wallstreet:online is responsible for the environmental compatibility and sustainability of its services and products. 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.

The Company ensures that its business activities have the least possible negative impact on the environment and comply with environmental protection laws and regulations. wallstreet:online promotes environmentally conscious behaviour on the part of its employees and the use of environmentally friendly resources.

## SOCIAL

- Comply with all aspects of applicable labour laws and regulations
- Create a safe, modern, and pleasant working environment where all employees feel welcome
- Open communication at the workplace, across teams and job levels
- Initiatives for personal and professional development of employees, appropriate pay and opportunities for training and development
- Regular team events

In 2022, the continued organisational integration of subsidiaries is planned, e. g. with the creation of a unified intranet which will facilitate both ongoing communication and the swift onboarding of new employees.

## GOVERNANCE & COMPLIANCE

Responsible, prudent corporate governance, compliance with all legal requirements, but also ethical responsibility and transparency are core principles of all entrepreneurial actions at the wallstreet:online Group.

The subsidiary wallstreet:online capital AG is a securities institution licensed by BaFin (Zugelassenes Wertpapierinstitut § 15 WpIG) and is therefore subject to a number of national and international requirements and legal provisions regulation, among others, the risk management and compliance functions, the code 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 transaction business, including the compliance function, risk management, measures to prevent money laundering and fraud. In addition, it sets out information on the initial training and continuous education of employees and the principles for personal transactions.

The reporting and notification system ensures that all notification and information obligations are complied with. Every employee has access to a whistle blower system for reporting violations of rules and laws.

## GROUP PROFILE

### COMPANY STRUCTURE AND ORGANISATION

The wallstreet:online Group ("WSO", the "Company", the "Group") is a technology company headquartered in Berlin and employs more than 190 employees at its locations in Berlin, Kiel, Leipzig, Munich, and Zurich. As a financial services provider, WSO develops and operates digital brokerage platforms for retail investors as well as financial media portals, thus combining important aspects of the retail investment market. The two main business areas are "Transaction" (digital brokerage solutions) and "Media" (financial and stock market portals, discussion forums, B2B software solutions).

### MANAGEMENT

In the 2021 financial year, the following persons were appointed as members of the Management Board:

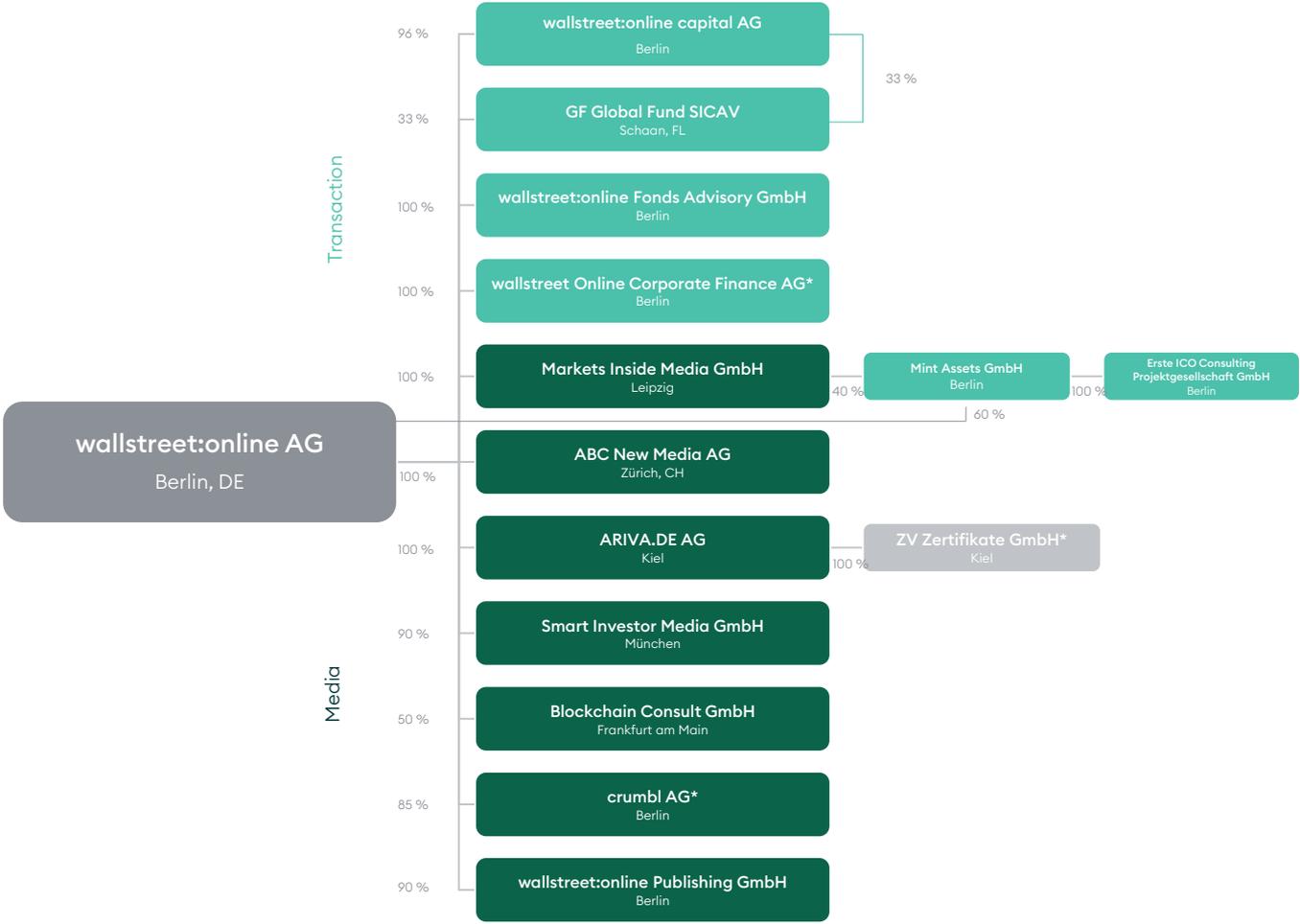
- **Matthias Hach | Chairman of the Management Board, Chief Executive Officer**  
Banker, Berlin, Management Board member since 1 March 2021, also on the Management Board of wallstreet:online capital AG, Berlin
- **Roland Nicklaus | Management Board member, Chief Financial Officer**  
Graduate in Italian and Business Administration (BA), Sevenoaks (UK), Management Board member since 1 April 2021, also on the Supervisory Board of wallstreet:online capital AG, Berlin
- **Stefan Zmojda | Management Board member, Chief Revenue Officer**  
Dipl. Betriebswirt (FH), Management Board member since 1 January 2016, also on the Supervisory Board of crumbl AG (in liquidation), Berlin
- **Michael Bulgrin | Management Board member, Chief Content Officer**  
Diplom-Kaufmann, Management Board member since 1 November 2017, also on the Supervisory Board of Ariva.de AG, Kiel
- **Oliver Haugk | Management Board member, Chief Technology Officer**  
Diplom-Kaufmann, Management Board member since 1 November 2017, also on the Management Board of Ariva.de AG, Kiel, and on the Supervisory Board of crumbl AG (in liquidation), Berlin

The Supervisory Board was composed as follows:

- **André Kolbinger | Chairman of the Supervisory Board**  
Entrepreneur, Supervisory Board member since 22 August 2017, also on the Supervisory Boards of Ariva.de AG, Kiel, and crumbl AG (in liquidation), Berlin
- **René Krüger | Supervisory Board member**  
Banker, Supervisory Board member since 9 September 2010, also on the Supervisory Board of wallstreet:online capital AG, Berlin
- **Marcus Seidel | Supervisory Board member**  
Entrepreneur, Supervisory Board member since 20 August 2020

# LEGAL STRUCTURE

The registered office of the parent company, wallstreet:online AG, is Berlin. As at the reporting date, wallstreet:online AG (the "AG", the "Parent Company") directly or indirectly had the following subsidiaries with shareholdings of more than 50%:



\* In liquidation since 2021  
 The subsidiaries GF Global Funds SICAV and wallstreet:online capital AG were consolidated "at equity" until 31 July 2021. As of 1 August 2021, they are fully consolidated.

## BUSINESS MODEL

The wallstreet:online 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 as well as financial communities and portals. In addition, the Group offers individual B2B software solutions in the areas of financial data, web services and regulatory documents.

The financial media business, which was founded in 1998, was complemented by brokerage solutions for retail investors via the investment in wallstreet:online capital AG in 2019. This combination makes the Company a comprehensive provider for private investors and savers in all fields of execution-only investing and capital markets information. WSO addresses the following customer and user groups:

- With Smartbroker, **savers and investors** trade virtually all registered securities in Germany at any German trading venue.
- For **capital markets enthusiasts**, the Group's websites and apps offer access to 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 WSO to target attractive consumer groups with above-average income, savings, and investment behaviour – via web and in-app.<sup>20</sup>

The transaction segment is mainly operated through the subsidiary wallstreet:online capital AG ("WOC"). WOC's mission is, among others, to broker transactions of financial instruments or the provision of documentation thereof (investment brokerage), the acquisition and sale of financial instruments in the name of third parties for the account of third parties (acquisition brokerage), the brokerage of investment accounts and securities accounts without securities services (empty accounts/empty securities accounts) as well as the operation and the marketing of financial portals online. The main sources of income arise from transaction, acquisition, retention, and internal commissions as well as rebates from bank partners and trading venues.

Smartbroker, a digital next generation broker for private investors and savers, constitutes the most important component and, at the same time, largest revenue and growth driver.

The broker is accessible via a web interface. With the launch of "Smartbroker 2.0", which is planned for the second half of 2022, mobile apps will become available to customers in addition to the web access. Custody account management and the technical execution of securities trading are currently being conducted by the partner bank DAB BNP Paribas S.A. Germany branch, Munich ("DAB"). In the course of 2022, important elements of the brokerage value chain will be internalised.

A secondary brokerage platform, FondsDiscount, specialises in funds, direct & crowd investing and participations in closed-end funds. The company offers the possibility to invest in funds without issue premiums. WOC also caters to the former brokerage clients of Volksbanken Bank, whose client base has been acquired by the company in 2020.

Across the transaction segment, WSO managed more than 246,000 securities accounts through its subsidiary WOC at the end of 2021, with assets under custody of more than €8.8 billion (until the extended BaFin licence is granted, "assets under custody" refers to client assets allocated by clients via WOC's platforms and held in custody by WOC's partner banks). This corresponds to an average volume of more than €36,000 per custody account.

The Company also develops and operates financial and capital markets information portals and discussion forums on financial, economic, and political topics relating to the fields of the stock markets, trends, investing, wealth management, etc. The primary brands are wallstreet-online.de, boersenNews.de, Finanznachrichten.de and Ariva.de. The media offering further includes the print magazine Smart Investor (also digitally at smartinvestor.de). A new editorial team was launched in 2022, and analyses markets, trends, companies, and assets with the objective of providing concrete, actionable ideas for retail investors through paid-for content (Börsenbriefe). With this step, the existing media offering will be expanded by paid content products for the first time.

Within the B2C Media segment, the Company's main revenue source stems from advertising placed on the various outlets by banking partners, issuers of financial

<sup>20</sup> Wallstreet-online Client Analysis for 2021, Trading Report (Investment Trends); this disclosure in connection with the aforementioned analysis constitutes other information that is not subject to the audit of the financial statements.

products and advertising agencies on behalf of consumer brands and companies. Additional income is generated from magazine subscriptions to Smart Investor magazine.

Within the B2B media segment, the Company offers the creation of websites (web, app), the processing and provision of financial data and regulatory documents, and supplies market data, master data and price information to banks, financial institutions, and private investors. Revenues are generated from the licensing of software and the sale of products and services related to the development and provision of digital content.

## CORPORATE STRATEGY

The Group's growing, profitable media business enabled the design, launch and continuous investment in the transaction offering – initially by building up a stake in wallstreet:online capital AG and then, at the end of 2019, by jointly launching Smartbroker. This diversified the Group's sales and established a new business unit that not only represents a significant growth potential in itself but also complements the existing product suite and offers synergies.

The current and future corporate strategy is derived from this approach. The Group's goal is to continue the standalone growth of its business segments. Product and business initiatives have been defined for both areas to further strengthen the competitive position. In addition, the synergetic combination offers the opportunity to support private investors throughout the entire investment process – from financial education and information gathering to investment and long-term asset accumulation. The aim is to sustainably expand the competitive position while at the same time achieving earnings-oriented growth. For 2022, the subsidiary WOC is planning to gain around 55,000 new securities accounts. The Group expects revenues between €62 million and €67 million in 2022.

The most important growth project in 2022 is the launch of Smartbroker 2.0, which includes the introduction of the Smartbroker trading app, the redesign of the cur-

rent desktop application and the development of a dedicated IT infrastructure, internalising large parts of the brokerage value chain. This will enable the Group to manage the securities accounts itself and, e. g., to facilitate and accelerate the process of opening a securities account.

For this purpose, WOC applied for a BaFin licence extension of its current authorisation as a securities institution to include additional securities services.

## RESEARCH AND DEVELOPMENT

wallstreet:online AG strives to continuously develop its products and services and to rapidly implement appropriate customer requests. Research work in the fundamental sense is not conducted.

The Group started the development of Smartbroker 2.0 in 2021, which is scheduled for completion in 2022. The project includes the expansion of the Group's own IT infrastructure through the creation of the "Smartbroker Cloud Platform" and the associated deepening of the value chain. The work will be implemented both internally and by external service providers.

During the project period, the Group plans to invest a total of around €20 million in the new trading platform. Of this, around 40% was incurred in 2021, with the majority being capitalised (€6.4 million) and the remainder mainly associated with the related increase in staff.

# ECONOMIC REPORT

## MARKET ENVIRONMENT

### Macroeconomic framework

In 2021, global economic activity continued to be affected by the COVID-19 pandemic. The direct effects and containment measures affected economic activity and led, among other things, to supply bottlenecks that hindered the upswing in industrial production in particular. Since infections occurred increasingly asynchronously, a differentiated picture emerged in the global economy as well.

According to calculations by the Federal Statistical Office, the German gross domestic product was 2.7% higher than the previous year. Although the return to growth was achieved despite pandemic-related supply and material bottlenecks, the value was below the pre-crisis level of 2019. Federal expenditure increased again in 2021 and rose by more than 6% in the first three quarters compared to the same period of the previous year. This is mainly due to increased grants given during the Corona pandemic. At the same time, the economic recovery in the middle of the year led to an increase in tax revenues in the first three quarters of 2021 by 7.6% compared to Q1-Q3 2020 and was thus above pre-crisis levels.

Consumer prices in Germany in 2021 were on average 3.1% higher than in the previous year. The inflation rate peaked at 5.3% in December. Among other things, the development is due to supply bottlenecks, increased prices in factory-input economic stages, and the energy price development.

Average employment in Germany in 2021 remained stable compared to the previous year.<sup>21</sup>

The German share index DAX reached a new high, exceeded the 15,000 point mark for the first time in March 2021 and closed at 15,884.86 points at year-end after short-term declines, which were probably mainly due to the uncertainties in connection with the newly discovered Omicron variant of the Coronavirus. This corresponds to an annual gain of approximately 16%, making it the ninth time in the last ten years that the leading index closed with a plus over the previous year.<sup>22</sup>

The International Monetary Fund and various analysts expect the global economy to grow by 5.9% in 2021. Ongoing problems in global supply chains are hampe-

ring the recovery of the industrial economy, but e. g. the easing of Corona countermeasures is generating strong growth in the service sector.<sup>23</sup>

The Kiel Institute for World Economy ("IfW") expects global output to grow by 4.5% in 2022, and by 4% in the following year, and assumes that inflation will peak in 2021 and decline again in the forecast period. The first interest rate hikes in the USA and the UK could occur as early as the first half of 2022, while a hike in the key interest rate in the Euro area is not foreseeable, according to the IfW. It remains to be seen how further developments surrounding the war in Ukraine will affect the European and international economy.

### Sector-specific market conditions – Transaction

The financial assets of German households amounted to almost €7,400 billion in Q3 2021 – an increase of €630 billion compared to Q3 2020. 41% or €3,031 billion of these were cash, deposits, and debt securities, 35% or €2,578 billion of insurance, pension and standard guarantee schemes and other receivables, and 24% or €1,791 billion of shares, other equities and investment funds (this includes about €400 billion of unlisted equities).

According to the Deutsche Bundesbank, the dynamics in the increase of private assets decreased recently. Cash assets and deposits increased by €11 billion in the third quarter of 2021 compared to the previous quarter – the slowest increase since 2016. This is probably related to the phasing out of the increased savings rate during the Covid-19 pandemic. In contrast, the increase in mutual fund shares was slightly higher than the previous quarter at €27 billion. Assets in equities increased by €16 billion compared to the second quarter of 2021, about half of which was based on valuation gains.<sup>25</sup>

<sup>21</sup> Federal Statistical Office (Destatis), January 2022

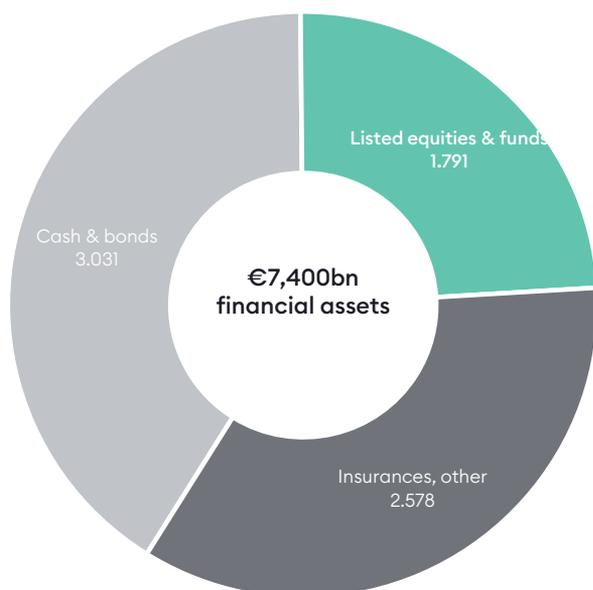
<sup>22</sup> Frankfurt Stock Exchange

<sup>23</sup> Federal Ministry for Economic Affairs and Climate Protection, November 2021

<sup>24</sup> Kiel Institute for World Economy, Report on the Global Economy, December 2021

<sup>25</sup> Deutsche Bundesbank, Financial Assets of Private Households, January 2022

**Financial assets of German households in Q3 2021, in € billions.**



Source: Deutsche Bundesbank

Although listed equities and investment funds have so far accounted for the smallest share of households' financial assets, recent years have seen increasing momentum in this market.

The consulting firm Oliver Wyman estimates the market share of neo brokers at around 10% of the retail investment market by number of transactions. Progressive digitalisation is contributing to a further increase in the share of digital banking services.<sup>26</sup>

**Sector-specific market conditions – Media**

In 2021, the digital advertising market was able to directly follow the record results of the previous year. The challenges posed by the Corona pandemic brought far-reaching changes to labour and education sectors and drove digitalisation forward in the process. With the phasing-out of countermeasures, it is becoming increasingly apparent that the increased use of digital media, the shift in consumer behaviour and the resulting increase in advertising expenditure for digital channels can be characterised as lasting effects.

The interest group for online advertising ‘Online-Vermarkterkreis im Bundesverband Digitale Wirtschaft’

(“OVK”) expects digital display advertising revenues of more than €5 billion for the German market in 2021. This corresponds to a gain of almost €1 billion or 23% compared to the previous year. The average annual growth rate between 2018 and 2021 is 12%. The continued growth across all sectors demonstrates the sustainability of the shift in advertising budgets towards digital channels. Above all, in-app, video content and programmatic advertising continue to drive growth. The OVK assumes that in 2021 69% of all digital display advertising was placed programmatically and 34% were allotted to video formats.<sup>27</sup>

wallstreet:online benefits from these market trends. The Company relies on websites and apps, presents text and video content, and thus offers space for diverse display advertising formats that are placed both directly and programmatically.

<sup>26</sup> Oliver Wyman, *Digital securities brokerage in Germany 2021*; this disclosure in connection with the aforementioned analysis constitutes other information that is not subject to the audit of the financial statements.

<sup>27</sup> Online-Vermarkterkreis, “Digital Economy 2021”, January 2022

## BUSINESS DEVELOPMENT

wallstreet:online achieved growth in both business areas, transaction and media, in 2021. At the same time, the Company reached important milestones on its way to launching Smartbroker 2.0 in the second half of 2022. Interest in the capital markets and financial products remained strong and the activities of retail investors and savers also developed positively after a record year in 2020. For the wallstreet:online Group, this meant an expansion of its customer network both on the part of the brokerage products of WOC and the media portals. The Company continued to invest in new customer acquisition and the development of its product suite, above all in Smartbroker 2.0. The Group achieved a new revenue record with €48.2 million in 2021, an increase of 71% compared to 2020. The net loss for the year amounted to €0.5 million (previous year net profit: €3.6 million). This management report presents the subsidiary wallstreet:online capital AG fully consolidated as of 1 August 2021.

Based on its established market position, its attractive margins and its high cash generation capability, the media business forms a solid foundation for the Group and provides room for investments in future growth. The reach of the media portals and mobile apps make the Group the second largest financial platform operator in German-speaking countries (source: IVW, Informationsgemeinschaft zur Feststellung der Verbreitung von Werbeträgern e. V.). The number of annual page impressions could again be increased across the Group's outlets and grew by around 15% to almost 4 billion in 2021.

In the brokerage field, through wallstreet:online capital AG, the Company has also accumulated decades of experience in the development and distribution of financial products and built up an extensive network of clients and industry partners. Combined, this enabled the launch and rapid growth of Smartbroker – a competitive, scalable product addressing the needs of private investors and savers. Following the launch in December 2019 and the opening of the first 70,000 accounts in 2020, the year 2021 was characterised by further customer acquisition, brand building and investments in ongoing product development.

WOC more than doubled the number of securities accounts managed and the assets under custody during 2021. At the end of the year, the subsidiary managed around 246,000 securities accounts, of which 200,000 were attributable to Smartbroker. This corresponds to an increase of almost 120,000 securities accounts within twelve months. At the same time, assets under custody amounted to approximately €8.8 billion, representing a plus of 105% compared to 2020 and an average volume of around €36,000 per custody account.

A majority equity position in WOC was successfully reached in 2021. The change of control procedure legally prescribed for financial institutions operating in Germany was positively decided by BaFin in July 2021. As a result, WOC is fully consolidated as of 1 August 2021, following the establishment of majority shareholding. Subsequently, the Company initiated squeeze-out proceedings pursuant to section 327a of the German Stock Corporation Act (AktG), after exceeding the 95% ownership threshold in wallstreet:online capital AG in August 2021. The squeeze-out was completed after the end of the reporting period, in April 2022.

## DEVELOPMENT OF RESULTS OF OPERATIONS, FINANCIAL POSITION AND ASSETS

### NET ASSETS

#### *Consolidated financial statements (wallstreet:online Group)*

For a detailed presentation of the asset position, please refer to the balance sheet and the consolidated statement of changes in fixed assets. The balance sheet total as at 31 December 2021 amounts to €75,381 thousand (previous year: €51,153 thousand).

<i>In € millions</i>	31 Dec 2021	31 Dec 2020
Fixed assets	40.6	28.8
Current assets	34.4	22.0
Equity	49.5	30.2
Liabilities	16.6	15.5
Balance sheet total	75.4	51.2
<i>Equity ratio</i>	66%	59%

#### *Annual financial statements (wallstreet:online AG)*

For a detailed presentation of the asset position, please refer to the balance sheet and the statement of changes in fixed assets. The balance sheet total for 2021 amounts to €77,186 thousand (previous year: €50,260 thousand), an increase of €26,926 thousand compared to the previous year. This is mainly due to the addition of the majority shareholding in wallstreet:online capital AG.

### FINANCIAL POSITION

#### *Consolidated financial statements*

The Group's solvency was ensured at all times during the reporting year. As at 31 December 2021, a cash balance of €25,525 thousand was reported.

<i>In € millions</i>	2021	2020
Cash flow from operating activities	13.9	1.2
Cash flow from investing activities	(19.8)	(1.3)
Cash flow from financing activities	17.3	4.5
Cash and cash equivalents at the beginning of the period	14.1	9.7
Cash and cash equivalents at the end of the period	25.5	14.1

Cash flow from operating activities increased due to the increased business volume. The strong increase in investing activities is mainly due to the development and implementation of the Smartbroker Cloud Platform, payments in relation to the acquisition of the VW customer base, the expansion of the existing stake in WOC as well as subsequent purchase price and earn-out payments for other investments. Financing activities mainly comprise the capital increase carried out in June 2021.

#### *Annual financial statements*

The company had appropriate access to liquidity at all times during 2021. As at 31 December 2021, a cash balance of €5,626 thousand (previous year: €5,672 thousand) was reported. In order to further support the existing liquidity as well as allow for additional investments, wallstreet:online AG resolved a capital increase from Authorised Capital 2020 against cash contribution in 2021, excluding shareholders' subscription rights, in the amount of €19,128 thousand including the increase of the capital reserve.

The cash flow planning foresees a comfortable development for the 2022 financial year, with sufficient liquidity available to finance the growth of the Smartbroker.

### EARNINGS SITUATION

The Group benefited from the continued positive market development in 2021 and recorded strong growth in both business segments – Transaction and Media. The subsequent financial statements of wallstreet:online AG essentially describe the Group's media business. The consolidated financial statements additionally cover the transaction segment – led by wallstreet:online capital AG. Despite ongoing investments in the product capabilities and the customer network, which enabled a renewed increase in sales to a new sales record, the Company achieved a positive result for the year.

#### *Consolidated financial statements*

At the Group level, wallstreet:online 2021 generated €48,203 thousand (previous year: €28,208 thousand) in revenues, a year-over-year plus of 71%. In line with the corporate strategy, the increase in revenue and the profitability achieved in the media segment were invested to drive further growth of Smartbroker. The digital broker for private investors and savers was able to increase the number of securities accounts by 140% in 2021. The cost of sales amounted to €25,852 thousand (previous year: €13,452 thousand), of which €12,867 thousand was attributable to customer acquisition costs for Smartbroker (previous year: €7,530 thousand).

Personnel costs increased by 58% to €12,637 thousand (previous year: €7,982 thousand).

Thus, the total cost base increased by 80% and amounted to €50,526 thousand, compared to the increase in turnover of 71% compared to the previous year.

Total amortisation of intangible assets and depreciation of property, plant and equipment amounted to €3,209 thousand in 2021 (previous year: €2,493 thousand), of which €1,798 thousand (previous year: €1,260 thousand) was attributed to goodwill.

Other operating expenses of €7,653 thousand (previous year: €2,508 thousand) comprised general administrative expenses such as rent, insurance and consulting costs, costs for the stock exchange listing, etc. The significant increase is mainly due to one-off costs for external consultants in connection with the development of Smartbroker 2.0.

The financial result 2021 was €-307 thousand (previous year: €2,530 thousand). This includes €-191 thousand in write-downs on financial assets. The effects from the at-equity-consolidation of the minority interests in wallstreet:online capital AG and GF Global Funds SICAV amounted to €38 thousand (fully consolidated as of 1 August 2021).

The Group recorded a loss for the year of €537 thousand (previous year's profit for the year: €3,552 thousand).

<i>In € millions</i>	2021	2020
Revenues	48.2	28.2
Cost of sales	(25.9)	(13.5)
Personnel expenses	(12.6)	(8.0)
Depreciation and amortisation	(3.2)	(2.5)
EBIT	0.3	2.0
Net loss / profit for the year	(0.5)	3.6

### **Annual Financial Statements**

wallstreet:online AG achieved revenues of €22,510 thousand for the year 2021 (previous year: €13,739 thousand) – an increase of 64%.

Revenues stemming from the media segment increased by 41%, thanks to tailwinds in IR marketing and first-time revenue contributions from new key accounts.

No new B2B media contracts were acquired in 2021, however existing contracts continued to be honoured. Revenues remained stable at €388 thousand (previous year: €391 thousand).

The cooperation agreement with wallstreet:online capital AG on the joint operation of Smartbroker is in place as planned. The Parent Company assumes significant product development and marketing costs for the Smartbroker project and in return receives a portion of the subsidiary's revenues. Revenues from Smartbroker amounted to €4,079 thousand in 2021. Revenues from the VW customer base acquired in 2020 amounted to €995 thousand.

The cost of sales in 2021 amounted to €17,787 thousand (previous year: €9,973 thousand), an increase of 78%. The largest part of this, €12,867 thousand, is attributable to customer acquisition and customer legitimisation costs for Smartbroker.

The number of employees increased during 2021 from an average of 37 employees in 2020 to 43 employees in 2021. Personnel expenses amounted to €5,899 thousand in 2021 (previous year: €3,717 thousand).

Depreciation and amortisation increased to €367 thousand in 2021 (previous year: €109 thousand). The reason for this is additional depreciation due to investments in workplace equipment as well as the depreciation of the portfolio acquired from Volkswagen Bank GmbH and capitalised in the fourth quarter of 2020.

Other operating expenses rose by more than 222% to €4,512 thousand (previous year: €1,401 thousand). Among other factors, this was due to costs in connection with the capital increase, consulting costs for the conceptual development of Smartbroker and higher costs for the preparation of the consolidated financial statements.



The financial result increased by 36% to €6,734 thousand (previous year: €4,966 thousand). In 2021, wallstreet:online AG decided to further devalue the investment in crumbl AG (in liquidation). In addition, the investments in wallstreet:online corporate Finance AG were written down to the current bank balance. Both subsidiaries are no longer operational. The loan to Mint Asset GmbH was also written down to the current bank balance. In addition, the 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 the financial result.

The net profit for the financial year 2021 amounts to €602 thousand. The strong development of sales revenues and the close cost management generated a solid result, despite the significant investments into Smartbroker and the media products.

## INVESTMENTS

### Consolidated financial statements

Cash flow from investing activities mainly includes the purchase of the additional shares in wallstreet:online capital AG (€9,138 thousand) and intangible assets for €11,449 thousand, including €4,300 thousand for the VW customer base and €6,392 thousand for development works of the front- and back-end of Smartbroker 2.0. Cash inflows result from the sale of the Trade Republic shares in the amount of €1,297 thousand and the sale of securities in the amount of €1,047 thousand.

### Annual financial statement

Investments in intangible assets of €4,945 thousand are mainly attributable to the Smartbroker project. This includes other capitalised expenses in the amount of €244 thousand.

Investments in tangible assets mainly relate to hardware purchases.

The following investments were made in affiliated companies/subsidiaries:

Name	Stake	Type
ABC New Media AG, Zurich, Switzerland	100 %	Subsequent purchase price payment
FinMarie GmbH, Berlin	17 %	Purchase price
wallstreet:online Publishing GmbH, Berlin	90 %	Sale
wallstreet:online capital AG, Berlin	96 %	Capital increase and acquisition

Securities were sold in the 2021 financial year. In addition, one of the positions was written down to its actual value on 31 December 2021.

As of 31 December 2021, the loan to Mint Asset GmbH was written down by €29 thousand for precautionary reasons. In addition, the investments in crumbl AG (in liquidation) and wallstreet:online Corporate Finance AG were written down by €83 thousand to the current bank balance. These subsidiaries are not operational.

## EMPLOYEES

### Consolidated financial statements

In 2021, on average 196 employees were employed at the wallstreet:online Group.

The increase is equally attributable to the hiring of new employees and the acquisition of wallstreet:online capital AG.

	Annual Average		
	2021	2020	Change
Number of employees	195.5	107	+88.5

Including Management Board members and working students

### Annual financial statements

During 2021, on average 43 employees were employed at wallstreet:online AG including four Management Board members.

	Annual Average		
	2021	2020	Change
Number of employees	43	37	+6

Including Management Board members and working students

## SUMMARY STATEMENT OF THE COMPANY'S DEVELOPMENT IN 2021

The Group looks back on a successful year 2021. wallstreet:online achieved a new sales record and met the operational targets in terms of customer growth for Smartbroker. Investments in new customer acquisition amounted to €12.9 million and enabled WOC to open 120,000 new securities accounts.

wallstreet:online also used 2021 to prepare for the market launch of Smartbroker 2.0 in the second half of 2022. This project not only means the introduction of a proprietary trading app and the creation of a completely new, improved user experience, but also profound optimisations in the IT-infrastructure and the commercial business model. The Group is investing a total of around €20 million in the new trading platform, which internalises large parts of the brokerage value chain. Around 40% of this was incurred in 2021, with the majority capitalised (€6.4 million). The positive development of the media business and the profitability achieved allow for the internal financing of this important investment.

Overall, the Group closed with a loss after taxes and one-off effects of €0.5 million. The balance sheet total increased by €24.2 million to €75.4 million. The Group's cash flow from operating activities amounted to €13.9 million.

# OPPORTUNITIES AND RISK REPORT

## PRINCIPLES OF OPPORTUNITY AND RISK MANAGEMENT

wallstreet:online operates in a dynamic market environment, has recorded strong growth in recent years and set itself the goal of long-term, profitable growth and meeting its forecasts. The Company was founded more than 20 years ago 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 acquired 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 its foundation in 1998, wallstreet:online has established itself as the largest publisher-independent financial portal operator in German-speaking Europe through organic and inorganic growth, ongoing investments, and the in-house development of its media platforms. In 2019, the digital full-service broker Smartbroker was launched together with the now wholly-owned subsidiary wallstreet:online capital AG – a company that in turn looks back on a successful history of product and innovation leadership.

The Company benefits from the aforementioned market developments, as the target market of private investment in listed securities is growing in its own right and within the segment the market moves towards digital, low-cost providers increasingly used by execution-only investors. Smartbroker and FondsDiscount cover a spectrum of preferred asset classes and forms (shares, funds, ETFs; direct investment, savings plans) and the Company supports investors throughout the investment cycle. The Company expects the market to continue to develop positively.

Digital, cost-effective solutions address specific, targeted customer groups. Neo brokers offer the most favourable conditions, while at the same time striving to cover a similar product range investors and savers are used to from traditional banks. However, most neo brokers have limited or very limited product ranges. From the Company's point of view, Smartbroker is the only next generation broker which offers the full range of services comparable to those of traditional brokers,

at low or no fees comparable to neo brokers. Hence Smartbroker is well placed to win market shares from the more expensive providers. The fragmented banking market in Germany with its more than 1,670 credit institutions<sup>28</sup> also offers challengers the opportunity to expand their own market position more easily than in a market dominated by few major players.

Likewise, further digitalisation, the shift in user behaviour towards digital media on app and web platforms and the related increase in digital advertising, represent opportunities for the Company's media division.

In summary, the Company has diversified sources of income and established a secure competitive position thanks to its product quality, innovative strength, and pricing model. wallstreet:online assumes that the target markets offer sufficient potential for long-term growth. Further investments in technology and product capacities are designed to enable the expansion of the partner and customer network. Furthermore, the closer integration of the two main business areas offers additional growth opportunities for the Company's turnover and profitability.

## RISKS IN CONNECTION WITH THE TRANSACTION SEGMENT

The subsidiary wallstreet:online capital AG ("WOC") is a securities institution licensed by BaFin and consequently subject to the applicable legal provisions. Proper business organisation includes appropriate risk management, which consists of procedures to determine and ensure risk-bearing capacity, the definition of strategies as well as the establishment of control procedures, regulations to determine the financial situation of the institution at all times, an internal control system as well as appropriate security precautions for the use of electronic data processing.

The risk management system includes the compilation of identified risks in the form of a risk inventory, an early detection system, an information system to forward relevant information to the respective decision-makers, and a monitoring system to track measures taken and ensure compliance.

The subsidiary has identified the following risks as material in the current risk inventory:

- Capital adequacy
- Counterparty default risks
- Liquidity risks

<sup>28</sup> Deutsche Bundesbank, statistics on bank branch development in 2020, April 2021

- Operational risks
- Liability risks

In addition, WOC is subject to other risks that are not classified as material:

- Reputational risks
- Business policy risks
- Currency risks

Based on the risk inventory, a risk profile is prepared at least once a year, listing the individual risks that are assessed according to materiality. The risk profile is also adjusted during the year if necessary. It serves as the basis for preparation of the risk strategy, which defines how the identified risks are to be dealt with. A risk strategy (sub-strategy) is defined for the risk categories identified as material in order to accept, reduce or avoid the risks depending on the assessment and possibility. The responsibility for creating and enforcing the risk strategy lies with the Management Board of WOC.

## RISK MANAGEMENT IN CONNECTION WITH THE TRANSACTION SEGMENT

### CAPITAL ADEQUACY

The subsidiary WOC is subject to the risk of falling below the regulatory minimum capital according to Section 17 (1) of the German Securities Trading Act (WpIG) as well as a lack of adequate capital resources according to the EU IFD (Investment Firm Directive).

WOC made the strategic decision not to distribute dividends until further notice.

In order to finance WOC's growth and to meet the requirements of the current BaFin licence and the upcoming licence extension, the company is also open to increase its equity.

Most recently, WOC increased its equity by €581k in 2020 and by €7,985k in December 2021. At the end of 2021, equity amounted to €7,146k.

All required ratios are calculated and checked as part of the monthly financial statements. The requirements regarding equity and liquidity were met at the end of the year and at all times during the year.

### COUNTERPARTY DEFAULT RISKS

The counterparty default risk includes the risk of not receiving agreed remuneration, commissions and generally receivables, or not receiving them on time or in full. The subsidiary receives ongoing payments and credit notes from issuers of listed securities and cooperation banks. The review of receipts, reconciliation with receivables and reminders of outstanding payments are subject to a well-defined process.

The receivables portfolio is reviewed regularly, taking into account the age structure and any cluster risks. Banks are excluded from the analysis as their default risk is very low due to regulation, credit rating and long-term contracts. Nevertheless, the latent default risk is taken into account through a general bad debt allowance of 1% for all receivables, including banks and the largest cooperation partner DAB.

### LIQUIDITY RISKS

Liquidity risk is the risk of not being able to meet payment obligations on time or at all.

The subsidiary WOC is financed exclusively through equity. The financial situation is checked daily, and the liquidity plan is reconciled monthly. Additional liquidity requirements, for example for investments in the product suite, such as those made for the development of Smartbroker 2.0, are usually covered by additional capital increases.

WOC additionally has a cooperation agreement with the parent company WSO, which outsources a large part of the costs for marketing and research for Smartbroker to WSO.

### OPERATIONAL RISKS

Operational risk is the risk of loss resulting from an inadequacy or failure of internal procedures, staff/key positions, systems, or external events such as pandemics or system dependencies. Risks are categorised into systems, people, internal procedures, and new products.

WOC has an organisational manual which describes, among other things, the company's organisation, business operations, regulations for employees, important policies, processes, and functions (such as internal audit, compliance function, complaints management), requirements for money laundering, fraud prevention and risk management. The manual is accessible to all employees, valid for all, and provides information on internal procedures, responsibilities and competencies, legal and regulatory requirements, rules of conduct and obligations, work processes and instructions. Employees are trained on an ongoing basis to comply with regulatory requirements.

When new products are introduced, a multi-stage process is applied to ensure that quality requirements, budget plans and product concepts are adhered to and possible related risk factors of the planned activity are included in WOC's overall risk profile.

Operational risks include the risk of disruption of operations due to external factors and force majeure (e. g., sabotage, natural disasters, pandemics, war) or risks arising from the outsourcing of key business processes

to third parties.

The subsidiary has a business continuity plan that evaluates any disruptions and determines an appropriate response to ensure continuous availability of processes and resources. Redundant internal and external backup servers are operated in separate locations. Regular recovery tests of essential and time-critical systems provide additional security. In addition, numerous systems that could pose risks have been outsourced or virtualised on new server groups (so-called clusters) in recent years and distributed across several data centres for the purpose of improved fail-safety.

Important cooperations, which are decisive for the business success of WOC, are managed separately and provided with sufficient risk capital – above all the cooperation with DAB. This cooperation in particular will be replaced with the introduction of WOC's own trading infrastructure, Smartbroker Cloud Platform. The subsidiary creates all the necessary technical, organisational, and legal conditions to map the processes internally and to counter the associated identified risks accordingly.

#### **Project Risk – Expansion of the Smartbroker product**

In 2021, the Group made the strategic decision to internalise large parts of the brokerage value chain and to expand the Smartbroker product offering. Smartbroker 2.0 is scheduled for launch in 2022 and is a brokerage platform that moves the transaction platform, customer database and custody system from the previous partner bank DAB to WOC's sphere of influence. A delay of the project, exceeding the estimated project costs or even a non-implementation would be associated with risks for the future competitiveness of the Company. The details of the migration of customer portfolios to the new system are currently being coordinated with DAB.

In addition, the extension of the licence as a custodian securities institution covering more securities services by BaFin is a prerequisite for the market launch of Smartbroker 2.0. The timing of the licence grant is beyond the Company's control.

#### **LIABILITY RISKS**

The liability risk comprises risks from the assumption of liability for the brokerage of financial products as well as the offer of brokerage services.

In the Transaction segment, the core processes were fulfilled by the cooperation bank DAB in 2021. As a result, the company was only exposed to minor liability risks, for example in connection with payments made to customers as a gesture of goodwill.

In the area of investment brokerage, despite confirmation by the brokered customer that no information contracts with liability consequences in the legal sense will be concluded, liability claims against WOC may arise

even though no individual investment advice is provided.

Customer complaints and liability claims are dealt with immediately and are regulated in the form of a complaints management system. Employees are required to immediately forward any incidents to the person responsible for complaints. The disclaimers used are updated on an ongoing basis and reviewed by external legal counsel.

### **RISKS IN CONNECTION WITH THE MEDIA SEGMENT & GENERAL RISKS**

#### **TECHNOLOGY RISKS**

As an advertising technology company and provider of software solutions, wallstreet:online is dependent on the continuous availability of its IT systems, technological infrastructure, and communication systems. Any interruption could lead to a loss of revenue or customers as well as damage to the company's reputation. System interruptions may be caused by external circumstances, force majeure, cyber attacks, or computer viruses. To minimise risk, the company relies on the use of firewalls, redundant server structures, continuous system monitoring, the use of software from reputable third-party providers in areas where development is not done in-house, and relevant employee training.

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 WSO's market position or make it more difficult to place its products (e. g., ad blocking). To counteract this, the company continuously invests in its product offering and aligns it as best as possible with the current and anticipated requirements of its customers and partners.

#### **MARKET RISKS**

The company's media business operates in a highly competitive market environment. Current or future competitors may have higher capital resources and use them to expand their market position at WSO's expense. New market trends could make WSO's offering less attractive or, in the worst case, obsolete. On the advertisers' side, large, market-dominant companies could change fundamental market dynamics that make WSO's products more difficult or impossible to use (e. g., Apple's introduction of new policies on app user privacy and the use of tracking for the purpose of placing targeted ads; Google's planned termination of the use of third-party cookies in the Chrome browser). On the transaction side, traditional banks and brokers may adapt their product offerings along the lines of neo brokers, which could in-

tensify 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 partners limiting their advertising spend and retail investors to reduce or stop their use of WSO platforms. Particularly noteworthy is the further development of the Covid-19 pandemic and its impact on the global economy, which could cause a negative development of the economy.

WSO looks back on a long company 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 WSO'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, 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.

WSO complies with all existing laws and regulations and provides the necessary resources to ensure quick and suitable reaction to any changes in the conditions of its external framework. Relevant issues are dealt with in the Company's internal legal, compliance, governance, and data protection departments. The operational risks in the advertising business are countered with appropriate disclaimers. These are regularly checked for accuracy and completeness, also with the help of external legal counsel. Significant legal transactions are also co-supervised by external lawyers. The Group has sufficient insurance coverage to protect itself against possible liability risks. At the time of this report, the Group was not involved in any legal proceedings that had the potential to materially affect business results.

### 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 along 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 2021, the cash balance at group level was at €25.5 million.

In order to have sufficient liquidity even in the event of a short-term negative business development, the company generally maintains a positive cash balance. In addition, at the reporting date there are unused credit lines with several years to maturity and access to external financing options at standard market conditions. A possible negative development of the financial markets could make (re-)financing at acceptable conditions more difficult or prevent it. The WSO 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 WSO share price regardless of actual business results.

The Company confirms that it has sufficient financial resources for the current period to be able to implement its existing business activities and planned product investments. In addition, WSO 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 corporate success of the WSO Group depends to a large extent on the ability to attract talented employees and specialist staff with industry knowledge and to employ them on a long-term basis. The labour market is very competitive, especially in the technology sector, and the demand for experts in areas such as programming or product management remains high. If important key positions cannot be filled in time or a large number of employees should decide to leave the company within a brief timespan, this could lead to significant restrictions in the operating processes.

Among other things, WSO 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 remote working depending on the requirements of the respective role. In addition, in-house training measures are designed to ensure that critical positions are always covered by deputies.

## 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. The achievement of the ambitious revenue and profitability targets for 2022 and the further business vision in subsequent years depend, among other things, on the introduction of the new IT infrastructure and revision of Smartbroker's front end, the successful expansion of the editorial network of wallstreet:online AG and the maintenance and expansion of the network of lucrative advertising partners.

## EXTERNAL EFFECTS

Economic conditions and the development of the domestic and global economy have a significant influence on the development of the advertising and financial technology industry. The Covid-19 pandemic demonstrated the impact that comprehensive containment measures can have on economic development. A renewed increase in infection rates and resumption of lockdown measures could have an impact on economic recovery, available advertising budgets and private investors' interest in investing in the capital markets. Although such crises may lead to an increase in volatility and thus 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. The same applies to the war in Ukraine (2022).

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 wallstreet:online 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, plans 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 certain risks.

The Supervisory Board is regularly informed in its meetings about existing risks and countermeasures and receives a detailed overview of the financial develop-

ment of the Company and 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 certain 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 net assets, financial position, and results of operations.

## 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. 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 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 uniform accounting standards 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 and earnings situation.

# FORECAST REPORT

The positive development of recent years is expected to continue in 2022. Both internal corporate initiatives and external long-term market developments put the Group in a position to continue to benefit from digitalisation and the trend towards personal self-directed investing.

## ASSESSMENT OF KEY MARKET DEVELOPMENTS

- The now widespread access to reliable digital financial information as well as brokerage and investment solutions supports continued interest among private investors in self-directed investment, personal wealth accumulation and management. The cost advantage over traditional products and distribution channels opens the market to first-time investors and increasingly motivates savers and investors to change from traditional banks to neo brokers.
- Digitalisation, user-friendly technology, commission-free business models, knowledge-sharing platforms and discussion forums enable clients to invest in listed assets without facing traditional barriers to entry, including minimum capital requirements, non-transparent high fee structures and a prevailing advisory approach (asset management).
- Pressure on traditional, state-run pension systems creates the need for alternative income sources in older age. Investments on the capital market are increasingly becoming an important pillar in private pension savings.
- Low interest rates, rising inflation and negative real interest rates favour investments in listed equities as forms of alternative returns.
- A new generation of investors are the "digital natives" who almost exclusively use online banking for their daily banking transactions and are inclined to use digital platforms also for securities trading and wealth management.
- Germany's fragmented banking market offers a good 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, and mobile web. As a result, advertising expenditure on these channels is increasing.
- The combination of information and transaction is gaining importance with the increasing number of execution-only investors and savers, as researching individual assets and analysing market trends often

serve as a basis for investment decisions.

All of these factors drive the sustained growth of WSO's target markets. The Company has developed a comprehensive product roadmap and aligned marketing strategies to further unlock market potential by expanding existing client relationships and broadening its partner network.

## COMPANY INITIATIVES

- Market launch of Smartbroker 2.0 incl. Smartbroker app, redesign of the web application, internalisation of key processes of the brokerage value chain, including custody account management, expansion of tradable products and supported custody account classes based on the Smartbroker Cloud Platform.
- The new application process should be significantly faster, less error-prone, open up new customer groups and, in time, reduce customer acquisition costs
- Completion of the 100% takeover of the Smartbroker operating company wallstreet:online capital AG
- Establishment of an in-house editorial department, which will offer additional, freely accessible editorial content, self-produced video content as well as paid content services (Börsenbriefe)
- Continuous further development of the media portals and discussion forums, development of new features, improvement of existing advertising products and expansion of the partner network on the advertiser side. Establish close tie between Smartbroker 2.0 and the Group's financial portals
- Closer functional integration of Smartbroker 2.0 into the media portals, in particular through new functions such as direct trade of securities from the portals for Smartbroker 2.0 customers.

Based on the overall positive market outlook for digital brokerage, personal savings, and investment management as well as digital media and advertising, and the Company's aligned business initiatives, WSO's management forecasts substantial revenue growth at Group level for the full year 2022. However, in addition to the factors and uncertainties mentioned in the risk report, it is currently unclear how further developments in the war in Ukraine will affect the economy in Europe, the volatility of the financial markets and the Group's business. Although the 2022 budget, and thus the guidance described below, were adopted under the impact of the onset of the war, the planning is largely based on assumptions and views made before the invasion of

Ukraine, which may therefore prove to be outdated as the war progresses. The Group expects 2022 revenue to be between €62 million and €67 million, with operating EBITDA after customer acquisition costs expected to be between €10 million and €12 million. With planned customer acquisition costs of approximately €6 million, operating EBITDA before these costs would be between €16 million and €18 million.

In addition to the increase in profitability, the Company strives to maintain and expand the equity ratios beyond the legal standard and to ensure a consistently comfortable liquidity level.

It should be emphasised that the introduction of Smartbroker 2.0 and the associated new Smartbroker Cloud Platform is the most significant project. Due to the planned launch in the second half of the year, the revenue contribution will to an extent be limited in 2022. The development will cause considerable start-up costs in 2021 and 2022, which will not yet result in corresponding revenues. However, it represents a significant investment in both long-term revenue growth and the Company's market position.

### Group revenue and profitability forecast

In € millions	2022F <sup>1</sup>
Revenues	62.0 – 67.0
from Transaction	27.0 – 29.0
from Media	35.0 – 38.0
Operating EBITDA before CAC	16.0 – 18.0
Operating EBITDA after CAC	10.0 – 12.0

CAC = Client acquisition costs

<sup>1</sup> 2022F: Forecast based on current assumptions and plans subject to risks and uncertainties

The planning is based on the assumption that all growth will come from the transaction business, with stable revenue and margins forecast for the media business. For the transaction segment, the Company assumes customer growth of 55k additional securities accounts to be opened in 2022, the majority of which at Smartbroker.

The Group took the strategic decision to proactively limit investments in new customer acquisition for Smartbroker in 2022 compared to the previous year for a short period of time. The planning of new customer numbers is deliberately set at just under half of the 120,000 Smartbroker accounts opened in 2021. The imminent market launch of the Smartbroker Cloud Platform not

only entails a general overhaul of the current user interface and the launch of the Smartbroker app, but also internalises the securities accounts management, order routing and other parts of transaction processing. After the launch of the new system, which is planned for the second half of 2022, all new customer applications will immediately be processed in Smartbroker 2.0. In addition, most existing customers will be migrated to the new system during 2022 and 2023. In order to make the transition as smooth as possible and to avoid having to subject new customers to a system change shortly after they joined Smartbroker, the Company is shifting part of the efforts around new customer acquisition to 2023. With that, it will also be possible to benefit from the lower customer acquisition costs that will apply in the new setup.

Due to sustained positive client feedback and the firm conviction that Smartbroker will be able to further expand its market share, the outlook for 2023 and the following years includes the return of new customer acquisition to above the 2022 level. Factors such as assets under custody, which are expected to increase to slightly more than €10 billion, and customer loyalty, which is expected to remain at a high level, therefore play an overriding role.

While market factors such as volatility, which are beyond the Group's control, may influence the number of new clients or transactions per client, WSO positions itself as a long-term partner for private investors enabling them to implement their investment strategies and facilitates long-term, independent asset management.

### FORECAST OF WALLSTREET:ONLINE AG

The above information relates to the Group. For the individual company, the management is planning stable organic development for the media business on the basis of a solid stock market environment. Revenues are expected to amount to between €18.5 million and €21.5 million in 2022, which would correspond to an average decline in revenues of approximately 11% (2021: €22.5 million). The decline is solely attributable to the shift of transaction revenues from wallstreet:online AG to other group companies.

The underlying profitability will again be invested in the transaction segment, above all Smartbroker 2.0. Despite extensive expenses for the further development of the neo broker, the company again expects to achieve a positive EBITDA for wallstreet:online AG in 2022, which should be slightly above the previous year, in the single-digit million range.

# DECLARATION ON DEPENDENCY REPORT

Dependent company report pursuant to § 312 AktG

Pursuant to § 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 § 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, wallstreet:online AG received appropriate consideration for each legal transaction and has not been disadvantaged by the fact that the measure was taken or omitted."

Berlin, 12 May 2022

The Management Board of wallstreet:online AG

Matthias Hach

Michael Bulgrin Oliver Haugk

Roland Nicklaus Stefan Zmojda

# CONSOLIDATED FINANCIAL STATEMENTS

 09 AS OF 31 DECEMBER 2021

<b>Consolidated Balance Sheet as of 31 December 2021</b>	Annex 1
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<b>Consolidated Cash Flow Statement for 2021</b>	Annex 3
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# CONSOLIDATED BALANCE SHEET

ANNEX 1

in EUR

ASSETS	31/12/2021	31/12/2020
<b>A. Non-current assets</b>	<b>40,602,063.94</b>	<b>28,788,924.11</b>
I. Intangible Assets	37,469,370.48	20,473,276.35
1. Self-created industrial property rights and similar rights and assets	487,758.00	812,932.00
2. Purchased licences, software and similar rights and assets	8,025,130.65	8,227,989.75
3. Goodwill	22,591,628.86	11,432,354.60
thereof from capital consolidation	22,053,904.86	10,826,357.96
4. Software in development	6,364,842.72	0.00
II. Tangible assets	905,128.37	398,083.97
1. Other property, plant and equipment	863,346.27	398,083.97
2. Advance payments and assets in development	41,782.10	0.00
III. Financial assets	2,227,575.34	7,917,563.79
1. Shares in affiliated companies	0.51	0.51
2. Shares in associated companies	0.00	5,724,015.22
3. Investments	533,333.00	0.00
4. Securities held as fixed assets	1,111,894.75	1,606,134.78
5. Other loans	582,347.08	587,413.28
<b>B. Current assets</b>	<b>34,369,005.95</b>	<b>22,023,999.03</b>
I. Inventories	4,264.93	9,890.42
II. Receivables and other assets	8,839,461.74	7,944,263.09
1. Trade and other receivables	6,968,406.16	2,800,089.75
2. Receivables from associated companies	0.00	1,533,487.30
3. Other assets	1,871,055.58	3,610,686.04
III. Cash and cash equivalents	25,525,279.28	14,069,845.52
<b>C. Deferred assets</b>	<b>409,685.83</b>	<b>340,152.70</b>
<b>Total assets</b>	<b>75,380,755.72</b>	<b>51,153,075.84</b>

# CONSOLIDATED BALANCE SHEET

ANNEX 2

*in EUR*

LIABILITIES	31/12/2021	31/12/2020
<b>A. Equity</b>	<b>49,463,836.24</b>	<b>30,225,301.67</b>
I. Subscribed capital	15,101,252.00	14,382,144.00
II. Capital reserve	29,272,519.81	10,863,355.01
III. Equity difference from currency translation	297,509.30	6,915.46
IV. Retained earnings	4,392,505.85	4,952,636.41
V. Minority interests	400,049.28	20,250.79
<b>B. Difference from the capital consolidation</b>	<b>40,462.16</b>	<b>0,00</b>
<b>C. Reserves</b>	<b>6,113,874.94</b>	<b>2,723,947.35</b>
I. Tax reserves	1,077,941.73	844,586.94
II. Other reserves	5,035,933.21	1,879,360.41
<b>D. Liabilities</b>	<b>16,587,098.03</b>	<b>15,525,436.88</b>
I. Financial liabilities	5,702,159.28	7,501,998.05
II. Prepayments received on orders	87,500.00	42,820.00
III. Trade payables	8,880,254.99	1,569,445.81
IV. Liabilities owed to associated companies	0.00	104.75
V. Other liabilities	1,917,183.76	6,411,068.27
<b>E. Deferred liabilities</b>	<b>2,300,078.29</b>	<b>1,700,087.29</b>
<b>F. Deferred tax liabilities</b>	<b>875,406.06</b>	<b>978,302.65</b>
<b>Total liabilities</b>	<b>75,380,755.72</b>	<b>51,153,075.84</b>

# CONSOLIDATED PROFIT & LOSS STATEMENT

ANNEX 3

<i>in EUR</i>	2021	2020
<b>1. Revenues</b>	<b>48,203,419.79</b>	<b>28,208,555.30</b>
2. Increase or decrease of inventory in finished goods	-5,625.49	-2,419.30
3. Other capitalised costs	876,484.41	0.00
<b>Total</b>	<b>49,074,278.71</b>	<b>28,206,136.00</b>
4. Other operating income	625,950.63	257,064.78
5. Cost of materials	-25,851,985.86	-13,452,296.46
<b>Gross profit</b>	<b>23,848,243.48</b>	<b>15,010,904.32</b>
6. Personnel expenses	-12,637,407.87	-7,982,028.14
7. Depreciation and amortisation expense	-3,208,792.28	-2,493,404.79
8. Other operating expenses	-7,653,078.75	-2,507,833.47
<b>Operating profit</b>	<b>348,964.58</b>	<b>2,027,637.92</b>
9. Income from investments in associated companies	280,460.88	56,119.33
10. Income from investments	0.00	3,008,509.82
11. Other interest and similar income	9,147.20	34,173.36
12. Expenses for investments in associated companies	-242,362.54	-399,734.14
13. Depreciation of financial assets and securities held as current assets	-191,195.00	0.00
14. Interest and similar expenses	-163,530.25	-168,332.23
<b>Earnings before taxes</b>	<b>41,484.87</b>	<b>4,558,374.06</b>
15. Taxes on income and profit	-578,412.37	-1,006,027.55
thereof from release/formation of deferred taxes	102,896.59	-188,473.72
<b>Earnings after taxes</b>	<b>-536,927.50</b>	<b>3,552,336.51</b>
16. Other taxes	0,00	-10,00
<b>Consolidated net loss/profit for the year</b>	<b>-536,927.50</b>	<b>3,552,336.51</b>
17. Profit/loss attributable to non-controlling interests	-23,203.06	47,044.37
18. Consolidated profit carried forward from the previous year	4,952,636.41	1,353,255.53
<b>Consolidated retained earnings</b>	<b>4,392,505.85</b>	<b>4,952,636.41</b>

# CONSOLIDATED CASH FLOW STATEMENT

ANNEX 3

## Cash Flow Statement (in accordance with DRS 21)

<i>in kEUR</i>	2021	2020
<b>Cash flow from operating activities</b>	<b>13,929</b>	<b>1,184</b>
Consolidated net loss/profit for the year (including minority interests)	-537	3,552
Depreciation/write-ups of fixed assets	3,798	2,925
Increase/decrease in provisions	3,287	269
Other non-cash expenses/income	718	77
Increase/decrease in inventories, trade receivables and other assets not allocated to investing or financing activities	-2,256	-5,744
Increase/decrease in trade accounts payable and other liabilities not classified as investing or financing activities	9,031	2,280
Interest expense/income	154	134
Other investment income	38	-3,009
Income tax expense/income	578	1,475
Income tax payments	-882	-775
<b>Cash flow from investing activities</b>	<b>-19,791</b>	<b>-1,317</b>
Payments for investments in intangible assets	-11,449	-401
Proceeds from disposals of tangible fixed assets	1	8
Payments for investments in tangible fixed assets	-1,033	-119
Proceeds from disposals of financial assets	2,357	2,598
Payments for investments in financial assets	-538	-3,437
Payments for additions to the scope of consolidation	-9,138	0
Interest received	9	34

# CONSOLIDATED CASH FLOW STATEMENT

ANNEX 3

<i>in kEUR</i>	2021	2020
<b>Cash flow from financing activities</b>	<b>17,165</b>	<b>4,540</b>
Proceeds from contributions to equity by shareholders of the parent company	19,128	7,462
Repayments of bonds and (financial) loans	-1,800	-2,754
Interest paid	-164	-168
Change in cash and cash equivalents	11,303	4,407
Changes in cash and cash equivalents due to exchange rate fluctuations and valuation	153	
Change in cash and cash equivalents	11,455	-16
<b>Cash and cash equivalents at the beginning of the period</b>	<b>14,070</b>	<b>9,678</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>25,525</b>	<b>14,070</b>

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

ANNEX 4

<i>in kEUR</i>	01/01/ 2021	01/01/ 2021	Capital Increase		Share Split 1 to 8		Received		Annual Loss/ Annual Profit		Currency Conversion		31/12/ 2021	31/12/ 2020
			2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
<b>Group equity</b>	30,225	26,660	19,128	0	0	0	357	0	-537	3,552	291	13	49,464	30,225
<b>Parent company's equity</b>	30,205	26,593	19,128	0	0	0	0	0	-560	3,559	291	13	49,064	30,205
Subscribed capital	14,382	1,798	719	0	0	12,584	0	0	0	0	0	0	15,101	14,382
Capital reserves	10,863	23,448	18,409	0	0	-12,584	0	0	0	0	0	0	29,272	10,863
Equity difference from currency conversion	7	-6	0	0	0	0	0	0	0	13	291	13	298	7
Accumulated profit/loss	4,953	1,353	0	0	0	0	0	0	-560	3,559	0	0	4,393	4,953
Non-controlling shares	20	67	0	0	0	0	357	0	23	-47	0	0	400	20

## wallstreet:online AG, Berlin Notes to the Financial Statements 2021

### General information

These financial statements have been prepared in accordance with §§ 290 ff. German Commercial Code (HGB).

The consolidated income statement has been prepared using the nature of expense method.

In order to improve the clarity of the presentation, we have summarised individual items of the consolidated balance sheet and profit and loss statement and are therefore breaking them down and explaining them separately in these notes. For the same reason, the disclosures relating to other items and the notes thereto are also provided here.

### Register information

The Parent Company has its registered office in 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 directly or indirectly exercises a controlling influence.

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 consolidated in the above financial statements.

The consolidated companies (fully consolidated) include:

	<b>Included affiliated companies</b>	<b>Percentage of capital in %</b>
1	wallstreet:online 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, Frankfurt am Main	50.00
7	crumbl AG, Berlin	84.62
8	wallstreet:online Fonds Advisory GmbH, Berlin	100.00
9	Wallstreet Online Corporate Finance AG, Berlin	100.00
10	wallstreet:online publishing GmbH, Berlin	90.00
11	Mint Assets GmbH, Berlin	100.00
12	Erste ICO Consulting Projektgesellschaft GmbH, Berlin	100.00
13	ZV Zertifikate Verlag GmbH, Kiel <sup>1</sup>	100.00
14	GF Global Funds SICAV, Liechtenstein <sup>2</sup>	64.78
15	wallstreet:online capital AG, Berlin <sup>3</sup>	96.31

Companies without or with a negligible volume of business activities are not included in the consolidated financial statements in accordance with § 296 (2) German Commercial Code.

### **Consolidation principles**

The capital consolidation is conducted according to the revaluation method. For the companies acquired in 2021, 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 and prepaid expenses to be included in the consolidated financial statements at the time of consolidation.

<sup>1</sup> For ZV Zertifikate Verlag GmbH, a liquidator was appointed in 2021.

<sup>2</sup> Global Funds SICAV was consolidated at-equity as of 31 July 2021; as of 1 August, the company is fully consolidated

<sup>3</sup> wallstreet:online capital AG was consolidated at-equity as of 31 July 2021; as of 1 August, the company is fully consolidated

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. 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 account, income from intercompany sales and other intra-Group income are offset against the corresponding expenses. Some intercompany profits have been realised in 2021. Within the scope of the Smartbroker project, intercompany profits in the amount of kEUR 51 were eliminated upon consolidation due to capitalisation of own work by Ariva.de AG at the parent company.

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.

As of 1 August 2021, the acquisition of further shares in wallstreet:online capital AG and the resulting acquisition of majority control position in the business meant that the consolidation methodology changed from that date from at-equity consolidation to full consolidation for wallstreet:online capital AG and GF Global Funds SICAV.

Intercompany profits relating to trade receivables due from these companies have been eliminated.

## 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 basically offers a 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 base of ARIVA.DE AG is amortised on a straight-line basis over 5 years.

A useful life of 15 years is assumed for the goodwill of Markets Inside Media GmbH, which was acquired in 2018. The brand names that have been capitalised as part of the initial consolidation and the related deferred tax liabilities are amortised over a period of 15 years. The capitalised customer base of Smart Investor Media GmbH and the deferred tax liabilities attributable to it are amortised over a period of 2 years.

Property, plant and equipment are recognised at acquisition or production cost and are reduced by scheduled depreciation.

**Tangible fixed assets** are depreciated in accordance with their expected useful life. Low-value fixed assets with a net individual value of up to EUR 250.00 were fully depreciated or expensed in the year of acquisition; their immediate disposal was assumed. For fixed assets with a net individual value of more than EUR 250.00 up to EUR 1,000.00, the collective item method for tax purposes was also applied in the commercial balance sheet for reasons of simplification. The compound item is depreciated at a flat rate of 20% in the year of acquisition and in the four subsequent years. Depreciation on additions to property, plant and equipment is otherwise carried out on a pro rata temporis basis.

Regarding financial assets, shares and securities are recognised at the lower of cost or fair value and loans are recognised at nominal value.

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

Expenses prior to the balance sheet date are reported as prepaid expenses if they represent expenses for a certain time after this date.

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

**Liabilities** are recognised at the settlement amounts.

**Deferred income** includes all receipts made 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. In addition, deferred taxes are recognised for the capitalisation of internally generated intangible assets.

## 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 upon the spot exchange rate of the transaction date.

Any monetary assets and liabilities that are in foreign currency are converted during the subsequent valuation at the spot exchange rate of the closing date. If the residual term is one year or less, neither the Realisation Principle (§ 298 Para. 1 in conjunction with § 252 Para. 1 No. 4 Clause 2 German Commercial Code) nor the Purchasing Cost Principle (§ 298 Para. 1 in conjunction with § 253 Para. 1 Clause 1 German Commercial Code) 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 upon the basis of the acquisition costs recorded on the date of receipt.

Asset and liability items from Financial Statements drafted in a foreign currency are converted into Euros at the respective spot exchange rate on the closing date - with the exception of equity (subscribed capital, reserves, results carried forward), which is converted at the historical spot exchange rates on the initial consolidation date. The items in the income statement are translated into Euros at average exchange rates. Any resulting differences are shown in the consolidated equity under the item "Equity difference from currency translation".

Exchange rate differences from debt consolidation are generally recognised in the income statement under other operating income or expenses.

## Remarks on the Consolidated Balance Sheet

### Non-current assets

The development of fixed assets is shown in the statement of changes in fixed assets with details of depreciation and amortisation for the financial year.

Goodwill includes an amount of kEUR 538 that was included before 2020 in the annual financial statement of Markets Inside Media GmbH. The remaining kEUR 22,054 resulted from the initial consolidation of acquired shares.

The increase in goodwill of kEUR 12,957 results mainly from the capital consolidation of wallstreet:online capital AG, which is fully consolidated as of 1 August 2021.

On 1 August 2021, wallstreet:online AG, as the Group's parent company, increased its existing shareholding in wallstreet:online capital AG from 42.87% to 67.35%. As of this date, wallstreet:online capital AG and GF Global Funds SICAV have been included in the consolidated financial statements of wallstreet:online AG through full consolidation. In August, September, and December, wallstreet:online AG acquired further shares in wallstreet:online capital AG. As a result, shareholdings amounted to 96.31% as at 31 December 2021. As wallstreet:online capital AG owned 33% of the shares in GF Global Funds SICAV before 1 August 2021, this company is also fully consolidated as of 1 August 2021. The direct and indirect shareholding of wallstreet:online AG amounts to 64.78% as at 31 December 2021. wallstreet:online AG includes the following explanations in the notes to its consolidated financial statements for FY 2021:

Due to the acquisition of the companies wallstreet:online capital AG and GF Global Funds SICAV, the composition of the companies included in the consolidated financial statements has changed significantly compared to the previous year. An influence on the earnings situation results in particular from the five-month result of wallstreet:online capital AG included in the consolidated financial statements in the amount of kEUR 1,255 after consolidation as well as the amortisation of the goodwill resulting from the acquisition (kEUR 478).

The following material assets and liabilities were acquired at the date of addition of wallstreet:online capital AG (disclosure of fair values at the date of acquisition):

Property, plant and equipment kEUR 501

Trade receivables kEUR 3,889

Cash and cash equivalents kEUR 1,367

Provisions kEUR 2,370, thereof kEUR 2,008 outstanding invoices

Trade payables kEUR 1,299.

The expenses and income of wallstreet:online capital AG and GF Global Funds SICAV were only included in the consolidated financial statements for the months August to December 2021. Without the inclusion of the two companies, the consolidated revenue would have amounted to kEUR 38,799 in 2021. Taking into account the cost of materials (kEUR 4,507) and personnel expenses (kEUR 2,660) as well as other operating expenses (kEUR 1,652) and other operating income (kEUR 257) without the two companies, the consolidated loss would have been kEUR 1,780 (previous year consolidated profit kEUR 3,552). The difference is mainly due to marketing expenses for the "Smartbroker" project.

The addition of kEUR 6,392 to intangible assets under development are based on purchases and own work capitalised from the development of the front and back end as well as an app for Smartbroker.

The additions of kEUR 991 to operating and office equipment result primarily from purchases for the renovation and fit-out of the new office (kEUR 507).

In 2021, wallstreet:online AG acquired an interest in Finmarie GmbH, Berlin (17%) in the amount of kEUR 533.

The disposal of securities relates to the sale of Xetra-Gold. This resulted in a book value loss of kEUR 253.

The disposal of investments in associated companies in the amount of kEUR 4,762 results from the change in the type of consolidation of wallstreet:online capital AG and GF Global Funds SICAV, which are fully consolidated from 1 August 2021 following the acquisition of a majority stake.

Other loans include two loans (kEUR 342 to TS private assets GmbH and kEUR 240 to Neufeldtneun GmbH & Co KG).

### **Receivables and other assets**

As in the previous year, receivables have a remaining term of less than one year. The trade accounts receivable reported take into account individual value adjustments and general value adjustments in an appropriate amount.

Other assets mainly include receivables from the tax office in the amount of kEUR 1,757 (previous year kEUR 1,485). Other assets also include receivables from security deposits amounting to kEUR 104 (previous year: EUR 23) - as in the previous year with a residual term of more than one year.

### **Equity**

The addition to the subscribed capital and the capital reserve in the amount of kEUR 19,128 stems from a capital increase (kEUR 719) and an additional payment into the capital reserve (kEUR 18,409) of the parent company wallstreet:online AG. The currency differences of kEUR 298 (previous year kEUR 7) arose from the translation of the equity of ABC New Media AG from CHF to EUR. The non-controlling interests consist mainly of the minority interests (3.69%) in wallstreet:online capital AG (kEUR 317).

## Negative goodwill

The negative goodwill of kEUR 40 newly created in 2021 is a purely technical difference arising from the initial consolidation of GF Global Funds SICAV and the further indirect share acquisitions.

## Other provisions

The other provisions are mainly for outstanding invoices (kEUR 2,166; previous year kEUR 408), obligations to employees including holiday provisions (kEUR 1,556; previous year kEUR 603), bonuses for the Management Board and managing directors (kEUR 631; previous year kEUR 410), costs for the financial statements and audit (kEUR 181; previous year kEUR 73), and Supervisory Board remuneration (kEUR 140; previous year kEUR 103).

## Liabilities

The residual terms and the collateralisation of the liabilities have been depicted in detail in the Liabilities Analysis.

Type of liability	In kEUR							
	31/12/2021							
	Remaining term				Of which:		Total	
	Up to 1 year		More than 1 year		More than 5 years			
	2021	2020	2021	2020	2021	2020	2021	2020
Liabilities owed to financial Institutions	1,976	2,100	3,726	5,402	0	0	5,702	7,502
Advance payments received for orders	88	43	0	0	0	0	88	43
Liabilities from deliveries and services	8,880	1,569	0	0	0	0	8,880	1,569
Other Liabilities	1,917	6,411	0	0	0	0	1,917	6,411
- VW client base	1,500	5,800	0	0	0	0	1,500	5,800
- Taxes	343	385	0	0	0	0	343	385
- Earn-outs/client compensation to ABC New Media AG	0	202	0	0	0	0	0	202
<b>Total</b>	<b>12,861</b>	<b>10,123</b>	<b>3,726</b>	<b>5,402</b>	<b>0</b>	<b>0</b>	<b>16,587</b>	<b>15,525</b>

Of the liabilities owed to financial institutions, kEUR 3,075 are secured through joint guarantees from the subsidiaries Markets Inside Media GmbH, ABC New Media AG and ARIVA.DE AG.

### Deferred income

Deferred income includes, among other things, deferrals of customer subscription payments for the year 2022 (kEUR 588).

### Deferred taxes

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

<i>In kEUR</i>	<b>31/12/2021</b>	<b>31/12/2020</b>	<b>Change</b>
Deferred tax assets from the disclosure of hidden reserves	653	721	-68
Deferred tax assets from the capitalisation of internally generated intangible assets	222	257	-35
<b>Total</b>	<b>875</b>	<b>978</b>	<b>-103</b>

The calculation is based on a tax rate of 30% for domestic taxes. For the calculation of the tax for Switzerland (ABC New Media AG), 17% is used.

## Discussion of the Consolidated Profit & Loss Statement

### Revenues

#### Revenue breakdown

<i>In kEUR</i>	<b>2021</b>	<b>2020</b>	<b>Share in %</b>
Media (financial portals)	30,521	21,502	62.65
B2B (web services / data / regulatory documents)	5,308	5,366	11.41
Transaction	3,044	7	5.37
Projects (Smartbroker / VW)	9,330	1,334	20.58
<b>Total</b>	<b>48,203</b>	<b>28,209</b>	<b>100.00</b>

#### Other operating income

Other operating income in the amount of kEUR 626 (previous year: kEUR 257) includes revenues from currency conversions (kEUR 189; previous year: kEUR 66) and revenues from the release of provisions (kEUR 106; previous year kEUR 21).

Other operating income also includes income unrelated to the accounting period in the amount of kEUR 134 (previous year kEUR 14).

#### Other operating expenses

Other operating expenses include in particular operating administrative expenses, such as costs for consulting (kEUR 2,687; previous year kEUR 727), rental costs (kEUR 663; previous year kEUR 416), costs for non-deductible trade tax (kEUR 928; previous year 0), costs for stock exchange listing (kEUR 734; previous year kEUR 111) and costs for external services (kEUR 332; previous year 0).

Other operating expenses include the following extraordinary expenses: Costs for capital increase in the amount of kEUR 492, incurred by wallstreet:online AG.

Other operating expenses further include expenses unrelated to the accounting period in the amount of kEUR 82 (previous year kEUR 19).

## Write-downs of financial assets and marketable securities

The write-downs of securities relate to an unscheduled write-down of a fund amounting to kEUR 191 (previous year kEUR 0).

## Other disclosures

### Contingent liabilities

wallstreet:online AG has issued a binding letter of comfort for the rental agreement of the subsidiary wallstreet:online capital AG in the amount of kEUR 10,932.

### Other financial obligations

These obligations include, among others:

<i>In kEUR</i>			
Account	Description	Contractual term until	Until 12/2022
Squeeze out cash settlements	Cash settlements for outstanding shares in wallstreet:online capital AG in 2022		1,164
<b>Leasing</b>			
Ariva	BFL Leasing 5 copy machines	11/2022	5
Ariva	ALSO Financial Services GmbH servers	12/2024	107
Ariva	ALSO Financial Services GmbH servers	12/2024	30
Ariva	ALSO Financial Services GmbH servers	12/2024	30
Ariva	ALSO Financial Services GmbH servers	01/2022	1
Ariva	O.K. Leasing AG coffee machine	07/2027	2
<b>Leasing Total</b>			<b>175</b>
<b>Rentals</b>			
Ariva	Neufeldtneun GmbH & Co. KG	Mid-12/2026	221
Ariva	Wissenschaftspark Kiel GmbH parking space	ongoing / 3 months' notice	1
wallstreet:online	Office Seydelstraße	03/2022	27
Smart Investor	Erbengemeinschaft Römer	ongoing / 6 months' notice	16
MIM	Bast Immobilien	12/2022	9
wallstreet:online capital	Michaelkirchstrasse	12/2028	177
wallstreet:online capital	Francap S.a.r.l. Ritterstrasse	12/2028	1,159
<b>Rental Total</b>			<b>1,610</b>
<b>Total</b>			<b>2,949</b>

Other financial obligations of up to 1 year amount to kEUR 2,949 and, from 1 to 5 years, to kEUR 6,570.

Equity-settled share-based payments to employees are not recognised in profit or loss. The issue of the options has the effect of a loss of assets for the existing shareholders as a so-called dilution of the value of the previously existing shares, which, in view of the principle of separation under company law, does not affect the company's assets and earnings situation. When the options are exercised, the exercise price to be paid by the employee is added to the subscribed capital up to the amount of the arithmetical value of the shares issued. The company has granted share-based payments to members of the Management Board. As of the reporting date, none of the options granted can yet be exercised, as the contractually agreed vesting period has not yet concluded. As at 31 December 2021, a total of 191,912 shares have been granted under this programme, at an average exercise price of EUR 12.50. In addition, one of the Management Board members was granted a guarantee on the value of his share-based remuneration. In the event that the options granted do not confer any benefit as at 31 December 2023 due to an unfavourable share price, the Management Board member will receive a bonus, which will be paid in cash. As the future share price development of the company is not foreseeable and uncertain, the company forms a provision for this case of a possible bonus payment due to considerations of the principle of prudence. As of 31 December, this provision amounts to kEUR 441.

### **Related parties transactions**

In the year under review, any transaction that took place with related parties were conducted at arm's length terms.

In 2019, wallstreet:online AG entered into a consulting agreement with its Supervisory Board Mr René Krüger. The contract agreed with Mr Krüger is in line with customary conditions in the market. This contract also existed in 2021.

In 2020, wallstreet:online AG concluded a contract for a partner programme with Firstlead GmbH, Berlin. The main shareholder of Firstlead GmbH is the Supervisory Board member Marcus Seidel. The contract agreed with Firstlead GmbH is in line with the customary conditions in the market.

In connection with the purchase of a customer base as well as raising debt capital, a consulting contract was concluded with the company's Supervisory Board member Roland Nicklaus. The contract agreed with Mr. Nicklaus is customary in the market.

wallstreet:online AG has entered into contractual agreements 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 wallstreet:online AG is customary in the market in each case.

Under the trust agreement with wallstreet:online capital AG regarding the acquisition of the VW custody account, wallstreet:online AG receives a share of revenue amounting to 70% of the revenue generated with this customer base in 2021. Under the cooperation agreement with wallstreet:online capital AG regarding the Smartbroker project, wallstreet:online AG receives a share of revenue amounting to 70% of the revenue generated with the Smartbroker customers in 2021. wallstreet:online AG bears the costs for marketing, the KYC verification of new customers, the development of the website and the costs for rented office space.

### Total remuneration of the Management Board

The remuneration of the Management Board of the parent company for the performance of its duties in the parent company and the subsidiaries amounts to kEUR 2,717 (previous year kEUR 1,539).

### Total remuneration of the Supervisory Board

The remuneration of the Supervisory Board of the parent company for the performance of its duties in the parent company and the subsidiaries amounts to kEUR 107 (previous year kEUR 103).

### Employees

Average number of employees of the companies included in the consolidated financial statements during the financial year:

	Average for 2021
wallstreet:online AG	43
Ariva.de AG	50.75
Markets Inside Media GmbH	8
Smart Investor GmbH	4
wallstreet:online capital AG	89.75
<b>Total</b>	<b>195.5</b>

## Subsequent events

wallstreet:online AG plans to squeeze out the remaining minority interests in wallstreet:online capital AG in 2022. This will result in wallstreet:online AG owning 100% of the shares.

In March and April 2022, further loan facilities amounting to kEUR 13,000 in total were arranged with Berliner Volksbank and DZ Bank AG.

The profit and loss transfer agreement between wallstreet:online AG and wallstreet:online publishing GmbH was terminated by resolution of the Annual General Meeting on 15 March 2022.

Macroeconomic conditions and the development of the domestic and global economy have a significant influence on the development of the advertising and financial technology industry. The Covid-19 pandemic showed the influence that comprehensive containment measures can have on economic development. A renewed increase in infection rates and resumption of lockdown measures could have an impact on economic recovery, available advertising budgets and private investors' interest in the capital markets. Although such crises may lead to an increase in volatility and thus 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 same applies to the war in Ukraine (2022).

No other events with a significant influence on the assets, liabilities, financial position and results of operations have been recorded after the end of the reporting period.

## Remarks on the Consolidated Cash Flow Statement

Cash and cash equivalents consist of the balance sheet items cash on hand and bank balances. The bank balance at the time of the addition of wallstreet:online capital AG amounted to kEUR 1,367.

Cash flow from investing activities primarily includes the purchase of the additional shares in wallstreet:online capital AG (kEUR 9,138) as well as the purchase of intangible assets under development in the amount of kEUR 11,449, including kEUR 4,300 for the VW customer base and kEUR 6,392 for front and back-end development for Smartbroker. Cash inflows result in particular from the sale of the Trade Republic shares and the associated final tranche of kEUR 1,297 and the sale of securities of kEUR 1,047.

The cash flow from financing activities includes the repayment of the loans taken out in 2020 in the amount of kEUR 1,800 as well as payments received due to the capital increase carried out by the parent company in the amount of kEUR 19,128.

Berlin, 12 May 2022

wallstreet:online AG

The Management Board

Matthias Hach

Michael Bulgrin

Oliver Haugk

Roland Nicklaus

Stefan Zmojda

## Consolidated Liabilities Schedule

Book Value

<i>In EUR</i>	01/01/2021	Additions	Settlement	Interest	31/12/2021	31/12/2021	31/12/2020
Loans	7,501,998.05	0.00	-1,799,838.77	-25,181.16	5,702,159.28	5,702,159.28	7,501,998.05
3160 Liabilities Financial Institutions (1-5 yrs)	4,495,201.09	0.00	-1,067,977.59	-65,906.28	3,427,223.50	3,427,223.50	4,495,201.09
3161 Loan DZ Bank 2.5m	2,452,830.00	0.00	-566,040.00	-41,123.21	1,886,790.00	1,886,790.00	2,452,830.00
3151 Liabilities Financial Institutions (less than 1 yr)	553,966.96	0.00	-165,821.18	-18,151.67	388,145.78	388,145.78	553,966.96

In EUR	Historical acquisition and manufacturing costs					Accumulated amortisation/depreciation					Book values				
	01/01/2021	Additions	Disposals	Rebookings	Additions to the consolidated companies	31/12/2021	01/01/2021	Additions	Disposals	Increase in equity book value	Reduction in equity book value	Additions to the consolidated companies	31/12/2021	01/01/2021	
<b>Intangible assets</b>															
1. Self-created industrial property rights and similar rights and assets	2,598	0	0	0	0	2,598	1,785	325	0	0	0	0	2,110	488	813
2. Acquired permits, industrial property rights and similar rights and assets, as well as licences to such rights and assets	9,083	454	29	28	303	9,838	855	769	0	0	189	1,813	8,025	8,228	
3. Company value or goodwill	13,172	12,957	0	0	0	26,130	1,740	1,798	0	0	0	3,538	22,592	11,432	
4. Advance payments and intangible assets in development	11	6,392	0	-28	0	6,375	11	0	0	0	0	11	6,365	0	
	24,864	19,804	29	0	303	44,942	4,391	2,892	0	0	189	7,472	37,469	20,473	
<b>Tangible assets</b>															
1. Property, plant and equipment	1,964	492	44	0	499	2,912	1,566	317	43	0	209	2,048	863	398	
2. Advance payments and tangible assets in development	237	42	0	0	0	279	237	0	0	0	0	237	42	0	
	2,201	534	44	0	499	3,191	1,803	317	43	0	209	2,286	905	398	
<b>Financial Assets</b>															
1. Shares in affiliated companies	3	0	0	0	0	3	3	0	0	0	0	3	<1	<1	
2. Shares in associated companies	6,068	0	4,762	-1,000	0	306	344	0	0	280	242	0	306	0	5,724
3. Shareholdings	0.00	533	0	0	0	533	0	0	0	0	0	0	533	0	
4. Securities in fixed assets	1,606	0	1,303	1,000	0	1,303	0	191	0	0	0	191	1,112	1,606	
5. Other loans	587	5	10	0	0	582	0	0	0	0	0	0	582	587	
	8,264	538	6,075	0	0	2,727	347	191	0	280	242	0	2,228	7,918	
<b>Total fixed assets</b>	<b>35,330</b>	<b>20,876</b>	<b>6,148</b>	<b>0</b>	<b>802</b>	<b>50,860</b>	<b>6,541</b>	<b>3,400</b>	<b>43</b>	<b>280</b>	<b>242</b>	<b>398</b>	<b>40,602</b>	<b>28,789</b>	

# 11 INDEPENDENT AUDITOR'S REPORT

*Translation of the German independent auditor's report concerning the audit of the consolidated financial statements and combined management report prepared in German*

## Independent auditor's report

To wallstreet:online AG

### Opinions

We have audited the consolidated financial statements of wallstreet:online AG, Berlin, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, and the consolidated income statement, consolidated cash flow statement and consolidated statement of changes in equity for the fiscal year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the group management report of wallstreet:online AG, which was combined with the Company's management report, for the fiscal year from 1 January to 31 December 2021.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2021 and of its financial performance for the fiscal year from 1 January to 31 December 2021 in compliance with German legally required accounting principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to Sec. 322 (3) Sentence 1 HGB ("*Handelsgesetzbuch*", German Commercial Code), we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

### Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institute of Public Auditors in Germany ("*Institut der Wirtschaftsprüfer*", IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

## Other information

The executive directors are responsible for the other information. The other information comprises statements in the annual report in the sections “1. Highlights“, „2. Letter from the Management Board“, „3. Operational Development“, „4. Business Model & Technology“, „5. “Digital Personal Investment and Savings Market“, „6. The WSO Share“ and „7. ESGC Report“.

In the combined management report of the wallstreet:online Group wallstreet:online AG it comprises the information on savings and investing behaviour in the section „Operating Model“ and the information on the estimated market share of neo brokers in the segment „Market Environment“.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German legally required accounting principles, have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group’s ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group’s position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and



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to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements.

### **Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German legally required accounting principles.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 12 May 2022

Ernst & Young GmbH

Wirtschaftsprüfungsgesellschaft

Dr. Röders

German Public Auditor

*(Wirtschaftsprüfer)*

Behrendt

German Public Auditor

*(Wirtschaftsprüfer)*

# ABOUT WALLSTREET:ONLINE AG

The wallstreet:online Group operates the Smartbroker – a multiple award-winning online broker, which is the only provider in Germany to combine the extensive product range of traditional brokers with the extremely favourable conditions of neo brokers. In addition, the Group operates four high-reach stock market portals (wallstreet-online.de, boersenNews.de, FinanzNachrichten.de and ARIVA.de). With several hundred million monthly page impressions, the Group is the by far largest publisher-independent financial portal operator in German-speaking countries, and also hosts the region's largest finance community. The Company is listed on the Frankfurt Stock Exchange (Basic Board, ticker WSO1, ISIN DE000A2GS609)

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**Supervisory Board** | André Kolbinger (Chairman) · René Krüger · Marcus Seidel

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