



Baader Bank AG

Annual Report 2024

Key figures Baader Bank Group

| | 2023 EUR mn | 2024 EUR mn | Delta |
|------------------------------------|----------------|----------------|-------------|
| Result from interest business | 35.8 | 48.5 | 12.7 |
| Result from commission business | 79.5 | 102.3 | 22.8 |
| Result from trading activities | 37.4 | 66.7 | 29.3 |
| Revenue | 11.4 | 11.5 | 0.1 |
| Other income | 6.7 | 18.6 | 11.9 |
| Income | 170.8 | 247.7 | 76.8 |
| Personnel expenses | 72.6 | 92.2 | 19.6 |
| Other operating expenses | 90.6 | 97.5 | 6.9 |
| Risk provision | 3.7 | 17.8 | 14.2 |
| Expenses | 166.9 | 207.5 | 40.6 |
| Earnings before taxes (EBT) | 4.0 | 40.2 | 36.2 |
| Taxes | 1.1 | 16.6 | 15.5 |
| Minorities | 0.0 | 0.0 | 0.0 |
| Group results | 2.8 | 23.5 | 20.7 |
| Earnings per share in EUR | 0.06 | 0.48 | 0.42 |
| Return on equity after tax in % | 1.7 | 14.2 | 12.5 |
| Return in investment | 0.1 | 0.6 | 0.5 |
| Total Assets | 3,938 | 4,825 | 887 |
| Equity capital | 165.5 | 189.4 | 23.9 |
| Total capital ratio in % | 23.0 | 23.6 | – |

Key data and other information

| | | Board of Directors (as at 31/12/2024) | Supervisory Board (as at 31/12/2024) |
|-----------------------|--|--|---|
| WKN | 508810 | Nico Baader (Chairman) | Helmut Schreyer (Chairman) |
| ISIN | DE0005088108 | Oliver Riedel (Deputy Chairman) | Prof. Dr. Georg Heni (Deputy Chairman) |
| Reuters | BLMG.MU | | Christoph Mast |
| Bloomberg | BWB@GR | | Dr. Louis Hagen |
| Ticker | BWB | | Michael Frank |
| Sector | Banks | | Timon Hauser |
| Stock market listing | 1/8/1994 | | |
| Admission segment | Outside market | | |
| Home stock exchange | Munich / m:access | | |
| Other stock exchanges | Berlin Dusseldorf Frankfurt Hamburg Stuttgart XETRA | | |



- 28.22 % free float
- 5.44 % Ubtrend GmbH & Co. KG
- 66.34 % Baader Beteiligungs GmbH

/ BaaderTrading



Dear shareholders,

As the 2024 financial year comes to a close, we look back over a period during which various developments shaped the international capital markets, the securities trading business as a whole and Baader Bank itself. Amid geopolitical tensions, robust global economic growth and rate cuts by both the European Central Bank and the US Federal Reserve, the prevailing mood on the stock markets was brighter than in the previous year. Nevertheless, the importance of the technological component and having a clear strategic orientation for the securities trading business has been emphasised once again.

In 2024, the German stock exchanges saw an overall increase in trading volumes across all asset classes year on year, and the volumes remained consistent when viewed over a ten-year period. On the stock exchanges relevant to us at Baader Bank, the number of trades and the revenue for all asset classes combined increased significantly compared to the previous year – with gettex as a key driver. This enabled us to **increase our market share for the third consecutive year**. The shift in sales volumes away from the traditional stock exchanges with remuneration models and towards free trading venues also continued in 2024. Fee-optimised best-execution platforms, such as the electronic market place gettex, have gained increased market share from traditional German regional exchanges, especially since the exceptional years of 2020 and 2021.

While 2024 was a challenging year, it was also pivotal in setting the course for the future. We can look back over a year in which we have consolidated our role as one of the leading players in the area of securities and banking services in Europe. Our **powerful platform** has opened up access to trading and capital markets for numerous partners and clients in a way that is secure, automated and scalable. Our securities trading expertise and strong market position have enabled us to provide **reliable liquidity and stable trading systems** – even during periods of high market activity and volatility. This represents a vital contribution to capital market operation and highlights our active role in helping to shape the change in the securities business.

Our technology: driving growth and innovation

A key competitive advantage for us is the *performance of our systems*, positioning us as a *reliable partner in the securities business*. We continued to make substantial investments in our technological platform in 2024, which allowed us to continue developing our trading algorithms and drive improvements in areas including data analysis, cyber security and APIs for our institutional partners.

Our platform solutions enable process automation, efficient implementation of customised offerings and universal access to securities trading – not only for our clients and partners but also for our partners' end customers within the B2B2C model.

As a platform and bank for online brokers, (online) asset managers, family offices and fintechs, we play a pivotal role in shaping the securities business. Baader Bank provides the technological, regulatory and operational foundation on which new business models can be based – whether in neo-brokerage, digital asset management or even cryptocurrency trading.

It is our firm belief that *access to investment* will in future become even easier, increasingly digital and more geared towards the individual. We want to play a key role in opening up such access and shaping it responsibly, for example to help drive forwards solutions for a *potential capital-backed pension scheme*.

More investors, more responsibility, new momentum

2024 was also a year in which investor behaviour continued to change. More and more people – including the younger generations – are discovering the capital market for themselves. The number of securities accounts with online neo-brokers has continued to rise, and interest in ETF savings plans, equity investments and sustainable investments has been steadily growing.

We wholeheartedly welcome this trend, as widespread participation in the capital market is not only desirable from an economic perspective but also strengthens the resilience of the financial markets. As a bank with a strong market infrastructure and regulatory expertise, we see it as our responsibility to ensure that *access is secure, efficient and cost-effective*.

Our focus thus extends beyond technology to include partnerships with platform providers, fintechs, consultants and financial service providers, who collaborate with us to shape the future of investing.

In terms of the number of securities accounts held within the Group, the Baader Bank account and securities account business grew by around 34% to 1,708,000 securities accounts across the year as a whole. For 2024 as a whole, the deposit volume increased by 23% (or EUR 0.8 billion) to EUR 4.3 billion. Since the start of 2024, the securities account volume has increased by EUR 14.1 billion to a total of EUR 42.3 billion. This growth is primarily due to new client **growth** and the expansion of existing B2B2C cooperation partnerships, and in part due to interest offerings.

Our trading offering: Baader Trading

Baader Bank is a family-run company with over 40 years of expertise in securities trading and providing reliable banking services. As one of Germany's leading market makers, we oversee more than 800,000 securities and facilitate direct, efficient access to national and international trading venues. With Baader Trading, we are bringing together our trading activities and services to provide our clients and partners with a **high-performance, innovative and flexible trading infrastructure**.

For B2B clients this includes direct trading, market making and order book management, market making on gettex, crypto trading, high-touch brokerage, electronic market access and designated sponsoring. We also cater to B2B2C clients with our OTC trading via direct trading partners as well as with **trading on gettex**.

In the new financial year we will continue to focus in particular on expanding the reach of our trading offerings so that Baader Bank can position itself on the market even more distinctly and improve its market positioning in order to actively shape the securities trading business.

At the start of this financial year, Baader Bank expanded its trading offering and together with Bayerische Börse introduced extended trading hours on gettex. The previous trading hours of 08:00 to 22:00 have now been extended.

The new hours are 07:30 to 23:00 – including for direct over-the-counter trading.

Baader Bank acts as the exclusive market maker for equities, funds, ETPs and bonds on gettex. The extended trading hours will make it possible to consistently meet the increasing demand from cooperation partners and from institutional and private clients. This move sees Baader Bank optimise its trading offering, Baader Trading, and consolidate its position as a market maker in Germany.

A key part of our identity is being a *bridge between companies and the capital market*. We connect issuers and investors and support capital market transactions with our trading and placement expertise. Baader Bank acts as an intermediary between companies wanting to raise capital and investors looking for attractive investment opportunities, and thanks to our strong market position and research expertise we create sustained added value for both parties.

2025 outlook

The capital market will continue to evolve in the coming years – in terms of technology, regulation and social factors. Baader Bank is well positioned not only to survive in this environment but to actively shape it. Our platform strategy, our technological expertise and our deep-rooted experience in the securities business provide a foundation for sustainable growth.

We have set clear priorities for 2025: further improving our trading and settlement platforms, expanding our B2B2C business model and developing new digital product offerings. To achieve our goals, we will rely on three key pillars:

efficiency, excellence and client focus. Our work will be underpinned by a deep understanding of the markets in which we operate, because the needs of our clients are our top priority at Baader Bank. We serve a diverse client base comprising companies, stock exchanges, trading partners – including, among others, direct banks, institutional investors, investment companies, insurance companies, family offices, (online) asset managers, neobrokers and fintechs – as well as their end customers and private investors. We tailor our services to our clients' various needs and business models.

In Baader Bank's base-case scenario for the 2025 financial year, we expect market volatility to track at a similar level to the previous year. Due to continued growth of clients, market volumes and products, as well as the shift in the competitive situation, the number of securities transactions and the trading volumes are expected to decrease moderately compared to the previous year. In addition to the continuing increase in the number of private investors in the retail client business, extending beyond national borders, the slight increase in business volumes across all business lines is also helping to stabilise unit figures and volumes in the long term – albeit with an initial downward trend in the medium term.

Dear shareholders,

The Board of Directors of Baader Bank would like to thank you for your loyalty and confidence in our company as we dealt with the challenges faced in 2024. As shareholders, you play a vital role in our success. We look forward to continuing to break new ground, unlock potential and create value with you in 2025 – for our clients, our partners, our employees and for you.

Last year saw us continue to develop our platform and invest in future growth, with the capitalisation of Baader Bank proving to be a solid basis for such activities. Baader Bank's balance sheet total had increased to EUR 4.8 billion year on year as at 31/12/2024, with equity rising to EUR 189.4 million and the total capital ratio of the Group standing at 23.6% as at the reporting date. With this basis, Baader Bank believes it is in a solid position in respect of its ongoing business activities, taking further development potential into account.

We highly value the continued stable shareholder structure, comprising private and institutional investors as well as shareholders from among Baader Bank's management and employees and the Baader family. This gives us structural strength vis-à-vis our competitors.

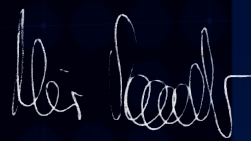
The Board of Directors has once again decided that the shareholders' meeting will be held virtually. This is scheduled for 10 July 2025. As in the previous year, we will establish all technical and organisational framework conditions in the interests of our shareholders so that our shareholders' meeting satisfies the needs of all shareholders as defined by the amended legal requirements.

The Board of Directors would like to thank all employees of the entire Baader Bank Group for the dedicated support in a very challenging and once again busy year in 2024.

We would also like to thank all of our business partners for the trust they have placed in us and for their successful collaboration built on trust, which is a crucial factor in Baader Bank's overall success.

For the current financial year, we have continued to set ourselves the goal of generating long-term participation potential for our stakeholders, achieving market and price leadership in the trading and client business and making further improvements at the technological and organisational level, as well as actively contributing to shaping the European stock and securities market. We aim to strengthen our position as a powerful platform and securities trading bank, use our technological expertise strategically to tap into existing and new market segments and make the capital market more attractive to a broader base of investors.

We also see 2025 being shaped by focus, partnerships and growth, as well as the further development of our services – and we look forward to continuing this journey in close partnership with you.



Kind regards, Nico Baader,
CEO of Baader Bank AG



"More and more people – including the younger generations – are discovering the capital market for themselves. The number of securities accounts with online neo-brokers has continued to rise, and interest in ETF savings plans, equity investments and sustainable investments has been steadily growing"

Nico Baader | CEO
Responsible for the back-office divisions

"Baader Bank acts as the exclusive market maker for equities, funds, ETPs and bonds on gettex. The extended trading hours will make it possible to consistently meet the increasing demand from cooperation partners and from institutional and private clients."

Oliver Riedel | Deputy CEO
Responsible for the commercial divisions



"Last year we invested again in expanding our platform, thereby positioning Baader Bank very well for further growth. Our increasing capitalization is proving to be a solid basis."

Martin Zoller | Member of the Board of Directors
Responsible for Risk Management & Regulatory Reporting



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1. General information about the Baader Bank Group

1.1 Organisational and legal structure

Baader Bank Aktiengesellschaft (Baader Bank or Baader Bank AG) is a majority family-owned, listed bank (HRB 121537). It has a full banking licence, is a member of the Association of German Banks (Bundesverband deutscher Banken e.V.) and is part of its deposit protection scheme.

As at the balance sheet date of 31 December 2024, the Baader Bank Group (hereinafter referred to as the "Baader Bank Group") comprised the parent company Baader Bank AG and six companies – of which three are subsidiaries and three are sub-subsidiaries. Baader Bank, together with its subsidiaries and sub-subsidiaries, is hereinafter referred to as the "Baader Bank Group". The Group is headquartered in Unterschleißheim near Munich. There are further national offices of Baader Bank located in Frankfurt am Main and Stuttgart.

Baader Helvea AG, the wholly owned subsidiary of Baader Bank based in Switzerland, has its headquarters in Zurich. Baader Helvea AG holds a 100% interest in Baader Helvea Ltd. which has its headquarters in London, United Kingdom, and Baader Helvea Inc. which has its headquarters in New York, USA. Together with Baader Helvea AG, these companies form the "Baader Helvea Group".

Baader Bank holds a 100% interest in Selan Holding GmbH, headquartered in Unterschleißheim. This company in turn holds a 100% interest in the Croatian wind farm operator Selan d.o.o. in Senj, Croatia, which together with Selan Holding GmbH form the Selan Group.

The subsidiary Baader & Heins Capital Management AG (Baader & Heins AG), in which Baader Bank has a 75% interest, has its headquarters in the same building as the Group's headquarters in Unterschleißheim.

Baader Bank has held a strategic stake in the French research provider AlphaValue S.A. (AlphaValue) in Paris, France, since 2019. Baader Bank's share was slightly diluted as a result of the exercise of bonus shares in favour of AlphaValue's managing directors and fell from 13.30% to 12.74% as at 23 February 2024. AlphaValue is the exclusive partner for the market positioning of the research service provided by the Baader Bank Group.

Baader Bank holds a 19.90% stake in LeanVal Asset Management AG in Frankfurt am Main, Germany (LeanVal AG or LeanVal).

At the end of 2024, a total of 631 staff members were employed by the Baader Bank Group and 596 employees by Baader Bank AG (calculated as number of employees).

As part of Baader Bank's management expansion, Mr Kai Göhring was named Executive Vice President with effect from 1 November 2023. In order to establish the remit of CFO moving forwards, he is responsible for the Group Legal, Credit, Back Office, Special Execution, Group Accounting, Group Controlling & Data Analytics and Group Legal & Corporate Finance Office divisions, which have been explicitly defined as the responsibilities of the Board of Directors as of 1 November 2024.

There were no changes to the Supervisory Board of Baader Bank in the 2024 financial year.

The shares of Baader Bank are traded on the open market on the Munich Stock Exchange in the m:access market segment as well as on other German exchanges and trading venues.

Baader Beteiligungs GmbH, Munich, holds 66.34% of shares in Baader Bank, Ubtrend GmbH & Co. KG holds 5.44%, and the remaining 28.22% of shares are held by free float shareholders.

1.2 Business model of the Baader Bank Group

With its securities and banking services on the international capital market, Baader Bank acts as a partner for companies, stock exchanges and trading partners (including direct banks, institutional investors, companies, [online] asset managers, neo-brokers, fintechs, institutional buyers and portfolio managers). Operationally, Baader Bank implements its strategy in five business lines: Market Making, Capital Markets, Brokerage, Account Services and Fund Services. As part of the annual strategy process, a resolution was passed that, in financial year 2024, the existing Research Services business line would from now on be integrated into the Capital Markets business line. The aim of the step is for cross-selling potential and synergies in both business lines to be utilised even better. The Account Services and Fund Services business lines supplement the range of services by providing complementary services to client groups in Market Making and Brokerage as well as in the Capital Markets business line. The basis of the business model is the in-house IT platform, which functions as a system, process and connection infrastructure and connects all of Baader Bank's business divisions.

In the B2B2C business, Baader Bank acts as the bank behind trading partners and is thus indirectly involved in end client business. Via the partners connected to Baader Bank, end clients can trade at various execution venues via Baader Bank – in particular in direct trading (OTC) as well as on gettex. In addition, end clients who use a Baader Bank partner for their private investments have

their account and securities account with Baader Bank. Since 2024, Baader Bank has decided to gradually gear its public image towards end clients. The new brand "Baader Trading" was launched to that end.

1.2.1 Business lines

1.2.1.1 Market Making business line

As a market maker, Baader Bank undertakes intermediary activities on regulated exchanges, on over-the-counter trading platforms and in bilateral direct trading in Germany and Austria. It acts as a full-service provider for quoting stock-market prices and the execution of orders and relies on diversity in terms of stock exchanges and cooperation models.

Market Making comprises all the business activities that are defined as order book broker, specialist or quality liquidity provider or specialist activities, depending on the trading model of the respective stock exchange. Market Making is carried out by Baader Bank on a total of six regulated stock exchanges in Germany (Berlin Stock Exchange, Frankfurt Stock Exchange (including Frankfurt Certificates Stock Exchange), Stuttgart Stock Exchange, Munich Stock Exchange and gettex). Depending on the respective market model, Baader Bank quotes prices and executes orders for exchange-traded domestic and foreign shares, bonds, funds, participation certificates, exchange-traded products (ETPs) and securitised derivatives. This service is provided on the basis of uniform internal standards, stock exchange regulations and regulatory requirements. Baader Bank's stated objective is to ensure continuous liquidity, even with increasing demand, at consistently high quality on all stock exchanges and in all classes of securities.

In OTC securities trading, Baader Bank cooperates with partner banks, usually direct banks or online brokers, quotes prices on OTC trading platforms as market makers during trading hours and enters into bilateral trading relationships as a counterparty. Trading partners' end clients – mainly private investors – generate trading revenue in equities, bonds, funds and ETPs.

1.2.1.2 Capital Markets business line

In the Capital Markets division, Baader Bank serves corporate clients in the primary and secondary markets, who act to seek or issue capital. The range of services comprises independent advice on capital market transactions, as well as the execution and structuring of equity transactions or hybrid financing alternatives.

The consulting function in the transaction process is bolstered by our placement and structuring expertise. There is also cross-selling potential with the offering of company and sector research as well as from services for corporate clients in Corporate Brokerage and the technical processing of capital market transactions in the Special Execution division.

Since 1 January 2024, Research Services division has been part of the Capital Markets business line. In this service division, Baader Bank cooperates with the French research provider AlphaValue. The joint offering includes independent, pan-European stock and sector research, as well as research on selected companies and industries from the GSA-Region (Germany, Switzerland and Austria). The target group is corporate clients seeking capital, as well as investors who are looking for investment ideas. Accordingly, the research offering forms the interface between two client groups that are of particular relevance to Baader Bank: corporate clients, most of whom come from the GSA-Region, and international institutional investors, who generate investment ideas and derive investment decisions from analyses.

Baader Bank regularly organises conferences that foster and promote dialogue between the international investors and companies presenting themselves there. In individual meetings or discussion rounds, corporate insights are given and investment ideas developed. Every year, the Baader Investment Conference takes place in Munich and the Swiss Equities Conference – in cooperation with subsidiary Baader Helvea – takes place in Bad Ragaz, Switzerland. Companies that are part of the respective index and other listed companies meet here with investors from the GSA-Region, Europe, the United Kingdom and North America.

1.2.1.3 Brokerage business line

The Brokerage business line comprises all the services to be provided for clients on the secondary market as well as the sale of primary and secondary market transactions. Baader Bank's main services in this area include low-touch trading for clients on national and international stock exchanges and trading platforms to which Baader Bank is connected. This includes automated order execution in equities, bonds, ETPs and securitised derivatives, as well as crypto assets. Additionally, high-touch trading and sales trading are offered as direct individual support and order execution for institutional clients.

The sales activities in this business line include actively approaching institutional end clients, as well as selling research products and ideas. As an independently offered service package, Baader Bank provides active designated sponsoring via a mandate on the Xetra stock exchange platform (Frankfurt Stock Exchange), the Vienna Stock Exchange and in Switzerland.

1.2.1.4 Account Services business line

Baader Bank's deposit and securities account business lies within the Account Services business line. All original banking functions and services are provided exclusively within the framework of B2B2C cooperations with neo-brokers, online and traditional asset managers, fintechs and institutional buyers. Its cooperation partners benefit from Baader Bank's global trading connections and its IT infrastructure. As a full-service bank and platform provider, Baader Bank follows an intermediary approach and acts as a B2B2C and B2B partner in account and securities account management and in the systematic processing of all order management and reporting processes in compliance with MiFID II requirements, providing links to a broad international trading network.

Client deposits generated in this business line form the basis for Baader Bank's interest-bearing business. The business is supplemented by a secured loan offer for end clients in the B2B2C business.

1.2.1.5 Fund Services business line

In the Fund Services business line, Baader Bank provides services in the area of financial portfolio management as defined under the applicable regulatory requirements. As an outsourcing partner for portfolio management companies, it supports the portfolio management of fund products such as UCITS funds, special funds, offshore funds and derivatives overlay mandates. In addition, Baader Bank provides comprehensive support for investment advisors, asset managers and insurance companies in executing fund mandates. Baader Bank also assumes the buy-side trading desk function, numerous order management services and administrative pre- and post-trade processes. Baader Bank benefits from its extensive trading expertise and wide range of trading connections.

1.2.2 Subsidiaries' business lines

Baader Bank's offering is rounded off by the range of products and services offered by its subsidiaries. This essentially includes the research and brokerage activities with institutional investors by the Baader Helvea Group and the brokerage of promissory note loans, registered securities and money market investments to German institutional investors (e.g. pension funds, local authorities and insurance companies) by Baader & Heins AG.

The Selan Group generates income from the sale of electricity produced by the wind turbines belonging to Selan d.o.o., located in Croatia, and develops concepts for the expansion and further development of the Vrataruša/Senj site for the purposes of wind- and solar-energy production.

2. Report on economic position

2.1 Macroeconomic and sector-specific environment

2.1.1 Macroeconomic environment in financial year 2024

In 2024, global economic growth according to International Monetary Fund (IMF) figures was around 3.2%, down from 3.3% in 2023. Global GDP growth has thus weakened for the third consecutive year, but it has nevertheless slightly exceeded expectations given that the IMF had forecast an increase of only 3.1% in January 2024. Moreover, global growth was only slightly below the average of the last 20 years and remained largely robust.

From a regional perspective, there was once again a positive surprise in the USA with 2.8% growth, due in particular to consistently strong domestic demand. In the eurozone, by contrast, growth undershot expectations at 0.7%. This was due in part to Germany's continued poor performance, with economic output in the country declining for the second consecutive year in 2024: Real GDP contracted by 0.2% despite a 0.5% rise being forecast at the start of the year. The 5.0% growth seen in China was exactly in line with the government's growth target. Although some countries saw unemployment rates rise slightly during the course of the year, expenditure on consumer goods stimulated positive growth momentum due to private households gaining increasing purchasing power from the significant increase in wages and salaries and a simultaneous further decline in inflationary pressure.

While most central banks adopted a watchful waiting strategy in the first half of the year given the downward momentum with inflation, a willingness to cut interest rates was noticeably more apparent from the summer onwards. Starting in June, the ECB lowered the deposit rate for EUR money market interest rates in a total of four increments of 25 basis points each – resulting in a full percentage point cut from 4% to 3%. The US Federal Reserve (Fed), by contrast, did not lower its key interest rate until September but the cut when it came was 50 basis points. This was followed by two further reductions in the fourth quarter of 25 basis points each. The target range for the Fed Funds thus also fell by a full percentage point in 2024, going from 5.25 – 5.50% to 4.25 – 4.50%.

With rate cuts by the central banks starting later than expected, the bond markets initially saw only a moderate increase in yields, although they did then peak in the second quarter. The increasing likelihood of an imminent easing cycle from the central banks then prompted a

renewed decline in yields during the summer. Yields on ten-year German government bonds settled at around 2% once more, returning to the level seen at the start of the year. Ten-year US government bonds fell further still by the end of the third quarter in the wake of disappointing labour market data that briefly fuelled speculation the USA was about to enter a period of significant economic slowdown. When the associated hopes of interest rate cuts receded in the fourth quarter due to consistently strong economic data, yields on the US bond market rose once more. Donald Trump's victory in the US presidential election also played a part here, as his policy is viewed as inflationary. In the eurozone, by contrast, economic data fell short of expectations and further rate cuts from the ECB were thus still considered likely – resulting in only a moderate increase in yields in the region during the fourth quarter.

On the stock markets, the combination of largely robust global growth and declining inflation rates generated a positive mood overall. Given this background, the markets were relatively unaffected by the uncertainty about when potential rate cuts would be made and their magnitude. In the summer, however, initial concerns that the US labour market was about to take a sharper downturn led to a stronger market decline, though the losses were recouped after just a few weeks. Hopes that Donald Trump's re-election would prompt measures to boost growth were also instrumental here. The DAX index rose by 15.4% in 2024 (DAX performance index including dividends: 18.8%), while the Euro STOXX 50 climbed by 8.3%.

Technology companies again benefitted from the strong growth outlook coming from the area of artificial intelligence. This resulted in stronger gains for the US stock market. The S&P 500 gained 23.3%, with the NASDAQ 100 rising some 24.9%. In general, however, stock market performance remained very selective. The strong performance on the US stock markets was significantly buoyed by a few mega caps, while many smaller caps again recorded significantly weaker performance than the overall market, both in the USA and in Europe. Cyclical equities significantly outperformed defensive stocks over the year as a whole, due in part to the continued strong performance of bank stocks, which benefitted from a steepening yield curve. Only in the wake of growing economic concerns during the summer months was there a temporary underperformance.

2.1.2 Business, market position, and changes in competitive position

The more positive sentiment on the stock markets throughout 2024 compared to the previous year had a varied impact on the securities trading business in the past financial year. The capital market year was characterised by gradual interest rate cuts in the second half of the year, an increase in inflation and, at the same time, a large number of equity indices reaching new all-time highs in the course of the year. In terms of volatility, there were significant upward swings, particularly in the second half of the year, as measured by the CBOE Volatility Index. The number of trades and revenue on the German stock exchanges increased overall in 2024 compared to the previous year across all asset classes and developed at a consistent level when viewed over a ten-year period. On the stock exchanges relevant to Baader Bank (Frankfurt, Stuttgart, Munich, Berlin and gettex), the number of trades and revenue for all asset classes combined increased significantly compared to the previous year (reaching the highest level for more than ten years) – with gettex as a key driver. Accordingly, the market participation of the stock exchanges relevant to Baader Bank, i.e. the percentage share in revenue and number of trades as well as the market share of Baader Bank itself, increased for all asset classes combined for the third consecutive year in financial year 2024.

Against an environment of falling central bank interest rates, the bond asset class recorded a slight overall decline in revenue on German stock exchanges in the second half of 2024 compared to the previous year. While revenue declined slightly, the number of trades on the German stock exchanges developed steadily in the bond asset class.

In 2024, competition among market makers continued to intensify. At the end of the year, it was publicly reported that fintech Scalable Capital is expanding its range of services and, together with the Hanover Stock Exchange, is operating the European Investor Exchange (EIX) as a new trading venue for private investors.

The deflection of sales volumes – away from the traditional stock exchanges with remuneration models and towards free trading venues – progressed further in 2024. Fee-optimised best execution platforms continued to gain increased market shares from traditional German regional exchanges, especially since the exceptional years of 2020 and 2021. The electronic trading platform gettex recorded increases in order book revenues totalling over 50% across the classes of equities, bonds, ETPs, funds and certificates, and a more than 50% increase in the number of orders.

The competition for market makers in the German-speaking world that manage order books remains intense in a still-fragmented market environment. The advancing international establishment of so-called multi-market maker models is leading to an open competitive situation in international competition between several price-setting market makers, who are in permanent competition with each other as regards speed and the narrowest possible spreads in pricing. In addition, there is competition with regard to the trading hours offered. There is an initiative by the NYSE to extend US equities trading to 22 hours a day, five days a week.

In addition, Baader Bank's Brokerage business as a trading partner, particularly for cash equity products in the GSA-Region, is occurring in a consolidating market. The market environment was challenging in the period under review in a persistently competitive environment.

With varying effects in the market for capital market services, 2024 was characterised by the global political situation, important elections in major countries and interest rate cuts. In Germany, there were a total of four IPOs in the Prime Standard, meaning that there were hardly any positive developments compared to the previous year.

Baader Bank continues to see high potential in the expansion of its business relationships with online brokers, (online) asset managers, family offices and fintechs, with both new and existing cooperation partners. Despite the restrictions imposed, this focus continued in the area of payment for order flow (PFOF). PFOF has been banned in the EU since the end of March 2024. For clients based in Germany, an exemption applies until 30 June 2026, which further changes the competitive situation. Baader Bank expects that further regulatory developments in this area will also alter the competitive situation.

Another important aspect is the increasing interest in and demand for crypto investment products. This expands the range of supply and demand, with additional crypto-specific providers coming onto the market and new business models opening up. At the same time, MiCAR (Markets in Crypto-Assets Regulation) marks the introduction of the first comprehensive European regulation for crypto assets (in force since June 2023). This regulation has applied in full to Baader Bank since 30 December 2024.

In addition to the national business, competitors operating elsewhere in Europe are increasingly driving forwards further market growth. With an extensive IT infrastructure and its comprehensive banking service

offering, from account and securities account business through to trade connections, order management and reporting, Baader Bank is not in competition with, but supplements the range of services provided by online brokers, asset managers, family offices and fintechs. The number of people who invested in equities, equity funds or share-based ETFs in Germany in 2024 is 12.1 million, which is almost at the previous year's level. The potential of and competition for these and additional investors remains high. Political initiatives, such as the potential idea of a pension investment account, may be supportive.

In the equity research business, Baader Bank continues to be in a highly price-driven competitive environment with increased demand for large-cap research. The product range and pricing models must meet the needs of clients, be competitive with other providers, and meet regulatory requirements.

As regards comprehensive services in the area of asset management functions and trading desk services, the progressing trend of increased regulatory requirements is having a supportive effect on new launches of fund products, and thus on demand for the services offered by Baader Bank in this area. At the same time, competition is increasing.

2.2 Business developments

2.2.1 Development of the key financial performance and profit drivers

Net trading income and net commission income – and income from the interest business due to interest rate developments – account for a substantial share of the Baader Bank Group's (and Baader Bank's) total net banking income, and are the key performance and profit drivers.

In a departure from the HGB structure, the income statement of the Baader Bank Group is presented using the management account structure. As a result, earnings from the interest business will include interest-induced commission expenses in addition to interest income. Earnings from trading will include trading income, brokerage and transaction income and trade-induced commission expenses, incl. exchange and settlement fees. Current income is reported under other income. In addition to general risk provisions, pension expenses include allocations to the fund for general banking risks in accordance with Section 340g HGB.

The drivers are subject both to the stated exogenous developments in relevant markets, i.e. the prevailing sentiment and volatility, as well as to internal process optimisation and pricing models. In 2024, earnings from the interest business once again made up a clearly positive share of the net income.

The Baader Bank Group's **total income** amounted to EUR 247.7 million (previous year: EUR 170.8 million) and increased by 45% in total compared to the previous year in the context of selective performance on the capital markets and further client growth.

Earnings from the trading business are mainly influenced by the trading volume and the prevailing volatility. Over the year as a whole, revenue and the number of trades on the markets relevant to Baader Bank increased overall compared to the previous year. Accordingly, earnings from the trading business recorded an increase of 78% and came to EUR 66.7 million for the past financial year (previous year: EUR 37.4 million).

Earnings from the commissions business came to EUR 102.3 million (previous year: EUR 79.5 million), increasing by 29% thanks to the expansion of the B2B2C business despite strong competition.

Earnings from the interest business came to EUR 48.5 million (previous year: EUR 35.8 million) and continued to rise due to an increase in client deposits despite a slight decline in interest rates.

The earnings of the three subsidiaries of the Baader Bank Group, the Swiss Baader Helvea Group, Baader & Heins Capital Management AG and the Selan Group, each contributed positively to the Group's annual results.

Earnings before taxes (EBT) of EUR 40.2 million at the Baader Bank Group are significantly higher than the previous year's result (2023: EUR 4.0 million) and also exceed the annual forecast, which was revised upwards in the third quarter and assumed earnings before taxes in the range of EUR 25 to 32 million.

Total expenses for the past financial year increased to EUR 207.5 million (previous year: EUR 166.9 million). Due to investments in the IT infrastructure to optimise platform functionalities, operating expenses amounted to EUR 97.5 million (previous year: EUR 90.6 million). The increase in personnel expenses to EUR 92.2 million (previous year: EUR 72.6 million) is due to the growing staff complement as well as the variable remuneration component. The pension expense increased in line with the increase in earnings from the trading business on account of the mandatory allocation to the Fund for general banking risks to EUR 17.8 million (previous year: EUR 3.7 million).

As at 31 December 2024, the Baader Bank Group's total assets had increased by around 23% compared to the end of the previous financial year, growing to EUR 4.8 billion (previous year: EUR 3.9 billion). The Baader Bank Group's equity increased to EUR 189.4 million (previous year: EUR 165.5 million) with the total capital ratio for

the past financial year at 23.6% (previous year: 23.0%). In addition, the equity side is strengthened by the Fund for general banking risks. With this basis, Baader Bank has sufficient capacities for further growth and investment.

The Baader Bank Group's non-financial performance indicators are presented in a separate non-financial report.

2.2.2 Business development in the business lines

2.2.2.1 Market Making business line

The continued deflection of sales volumes – away from the traditional stock exchanges with remuneration models and towards free trading venues – progressed further again in 2024. With a more positive sentiment on the stock markets and the various positive effects on the securities trading business in the past financial year, the gettex exchange in particular was able to further increase its market share. In the classes of equities, bonds, ETPs, funds and certificates, gettex recorded total increases of over 50% in order book revenues and in the number of orders.

In addition to the generally positive performance of various asset classes and the record highs reached in indices, the gettex exchange is benefiting from Baader Bank's (new client) growth in the cooperation partner and securities account business, which generates additional trading volumes on the markets relevant to Baader Bank. Supplemented by numerous OTC direct connections, Baader Bank is very well positioned in securities trading with retail clients. The strong revenue growth of these two trading venues helped the Bank to expand its market share further on all (relevant) stock exchanges in 2024. The interest rate developments in 2024 resulted in a slight decline in revenue in the bond asset class for all German stock exchanges overall.

In OTC trading, revenue in 2024 was at a moderately higher overall level than in the previous year. In particular, the asset class of ETFs and foreign equities recorded a comparatively higher share of revenue, while the share of the domestic equities asset class declined. Baader Bank benefits from this development as a liquidity provider at OTC trading venues.

In the period under review, Baader Bank expanded its trading offer and extended the trading hours for OTC trading of equities, funds, ETPs and bonds. While trading was previously possible from 8 am to 10 pm, the trading hours were extended by 1.5 hours on 18 October 2024 with OTC trading now possible at Baader Bank from 7.30 am to 11 pm. Baader Bank is thus responding to the increasing demand from its cooperation partners and retail clients as well as from institutional clients in securities trading and, in making this change, is consolidating its market position as a market maker in Germany.

The order flow potential from existing and newly acquired partnerships with online and direct banks that participate in Baader Bank's quota, trading and settlement systems remained at a solid level. The expansion of OTC activities and extension of trading hours remains a short- to medium-term goal for Baader Bank, with this being bundled with the entire trading offer of Baader Bank under a uniform identity under the new brand "Baader Trading".

As was the case in previous years, Baader Bank was once again able to attract new order books. It was mandated as a specialist on the Frankfurt Stock Exchange four times during the reporting period. Accordingly, it took over the order book management for RENK Group AG, BigRep SE, SMT Scharf AG and Springer Nature AG & Co. KGaA for all four IPOs in the Prime Standard in Germany over the past year.

2.2.2.2 Capital Markets business line

After an already very subdued previous year, the capital market services business remained at a low level in 2024, with a total of four IPOs in the Prime Standard in Germany. The total issue volume was EUR 1.5 billion (previous year: EUR 1.9 billion). While the performance of the equity market was very positive with new highs reached in the reporting period, interest rate developments, political uncertainties and a weakening overall economy had a dampening effect on the IPO business.

In the Capital Market business, Baader Bank acted as a listing agent for the de-SPAC of BigRep SE in the third quarter. SMG Technology Acceleration SE was listed on the Frankfurt Stock Exchange as a Special Purpose Acquisition Company (SPAC) in October 2023. Following the merger with BigRep GmbH and subsequent change of name, the company's shares will be traded under BigRep SE on the Regulated Market (General Standard) of the Frankfurt Stock Exchange.

In the German-speaking region, four de-SPAC transactions have been concluded in recent years, with Baader Bank assisting with three of the four transactions. This highlights Baader Bank's expertise in assisting with complex and innovative transaction structures. Despite the overall low volume of transactions, Baader Bank was able to continue to hold its ground in the market for capital market services and position itself in a promising manner for the current stock exchange year. The IPO-weak phase could thus be used to prepare for potential transactions in 2025. In addition, Baader Bank started a cooperation with Erste Group in the capital market and trading business during the reporting period. The cooperation focuses on activities in the Equity Capital Markets business (ECM), in primary market sales and in deal execution services in Europe and North

America, as well as research services for institutional clients. The aim of the cooperation is to expand the range of services for clients of both companies, so that institutional and private clients benefit from the complementary services.

With respect to event formats, the demand from company representatives and investors, measured by the number of participants, was almost 10% higher compared to previous years. While virtual concepts continue to have their place, physical participation is still preferred by the majority. On the whole, Baader Bank supported 73 roadshows for covered companies in the past financial year – in the previous year this number stood at 100.

Due to the more positive sentiment in the stock market environment in 2024 compared to the previous year, the demand for research developed steadily. In the (equity market) environment described, the demands for the research on offer changed in that investors had less interest in small- and mid-cap research than large-cap research, driven in part by the strong focus on US tech stocks.

Demand for Baader Bank's securities technology services in the Special Execution division also declined slightly in 2024. As a result of a lower number of assisted transactions, income was slightly weaker than in the previous year, although costs were also saved. The market entry into Switzerland in the previous year progressed significantly, with mandates also won in Switzerland in 2024. Baader Bank thus has the securities technology to provide services for all securities in the GSA-Region (DE-ISIN, AT-ISIN and CH-ISIN).

In terms of corporate brokerage, Baader Bank offers listed companies capital market services such as designated sponsoring services. The team also acts as a strategic link for the longer-term initiation of sell-side contacts, which also benefits the Capital Markets division. New mandates were won from Germany, Austria and Switzerland, while cancellations were mainly due to delistings.

2.2.2.3 Brokerage business line

In the wake of the changeable capital market environment, Baader Bank's Brokerage business performed very well in 2024 compared to the previous year. This has improved the Bank's own competitive position, which was also supported by the extended trading times (among other factors). Stock market sales have increased overall – especially in the main markets, such as Xetra – with higher increases in the markets relevant to Baader Bank. The trading volume in Baader Bank's Brokerage business also increased significantly compared to the previous year. Increasing competition is driven by extended trading hours and the growing product range. Other influencing factors include regulatory aspects (MiCAR and DORA) and developments relating to PFOF.

Over the past financial year, crypto trading was developed further and prepared in the B2B business as a supplement to the existing B2B2C offer (in Account Services) (see section 3.2.2.3). Baader Bank's setup is currently primarily aimed at neo-brokers, asset managers, family offices and portfolio management companies.

The environment remains characterised by noticeable competition and consolidation. Additional clients were gained despite a challenging environment. The prerequisite for this was, and remains, permanent market expansion and the permanent automation of the trading infrastructure thanks to the use of new technology.

In respect of its regional focus, Baader Bank continues to be considered a local broker for both the German-speaking area (Germany, Austria and Switzerland) and for global institutional investments.

2.2.2.4 Account Services business line

Baader Bank acts as a business partner and platform provider for the respective client groups (e. g. neo-brokers, online and traditional asset managers, fintechs) in this business segment. In 2024, the B2B2C business experienced an increase in trading activities in the (foreign) equities and ETF asset classes as a result of equity market and interest rate developments. Driven in part by the positive development of many equity markets, the business of neo-brokers and online asset managers continued to grow.

In terms of the number of securities accounts held within the Group, the Baader Bank account and securities account business grew by around 34 % to 1,708,000 securities accounts across 2024 as a whole (31 December 2023: 1,277,000), which represents a significant increase in the number of new clients gained. For 2024 as a whole, the deposit volume recorded an increase of 23 % (or EUR 0.8 billion) to EUR 4.3 billion. Since the start of 2024, the securities account volume increased by EUR 14.1 billion to a total of EUR 42.3 billion. This growth is primarily due to new client growth and the expansion of existing B2B2C cooperation partnerships, and in part due to interest offerings. In addition, further asset managers and family offices were acquired as clients, as well as another client in the end-client broker segment.

In the past financial year, Baader Bank has strengthened its diversified partner base in the long term through contract extensions and secured corresponding earnings potential. With partners such as Smartbroker+, Finanzen.net ZERO, Traders Place and Sino, Baader Bank has a diverse range of long-term cooperations in the neo-

broker segment with a diversified product range and a broad end client base. Baader Bank is consistently driving forwards this diversification of its B2B2C cooperation partnerships by entering into new partnerships and expanding existing ones. Together with its cooperation partners, Baader Bank is constantly expanding its product portfolio to offer clients innovative and market-oriented solutions, such as 24/7 crypto trading, bond trading, the use of interest and currency accounts and the extension of trading hours. Swiss equities can also be traded through OTC trading via Baader Bank.

In December last year, it was publicly reported that Baader Bank's existing cooperation partner, Scalable Capital, will be operating on the market with a new/ expanded business model moving forwards. This step creates a new competitive situation for Baader Bank, as this means that services comparable to Baader Bank may be provided from a regulatory perspective. Despite this change, the Board of Directors of Baader Bank expects the fundamentally positive trend in Baader Bank's cooperation partner business to continue.

As part of its high-performance banking strategy programme, Baader Bank continues to focus more on ensuring technical and procedural performance and delivery capability to cooperation partners and end clients. This is associated with process optimisations up to full automation, including internationalisation and/ or successfully implementing the Europeanisation of its own business with its cooperation partners.

2.2.2.5 Fund Services business line

In the course of business in 2024, the assets in the Fund Services division for which Baader Bank acted as financial portfolio manager on behalf of portfolio management companies remained virtually consistent and amounted to EUR 6.3 billion as at the balance sheet date (total volume at 31 December 2023: EUR 6.03 billion). The number of fund mandates as at the end of the past financial year was 56 (previous year: 51). The development of the assets under management was supported, among other things, by the newly won mandates and the yield trends on the capital markets. Increasing regulatory requirements are continuing to have a positive effect on demand for the services offered by Baader Bank in the Fund Services division.

2.2.2.6 Development of the subsidiaries' business

The Swiss **Baader Helvea Group** is a central part of the Baader Bank Group. Together with Baader Bank's brokerage activities, it has been successfully established on the market as a relevant, local broker in German, Austrian and Swiss equities. For over 20 years, Baader Helvea has provided brokerage and research services for institutional investors worldwide, focusing mainly on investors in the United Kingdom, Switzerland, the USA and Canada.

In 2024, Baader Helvea's upward trend continued despite challenging markets. The client base was expanded across all locations, and the cross-selling of products and services in international locations increased. Existing partnerships, such as the SIX Stage programme with the Swiss stock exchange were successfully expanded, and Baader Helvea consolidated its position as a leading provider in Switzerland. A comprehensive research platform is offered in conjunction with French research cooperation partner AlphaValue. The product range covers over 600 pan-European analysis securities.

The main earnings driver for Baader Helvea is commission income from sales and research activities. In 2024, the share of income from execution-only business increased. The market success of the Baader Helvea Group in 2024 is reflected in a clearly positive contribution to the Baader Bank Group's earnings for the financial year 2024, thus continuing the trend from the previous year. This is due to the continued optimisation of costs and processes, as well as the adjustment of the service and product range to meet the needs and potential of individual client groups.

The profit drivers of the **Selan Group** are the revenues generated by the wind farm operator Selan d.o.o. from the production and marketing of wind-generated power. This source of revenue is significantly influenced by the wind conditions on the Croatian coastline and the electricity prices on the Croatian electricity market.

After a sharp rise in 2022 due to the Ukraine war, wholesale electricity prices have now stabilised at a lower level after three years, although they are still above the pre-war level. Selan d.o.o. benefited from this exceptional market situation in 2022 by concluding a three-year fixed-price agreement with a national electricity marketer, starting on 1 January 2023, which is based on an electricity price that is well above the market level. The result achieved by the Selan Group in 2024 is therefore significantly influenced by the wind conditions at the Senj site, the technical availability of the wind turbines operated by the wind farm operator Selan d.o.o. and the fixed price level.

Low wind speeds in the spring were followed by a long, stable summer period with average wind speeds. It was only at the end of the year that average speeds increased noticeably, ending with a period of strong winds in December. As a result, the total wind yield only slightly exceeded the yield level of the previous year.

Due to the lack of business activities, the decision was made to liquidate Vjetropark Vratarusa d.o.o., which until then belonged to the Selan Group, and it was wound up in November 2024.

Baader & Heins Capital Management AG is a securities institution that specialises in acting as an intermediary between issuers and institutional investors for mainly illiquid, interest-bearing financial products. Its clients include major institutional investors in the insurance industry, the public sector, and the banking industry in Germany and abroad. The business development of Baader & Heins is largely determined by net commission income or the underlying commercial agent's commission, the number of transactions concluded and the brokered volume.

In the past financial year, the war in Ukraine, the conflict in the Middle East, the pressure to consolidate among important market players as part of mergers and acquisitions and the after-effects of the insolvency of Bremen-based Greensill Bank continued to create headwinds in the industry.

In this generally still very difficult environment, Baader & Heins AG was able to assert itself in the market for illiquid interest rate products. The established market position of Baader & Heins AG was also reflected in the reporting year in the fact that both existing and some new clients continued to actively seek contact with Baader & Heins AG. In contrast to the ongoing staff reductions and closures of business lines in the bond market at banks and other competitors, the company maintained its service sector in the brokerage of illiquid interest rate products with a focus on promissory note loans and registered bonds, and was thus able to continue to consolidate its position in this market. As a result, Baader & Heins AG was once again able to achieve a satisfactory result in the financial year 2024, despite the very challenging prevailing conditions.

2.2.2.7 Comparison of actual business performance in 2024 with the forecasts published in the previous year

The Board of Directors of Baader Bank initially issued a forecast for financial year 2024 with earnings before taxes at the previous year's level (EBT 2023: EUR 4.0 million) and a return on equity after taxes at a slightly higher level compared to the previous year (return on equity after taxes in 2023: 1.7%), assuming normalising market volatility but trending slightly higher, as well as further growth in business. This expectation was based on the assumption that support from exogenous influencing factors would decrease compared to the previous year as well as Baader Bank's strategic investment expenses in financial year 2024. Baader Bank adjusted its forecast on 19 September 2024 to expected consolidated earnings before taxes for the full year 2024 in a range of EUR 25 to 32 million (this applies both to the AG and the Group).

Due to the development of the key financial performance indicators (earnings from the trading business, earnings from the commission business and earnings from the interest business) and earnings drivers, earnings before taxes of EUR 40.2 million were much higher than initially forecast in the year as a whole at the Baader Bank Group, driven by more positive earnings at Baader Bank AG. Accordingly, return on equity after taxes stood at 14.2% for the past financial year.

At the beginning of the year, earnings from the trading business were forecast to increase moderately – both for the Baader Bank Group and Baader Bank AG. Falling interest rates and high equity market indices and yields had a very positive impact on further developments on the financial markets. The number of trades and revenue on the German stock markets increased in 2024 compared to the previous year across all asset classes. At the end of the financial year, the earnings from the trading business, influenced in particular by the earnings from the trading business of Baader Bank AG, stood at EUR 66.7 million for both the Baader Bank Group as well as Baader Bank AG, which is thus significantly higher than the previous year's result and is also much higher than the forecast initially issued.

The initial forecast for earnings from the interest and commission business for the Baader Bank Group and Baader Bank AG was slightly lower than in the previous year. The actual figures were EUR 48.5 million and EUR 102.3 million respectively for the financial year ended, due in particular to the development of interest rates, the increase in client deposits and the B2B2C client business. The earnings from the interest and commission business are therefore significantly higher than the original forecast (both for the Group and for the AG).

The business development of the Baader Bank Group and Baader Bank AG in 2024 was primarily driven by the following effects:

The income and cost effects from Baader Bank's continued strategy adjustment, the additional investments in growth areas of Baader Bank and the cross-selling effects resulting from the diversification of the business model contribute to the positive overall development in a competitive market environment. The acquisition of market shares also makes a significant contribution to the positive development of earnings components. The continued market developments in securities trading have had a decisive positive impact on earnings. As a result, Baader Bank's account and securities account

business continued to grow. In Account Services, Baader Bank continues to build on the growth rates of previous years, which is seen in the once again significant increase in the number of securities accounts in 2024.

With the further development of the strategic orientation of Baader Bank as a leading partner for securities and banking services in Europe, the development and implementation of organisational and process improvements, investments in IT, and market cultivation and sales optimisation measures are progressing. As a result, the long-term strategy orientation measures are also aimed at decisive capital and financial strength. Furthermore, internal automation and digitisation have progressed, and continue to be driven forwards. The product range and trading offer is also constantly being expanded and improved. As an independent provider of trading, settlement and banking infrastructure, Baader Bank benefits from Europe-wide market developments as well as the growing number of domestic and international investors through its integrated business model.

In addition, all three subsidiaries of the Baader Bank Group – the Swiss Baader Helvea Group, Baader & Heins Capital Management AG and the Selan Group – also contributed to consolidated net income with positive results.

2.3 Economic position of the Baader Bank Group

2.3.1 Net assets, financial position and results of operations

The net assets, financial position and results of operations of Baader Bank AG as the parent company of the Baader Bank Group essentially determine the overall financial performance of the Group in the past financial year. The statements made for the Baader Bank Group in principle also apply to Baader Bank AG. Accordingly, the management report of Baader Bank AG and that of the Baader Bank Group have been combined pursuant to Section 315 (3) of the German Commercial Code (Handelsgesetzbuch – HGB). Where there might be significant differences between the annual financial statements of Baader Bank AG and the consolidated financial statements and there are supplementing quantitative disclosures to be made, these are explained and presented in the subsequent passages of the report.

The annual financial statements and consolidated financial statements of Baader Bank were prepared in accordance with the provisions of the HGB and the

German Regulation on Accounting Principles for Banks, Financial Services Institutions and Securities Institutions (Verordnung über die Rechnungslegung der Kreditinstitute, Finanzdienstleistungsinstitute und Wertpapierinstitute – RechKredV) as well as in compliance with the supplementary regulations of the German Stock Corporation Act (Aktiengesetz – AktG) and audited by the auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Munich, Germany. The annual financial statements for financial year 2024 will be published in the company register.

2.3.2 Results of operations

The results of operations of the Baader Bank Group in the past financial year have significantly improved in comparison to the previous year with positive earnings before taxes in the amount of EUR 40,169 thousand (previous year: EUR 3,958 thousand). Details on new clients in financial year 2024 can be found in section 2.2.2 (Business development in the business lines). The results of operations of the Baader Bank Group and Baader Bank AG in financial year 2024 compared to the previous years 2022 and 2023 were as follows:

Table 1: Indicators for the results of operations of the Baader Bank Group

| | 2022 EUR'000 | 2023 EUR'000 | 2024 EUR'000 | Change to the previous year | |
|---|-----------------|-----------------|-----------------|--------------------------------|---------------|
| | | | | absolute EUR'000 | relative % |
| Earnings from interest business | 4,906 | 35,792 | 48,528 | 12,736 | 36 |
| Earnings from commission business | 73,610 | 79,492 | 102,294 | 22,802 | 29 |
| Earnings from trading business | 53,231 | 37,423 | 66,721 | 29,298 | 78 |
| Revenue | 21,343 | 11,396 | 11,543 | 147 | 1 |
| Other income | 6,535 | 6,721 | 18,576 | 11,856 | 176 |
| Total income | 159,625 | 170,823 | 247,662 | 76,839 | 45 |
| Personnel expenses | 64,993 | 72,572 | 92,178 | 19,606 | 27 |
| Operating expenses | 75,623 | 90,610 | 97,473 | 6,863 | 8 |
| Pension expenses | 6,827 | 3,683 | 17,842 | 14,160 | 384 |
| Total expenses | 147,443 | 166,865 | 207,493 | 40,628 | 24 |
| Earnings before tax (EBT) | 12,181 | 3,958 | 40,169 | 36,211 | 915 |
| Taxes | 3,298 | 1,130 | 16,638 | 15,508 | 1,373 |
| Minorities | 193 | 38 | 16 | -22 | -58 |
| Consolidated net profit for the year | 8,690 | 2,791 | 23,515 | 20,724 | 743 |
| Net profit and loss of the parent company brought forward | -87 | -228 | -190 | 38 | -17 |
| Transfers to/withdrawals from retained earnings | 4,610 | 2,829 | 13,860 | 11,031 | 390 |
| Consolidated net retained profit | 4,167 | 190 | 9,846 | 9,656 | 5,081 |

Table 2: Indicators for the results of operations of Baader Bank AG

| | 2022 EUR'000 | 2023 EUR'000 | 2024 EUR'000 | Change to the previous year | |
|---|-----------------|-----------------|-----------------|--------------------------------|----------------|
| | | | | absolute EUR'000 | relative % |
| Earnings from interest business | 5,376 | 35,865 | 48,239 | 12,374 | 35 |
| Earnings from commission business | 61,135 | 69,306 | 90,187 | 20,881 | 3 |
| Earnings from trading business | 52,180 | 35,304 | 64,973 | 29,669 | 84 |
| Other income | 14,254 | 7,017 | 14,731 | 7,714 | 110 |
| Total income | 132,945 | 147,492 | 218,131 | 70,638 | 48 |
| Personnel expenses | 57,601 | 66,519 | 84,760 | 18,241 | 27 |
| Operating expenses | 63,620 | 76,673 | 80,190 | 3,517 | 5 |
| Pension expense | 6,807 | 3,669 | 17,875 | 14,206 | 387 |
| Total expenses | 128,027 | 146,861 | 182,825 | 35,964 | 24 |
| Earnings before tax (EBT) | 4,918 | 631 | 35,305 | 34,674 | 5493 |
| Taxes | 837 | 669 | 16,149 | 15,481 | 2315 |
| Net profit/loss for the year | 4,081 | -38 | 19,156 | 19,193 | -51,168 |
| Retained earnings/losses from the previous year | -87 | -228 | -190 | 38 | -16 |
| Transfers to/withdrawals from retained earnings | 0 | 0 | 9,500 | 9,500 | not meas. |
| Balance sheet profit | 4,167 | 190 | 9,846 | 9,656 | 5,081 |

Earnings from the interest business amount to a total of EUR 48,528 thousand in the Group (Baader Bank AG: EUR 48,239 thousand) due to the increased interest rate level and the higher volume of deposits and is EUR 12,736 thousand (Baader Bank AG: EUR 12,374 thousand) above that of the previous year. Net interest income was influenced by interest received on the basis of overnight deposits at the Deutsche Bundesbank (EUR 120,575 thousand). In addition, interest income from holdings of fixed-interest securities in the amount of EUR 5,175 thousand was generated. In contrast, there are interest-driven commission expenses to cooperation partners.

At EUR 102,294 thousand (Baader Bank AG: EUR 90,187 thousand), the earnings from the commission business provided the largest contribution to total earnings and, compared to the previous year, increased again by EUR 22,802 thousand or 29% (Baader Bank AG: increase of EUR 20,881 thousand or 30%). The increase is primarily due to the order routing and client commission business, driven by a significant increase in the trading volume compared to the previous year.

Earnings from the trading business at Group level in the past financial year increased year on year by EUR 29,298 thousand to EUR 66,721 thousand (Baader Bank AG: by EUR 29,669 thousand to EUR 64,973 thousand). The increase is mainly driven by a higher trading volume compared to the previous year.

The revenue item reported by the Selan Group is fully attributable to the feed-in remuneration for electricity generated by the wind park. At EUR 11,543 thousand, this was at the previous year's level (EUR 11,396 thousand).

Other income in the Group increased significantly by EUR 11,856 thousand to EUR 18,576 thousand. At Baader Bank AG, other income of EUR 14,731 thousand represents a substantial increase of EUR 7,714 thousand, primarily due to the sale of gold holdings from fixed assets.

Total expenses increased by EUR 40,628 thousand to EUR 207,493 thousand in the past financial year (Baader Bank AG: increase of EUR 35,964 thousand to EUR 182,825 thousand).

Owing primarily to higher variable remuneration and higher employee numbers (+12%), personnel expenses were 27% or EUR 19,606 thousand higher at Group level, reaching EUR 92,178 thousand (Baader Bank AG: 27% or EUR 18,241 thousand higher at EUR 84,760 thousand).

In the past financial year, operating expenses totalling EUR 97,473 thousand increased by 8% or EUR 6,863 thousand (Baader Bank AG: by EUR 3,517 thousand or 5% to EUR 80,190 thousand). The main driver for this was increased IT costs due to investments in IT infrastructure.

The pension expense, consisting of the general risk provision and addition to the Fund for general banking risks, increased by EUR 14,160 thousand to EUR 17,842 thousand in financial year 2024 (Baader Bank AG: by

EUR 14,206 thousand to EUR 17,875 thousand). In the past financial year, in compliance with Section 340e (4) HGB, an amount of EUR 11,780 thousand (previous year: EUR 6,810 thousand) was added to the Fund for general banking risks. Increasing by EUR 9,190 thousand, at EUR 6,062 thousand, the general risk provision was significantly higher than in the previous year (Baader Bank AG: increase of EUR 9,236 thousand to EUR 6,095 thousand).

The tax expense in the consolidated financial statements of a total of EUR 16,683 thousand largely resulted from Baader Bank AG with EUR 16,149 thousand.

As a result of the factors described above, earnings before taxes of EUR 40,169 thousand (previous year: EUR 3,958 thousand) and the consolidated net profit for the year of EUR 23,515 thousand (previous year: EUR 2,791 thousand) were significantly higher than in the previous year. Baader Bank AG reported a net profit for the year of EUR 19,156 thousand (previous year: EUR -38 thousand).

2.3.3 Financial position and net assets

As of the balance sheet date, total assets amounted to EUR 4,824,709 thousand and, with an increase of EUR 886,632 thousand, are higher than the previous year's level (Baader Bank AG: increase of EUR 883,511 thousand to EUR 4,803,617 thousand). The balance sheet structure of the Baader Bank Group has undergone changes on both the assets and liabilities sides. The changes in assets are mainly due to an increase in loans and advances to banks by EUR 741,976 thousand to EUR 3,963,454 thousand (Baader Bank AG: EUR 739,271 thousand to EUR 3,946,708 thousand) due to the investment of credit balances with the Deutsche Bundesbank. Loans and advances to clients also rose by EUR 105,188 thousand to EUR 237,213 thousand (Baader Bank AG: by EUR 102,633 thousand to EUR 236,431 thousand). Accordingly, on the liabilities side, liabilities to clients increased significantly by EUR 821,242 thousand to EUR 4,367,375 thousand (Baader Bank AG: by EUR 823,223 thousand to EUR 4,374,656 thousand) due to higher sight deposits. The net assets and the balance sheet item changes of the Baader Bank Group and Baader Bank AG as of the balance sheet date are detailed as follows:

Table 3: Indicators for the financial position and net assets of the Baader Bank Group

| | 2022 EUR'000 | 2023 EUR'000 | 2024 EUR'000 | Change to the previous year | |
|---|------------------|------------------|------------------|--------------------------------|---------------|
| | | | | absolute EUR'000 | relative % |
| Current assets | 2,270,441 | 3,826,807 | 4,703,707 | 876,900 | 23 |
| Cash reserves | 160,010 | 30,751 | 66,683 | 35,932 | 117 |
| Loans and advances to banks | 1,396,425 | 3,221,478 | 3,963,454 | 741,976 | 23 |
| Loans and advances to clients | 90,565 | 132,026 | 237,213 | 105,188 | 80 |
| Debt securities and other fixed-income securities | 537,564 | 339,429 | 328,880 | -10,549 | -3 |
| Equities and other variable-income securities | 8,780 | 8,232 | 0 | -8,232 | -100 |
| Trading portfolio assets | 57,525 | 66,521 | 87,973 | 21,451 | 32 |
| Other assets and prepaid expenses and deferred charges | 19,572 | 28,370 | 19,503 | -8,866 | -31 |
| Non-current assets | 105,170 | 111,271 | 121,002 | 9,732 | 9 |
| Equity investments | 11,090 | 12,626 | 14,717 | 2,091 | 17 |
| Intangible assets | 14,663 | 20,486 | 23,292 | 2,806 | 14 |
| Property, plant and equipment | 71,151 | 68,059 | 66,977 | -1,082 | -2 |
| Excess of plan assets over pension liabilities | 8,266 | 10,099 | 16,016 | 5,917 | 59 |
| Total assets | 2,375,611 | 3,938,078 | 4,824,709 | 886,632 | 23 |
| Refinancing | 2,127,193 | 3,670,058 | 4,478,161 | 808,103 | 22 |
| Bank loans and advances | 117,645 | 75,635 | 59,811 | -15,823 | -21 |
| Liabilities to clients | 1,994,184 | 3,546,133 | 4,367,375 | 821,242 | 23 |
| Other liabilities | 15,365 | 48,291 | 50,975 | 2,685 | 6 |
| Other refinancing funds | 83,478 | 102,506 | 157,160 | 54,654 | 53 |
| Trading portfolio liabilities | 3,195 | 11,356 | 12,865 | 1,509 | 13 |
| Deferred income | 250 | 199 | 141 | -57 | -29 |
| Provisions | 24,763 | 28,870 | 70,293 | 41,423 | 143 |
| Fund for general banking risks | 55,271 | 62,081 | 73,861 | 11,780 | 19 |
| Balance sheet equity | 164,939 | 165,513 | 189,387 | 23,874 | 14 |
| Subscribed capital | 48,797 | 48,797 | 48,797 | 0 | 0 |
| Capital reserves | 43,445 | 43,445 | 43,445 | 0 | 0 |
| Retained earnings | 67,630 | 72,331 | 86,534 | 14,203 | 20 |
| Minority interests | 899 | 750 | 765 | 16 | 2 |
| Balance sheet profit/loss | 4,167 | 190 | 9,846 | 9,656 | 5,081 |
| Off-balance-sheet commitments | 10,127 | 11,183 | 1,051 | -10,132 | -91 |
| Contingent liabilities from guarantees and indemnity agreements | 8 | 3 | 560 | 557 | 16,132 |
| Obligations from loan commitments | 10,119 | 11,180 | 491 | -10,688 | -96 |

Table 4: Indicators for the financial position and net assets of Baader Bank AG

| | 2022 EUR'000 | 2023 EUR'000 | 2024 EUR'000 | Change to the previous year | |
|---|------------------|------------------|------------------|--------------------------------|---------------|
| | | | | absolute EUR'000 | relative % |
| Current assets | 2,263,837 | 3,811,404 | 4,682,153 | 870,749 | 23 |
| Cash reserves | 160,010 | 30,750 | 66,682 | 35,932 | 117 |
| Loans and advances to banks | 1,380,636 | 3,207,437 | 3,946,708 | 739,271 | 23 |
| Loans and advances to clients | 101,223 | 133,799 | 236,431 | 102,633 | 77 |
| Debt securities and other fixed-income securities | 537,564 | 339,429 | 328,880 | -10,549 | -3 |
| Equities and other variable-income securities | 8,780 | 8,232 | 0 | -8,232 | -100 |
| Trading portfolio assets | 57,525 | 66,521 | 87,973 | 21,451 | 32 |
| Other assets and prepaid expenses and deferred charges | 18,098 | 25,236 | 15,479 | -9,757 | -39 |
| Non-current assets | 100,430 | 108,702 | 121,464 | 12,762 | 12 |
| Equity investments and interests in affiliated companies | 38,043 | 39,580 | 41,671 | 2,091 | 5 |
| Intangible assets | 13,758 | 19,831 | 22,872 | 3,041 | 15 |
| Property, plant and equipment | 40,363 | 39,192 | 40,905 | 1,713 | 4 |
| Excess of plan assets over pension liabilities | 8,266 | 10,099 | 16,016 | 5,917 | 59 |
| Total assets | 2,364,267 | 3,920,106 | 4,803,617 | 883,511 | 23 |
| Refinancing | 2,135,716 | 3,673,265 | 4,482,833 | 809,568 | 22 |
| Bank loans and advances | 117,645 | 75,635 | 60,209 | -15,426 | -20 |
| Liabilities to clients | 2,005,310 | 3,551,433 | 4,374,656 | 823,223 | 23 |
| Other liabilities | 12,762 | 46,197 | 47,969 | 1,771 | 4 |
| Other refinancing funds | 78,128 | 98,895 | 153,683 | 54,787 | 55 |
| Trading portfolio liabilities | 3,195 | 11,356 | 12,865 | 1,509 | 13 |
| Deferred income | 250 | 199 | 141 | -57 | -29 |
| Provisions | 19,412 | 25,259 | 66,815 | 41,556 | 165 |
| Fund for general banking risks | 55,271 | 62,081 | 73,861 | 11,780 | 19 |
| Balance sheet equity | 150,423 | 147,946 | 167,102 | 19,156 | 13 |
| Subscribed capital | 48,797 | 48,797 | 48,797 | 0 | 0 |
| Capital reserves | 43,445 | 43,445 | 43,445 | 0 | 0 |
| Retained earnings | 54,013 | 55,513 | 65,013 | 9,500 | 17 |
| Minority interests | 0 | 0 | 0 | 0 | not meas. |
| Balance sheet profit/loss | 4,167 | 190 | 9,846 | 9,656 | 5,081 |
| Off-balance-sheet commitments | 10,127 | 11,183 | 1,051 | -10,132 | -91 |
| Contingent liabilities from guarantees and indemnity agreements | 8 | 3 | 560 | 557 | 16,132 |
| Obligations from loan commitments | 10,119 | 11,180 | 491 | -10,688 | -96 |

2.3.3.1 Current assets

The cash reserve rose by EUR 35,932 thousand to EUR 66,683 thousand (Baader Bank AG: by EUR 35,932 thousand to EUR 66,682 thousand). Loans and advances to banks increased by EUR 741,976 thousand to EUR 3,963,454 thousand (Baader Bank AG: by EUR 739,271 thousand to EUR 3,946,708 thousand), due to the increase in the investment of credit balances with the Deutsche Bundesbank under the deposit facility. Loans and advances to clients also rose by EUR 105,188 thousand to EUR 237,213 thousand (Baader Bank AG: by EUR 102,633 thousand to EUR 236,431 thousand). In contrast, the portfolio of debt securities and other fixed-income securities dropped slightly by a total of EUR 10,549 thousand to EUR 328,880 thousand. The portfolio of debt securities

and other fixed-income securities with public issuers increased to EUR 182,209 thousand, and holdings with other issuers by EUR 102,522 thousand to EUR 146,671 thousand. The debt securities and other fixed-income securities contain a class measured as fixed assets in the amount of EUR 149,639 thousand. The trading portfolio increased by EUR 21,451 thousand or 32% to EUR 87,973 thousand by the reporting date.

Other assets and prepaid expenses fell by EUR 8,866 thousand to EUR 19,503 thousand (Baader Bank AG: by EUR 9,757 thousand to EUR 15,479 thousand), mainly due to the sale of gold holdings.

2.3.3.2 Equity investments and interests in affiliated companies

The carrying amount of the interests and investments in affiliated companies in the reporting year for the Group totalling EUR 14,717 thousand was EUR 2,091 thousand above the level of the previous year (Baader Bank AG: increase by EUR 2,091 thousand to EUR 41,671 thousand) mainly due to the additional payments to the investment in the Earlybird Venture Capital funds (Earlybird DWES Fund VI GmbH & Co. KG and Earlybird DWES Fund VII GmbH & Co. KG).

2.3.3.3 Intangible assets and property, plant and equipment

Intangible assets increased for the Group in the reporting year by a total of EUR 2,806 thousand to EUR 23,292 thousand. Property, plant and equipment decreased slightly by EUR 1,082 thousand to EUR 66,977 thousand.

The additions to intangible assets including reclassifications are primarily related to investments in computer software (EUR 9,698 thousand), and almost entirely attributable to Baader Bank AG's investment. In addition, intangible assets and property, plant and equipment were reduced by scheduled depreciation.

At Baader Bank AG, property, plant and equipment and intangible assets increased by EUR 4,754 thousand to EUR 63,777 thousand. This is due to the investments made in the financial year amounting to EUR 14,341 thousand, and offset by scheduled depreciation of EUR 12,489 thousand.

No further significant investments beyond the scope of normal business activities were planned on either the reporting date or at the time of reporting.

2.3.3.4 Excess of plan assets over pension liabilities

The excess of plan assets over pension liabilities increased slightly by EUR 5,917 thousand to a total of EUR 16,016 thousand. The reason for this was essentially the plan assets measured at fair value that increased to EUR 25,797 thousand.

2.3.3.5 Refinancing

Refinancing funds comprised bank loans and advances and liabilities to clients as well as other liabilities. On the whole, refinancing funds were significantly higher than the previous year (increase of EUR 808,103 thousand) and amounted to EUR 4,478,161 thousand (Baader Bank AG: increase of EUR 809,568 thousand to EUR 4,482,833 thousand) due to strong client growth. The sharp increase was largely due to higher liabilities to clients from sight deposits by EUR 821,242 thousand to EUR 4,367,375 thousand (Baader Bank AG: by EUR 823,223 thousand to EUR 4,374,656 thousand). Other liabilities increased slightly by EUR 2,685 thousand to EUR 50,975 thousand (Baader Bank AG: by EUR 1,771 thousand to EUR 47,969 thousand).

In contrast, bank loans and advances decreased by EUR 15,823 thousand to EUR 59,811 thousand (Baader Bank AG: by EUR 15,426 thousand to EUR 60,209 thousand).

2.3.3.6 Other refinancing funds

Other refinancing funds increased in the reporting year by EUR 54,654 thousand to EUR 157,160 thousand (Baader Bank AG: EUR 54,787 thousand to EUR 153,683 thousand). The change is mainly the result of a EUR 41,423 thousand increase in provisions to EUR 70,293 thousand and the addition to the Fund for general banking risks (EUR 11,780 thousand to EUR 73,861 thousand). In addition, at EUR 12,865 thousand, the trading portfolio increased slightly by EUR 1,509 thousand (Baader Bank AG: by EUR 1,509 thousand to EUR 12,865 thousand).

2.3.3.7 Balance sheet equity

In the current financial year 2024, there were no changes to the subscribed capital and capital reserves. The increase in equity by EUR 23,874 thousand to EUR 189,387 thousand is mainly due to a considerable increase in retained earnings by EUR 14,203 thousand to EUR 86,534 thousand. Balance sheet profit also increased by EUR 9,656 thousand to EUR 9,846 thousand. Baader Bank AG's equity increased by EUR 19,156 thousand to EUR 167,102 thousand. The balance sheet equity ratio amounted to 4% (Baader Bank AG: 3%), and, taking into account the Fund for general banking risks, the modified equity ratio amounted to 5% (Baader Bank AG: 5%). The total supervisory capital ratio stands at 23.6% (Baader Bank AG: 22.3%).

For disclosures in accordance with Section 315 (2) HGB in conjunction with Section 160 (1) No. 2 AktG, please refer to the notes to the consolidated financial statements of Baader Bank AG as the parent company for financial year 2024.

2.3.3.8 Off-balance-sheet commitments

Off-balance-sheet commitments as of the balance sheet date were a result of contingent liabilities (guarantees) in the amount of EUR 560 thousand as well as irrevocable loan commitments to clients in the amount of EUR 491 thousand.

2.3.3.9 Liquidity

Operational liquidity management, which involves the management of daily payments, the planning of expected cash flows, and the management of disposable liquidity, ensures the ability of the Baader Bank Group to satisfy all its payment obligations at all times.

The Group's cash position, which was already solid in previous years, was also held constant in the past financial year.

Baader Bank AG's liquidity coverage ratio (LCR) as of 31/12/2024 was 436.1 % (previous year: 436.9%). The LCR requirement is met if the institution always has access to liquid assets (liquidity buffer) whose total value is at least equal to the liquid outflows less liquid inflows within the next 30 days under stress conditions. This implies a minimum LCR of 100%.

Unutilised credit facility agreements with domestic banks were in effect as of the balance sheet date.

2.4 Non-financial report

For this financial year, Baader Bank prepared a separate combined non-financial report published at www.baaderbank.de.

2.5 General assessment of the report on the economic position

The business development of the Baader Bank Group and Baader Bank in 2024 was characterised by – in some cases, significantly – more positive sentiment in the stock market environment compared to the previous year. This had a corresponding effect on the securities trading business in the past financial year. The year 2024 was marked by the first interest rate cuts, highs on the equity markets, but also by a number of uncertainties. The number of trades and revenue on the German stock markets increased slightly in 2024 compared to the previous year across all asset classes. On the stock exchanges relevant to Baader Bank (Frankfurt, Stuttgart, Munich, Berlin and gettex), the number of trades and revenue rose significantly compared to the previous year, with the exception of the bond asset class.

In this environment, Baader Bank continued to focus on the structural further development of partnerships and cooperation models, in particular on free trading venues in the Market Making and Account Services divisions. The Baader Bank Group closed financial year 2024 with a very positive result despite a challenging environment and ongoing strategic (IT) investments.

All the subsidiaries also made a positive contribution to the Group's position. The summary presentation of results of the subsidiaries of Baader Bank AG for the financial year 2024 can be found in section 2.2.3.

The net assets and financial position of the Baader Bank Group for the financial year 2024 are such that the Bank's solvency was guaranteed at all times during the reporting period.

3. Forecast, opportunities and risk report

3.1 Risk report

The section below describes the risk situation of Baader Bank AG and the Baader Bank Group under commercial law as at 31 December 2024. On account of the comparability of existing risks, the following explanations relate first and foremost to the risk management of the Baader Bank Group. Baader Bank AG's key performance indicators are always provided in addition to those of the Group. Should there be any deviations in terms of content in the procedures and processes, a separate note is made. The key figures of the group of institutions for regulatory purposes are reported in the Disclosure Report, which takes into account the Baader financial holding company. The Baader financial holding company also comprises the companies Baader Verwaltungs GmbH, Baader Beteiligungs GmbH and Ubtrend GmbH & Co. KG. The financial holding companies are classified as financial holding companies within the meaning of the CRR. The main business activity consists of the direct or indirect holding of investments and is not an institution within the meaning of the German Banking Act (Kreditwesengesetz – KWG).

3.1.1 The risk management system of the Baader Bank Group

By their nature, the business activities of the Baader Bank Group are subject to risks. The Baader Bank Group has therefore established a risk management system that is designed to meet both the regulatory requirements as set forth by the national and international regulatory authorities, and the Bank's internal business requirements.

3.1.2 Objectives of risk management

The overriding objective of risk management at the Baader Bank Group is to guarantee its risk-bearing capacity at all times, thereby ensuring that the institution can continue to operate and that creditors are protected. Consequently, timely identification, active management and continuous monitoring of risks constitute the core elements of business and risk management at the Baader Bank Group. This means that calculable risks can be addressed in a well-considered manner, taking into account the risk-bearing capacity, and risks that could jeopardise the company's existence can be avoided as far as possible.

In order to satisfy this fundamental principle, the Board of Directors reviews a regular risk report on the nature of all significant risks.

3.1.3 Risk-bearing capacity

The risk-bearing capacity is reviewed on a regular basis. The risk-bearing capacity is calculated from a normative and economic perspective. Both perspectives are considered to be equally relevant for management.

The normative perspective is viewed as the totality of regulatory and supervisory requirements. In order to monitor risk-bearing capacity, the equity capital available is compared to the regulatory requirements. In addition, the Baader financial holding company is also reported from a regulatory normative perspective. The following compares the capital ratios as of 31 December 2024 to the previous year:

Table 5: Overview of equity capital, risk weighted assets (RWA)

| in EUR '000 | Baader Bank Group | | Baader Bank AG | |
|----------------------------|-------------------|---------|----------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Equity | 199,518 | 191,464 | 183,088 | 183,044 |
| RWA | 844,576 | 832,757 | 822,577 | 794,234 |
| Total capital ratio | 23.6 % | 23.0 % | 22.3 % | 23.1 % |

Capital planning is calculated in both a baseline and two adverse scenarios. The adequacy of the capital resources and compliance with all relevant CRR indicators are reviewed over a period of at least three years. This ensures the Baader Bank Group's normative risk-bearing capacity on the basis of its own resources and earning power. Anticipated changes in the company's own business activities or strategic objectives, changes in the market and competitive environment and binding or already adopted regulatory changes are taken into account in the course of planning. Risks from the economic perspective that influence the capital available in the normative perspective are taken into account.

The requirements for the regulatory indicators are adhered to in both the baseline and the adverse scenarios.

The economic perspective serves to protect creditors against losses from an economic point of view. At the same time, the long-term protection of the economic substance of the institution is being pursued. The risk coverage potential is determined using a calculation method similar to that of the present value method. This refers to balance sheet items but in doing so also factors into the calculation, for example, the negative effects of hidden liabilities. In order to assess risk-bearing

capacity, the risk cover amount available is compared to the risk potential, calculated to a confidence level of 99.9%. The risk cover amount is calculated by reducing the risk coverage potential by a deduction for immaterial risks and a management buffer.

Table 6: Overview of risk-bearing capacity in the economic perspective

| in EUR'000 | Baader Bank Group | | Baader Bank AG | |
|--------------------------|-------------------|---------|----------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Risk cover amount | 175,735 | 149,414 | 158,679 | 136,223 |
| Risk potential | 50,078 | 48,252 | 49,958 | 52,675 |

The risk cover amount fell year on year due, in part, to higher deduction items compared to the previous year. The risk potential, on the other hand, changed only marginally.

Both the normative and the economic perspectives are relevant to risk management and limitation. A traffic light system and a limit and early warning system are used for the operational implementation of the risk management and control process. The total risk in the Baader Bank Group is limited by the risk cover amount, which is derived from the available risk coverage potential on the basis of the risk appetite. As a general rule, the Group's Board of Directors uses only part of the risk coverage potential available (risk cover amount) to permanently secure the Group's risk-bearing capacity. It is then allocated to individual risk types and the respective divisions using a top-down approach, and, as the upper threshold for the risk limit total, acts in a restrictive capacity. The risk coverage potential, the risk potential and the risk cover amount are reviewed at least quarterly.

In order to ensure that the risk coverage potential is sufficient to cover the losses being incurred, even in hypothetical crisis times (stress scenarios), the greatest losses arising from the stress scenarios carried out are compared with the available risk coverage potential and the risk cover amount for all relevant risk types.

In summary, the risk-bearing capacity was not endangered at any time in financial year 2024.

3.1.4 Risk inventory and risk strategy

The business strategy and goals for the Baader Bank Group's key business lines are defined at the Board of Directors' annual strategy meeting. Strategic considerations look at external factors, the assumptions underlying these factors, and internal factors such as risk-bearing capacity, results of operations, liquidity and so on.

Based on the business strategy, the Board of Directors adopts a risk strategy for the coming financial year that is consistent with the business strategy, with due consideration given to key factors. To assess the materiality of the risks, an overall risk profile is created as part of a risk inventory. This is carried out in the Baader Bank Group at least once a year. In addition to the annual risk inventory, an extraordinary review may be conducted to account for changes in the significance of risks or the commencement of business activities in new products or new markets, for example. Changes identified in the risk profile are promptly taken into consideration and reported to the Board of Directors. The risk strategy established on this basis is divided into sub-strategies according to the material risk types. The basic element of the risk policy strategy is that the risk-bearing capacity is guaranteed at all times. Accordingly, risk capital is made available by the Board of Directors for all material risk types; this amount represents the limit for losses in connection with a given type of risk.

3.1.5 Risk management structures and processes

The risk management system of the Baader Bank Group comprises the identification, assessment, management, monitoring, and communication of material risks.

To assess the materiality of risks, an overall risk profile must be created as part of a risk inventory. The risks are considered for the entire institution, regardless of the organisational unit that causes them, as part of a systematic survey process. The result of the risk inventory is an overview of the risks with an assessment of their materiality. The risks are evaluated based on quantitative and qualitative analyses or a scoring procedure based on expert estimates. Identified risks are (where possible) quantified using a value-at-risk approach and are compared with the risk capital. As a general rule, this is performed on the basis of a rolling 12-month risk horizon.

Risks are managed operationally using a limit and early warning system to limit the respective risks. The limits and early warning indicators are reviewed at least annually based on the company's risk-bearing capacity and confirmed by means of a resolution passed by the Board of Directors.

There is a comprehensive risk reporting process in place, with reports presenting and commenting on the risks of the Baader Bank Group. As well as daily reports, there is also a monthly and quarterly risk report. If necessary, ad hoc risk reports are also provided to the Board of Directors.

In addition, the Risk Management department conducts stress tests for all significant risk types at least every quarter. As part of the stress tests, the Risk Management department defines various possible scenarios, which are highly unlikely but plausible, and examines their impact

on the existing portfolio. The results of the stress tests are presented to the Board of Directors as part of the reporting process and discussed with the Board, if necessary. Furthermore, due consideration is given to the results of the stress tests in the review of the Group's risk-bearing capacity. As at 31 December 2024, the losses in the worst-case scenario amounted to:

Table 7: Stress test results

| in EUR'000 | Baader Bank Group | | Baader Bank AG | |
|---------------------------|-------------------|--------|----------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| Stress test losses | 108,533 | 56,157 | 108,533 | 62,874 |

The purpose of the processes described is to ensure that material risks are identified at an early stage, fully captured, and managed and monitored in an appropriate manner. Furthermore, the processes are regularly reviewed and promptly adjusted to reflect changing conditions. The methods and procedures employed in accordance with MaRisk are also subject to a regular validation process that examines whether the procedures and the underlying assumptions are appropriate and identifies whether any changes are necessary. The results of the validations are brought to the attention of the Board of Directors.

3.1.6 Significant changes compared with the previous year

The following significant changes were made to the models employed by the Risk Management department in 2024:

Market price risk

In accordance with the 8th amendment to MaRisk and the current regulatory requirements of the EBA, significant changes were required in relation to the market price risk calculation. These changes relate in particular to the consideration of interest rate risks (interest rate risk in the banking book – IRRBB) and credit spread risks (credit spread risk in the banking book – CSRBB). The major changes include the detailed quantification and management of IRRBB, in particular through stress tests and scenario analyses. Credit spread risks have been introduced as a separate risk category, which required separate risk identification and integration into the risk-bearing capacity calculation.

Counterparty risk

No significant changes were made for the calculation of the counterparty risk.

Operational risk

No significant changes were made for the calculation of the operational risk.

Liquidity risk

Liquidity risk has undergone a fundamental revision. Stress scenarios (normal case, institution-specific, market-wide and combined scenarios) were implemented and the granularity of the liquidity progress report was increased. The respective parameters are adapted to the business model of the Baader Bank Group and thus reflect the potential risks. Liquidity risk is limited on the basis of the survival horizon in the most conservative of the above scenarios for the Baader Bank Group.

3.1.6.1 Risks in the Baader Bank Group

The significant risks identified in the past financial year were unchanged: market price risks, counterparty risks, operational risks and liquidity risks.

These risk types are discussed and assessed in detail below, and quantified on a net basis, taking into account any risk-reducing effects. The steps taken to mitigate risk are also explained.

3.1.6.2 Market price risk

In general, the Baader Bank Group understands market price risks to include all dangers resulting from changes in market values or other pricing factors. Depending on the parameter that changes, the Bank distinguishes between the equity price risk, commodity risk, interest rate risk, credit spread risk and currency risk.

In addition, the market liquidity risk is taken into account in the market price risk through the relevant holding periods assumed by the model.

In principle, the market price risks described are restricted to the Bank's proprietary trading activities and do not arise from brokerage business. As a result, the trading portfolios of Market Making and the non-trading book are particularly exposed to this risk. As of year-end, the Bank had the following exposures (market values) to positions entailing market price risks:

Table 8: Summary of Baader Bank Group/Baader Bank AG portfolios

| in EUR'000 | Baader Bank Group | | Baader Bank AG | |
|--|-------------------|---------|----------------|---------|
| | 2024 | 2023 | 2024 | 2023 |
| Shares | 30,190 | 35,532 | 30,190 | 35,532 |
| Bonds | 338,782 | 271,916 | 338,432 | 271,916 |
| Funds, certificates, securitised derivatives | 26,866 | 26,127 | 26,866 | 26,127 |
| Commodities | 21,631 | | 21,631 | |
| Options | 1 | 114 | 1 | 114 |
| Futures | -3,956 | -16,631 | -3,956 | -16,631 |

Market price risks are measured in the Baader Bank Group central trading and monitoring system using a value-at-risk (VaR) model based on Monte Carlo simulations. The VaR is calculated with a chosen confidence level of 99.9% for the expected holding period. On 31 December 2024, the risk situation was as follows:

Table 9: Market price risk

| in EUR'000 | Baader Bank Group | | Baader Bank AG | |
|-------------------|-------------------|--------|----------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| Value at risk | 16,270 | 11,557 | 16,270 | 11,557 |
| Limit utilisation | 25 % | 21 % | 25 % | 21 % |

The increase in market price risk is primarily due to the additional commodity position in the risk assessment.

The quality of the VaR model is tested as part of back-testing by comparing VaR values and actual changes in market value.

3.1.6.3 Counterparty risk

The Baader Bank Group considers the counterparty risk to refer in general to the risk that existing payment obligations towards BB will become wholly or partially irrecoverable from the counterparties (default risk) or that the creditworthiness of the counterparty will deteriorate (migration risk).

To limit counterparty risks, the risk potential is limited and monitored with reference to the risk capital allocated by the Board of Directors. Credit rating classes are determined using internal procedures and external ratings. In addition, both the loss rate and the associated exposure and other risk-relevant parameters are determined in order to establish the credit VaR on this basis.

When considering the counterparty risk, the Baader Bank Group makes a distinction between factors such as credit risk, counterparty risk, collateral risk, issuer risk and equity investment risk.

The table below shows the risk situation in the counterparty default risk as at 31 December 2024 compared to the previous year:

Table 10: Counterparty default risk of the Baader Bank Group/ Baader Bank AG

| in EUR'000 | Baader Bank Group | | Baader Bank AG | |
|----------------------------------|-------------------|---------------|----------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Credit risk | 1,746 | 3,131 | 1,520 | 2,776 |
| Counterparty risk | 8,153 | 3,187 | 8,153 | 3,305 |
| Issuer risk | 4,493 | 5,414 | 4,566 | 5,645 |
| Equity investment risk | 2,469 | 3,785 | 2,513 | 8,263 |
| Total | 16,860 | 15,517 | 16,752 | 19,988 |
| Limit utilisation | 42 % | 39 % | 42 % | 50 % |
| Risk provisions for client loans | 2,095 | 781 | 2,095 | 781 |

In addition, in order to avoid concentration risks, structural limits were monitored and reported in relation to individual counterparties, credit ratings, industries and countries.

In 2024, Baader Bank AG's counterparty default risk fell due to a decline in issuer risk, although the counterparty risk increased. At the Group level, the risk increased slightly, due in particular to the counterparty risk. Risk provisions also increased, particularly as a result of the growth of the increased credit portfolio.

3.1.6.4 Operational risk

Operational risk is the risk of loss which results if internal control procedures, people or systems are inadequate or fail, or due to the occurrence of external events. This also includes legal risks or risks from partnerships and cyber risks.

The assessment of risk potential, i.e. the Group-wide identification and evaluation of operational risks, is also identified as part of the annual risk inventory.

Losses resulting from operational risks are reported and documented in the loss database. An application is available for this purpose. A loss is a financial loss caused by an operational risk. The causes of losses are generally analysed.

Operational risk is quantified using a loss distribution approach, according to which the parameters of the loss amount and loss frequency are estimated on the basis of statistical methods in order to determine the loss distribution. It is assumed that loss amounts have a log-normal distribution, that the number of losses follows a Poisson process and that losses are independently

and identically distributed. The aggregate loss distribution is estimated using statistical software based on the Monte Carlo simulation. To determine the amount that must be covered by risk capital, the 99.9% quantile is used with a risk horizon of one year for the loss.

The database is determined on a quarterly basis using historically observed losses supplemented by scenarios that have not yet been included in the loss database but plausibly represent possible risks at the Baader Bank Group. This includes risks due to defective processes, data processing risks, personnel risks, natural hazards and others:

Table 11: Operational risk

| in EUR'000 | Baader Bank Group | | Baader Bank AG | |
|----------------------------|-------------------|--------------|----------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| Value at risk | 16,948 | 16,179 | 16,936 | 16,130 |
| Limit utilisation | 85 % | 81 % | 85 % | 81 % |
| Total loss per year | 2,999 | 1,548 | 2,999 | 1,548 |

The VaR in operational risk has increased slightly, whereas the loss amount actually incurred has increased significantly, which is due in particular to individual losses. To date, no losses have been recorded from cyber risks due to working from home. In addition, the risk capital provided was sufficient at all times.

3.1.6.5 Liquidity risk

Liquidity risk in the narrower sense defines the risk of no longer being able to fulfil all payment obligations without restriction. To this end, expected future cash flows (in- and outflows) are presented in a liquidity progress report and compared with the liquidity coverage potential.

The above comparison is carried out in four different scenarios. In the normal case scenario, the general economic planning assumptions apply and the Bank is able to manage its liquidity as planned. The institution-specific stress scenario represents internal crises, which, for example, lead to significantly higher liquidity outflows overall. The market-wide stress scenario, on the other hand, shows the effects of exogenous factors on the liquidity situation of the Baader Bank Group. The two stress scenarios mentioned form the basis of the combined scenario, which combines the worst parameters for the Baader Bank Group.

The liquidity risk of the Baader Bank Group is limited on the basis of the survival horizon. This describes the period over which the Bank remains solvent without further measures with the existing liquidity reserves. The Baader Bank Group limits the survival horizon based on the worst-case scenario for the institution, the combined stress scenario.

The Treasury division is responsible for ensuring that the Bank's payment obligations can be met from an operational perspective. Credit lines and participation in the GC pooling market, as well as the option of refinancing via the European Central Bank, are used to ensure that short-term liquidity requirements of the Baader Bank Group are met.

For the purpose of managing and monitoring the liquidity coverage ratio (LCR), a limit system was installed for the market areas. This system sets limits on all netted inflows and outflows on the one hand, and limits on the total committed capital per value date and profit centre on the other hand. These liquidity limits enable the Treasury division to manage liquidity and thus also the LCR on an intra-day basis. In addition, observance of the LCR is monitored daily in connection with the Group Risk Report to the Board of Directors. Furthermore, the net stable funding ratio (NSFR) is determined and monitored on a quarterly basis. Due to the nature of the liquidity risk, it is generally not possible to limit this risk by means of the risk coverage potential and therefore quantification is ineffective (MaRisk AT 4.1 para. 4).

Liquidity risk management comprises the measurement, analysis, reporting and management of liquidity risks, which is summarised under the term Internal Liquidity Adequacy Assessment Process (ILAAP). The starting point for the ILAAP is the risk strategy. In accordance with the risk strategy of the Baader Bank Group, the overall objective of liquidity risk management is to ensure that the Bank is able to pay and refinance at any time.

3.1.7 Summary of the Baader Bank Group's risk position

The risk management and control process is a set of interconnected processes, procedures, measures and models that are designed to ensure that all relevant risks are covered at all times while at the same time complying with the principles defined in the risk strategy.

The overall objective, regardless of the specific approach taken and the associated control signals, is to ensure that risk-bearing capacity is maintained at all times and thus also the long-term continuation of the company's activities on the basis of its own resources and earning power. Both the normative and economic perspectives are taken into account in the management and allocation of capital. Risk capital is considered a scarce resource and therefore one that must be managed carefully and efficiently.

As part of the risk strategy, the Board of Directors of Baader Bank AG allocated only part of the available risk coverage capital to cover risks in financial year 2024, as in previous years. The breakdown and intra-year allocation of risk coverage capital to individual types of risk takes particular account of the current risk potential as well as the characteristics of the respective risk. The risk-bearing capacity of the institution was always assured in the past financial year, even when taking into account the stress tests in the economic perspective. In the normative perspective, both statutory and internal equity requirements were complied with at all times. Baader Bank AG's capital planning shows that long-term regulatory compliance in terms of equity required is ensured even under adverse conditions. The improved results of operations and thus net assets will also have a positive effect on ensuring compliance with the increased regulatory requirements for equity under CRR III. No significant credit defaults are currently expected in the Baader Bank Group, as no conventional credit transactions are being conducted, but predominantly Lombard credit business with adequate collateral.

3.2 Forecast and opportunities report

3.2.1 Expected development of the macroeconomic and sector-specific environment

At the start of 2025, the leading indicators are suggesting a moderately positive picture for the economic environment. Following a period of weakness in the third quarter of 2024, the purchasing managers' index for the global manufacturing industry has recently recovered to a level of around 50 points, signalling stable development. By contrast, the global services sector index remains well above the expansion threshold of 50 points. In Germany, the latest surveys on the ifo business climate and the GfK consumer climate continue to point to a restrained growth environment. According to current forecasts, the IMF expects the global economy to grow by 3.3% in 2025, which is roughly equivalent to the level seen in the last couple of years. According to the IMF, growth in the USA (2.7%) and China (4.6%) is expected to be somewhat weaker this year than last, while the eurozone (1.0%) and Germany (0.3%) are likely to see slight growth. There continues to be only sideways movement with orders on hand in Germany, and as such there are currently no discernible indicators of a more significant growth recovery.

The economic environment in Europe is expected to brighten gradually over the course of 2025. This will be aided by the fact that the ECB is likely to reduce the key interest rates to a neutral level over the next few months, one at which growth will no longer be slowed. Household and business financing conditions are expected to continue to improve in the first half of the year as a result, which should stimulate demand in the form of lower borrowing costs. In the context of a labour market slump that has so far remained moderate, the historically high savings rate should also underpin this picture, especially given that real incomes are likely to rise even further thanks to collective agreements that continue to exceed the inflation rate.

However, there are risks to the scenario of gradual economic recovery in Europe too. The process of forming a government in Germany could drag on over time and dampen hopes of growth-promoting reforms. Moreover, the threat of or the introduction of new duties and counter-duties by the USA or other countries would cause uncertainty and potentially create negative momentum in the supply chains and for corporate margin performance. There is also a risk of new geo-political conflicts that would dampen demand if they were to escalate. If one or more of these developments were to materialise, economic expectations could deteriorate to such an extent that the estimates for GDP growth and profit growth will need to be adjusted more sharply downwards.

Furthermore, signs of a potential end to the rate cutting cycle by the central banks could weigh on the risk appetite of the financial markets, at least in the interim. The expected growth recovery could therefore lead to a renewed rise in inflation more quickly than expected, which could in turn dampen hopes of a further cut to key interest rates. The probability of such a scenario is likely to increase particularly in the second half of the year because the economic recovery should have progressed significantly by then and many central banks are also likely to have already implemented a large portion of the anticipated interest rate cuts by that point.

If these risks were to materialise, the financial markets would likely experience increasing volatility as a result – causing the outlook for the stock markets to deteriorate again, particularly during the seasonally weak phase of late summer/autumn. Possible burdens in this context stem from the historically high valuation levels of the stock markets, as well as the strong weighting of a few highly capitalised stocks in certain indices.

If the expected economic recovery were to occur during the course of the year, it would then be reasonable to assume that the performance outlook on the stock markets will remain robust, especially in the first half of the year, before a correction phase becomes increasingly likely as we move towards autumn. Due to the very

selective index performance so far, it is likely that the decisive factor for the stock markets will be that potential stress factors can then be cushioned by means of rotations in sectors and investment styles. A key factor here will be whether smaller caps in particular will succeed in overcoming their multi-year history of underperformance. In general, cyclical sectors are likely to benefit more, particularly in those phases in which growth recovery becomes more probable. By contrast, quality stocks and companies with defensive business models are likely to outperform the market as a whole in periods of increased volatility, while late-cycle value stocks are likely to underperform.

3.2.2 Outlook for the business lines

3.2.2.1 Market Making business line

In 2025, the financial performance of the Market Making business line will continue to be influenced largely by market developments, trading volumes in the various securities classes and market volatility. These profit drivers are always subject to the influence of exogenous, geo-economic and monetary policy framework data that the institution has no control over, meaning that the forecasts provided are very limited in the sense that they are based on the expected development of the macroeconomic framework conditions and their impact on the trading income of Baader Bank.

Securities volumes are continuing to shift to alternative trading platforms. During the period under review, Baader Bank continued its structural and strategic sales measures and will make use of its relatively high market shares as a market maker on German floor exchanges and will continue to focus on existing and new collaborations with operators of exchange and over-the-counter trading platforms as the Baader Bank Board of Directors considers the cooperation models with neo-brokers and free-of-charge exchanges to remain attractive. The aim of the "Baader Trading" marketing initiative is to gradually expand market coverage in order to further advance diversification in new markets. The realisation of and participation in longer-term client growth, product expansions, rising order flow volumes and constantly increasing sales are also key objectives in securities markets to be opened up in Europe. Together with its business partners, Baader Bank is taking a decisive step towards also offering its range of platform services abroad in the future.

Another significant step in this respect is Baader Bank's involvement in shaping the competition in key areas. For example, together with Bayerische Börse, Baader Bank expanded its trading offer and extended the trading hours on gettex from 20 January 2025. While trading was previously possible from 8 am to 10 pm, the extended trading hours apply from 7.30 am to 11 pm – matching the extension in OTC trading hours implemented at Baader Bank in October 2024. Initially, it was possible to trade a limited equity universe, which accounts for a large proportion of the current revenue, through Baader Bank as a market maker. Since March 2025, all securities have been offered without restrictions during the extended trading hours. For the current financial year, the Board of Directors expects to see a continuing trend towards extended trading hours, moving towards 24/7 trading, as well as continued cost pressure arising from regulation and settlement.

Accordingly, given the increasing technical and regulatory requirements, market makers on German stock exchanges continue to be in a consolidation phase that could result in ongoing competition and which puts at risk the continued existence of smaller, less well capitalised market players. All the same, Baader Bank maintains its medium- and long-term strategic objective for the Market Making business line of expanding its current market position. Furthermore, internationalisation opportunities must be explored and exploited, and opportunities for inorganic growth, such as the acquisition of order books, should be used. In particular, it remains to be seen how new competitors, such as the European Investor Exchange (EIX), will perform on the market.

Baader Bank aims to gain further market shares, in particular in connection with gettex and OTC trading. Overall, on the service side, Baader Bank is striving to further improve quality. Margin pressure and cost levels continue to increase in the competitive environment and business continues to be strongly driven by transfer pricing, larger players and stock exchange operators (e.g. Stuttgart Stock Exchange, Frankfurt Stock Exchange, Munich Stock Exchange). In addition, new competitors (fintechs) are establishing themselves on the market.

Baader Bank is developing its product range and trading offer further under the "Baader Trading" brand with the aim of offering its clients unique features and thereby creating added value for its clients and all client groups. At the same time, it is increasingly focusing its trading offer on the target group of end clients. One of the reasons for focusing on this target group is that securities continue to be an attractive investment option, partly due to private pension provisions, easy mobile access and low-cost passive products.

In line with the past financial year, the Baader Bank Board of Directors expects overall market growth in 2025 with an occasionally volatile market environment. It is expected that the popularity of stocks as a form of investment, and mobile access to the markets on the part of investors, will continue to support Baader Bank's business, including in the GSA-Region. The resulting continued growth in terms of clients, market volumes and products is expected to develop in an environment comparable to 2024, thus with a similar number of securities transactions and a renewed slight increase in sales volumes.

3.2.2.2 Capital Markets business line

The significant drivers for the order situation in the Capital Markets division are the general developments on the share market in terms of trading volumes as well as the prevailing volatility on the secondary markets in connection with the general competition situation and the global interest rate levels.

The Board of Directors of Baader Bank expects the market to remain subdued in 2025, albeit with the prospect of more IPOs than in the previous year (particularly in the second half of 2025) and a slowly recovering capital market services business. Internationally, especially in the English-speaking markets, there is still a dependency on the overall economic development and on the interest rate level and the expected interest rate moves of central banks in the Capital Markets business. Potential transactions are already planned for the remainder of 2025.

The aim is to achieve a moderate increase in the transaction volume for the current year to a slightly higher level than in the past financial year. In addition, the focus will be on further increasing visibility in the capital market business, supported by trading expertise (designated sponsoring, market making) and securities technology as strategic pivotal points, in order to utilise the cross-selling effects of the business model in these areas, along with expanding the volumes of these services. In this context, the business in the Swiss market is also being driven forwards in both the ECM business and the Special Execution division.

In accordance with this, the number of mandates of Baader Bank should rise moderately again in the medium to long term – this should always take the global interest rate trend into consideration, whereby

an increasing interest rate level should be classified as a barrier to business. The growing importance of ESG issues must also be increasingly included when managing capital measures. Overall, the Baader Bank Board of Directors expects a slight overall growth in the German market in 2025 compared to the previous year.

Baader Bank expects conservative to no overall market growth in the research business for 2025. Looking ahead, a stagnating market and rising pressure on margins will impact business.

The very high number of transactions and service mandates for the Special Execution division in 2024 is expected to remain at this level in the future. The expansion of business activities in Switzerland is expected to make decisive progress in 2025.

3.2.2.3 Brokerage business line

Largely in line with the Market Making and Capital Markets business divisions, the prevailing mood underlying the economy, the general developments in the equity market and the volatility in the secondary markets are the major earnings drivers of the Brokerage business line.

In the future, the Baader Bank Board of Directors expects moderate overall market growth in the Brokerage business in 2025. Overall, the trading activities of international institutional investors are expected to continue to grow and be further supported by the identified trends. In this environment, Baader Bank will also be positioning its brokerage as a global and pan-European product in 2025 under the banner of "Baader Trading". There is a clear intention for the Bank to position itself against margin pressure with an economical and effective approach. Thus, even in 2025, the price-sensitive mechanisms within the MiFID II regime are still potentially inhibiting factors. The goal of gaining new market shares in Brokerage remains unchanged. Important factors for the future are the use of cross-selling effects with existing clients, the expansion of the crypto offering for additional clients, the optimisation of time-to-market for new products or their expansion, and the overall strengthening of existing cooperation partnerships, as well as the onboarding and acquisition of new cooperation partners.

In 2025, the trading volume is expected to remain stable or slightly lower than in 2024.

3.2.2.4 Account Services business line

The Board of Directors of Baader Bank expects overall market growth to increase in 2025 – dependent on investor behaviour and macroeconomic developments in the year just started, but potentially also driven by developments in relation to the state-funded pension investment account.

For the further acquisition of market shares, an increasing number of equity-based savings companies (in Germany) and the expansion of the retail brokers' business to other European countries, among others, are supporting factors. New product worlds and further developments, including in the crypto portfolio, interest accounts, money market accounts and fixed-term deposit accounts, the pension investment account, the digitalisation of private equity products and the expansion of business with traditional asset managers as well as the expansion of trading hours, will also influence business development in the future. In this environment, Baader Bank strives to continue to maintain and expand its market position thanks to its integrated business model. In the medium term, the new competitive situation on account of Scalable Capital's new business model will also have an impact on business development. However, the Board of Directors of Baader Bank expects that any negative effects will be offset in the medium term by growth with other partners.

In the current environment, internationalisation is also progressing in the market of neo-brokers and robo-advisors. Baader Bank remains committed to its growth trajectory in the Account Services division, which has established itself with yield-boosting effect in the trading units as part of its cross-selling function. Baader Bank wants to further increase the number of accounts and securities accounts, along with growth in the volume of securities accounts and the deposit volume, by developing partnerships with business partners and their predominantly digital cooperation models.

Baader Bank is focused on maintaining its market leadership as a platform for neo-brokers and online asset managers and also on further expanding its market position in business with asset managers in Germany. Furthermore, Baader Bank aims to expand its cooperation with sales platforms (e.g. broker pools, financial sales organisations).

3.2.2.5 Fund Services business line

Baader Bank has significant competitive advantages in terms of its business activities in the Fund Services division thanks to its diversified business model. These advantages include the speed and quality of trading and the range of execution venues and tradable asset classes and products. The Baader Bank Board of Directors expects low or moderate overall market growth for the financial year 2025, taking into account the tendency to lower market volatility. Individual funds will certainly need to be consolidated occasionally.

Nonetheless, Baader Bank believes that there will be a good level of demand from clients due to the fact that the regulation of the financial sector is resulting in growing cost pressure and persistent outsourcing tendencies at portfolio management companies. In addition, this development is also driven by the major significance of new supervisory ESG regulations and the pressure to implement them. Accordingly, Baader Bank aims to achieve consistent or slightly improved performance in terms of assets under management and the number of fund mandates for 2025.

Through its trading and regulatory expertise, Baader Bank is continuing its efforts to create sustained added value for clients through complementary services in the Asset Management division and at the same time to ensure efficient usage of the existing infrastructure in its core business lines. Baader Bank also intends to stabilise and expand its market position with a further focus on clients in Europe and beyond (e.g. the USA) in the current financial year.

3.2.2.6 Outlook for the business development of subsidiaries

As a fundamental part of the Baader Bank Group and tightly integrated with the Brokerage and Capital Markets business lines (including Research Services), the **Baader Helvea Group** is the main point of contact for international institutional investors and corporate clients. The client focus remains on the United Kingdom, Switzerland and North America. The Group provides the organisational and sales setup to serve relevant investor and client groups in the respective destinations. The Baader Helvea Group will therefore continue to make a significant contribution to the successful support of international clientele in the Baader Bank Group in 2025. In this context, it is expected that the marketing of "Baader Trading" will increase the trade-related income in the international regions.

With the continuing optimisation of the research product offered throughout the Baader Bank Group, but also the investment needs of the Baader Helvea client base, the Swiss company is expected to make a constant contribution to the total earnings of the Baader Bank Group in financial year 2024. The company will continue to operate from its locations in Zurich, London and New York in 2025.

In the context of the **Selan Group's** business activities as a whole, in recent years the dependence on fluctuations in electricity prices has almost completely ceased to

exist due to the fixed price agreement with a national electricity marketer. The company is therefore striving to conclude a follow-up agreement at an attractive price at an early stage in 2025 to take effect from 1 January 2026. The overall annual result of the Selan Group remains heavily dependent on wind conditions and the wind yields that can be generated based on them. Provided that there are no major surprises in terms of weather conditions, the company currently expects the wind turbines to continue to run reliably and stably.

Experience has shown that there are limits to the forecasting of wind yields. Nevertheless, the management of the Selan Group is confident that it will be able to slightly increase its yield level in the current year.

In January 2025, the company received approval from the Ministry of the Environment for the expansion of the wind farm by seven wind turbines. If the expansion begins as scheduled in the summer of 2025, the first capitalisable expenses for the newly created components of the planned investment must be expected to be incurred during the financial year.

The unchanged goal of **Baader & Heins Capital Management AG** in 2025 is to secure the company's strong market position in the brokerage of debt instruments and in money market trading in a persistently difficult market environment.

On this basis, the Board of Directors of Baader & Heins AG expects that, based on a cautious estimate, the assumption that central banks around the globe will continue their efforts to curb inflation, and the ongoing economic uncertainties in the wake of the war in Ukraine, the conflict in the Middle East and the upcoming elections in Germany, there is likely to be a significant reduction in the brokered volume by around 45% and in the resulting commission income by around 30% in 2025. Active cost management in the form of cost structure measures, such as the management of the remuneration model, in particular in relation to variable remuneration that is predominantly dependent on business success, should cushion any negative external framework conditions as far as possible.

3.2.3 Overall assessment of the future development of the Baader Bank Group

The banking and stock exchange market, which is Baader Bank's main market, continues to transform and is characterised by sustained growth in Germany and Europe. Fee-optimised best-execution platforms, which implement free or flexible pricing strategies for end clients, have continued to gain market shares over traditional German regional exchanges since the boom during the exceptional years of 2020 and 2021. A resulting simplified access to securities trading, including for private investors, allows investors to actively make their own decisions. These investors have digital and often mobile access to securities trading and engage in cost-optimised, active trading and use it as a tool for long-term savings investments or even for trading in cryptocurrencies. This development is driven in particular by neo-brokers and robo-advisors and has long been taking place in the course of a Europeanisation of offers for private investors, either by market players expanding across national borders or by competitors based in other European countries.

For Baader Bank, this means a future trend of higher trading volumes in the market making order books it manages, and further growth in terms of the accounts and securities accounts it manages in collaborative partnerships in 2025.

The Board of Directors of Baader Bank expects that the contributions to earnings and income from the Market Making and Brokerage business lines, including the cross-selling effects from Account Services, will be slightly below the level of the financial year 2024 on the basis of a rising and, in some cases, moderately rising growth curve – based on developments in 2024. For the Capital Markets division (including Research Services), the Board of Directors expects consistent business development for 2025, although the market for capital market services should certainly develop better than in 2024.

For the overall assessment of the future development of Baader Bank, the material financial performance indicators and earnings drivers are classified as follows:

For the upcoming financial year 2025, Baader Bank's base-case scenario (applicable to Baader Bank AG as well as the Baader Bank Group) expects that the market volatility will tend to be at a similar level compared to the previous year. Due to continued growth (of clients, market volumes and products) but also changes in the competitive situation, there is expected to be a moderate decrease in the number of securities transactions com-

pared to the previous year. In terms of sales volumes for 2025, the Board of Directors of Baader Bank also expects a moderate decrease compared to the previous year. In addition to the continuing increase in the number of private investors in the retail client business, extending beyond national borders, the slight increase in business volumes across all business lines is also helping to stabilise unit figures and volumes in the long term – despite an initial decline in the medium term.

For the financial year 2025, the Board of Directors expects the total income for both Baader Bank AG and the Baader Bank Group to be significantly lower than in the previous year, as a result of the change in the competitive situation.

Within total income, the Board of Directors expects net trading income for the financial year 2025 to increase moderately compared to the previous year, taking into account market volatilities and trading volumes, which are difficult to forecast. Earnings from the commission business are expected to be at the previous year's level, whereas earnings from the interest business are forecast to be significantly below the previous year's level.

On the expenses side, the Board of Directors of Baader Bank expects total expenses to fall slightly overall for the financial year 2025 compared to the previous year at the level of both Baader Bank AG and the Baader Bank Group. Total expenses taken into account are variable expenses for variable remuneration, which are dependent on earnings components, and the allocation to the Fund for general banking risks.

Based on the plans outlined above, the Board of Directors expects earnings before taxes for the financial year 2025 to be slightly below the previous year's level for Baader Bank AG and for the Baader Bank Group. The associated return on equity after taxes is expected to be slightly below the previous year's level.

Given the uncertain, exogenous influencing factors, the Board of Directors is of the opinion that reliable forecasts for the business development can only be made with reservations. The statements, expectations and forecasts on the future development of Baader Bank made in this Management Report are therefore based on the information and knowledge available to the company as at the date of preparation of the annual financial statements.

4. Other disclosures

4.1 Corporate governance statement with the determinations and disclosures pursuant to Section 289f (2) No. 4, and (4) sentence 1 HGB

A target quota for the proportion of women on the Board of Directors has been set in accordance with Section 111 (5) AktG in the amount of 0%, which is to be achieved by 30 June 2025. This means that the target quota for the Board of Directors has currently been achieved. The target quota of 0% is justified by the fact that at the time the resolution was passed, all members of the Board of Directors were male and their Board of Directors contracts extended beyond the target date of 30 June 2025. With a proportion of women on the Supervisory Board of 0%, however, the target quota of 16.67% for the Supervisory Board has currently not been met. The reason for this is that when the Supervisory Board was elected in 2023, it was made up exclusively of male members and there have been no changes in the composition of the Supervisory Board since the beginning of the Supervisory Board's term of office in July 2023.

4.2 Closing statement on the dependency report pursuant to Section 312 AktG

Baader Bank Aktiengesellschaft (Baader Bank AG) is controlled by Baader Beteiligungs GmbH, Unterschleissheim (Baader GmbH). Baader Beteiligungs GmbH has a shareholding of 66.34% in Baader Bank AG. As no domination agreement has been concluded between the companies, the Board of Directors of Baader Bank AG is obliged to provide a report regarding the relationships with affiliated companies pursuant to Section 312 AktG, which concludes with the following declaration:

"According to the circumstances known to the Board of Directors at the time, Baader Bank AG received appropriate consideration for the legal transactions or other measures undertaken or omitted and listed in the report regarding the relationships with affiliated companies. The company was not disadvantaged by the measures taken or omitted. All reportable transactions were resolved by the Board of Directors and, if required by the Articles of Association or rules of procedure of Baader Bank AG, also approved by the Supervisory Board and presented in this dependency report."

Unterschleissheim, 12 March 2025

Baader Bank AG
Board of Directors



Nico Baader



Oliver Riedel



Martin Zoller

Report by the Supervisory Board

Work culture, monitoring and consulting activities of the Supervisory Board

In the 2024 financial year, the Supervisory Board of Baader Bank carefully and diligently discharged the duties required of it by law and the Articles of Association. In doing so, it monitored and supported the work of the Board of Directors. The Supervisory Board was included in all decisions of great importance. If the Supervisory Board's consent was required for individual measures based on a law, the Articles of Association or the rules of procedure, a resolution was passed in this regard after thorough review and consultation, with the inclusion of the Audit Committee and the Remuneration Control Committee if necessary.

In principle, the Supervisory Board of Baader Bank passes resolutions in meetings. If required, resolutions can also be passed outside of meetings by way of a written circular if directed by the Chairman of the Supervisory Board.

The Board of Directors consistently and comprehensively informed the Supervisory Board, in writing and verbally, about fundamental issues for the institution, the business policy and overall banking strategy, the current and future management, business development, and significant transactions and important one-off events. Accordingly, the Supervisory Board was regularly informed of the situation of the Group as a whole and of the Group companies. In particular, the overall economic and political situation and the impacts on the industry, as well as the competitive situation and the development of the income and earnings situation of the Baader Bank Group and of individual companies, the strategic development and the risk situation and risk management were discussed thoroughly. Solutions and measures were discussed.

The Chairman and the other members of the Supervisory Board were also informed at regular intervals at numerous personal meetings by the Chairman and individual members of the Board of Directors. The members of the Supervisory Board also met repeatedly to exchange information internally without the involvement of third parties, in particular without the Board of Directors, with the aim of discussing important company matters from the supervisory body's perspective.

The Board of Directors provided information on key financial performance indicators and the risk position of Baader Bank Aktiengesellschaft and the Group to the Supervisory Board on an ongoing basis and as required in specific situations. The Supervisory Board reports

were further optimised in 2024 to improve oversight and control. Any deviations from the company's financial plans regarding its earnings were promptly discussed in detail and reviewed by the Supervisory Board, including the ad hoc forecast adjustment on 19 September 2024 in the run up to the reporting of the nine-month figures for 2024. The changes in Baader Bank's competitive situation were also addressed and were discussed in the context of the ad hoc report on 10 December 2024.

The regular meetings of the Supervisory Board focused on company figures, the Group's earnings performance and employment trends, including those of its subsidiaries and equity investments, and the performance of all front and back office divisions and the development of competition and the market environment in the respective area. Further topics were determined on an ad hoc basis based on the tasks set by the front and back offices.

The Compliance Officer, the Head of Risk Management and the Head of Internal Audit regularly submitted their respective reports to the Supervisory Board. These reports are provided to all members of the Supervisory Board.

The Board of Directors and the Supervisory Board also met to advise on the overall banking strategy for the coming years and the associated financial planning. The focus was on the long-term nature and sustainability of the business model with regard to economic efficiency and suitable profitability within the context of the developed strategic positioning and market potential. Another key focus was the constantly changing competitive situation. Progress with the ongoing High Performance Banking strategy programme was reviewed and the sub-strategies and the overall banking strategy were subjected to an annual review by the Board of Directors before being discussed with the Supervisory Board and ultimately acknowledged and endorsed.

Changes to the Board of Directors and management of Baader Bank Aktiengesellschaft

As part of Baader Bank's management team expansion, Mr Kai Göhring was named Executive Vice President with effect from 1 November 2023. With a view to establishing the remit of CFO going forwards, he is responsible for Group Legal, Credit, Back Office, Special Execution, Group Accounting, Group Controlling & Data Analytics and Group Legal & Corporate Finance Office.

Sustainability reporting and its auditing

Baader Bank is obligated to prepare a combined non-financial report for the 2024 financial year. The importance of the associated ESG (Environmental, Social, Governance) topics is reflected in the strategic and regulatory considerations. Baader Bank set up an ESG team in 2023 to tackle the increasing demands of sustainability reporting.

In accordance with Section 171 (1) Sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG), the Supervisory Board is required to audit the separate combined non-financial report. To support this audit, the Supervisory Board has commissioned an operational audit by KPMG AG Wirtschaftsprüfungsgesellschaft (“KPMG”). KPMG has issued an unqualified audit opinion on a limited assurance engagement. This report is published on Baader Bank’s website together with the auditor’s report.

Thematic focus areas of the Supervisory Board’s consulting and monitoring activities

In the 2024 financial year, the Supervisory Board of Baader Bank held four ordinary meetings and two extraordinary meetings. The Supervisory Board also joined in-depth conference calls to obtain more detailed information on key resolutions and topics with broader implications for Baader Bank and to exchange views on resolutions/circumstances alone, with the Board of Directors and/or with departmental representatives.

Regular topics as specified in the Articles of Association, such as the annual financial statements, audit of the annual financial statements and audit results, and the preparation and (virtual) execution of Baader Bank’s shareholders’ meeting, were the focus of the Supervisory Board’s activities.

The Supervisory Board also discussed issues regarding the strategy and financial planning of Baader Bank with the Board of Directors. In the case of issues relating to operational and personnel development, the Supervisory Board reviewed the schedule of responsibilities submitted by the Board of Directors and the organisational structure of the Bank. Furthermore, significant projects and individual loan commitments were important points in the discussions between the Supervisory Board and the Board of Directors for the 2024 financial year.

In Supervisory Board meetings and in meetings of the Audit Committee, the special audit under banking supervisory regulations conducted by the German

Federal Financial Supervisory Authority (BaFin) pursuant to section 44 of the German Banking Act (Kreditwesengesetz – KWG) in the 2022 financial year and, in this context, the processing of the resulting findings was another important topic.

The Audit Committee held a total of six ordinary meetings in financial year 2024. The committee carried out an in-depth review of the annual and consolidated financial statements. In addition, it monitored the effectiveness of the risk management system, in particular that of the internal control systems and the Internal Audit department.

The Remuneration Control Committee, which has been established since July 2023, met twice in the 2024 financial year and focused primarily on the appropriateness of the remuneration systems for managers and employees.

The members of the Remuneration Control Committee were Mr Schreyer, Prof. Heni, Dr Hagen and Mr Hauser.

Audit of the annual financial statements and consolidated financial statements for 2024

The Board of Directors of Baader Bank Aktiengesellschaft prepared the annual financial statements, the consolidated financial statements and the combined Group management report for the 2024 financial year in accordance with the regulations of the German Commercial Code (Handelsgesetzbuch, the German Stock Corporation Act (Aktiengesetz) and the German Regulation on Accounting by Banks (Verordnung über die Rechnungslegung der Kreditinstitute).

The auditors of the annual financial statements and consolidated financial statements chosen by the shareholders’ meeting, KPMG, audited the financial statements and the management report and issued an unqualified audit opinion. The auditor conducted its audit of the annual financial statements in compliance with the German Generally Accepted Standards for Financial Statement Audits laid down by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer – IDW).

The Supervisory Board examined the aforementioned documents in detail.

All the documents relating to the financial statements and the auditor's audit reports were provided to the members of the Supervisory Board in a timely manner. The Supervisory Board discussed the documents relating to the financial statements in detail in the presence of the responsible auditor. The auditor reported on the significant results of the audit. Furthermore, the auditor detailed the scope and focal points of the audit.

The Supervisory Board acknowledged and endorsed the results of the audit and, after completing its own review, determined that it had no objections to raise.

In its meeting held on 27 March 2025, the Supervisory Board approved the annual financial statements, consolidated financial statements and combined Group management report prepared by the Board of Directors and audited by the auditor.

The annual financial statements have therefore been adopted.

In coordination with the Supervisory Board, after the date of the audit of the annual and consolidated financial statements, the Board of Directors agreed to submit an amended proposal for the appropriation of net profit for financial year 2024 to the shareholders' meeting in order to strengthen Baader Bank Aktiengesellschaft's equity in the long term. Accordingly, in deviation from the proposal for the appropriation of earnings contained in the audited annual financial statements, it is to be proposed to the shareholders' meeting that a further amount of EUR 3,500,000.00 be allocated to retained earnings with a reduced amount distributed to the shareholders as a cash dividend or carried forward. On 27 March 2025, the Supervisory Board adopted a resolution for the shareholders' meeting on the appropriation of net profit for the 2024 financial year. In view of the increasing capital requirements for credit institutions under CRR III from 2026, the Board of Directors and the Supervisory Board consider this a suitable measure for the immediate and predictable strengthening of equity. Furthermore, the equity impact of the scrip dividend option contained in the Board of Directors' original proposal for the appropriation of earnings would depend both on the acceptance of the shareholders and on the successful completion of additional regulatory approval procedures.

The Supervisory Board, particularly taking into account the company's annual results from 2024, liquidity and financial planning, supports the proposal by the Board of Directors to pay shareholders a dividend.

Subordinate status report

In accordance with Section 312 AktG, the Board of Directors prepared a report on the company's relationships with affiliated companies. The auditor, KPMG, reviewed the subordinate status report of the Board of Directors in compliance with the legal regulations and issued the following unqualified audit opinion: "In accordance with our mandatory audit and in our opinion, we confirm that 1. the factual disclosures in the report are correct, and 2. the company's payments for the legal transactions set out in the report are not inappropriate in amount, and 3. the measures detailed in the report do not support a judgement materially different to that reached by the Board of Directors."

The Supervisory Board acknowledged and endorsed the results of the audit of the final report and, after completing its own review, determined that it had no objections to raise.

Changes to the Supervisory Board of Baader Bank Aktiengesellschaft

There were no changes to the Supervisory Board of Baader Bank in the 2024 financial year. At an extraordinary Supervisory Board meeting on 30 January 2025, the Supervisory Board of Baader Bank decided to change the Chair of the Supervisory Board for the current financial year. In order to ensure orderly succession, Mr Helmut Schreyer resigned the position of Chairman of the Supervisory Board of Baader Bank at his own request. Dr Louis Hagen was elected as the new Chairman of the Supervisory Board with immediate effect. Mr Schreyer will remain a member of the Baader Bank Supervisory Board.

Thanks to all colleagues

The Supervisory Board would like to thank the Board of Directors and all colleagues across the Baader Bank Group for their extraordinary commitment and consistently professional performance in the challenging economic and political environment of the 2024 financial year, particularly in light of the growing client base and associated business volume as well as the increasing regulatory requirements for credit institutions.

Unterschleissheim, 28 April 2025

The Supervisory Board

Consolidated Financial Statements

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Consolidated balance sheet as at 31 December 2024

| Assets in EUR | | 31/12/2024 | 31/12/2023 |
|--|------------------|-------------------------|-------------------------|
| 1. Cash reserves | | | |
| a) Cash on hand | 447.41 | | 1,103.33 |
| b) Credit balances with central banks | 66,682,149.08 | 66,682,596.49 | 30,749,726.89 |
| including: At Deutsche Bundesbank EUR 66,682,149.08 (previous year: EUR 30,749,726.89) | | | 30,750,830.22 |
| 2. Loans and advances to banks | | | |
| a) Due on demand | 3,957,807,533.59 | | 3,220,033,059.10 |
| b) Other loans and advances | 5,646,895.78 | 3,963,454,429.37 | 1,445,416.51 |
| | | | 3,221,478,475.61 |
| 3. Loans and advances to clients | | 237,213,288.86 | 132,025,518.82 |
| including: Secured by real estate liens EUR 0.00 (previous year: EUR 0.00) | | | |
| 4. Debt securities and other fixed-income securities | | | |
| a) Bonds and debt securities | | | |
| aa) From public issuers | 182,209,133.75 | | 295,279,610.45 |
| including: Eligible as collateral at Deutsche Bundesbank EUR 96,952,602.41 (previous year: EUR 135,819,814.84) | | | |
| ab) From other issuers | 146,670,992.26 | 328,880,126.01 | 44,149,022.42 |
| including: Eligible as collateral at Deutsche Bundesbank EUR 143,240,250.82 (previous year: EUR 0.00) | | | 339,428,632.87 |
| 5. Equities and other variable-income securities | | 7.00 | 8,232,246.70 |
| 5a. Trading portfolio | | 87,972,898.16 | 66,521,472.36 |
| 6. Equity investments | | 14,717,160.32 | 12,626,262.30 |
| including: In financial services institutions EUR 464,052.88 (previous year: EUR 464,052.88) | | | |
| 7. Intangible assets | | | |
| a) Concessions, industrial property and similar rights and assets, and licences in such rights and assets acquired for a consideration | 19,204,605.54 | | 13,293,930.79 |
| b) Goodwill | 417,772.53 | | 626,657.25 |
| c) Advance payments made | 3,669,600.24 | 23,291,978.31 | 6,565,883.00 |
| | | | 20,486,471.04 |
| 8. Property, plant and equipment | | 66,977,340.74 | 68,059,297.81 |
| 9. Other assets | | 4,083,247.52 | 19,798,281.47 |
| 10. Prepaid expenses and deferred charges | | 15,420,096.70 | 8,571,504.83 |
| 11. Excess of plan assets over pension liabilities | | 16,015,889.56 | 10,098,542.48 |
| Total assets | | 4,824,709,059.04 | 3,938,077,536.51 |

| Equity and liabilities in EUR | | 31/12/2024 | 31/12/2023 | |
|--|------------------|-------------------------|------------------|-------------------------|
| 1. Bank loans and advances | | | | |
| a) Due on demand | 51,071,200.21 | | 73,046,307.99 | |
| b) With agreed term or notice period | 8,740,063.26 | 59,811,263.47 | 2,588,337.20 | 75,634,645.19 |
| 2. Liabilities to clients | | | | |
| a) Other liabilities | | | | |
| aa) Due on demand | 4,324,186,422.06 | | 3,487,695,725.66 | |
| ab) With agreed term or notice period | 43,188,513.31 | 4,367,374,935.37 | 58,437,449.60 | 3,546,133,175.26 |
| 3. Trading portfolio | | 12,865,075.52 | | 11,356,118.38 |
| 4. Other liabilities | | 50,975,110.53 | | 48,290,602.39 |
| 5. Prepaid expenses and deferred charges | | 141,307.79 | | 198,762.20 |
| 6. Provisions | | | | |
| a) Provisions for pensions and similar obligations | 2,838,052.40 | | 2,986,896.99 | |
| b) Tax provisions | 14,741,577.41 | | 1,869,694.26 | |
| c) Other provisions | 52,713,405.85 | 70,293,035.66 | 24,013,608.28 | 28,870,199.53 |
| 7. Fund for general banking risks | | | | |
| including: Special item pursuant to Section 340e (4) HGB | 73,861,000.00 | 73,861,000.00 | 62,081,000.00 | 62,081,000.00 |
| 8. Equity | | | | |
| a) Called up capital | | | | |
| Subscribed capital | 48,797,311.00 | | 48,797,311.00 | |
| Less nominal amount of treasury shares | 0.00 | 48,797,311.00 | 0.00 | |
| b) Capital reserve | | 43,445,358.77 | 43,445,358.77 | |
| c) Retained earnings | | | | |
| ca) Other retained earnings | 84,191,328.25 | | 70,331,807.58 | |
| cb) Difference in equity due to currency conversion | 2,342,345.63 | 86,533,673.88 | 1,999,007.79 | |
| d) Non-controlling interests | | 765,197.03 | 749,506.58 | |
| e) Consolidated net retained profit | | 9,845,790.02 | 190,041.84 | 165,513,033.56 |
| Total equity and liabilities | | 4,824,709,059.04 | | 3,938,077,536.51 |

| | | | | |
|---|--|-------------------|--|---------------|
| 1. Contingent liabilities | | | | |
| a) Liabilities from guarantees and indemnity agreements | | 560,000.00 | | 3,450.00 |
| 2. Other obligations | | | | |
| a) Irrevocable loan commitments | | 491,374.11 | | 11,179,865.69 |

Consolidated income statement

| In EUR'000 | 2024 | | 2023 | |
|--|----------------|-----------------------|-----------------|---------------------|
| 1. Interest income from | | | | |
| a) Lending and money market transactions | 141,173,666.12 | | 100,127,532.22 | |
| b) Fixed-income securities and book-entry securities | 5,174,168.69 | 146,347,834.81 | 11,096,717.42 | |
| 2. Interest expenses | | -61,751,037.65 | -12,951,968.73 | 98,272,280.91 |
| 3. Current income from | | | | |
| a) Equities and other variable-income securities | | 977,217.48 | 982,483.18 | |
| b) Equity investments | | 44,576.00 | 58,506.00 | 1,040,989.18 |
| 4. Commission income | | 202,634,030.81 | 112,680,596.06 | |
| 5. Commission expenses | | -237,342,814.40 | -163,335,599.76 | -50,655,003.70 |
| 6. Net income from the trading portfolio | | 167,655,286.02 | | 105,089,496.87 |
| 7. Revenue | | 11,542,777.06 | | 11,396,082.95 |
| 8. Other operating income | | 17,554,606.63 | | 5,679,591.01 |
| 9. General administrative expenses | | | | |
| a) Personnel expenses | | | | |
| aa) Salaries and wages | -82,581,528.50 | | -62,967,158.21 | |
| ab) Social security and expenses for retirement benefits and support | -9,596,580.93 | -92,178,109.43 | -9,605,067.26 | |
| including: For retirement provisions EUR -478,537.41 (previous year: EUR -510,881.45) | | | | |
| b) Other administrative expenses | -83,260,611.75 | -175,438,721.18 | -77,187,780.28 | -149,760,005.75 |
| 10. Depreciation, amortisation and write-downs on intangible assets and property, plant and equipment | | -12,489,030.38 | | -12,013,128.32 |
| 11. Other operating expenses | | -1,723,302.72 | | -1,409,010.58 |
| 12. Depreciation, amortisation and write-downs on receivables and certain securities as well as allocations for provisions in credit transactions | | -10,568,938.27 | | 0.00 |
| 13. Income from the write-up of receivables and certain securities as well as the reversal of provisions in the lending business | | 0.00 | | 210,899.59 |
| 14. Depreciation, amortisation and write-downs on equity investments, shares in affiliated companies and securities treated as assets | | 0.00 | | 0.00 |
| 15. Income from write-ups of equity investments, interests in affiliated companies and securities treated as assets | | 4,506,604.49 | | 2,916,278.53 |
| 16. Expenses from the addition to the Fund for general banking risks | | -11,780,000.00 | | -6,810,000.00 |
| of which: Additions pursuant to Section 340e (4) HGB EUR -11,780,000.00 (previous year: EUR -6,810,000.00) | | | | |
| 17. Profit/loss on ordinary activities | | 40,169,088.70 | | 3,958,470.69 |

Continued on next page

for the period from 1 January 2023 to 31 December 2024

| In EUR'000 | | 2024 | 2023 |
|--|----------------|----------------|---------------|
| 18. Taxes on income | | -16,562,913.89 | -1,073,927.45 |
| 19. Other taxes not reported under Item 11 | | -75,215.51 | -55,818.18 |
| 20. Group results | | 23,530,959.30 | 2,828,725.06 |
| 21. Non-controlling interests | | -15,690.45 | -37,702.44 |
| 22. Profit of the parent company brought forward | | 190,041.84 | 227,553.82 |
| 23. Withdrawals from retained earnings | | | |
| a) From other retained earnings | 3,848,099.59 | 3,848,099.59 | 3,707,966.51 |
| 24. Transfers to retained earnings | | | |
| a) To other retained earnings | -17,707,620.26 | -17,707,620.26 | -6,536,501.11 |
| 25. Consolidated net retained profit | | 9,845,790.02 | 190,041.84 |

Statement of changes in equity Financial year 2024

| In EUR'000 | Mutterunternehmen | | | | |
|---|--|------------------|---|----------------------------------|---------|
| | Subscribed capital/ Ordinary shares | Capital reserves | Reserves | | Total |
| | | | Retained earnings/ Other retained earnings | Consolidated net retained profit | |
| As at 1 January 2024 | 48,797 | 43,446 | 70,332 | 190 | 162,765 |
| Distribution | 0 | 0 | 0 | 0 | 0 |
| Transfer to/ withdrawal from retained earnings | 0 | 0 | 13,859 | -13,859 | 0 |
| Other changes | 0 | 0 | 0 | 0 | 0 |
| Consolidated net profit/ loss for the year | 0 | 0 | 0 | 23,515 | 23,515 |
| Currency translation | 0 | 0 | 0 | 0 | 0 |
| As at 31 December 2024 | 48,797 | 43,446 | 84,191 | 9,846 | 186,280 |

Statement of changes in equity Financial year 2023

| In EUR'000 | Parent company | | | |
|--|--|------------------|-----------------------|---------------------------|
| | Subscribed capital/ Ordinary shares | Capital reserves | Consolidated earnings | |
| | | | Retained earnings | Balance sheet profit/loss |
| As at 1 January 2023 | 48,797 | 43,446 | 66,174 | 4,167 |
| Purchase/ withdrawal of treasury shares | 0 | 0 | 0 | 0 |
| Dividends paid | 0 | 0 | 0 | -2,439 |
| Change in scope of consolidation | 0 | 0 | 0 | 0 |
| Other changes | 0 | 0 | -171 | 0 |
| Consolidated net profit for the year | 0 | 0 | 0 | 2,791 |
| Other consolidated income | 0 | 0 | 0 | 0 |
| Total comprehensive income | 0 | 0 | 0 | 2,791 |
| Transfer to/ withdrawal from reserves | 0 | 0 | 4,329 | -4,329 |
| As at 31 December 2023 | 48,797 | 43,446 | 70,332 | 190 |

| Non-controlling interests | Accumulated other consolidated income/ Adjustment items from foreign currency translation | Total | Consolidated equity |
|---------------------------|---|-------|---------------------|
| 749 | 1,999 | 2,748 | 165,513 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 16 | 0 | 16 | 23,531 |
| 0 | 343 | 343 | 343 |
| 765 | 2,342 | 3,107 | 189,387 |

| Treasury shares | Equity | Difference in equity due to currency translation | Non-controlling interests | Consolidated equity |
|-----------------|---------|---|---------------------------|---------------------|
| 0 | 162,584 | 1,456 | 899 | 164,939 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | -2,439 | 0 | -188 | -2,627 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | -171 | 0 | 0 | -171 |
| 0 | 2,791 | 0 | 38 | 2,829 |
| 0 | 0 | 543 | 0 | 543 |
| 0 | 2,791 | 543 | 38 | 3,372 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 162,765 | 1,999 | 749 | 165,513 |

Cash flow statement

| In EUR'000 | 2024 | 2023 |
|---|------------------------------|------------------------------|
| 1. Net income/loss for the period (incl. shares of minority interests) | 23,531 | 2,829 |
| Non-cash items and reconciliation to the cash flow from ordinary activities included in net income/loss for the period | | |
| 2. Amortisation and depreciation, write-downs and write-ups on receivables and fixed assets | 9,911 | 7,359 |
| 3. Change in provisions | 41,423 | 4,107 |
| 4. Other non-cash expenses/income | 31,880 | -2,274 |
| 5. Gains and losses from the disposal of fixed assets | -1,526 | 1,565 |
| 6. Other adjustments (net) | -91,421 | -89,119 |
| 7. Sub-total | 13,798 | -75,533 |
| Change in assets and liabilities from ordinary activities | | |
| 8. Loans and advances | | |
| 8a. Towards banks | 43,194 | -73,316 |
| 8b. Towards clients | -118,643 | -42,292 |
| 9. Securities (unless fixed assets) | -132,509 | 206,696 |
| 10. Other assets from operating activities | 1,068 | -9,182 |
| 11. Liabilities | | |
| 11a. Towards banks | -15,823 | -42,010 |
| 11b. Towards clients | 821,565 | 1,552,270 |
| 12. Liabilities held for trading | 1,509 | 8,161 |
| 13. Other liabilities from operating activities | 2,627 | 32,875 |
| 14. Interest and dividends received | 155,209 | 104,839 |
| 15. Interest paid | -62,075 | -12,631 |
| 16. Income tax payments | -1,713 | -3,260 |
| 17. Cash flow from operating activities | 708,207 | 1,646,617 |
| 18. Proceeds from the disposal of | | |
| 18a. Financial assets | 296,813 | 428,045 |
| 19. Payments made for investments in | | |
| 19a. Financial assets | -169,192 | -436,028 |
| 19b. Property, plant and equipment | -7,537 | -3,840 |
| 19c. Intangible assets | -6,804 | -10,869 |
| 20. Proceeds from the sale of consolidated companies and other business units | 0 | 0 |
| 21. Cash flow from investing activities | 113,280 | -22,692 |
| 22. Payments to business owners and minority interests | | |
| 22a. Dividend payments | 0 | -2,627 |
| 22b. Other payments | 0 | 0 |
| 23. Changes in cash flow from other loan capital (net) | 0 | 0 |
| 24. Cash flow from financing activities | 0 | -2,627 |
| 25. Net change in cash and cash equivalents (the sum of 17, 21 and 24) | 821,487 | 1,621,298 |
| 26. Effects of changes in exchange rates and measurement on cash and cash equivalents | 366 | 470 |
| 27. Changes in cash and cash equivalents due to the scope of consolidation | 0 | 0 |
| 28. Cash and cash equivalents at start of period | 3,086,368¹ | 1,464,600¹ |
| 29. Cash and cash equivalents at end of period | 3,908,221 | 3,086,368 |

¹ Sight deposits are included if they are used to meet short-term payment obligations.

Notes to the Consolidated Financial Statements

I. Basis of preparation

The consolidated financial statements of Baader Bank AG for financial year 2024 were prepared for the higher-level group of companies in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) and the German Regulation on Accounting Principles for Banks, Financial Services Institutions and Securities Institutions (Verordnung über die Rechnungslegung der Kreditinstitute, Finanzdienstleistungsinstitute und Wertpapierinstitute – RechKredV). The provisions of the German Stock Corporation Act (Aktiengesetz – AktG) were observed.

The consolidated financial statements are also based on the standards issued by the Accounting Standards Committee of Germany (Deutsches Rechnungslegungs Standards Committee e.V. – DRSC) and published by the Federal Ministry of Justice and Consumer Protection (Bundesministerium der Justiz und für Verbraucherschutz – BMJV) pursuant to Section 342 (2) HGB.

In addition to the consolidated balance sheet and the consolidated income statement, the consolidated financial statements also include the statement of changes in equity, cash flow statement and notes to the consolidated financial statements as additional components. The option pursuant to Section 297 (1) Sentence 2 HGB was not exercised and segment information is not reported.

For the purposes of clarity, all amounts are reported in thousands of euro. For computational reasons, rounding differences of +/- one unit can occur in the tables.

The reporting date is 31 December 2024. The financial year is the same as the calendar year. Baader Bank Aktiengesellschaft, with headquarters in Unterschleißheim, Germany, is registered at the Munich Local Court under commercial register number HRB 121537.

II. Accounting policies

When measuring assets and liabilities reported in the consolidated financial statements, the general measurement principles (Sections 252 et seq. HGB), the special provisions for companies limited by shares (Sections 264 et seq. HGB), the supplementary provisions applying to banks and financial services institutions (Sections 340 et seq. HGB) and the provisions of RechKredV were observed.

In the interests of better clarity and ease of understanding, the notes optionally required on the balance sheet, income statement and notes to the annual financial statements are presented in the notes to the annual financial statements. Individual items that are summarised in the balance sheet and the income statement are broken down in the notes.

The following accounting policies were applied:

Cash reserves

Cash reserves were recognised at the nominal amount.

Loans and advances

Loans and advances to banks and clients are generally recognised at their nominal amount or acquisition cost and are reduced by adequate write-downs where necessary. Offsetting permitted pursuant to Section 340f (3) HGB is applied. To take account of the principle of prudence in accordance with Section 252 (1) No. 4 HGB, in accordance with IDW RS BFA Statement 7, general value adjustments are carried out. The regulations are applied to the balance sheet items Loans and advances to banks and Loans and advances to clients (Sections 14, 15 RechKredV). In addition, contingent liabilities and other obligations (Sections 26, 27 RechKredV) also fall within the substantive scope of application. Based on the portfolio structure with a focus on portfolios due on demand, the 12-month expected loss calculation was selected as a risk model. Accordingly, the parameters used to calculate the loss are probability of default (PD), loss given default (LGD) and the expected exposure at default (EAD). There is a balance between risk premiums and expected risk at the time of lending, and the counterparty default risk has not increased significantly as at the reporting date. In the financial year, there was no significant increase in the default risk and no general deterioration in the economic situation with a demonstrable impact on the lending portfolio.

Securities (excluding trading portfolio)

Securities that are intended to be held on a long-term basis are recognised as financial assets under the modified lower of cost or market principle at amortised cost pursuant to Section 253 (1) and (3) HGB. In the event that an impairment is likely to be permanent, write-downs are performed at the lower fair value. If necessary, write-ups are carried out in accordance with the requirement to reverse impairments (Section 253 (5) HGB). Market values are used to calculate the fair value of the securities measured as fixed assets. In the absence of an active market, the fair value is determined using recognised valuation models. Offsetting permitted pursuant to Section 340c (2) HGB is applied. The measurement option pursuant to Section 340e (1) Sentence 3 HGB in conjunction with Section 253 (3) Sentence 6 HGB is not exercised.

Securities that are not intended for use in business operations on an ongoing basis and are not allocated to the trading portfolio (securities of the liquidity reserve) are recognised as current assets at their acquisition cost or at their stock market value or fair value if lower, under the strict lower of cost or market principle pursuant to Section 253 (1) and (4) HGB.

Fair value in accordance with Section 255 (4) HGB generally corresponds to the market price. If no market price can be established on the reporting date, the fair value is determined using generally accepted measurement models. If no fair value can be calculated, the acquisition cost is amortised as set out in Section 255 (4) Sentence 3 HGB.

Trading portfolio

Financial instruments in the trading portfolio are initially measured at acquisition cost. Subsequent measurement is carried out in accordance with Section 340e (3) HGB in conjunction with IDW RS BFA Statements 2 and 5 at fair value less a risk discount for financial assets, or plus a risk premium for financial liabilities. If there is no daily market valuation for derivative financial instruments, the fair value for options is determined by means of the Black–Scholes model; the arbitrage-free valuation model is used for futures. Baader Bank AG values American options using the Barone–Adesi/Whaley approximation (1987). Foreign currency options are valued using the Garman/Kohlhagen model (1983).

The starting point for calculating the risk discount is the value at risk (VaR) measure. Value at risk refers to a risk measurement that indicates the level of loss on the portfolio in question that will not be exceeded with a given probability over a given time horizon. Baader Bank AG uses the Monte Carlo simulation to calculate the market price risk. A confidence level of 99.9 % is assumed for the calculation and the required parameters (volatilities, correlations etc.) are estimated on the basis of historical data. This is done using the exponential smoothing method so that, with the selected decay factor of 0.97, the last 98 days or so have the greatest effect on the parameters – 95 % when considered cumulatively. For the purposes of risk discount, (de facto) holding periods relevant to the portfolio of between 0.25 and 3 days are used for the calculation as at 31 December 2024.

The risk discount is determined for all portfolios relating to assets and liabilities held for trading. As it is not possible to correctly allocate this amount to the trading portfolio assets and liabilities for the individual classes, the risk discount is in general taken into account for the larger of the respective portfolios. The trading portfolio assets were allocated as at 31 December 2024.

Securities lending

As the parent company, Baader Bank AG enters into securities lending agreements almost exclusively for the purpose of fulfilling delivery obligations arising from market making transactions. They are capitalised at the acquisition costs resulting from the price agreed with the lender. The securities are allocated to the trading portfolio. A return obligation liability is recorded for the same amount.

Reclassification

The allocation of receivables and securities to the trading portfolio, liquidity reserve or assets measured as fixed assets is based on their purpose at the time of acquisition (Section 247 (1) and (2) HGB).

Reclassification to the trading portfolio is not permitted and reclassification from the trading portfolio is only possible if extraordinary circumstances, in particular significant impairments in the fungibility of the financial instruments, result in them not being held for trading.

Reclassification between the categories of liquidity reserves and assets treated as investments takes place if the established purpose has changed since initial recognition and this change is documented. The reclassification of receivables or securities takes place at the time of the change in purpose.

In financial year 2024, there were no reclassifications and no changes to the Bank's internal criteria for including financial instruments in the trading portfolio.

Derivative financial instruments in the trading portfolio

Derivative financial transactions are recognised and measured as follows:

- Option premiums paid as part of the purchase of call or put options are recognised as trading portfolio assets and measured at fair value less a risk discount.
- Option premiums received from the sale of call or put options are recognised as trading portfolio liabilities and measured at fair value plus a risk premium.
- Margin receivables from futures transactions are accounted for at their nominal amount as other assets.
- Margin obligations from futures transactions are accounted for at their nominal amount as other liabilities.

Loss-free measurement of interest-rate-based transactions in the banking book

The new version of IDW RS BFA Statement 3 provides guidance on specific issues related to the loss-free measurement of the banking book in accordance with HGB. Banks' business activities in the context of the banking book generally do not allow direct allocation of individual financial instruments to each other. The banking book is managed as a single unit. For interest-

rate-based assets and liabilities in the banking book, the principle of prudence under commercial law is adhered to. In accordance with Section 249 HGB, a "provision for anticipated losses" is recognised for the necessary expenses expected in relation to management of the banking book (refinancing, risk and administrative costs) to cover any potential excess liability.

In defining the scope of the banking book, Baader Bank AG exercised the option not to include the directly allocable refinancing of non-interest-bearing assets or the corresponding assets. Baader Bank AG uses the periodic method to calculate the provision for anticipated losses. According to this approach, a provision for anticipated losses is recognised if the sum of discounted net profits or losses for future periods from the banking book is negative. Risk costs and administrative costs are taken into account by applying a deduction to the cash flows. There is no excess liability for the Baader Bank Group as at the balance sheet date. There is thus no requirement to recognise a provision for anticipated losses in relation to loss-free measurement.

Equity investments

Equity investments are accounted for in accordance with the regulations applicable to assets at amortised cost. If an impairment appears to be permanent, unscheduled depreciation is undertaken. If the reasons that led to a write-down no longer exist, the write-down is reversed up to a maximum of the acquisition cost. See also the "Securities (excluding trading portfolio)" section for more information on the determination of the fair value. Standardised Group accounting and valuation principles were not applied to the associates if the effects on assets and earnings resulting from not carrying out any modifications were not material.

Intangible assets and property, plant and equipment

The Baader Bank Group reports its standard computer software under intangible assets. Purchased intangible assets are measured at cost net of straight-line scheduled amortisation. If an impairment appears to be permanent, unscheduled depreciation is undertaken.

Property, plant and equipment are measured at their acquisition costs less scheduled straight-line depreciation. Depreciation is calculated on a pro rata basis. Low-value assets with a value of up to EUR 250.00 (net) are recognised immediately as expenses through the income statement. In addition, low-value assets with a value of up to EUR 1,000.00 are recognised in an annual collective line item and depreciated over five years on a straight-line basis. The actual useful lives of the low-value assets combined in the collective item, or their disposals, are not taken into account.

To determine the individual useful lives, the Federal Ministry of Finance's depreciation tables for fixed assets in general use (AfA tables) are consulted and technical wear and tear is used as a reference. In individual cases and where there are economic reasons to do so, a longer useful life will be estimated.

Advance payments made on intangible assets and property, plant and equipment are recognised at their nominal amount and written down to an appropriate value where necessary.

Other assets

Other assets are recognised at their nominal amount net of any necessary amortisation, depreciation or write-downs.

Prepaid expenses and deferred charges

Transitory items are recognised under prepaid expenses and deferred income. They are reversed at the time that the recognised expense or income has arisen from an economic point of view.

Liabilities and provisions

Liabilities are recognised at their settlement amounts.

Pension provisions are measured using the pro rata degressive projected unit credit method, applying the average market interest rate resulting from an assumed remaining duration of 15 years (10-year average). As at the reporting date, the Deutsche Bundesbank (the German central bank) had set this interest rate at 1.90 %. The comparative interest rate used for the required disclosures in the notes to the annual financial statements (7-year average) is 1.96 % and is also set by the Deutsche Bundesbank.

Assets used exclusively for meeting pension obligations are settled at this rate in accordance with Section 246 (2) Sentence 2 HGB.

Other provisions are measured at their required settlement amount arising in compliance with Section 253 (1) HGB in accordance with the principles of prudent commercial judgement. If the expected remaining term of a provision is more than one year, the provision is discounted using the interest rate published by the Deutsche Bundesbank for the respective remaining term.

Fund for general banking risks

The Fund for general banking risks includes amounts required to secure against general banking risks, in accordance with prudent commercial judgement.

Under Section 340e (4) HGB, banks are required to create a special "Fund for general banking risks" item in accordance with Section 340g HGB. At least 10 % of the net income generated by the trading portfolio is to be allocated annually to this special item in order to cover the special risks arising from valuation at fair value. The special item is to be funded annually with at least 10 % of the net income generated by the trading portfolio until it reaches at least 50 % of the average annual net income from the trading portfolio over the last five years prior to the date of calculation (minimum level).

Equity

Subscribed capital is recognised at the nominal amount. Capital reserves include premiums from the issue of shares. In addition, retained earnings includes amounts recognised from earnings in the financial year or in a previous financial year.

Deferred taxes

Where differences arise between the carrying amounts under commercial law of assets, liabilities and deferred items, and their values under tax law, and where these differences are expected to be reversed in future financial years, a deferred tax liability must be recognised on the balance sheet if such differences result in a net tax expense. If these differences result in net tax income, a deferred tax asset may be recognised.

The current surplus as at 31 December 2024 is not recognised in the balance sheet when exercising the right of election under Section 274 (1) Sentence 2 HGB. Furthermore, there were no deferred taxes as part of consolidation measures in accordance with Section 306 HGB.

Currency translation

Gains or losses from foreign currency translation are in principle treated depending on whether the foreign currency transactions are allocated to the trading portfolio or covered specifically. There was no specific cover as at the balance sheet date. If the gains or losses are allocated to the trading portfolio, both the expenses and the income from the foreign currency translation are recognised through the income statement and shown under other operating result. For foreign currency items with a remaining term of up to one year, gross expenses and income are likewise recognised under other operating result. However, for foreign currency items with a remaining term of more than one year,

only the expenses from the foreign currency translation are taken into account through the income statement in accordance with the imparity principle and recognised under other operating expenses.

The asset and liability items for balances in foreign currencies are translated into euro at the mean spot exchange rate on the reporting date, with the exception of equity, which is translated into euro at the historical rate. The items in the income statement are converted into euro on a monthly basis at the average exchange rate. A difference resulting from the conversion is reported within the consolidated equity as a "Difference in equity due to currency translation". There were no currency translation differences resulting from debt consolidation or elimination of interim results.

Net commission income

Net commission income includes income and expenses that are part of the service business. According to Section 30 RechKredV, these include payment transactions, foreign trade business, securities commission business and account business.

In addition, trade-induced commission expenses resulting from brokerage fees from order flow providers are reported within net commission income.

III. Changes in accounting policies

There were no changes in valuation and accounting methods in the financial year 2024. However, there was a change in the reporting methods.

In deviation from the 2023 financial year, there was a reporting change in the amount of EUR 43 million in relation to contractually agreed compensation payments that were previously reported under net interest income (neutralisation of interest expense) but are reported under net commission income (commission income) from the 2024 financial year. The background to this change is the commission nature of the payment, which is clearly connected with the provision of banking services. As this reporting change is in the income statement, there are no overall effects on the net assets, financial position and results of operations affecting net income. The comparability of the net interest income (interest expense) and the net commission income (commission income) compared to the previous year is limited.

IV. Scope of consolidation

The consolidated financial statements as at 31 December 2024 include Baader Bank AG as the parent company and a total of six subsidiaries (previous year: six subsidiaries) (Baader Bank Group). Baader Bank AG holds more than 50 % of the shares in these subsidiaries, directly or indirectly, or exercises control over them. Two of these companies are based in Germany, and four have their headquarters abroad.

The following companies were included in the consolidated financial statements as at 31 December 2024, and were consolidated in full:

| Name/headquarters | Share of capital % | Share capital EUR'000 | Equity EUR'000 | Total assets EUR'000 | Net income EUR'000 | First-time consolidation |
|--|-----------------------|--------------------------|-------------------|-------------------------|-----------------------|--------------------------|
| Baader Helvea AG, Zurich (Switzerland) ² | 100.00 | 5,428 | 8,938 | 10,010 | -764 | 31 August 2013 |
| Baader Helvea Inc., New York (United States of America) ^{1,3} | 100.00 | 1,597 | 4,353 | 4,743 | 934 | 31 August 2013 |
| Baader Helvea Ltd., London (United Kingdom) ^{1,4} | 100.00 | 943 | 5,483 | 6,085 | 1,185 | 31 August 2013 |
| Baader & Heins Capital Management AG, Unterschleissheim | 75.00 | 50 | 2,742 | 3,578 | 63 | 1 January 2005 |
| Selan Holding GmbH, Unterschleissheim | 100.00 | 25 | 8,623 | 8,625 | -11 | 1 January 2017 |
| Selan d.o.o., Senj (Croatia) ⁵ | 100.00 | 2,145 | 30,598 | 34,528 | 3,136 | 1 January 2017 |

¹ Indirect holding via the investment in Baader Helvea AG, Zurich. | ² The figures for the financial year as at 31 December 2024 have been translated (EUR/CHF 0.94120). | ³ The figures for the financial year as at 31 December 2024 have been translated (EUR/USD 1.03890). | ⁴ The figures for the financial year as at 31 December 2024 have been translated (EUR/GBP 0.82918). | ⁵ Indirect holding via the investment in Selan Holding GmbH, Unterschleissheim.

There were no changes to the scope of consolidation in the financial year 2024.

In **Baader Unterstützungskasse e.V., Unterschleissheim**, Baader Bank AG maintains a special purpose vehicle within the meaning of Section 290 (2) No. 4 HGB for which there is, in principle, an obligation to include the same in the consolidated financial statements. However, due to immateriality it was not consolidated on 31 December 2024, as permitted by Section 296 (2) Sentence 1 HGB.

No associates are included in the consolidated financial statements as at the reporting date.

V. Consolidation methods

The consolidated financial statements include financial information on Baader Bank AG as the parent company and its subsidiaries, and present the individual Group companies as a single economic entity (Baader Bank Group).

Subsidiaries

The subsidiaries of the Baader Bank Group are the entities that it controls. The Baader Bank Group has a controlling influence on the subsidiaries if it can determine their financial and business policies. This is generally assumed if the Baader Bank Group holds a direct or indirect equity interest in more than half of the voting rights in the company. The existence of potential voting rights that are currently exercisable or convertible is taken into account when assessing whether the Group controls another company. There were no potential voting rights as at the reporting date.

Subsidiaries are fully consolidated from the point in time the Baader Bank Group acquires a controlling influence. The consolidation ends at the time when the controlling influence no longer exists.

The Baader Bank Group reviews previous consolidation decisions to ensure that they are still appropriate at the end of every financial year, at a minimum. Likewise, any organisational changes are taken into account immediately. Besides changes in ownership, these also include any changes to the Group's existing contractual obligations and any new obligations entered into with an entity.

The financial statements of the subsidiaries included in the Baader Bank Group are prepared according to uniform accounting policies.

Subsidiaries are generally fully consolidated in accordance with the principles set out in Sections 300 et seq. HGB.

Article 66 (3) Sentence 4 of the Introductory Act to the German Commercial Code (Einführungsgesetz zum Handelsgesetzbuch – EGHGB) provides for the option of using the carrying amount method for the capital consolidation of subsidiaries (acquired before 31 December 2009), depending on the method of acquisition.

In addition, pursuant to Section 301 (1) HGB, it is mandatory to use the revaluation method for acquisitions from 1 January 2010.

The Baader Bank Group makes use of this option and continues to use the carrying amount method for all subsidiaries acquired up to 31 December 2008. The revaluation method is used for subsidiaries acquired from 1 January 2009.

If necessary, the assets and liabilities included in the consolidated financial statements in accordance with Section 300 (2) HGB are valued uniformly in accordance with the accounting principles applicable to the annual financial statements of the parent company.

Carrying amount method

Consolidation is based on the carrying amounts reported in the individual financial statements. The proportion of equity attributable to the consolidated subsidiary is offset against the carrying amount of the investment that the Group companies hold in the subsidiary. Information about the calculation of the carrying amount of investments is presented in the separate "Equity investments" section.

The difference between the proportional equity and the carrying amount of the investments is allocated to the hidden reserves and charges attributable to the subsidiary's assets and liabilities in proportion to the amount of holdings. The remaining difference represents goodwill or negative goodwill. The goodwill resulting from this process was offset against revenue reserves in accordance with Section 309 (1) Sentence 3 HGB (old).

Revaluation method

At the time of acquisition, the net assets of the subsidiary are revalued at fair value. In addition to calculating the fair value of assets and liabilities that have already been recognised on the balance sheet, assets and liabilities that have not yet been recognised are also recorded. The revaluation of the assets and liabilities results in a revaluation of equity. The portion of equity attributable to the Group companies is offset against the acquisition cost and the difference represents goodwill or negative goodwill.

The writing down of goodwill takes place principally in accordance with the individual useful life.

If the Group acquires a controlling influence by gradually increasing its ownership interest, then goodwill or negative goodwill is calculated at the time of each additional acquisition.

If a subsidiary is consolidated for the first time as at 1 January of each financial year, the items in the subsidiary's income statement are fully incorporated into the consolidated income statement. If a subsidiary is consolidated for the first time during the course of the year, the items are incorporated on a pro rata basis.

Baader Bank AG generally recognises any interests in subsidiaries not included in the consolidated financial statements due to limited options for exercising rights, or for reasons of materiality (Section 296 (1) and (2) HGB), at amortised cost. Refer also to the "Equity investments" section for more information.

Associates

An associate is a company over which the Group exercises significant influence, but not a controlling influence, on decisions concerning financial and operational policy. As a rule, significant influence is presumed if the Group holds between 20 % and 50 % of the voting rights. In assessing whether the Group has the ability to exercise significant influence on another company, the existence and the effect of potential voting rights that are currently exercisable or convertible are taken into account.

Examples of other factors used in assessing significant influence include representation on the management and supervisory boards of the company in which the investment is held, and significant transactions with the company. The presence of such factors could indicate the existence of an associate even if the Group's interest involves less than 20 % of the voting rights.

There were no potential voting rights as at the reporting date.

In accordance with Section 311 (1) HGB, interests in associates are initially recognised at acquisition cost using the equity method. In subsequent years, profits and losses and other changes in the net assets of the associate concerned increase or decrease the acquisition cost ("equity value").

The Group reviews the equity value for indications of impairment at least once a year, but always at the end of each financial year. If the equity value exceeds the fair value, unscheduled amortisation is undertaken. If the reason for the unscheduled amortisation ceases to exist, the write-down is reversed.

The writing down of goodwill takes place principally in accordance with the individual useful life. Any negative goodwill is immediately released through the income statement.

Results from transactions between Group companies and associates are eliminated in line with the existing amount of holdings.

If the Group disposes of the interests in an associate, in whole or in part, the gain or loss on disposal is determined by offsetting the disposal proceeds realised against the equity value attributable to the outgoing interest. If the Group loses significant influence over an associate but there is no change in the amount of holdings, the equity value is amortised using the cost method.

The Group's interests in associates remained unchanged in financial year 2024. As in the previous year, this figure remains unchanged at EUR 0 thousand.

VI. Notes to the balance sheet

Foreign currency holdings

As at the reporting date, assets in foreign currency amounted to (translated) EUR 86,234 thousand (previous year: EUR 83,905 thousand). Liabilities denominated in foreign currency totalled EUR 122,317 thousand (previous year: EUR 71,284 thousand).

This involved the following balance sheet items:

| | Loans and advances (clients and banks) | Securities, equity investments and associates | Other assets | Payables (clients and banks) | Other liabilities |
|----------|---|---|--------------|---------------------------------|-------------------|
| Currency | EUR ,000 | EUR ,000 | EUR ,000 | EUR ,000 | EUR ,000 |
| ARS | 14 | 0 | 0 | 14 | 0 |
| AUD | 348 | 12 | 2 | 10,518 | 32 |
| CAD | 1,185 | 0 | 0 | 1,244 | 0 |
| CHF | 16,157 | 15,768 | 1,795 | 19,871 | 986 |
| CZK | 121 | 0 | 0 | 121 | 0 |
| DKK | 1,358 | 0 | 0 | 959 | 0 |
| GBP | 3,110 | 203 | 445 | 5,198 | 646 |
| HKD | 636 | 10 | 16 | 619 | 10 |
| IDR | 2 | 0 | 0 | 0 | 0 |
| INR | 15 | 0 | 0 | 0 | 0 |
| JPY | 502 | 0 | 0 | 527 | 0 |
| MXN | 3 | 0 | 0 | 1 | 0 |
| MYR | 2 | 0 | 0 | 0 | 0 |
| NOK | 591 | 0 | 5 | 560 | 0 |
| NZD | 142 | 0 | 0 | 136 | 0 |
| OMR | 7 | 0 | 0 | 0 | 0 |
| PLN | 6 | 0 | 0 | 3 | 0 |
| SEK | 86 | 0 | 0 | 38 | 0 |
| SGD | 35 | 0 | 0 | 27 | 0 |
| THB | 137 | 0 | 0 | 0 | 0 |
| TRY | 7 | 0 | 0 | 0 | 0 |
| USD | 23,873 | 19,277 | 361 | 79,594 | 1,212 |
| ZAR | 2 | 0 | 0 | 1 | 0 |
| | 48,339 | 35,271 | 2,624 | 119,431 | 2,886 |

Foreign currency translation resulted in expenses amounting to EUR 31 thousand (previous year: EUR 80 thousand), which are recognised under other operating expenses, and income in the amount of EUR 2,681 thousand (previous year: EUR 1,488 thousand) recognised under other operating income.

Cash reserves

Cash reserves consist of credit balances with Deutsche Bundesbank in the amount of EUR 66,683 thousand (previous year: EUR 30,750 thousand).

Loans and advances to banks

Loans and advances to banks comprise bank balances due on demand in the amount of EUR 3,912,948 thousand (previous year: EUR 3,115,554 thousand) as well as loans and advances due on demand and other loans and advances in the amount of EUR 44,860 thousand (previous year: EUR 105,925 thousand). There are no receivables from associates (previous year: EUR 0 thousand).

Loans and advances to clients

Loans and advances to clients amount to EUR 237,213 thousand (previous year: EUR 132,026 thousand). Loans and advances to associates amount to EUR 0 thousand (previous year: EUR 1 thousand). There are no loans and advances to clients with an indefinite term.

Debt securities and other fixed-income securities

Debt securities and other fixed-income securities totalled EUR 328,880 thousand and do not include any receivables from affiliated companies or associates (previous year: EUR 0 thousand).

The debt securities and other fixed-income securities contain classes measured as fixed assets in the amount of EUR 149,639 thousand. The fair value for classes valued as fixed assets, which are reported above their fair value as there was no unscheduled depreciation pursuant to Section 253 (3) Sentence 6 HGB, amounted to EUR 53,728 thousand as at 31 December 2024 (carrying amount: EUR 53,916 thousand). There are no reasons for an unscheduled depreciation, as the classes concerned relate exclusively to risk-free government bonds that are not permanently impaired. The other items are allocated to the liquidity reserve.

| In EUR'000 | 31/12/2024 | 31/12/2023 |
|--|----------------|----------------|
| Bonds and debt securities | 327,878 | 331,176 |
| Accrued interest | 1,002 | 8,253 |
| Debt securities and other fixed-income securities | 328,880 | 339,429 |

In the coming year, bonds and debt securities totalling EUR 189,138 thousand will fall due.

Equities and other variable-income securities

As of 31 December 2024, the Baader Bank Group does not report any investment interests under equities and other variable-income securities.

Breakdown of residual maturities

The maturities of the loans and advances and liabilities reported in the balance sheet are as follows:

| In EUR'000 | Up to 3 months | More than 3 months up to 1 year | More than 1 year up to 5 years | More than 5 years |
|--|----------------|---------------------------------|--------------------------------|-------------------|
| Other loans and advances to banks | 5,647 | 0 | 0 | 0 |
| Loans and advances to clients | 233,704 | 3,509 | 0 | 0 |
| Bank loans and advances with an agreed term or notice period | 8,740 | 0 | 0 | 0 |
| Other liabilities to clients with an agreed term or notice period | 2,533 | 10,655 | 5,000 | 25,000 |

| In EUR'000 | Cost of acquisition or production | | | | |
|---|-----------------------------------|----------------|-------------|-----------------|------------------|
| | As at 01/01/2024 | Additions | Transfers | Disposals | As at 31/12/2024 |
| Intangible assets | 129,252 | 6,804 | 1 | -466 | 135,591 |
| Concessions, industrial property and similar rights and assets, and licenses in such rights and assets acquired for a consideration | 89,276 | 4,788 | 4,914 | -466 | 98,962 |
| Goodwill | 33,410 | 0 | 0 | 0 | 33,410 |
| Advance payments | 6,566 | 2,016 | -4,913 | 0 | 3,669 |
| Property, plant and equipment | 151,441 | 5,537 | -702 | -579 | 155,697 |
| Land and buildings | 58,529 | 84 | 0 | 0 | 58,613 |
| Furniture and office equipment | 89,732 | 6,419 | -368 | -474 | 95,309 |
| Advance payments for property, plant and equipment and assets under construction | 3,180 | 1,034 | -334 | -105 | 3,775 |
| Financial assets | 293,132 | 169,192 | 0 | -296,813 | 165,511 |
| Equity investments | 15,171 | 2,091 | 0 | 0 | 17,262 |
| Securities held as fixed assets | 277,961 | 167,101 | 0 | -296,813 | 148,249 |

Breakdown of marketable securities by listed and unlisted securities:

| In EUR'000 | Non-marketable securities | Marketable securities | |
|---|---------------------------|-----------------------|----------|
| | | Listed | Unlisted |
| Debt securities and other fixed-income securities | 0 | 328,880 | 0 |
| Equities and other variable-income securities | 0 | 0 | 0 |
| Equity investments | 13,253 | 0 | 1,464 |

Fixed assets

From the capitalised goodwill resulting from the acquisition of **Selan Holding GmbH, Unterschleissheim**, it is clear that a useful life of five years is entirely insufficient. Taking into account Section 253 (3) Sentences 3 and 4 HGB, capitalised goodwill is amortised over 10 years. In the financial year 2024, no unscheduled depreciation was carried out (previous year: EUR 0 thousand).

The movements in and composition of fixed assets are shown in the following schedule of fixed assets:

Other assets

Other assets include:

| In EUR'000 | 31/12/2024 | 31/12/2023 |
|---|--------------|---------------|
| Physical gold holdings | 0 | 13,139 |
| Other tax receivables | 2,329 | 6,189 |
| Other trade receivables | 1,686 | 406 |
| Reinsurance claims from life insurance policies | 68 | 64 |
| Other assets | 4,083 | 19,798 |

Prepaid expenses and deferred charges

Prepaid expenses and deferred charges relate to an amount of EUR 3 thousand (previous year: EUR 5 thousand) in differences from the issue of promissory note loans recognised on the assets side pursuant to Section 250 (3) HGB. This difference is released pro rata over the remaining term on a straight-line basis. The total item also relates to expenses paid in advance for services in future periods.

| Accumulated depreciation | | | | Carrying amount | |
|--------------------------|---------------|--------------------|------------------|------------------|------------------|
| As at 01/01/2024 | Of which 2024 | Of which Disposals | As at 31/12/2024 | As at 31/12/2024 | As at 31/12/2023 |
| -108,766 | -4,001 | 466 | -112,299 | 23,292 | 20,486 |
| -75,982 | -3,792 | 466 | -79,307 | 19,204 | 13,293 |
| -32,784 | -209 | 0 | -32,992 | 418 | 627 |
| 0 | 0 | 0 | 0 | 3,670 | 6,566 |
| -83,382 | -8,488 | 473 | -90,701 | 66,977 | 68,059 |
| -23,810 | -760 | 0 | -24,569 | 34,043 | 34,719 |
| -59,572 | -7,728 | 473 | -66,132 | 29,159 | 30,160 |
| 0 | 0 | 0 | 0 | 3,775 | 3,180 |
| -5,233 | 4,483 | -404 | -1,154 | 164,356 | 287,898 |
| -2,544 | 0 | 0 | -2,544 | 14,717 | 12,626 |
| -2,689 | 4,483 | -404 | 1,390 | 149,639 | 275,272 |

Bank loans and advances

Bank loans and advances are mainly used to refinance the securities trading business. There are no liabilities to associates (previous year: EUR 0 thousand).

Liabilities to clients

As at the reporting date, client deposits due on demand amounted to EUR 4,324,186 thousand (previous year: EUR 3,487,696 thousand) and liabilities to clients with an agreed term or notice period amounted to EUR 43,189 thousand (previous year: EUR 58,437 thousand), which were primarily attributed to promissory note loans issued. There are no liabilities to associates (previous year: EUR 0 thousand).

Other liabilities

Other liabilities include:

| In EUR'000 | 31/12/2024 | 31/12/2023 |
|--|---------------|---------------|
| Trade payables | 6,602 | 21,490 |
| Tax liabilities | 34,694 | 21,477 |
| Other liabilities | 9,189 | 2,694 |
| Liabilities from capital market services | 490 | 2,630 |
| Other liabilities | 50,975 | 48,291 |

Pension provisions

As at 31 December 2024, pension provisions amounted to EUR 12,769 thousand (previous year: EUR 13,672 thousand) and are determined using the procedure described in the "Liabilities and provisions" section. For the reinsurance of liabilities, precious metals (physical gold) and reinsurance policies are available.

The actuarial calculations for the Group companies are based on the following parameters:

| | 31/12/2024 | 31/12/2023 |
|-------------------------|------------------|------------------|
| Actuarial interest rate | 1.90 % | 1.82 % |
| Changes in salaries | 2.00 % or 3.00 % | 2.00 % or 3.00 % |
| Pension adjustments | 2.00 % | 2.00 % |

In compliance with Section 253 (6) HGB, a difference of EUR -50 thousand arises between the recognition of provisions using the relevant average market interest rate of the past ten financial years and the recognition of the provisions using the relevant average market interest rate of the past seven financial years.

In addition, the Klaus Heubeck "Richttafeln 2018 G" (mortality) tables were used as the basis for the calculations in both the commercial financial statements and the statements used for tax purposes as at 31 December 2024.

Plan assets

| In EUR'000 | 31/12/2024 | 31/12/2023 |
|--------------------|------------|------------|
| Cost | 18,265 | 18,402 |
| Fair value | 25,946 | 20,784 |
| Offset liabilities | 9,930 | 10,685 |

Reinsurance policies and precious metals qualifying as plan assets are netted against the pension obligations. In addition, an excess of plan assets over pension liabilities totalling EUR 16,016 thousand is reported within assets (previous year: EUR 10,099 thousand). On a net basis, this results in a balance sheet recognition of pension provisions in the amount of EUR 2,838 thousand (previous year: EUR 2,987 thousand). Income and expenses from the offset assets are recognised in the net amount of EUR 5,088 thousand in compliance with Section 246 (2) HGB under other operating income. Expenses in the amount of EUR 452 thousand were offset against income in the amount of EUR 5,540 thousand under application of Section 246 (2) Sentence 2 HGB.

Other provisions

Other provisions are comprised as follows:

| In EUR'000 | 31/12/2024 | 31/12/2023 |
|--|---------------|---------------|
| Administrative and commission expenses | 29,378 | 15,034 |
| Personnel provisions | 22,224 | 7,817 |
| Auditing, legal and consulting costs | 1,111 | 1,163 |
| Other provisions | 52,713 | 24,014 |

Fund for general banking risks

The special item was funded with EUR 73,861 thousand on the basis of additions in the amount of EUR 11,780 thousand as at the reporting date of 31 December 2024.

Trading portfolio

Assets and liabilities held for trading as at 31 December 2024 were as follows:

| Assets held for trading In EUR'000 | 31/12/2024 | 31/12/2023 |
|--|---------------|---------------|
| Derivative financial instruments | 62 | 190 |
| Debt securities and other fixed-income securities | 16,615 | 59,890 |
| Equities and other variable-income securities | 72,012 | 7,127 |
| Risk discount | -716 | -686 |
| Assets held for trading on the balance sheet | 87,973 | 66,521 |
| | | |
| Liabilities held for trading In EUR'000 | 31/12/2024 | 31/12/2023 |
| Derivative financial instruments | 44 | 43 |
| Liabilities | 12,821 | 11,313 |
| Liabilities held for trading on the balance sheet | 12,865 | 11,356 |

Valuation units

No valuation units as defined by Section 254 HGB were created in the financial year 2024.

Derivative financial instruments

Baader Bank AG uses derivative financial instruments in particular to hedge assets/liabilities and to manage the foreign currency position. In addition, small volumes of derivative financial transactions are allocated to the trading portfolio.

The procedure for recognising and measuring the assets and liabilities in the trading portfolio is described in the separate "Trading portfolio" section. At the reporting date, all derivative financial instruments were recognised at fair value, which corresponds to their market value.

The information contained in the following table is based on the requirements of Section 285 Nos. 19 and 20 HGB in conjunction with Section 36 RechKredV. The nominal values shown represent the gross volume of all purchases and sales. They are a reference value for the determination of mutually agreed compensation payments, but not for receivables and liabilities that could be included on the balance sheet.

Futures transactions

As at the reporting date, outstanding futures transactions consisted solely of forward exchange contracts as defined by Section 36 (1) RechKredV.

| Transaction type | Currency | Nominal |
|------------------|----------|---------|
| | | EUR'000 |
| Spot buy | AUD | 403 |
| Spot buy | CAD | 84 |
| Spot buy | CHF | 167 |
| Spot buy | DKK | 584 |
| Spot buy | GBP | 44 |
| Spot buy | JPY | 78 |
| Spot buy | NOK | 36 |
| Spot buy | PLN | 20 |
| Spot buy | SEK | 20 |
| Spot buy | USD | 276 |
| Futures buy | AUD | 10,173 |
| Futures buy | CHF | 7,439 |
| Futures buy | GBP | 7,238 |
| Futures buy | USD | 49,875 |
| Spot sell | AUD | -403 |
| Spot sell | CAD | -48 |
| Spot sell | CHF | -21 |
| Spot sell | DKK | -987 |
| Spot sell | GBP | 0 |
| Spot sell | JPY | -51 |
| Spot sell | NOK | -46 |
| Spot sell | PLN | -23 |
| Spot sell | SEK | -74 |
| Spot sell | USD | -9,030 |

The transactions shown relate solely to client-originated futures transactions as well as spot transactions not fulfilled as at the balance sheet date.

The valuation result for open futures transactions amounted to EUR 148 thousand (change in market value) and is reported under other assets.

The chart below depicts the extent and type of each category of derivative financial instruments measured at fair value (market value), including significant conditions that could influence the amount, timing and certainty of future cash flows (next page):

Assets held for trading

| Description | Category | Maturity | Contracts (Units) | Currency | Market price | Market value | Cost value | Carrying amount |
|------------------------------------|----------------------|--------------|-------------------|----------|--------------|--------------|--------------|---|
| ASX SPI 200™ Futures | Equity index futures | March 2025 | 4 | AUD | 8,148.00 | 814,800.00 | 834,293.80 | 19,493.80 (equivalent to EUR 11,622.82) |
| EURO STOXX 50® Index Future (FESX) | Equity index futures | March 2025 | 45 | EUR | 4,881.00 | 2,196,450.00 | 2,198,333.35 | 1,883.35 |
| Hang Seng Index Futures (HSI) | Equity index futures | March 2025 | 7 | HKD | 20,141.00 | 7,049,350.00 | 7,130,455.22 | 81,105.22 (equivalent to EUR 10,051.96) |
| E-Mini S&P 500® Future (ESLH5) | Equity index futures | March 2025 | 11 | USD | 5,935.75 | 3,264,662.50 | 3,294,156.52 | 29,494.02 (equivalent to EUR 28,389.66) |
| Volatility Index (VIX®) Future | Equity index futures | January 2025 | 15 | USD | 17.5177 | 262,765.50 | 252,028.20 | 10,737.30 (equivalent to EUR -10,335.26) |

Liabilities held for trading

| Description | Category | Maturity | Contracts (Units) | Currency | Market price | Market value | Cost value | Carrying amount |
|------------------------------------|----------------------|---------------|-------------------|----------|--------------|--------------|--------------|--|
| EURO STOXX 50® Index Future (FESX) | Equity index futures | March 2025 | 10 | EUR | 4,881.00 | 488,100.00 | 484,296.30 | 3,803.70 |
| DAX® Future (FDAX) | Equity index futures | March 2025 | 2 | EUR | 20,052.00 | 1,002,600.00 | 1,002,498.50 | 101.50 |
| EUR/USD FX Future | Forex futures | March 2025 | 20 | USD | 1.03885 | 2,597,125.00 | 2,613,039.00 | -15,914.00 (equivalent to EUR -15,318.12) |
| E-Mini NASDAQ 100® Future (NQLH5) | Equity index futures | March 2025 | 3 | USD | 21,226.50 | 1,273,590.00 | 1,296,920.04 | -23,330.04 (equivalent to EUR -22,456.48) |
| Gold Future | Commodity futures | February 2025 | 1 | USD | 2,641.00 | 264,100.00 | 266,121.90 | -2,021.90 (equivalent to EUR -1,946.19) |

Risk factors

Cash flow fluctuations arise mainly due to the change in value of the S&P/ASX 200 index (AUD 25 per contract)

Cash flow fluctuations arise mainly due to the change in value of the Euro Stoxx 50 index (EUR 10 per contract)

Cash flow fluctuations arise mainly due to the change in value of the Hang Seng index (HKD 50 per contract)

Cash flow fluctuations arise mainly due to the change in value of the S&P 500 index (USD 50 per contract)

Cash flow fluctuations arise mainly due to the change in value of the S&P 500 index (USD 1,000 per contract)

Cash flows

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

Risk factors

Cash flow fluctuations arise mainly due to the change in value of the Euro Stoxx 50 index (EUR 10 per contract)

Cash flow fluctuations arise mainly due to the change in value of the DAX index (EUR 25 per contract)

Cash flow fluctuations arise mainly due to the change in value of the foreign exchange rate (USD 125,000 per contract)

Cash flow fluctuations arise mainly due to the change in value of the Nasdaq 100 index (USD 20 per contract)

Cash flow fluctuations arise mainly due to the change in value of the commodity gold (USD 100 per contract)

Cash flows

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

- Daily: difference equalisation
- Fulfilment by delivery

Interests in investment funds

At 31 December 2024, the Baader Bank Group holds no more than a 10 % interest in special assets within the meaning of Section 1 (10) of the German Investment Code (Kapitalanlagegesetzbuch – KAGB) or investment shares in investment stock companies with variable capital within the meaning of Sections 108–123 KAGB or comparable EU investment assets or comparable foreign investment assets.

Assets transferred as collateral

For the liabilities below, assets with the collateral values indicated were deposited as collateral as at 31 December 2024:

| In EUR'000 | Mortgages | Securities (liquidity reserve) | Bank balances |
|-------------------------|-----------|--------------------------------------|------------------|
| Bank loans and advances | 0 | 0 | 28,626 |

Deferred taxes

Deferred taxes are calculated on the basis of differences in value between commercial and tax law, which mainly arise from recognition of pension provisions and the Fund for general banking risks (deferred tax assets) as well as the useful life of the office building and risk provisions (deferred tax liabilities). The tax rate used is 28.22 %. In accordance with the option under Section 274 (1) Sentence 2 HGB, the resulting asset surplus is not recognised on the balance sheet.

Equity

1. Share capital

The company's share capital amounted to EUR 48,797 thousand as at 31 December 2024 (previous year: EUR 48,797 thousand). It is subdivided into 48,797,311 (previous year: 48,797,311) no-par bearer shares (ordinary shares) with an imputed nominal value of EUR 1.00 per share.

2. Authorised capital

a) Authorised Capital 2021

The company's shareholders' meeting created Authorised Capital 2021 by means of the resolution dated 1 July 2021 having the following content:

The Board of Directors is authorised, subject to Supervisory Board approval, to increase the share capital of the company by up to a total of EUR 20,065,712 (Authorised Capital 2021) on or before 30 June 2026 by means of one or more issues of up to 20,065,712 new no-par bearer shares against cash contributions and/or contributions in kind. When using Authorised Capital 2021, shareholders must be granted a subscription right. The shares may also be acquired by one or more credit institutions or companies, within the meaning of Section 186 (5) Sentence 1 AktG, designated by the Board of Directors, with the obligation that these shares be offered to the shareholders for subscription (indirect subscription right). The Board of Directors is authorised to exclude the shareholders' statutory subscription rights with the consent of the Supervisory Board

- a) in order to exclude fractions from the subscription right;
- b) if the new shares are issued against cash contributions at an issue price that does not fall significantly below the stock market price of the shares already listed in m:access at the time the issue price is definitively set within the meaning of Section 186 (3)

Sentence 4 AktG, and provided that the total shares issued during the period in which the authorisation takes effect pursuant to Section 186 (3) Sentence 4 AktG or, if the value is lower, at the time the authorisation is exercised, do not exceed 10 % of the share capital neither at the time the authorisation takes effect nor – if the value is lower – at the time the authorisation is exercised. This 10 % limit is to be applied to those shares which were issued or sold during the period in which the authorisation was in effect until the time the respective authorisation is exercised in accordance with or corresponding to Section 186 (3) Sentence 4 AktG, with the exclusion of shareholders' subscription rights. The shares that were issued or could still be issued by the company based on the convertible debt securities and/or warrants issued at the time of the respective exercise of the authorisation must also be included if the convertible debt securities and/or warrants were issued by the company or its Group companies after the effectiveness of this authorisation in direct or corresponding application of Section 186 (3) Sentence 4 AktG under exclusion of the shareholders' subscription right;

- c) in order to issue the shares against contributions in kind to acquire businesses, interests in businesses, business units or assets, in particular dividend claims, including by means of an exchange of shares or company mergers.

The Board of Directors is authorised, subject to Supervisory Board approval, to determine the scope of the share rights and any further details for the execution of the capital increase from the Authorised Capital 2021. The Supervisory Board is authorised to adapt the Articles of Association accordingly after using the authorised capital or once the period for using the authorised capital has expired.

The decision to create Authorised Capital 2021 was submitted for entry in the commercial register on 1 July 2021. It was entered in the commercial register on 15 July 2021.

In financial year 2023, an amount of EUR 2,109,309 of Authorised Capital 2021 was used through the issue of 2,109,309 no-par bearer shares against a contribution in kind in the context of the 2023 scrip dividend. The dividend claims arising from the resolution on appropriation of profit of the ordinary shareholders' meeting of 7 July 2023 form a contribution in kind for the new shares for those shareholders who have opted to acquire shares as part of the scrip dividend.

On 31 December 2024, the remaining Authorised Capital still amounted to a total of EUR 20,065,712, which can be utilised with the approval of the Supervisory Board through the issue of up to 20,065,712 new no-par bearer shares by means of one or more issues.

b) Other authorised capital

There was no other authorised capital in financial year 2024.

3. Contingent capital

a) Contingent Capital 2020

The company's shareholders' meeting created Contingent Capital 2020 by means of the resolution dated 11 August 2020 having the following content:

The company's share capital is conditionally increased by up to EUR 22,954 thousand, divided into up to 22,954,341 no-par bearer shares (Contingent Capital 2020). The contingent capital increase will only be performed to the extent that the holders or creditors of convertible bonds, warrant-linked bonds, profit-sharing rights and other hybrid debt instruments (with or without conversion or option rights or obligations) that are issued or guaranteed by Baader Bank Aktiengesellschaft or direct or indirect majority holding companies of Baader Bank Aktiengesellschaft (group member companies within the meaning of Section 18 (1) AktG) on the basis of the resolution to authorise by the shareholders' meeting of 11 August 2020 (Authorisation 2020) up to 10 August 2025 exercise their conversion or option rights or fulfil their corresponding conversion or option obligations or the company invokes a right of substitution and no other forms of performance are selected. The new shares will be issued at an option and conversion price to be determined in accordance with Authorisation 2020. The new shares will have dividend rights starting as of the beginning of the financial year in which they are issued due to the exercise of conversion or option rights, or fulfilment of corresponding conversion or option obligations; insofar as legally permissible, the Board of Directors, subject to Supervisory Board approval and by way of derogation from Section 60 (2) AktG, may also stipulate dividend rights for new shares for a financial year that has already closed. The Board of Directors is authorised, subject to Supervisory Board approval, to determine further details for the implementation of the contingent capital increase.

b) Other contingent capital

There was no other utilisable contingent capital in financial year 2024.

4. Treasury shares

a) Authorisations to buy treasury shares

The authorisation granted by the shareholders' meeting on 1 July 2019 and limited until 30 June 2024 for the acquisition of treasury shares pursuant to Section 71 (1) No. 8 AktG was replaced by a new authorisation, which runs until 30 June 2026, by means of a resolution passed by the shareholders' meeting on 1 July 2021.

The company's shareholders' meeting on 1 July 2021 passed the following resolution:

a) The current authorisation to acquire treasury shares pursuant to Section 71 (1) No. 8 AktG, granted by the shareholders' meeting on 1 July 2019 under agenda item 7 and valid until 30 June 2024, is revoked.

b) b)
The Board of Directors is authorised to acquire treasury shares of the company up to an amount of 10 % of the current share capital with the consent of the Supervisory Board until 30 June 2026. Together with any treasury shares acquired for other reasons that are in the possession of the company or are attributable to it in accordance with Section 71a et seq. AktG, the shares acquired on the basis of this authorisation may at no time exceed 10 % of the company's share capital.

The acquisition may take place on the stock exchange or by means of a public purchase offer addressed to all shareholders of the company or a public invitation to submit offers for sale.

The equivalent value for the acquisition of the shares (excluding ancillary purchase costs) may not be more than 10 % higher or lower than the average value of the share price on the Frankfurt Stock Exchange on the last three exchange trading days before the obligation to acquire (closing price in Xetra trading or a comparable successor system replacing the Xetra system) in the event of acquisition via the stock exchange. In the event of a public purchase offer or a public invitation to the company's shareholders to submit offers for sale, the company may set either a price or a price range at which it is willing to purchase the shares. However, the purchase price (excluding ancillary purchase costs) may not – subject to adjustment during the offer period – be more than 20 % higher or lower than the average value of the share price on the Frankfurt Stock Exchange on the last three exchange trading days before the day on which the public announcement of the purchase offer takes place (closing price in Xetra trading or a comparable successor system replacing the Xetra system).

If there are significant deviations from the relevant price following publication of the formal purchase offer or the formal invitation to submit offers for sale, then the offer may be adjusted. In this case, the closing price on the Frankfurt Stock Exchange of the third trading day preceding the announcement of the adaptation is applied (in Xetra trading or a comparable successor system replacing the Xetra system). If the volume of shares offered exceeds the designated repurchase volume, then offers may be accepted in proportion to the respective shares offered or by quota (if applicable by creating transferable put options). A privileged acceptance of small offers or small contingents of offers of up to 50 shares can be provided for.

- c) The Board of Directors is authorised, with the consent of the Supervisory Board, to use treasury shares that are or have been acquired on the basis of this authorisation or authorisation granted at previous shareholders' meetings pursuant to Section 71 (1) No. 8 AktG – in a way other than via the stock exchange or by offering them to all shareholders – as a (partial) consideration in the context of corporate mergers or for the acquisition of companies, divisions, interests in companies or other assets to the exclusion of the shareholders' subscription right, to sell the treasury shares to third parties for cash, provided that the sale is transacted at a price that is not significantly lower than the trading price, or to offer the treasury shares for purchase, or to transfer them, to individuals who are employed by the company or one of its affiliates.
- d) Moreover, the Board of Directors is authorised to redeem designated shares without such redemption requiring an additional resolution by the shareholders' meeting. With the consent of the Supervisory Board, shares can also be redeemed in such a manner that the share capital does not change, but rather that through the redemption the proportion of share capital per remaining common share is increased pursuant to Section 8 (3) AktG (simplified redemption procedure according to Section 237 (3) No. 3 AktG). If the redemption is performed using the simplified

procedure, then the Supervisory Board is authorised to adjust the number of no-par bearer shares contained in the company's Articles of Association.

- e) In addition, the Board of Directors is authorised to offer to all shareholders the shares that are or have been acquired on the basis of this authorisation or authorisation granted at previous shareholders' meetings pursuant to Section 71 (1) No. 8 AktG so that they can acquire treasury shares against (partial) assignment of their entitlement to the payment of the dividend arising from the profit appropriation decision of the shareholders' meeting (scrip dividend). If the shares are used for the aforementioned purpose of the scrip dividend, the Board of Directors is authorised to exclude the subscription right.
- f) The authorisations may be exercised as a whole or in partial amounts, once or more than once, for one or more purposes, by the company or also by Group companies or by third parties for the account of the company or its Group companies.

b) Number of treasury shares

The company did not hold any treasury shares as at 31 December 2024. This is equivalent to 0 % of the share capital. The share capital held as treasury shares amounts to EUR 0.00.

Capital reserves and retained earnings

The capital reserves amounted to an unchanged EUR 43,445 thousand as at 31 December 2024 (previous year: EUR 43,445 thousand). The changes to retained earnings are presented in the statement of changes in equity of the Baader Bank Group, which forms a separate component of the consolidated financial statements.

Consolidated net retained profit

| In EUR'000 | 31/12/2024 | 31/12/2023 |
|--|---------------|--------------|
| Group results | 23,531 | 2,829 |
| Non-controlling interests | -16 | -38 |
| Consolidated income after non-controlling interests | 23,515 | 2,791 |
| Net profit/loss of the parent company brought forward | 190 | 228 |
| Withdrawals from retained earnings | 3,848 | 3,708 |
| Transfers to retained earnings | -17,708 | -6,537 |
| Consolidated net retained profit | 9,846 | 190 |

The net profit of Baader Bank AG for financial year 2024 amounted to EUR 19,156 thousand. Taking into account the profit carried forwards from previous years of EUR 190 thousand and the transfer to retained earnings of EUR 9,500 thousand in accordance with Section 268 (1) HGB, the resulting balance sheet profit is EUR 9,846 thousand. The transfer to other retained earnings in the amount of EUR 9,500,000.00 was made in accordance with Section 58 (2) AktG.

The Board of Directors proposes to the shareholders' meeting a dividend payment of EUR 0.20 per share with dividend rights, totalling EUR 9,759,462.20. The shareholders are to be granted the option of a dividend payment in cash ("cash dividend") or in the form of shares ("scrip dividend").

The Board of Directors also proposes to the shareholders' meeting that any residual balance sheet profit amount be carried forward.

Contingent liabilities

Contingent liabilities result from guarantees given to employees in the amount of EUR 560 thousand (previous year: EUR 4 thousand). No guarantees were given to members of the Board of Directors (previous year: EUR 0 thousand).

In addition, there are no revocable credit commitments to members of the Board of Directors (previous year: EUR 0 thousand).

Other obligations

There are irrevocable open loan commitments to clients totalling EUR 491 thousand (previous year: EUR 11,180 thousand).

The Bank is not aware of any significant risks from contingent liabilities or other obligations. The evaluation of the risk of utilisation is derived from risk management. The majority of contingent liabilities and other obligations include credit risks from borrowers with good credit ratings. Acute and latent credit risks are taken into account on the balance sheet by forming provisions where appropriate.

VII. Transactions not included in the balance sheet

Disclosures pursuant to Section 314 (1) No. 2a HGB

During the course of its normal business activities, the Baader Bank Group has entered into financial commitments in addition to the liabilities shown in the balance sheet as at 31 December 2024, as shown in the following table:

| | Remaining term | Financial obligation |
|--|----------------|----------------------|
| | Months | EUR'000 |
| Future payments from lease agreements for office space, usable areas and parking spaces | 1 to 108 | 5,230 |
| Future payments from vehicle lease agreements and lease agreements for furniture and office equipment | 2 to 50 | 1,616 |
| Future payments from other service agreements | 3 to 84 | 21,889 |

The Bank is not aware of any significant risks arising from transactions not included in the balance sheet that could have a negative impact on liquidity or the Baader Bank Group's ability to fulfil its existing obligations in the foreseeable future.

Disclosures pursuant to Section 314 (1) No. 2 HGB

Other significant financial obligations that are not included in the balance sheet and that are required to be reported under Section 314 (1) No. 2 HGB relate to the currently partial utilisation of capital commitments (EUR 1,896 thousand) for equity investments.

VIII. Notes to the income statement

Revenue

Revenue of EUR 11,543 thousand (previous year: EUR 11,396 thousand) relates in full to feed-in remuneration for electricity generated by the wind farm in Croatia.

Other operating income

Other operating income in the amount of EUR 17,555 thousand (previous year: EUR 5,680 thousand) relates to expenses and income from netted reinsurance policies in line with Section 246 (2) HGB (EUR 5,087 thousand), income from fringe benefits (company cars) of EUR 647 thousand and income from the reversal of provisions (EUR 31 thousand).

Furthermore, the item includes other income totalling EUR 1,962 thousand that is primarily due to pass-through project costs mainly in the context of support for capital market services and other cost reimbursements relating to the operation of the wind farm in Croatia (EUR 525 thousand).

Out-of-period income is mainly attributable to refunds for benefits received in the previous year.

Other administrative expenses

The other administrative expenses of EUR 83,261 thousand include expenses for the operation and maintenance of the wind farm in the amount of EUR 4,234 thousand.

Other operating expenses

Other operating expenses in the amount of EUR 1,723 thousand (previous year: EUR 1,409 thousand) mainly include one-off expenses arising from a business relationship in the amount of EUR 830 thousand and out-of-period expenses in the amount of EUR 190 thousand.

The out-of-period expenses primarily relate to expenses for services purchased in the previous year.

Taxes on income

The tax expense reported in financial year 2024 of EUR 16,563 thousand essentially comprises income taxes for the past financial year amounting to EUR 14,270 thousand, payments of tax refunds from previous years of EUR 231 thousand and payments of tax arrears from previous years of EUR 2,532 thousand.

IX. Additional disclosures

Controlling interests

Baader Beteiligungs GmbH, Unterschleissheim, holds a controlling interest in Baader Bank AG pursuant to Section 16 (1) AktG. A notice pursuant to Section 20 (4) AktG is available.

Employees

In the financial year 2024, the average number of staff employed was 655 (previous year: 588). Of these employees, 30 (previous year: 59) held executive positions.

Total remuneration of the Board of Directors and Supervisory Board

The total remuneration of members of the Board of the Directors for their activity during the financial year amounted to EUR 2,979 thousand (previous year: EUR 3,647 thousand).

The total remuneration of members of the Supervisory Board for their activity during the financial year amounted to EUR 350 thousand (previous year: EUR 301 thousand).

Audit fees

The following information for financial year 2024 and for the previous year relates to the total fees of audit firm KPMG AG Wirtschaftsprüfungsgesellschaft for services provided to Baader Bank AG and its fully consolidated German subsidiaries.

The fees for financial year 2024 can be broken down as follows:

| In EUR'000 | 2024 | 2023 |
|-----------------------------|--------------|--------------|
| Annual audit | 1,184 | 773 |
| Other confirmation services | 575 | 427 |
| Other services | 0 | 0 |
| Total fees | 1,758 | 1,200 |

The services provided by the auditor in addition to the audit of the annual financial statements mainly comprise the audit pursuant to Section 89 (1) of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) for the period from 1 May 2023 to 30 April 2024.

Executive bodies of the Baader Bank Group

Board of Directors

Nico Baader, Gräfelfing
(Chairman)

Occupation: Banker

Responsible for:
Group Strategy & Management,
Group Legal, Special Execution,
Credit, Group Accounting,
Back Office, Group Controlling,
Human Resources & Corporate Services,
Information Technology, Treasury,
Compliance, Internal Audit

Oliver Riedel, Lauf
(Deputy Chairman)

Occupation: Banker

Responsible for:
Distribution,
Production/Markets Operation,
Capital Markets,
Business Management Clients & Markets,
Market Making Stuttgart,
Market Making Funds/ETFs/Equities FFM,
Securitised Derivatives/Bonds,
Client Service Group,
Business Management Administration,
Fund Services

Martin Zoller
(since 1 March 2025)

Occupation: Master of Science
in Accounting & Finance

Responsible for:
Risk Management & Regulatory Reporting

Supervisory Board

Helmut Schreyer, München
(Chairman until 30 January 2025)

Former general partner at the former
Hauck & Aufhäuser Privatbankiers KGaA

Prof. Dr. Georg Heni, Freudenstadt
(Deputy Chairman)

Independent consultant, auditor

Christoph Mast, Bad Nauheim

Independent consultant, lawyer

Hagen, Starnberg
(Chairman since 30 January 2025)

Lawyer

Michael Frank, Bietigheim-Bissingen
(employee representative)

Securities trader in the Market Making
Equities Stuttgart division of Baader Bank AG

Timon Hauser, Haimhausen
(employee representative)

Deputy Head of the Group Accounting
division of Baader Bank AG

Mandates pursuant to Section 340a (4) No. 1 HGB

As at 31 December 2024, mandates on statutory supervisory committees of large incorporated companies were held. These and other noteworthy mandates are listed below:

| Mandate-holder | Company/institution in which mandate held | Mandate |
|--------------------------|---|--|
| Mr Nico Baader | Baader & Heins Capital Management AG, Unterschleissheim | Deputy Chairman of the Supervisory Board |
| Mr Oliver Riedel | Baader Helvea AG, Zurich (Switzerland) | Chairman of the Managing Board |
| | Baader Helvea Lim-ited, London (UK) | Member of the Supervisory Board of Directors |
| | Baader Helvea Inc., New York (USA) | Member of the Supervisory Board of Directors |
| Mr Kai Göhring | Baader & Heins Capital Management AG, Unterschleissheim | Chairman of the Supervisory Board |
| | LeanVal Asset Management AG, Frankfurt am Main | Member of the Supervisory Board |
| Mr Lukas Burkart | Baader Helvea Lim-ited, London (UK) | Member of the Supervisory Board of Directors |
| Mr Sebastian Niedermayer | Baader Helvea Inc., New York (USA) | Member of the Supervisory Board of Directors |
| Mr Timon Hauser | Baader Helvea AG, Zurich (Switzerland) (since 1 April 2024) | Member of the Management Board |
| | Baader Helvea Limited, London (UK) (since 1 April 2024) | Member of the Supervisory Board of Directors |
| | Baader Helvea Inc., New York (USA) (since 1 April 2024) | Member of the Supervisory Board of Directors |

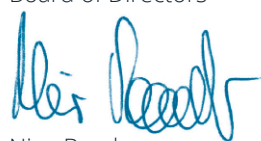
List of Baader Bank Group shareholdings

The Baader Bank Group directly holds more than 5 % of the shares in the following companies, which were not included as subsidiaries or associates as at 31 December 2024:

| Name/headquarters | Share of capital % | Last interim/ annual financial statements | Equity (total) EUR'000 | Net income for the year EUR'000 |
|---|-----------------------|---|------------------------------|---------------------------------------|
| Parsoli Corporation Ltd., Mumbai (India) | 27.36 | No current data are available as at 31 December 2024. | | |
| LeanVal Asset Management AG (formerly: Conservative Concept Portfolio Management AG), Frankfurt am Main | 19.90 | 31/12/2023 | 1,354 | 225 |
| AlphaValue SA, Paris (France) | 12.74 | 31/12/2023 | 895 | 16 |

Unterschleissheim, 12 March 2025

Baader Bank AG
Board of Directors



Nico Baader



Oliver Riedel



Martin Zoller

Appendix to the consolidated financial statements

Country-by-country reporting as at the balance sheet date 31 December 2024 of Baader Bank Aktiengesellschaft (Baader Bank AG)

According to Section 26a (1) Sentence 2 of the German Banking Act (KWG), CRR institutions must disclose additional particulars on a consolidated basis.

In the view of Baader Bank AG, the following particulars must be presented as at the balance sheet date 31 December 2024 under the disclosure requirements set out in Section 26a (1) KWG:

- The company's name, the nature of its activities and the geographical locations of the branches,
- Turnover,
- Number of salaried employees in full-time equivalents,
- Profit or loss before tax,
- Taxes on profit or loss,
- Public aid received.

Turnover is determined in accordance with the provisions of commercial law in application of the German Regulation on Accounting Principles for Banks, Financial Services Institutions and Securities Institutions (Verordnung über die Rechnungslegung der Kredit-institute, Finanzdienstleistungsinstitute und Wertpapier-institute – RechKredV) applicable to banks, financial services institutions and securities institutions. For the country-by-country reporting in accordance with Section 26a (1) Sentence 2 KWG, total turnover comprises net interest income and current income, commission income, trading income, revenue and other operating income.

Neither Baader Bank AG nor any of its subsidiaries has received any public aid.

The number of salaried employees is specified in accordance with the provisions of commercial law in accordance with Section 267 (5) HGB (average value calculated by quarterly intervals).

Breakdown by country

| Country | Turnover EUR'000 | Profit/loss before taxes EUR'000 | Taxes on profit/loss EUR'000 | Number of salaried employees in full-time equivalents |
|--------------------------------|---------------------|--|------------------------------------|--|
| Germany (EU) | 227,014 | 35,387 | -16,179 | 570 |
| United Kingdom (third country) | 3,679 | 1,604 | -419 | 3 |
| Croatia (EU) | 11,970 | 3,136 | 0 | 4 |
| Switzerland (third country) | 5,757 | -740 | -24 | 12 |
| USA (third country) | 3,989 | 959 | -25 | 3 |

Fully consolidated companies

| Company | Activities of the company | Registered office (town/city) | Country |
|--------------------------------------|---------------------------|-------------------------------|--------------------------------|
| Baader Bank AG | Bank | Unterschleissheim | Germany (EU) |
| Baader Helvea AG | Finance company | Zurich | Switzerland (third country) |
| Baader Helvea Ltd. | Finance company | London | United Kingdom (third country) |
| Baader Helvea Inc. | Finance company | New York | USA (third country) |
| Baader & Heins Capital Management AG | Finance company | Unterschleissheim | Germany (EU) |
| Selan d.o.o. | Wind farm operator | Senj | Croatia (EU) |
| Selan Holding GmbH | Holding company | Unterschleissheim | Germany (EU) |

Independent Auditor's Report

On Baader Bank AG, Unterschleissheim, Germany

Auditor's report on the consolidated financial statements and the combined management report

Audit opinions

We have audited the consolidated financial statements of Baader Bank AG, Unterschleissheim, Germany, and its subsidiaries (the Group), comprising the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the financial year from 1 January to 31 December 2024 and the notes to the consolidated financial statements, including the presentation of accounting and valuation methods. We have also audited the management report of the Company and the Group (hereinafter referred to as the "combined management report") of Baader Bank AG for the financial year from 1 January to 31 December 2024.

In accordance with German legal regulations, we have not audited the content of the parts of the combined management report named in the "Other information" section of our auditor's report.

According to our assessment based on the findings of the audit,

- the attached consolidated financial statements comply in all material respects with the German commercial law regulations applicable to institutions and, in compliance with the German principles of proper accounting, give a true and fair view of the financial position and financial performance of the Group as of 31 December 2024 and its results of operations for the financial year from 1 January to 31 December 2024, and
- the attached combined management report as a whole gives a true and fair view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Our audit opinion on the combined management report does not cover the content of the parts of the combined management report named in the "Other information" section.

In accordance with Section 322 (3) Sentence 1 of the German Commercial Code, we declare that our audit has not led to any objections to the regularity of the consolidated financial statements and the combined management report.

Basis for our audit opinions

We audited the consolidated financial statements and the combined management report in accordance with Section 317 of the German Commercial Code and the EU Statutory Auditors Regulation (No 537/2014), in accordance with the German principles of proper auditing as established by the German Institute of Public Auditors (Institut der Wirtschaftsprüfer – IDW). Our responsibility according to these regulations and principles is further described in the "Responsibility of the auditor for the audit of the consolidated financial statements and the combined management report" section of our auditor's report. We are independent of the Group companies in accordance with European law as well as German commercial and professional law regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, we declare in accordance with Article 10 (2) (f) of the EU Statutory Auditors Regulation that we have not provided any non-audit services prohibited by Article 5 (1) of the EU Statutory Auditors Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to serve as the basis for our audit opinions on the consolidated financial statements and the combined management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters which, according to our professional discretion, were most significant in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in the formation of our audit opinion. We will not provide a separate audit opinion on these matters.

Existence and calculation of net income from the trading portfolio

For the accounting and valuation methods used, please refer to Section II of the notes to the consolidated financial statements and Sections 1.2 and 2 of the combined management report.

RISK FOR THE FINANCIAL STATEMENTS

For the 2024 financial year, Baader Bank AG reported a total net income of EUR 167.7 million from the trading portfolio. This constitutes a significant source of revenue in the Baader Bank AG income statement.

The net income from the trading portfolio mainly comprises income and expenses from trading in shares, funds, exchange-traded funds (ETFs) and bonds, and is largely based on realised income contributions in the context of the activities of Baader Bank AG as a market maker on various stock exchanges and platforms.

The main risk for the financial statements is that the net income from the trading portfolio does not exist or that the incorrect amount of net income is taken into account owing to a miscalculation. Due to the large number of transactions that contribute to the net income from trading activities, Baader Bank AG has established highly automated system-based processes. It was therefore of particular importance for our audit that the processes and procedures, including the established manual and IT application-based automated controls, are fit for ensuring that net income from the trading portfolio exists and is calculated accurately.

OUR AUDIT APPROACH

Based on our risk assessment and our evaluation of the risk of error, we have based our audit opinion in particular on control-based audit procedures. Consequently, we performed a number of audit procedures, including the following:

In the context of control-based audit procedures, we assessed the adequacy, implementation and effectiveness of manual and IT application-based controls that Baader Bank AG has established to ensure that trading activity exists and is calculated correctly.

In particular, we have assessed the adequacy of the controls implemented for the settlement of trading transactions and tested their effectiveness. Our audit procedures also included, for example, mathematically replicating the automated calculation of net income from the trading portfolio. For the IT systems used, we tested the effectiveness of the regulations and procedures relating to the IT applications and supporting the effectiveness of application controls in advance of the audit together with our IT specialists.

In addition, using a sample-based audit of individual trading transactions we have verified the existence of the net income of the trading portfolio based on suitable evidence and recalculated its accuracy.

OUR CONCLUSIONS

The processes and procedures, including the established manual and IT application-related controls, are suitable for ensuring the existence and determination of the net income from the trading portfolio at the appropriate level.

Other information

The Board of Directors and the Supervisory Board are responsible for the other information. The other information comprises the following sections of the combined management report, the content of which has not been audited:

- the separate combined non-financial report of the Company and the Group, which is expected to be made available to us after the date of this auditor's report and which is referred to in the combined management report, and
- the corporate governance statement included in Section 4.1 of the combined management report.

The other information also includes the annual report, which is expected to be made available to us after the date of this auditor's report. The other information does not include the consolidated financial statements, the audited content of the combined management report or our accompanying auditor's report.

Our audit opinions on the consolidated financial statements and the combined management report do not extend to the other information, and accordingly we do not give an audit opinion or any other form of audit conclusion on this matter.

In connection with our audit, we have the responsibility to read the other information referred to above and to assess whether the other information

- contains significant inconsistencies with the consolidated financial statements, the audited content of the combined management report or our knowledge gained during the audit, or
- otherwise appears to be substantially misrepresented.

If, on the basis of the work we have undertaken on the other information obtained prior to the date of this auditor's report, we come to the conclusion that this other information is materially misrepresented, we are obliged to report this. We have nothing to report in this context.

Responsibility of the Board of Directors and the Supervisory Board for the consolidated financial statements and the combined management report

The Board of Directors is responsible for preparing the consolidated financial statements, which comply in all material respects with the German commercial law regulations applicable to institutions, and for ensuring in accordance with the German principles of proper accounting that the consolidated financial statements give a true and fair view of the Group's financial position and financial performance and its results of operations. Moreover, the Board of Directors is responsible for the internal controls which it has determined, in accordance with the German principles of proper accounting, to be necessary to enable the preparation of consolidated financial statements which are free from material misrepresentations due to either fraudulent actions (i.e. accounting manipulations and misappropriation of assets) or error.

When preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue its business activities. Furthermore, it has the responsibility to disclose matters relating to the continuation of the business, if relevant. In addition, it is responsible for accounting for the continuation of the business on the basis of the accounting principle, provided that there are no real or legal circumstances which prevent this.

Furthermore, the Board of Directors is responsible for preparing the combined management report, which as a whole gives a true and fair view of the Group's position and in all material respects is consistent with the consolidated financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development. Moreover, the Board of Directors is responsible for the precautions and measures (systems) that it has deemed necessary to enable the preparation of a combined management report in accordance with the applicable German legal regulations, and in order to be able to provide sufficient suitable evidence for the statements in the combined management report.

The Supervisory Board is responsible for monitoring the Group's accounting process for preparing the consolidated financial statements and the combined management report.

Responsibility of the auditor for the audit of the consolidated financial statements and the combined management report

Our objective is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misrepresentations due to either fraudulent actions or error, and whether the combined management report as a whole gives a true and fair view of the Group's position and in all material respects is consistent with the consolidated financial statements and with the findings gained during the audit, complies with German legal requirements and accurately presents the opportunities and risks of future development, and to issue an audit certificate that includes our audit opinions on the annual financial statements and the combined management report.

Reasonable assurance is a high level of security, but no guarantee that an audit carried out in accordance with Section 317 of the German Commercial Code and the EU Statutory Audit Regulation, in compliance with the German principles of proper statutory auditing established by the German Institute of Auditors (IDW), will always reveal a material misrepresentation. Misrepresentations may result from fraudulent actions or errors and are considered to be material if it could reasonably be expected that they may individually or collectively affect the economic decisions of those using these consolidated financial statements and the combined management report.

During the audit, we exercise our discretion and maintain a critical attitude. In addition

- We identify and assess the risks of material misstatements in the consolidated financial statements and combined management report due to fraudulent actions or errors, plan and conduct audit procedures in response to these risks, and obtain audit evidence that is sufficient and appropriate to serve as the basis for our audit opinions. The risk that a material misrepresentation resulting from fraudulent actions will not be detected is higher than the risk that a material misrepresentation resulting from errors will not be detected, since fraudulent acts may involve collusion, forgery, intentional incompleteness, misleading representations or the circumvention of internal controls.
- We gain an understanding of the internal controls relevant to the audit of the consolidated financial statements and the precautions and measures relevant to the audit of the combined management report in order to plan audit activities that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls or the precautions and measures.

- We assess the appropriateness of the accounting methods used by the Board of Directors and the validity of the estimated values and related disclosures presented by the Board of Directors.
- We draw conclusions on the appropriateness of the accounting principles applied by the Board of Directors for the continuation of the Company's activities and, on the basis of the audit evidence obtained, whether material uncertainty exists in relation to events or circumstances that may raise significant doubts about the Group's ability to continue its business activities. If we conclude that there is a material uncertainty, we are obliged to draw attention to the corresponding information in the consolidated financial statements and combined management report in the auditor's report or, if this information is inadequate, to modify our respective audit opinion. We base our conclusions on the audit evidence obtained up to the date of our auditor's report. However, future events or circumstances may lead to the Group being unable to continue its business activities.
- We assess the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in such a way that the consolidated financial statements give a true and fair view of the Group's financial position and financial performance and its results of operations in accordance with the German principles of proper accounting.
- We plan and conduct the audit of the consolidated financial statements in order to obtain adequate audit evidence for the accounting information of the companies or divisions within the Group as a basis for the formation of audit opinions on the consolidated financial statements and the combined management report. We are responsible for the guidance, supervision and review of the audit activities carried out for the purposes of the audit of the consolidated financial statements. We are solely responsible for our audit opinions.
- We assess the combined management report's consistency with the consolidated financial statements, its compliance with the law and the view it provides of the Group's position.
- We perform audit procedures on the future-oriented statements presented by the Board of Directors in the combined management report. On the basis of sufficient appropriate audit evidence, we particularly trace the significant assumptions underlying the future-oriented statements made by the Board of Directors and assess the appropriate derivation of the future-oriented statements from these assumptions. We do not give an independent assessment of the future-oriented statements or the underlying assumptions. There is a significant, unavoidable risk that future events will differ materially from the future-oriented statements.

We discuss with those responsible for monitoring, among other things, the planned scope and timing of the audit as well as important audit findings, including any major deficiencies in the internal controls that we discover during our audit.

We make a statement to those responsible for monitoring that we have complied with the relevant independence requirements and discuss with them all relations and other matters which can reasonably be thought to have an impact on our independence and, where relevant, the actions or safeguards taken to eliminate any threats to our independence.

We determine, based on the findings that we have discussed with those responsible for monitoring, the findings that were most significant in the audit of the consolidated financial statements for the current reporting period and are therefore the key audit matters. We describe these findings in the auditor's report unless laws or other legislation preclude the public disclosure of the findings.

Other statutory and other legal requirements

Other statements pursuant to Article 10 of the EU Statutory Audit Regulation

We were selected as the auditors of the consolidated financial statements by the shareholders' meeting on 4 July 2024. We were appointed by the Supervisory Board on 23 September 2024. We have been working as the auditors of the consolidated financial statements of Baader Bank AG continuously since the 2023 financial year.

We declare that the audit opinions contained in this auditor's report are in line with the additional report to the audit committee pursuant to Article 11 of the EU Statutory Audit Regulation (audit report).

Responsible auditor

The auditor responsible for the audit is Franz Haider.

Munich, 14 March 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

Haider
Auditor

Ruoff
Auditor

Information and Service

The Annual Report 2024 was published in German and English. The report is available as PDF on the Internet www.baaderbank.de/Investor-Relations/News-and-financial-reports

Further information about Baader Bank can be found on the Internet at www.baaderbank.de

Editor

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Page 6 and 7:

Claudia Kempf, Studio Claudia Kempf, Wuppertal
www.claudiakempf.com

Cover, Page 1 to 8:

envato market (Author: ScorpVFX)
www.videohive.net

Baader Bank AG is a joint-stock company under German law with its headquarters in Munich.

Baader Bank AG is registered at the Munich District Court under HRB 121537 and is supervised by the German Federal Financial Supervisory Authority (BaFin), Marie-Curie-Strasse 24–28, 60439 Frankfurt am Main and Graurheindorfer Str. 108, 53117 Bonn.

The VAT registration number of Baader Bank AG is DE 114123893.

The LEI (legal entity identifier) is used for the unambiguous identification of all companies and funds with registered offices in Germany, which have a reporting obligation pursuant to future regulatory requirements: 529900JFOPPEDUR61H13.

The creditors' identification numbers (Creditor Identifiers, CI) make it possible to identify a debit receiver (creditor) unambiguously under a SEPA Direct Debit scheme: DE54ZZZ00000118113.

The GIIN (Global Intermediary Identification Number) is used for reporting to the Internal Revenue Service (USA) under the FATCA (Foreign Account Tax compliant Act) as well as for establishing Baader Bank AG as a FATCA-compliant institution: HPMLSE.00000.LE.276

Notes

We classify external data sources, which have been processed in our report, as trustworthy and reliable. Although they have been carefully researched, we accept no responsibility for the accuracy of this information. Forward-looking statements made in this report are based on current expectations, assumptions and forecasts on the basis of information currently available. No guarantee can be accepted regarding future developments. If registered brands or trademarks have been listed, they also belong to their respective owners, even if they have not been identified as such. Even if they are not labelled, they are not free names as defined by the law on brands and trademarks.

Financial calendar 2025

| | |
|------------------------|--|
| 2 July 2025 | mi:access Analyst Conference |
| 10 July 2025 | Annual General Meeting |
| 31 July 2025 | Publication of half-year report and press release on half-year results |
| 30 October 2025 | Press release on the nine-month results |

/ Corporate Governance

Good and transparent corporate governance ensures responsible management focused on value creation, and control of the institution. It strengthens the trust of clients and other business partners, investors, financial markets, employees and the general public.

Core features of Baader Bank's corporate governance system are the dual management system, with a transparent separation between the management and the supervision of the company split between the Management Board and the Supervisory Board, the composition of the Supervisory Board with representatives for shareholders and employees, and the shareholders' rights regarding co-administration and supervision at the shareholders' meeting.

In terms of the institution, the principles of stock corporation law are supplemented by the supervisory and internal governance components. Best governance, regulatory excellence and the best reputation are the guiding principles of corporate governance.

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