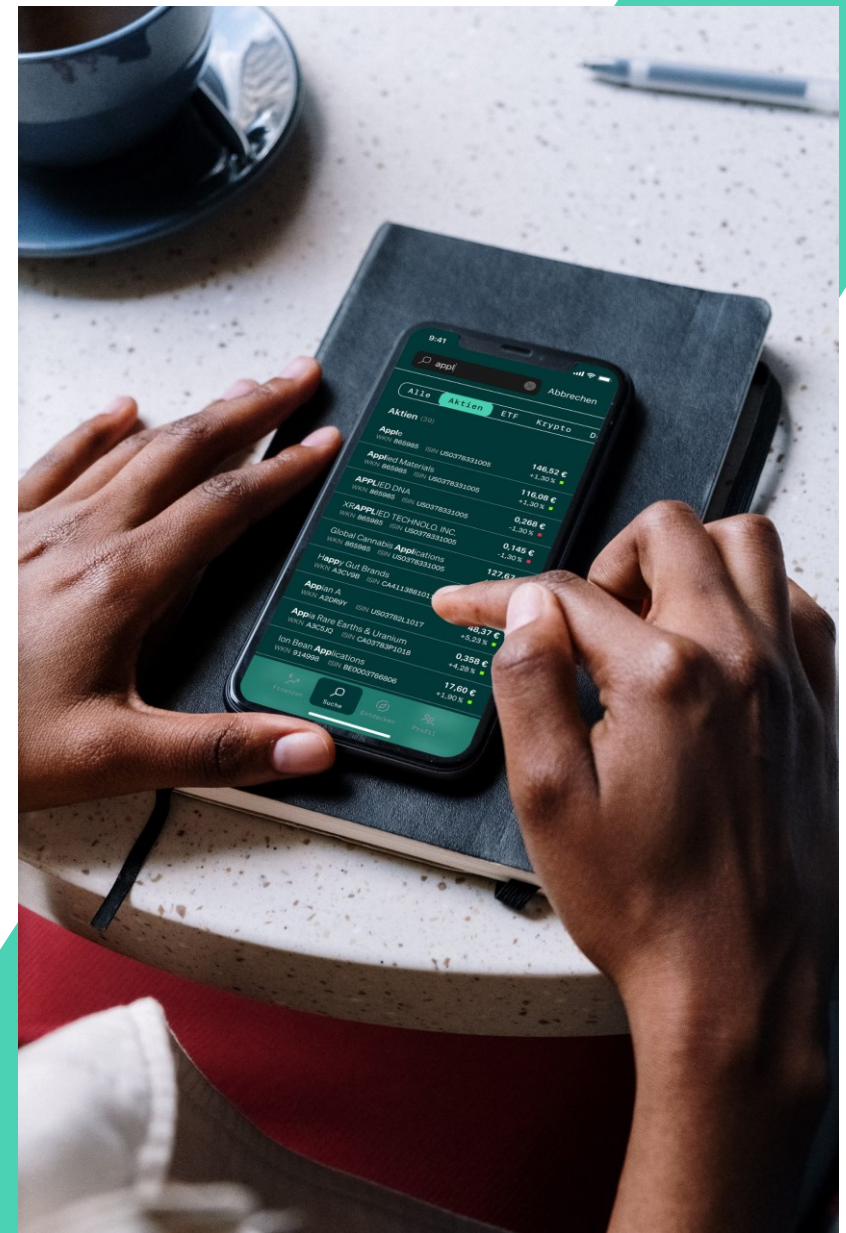


# Smartbroker Holding

The Profitable Innovator of Germany's  
Personal Savings & Investment Sector

Dec 2022



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# Redefining Digital Investing

We Offer a Comprehensive Digital Finance and Investment Platform for Private Investors

Transaction platforms for private savers & investors

Smartbroker operates the largest **next generation broker** by assets under custody in Germany



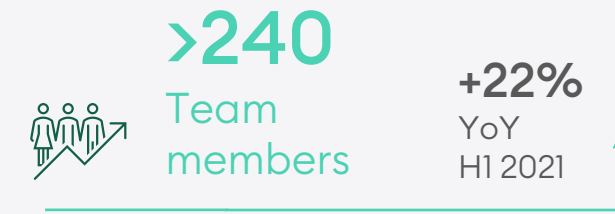
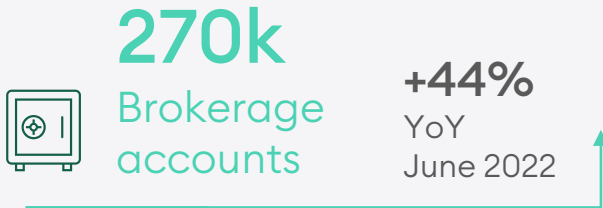
Media platforms comprising websites, apps, forums

The largest publisher-independent **financial portal** operator

Host of the largest **finance community** across German-speaking Europe

20+yrs market experience | 100% digital | Comprehensive product offering | In-house development

# The Smartbroker Group in Numbers



# Introduction to the Smartbroker Team

## Founder-led Team with combined 95+ Years Relevant Sector Experience



**André Kolbinger**  
CEO & Founder

- Founded the group in 1998
- 25+ yrs digital media & content experience
- Solid track record of organic and M&A driven business growth
- Returned as CEO in August 2022, previously Chairman of the Supervisory Board

wallstreet:online



**Roland Nicklaus**  
Chief Financial Officer

- Assumed role in April 2021
- Joined as non-executive in 2008
- 23yrs banking & finance experience
- Most recently non-executive director & board adviser to a telco and a digital infrastructure provider

**Salomon Brothers**



**Oliver Haugk**  
CTO



**Stefan Zmojda**  
CRO



**Michael Bulgrin**  
CCO



**Thomas Soltau**  
Board Member  
Markets & Customers  
Smartbroker AG



**Uwe Lüders**  
Board Member  
Risk & Operation  
Smartbroker AG

Comprehensive second management layer with relevant experience in banking, IT, UI/UX, operations, content, online marketing



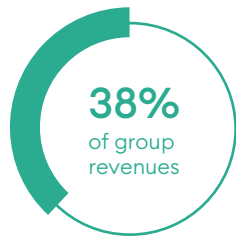
# Balanced Revenue Base & Positive Operating Cash Flow

## Enable Self-Financed Development of New Products

Data for the FY 2021

### Transaction

Smartbroker launched Dec 2019



- Gathered 246k brokerage accounts in 2yrs
- €36k AUC per account
- 30 trades p.a.

142%

2021 YoY revenue growth Smartbroker

neg.

2021 EBITDA margin Smartbroker

110%

Brokerage accounts growth



### Media

Launched 1998



- 3.9bn page impressions
- 3m+ monthly active users
- 970k registered users on discussion forums

32%

2021 YoY organic revenue growth

43%

2021 EBITDA margin

16%

Annual page impressions growth

wallstreet:online

### Group View

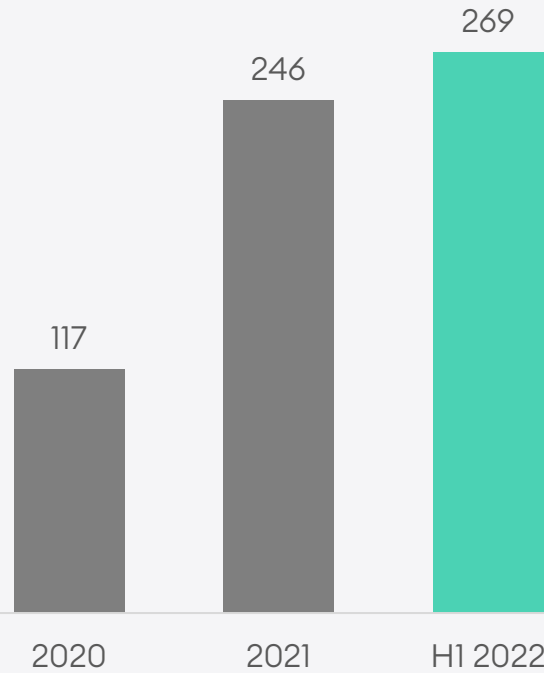
- Re-investing media's profitability into Smartbroker
- €14m operating cash flow achieved for FY 2021
- Complementing our ad-based media business with a transaction-based brokerage business

# H1 2022 Operational Development

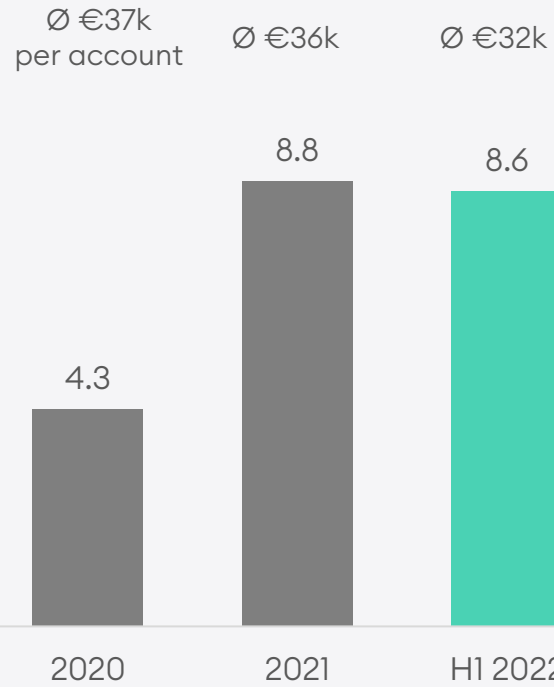
## Further Growth Despite Challenging Environment

### TRANSACTION

Brokerage accounts, in k

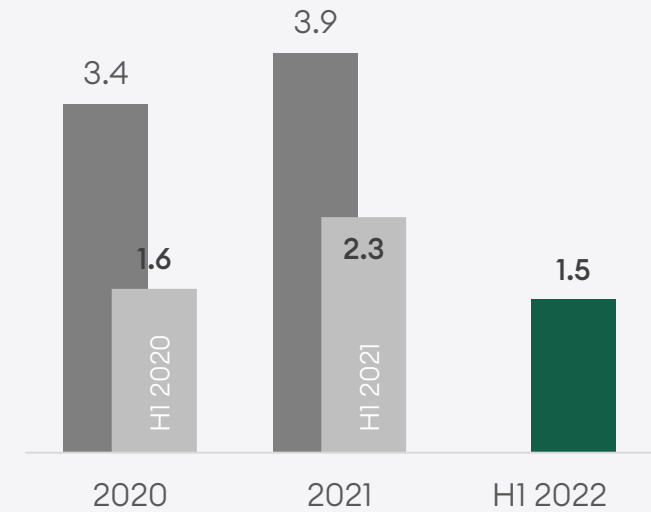


Assets under custody, in €bn



### MEDIA

Page impressions, in bn

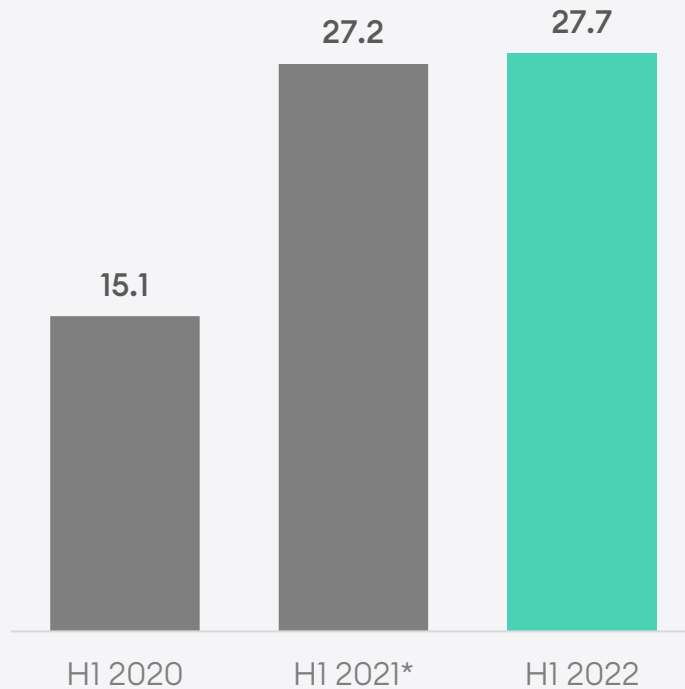


Launched Smartbroker Dec 2019

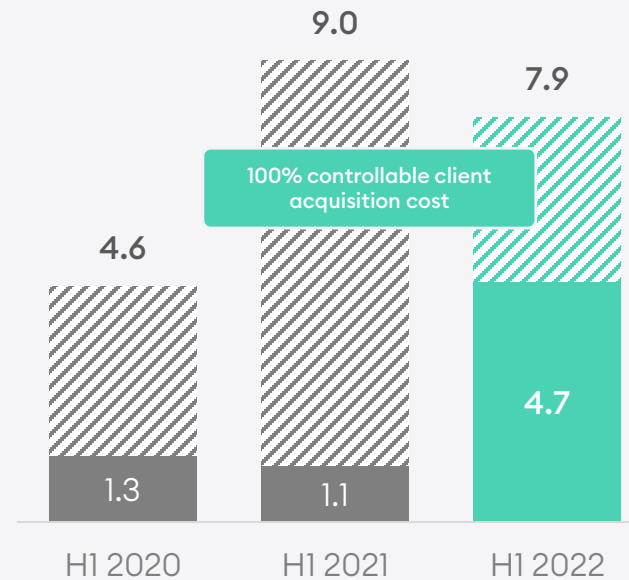
# H1 2022 Results in Line with Expectations

## Despite Challenging Environment, especially during Q2

Revenue,  
in €m



Op. EBITDA before and after client acquisition cost,  
in €m



### Latest Developments

- Name changes completed:  
wallstreet:online AG → **Smartbroker Holding AG**  
wallstreet:online capital AG → **Smartbroker AG**
- Founder André Kolbinger takes over as CEO
- Smartbroker 2.0 to be launched mid 2023
- Changed market environment: rising inflation and interest rates, Ukraine war
- Transition period 2022/2023: temporarily increased cost base due to development of Smartbroker 2.0

\* Please note: 2021 values are HGB pro forma revenues, incl. Smartbroker AG (previously wallstreet:online capital AG) fully consolidated from 1 January 2021; In accordance with the management information system (MIS), as shown in the H1 2021 results presentations, the H1 2021 proforma revenue would have amounted to €23.8m, without any material effect on the EBITDA | Change solely due to the net to gross reporting of a specific revenue category



# Return to Sustainable, Positive Cash Flows in H2 2022

## Period of Material Investments into Smartbroker 2.0 is Over

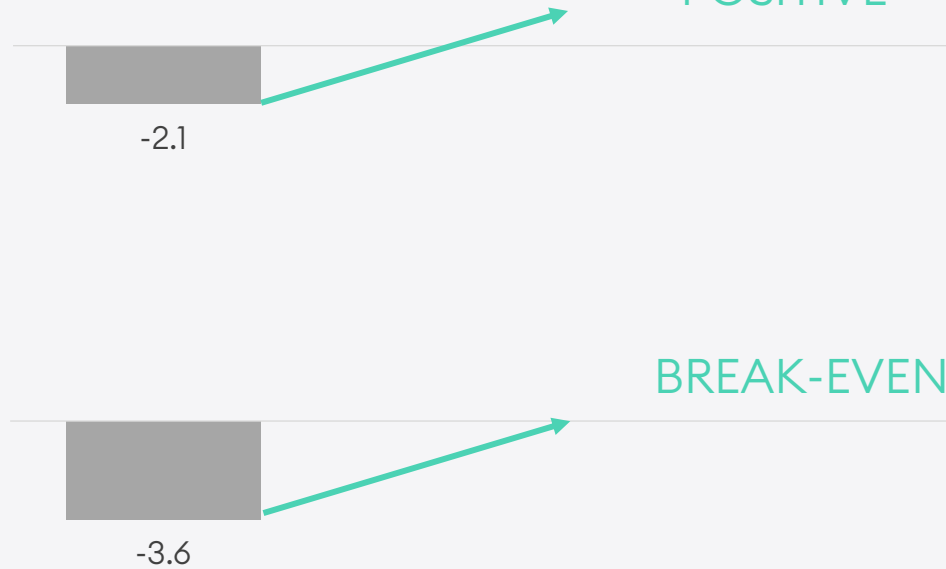
in €m

Op. EBITDA after  
Smartbroker 2.0 CAPEX

Op. EBITDA after  
Smartbroker 2.0 CAPEX,  
loan interest & amortization

H1 2022 Actuals

H2 2022 Indication



€5m further investment to complete Smartbroker 2.0

€28m gross cash balance end of Sep 2022

# Smartbroker 2.0

## Extended Customer Experience & State-of-the-Art Functionality

### Comprehensive product at €0 retail commission

- All shares, all ETFs, all funds, all derivatives, all stock exchanges

### PLUS important additions & innovations

- Smartbroker app & new web interface
- New products: e. g. crypto trading
- New client groups

### EQUALS

- **Best offer** on the German online broker market
- **First provider** to combine transaction with content & community in one product



# Commercial Impact of Smartbroker 2.0

## Establishing a Greatly Improved Business Model for the Transaction Segment

### CLIENTS

Number of new clients

**HIGHER**



App  
and  
Desktop

Cost per new client

**LOWER**



All  
marketing  
channels



### TRADES

Number of trades

**HIGHER**



Comprehensive  
access

Cost per trade

**LOWER**



Economies  
of scale



### REVENUE

Revenue per trade

**HIGHER**



No more  
revenue share



### CASH FLOW

Cash flow per trade

**MATERIALLY  
HIGHER**



Impact of customer  
base transfer

Existing customers will be  
transferred to the new  
platform in 2023

# Smartbroker and its Market

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12m Active Retail Investors in Germany

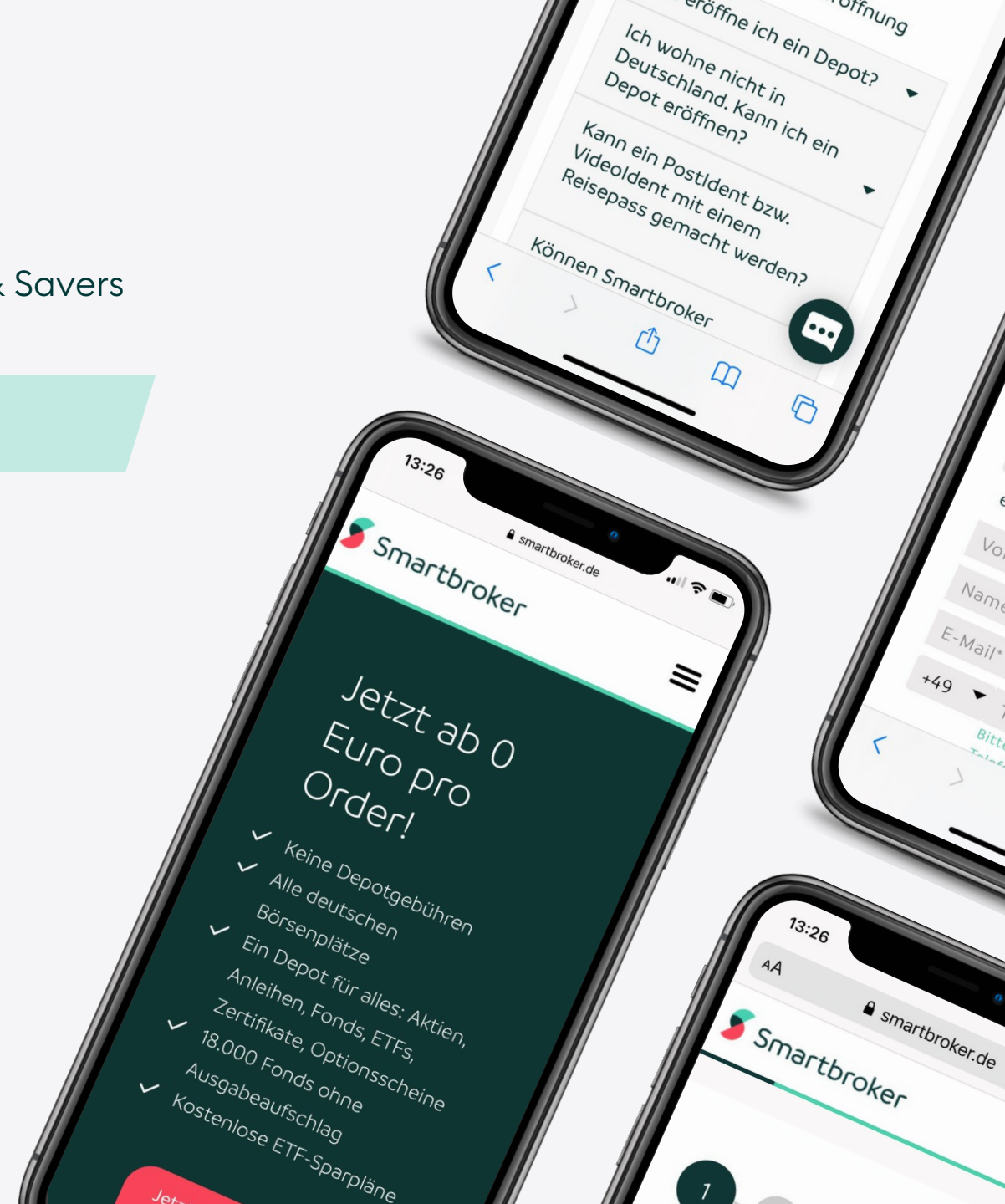
Smartbroker is the Only Full-Service  
Broker with €0 fees



Award-Winning NextGen Broker for Private Investors & Savers

## Germany's *ONLY* full-service broker with zero fees

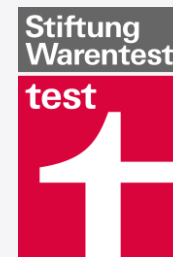
- Trade *virtually all* securities licensed in Germany on *all* German exchanges
- Permanently from **€0 transaction fees**
- **Zero** securities account fee, **free** savings plans
- Virtually all funds **without issue premium**
- Large selection of international trading venues, incl. Nasdaq, NYSE, LSE
- Derivatives trading starting from €0  
Premium partners: Morgan Stanley, HSBC, UBS and Vontobel



# Award-winning Next Generation Broker



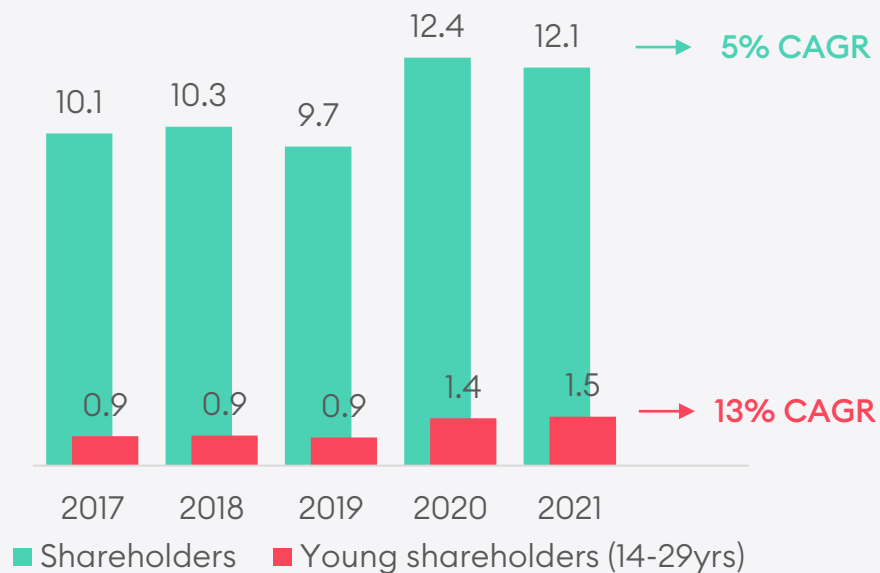
- Smartbroker received the rating "Very Good" in the Handelsblatt ranking of the **best online brokers 2022**
- In the current Zertifikate Awards, Smartbroker took 3<sup>rd</sup> place among the **best online brokers in the readers' choice ranking 2021 / 2022**
- Smartbroker ranked 3<sup>rd</sup> (out of 14 tested brokers) in the study by the German Society for Consumer Studies on the best ETF brokers in 2022 in terms of pricing, offering, transparency and service
- **Smartbroker is the cheapest provider on the market**  
According to "Finanztest", part of the renowned not-for-profit "Stiftung Warentest" consumer advocate group (Issue 12/2021)



# Only 17% of Germans are Private Investors

## Ample Room for Growth

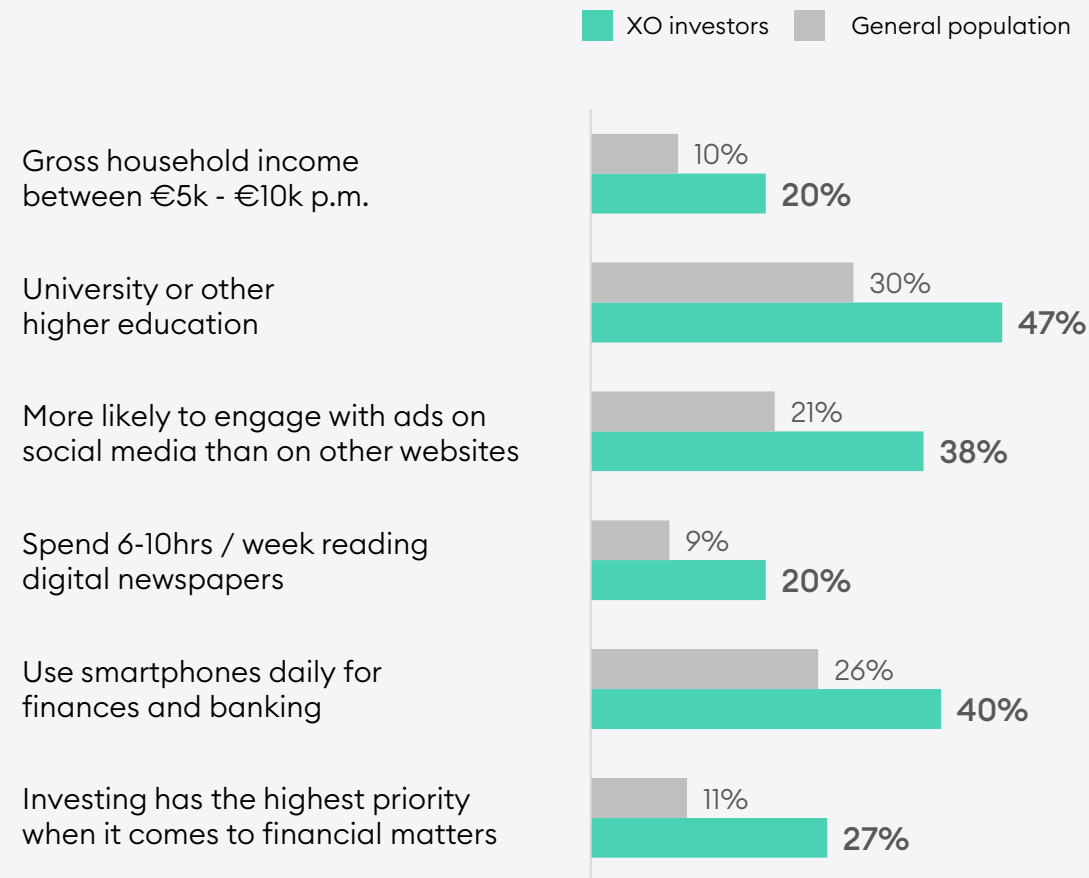
1-in-6 Germans above 14 years old invest in listed equities, in m



International comparison (adult population)

- ↑ 58% shareholders in US
- 33% shareholders in UK
- 30% shareholders in NL

German XO investors are tech and media-savvy

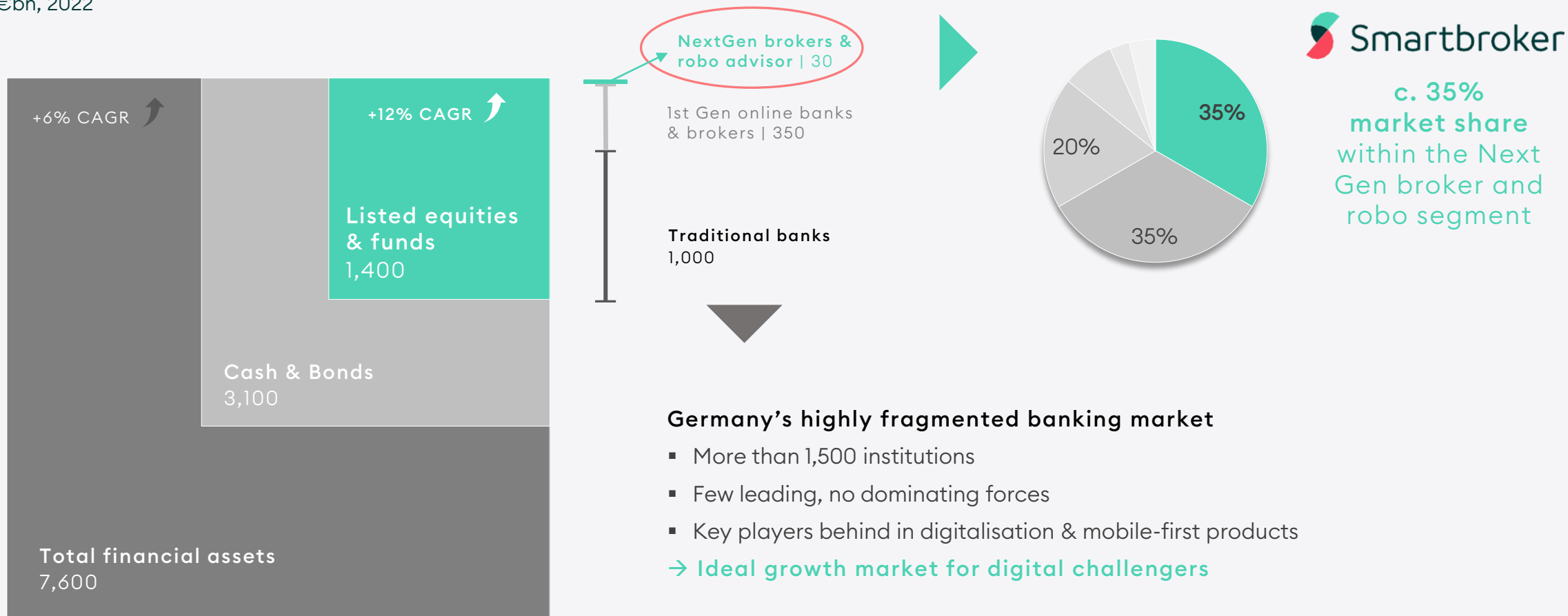




# German Households' Financial Assets Grow by 6% p.a.

## Investments in Listed Equities & Funds Growing at Double this Rate

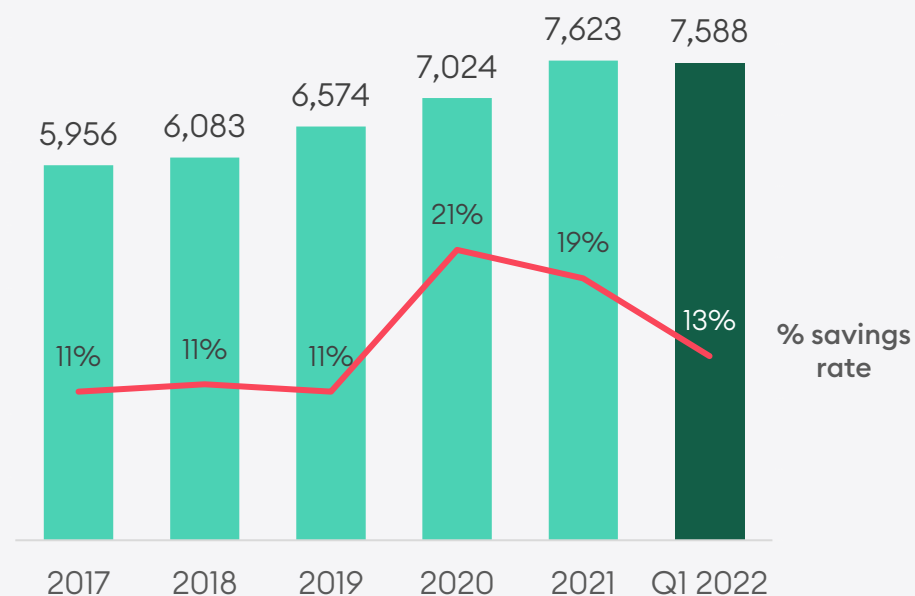
Total financial assets of German households,  
in €bn, 2022



# Q1 Savings and Investment Behaviour of German Households

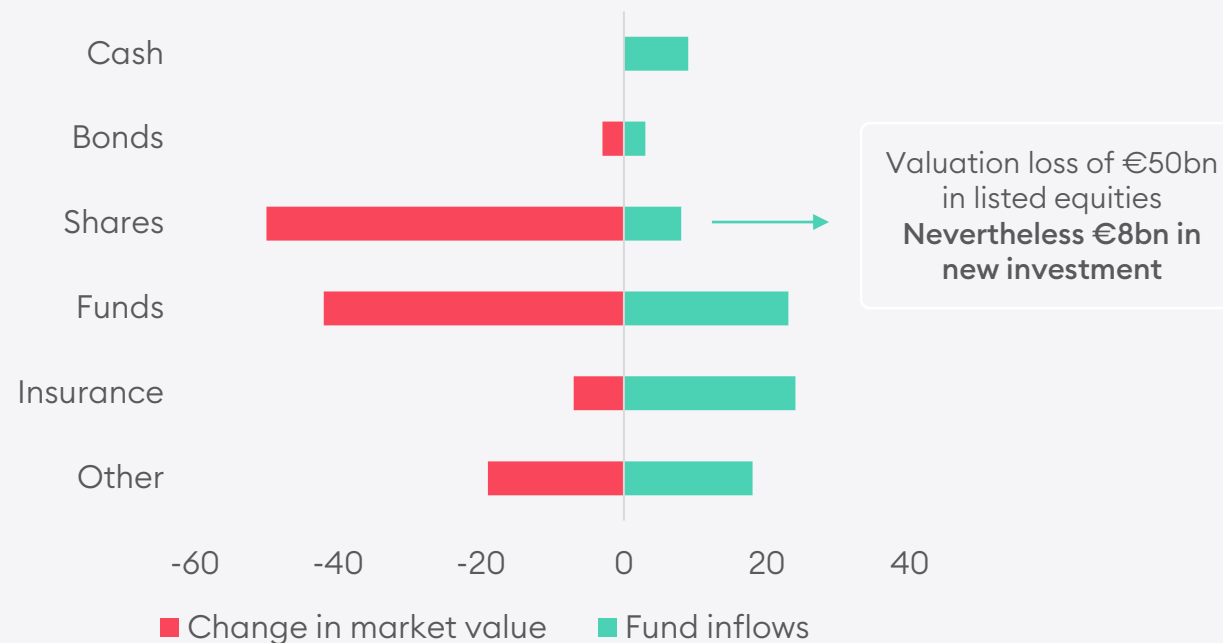
## Savings Quota Remains High, Despite Short-Term Valuation Losses

Total financial assets of German households, in €bn



Bundesbank projects stable savings quota around pre-pandemic levels through 2024

Q1 2022 vs. Q4 2021 development, in €bn

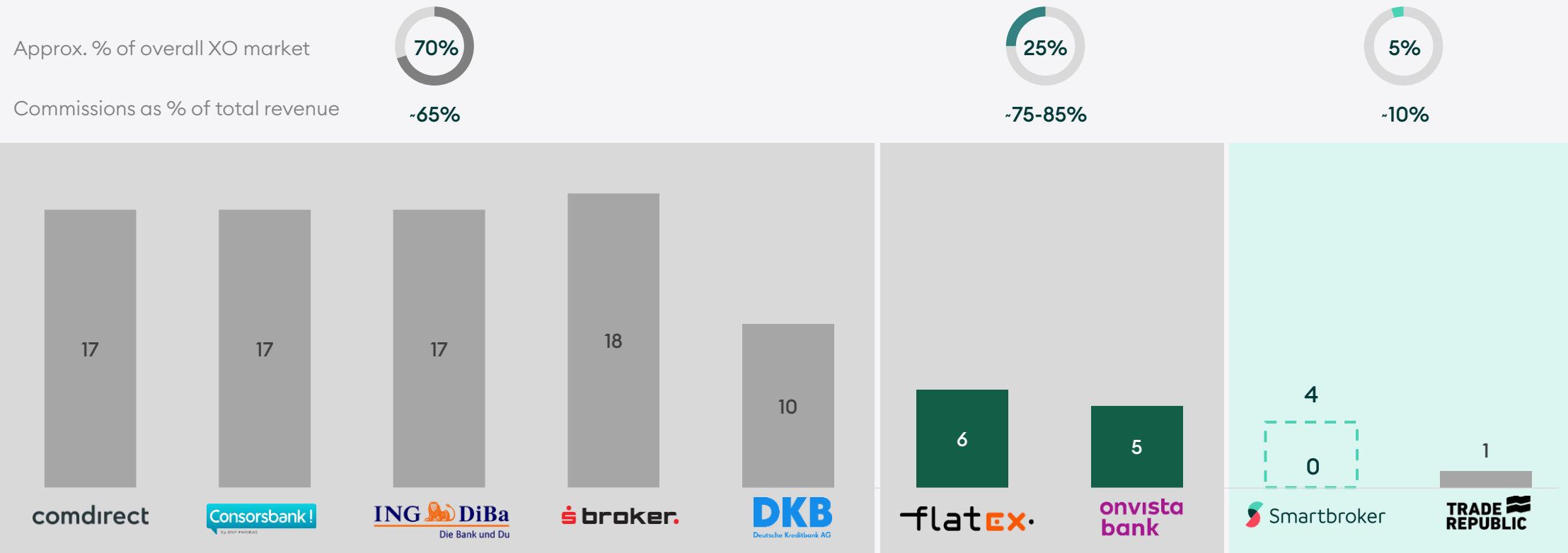


Allocation in long-term assets continues despite short-term decline in value

# Disrupting the Market with €0 Retail Commissions

## Zero-fee Commissions Enable Broad Access to Capital Markets

Approximate commissions of select German brokers, in €



**Broad Banks**  
 Maintain high commissions as long as possible

**XO-Focused**  
 Wait and see what happens to customer base before lowering fees

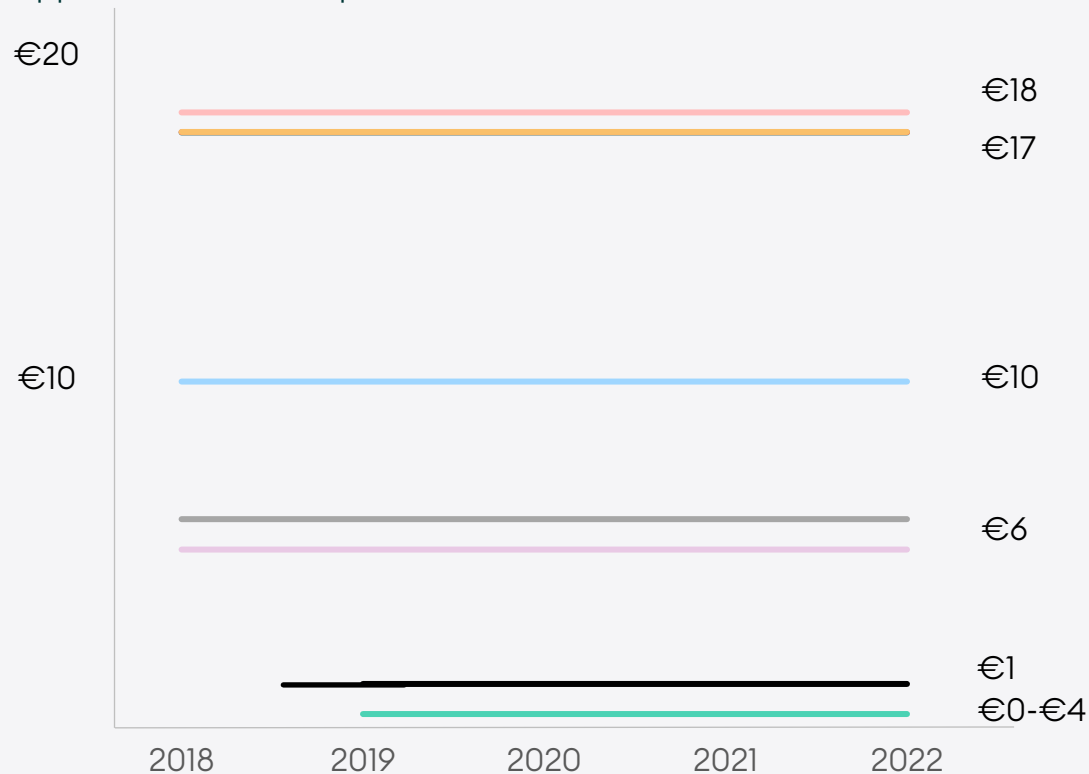
**Start-ups**  
 Disrupt market by charging low (zero) commissions, and earning revenue from other sources

Commissions based on hypothetical investment of EUR 5,000 | Source: ExtraETF 2022, broker websites  
 Market share based on number of securities accounts (own estimation)

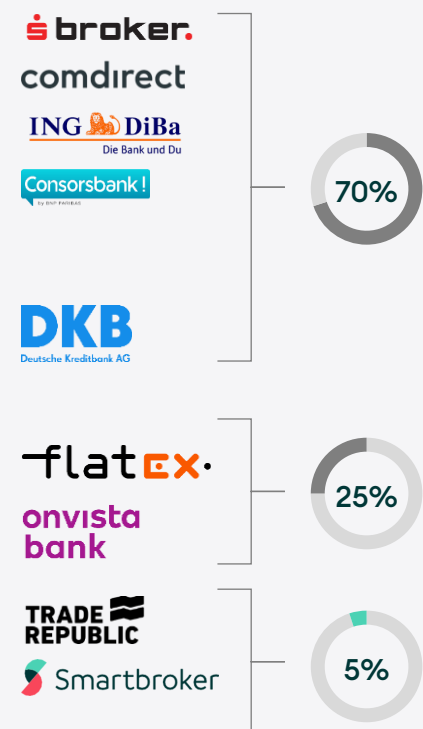
# Stable Market Environment for More Than Half a Decade

## Established Players Have Not Changed Their Pricing

Approx. commissions per trade



Approx. market share



Largely stable price development also before 2018

Neo broker enter the German market

Smartbroker combines €0-fee pricing with full product spectrum

### New market entries leverage

- Lean operations & cost structure
- Targeted product design
- Digital-first concept for product & go-to-market strategy
- New approaches on pricing & sharing cost advantages with clients

→ Barriers for traditional brokers to adopt next gen broker pricing remain high

Market share based on number of securities accounts (own estimation)

# Two Key Tailwinds Out Of Many

## Consistently Expanding Our Market Opportunity

### Digitalization

- Growing share of XO investors using and trusting digital brokers
- User-friendly technology & commission-free business models
- Digital Natives – a new generation of investors & savers
- €100+ billion inherited financial assets p.a., of which a growing share is reinvested via digital channels

### Insufficient state pension system

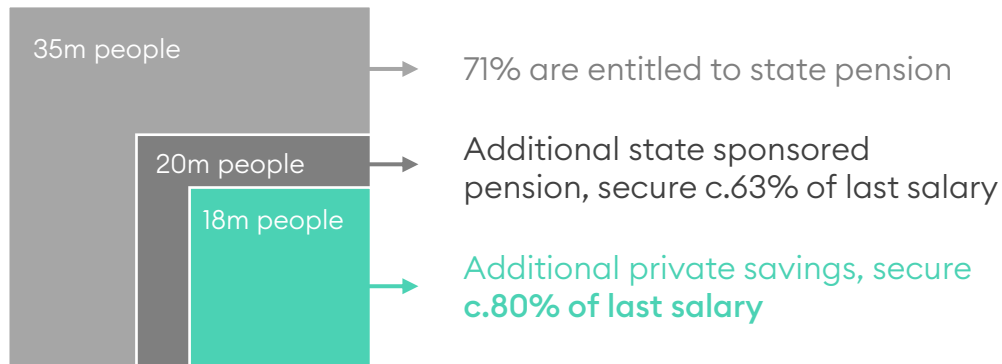
- Bridging the gap: 48% of income as avg. state pension level vs. 75% needed to support pre-retirement standard-of-living
- **“Aktienrente”** to play a major role, increasing the number of shareholders in Germany

# Growing Pension Gap Can Only Be Filled by Private Savings

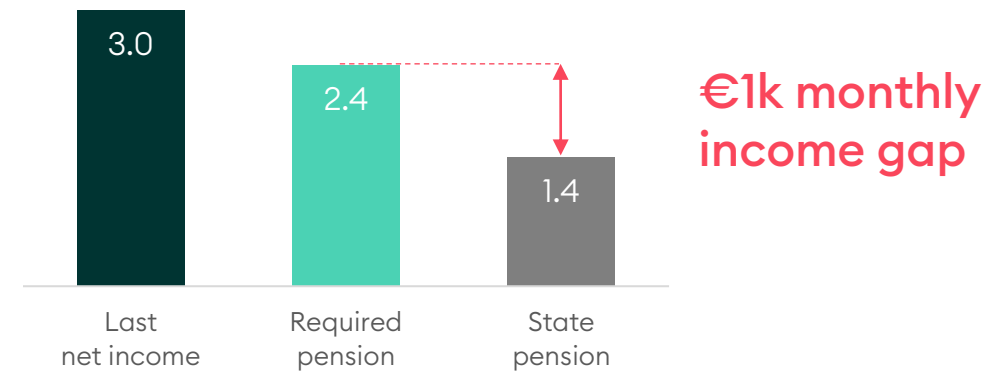
## Capital Markets Investments Diversify Savings Strategy

- **Goal:** Support pre-retirement standard-of-living throughout full retirement
- **Requires:** Secure **70% - 80%** of pre-retirement income
- **Challenge:** German state pension currently provides avg. **48%** of last gross income

Pension entitlement of German population, ages 20 – 65, as of 2021



Illustrative Example, in €k



### Necessary increase in household savings rate to close the gap

- Suggested 10% savings rate of monthly net income *for pension alone*
- 1% increase in savings rate of the disposable income would mean an additional **€20bn** in savings volume p.a.

# wallstreet:online Media & Information

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Germany's Largest  
Publisher-Independent  
Financial Portal Operator



# Germany's Largest Publisher-Independent Financial Portal Operator

**3 million+**

Monthly Active Users

**2 million+**

App Installs

**970 thousand+**

Registered Users on  
our Discussion Forums

**680 thousand+**

Qualified Newsletter  
Recipients

- Financial news and information, market data, trends, analysis
- Across owned websites & apps
- Curated external content & own editorial team
- Digital & video content

## Our Brands

wallstreet:online

börsenNEWS.de 

 FinanzNachrichten.de



Smart Investor

# Media Unit Forms Strong Revenue and Profitability Basis Enables the Self-Financed Development of the Smartbroker Platform

## Media



- Highly profitable
- Stable growth
- Established market position

**€35m**  
Revenues  
2021

**32%**  
Organic  
revenue growth

**€15m**  
EBITDA  
2021

**43%**  
EBITDA margin  
2021

1998

wallstreet:online

2018

börsenNEWS.de 

2019

 FinanzNachrichten.de   
Financial Services

Smart Investor

2022

Launched editorial newsletter  
team

Strong organic & inorganic growth



All acquisitions generate positive cash  
contribution

# Withstanding the Pressure on the Advertising Market

## We are Benefiting from Diversified Income Channels

### Q3 2022 Advertising Market Trend Germany

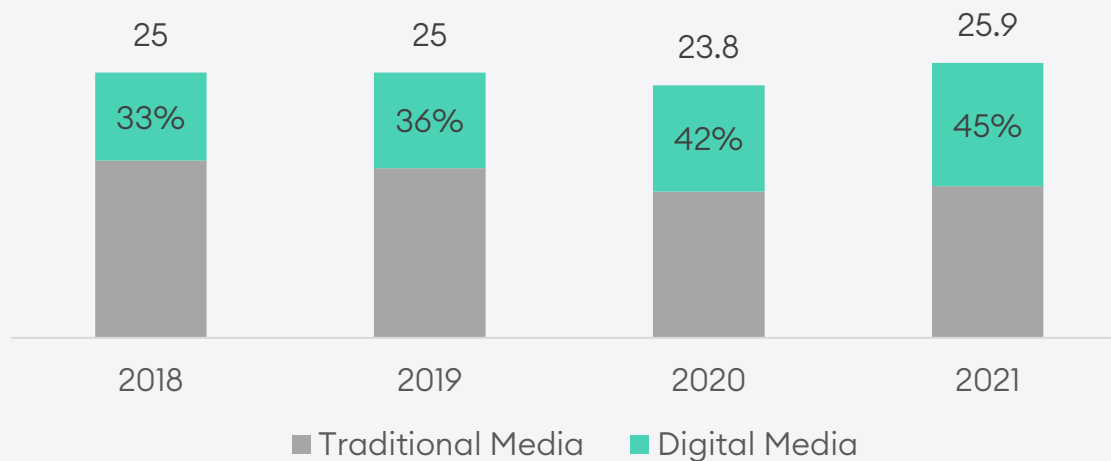
- **-10%** YoY overall advertising | **-10%** YoY digital advertising
- Key media companies reported declining advertising revenues

 -5% ad revenue in entertainment segment  
 -11% ad revenue

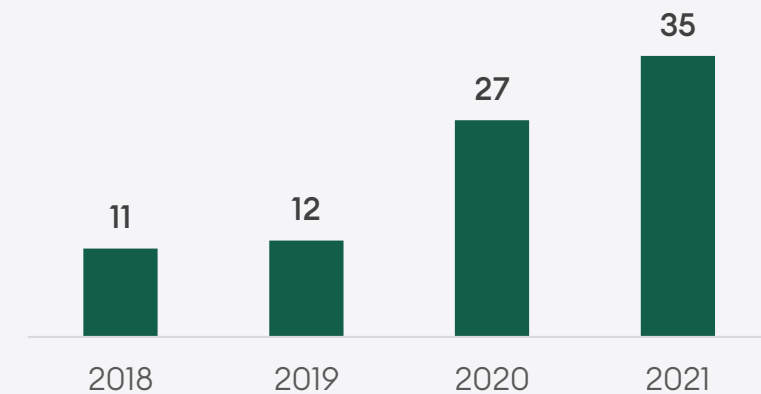
### Smartbroker Group Media Trend

- In-line with digital advertising market
- Challenging market environment continues to exert pressure on active user numbers

German net advertising revenue  
in €bn



Smartbroker Group media revenue,  
in €m



# Diversified Media Revenue Streams

## Largely Ad-based Business Extended by Paid Content & B2B Data

### Key Account Advertising

Direct-deal partnerships with banks, funds, ETP-providers addressing potential clients

### Investor Relations Advertising

Direct-deal partnerships with listed companies addressing potential investors

### Programmatic Advertising

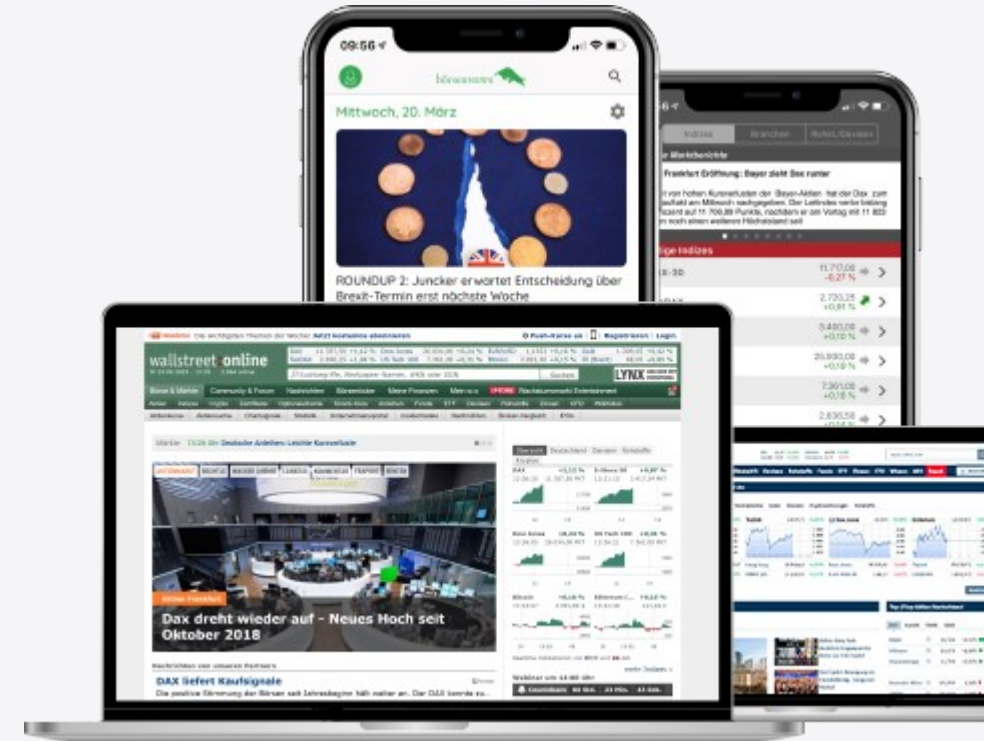
Offering our premium inventory via open auction to leading RTB partners

### Exclusive Paid Content

Own editorial team providing market and asset analysis, recommendations

### B2B Data & Media

Offering high-quality financial data, regulatory documents and web operations to B2B clients (e.g. Börse Frankfurt)



# We Know Our Media Users

## Advertisers Value our Targeted, High-value User Groups

Engaged

8 min session length

Well-versed

Active traders

Above-average  
income



- Private investors & savers
- Above-average affinity for finance, private pension provision, economics, consumer goods
- **7% of visitors are institutional investors**
- 15 trades per month
- Typical trade size between €500 and €10k
- **€150k avg. securities account volume**
- Valuable target group for technology, automotive, travel, sports and high-priced consumer goods
- **50% of user have more than €3k monthly net income**

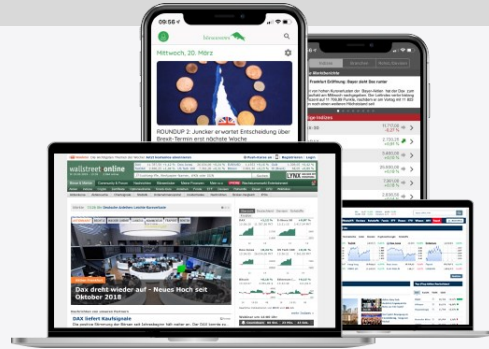
# Our Unique Growth Opportunity

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Linking our Premium  
Next Generation Broker with our  
Comprehensive Media Offering

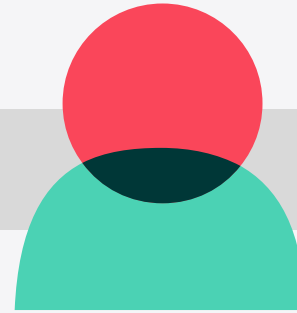
# Connecting All Spheres of Private Investing & Saving

Information & Community



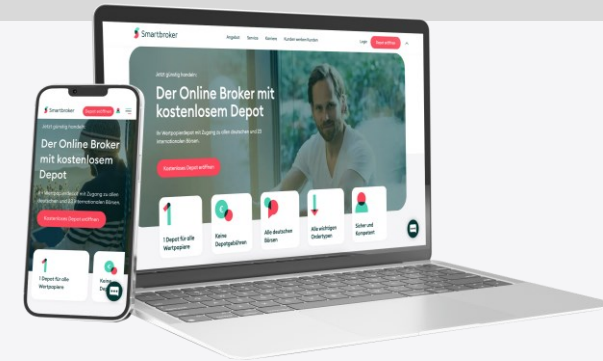
**40%+ reach on the German market**

- Digital advertising (direct deals, RTB)
- Subscription fees
- B2B client commissions



Investors & Savers

Transaction & Optimization



**1%+ market share on the German market**

- Client commissions
- Advertising, sponsoring, trading venues



# Sophisticated and Valuable Client Base across both Units

## Linking Information and Transaction

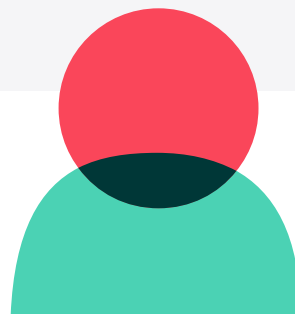
wallstreet:online

börsenNEWS.de

FN FinanzNachrichten.de

ARIVA.DE

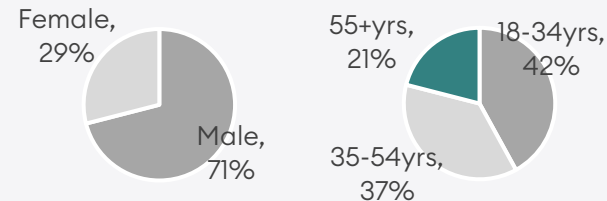
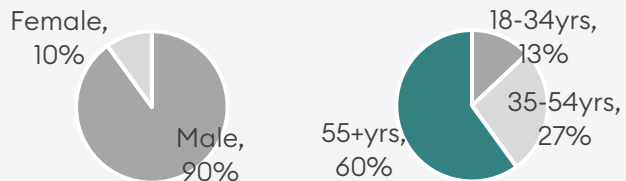
Smart Investor



- 15 trades p.m.
- Typical trade size between €500 - €10k
- €150k avg. securities account volume

- 22 trades p.a.
- Typical trade size Ø €5k
- €32k avg. securities account volume

Smartbroker



Brokerage clients tend to be **younger and more diverse**  
 → will further strengthen this trend with the launch of our trading app

# We Are Covering the Entire Retail Investment Value Chain

## Consumers

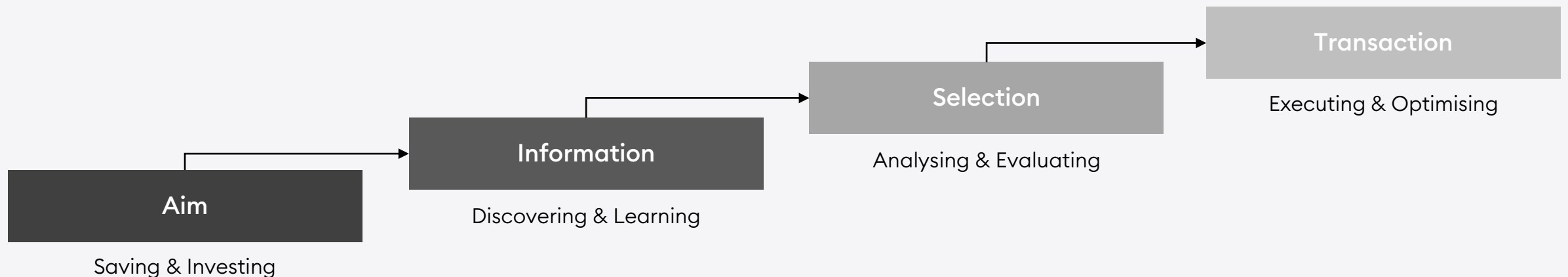
engage with financial news media, educational content and social platforms to

## gather information

on markets, trends, assets, investment strategies

## and invest

in shares, ETFs, funds, crypto etc. to build up savings over time



# We Are Covering the Entire Retail Investment Value Chain

## Reach

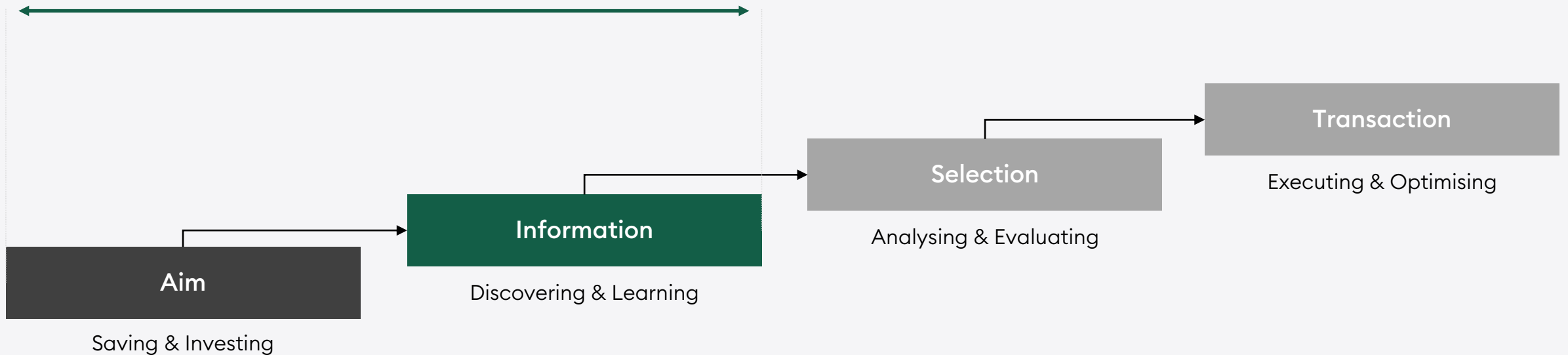
3m+ monthly readers  
970k forum users  
680k newsletter recipients



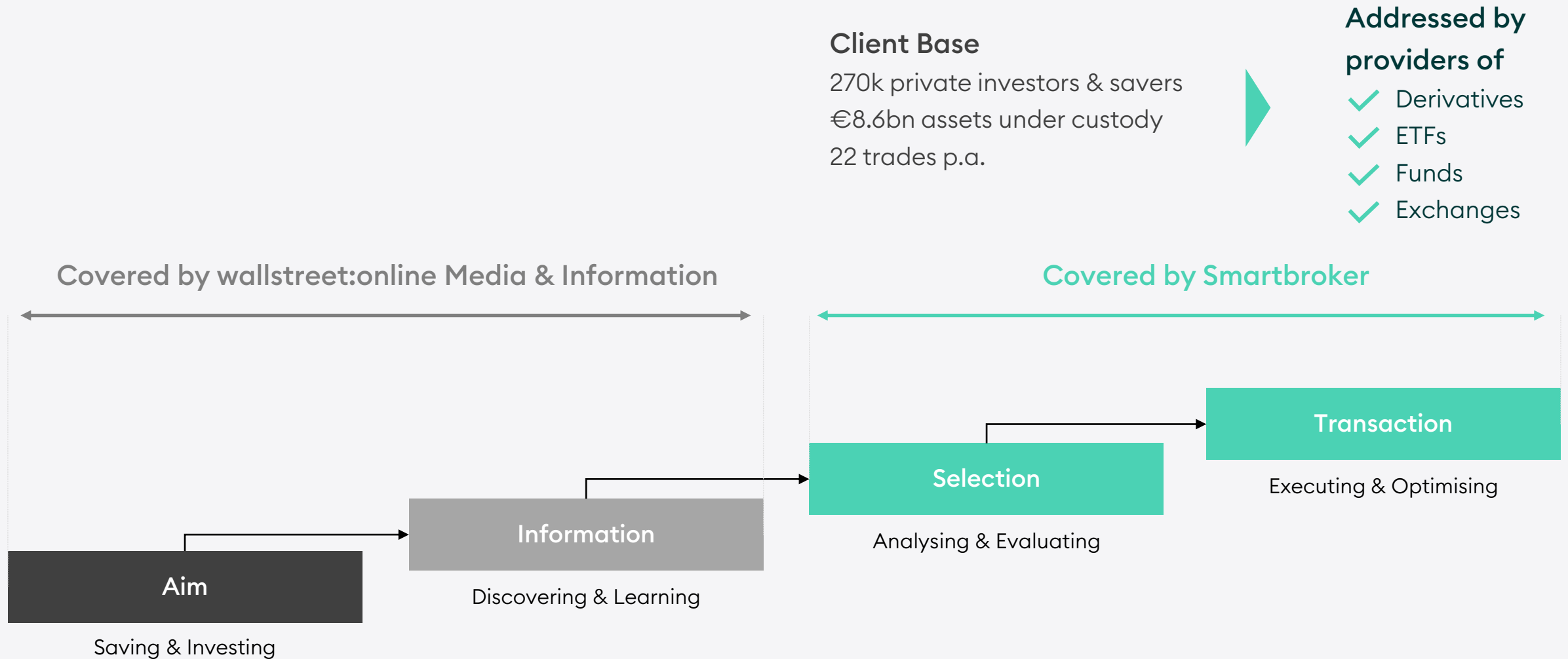
## Addressed by

- ✓ Brand advertisers
- ✓ IR advertisers
- ✓ Financial product advertisers

Covered by wallstreet:online Media & Information

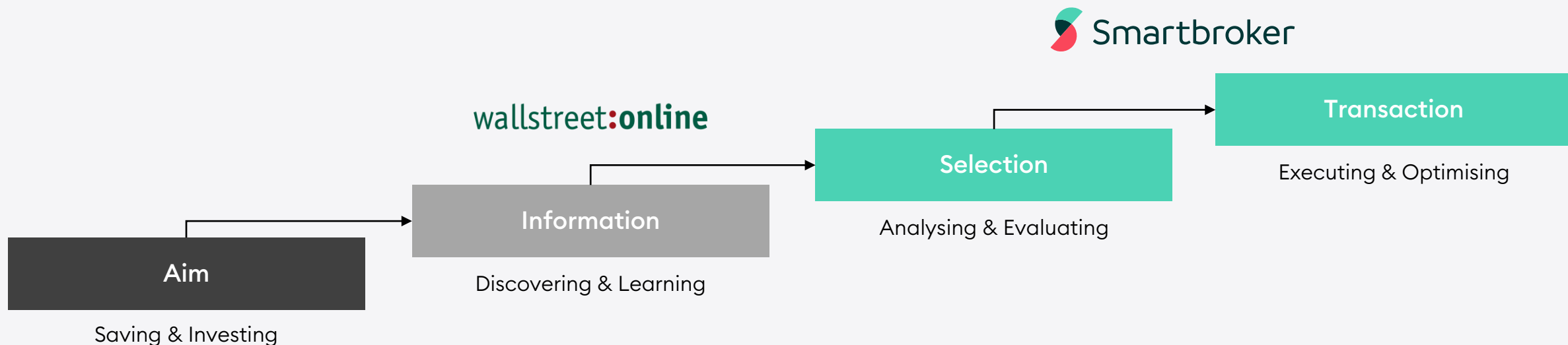


# We Are Covering the Entire Retail Investment Value Chain

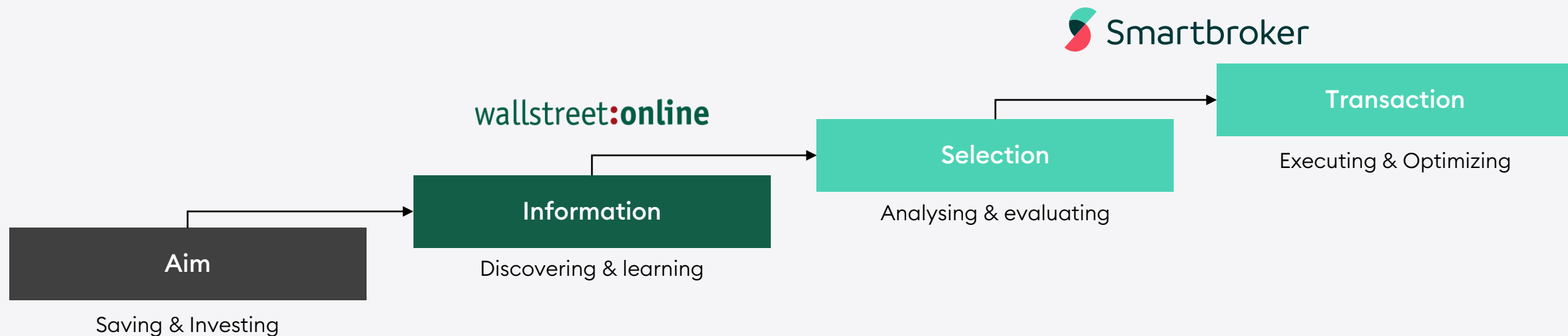


# We Are Covering the Entire Retail Investment Value Chain

Cross-divisional advertising → Robust market position & superior pricing



# Specific Growth Initiatives for Each Value Contributor



## Media growth initiatives

- Onboard new advertising partners
- Optimize programmatic advertising channel
- Expand premium editorial newsletter market share

## Transaction growth initiatives

- Launch of Smartbroker mid 2023
- Higher new clients additions
- Optimise partner bank line-up

## Synergies linking Information & Transaction

- ▽ Cross-platform advertising
- ▽ Integrating own information offering within our trading app
- ▽ Social trading from within our media & discussion platforms

# The Role of the Market Disruptor is Part of our Company DNA

## Establishing price leadership in personal investing

- Deliberately waiving retail fees for the benefit of our clients
- Made possible by re-evaluating market dynamics, lean cost structure, digital first products
- FondsDiscount revolutionised the funds market in 2004 with the introduction of zero per cent issue premia enabled through digital-only distribution

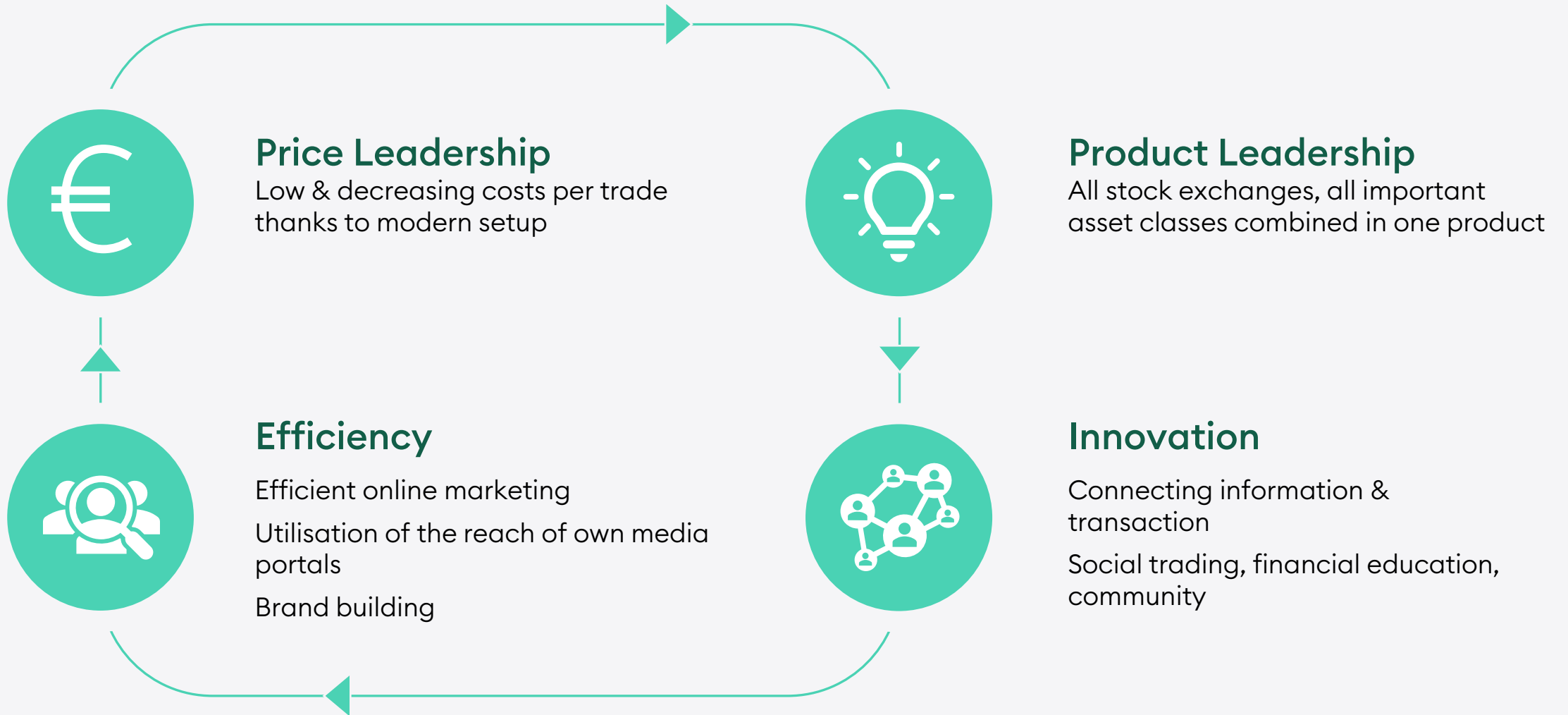
## Smartbroker draws from this decades-long experience

- Disrupting the brokerage and personal investment markets
- Full-service broker at the most favourable conditions
- Long-term value creation for all stakeholders is at the heart of our corporate strategy





# Future Success Factors





## Smartbroker Holding AG

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**About** | The Smartbroker Group operates 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 next generation brokers. At the same time, 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 hosts the largest finance community.