



Annual Report 2025

Key data



Key figure per share	31/12/2025 in EUR	31/12/2024 in EUR
Earnings per share	0.05	-0.16
Market capitalisation	26,111,839	26,915,280

Profit and Loss Account	1/1/2025 to 31/12/2025 in TEUR	1/1/2024 to 31/12/2024 in TEUR
Interest income	31,235	40,833
Current income from shares and other variable-yield securities and shares in affiliated companies	250	440
Commission result	3,049	4,437
Other operating income	1,710	1,892
Administrative expenses	-32,494	-38,930
Depreciation, amortisation and write-downs	-1,704	-4,543
Transfer to fund for general banking risks	0	-4,000
Income from ordinary business activities	2,046	129
Year-end result	523	-1,576

Balance Sheet	31/12/2025 in TEUR	31/12/2024 in TEUR
Total assets	1,064,929	1,004,544
Equity capital	78,359	77,836

Preliminary remarks



In 2025, the Bank underwent a fundamental reorganisation, introducing a new management team, clearer structures, streamlined processes and a refreshed strategic business focus. As part of this process, Varengold Bank AG was renamed Ascory Bank AG at the beginning of 2026. The change of name was completed on 2 February 2026 by entry in the commercial register held by the Hamburg District Court.

As the change of name only became effective after the reporting date, the company is referred to uniformly as the 'Bank' in the following for the sake of clarity.

Furthermore, in some places this report avoids gender-specific language and uses the generic masculine form for the sake of clarity. All references to persons and terms apply in principle to all genders in the interests of equal treatment. Shortened forms are used solely for editorial reasons and do not imply any form of value judgement.



Key data	2
Preliminary remarks	3
Letter to shareholders	5
Supervisory Board Report	7
Business model and management system	9
Annual financial statements	11
Balance Sheet	12
Profit and Loss Account	14
Notes	16
1 General disclosures	16
2 Accounting and valuation methods	16
3 Currency translation	19
4 Notes to the balance sheet	20
5 Notes to the profit and loss account	30
6 Other disclosures	33
7 Proposal for appropriation of profits	36
Management Report	38
A. Principles of Ascory Bank AG (until 2 February 2026 Varengold Bank AG)	38
B. Economic report	42
1. Macroeconomic and industry-related conditions	42
2. Business development	43
3. Position	44
C. Risk, opportunity and forecast report	46
1. Risk report	46
2. Opportunities report	50
3. Forecast report	51
Opinion of the independent auditor	53

Letter to shareholders

Dear Shareholders,

The 2025 financial year marked a decisive new beginning for the Bank, characterised by a comprehensive transformation, clear strategic direction and a noticeable stabilisation of operations. The operating result before tax of around EUR 2.0 million was well above the previously announced forecast. The completion of the special audit in October 2025 also marked an important milestone: key legacy and specific issues have been resolved and the regulatory framework has increasingly returned to normal. The milestones we have achieved now allow us to look ahead clearly once again and, in particular, to focus on the needs of our customers.

In 2025, we repositioned the Bank strategically, organisationally and operationally. The systematic implementation of the transformation began with the appointment of the new Board of Managing Directors in March 2025, and we have been driving the transformation forward ever since with a clear focus and at a rapid pace. As part of this process, we have improved our structures and processes, further enhanced our ability to steer the business and laid the foundations for an organisation that can deliver growth efficiently and in a way that capitalises on opportunities going forward. At the same time, we have specifically aligned our business model with our core competencies and embedded it in a new business and risk strategy. Our focus is on selected sectors with structural financing requirements, where we can apply our structuring and analytical expertise in a targeted manner. What is crucial here is our commitment to managing growth in a controlled manner - with defined ticket sizes, standardised structures and risk-adjusted management. With the rebranding to Ascory Bank AG now complete as planned, our name and brand now also reflect externally the approach we have already adopted internally: A fresh start, clarity and the ability to get things done.

Our vision for 2026 is correspondingly ambitious - and at the same time characterised by a sense of responsibility. We aim to translate the new targets into growth and profitability without compromising on risk and cost discipline. To this end, we are continuing to develop our refinancing base in a targeted manner: Deposit business will remain a stable pillar, supplemented by the expansion of institutional sources. The branch office in Sofia is a key part of our vision for the future - both in terms of capitalising on selected market opportunities and as a means of enhancing efficiency and scaling up operations in clearly defined areas.

Our aim is to establish Ascory as a focused financing partner that operates quickly, reliably and in a structured manner - whilst maintaining the stability and resilience of a well-capitalised bank.

It is thanks in no small part to you, our valued shareholders, that we are able to follow this path. Your trust and loyalty, particularly during years marked by challenges and change, have enabled us to consistently implement the necessary transformation. We would like to extend our sincere thanks to our employees, who have supported this fresh start with energy, professionalism and a strong sense of commitment. Together, we have laid the foundations on which we can now build our future.

Hamburg, April 2026

Yours faithfully,



Matthias Wargers
Spokesperson for the
Board of Managing
Directors



Hendrik Harms
Managing Director



Supervisory Board Report

About the 2025 financial year

Dear Shareholders,

The 2025 financial year was a year of fundamental strategic realignment for the Bank. Key legacy and special issues have been resolved and the foundations have been laid for sustainable further development. The Supervisory Board would like to thank the current Board of Managing Directors for their exceptional commitment during the 2025 transformation year. Following the completion of the special audit and with a clear strategic direction, the Supervisory Board considers the Bank to be well positioned for sustainable and profitable growth under the new brand Ascory Bank AG.

Cooperation of the Supervisory Board and the Board of Managing Directors

In the reporting year, the Supervisory Board performed its duties as defined by law and the Articles of Association pursuant to Section 111 of the German Stock Corporation Act (AktG) and Section 25d of the German Banking Act (KWG) with due diligence. It monitored the Board of Managing Directors and provided advice on an ongoing basis. The Board of Managing Directors provided the Supervisory Board with regular, timely and comprehensive updates, both in writing and verbally, on the economic situation, the Bank's earnings, assets and financial position, risk position, liquidity and capital trends, compliance and anti-money laundering matters, the progress of the Section 44 KWG special audit as well as on strategic measures and planning. Reporting complied with the requirements of Section 90 AktG and the banking supervisory regulations (MaRisk).

Meetings and activities of the Supervisory Board in the 2025 financial year

In the 2025 financial year, the Supervisory Board held one inaugural meeting and five ordinary

meetings (24 February, 5 March, 26 March, 9 July, 13 August and 28 October 2025). Resolutions were also passed in a written circulation procedure. All members attended these meetings; representatives of the auditor as well as members of the Board of Managing Directors and senior managers were routinely asked to attend to discuss specific topics.

In 2025, the Supervisory Board focused closely on the Bank's economic and regulatory performance. The main focus was on the restructuring and appointment of the new Board of Managing Directors, the strategic realignment and refocussing of the business model, the ongoing monitoring of the risk position and the progress and completion of the special audit.

The 2023 annual financial statements were approved at the meeting on 5 March 2025 in the presence of the auditor. The 2024 annual financial statements were subsequently approved at the financial statements meeting on 13 August 2025. At its meeting on 28 October 2025, the Supervisory Board discussed the updated medium-term plan, the risk strategy and measures to further strengthen the Internal Audit and Compliance functions. The Supervisory Board also conducted the statutory self-assessment in accordance with Section 25d KWG. It was determined in the course of this self-assessment that the composition, working methods and provision of information to the Board meet the legal requirements.

Audit Committee

The Audit Committee consisted of all three members of the Supervisory Board. The Audit Committee carried out the duties assigned to it under law and banking supervisory regulations. Its work focussed on overseeing financial reporting, assessing the effectiveness of the internal control system, supporting the statutory

audit, monitoring the auditor's independence and providing guidance on specific regulatory issues.

Supervision and completion of the Section 44 KWG special audit

During the reporting year, the Supervisory Board received regular updates on the progress made in implementing the measures resulting from the special audit. Progress was systematically monitored and discussed in detail at the meetings. The special audit was completed in October 2025. The Supervisory Board recognised this as a significant step towards normalising the regulatory framework and strengthening internal control and governance structures in the long term.

Personnel

In January 2025, Dr Karl-Heinz Lemnitzer resigned from his position as a member of the Supervisory Board for personal reasons with effect from 21 January 2025. At the request of the Board of Managing Directors, Tobias M. Weitzel was legally appointed as a member of the Bank's Supervisory Board. His appointment was ratified by the General Meeting on 29 April 2025.

In March 2025, a new Board of Managing Directors was appointed. The Supervisory Board appointed Matthias Wargers as spokesman for the Board of Managing Directors and Hendrik Harms as Board member. The Supervisory Board monitored the transition closely and assessed suitability and reliability in accordance with the legal requirements of the German Banking Act.

2025 Annual Financial Statements

The annual financial statements as at 31 December 2025 and the management report

were audited by PKF Treuwerk AG, Hanover, and issued with an unqualified audit opinion. The financial statements and the audit report were submitted to the Supervisory Board in good time and discussed in detail at the financial statements meeting on 13 April 2026 in the presence of the auditor. The auditor reported on the key findings of their audit and were available to answer questions. The Supervisory Board endorsed the findings of the audit. Following its own review, the Supervisory Board raised no objections and approved the 2025 financial statements in accordance with Article 12 in conjunction with Article 22 of the Articles of Association of Ascory Bank AG, and are therefore hereby adopted.

The 2025 financial year closed with earnings before tax of TEUR 2,046 and annual net profit of TEUR 523. The Supervisory Board approved the proposal made by Board of Managing Directors to carry forward the retained earnings of TEUR 23,592 to a new account and therefore not to distribute a dividend for the 2025 financial year.

Hamburg, 13 April 2026



Dirk Auerbach
Chairman of the Supervisory Board
Ascory Bank AG

Business model and management system

As a specialist bank for structured finance in the corporate client sector, Ascory Bank's business model is aimed at start-up and scale-up customers in the fintech (including leasing and factoring institutions), energy transition and leveraged finance sectors, and is based on a diversified funding strategy.

As part of the transformation implemented in 2025, clear structures and processes were established to support the consistent management of the business model in line with defined KPIs. The Bank's management system is designed to achieve an appropriate level of risk-adjusted profitability whilst ensuring that capital and liquidity levels remain above the regulatory minimum requirements. The key guiding principles are risk and capital management and the efficient allocation of capital based on regulatory risk-weighted assets (RWA) on the balance sheet.

The Bank manages its strategic direction across several dimensions. The interest-bearing loan portfolio is being expanded with a focus on growth across the three business areas; the portfolio is structured in accordance with defined criteria for RWA efficiency and clear structuring principles. In this context, growth is consistently aligned with RWA efficiency and profitability is therefore managed on a risk-adjusted basis, including through minimum returns or minimum RWA productivity (hurdle rates), which are defined for each business area in the Bank's financing principles, alongside other structuring criteria.

Through its Treasury function, the Bank manages its refinancing, liquidity, interest and currency risks, whilst ensuring compliance with regulatory liquidity requirements at all times. In order to ensure stable refinancing of the business, the proportion of institutional deposits is being expanded in a targeted manner alongside the established retail deposit business. In addi-

tion, the Bank aims to build stable, long-term customer relationships within its defined target customer segments and is strengthening its market position through a partner ecosystem comprising banks, platforms and investors.

The Bank's operational platform is constantly being developed, in particular through clear processes, reliable data flows and a higher degree of automation and digitalisation in core processes. This ongoing development is supported by transparent governance and effective risk and compliance frameworks. It links the overarching business strategy with the strategies of the respective business areas and the Bank's overall management.

The Bank's business and risk strategy objectives are designed to ensure its long-term viability and competitiveness whilst maintaining an appropriate level of resilience. The Bank uses the following key figures and indicators in particular to manage and assess these objectives:

- EBT (Earnings before tax)
- Return on equity (ROE)
- Cost-to-income ratio (CIR, before valuation result)
- Common equity Tier 1 ratio (CET1)

The cost-to-income ratio is calculated as the ratio of administrative expenses (personnel costs, material expenses and depreciation and amortisation) to income (net interest income less allocations to provisions for default risks in the lending business, commission surplus and balance of other operating income and expenses) expressed as a percentage.



Annual financial statements as at 31 December 2025

In accordance with the German Commercial Code (HGB).

**For the financial year from 1 January 2025 to
31 December 2025.**

Ascory Bank AG
Große Elbstraße 39
22767 Hamburg, Germany



Balance Sheet

as at 31 December 2025

Assets	EUR	Financial year EUR	Previous year EUR
1. Cash reserve			
a) Cash and cash equivalents	1,715.11		1,769.49
b) Balances at central banks	7,710,035.69		5,960,839.79
		7,711,750.80	5,962,609.28
↳ of which: at the Bundesbank EUR 7,043,254.22 (EUR 5,920,000.00)			
2. Loans and advances to banks			
a) Due on demand	402,962,732.10		390,819,395.09
b) Other receivables	27,226.53		26,843.01
		402,989,958.63	390,846,238.10
3. Loans and advances to customers		550,786,987.90	447,917,458.34
↳ of which: public sector loans EUR 84,308,966.76 (EUR 48,369,995.48)			
4. Bonds and other fixed-income securities			
a) Bonds and debt securities			
aa) From public issuers	15,351,799.73		17,674,191.58
↳ of which: acceptable as collateral at the Bundesbank EUR 15,316,560.00 (EUR 17,584,392)			
ab) From other issuers	31,717,266.35		31,641,640.24
		47,069,066.08	49,315,831.82
5. Shares and other variable-yield securities		17,544,913.67	65,041,153.71
6. Participating interests		0.00	47,913.03
7. Shares in affiliated companies		750,000.00	750,000.00
8. Trust assets		26,593,135.56	30,479,139.49
↳ of which: trust loans EUR 26,593,135.56 (EUR 30,479,139.49)			
9. Intangible assets			
a) Concessions acquired against payment, intellectual property rights and similar rights and assets, as well as licences to such rights and assets		14,596.00	28,544.00
10. Property, plant and equipment		129,310.00	148,788.50
11. Other assets		10,774,631.13	13,074,554.30
12. Prepaid expenses and deferred charges		564,909.21	931,511.64
Total assets		1,064,929,258.98	1,004,543,742.21

Equity and liabilities	EUR	Financial year EUR	Previous year EUR
1. Bank loans and overdrafts			
a) Due on demand	117,558.92		453,739.29
b) With agreed term or period of notice	234,415.97		356,078.67
		351,974.89	809,817.96
2. Amounts due to customers			
a) Other liabilities			
aa) Due on demand	446,099,760.98		379,972,470.00
ab) With agreed term or period of notice	476,675,070.33		460,378,077.96
		922,774,831.31	840,350,547.96
3. Trust liabilities		26,593,135.56	30,479,139.49
↳ of which: trust loans EUR 26,593,135.56 (EUR 30,479,139.49)			
4. Other liabilities		2,034,565.07	2,542,580.10
5. Deferred income		35,245.85	216,370.62
6. Provisions			
a) Provisions for pensions and similar obligations	1,624,103.00		1,711,117.00
b) Provisions for taxes	20,573.68		23,730.00
a) Other provisions	13,736,028.01		31,174,818.97
		15,380,704.69	32,909,665.97
7. Instruments of additional regulatory core capital		5,000,000.00	5,000,000.00
8. Fund for general banking risks		14,400,000.00	14,400,000.00
9. Equity capital			
a) Subscribed capital		10,043,015.00	10,043,015.00
b) Capital reserves		44,705,492.65	44,705,492.65
c) Reserves			
ca) Statutory reserve	1,700.00		1,700.00
cb) Other retained earnings	16,700.00		16,700.00
		18,400.00	18,400.00
d) Net profit		23,591,893.96	23,068,712.46
Total equity and liabilities		1,064,929,258.98	1,004,543,742.21
10. Contingent liabilities			
a) Liabilities arising from guarantees and warranty agreements EUR 11,287,012.69 (EUR 7,224,522.66)			
11. Other obligations			
a) Irrevocable loan commitments EUR 66,521,144.30 (EUR 57,357,795.19)			

Profit and Loss Account

For the period 1 January 2025 to 31 December 2025.

	EUR	Financial year EUR	Previous year EUR
1. Interest income from			
a) Lending and money market transactions	47,068,499.74		52,366,081.93
b) Fixed-income securities and debt register claims	839,990.92		1,536,022.52
		47,908,490.66	53,902,104.45
2. Interest expenses		16,673,734.09	13,069,216.58
		31,234,756.57	40,832,887.87
3. Current income from			
a) Shares and other variable-yield securities		250,000.00	440,000.00
4. Commission income	3,294,259.20		5,422,239.93
5. Commission expenses	244,943.02		985,023.01
		3,049,316.18	4,437,216.92
6. Other operating income		6,385,471.55	5,577,648.79
7. General administrative expenses			
a) Personnel costs			
aa) Wages and salaries	9,603,191.41		16,134,522.93
ab) Social security contributions and expenses for pensions and other employee benefits	1,288,537.67		1,585,499.34
		10,891,729.08	17,720,022.27
↳ of which: for pensions EUR 130,342.40 (EUR 566,352.96)			
b) Other administrative expenses		21,602,604.85	21,209,806.70
		32,494,333.93	38,929,828.97
8. Depreciation and amortisation of intangible assets and property, plant and equipment		56,257.26	60,505.80
9. Other operating expenses		4,675,243.18	3,685,603.67
10. Depreciation and write-downs of receivables and certain securities and allocations to provisions in the lending business		2,007,933.67	5,065,602.81
11. Allocation to fund for general banking risks in accordance with Section 340g HGB		0.00	4,000,000.00
12. Income from write-ups of participating interests, shares in affiliated companies and securities treated as assets		360,293.99	582,945.86

	EUR	Financial year EUR	Previous year EUR
13. Income from ordinary business activities		2,046,070.25	129,158.19
14. Taxes on income and earnings	1,522,218.28		1,704,378.52
15. Other taxes, provided they are not recognised under item 9	670.47		560.00
		1,522,888.75	1,704,938.52
16. Annual net profit (previous year: net loss)		523,181.50	1,575,780.33
17. Profit carried forward from previous year		23,068,712.46	24,644,492.79
18. Net profit		23,591,893.96	23,068,712.46

Notes

For the period from 1 January to 31 December 2025

Preliminary remarks

For the sake of clarity, the company is also referred to in the following as the 'Bank'.

Following a resolution passed by the General Meeting on 29 October 2025, the company name was changed from Varengold Bank AG to Ascory Bank AG. The change of name was completed on 2 February 2026 by entry in the commercial register held by the Hamburg District Court.

There may be rounding differences of +/- one unit for computational reasons.

1 General disclosures

The annual financial statements have been prepared in accordance with the German Commercial Code (Handelsgesetzbuch, HGB), the German Stock Corporation Act (Aktiengesetz, AktG) and the Regulations on Accounting for Banks and Financial Services Institutions (Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute, RechKredV).

To improve clarity and transparency, disclosures relating to multiple items continue to be presented in general terms covering these items, in deviation from Section 284 (1) sentence 1 HGB.

The Bank has at least one subsidiary within the meaning of Section 290 (1) clause 2 HGB and would therefore be required, in accordance with Section 340i (1) in conjunction with Section 290 (1) clause 1 HGB, to prepare consolidated financial statements.

All subsidiaries (in accordance with Section 290 (1) clause 2 HGB in conjunction with Section 290 (2) clause 3 HGB) are individually or collectively of minor importance in terms of presenting a true and fair view of the net assets, financial position and earnings performance of the Group. Therefore, all subsidiaries are not required to be included in the consolidated financial statements pursuant to Section 296 (2) HGB. The Bank makes use of Section 290 (5) HGB and therefore does not prepare consolidated financial statements.

2 Accounting and valuation methods

The accounting and valuation methods are unchanged from the previous year, unless explained otherwise below.

Items in the balance sheet and profit and loss account without an amount have been omitted in accordance with Section 265 (8) HGB for ease of reference.

Assets and liabilities are measured in accordance with the provisions in Sections 252 et seq. HGB and also those in Sections 340 et seq. HGB.

Cash and cash equivalents and Balances at central banks are stated at nominal value. Overnight deposits at the Bundesbank are recognised as loans and advances to banks.

Loans and advances to banks and customers are generally recognised at nominal value or at cost. Where necessary, possible default risks are covered by the formation of provisions for losses on individual accounts. The amount of risk provisioning for each case of default risk is based on the difference between the book value of receivables and the probable recoverable amount. Bad debts are written off. Latent lending risks are carried through the formation of general bad debt provisions. General bad debt provisions are calculated in accordance with the accounting standard of the expert banking committee at the Institute of Public Auditors in Germany (IDW), IDW RS BFA 7 (Risk provisions for foreseeable, not yet individually specified default risk in the lending business of banks ('general bad debt provisions') based on an estimate of expected losses arising from the failure to meet contractual capital and interest obligations at the originally agreed amount or on the originally agreed payment dates over the residual term (expected loss); proceeds from the realisation of loan collateral that has been received are factored into the calculation.

The structured financial instruments included in loans and advances to customers from the granting of loans and share options against cash payment without obligation to exercise are recognised uniformly in accordance with IDW accounting standard HFA 22 (For uniform or separate accounting of structured financial instruments), as both the underlying instrument and the derivative are subject to the same risks. When the options are exercised, the acquisition cost of the assets is determined by the cash payment for exercising the option.

On the reporting date, there were open share option transactions without an obligation to exercise. These options are not used to cover interest rate, exchange rate or market price fluctuations and are not used for trading purposes. Open transactions are intended for the acquisition of further shares in existing participating interests.

If they are allocated to fixed assets, bonds and other fixed-income securities are measured in accordance with the moderate lower of cost or market principle. If they are allocated to the liquidity reserve, they are measured using the strict lower of cost or market principle.

If they are allocated to fixed assets, shares and other variable-yield securities are measured at cost in accordance with the moderate lower of cost or market principle. If they are allocated to the liquidity reserve, they are measured using the strict lower of cost or market principle.

Participating interests and shares in affiliated companies are measured at cost in accordance with the rules applicable to fixed assets, and in the event of an expected permanent reduction in value, at the lower fair value minus any decreases in value.

Trust assets and liabilities are recognised at nominal value.

Intangible assets and property, plant and equipment are measured at cost less scheduled straight-line depreciation over their useful lives. The useful lives specified by the tax authorities (depreciation table for generally usable assets – 'Asset depreciation table') serve as a guide.

Low value assets purchased at acquisition costs of between EUR 250 and EUR 1,000 are entered as a compound item under assets and depreciated at a rate of one fifth in the financial year in which they are formed and in each of the following four financial years. Assets with a value of less than EUR 250 are treated as an immediate operating expense.

Other assets are stated at their nominal value. Individual loss provisions are formed for doubtful items where necessary.

Prepaid expenses and deferred charges are recognised in accordance with Section 250 (1) HGB.

Liabilities are recognised at their settlement amount.

Deferred income is recognised in accordance with Section 250 (2) HGB and are written back over the residual term of the underlying transactions.

Provisions for pensions and similar obligations are recognised in accordance with the actuarial report of Funk Vorsorgeberatung GmbH, Hamburg, and mainly serve to provide for surviving dependants. Valuation is based on recognised actuarial principles using the projected unit credit method (PUC method). The 2018 G mortality tables by Prof. Klaus Heubeck were used as the basis for biometric calculation. The calculation was based on a salary and pension trend of 2.0% and an average fluctuation of 10% or 15%, depending on the group of beneficiaries. An average residual term of 15 years was assumed for discounting in accordance with Section 253 (2) sentence 2 HGB. An average market interest rate of the past ten years determined by the Bundesbank on the reporting date in accordance with Section 253 (2) sentences 2, 4 and 5 HGB of 2.06% (previous year: 1.90%) was used as the discounting factor.

Provisions, including provisions for taxes, are recognised at the settlement amount required in accordance with reasonable commercial judgement.

Interest-related transactions in the bank book are assessed annually in their entirety for excess liability. A present value-based approach is used here taking account of the risk and administrative costs that are likely to be incurred. The assessment showed that there was no excess liability arising from interest-related transactions in the bank book (interest book) for the financial year and therefore no need to recognise a provision for anticipated losses.

The relevant instruments of additional regulatory core capital are measured at their nominal amount. Interest is accrued in accordance with contractual arrangements and recognised under Other liabilities.

The Bank recognises a special item for general banking risks in accordance with Section 340g HGB to counter the specific general risks associated with its banking business. Contingent liabilities and Other obligations are recognised at their nominal amount. Income and expenses are deferred on an accrual basis.

The Bank exercises its right to vote on the cross-offsetting option in accordance with Section 340f (3) HGB in conjunction with Section 32 RechKredV and in accordance with Section 340c (2) HGB in conjunction with Section 33 RechKredV.

3 Currency translation

Receivables and liabilities in foreign currency are initially measured at the European Central Bank (ECB) reference rate. Currency translation is carried out in accordance with the principles set out in Sections 256a and 340h HGB.

There are both transactions in foreign currency with or without separate hedging.

Until 12 December 2025, the company managed its currency hedging through an independent treasury fund. This fund was not included in the separate hedging.

Since 12 December 2025, hedging has been carried out through the rolling conclusion of standardised forward exchange transactions (currency futures) roughly equivalent to the open currency position on the balance sheet for material GBP and USD currency risks. The currency futures each have a maturity of approximately three months (settlement dates in March, June, September and December); the fair value is zero at the time of purchase. The daily change in fair value due to changes in the relevant forward rate is settled on each trading day via the variation margin and credited or charged to the Bank. As at 31 December 2025, a total of TEUR 221 was charged to the Bank from variation margins in the financial year. The volume of currency futures totalled TEUR 32,375 for EUR/GBP futures and TEUR 3,875 for EUR/USD futures as at the reporting date.

When assessing whether there is an exchange rate risk or whether separate hedging is in place, the overall position per currency is key, i.e. the aggregation of all on-balance sheet and off-balance sheet transactions in that currency. Separate hedging can only exist in a single currency in which the positions or foreign currency transactions are of equivalent value. Where separate hedging arrangements are in place or the residual term is one year or less, assets and liabilities denominated in foreign currencies are translated at the mean spot exchange rate (ECB reference rates) on the reporting date and gains and losses from currency translation as well as the result from currency hedging transactions are recognised in the profit or loss account.

For transactions without separate hedging and a residual term of more than one year, only losses from currency translation are recognised in the profit and loss account in accordance with the impairment principle. In the event of exchange rate-related overruns of the acquisition costs for these transactions in foreign currency, gains from currency translation are offset by recognising an adjustment item on the liabilities side in accordance with IDW RS BFA 4, 21 (Special features of foreign currency translation for banks under commercial law), which is reported under Other liabilities.

Currency gains and losses are recognised net in Other operating income. Gains and losses incurred during the year are included in the profit and loss account at their respective current rate.

The following balance sheet items include the following assets and liabilities denominated in foreign currencies:

	31 December 2025 TEUR	31 December 2024 TEUR
Balances at central banks	667	41
Loans and advances to banks	6,601	2,576
Loans and advances to customers	80,883	57,145
Bonds and other fixed-income securities	4,846	4,846
Shares and other variable-yield securities	6,809	9,751
Other assets	916	1,282
Amounts due to customers	57,516	50,863
Other liabilities	0	12

4 Notes to the balance sheet

4.1 Overall disclosures

4.1.1 Relationships with affiliated companies

	31 December 2025 TEUR	31 December 2024 TEUR
Loans and advances to customers	550,787	447,917
↳ of which to affiliated companies	926	1,714
↳ of which to VARP Finance GmbH	926	1,714
Amounts due to customers	922,775	840,351
↳ of which to affiliated companies	859	836
↳ of which to VARP Finance GmbH	859	836

4.1.2 Breakdown by residual term

Loans and advances to banks include overnight deposits at the Bundesbank totalling TEUR 395,332 (previous year: TEUR 387,234).

	31 December 2025 TEUR	31 December 2024 TEUR
Loans and advances to banks	402,990	390,846
Due on demand	402,963	390,819
Up to three months	0	0
Between three months and one year	27	27
More than five years	0	0
Loans and advances to customers	550,787	447,917
Due on demand	152,689	113,875
Up to three months	66,830	38,939
Between three months and one year	51,041	57,787
Between one and five years	270,486	227,506
More than five years	9,741	9,810
Bonds and other fixed-income securities	47,069	49,316
Up to three months	4,730	0
Between three months and one year	9,664	3,381
Between one and five years	32,675	40,924
More than five years	0	5,011
Bank loans and overdrafts	352	810
Due on demand	118	454
Up to three months	92	143
Between three months and one year	142	71
Between one and five years	0	142
More than five years	0	0
Amounts due to customers	922,775	840,351
Due on demand	446,100	379,972
Up to three months	97,275	29,056
Between three months and one year	174,777	238,328
Between one and five years	171,050	162,215
More than five years	33,573	30,780

4.1.3 Securities

	31 December 2025 TEUR	31 December 2024 TEUR
Bonds and other fixed-income securities	47,069	49,315
Not eligible for stock market listing	18,761	18,685
Eligible for stock market listing	28,308	30,630
↳ of which: listed	28,308	30,630
Shares and other variable-yield securities	17,545	65,041
Not eligible for stock market listing	12,545	53,978
Eligible for stock market listing	5,000	11,063
↳ of which: listed	0	63
Shares in affiliated companies	750	750
Not eligible for stock market listing	750	750
Eligible for stock market listing	0	0
↳ of which: listed	0	0
Participating interests	0	48
Not eligible for stock market listing	0	0
Eligible for stock market listing	0	48
↳ of which: listed	0	0

Shares in affiliated companies include payment obligations from uncalled contributions of TEUR 250 (previous year: TEUR 250).

4.1.4 Trust assets and trust liabilities

The Bank has been granting loans to customers under the KfW coronavirus instant loan scheme since May 2020. These are trust loans. Amounts owed to KfW under this scheme are recognised at the same amount under Trust liabilities. Trust assets and trust liabilities amounted to TEUR 26,593 as of 31 December 2025 (previous year: TEUR 30,479).

4.2 Individual disclosures

4.2.1 Loans and advances to customers

Loans and advances to customers shown in the balance sheet amounted to TEUR 550,787 as at 31 December 2025 (previous year: TEUR 447,917). They largely consist of customer loans in the amount of TEUR 468.524 (previous year: TEUR 377,067) before risk provisions and before accrued

interest, and public sector loans of TEUR 84,309 (previous year: TEUR 48,370). This item also includes accrued interest and payment transaction accounts with overdrafts as well as risk provisions in the form of specific provisions for losses on individual accounts and general bad debt provisions, as well as provisions for general banking risks in accordance with Section 340f HGB.

4.2.2 Bonds and other fixed-income securities

Bonds and other fixed-income securities amounting to TEUR 15,352 (previous year: TEUR 17,674) are loans and bonds from public issuers. Other issuers account for TEUR 31,717 (previous year: TEUR 31,642).

4.2.3 Shares and other variable-yield securities

This balance sheet item includes investment fund units amounting to TEUR 17,545 (previous year: TEUR 64,979).

TEUR 17,545 (previous year: TEUR 64,889) relates to investment assets in which the Bank holds more than 10% of the shares.

in TEUR	Investment objective	Book value	Market value	Undisclosed reserve/charge	Disbursal in the financial year
Quintar STFF	Commodity trade financing	6,809	6,809	0	0
Varengold Spezial I	Pensions	5,736	5,736	0	0
nordix European Consumer Credit Fund C and V	Consumer loans	5,000	5,227	227	250

There is an option to surrender within 90 days at the end of the month in the case of the 'Quintar STFF' fund. The 'Varengold Spezial I' fund is not subject to any restrictions in terms of the daily surrender option. The 'nordix European Consumer Credit Fund' has a return option deadline of three months to 30 June or 30 December one year prior for pools of funds of more than TEUR 100.

Fund units with a book value of TEUR 10,736 (previous year: TEUR 55,728) are reported as assets at a fair value of TEUR 10,963 (previous year: TEUR 55,192).

4.2.4 Participating interests and shares in affiliated companies

Ascory Bank AG has the following unlisted shareholdings, each with an ownership interest of more than 20% on the reporting date.

Company	Ownership interest	Equity capital	Result
	Direct %	31 December 2024 TEUR	2024 TEUR
VARP Finance GmbH, Hamburg	100.00	1,682	1,066

4.2.5 Gross-Assets analysis

Fixed assets are shown in the schedule below. It only includes bonds, other securities, shares and other variable-yield securities that are allocated to fixed assets.

	Acquisition costs				Cumulative depreciation				Residual book value	
	Additions		Disposals		Annual depreciation		Disposals		31/12/	
	1/1/			31/12/	1/1/	allowance		31/12/	31/12/	31/12/
	2025	2025	2025	2025	2025	2025	2025	2025	2025	2024
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
Intangible assets										
Self-created industrial and similar rights and assets	388	0	0	388	388	0	0	388	0	0
Concessions acquired against payment, intellectual property rights and similar rights and assets, as well as licences to such rights and assets	2,242	0	0	2,242	2,214	14	0	2,228	14	28
Property, plant and equipment	785	23	0	808	636	42	0	678	130	149
Total	3,415	23	0	3,438	3,238	56	0	3,294	144	177
	Change¹⁾									
Bonds and other fixed-income securities									30,180	30,387
Shares and other variable-yield securities									10,736	55,791
Participating interests									0	48
Shares in affiliated companies									750	750

¹⁾ Use was made of the financial asset summary possible in accordance with Section 34 (3) RechKredV

Intangible assets consist primarily of licences. Property, plant and equipment includes operating and office equipment (including leasehold improvements) which are used by the Bank.

4.2.6 Other assets

This item mainly comprises receivables from tax refund claims of TEUR 7,053 (previous year: TEUR 7,736), company shares of TEUR 2,498 (previous year: TEUR 4,875) and receivables from security deposits paid and margin payments of TEUR 1,186 (previous year: TEUR 142). Income tax refund claims against tax authorities in Germany are reported at TEUR 7,041 (previous year: TEUR 7,241). There are also VAT refund claims for the current financial year and previous years of TEUR 512 (previous year: TEUR 428).

Income tax receivables are distributed across the following assessment periods:

	31 December 2025 TEUR	31 December 2024 TEUR
Germany		
Corporation tax 2020	0	258
Corporation tax 2021	0	-72
Corporation tax 2023	307	305
Corporation tax 2024	2,854	3,030
Corporation tax 2025	280	0
Trade tax 2017	-18	0
Trade tax 2020	0	267
Trade tax 2021	0	-75
Trade tax 2023	311	275
Trade tax 2024	3,041	3,253
Trade tax 2025	266	0
Total Germany	7,042	7,241

4.2.7 Prepaid expenses and deferred charges/Deferred income

Prepaid expenses and deferred charges mainly include insurance of TEUR 336 (previous year: TEUR 690), licences of TEUR 181 (previous year: TEUR 165) and contributions of TEUR 120 (previous year: TEUR 37) that have been paid in advance. Deferred income consists of accruals from loan agreements of TEUR 28 (previous year: TEUR 189) and forfeiting of TEUR 7 (previous year: TEUR 27).

4.2.8 Bank loans and overdrafts

Bank loans and overdrafts include liabilities due on demand to 7 financial institutions (previous year: 12).

There are bank loans and overdrafts with agreed terms or notice periods relating to KfW of TEUR 234 (previous year: TEUR 356) arising from a loan that was transferred in the past from the coronavirus instant loan scheme (trust loan) to the entrepreneur loan scheme.

4.2.9 Amounts due to customers

The Amounts due to customers item includes liabilities with an agreed term or notice period of TEUR 476,675 (previous year: TEUR 460,378) as well as liabilities due on demand of TEUR 446,100 (previous year: TEUR 379,972). Liabilities consist of term deposits of TEUR 476,675 (previous year: TEUR 460,378), current accounts of TEUR 203,192 (previous year: TEUR 260,019), overnight money of TEUR 178,663 (previous year: TEUR 80,005), security deposits of TEUR 59,810 (previous year: TEUR 35,514) and other items amounting to TEUR 4,435 (previous year: TEUR 4,435).

4.2.10 Other liabilities

Other liabilities all have a residual term of less than a year and mainly include tax liabilities of TEUR 1,221 (previous year: TEUR 851). This item also includes trade payables of TEUR 774 (previous year: TEUR 51).

The adjusting item on the liabilities side in accordance with IDW RS BFA 4 from the previous year (TEUR 1,605) was reversed in the reporting year due to fluctuations in the exchange rates of the US dollar (USD) and British pound (GBP).

4.2.11 Provisions for pensions and similar obligations

Pension provisions are held for surviving dependants.

The difference between the measurement of pension provisions using the 10-year average interest rate (TEUR 1,624 (previous year: TEUR 1,711)) and the 7-year average interest rate (TEUR 1,554 (previous year: TEUR 1,683)) was TEUR 70 (previous year: TEUR 28) and was subject to a dividend payout restriction in accordance with Section 253 (6) sentence 2 HGB. Interest expenses arising from interest accruing amounted to TEUR 32 in the reporting year (previous year: TEUR 32).

4.2.12 Provisions for taxes

This item is broken down as follows:

	31 December 2025 TEUR	31 December 2024 TEUR
International		
Income tax, London, previous years	0	14
Income tax, Sofia	21	10
Total international	21	24

4.2.13 Other provisions

This item is broken down as follows:

	31 December 2025 TEUR	31 December 2024 TEUR
Provisions for legal proceedings	8,534	6,998
Legal costs and consulting fees	1,208	1,859
General bad debt provision for irrevocable loan commitments	975	899
Variable remuneration	966	1,529
Financial statement preparation and audit costs	797	2,459
Possible fines	300	4,820
Holiday and overtime provisions	185	93
Archiving costs	98	99
Contributions to the Chamber of Commerce	71	170
Entschädigungseinrichtung deutscher Banken [German statutory compensation scheme for depositors and investors]	70	585
Provisions for severance payments	30	7,500
Costs of Section 44 KWG special audit	0	2,799
Other	502	1,365
Total	13,736	31,175

Provisions for legal proceedings include the provision for legal risks arising from the civil law claim in the Caceis legal dispute, the claim resulting from clawback measures relating to Caerus II and a liability claim for third-party taxes in connection with criminal proceedings against a former member of the Bank's Board of Managing Directors in the amount of EUR 8,365 (previous year: TEUR 6,773). The increase in the provision in the reporting year is due to the formation of a provision for the liability claim for third-party taxes in the amount of TEUR 1,400, as well as interest effects.

The provision for legal costs and consulting fees mainly includes expenses for legal services in connection with the Section 44 KWG audit, concerning legal issues with customers and the processing of the findings of the special audit.

The special audit of business operations in accordance with Section 44 KWG was completed in full in 2025 after more than three years. The regulatory measures associated with the special audit were lifted as of 31 October 2025 and the appointment of the special representative was also terminated. The provision for the associated costs was utilised in full in 2025. The provision relating to the Section 44 KWG audit was underestimated by TEUR 1,615 in 2024.

The Federal Financial Supervisory Authority (BaFin) issued a fine of TEUR 3,300 in the 2025 financial year. The administrative offence proceedings were conducted on the basis of the findings of the special audit in the area of anti-money laundering. BaFin is not expected to impose any further fines as result of or in connection with the special audit. The fine imposed by BaFin was covered in full by

existing provisions, as was the penalty of TEUR 500 imposed by the supervisory authority in February 2025. The provisions were released/utilised accordingly.

The provision for possible fines arising from administrative offences in connection with the Beech complex in the amount of TEUR 300 remains unchanged.

The provision for variable remuneration relates to the 2025 financial year; in the previous year, two financial years were taken into account.

The provision for severance payments of TEUR 7,500 in the previous year related to former members of the Board of Managing Directors of Varengold Bank AG who left the company at the beginning of 2025.

4.2.14 Instruments of additional regulatory core capital

On 19 August 2014, Varengold Bank AG issued additional Tier-1 bonds ('AT1 bonds') in the amount of EUR 5 million. The additional AT1 bonds constitute unsecured and subordinated bonds of Varengold Bank. The half-yearly interest payments for these bonds are measured at their nominal values and in line with the development of the EURIBOR. The bond terms and conditions contain provisions according to which Varengold Bank can be both obligated and have the right to decide on its own at any time whether to cancel interest payments. Interest payments are not cumulative and will not be increased in subsequent years to compensate for any interest payments cancelled in previous years. The bonds have no maturity date. They may be called by Varengold Bank for the first time five years after their date of issue and subsequently after each interest payment due date. Furthermore, under certain conditions, they may be called prematurely. The bond terms and conditions state *inter alia* that Varengold Bank AG must call the bonds in their entirety, not in portions, as long as there are specific regulatory or tax reasons to do so. Each premature calling of the bonds requires the prior approval of the competent supervisory authority. The repayment value and the nominal value of the bonds may be reduced in the event that circumstances give rise to this. Such circumstances would be if Varengold Bank's Tier 1 core capital ratio fell below 5.125%. The value of the bonds may be appreciated under certain conditions if circumstances give rise to this.

Deferred interest expenses for these bonds amounted to TEUR 5 (previous year: TEUR 6) as of 31 December 2025. Total interest expenses for the 2025 financial year amounted to TEUR 119 (previous year: TEUR 172).

Outstanding additional Tier 1 bonds on 31 December 2025 (not including interest here) were as follows:

Currency	Amount in EUR	Type	Issue date	Interest rate	Maturity
EUR	5,000,000	Variable interest, cumulative subordinated bonds	19 August 2014	Variable	Without maturity date

4.2.15 Fund for general banking risks

TEUR 14,400 (previous year: TEUR 14,400) was allocated to the fund for general banking risks in accordance with Section 340g HGB.

4.2.16 Equity capital

As of the reporting date, the fully paid up share capital of TEUR 10,043,015.00 (previous year: TEUR 10,043,015.00) was divided into 10,043,015 no-par value ordinary shares.

The capital reserve last increased in 2020 following the issue of new shares. Since then, the capital reserve has remained unchanged at TEUR 44,705.

At the company's General Meeting on 29 April 2025, the 'Authorised Capital 2020' was revoked and new 'Authorised Capital 2025' of TEUR 5,021,507.00 was created. There is no other authorised capital.

4.2.17 Contingent and other liabilities

As of 31 December 2025, there were liabilities from guarantees and warranty agreements, mainly in the form of guarantee lines, of TEUR 11,287 (previous year: TEUR 7,225). The risk of utilisation is classified as low. The guarantees are collateralised in full by cash, liquid securities or a combination of both.

The risk of losses arising from the utilisation of contingent liabilities depends essentially on the principal's lending risk. The Bank assesses the risk of loss arising from the utilisation of a contingent liability prior to making a binding commitment as part of a credit check on the principal and, where appropriate, with the aid of an assessment of the expected fulfilment of underlying obligations by the respective principal.

As of 31 December 2025, there were other liabilities in the form of irrevocable loan commitments of TEUR 66,521 (previous year: TEUR 57,358) to customers who are able to draw on these in full or in partial amounts. For these instances, the contractual prerequisites for distribution will be examined before each distribution. The Bank assesses the risk that a loss will result from the use of the irrevocable loan commitments before entering into its binding commitment as part of the credit check.

Appropriate provisions are set aside for latent and immediate risks arising from contingent liabilities and irrevocable loan commitments.

4.2.18 Transferred collateral

As in the previous year, no assets were pledged as security for liabilities as at the reporting date.

5 Notes to the profit and loss account

5.1 Interest income

The allocation to region is based on the location of the customer's registered office	2025 TEUR	2024 TEUR
Interest income	47,908	53,902
↳ of which: Germany	19,742	34,497
↳ of which: Europe (rest)	27,628	18,866
↳ of which: Other third country	538	539
Interest expenses	16,674	13,069
Interest income	31,234	40,833

Interest income consists mainly of income from loans granted and overnight deposits held in the Bundesbank deposit facility. The decline in interest income of TEUR 5,994 was largely due to a sharp fall in income from overnight deposits. The key interest rate for the deposit facility fell from 3.15% to 2.0% in the reporting year. This was offset by the expansion of lending volumes and the resulting increase in interest income.

Interest expenses mainly include interest on customer deposits (call, fixed-rate and term deposits). There were also interest expenses for the 'Tier-1 bond' issued in 2014. Interest expenses rose from TEUR 13,069 to TEUR 16,674.

5.2 Current income from shares and other variable-yield securities

The allocation to region is based on the location of the customer's registered office	2025 TEUR	2024 TEUR
Current income from shares and other variable-yield securities	250	440
↳ of which: Germany	250	440
Current income from shares and other variable-yield securities	250	440

Income from shares and other variable-yield securities only includes disbursements from investment funds.

5.3 Commission result

The allocation to region is based on the location of the customer's registered office	2025 TEUR	2024 TEUR
Commission income	3,294	5,422
↳ of which: Germany	1,835	1,876
↳ of which: Europe (rest)	1,429	2,836
↳ of which: Near and Middle East	16	271
↳ of which: Asia	5	412
↳ of which: Other third country	9	27
Commission expenses	245	985
Commission result	3,049	4,437

Commission income primarily comprises income from commission in lending business of TEUR 1,464 (previous year: TEUR 1,819), income from fronting services in Marketplace Banking business (now Corporate Clients/Fintech) of TEUR 1,378 (previous year: TEUR 768), guarantee and documentary credit business of TEUR 368 (previous year: TEUR 58) and payment transactions of TEUR 83 (previous year: TEUR 2,759).

Commission expenses mainly arise from incidental costs associated with money transfers, amounting to TEUR 196 (previous year: TEUR 218). Commission expenses relating to credit notes to customers from target agreements in the previous year of TEUR 594 ceased to apply.

5.4 Other operating income

The allocation to region is based on the location of the customer's registered office	2025 TEUR	2024 TEUR
Other operating income	6,385	5,578
↳ of which: Germany	4,831	4,894
↳ of which: Europe (rest)	1,554	684
Other operating income	6,385	5,578

Other operating income essentially includes income from the disposal of company shares held under Other assets of TEUR 3,263 (previous year: TEUR 0), the reversal of provisions of TEUR 1,680 (previous year: TEUR 4,202) and income from the on-debiting of consulting expenses of TEUR 1,341 (previous year: TEUR 775).

5.5 Personnel costs

	2025 TEUR	2024 TEUR
Wages and salaries	9,603	16,135
Social security contributions	1,158	1,019
Expenses for pensions and other employee benefits	131	566
Total	10,892	17,720

The decrease in personnel costs is primarily due to the absence of severance payments made in the previous year in connection with the reorganisation of the Board of Managing Directors.

5.6 Other administrative expenses

	2025 TEUR	2024 TEUR
IT expenses	5,765	5,464
Legal costs and consulting fees	4,537	4,673
BaFin special representative	2,584	2,810
Outsourced services	1,917	1,553
Contributions and insurance	1,681	2,528
Audit costs, Section 44 KWG	1,615	459
Audit services	898	1,271
Expenses for premises	701	658
Supervisory Board remuneration	450	400
Communication	438	368
Advertising, entertainment, travel expenses	406	294
Legal advice, Section 44 KWG	183	299
Office supplies, magazines, training	142	218
Vehicle costs including leasing (not including road tax)	62	72
Other administrative expenses	224	143
Total	21,603	21,210

The persistently high expenditure on legal costs and consulting fees is due to higher consulting fees arising from the Bank's realignment as well as costs for legal advice in connection with new customer business which are inherent in business model. The decrease in expenditure on contributions and insurance is primarily due to lower contributions to the Entschädigungseinrichtung deutscher Banken [German statutory compensation scheme for depositors and investors] and the discontinuation of contributions to the restructuring fund.

Outsourced services are services procured from third parties in order to comply with financial reporting and disclosure requirements.

The higher audit costs for the Section 44 KWG audit compared with the previous year are primarily due to the final invoice presented by the auditor. The special audit was completed by 31 October 2025.

Under Other administrative expenses, 'Audit costs, Section 44 KWG' includes expenses in the financial year relating to other periods of TEUR 1,615.

5.7 Other operating expenses

Other operating expenses of TEUR 4,675 (previous year: TEUR 3,686) include depreciation of shareholdings reported under Other assets of TEUR 1,548 (previous year: TEUR 0).

The depreciation applies mainly to one shareholding for which a restructuring plan was adopted in the reporting year in accordance with the German Act on the Stabilisation and Restructuring Framework for Companies (StaRuG). The restructuring plan states that shares held by existing shareholders will be converted into synthetic shares, allowing them to participate in the company's future development.

This item also includes losses arising from currency translation in the reporting year of TEUR 1,257 (previous year: gains).

Compared with the previous year, lower amounts were spent on legal risks (reporting year: TEUR 1,622; previous year: TEUR 2,793) and fines (reporting year: TEUR 8; previous year: TEUR 800).

5.8 Taxes on income and earnings

The tax result is due to corporation tax in Germany and solidarity surcharge for the reporting year of TEUR 458 (previous year: TEUR 815), trade tax in Germany for the reporting year of TEUR 484 (previous year: TEUR 824) and to foreign income taxes for the reporting year of TEUR 17 (previous year: TEUR 27).

The tax result was also influenced by additional payments and refunds for previous years of German and foreign income taxes resulting in net income of TEUR 563 (previous year: TEUR -38).

6 Other disclosures

6.1 Executive bodies

6.1.1 Supervisory Board

Dirk Auerbach Chairman

Chairman of the Board of Managing Directors of Schalast Auerbach AG Wirtschaftsprüfungsgesellschaft

Member since: 13 August 2024

End of period of office: 2028

Vasil Stefanov

Director, Euro-Finance AD; Head of M&A, Euroins Insurance Group AD

Member since: 21 March 2018

End of period of office: 2028

Tobias Michael Weitzel

Director of CREDION AG

Member since: 20 February 2025

End of period of office: 2028

Dr Karl-Heinz Lemnitzer

Independent tax adviser and auditor

Member since: 14 September 2015

End of period of office: 21 January 2025

Dr Lemnitzer resigned from the Supervisory Board with effect from the close of business on 21 January 2025.

In the period from 13 August 2024 to 21 January 2025, Dr Lemnitzer assumed the role of Vice Chairman of the Supervisory Board in place of Mr Stefanov. Following Dr Lemnitzer's departure from the Board, Mr Stefanov took over the role of Vice Chairman again from 22 January 2025.

In a resolution passed by the Hamburg District Court on 17 February 2025, Tobias Michael Weitzel was appointed to the Supervisory Board with effect from 20 February 2025. Mr Weitzel was elected as a full member at the General Meeting on 29 April 2025.

If the end of the period of office is indicated by a year, the period of office ends at the General Meeting formally approving the actions of the Board of Managing Directors.

6.1.2 Board of Managing Directors

At its meeting on 5 March 2025, the Supervisory Board appointed Mr Wargers as Market Board member. The Supervisory Board also appointed Mr Harms as Back Office Board Member. The period of office of Board members Dr Bernhard Fuhrmann and Frank Otten ended at the close of business on 5 March 2025.

Front Office Board Member:

Matthias Wargers

Back Office Board Member:

Hendrik Harms

Matthias Wargers was appointed spokesperson for the Board of Managing Directors. Mr Wargers and Mr Harms are authorised representatives jointly with another member of the Board of Managing Directors or an authorised signatory.

Back Office Board Member:

Dr Bernhard Fuhrmann (until 5 March 2025)

Front Office Board Member:

Frank Otten (until 5 March 2025)

Dr Fuhrmann and Mr Otten were authorised representatives jointly with another member of the Board of Managing Directors or an authorised signatory.

6.1.3 Mandates on statutory supervisory boards

The following disclosures relate to the reporting date: Mr Wargers is a member of the Supervisory Board of Norddeutsche Landesbank (Hanover).

6.1.4 Board remuneration and loans

We have made use of the let-out clause provided in Section 286 (4) HGB in respect of disclosures on the total remuneration paid to the Board of Managing Directors pursuant to Section 285 (9) (a) HGB and surviving dependants' remuneration pursuant to Section 285 (9) (b) HGB.

The members of the Supervisory Board received total remuneration of TEUR 491 (previous year: TEUR 404) for their work in the reporting period. This includes remuneration for work of TEUR 450 (previous year: TEUR 400) and travel expenses of TEUR 41 (previous year: TEUR 4).

No loans had been granted to members of the Supervisory Board or Board of Managing Directors as of the reporting date.

6.2 Employees

The average number of employees in the reporting period was 103 (previous year: 94); 44 of these employees were female (previous year: 40). With the exception of 26 employees (previous year: 22), all staff worked in Germany. There were 9 part-time employees (previous year: 13). Seven executive employees were granted commercial power of representation.

6.3 Other financial obligations arising from contracts, guarantees and other commitments

Other financial obligations of TEUR 4,452 (previous year: TEUR 3,800) mainly include obligations arising from agreements on the rental of premises of TEUR 2,571 (previous year: TEUR 795) and costs for software, hardware and services, primarily for ongoing IT operations, of TEUR 1,748 (previous year: TEUR 2,821). The residual terms for the largest individual amounts are up to 66 months.

The company also has uncalled capital contribution obligations of TEUR 250 (previous year: TEUR 250) arising from its participation in a capital increase of VARP Finance GmbH, Hamburg.

6.4 Auditor's fee

The fee for auditing services provided by PKF TREUWERK AG Wirtschaftsprüfungsgesellschaft was TEUR 694 in total (previous year: TEUR 723). TEUR 558 of this amount is attributable to the 2025 financial year. The fee of TEUR 50 (previous year: TEUR 17) for other assurance services includes in particular the performance of the audit in accordance with Section 89 WpHG.

6.5 Notifications in accordance with Section 20 AktG

No notifications pursuant to Section 20 (1) AktG were sent to Varengold (Ascory) Bank AG in the reporting year, therefore no announcements pursuant to Section 20 (6) AktG were published in the Federal Gazette (Bundesanzeiger) during the financial year. On 7 July 2025, it was announced that Starcom Holding AD, based in Sofia (Bulgaria), had notified the company on 4 July 2025 pursuant to Section 20 (1) AktG that it held a direct and indirect stake of more than 25% in the share capital of Ascory Bank AG following an acquisition in April 2019. Furthermore, it was announced that Starcom Holding AD, based in Sofia (Bulgaria), had also notified us on 4 July 2025 pursuant to Section 20 (5) AktG, that it no longer held a direct or indirect stake of more than 25% in Ascory Bank AG as of December 2020.

There were no known participating interests pursuant to Section 20 (1) AktG in the financial year.

6.6 Supplementary statement

The Bank changed its name from Varengold Bank AG to Ascory Bank AG in February 2026.

In the Corporate Clients/Leveraged Finance business area, the Bank's short-term goal is to establish a presence in the market through its first transactions, and it intends to expand this business gradually over the coming years. The partnership concluded with a major bank in 2025 as well as sub-participations through a special fund present significant opportunities in this regard and will enable the Bank to gradually participate in transactions and work alongside experienced partners who specialise in serving customers in this market segment. The special fund manages a diversified co-investment portfolio and makes funds available exclusively to European borrowers, particularly in Western Europe.

On 28 February 2026, the conflict in the Middle East escalated, and since then there have been changes in the international commodities and financial markets. The Bank is not currently directly affected by the repercussions.

No events of particular significance for the company occurred after 31 December 2025.

7 Proposal for appropriation of profits

The Board of Managing Directors proposed to the General Meeting that the retained earnings of TEUR 23,591,893.96 be carried forward to a new account.

Hamburg, 31 March 2026
Ascory Bank AG



Matthias Wargers
Managing Director



Hendrik Harms
Managing Director



Management Report

A. Principles of Ascory Bank AG (until 2 February 2026 Varengold Bank AG)

For the sake of clarity, the company is also referred to in the following as the 'Bank'.

The Bank is a German bank with its registered office in Hamburg and a branch in Sofia, Bulgaria. The company, which was founded in 1995 and has held a full banking licence since 2013, employs around 100 people across both locations. The Bank is registered with the Federal Financial Supervisory Authority (BaFin) under no. 109 520 and is affiliated to the Entschädigungseinrichtung deutscher Banken [German statutory compensation scheme for depositors and investors]. The share (ISIN: DE000A40ZUV2) is listed on the Open Market of the Frankfurt Stock Exchange.

A resolution was passed at the General Meeting on 29 April 2025 to convert bearer shares into registered shares. The ISIN has been DE000A40ZUV2 since 23 June 2025.

In the 2025 financial year, the Bank underwent an extensive reorganisation, notably through the appointment of a new management team, changes to its structures and processes, and a new strategic direction. In the course of this reorganisation, the name of the company was changed from Varengold Bank AG to Ascory Bank AG through a resolution passed by the General Meeting on 29 October 2025. The change of name was completed on 2 February 2026 by entry in the commercial register held by the Hamburg District Court.

The groundwork for the Bank's strategic realignment has been laid with the completion of the Section 44 KWG special audit in October 2025 and the resolution of key legacy and special issues.

Business model

At the beginning of the financial year, the Bank's core business areas were Marketplace Banking (now Corporate Clients/Fintech) and Commercial Banking. Commercial Banking was almost completely wound up in the financial year and Banking-as-a-Service (BaaS) in Marketplace Banking was scaled back as planned.

The Bank's business model derived from its strategic realignment is based on positioning itself as a specialist lending bank and innovative financing partner for growth-oriented companies in clearly defined market segments and regions.

The Bank's core business areas are centred on the corporate clients segment, with a focus on fintechs, energy transition and leveraged finance. In geographical terms, the Bank's business activities are concentrated in Germany and selected European markets such as the Netherlands, the United Kingdom and the Nordic countries. The dependent branch in Sofia (Bulgaria) operates with clear profit and management accountability and focuses in particular on business opportunities in Bulgaria and South East Europe, in line with the Bank's overall strategy.

Corporate Clients / Fintech

In this business area, the Bank provides financing to European fintech companies and alternative lending platforms, particularly in the areas of consumer finance, SME finance, leasing, factoring and real estate finance. The focus is on structured senior financing with clearly defined risk and return profiles. The Bank supports its customers through various phases of development and provides refinancing solutions for scalable business models.

Corporate Clients / Energy Transition

This business area focuses on financing growth-oriented small and medium-sized enterprises as well as project-based initiatives relating to the energy transition. This includes investments in battery energy storage systems (BESS), energy infrastructure, electricity grids and innovative energy services in the context of renewable, sustainable energy solutions.

Corporate Clients / Leveraged Finance

This business area focuses on small and mid-cap transactions with an emphasis on succession planning and private equity-financed acquisitions. The Bank defines small and mid-cap transactions as corporate acquisitions in the double-digit to low three-digit million range, with the Bank's contribution to financing generally not exceeding EUR 20 million. The Bank provides structured financing for leveraged buy-out (LBO) and management buy-out (MBO) transactions. Market entry in this sector, which is due to be stepped up in 2026, will be selective and risk-oriented.

The Bank's overarching objective is to provide its customers with efficient access to financing while securing a risk-adjusted, sustainable revenue base.

Refinancing is primarily sourced from deposit business with German retail customers (call and fixed-term deposits) as well as from institutional deposits. The Treasury function manages liquidity, interest rate and currency risks and ensures compliance with regulatory requirements; it is a market-oriented, Bank-wide management function and not a separate core business area. To hedge currency risks, the Bank invested in a special fund until December 2025, which had entered into hedging transactions corresponding to the Bank's currency risk. In December 2025, the Bank entered into an agreement with a European bank under which the Bank can now directly subscribe to currency futures. These

were recognised as forward exchange transactions in the banking book as at the end of 2025.

Special audits in accordance with Section 44 KWG

In a decision on 22 December 2022, the Federal Financial Supervisory Authority (BaFin) ordered a special audit of the Bank in accordance with Section 44 (1) KWG, which was carried out by an external law firm commissioned by BaFin from January 2023. The law firm stated possible compliance violations in an interim report dated 12 April 2023 ('interim report'). In a letter dated 1 June 2023, BaFin notified the Bank of several supervisory measures, referring to the findings of the interim report. In a letter dated 6 June 2023, BaFin also informed the Bank that it intended to appoint an external auditing firm as a special representative to monitor the supervisory measures as well as additional reporting obligations on liquidity, net assets and earnings position and capital adequacy.

The Commercial Banking business area, which has since been discontinued, supported corporate clients operating worldwide in their global trading and investment activities as well as in the area of trade finance, offering selected solutions for financing, bank guarantees and documentary credit business. Transaction Banking customers and customers in the international payments business as part of Commercial Banking were primarily producers and global wholesalers of food and medicines. In this context, the Bank supported exporters and importers with the processing of payments for humanitarian goods, including to importers in high-risk third countries, largely with a connection to Iran.

Consequently, and pending a full investigation into the matter, the Bank immediately stopped payment transactions with 75.5% of its international corporate clients in the core business area of Commercial Banking in June 2023 and,

as part of its strategic realignment, Commercial Banking business, in particular high-risk payment transactions and trade finance business, was discontinued completely in October 2024.

In two official orders dated 27 June 2023, BaFin ultimately prohibited the Bank specifically from (i) conducting incoming and outgoing transactions with payment agents and (ii) conducting transactions with a connection to Iran as a high risk third country or involving natural persons and legal entities domiciled in Iran. According to the wording of the official order, the ban included payment transactions involving payment agents/trustees and other third parties who are based in third countries and act as (intermediate) recipients for the actual clients. Such activity as an (intermediate) recipient, to which the ban applied, included the receipt of payments (including split payments) from the actual instructing party and forwarding to the actual final recipient in the EU or in third countries via accounts at the Bank. According to the official order, individual transactions that fall into the cases above, but can be proven not to constitute a breach of sanctions or the law, may be conducted following a review by the Bank and approval by the appointed special representative. Any approval processes were then established accordingly in line with procedures. A penalty payment of TEUR 250 was imposed for each violation of the official order. In light of this, only a very small number of transactions were carried out and only following approval by the appointed special representative. These related mainly to payments in connection with the termination of business relationships.

The Bank began terminating relationships with its customers in the area of Commercial Banking covered by the BaFin order in late 2023. 379 of the 412 customers covered by the order had been fully phased out by the reporting date of 31 December 2025. Relationships had already been terminated with 410 customers by this date. The volume of the Iran portfolio fell from an initial figure of around EUR 590 million at the start of the order to around EUR 98.52 million at the end of 2025 (of which around EUR 93 million applies to a customer based in Europe); Com-

mercial Banking can therefore be regarded as largely wound up in the financial year.

In connection with the findings of the special audit in the area of anti-money laundering, BaFin imposed a penalty payment of EUR 500,000 on 26 February 2025 due to two violations of the official order dated 27 June 2023. This penalty was paid following an unsuccessful appeal. A fine of EUR 3.3 million was imposed in a penalty notice dated 22 August 2025, covering the period from 2 June 2023 to 27 March 2025 and relating to 30 cases in which suspicious activity reports pursuant to Section 43 (1) of the German Money Laundering Act (GwG) were not submitted in due time. Payment of this fine did not have a negative impact on earnings in 2025 as a provision had already been recognised as at 31 December 2024.

The special audit ended in October 2025. BaFin is not expected to impose any further fines as result of or in connection with the special audit.

Based on the findings of the audit, the Bank implemented a large number of regulatory, organisational and procedural measures between 2023 and 2025, including the sustained strengthening of its governance, risk and control structures and the consistent further development of its compliance function. At the request of BaFin, the Bank's Anti-Financial Crime (AFC) department drew up an action plan to address the findings and presented it to BaFin on 28 April 2025. The AFC department reported to BaFin on implementation on an ongoing basis following approval by the Board of Managing Directors. As at 31 December 2025, all measures had been implemented and made available to Internal Audit for review and a final assessment of the adequacy of their implementation.

The special representative's mandate ended in October 2025 and the associated direct supervisory activities were discontinued. The completion of the special audit and the end of the special representative's mandate mean that the Bank will once again be subject to regular supervision going forward.

Cum-ex transactions and similar arrangements

The report by the special auditor Hogan Lovells on the 'cum-ex transactions' and similar arrangements was made available to the Bank in June 2025. The assessment by the special auditor was part of the Section 44 KWG special audit. Relevant transactions are subjected to a forensic analysis in this document that runs to more than a thousand pages, and a dedicated risk assessment is carried out from civil, criminal, tax and regulatory law perspectives. The Bank examined the material conclusions reached by the experts thoroughly and reflected these consistently in the 2024 financial statements in terms of the need for risk provisions. The details set out below are covered in full in the special auditor's report and, in terms of risk, were taken into account by the Bank in the 2024 annual financial statements.

Official proceedings are currently underway in connection with securities transactions around the respective dividend record dates in the period 2010 to 2016. To the best of the Bank's knowledge, these proceedings involve (former/current) employees and members of the executive bodies of the Bank and Varengold Verwaltungs AG (in liquidation) (formerly Varengold Investmentaktiengesellschaft mit Teilgesellschaftsvermögen) due to initial suspicion of tax evasion. The proceedings relate to the individual conduct of the persons concerned. The Bank could be considered as a potential secondary party and in the worst case scenario possibly faced with a fine and/or accused of skimming off excess profits which could be very costly for the Bank. External advisers have been engaged in connection with this to perform an (ongoing) review and analysis of the prosecution office files. Based on the opinion of external advisers and the findings of the BaFin special auditor, the Board of Managing Directors considers the risk of a claim against the subsidiary Varengold Verwaltungs AG (in liquidation) as conceivable, but the risk of the Bank's liability for this as very low.

As widely reported in the media, the public prosecutor's office in Cologne brought charges against a former member of the Bank's Board of Managing Directors at the regional court in Bonn. The Bank was informed in January 2026 that Hans D had been convicted. The Bank was ordered to pay EUR 2.5 million in this context as party to the recovery proceedings. The Bank had already recognised a corresponding provision of the same amount in the 2024 financial statements. The Bank has filed an appeal against the regional court's verdict.

Together with 19 other private individuals and legal entities, the Bank has been a defendant in civil proceedings (Caceis case) since the 2020 financial year. The dispute centres around a possible claim for reimbursement, which relates to a tax claim in relation to transactions of an independent sub-fund of the former Varengold Investmentaktiengesellschaft mit Teilgesellschaftsvermögen, today Varengold Verwaltungs AG (in liquidation), in 2010. The investment corporation at the time is the primary defendant in the above proceedings. The Bank was a minority shareholder of this investment stock corporation in 2010. The action is based on the joint and several reimbursement of refunded capital gains tax, including solidarity surcharge, totalling around EUR 92 million (plus any interest and other damages incurred by the plaintiff), which was paid into the sub-fund (Caerus II) in 2010 and which the Munich tax office had reclaimed from the plaintiff's legal predecessor. The Caerus II equity fund (referred to previously and below as 'Caerus II') is an investment fund in the form of a sub-fund launched under the umbrella of the then Varengold Investmentaktiengesellschaft on 31 March 2010. The Bank has filed an appeal with the competent court to dismiss the action. The Board of Managing Directors and the external experts involved have to date assessed the probability of the risk arising from these proceedings as not overwhelmingly likely. The criminal proceedings against a former Managing Director of the Bank regarding Caerus II, which have now been completed, have so far not led to any other outcome. However, a different assessment cannot be completely ruled out. For this

reason, the Bank has formed a provision for this legal risk as a precautionary measure, whereby the assumption has been made that the Bank will be required to pay a pro rata settlement. The total amount of this provision is EUR 4.45 million and was calculated using estimates. Estimates from external consultants were used and findings from comparable circumstances in the banking and other business environments were evaluated. If a claim were made solely against the Bank, the amount to be paid would exceed reported equity capital.

In December, the Bank received a hearing letter from the Federal Central Tax Office (Bundeszentralamt für Steuern, BZSt). The BZSt intends to hold Ascory Bank AG liable for capital gains tax and solidarity surcharge totalling EUR 1,412,835.07. The tax relates to cum-ex transactions purportedly carried out by US pension funds in 2011. The Bank submitted a statement to the BZSt via external legal counsel as part of the hearing, as the external legal advisers consider the proposed liability notice against Ascory Bank AG to be unlawful, as the statutory limitation period for assessment is likely to have expired according to the interpretation of the general criteria. No response has been received from the BZSt as yet. A provision has been formed for the respective amount.

Business purpose and other business relationships with natural and legal persons domiciled in Bulgaria

The special auditor's report included findings relating specifically to the business and risk strategy and the organisation of lending business processes. The Bank took appropriate action in 2025, in particular with regard to lending processes, risk management and formulation of its strategic direction, in line with the Bank's overall strategy. In this context, consideration is also being given to whether original Bulgarian busi-

ness should be entered directly to the accounts at the branch and gradually refinanced through deposits from Bulgaria in order to ensure transparent and consistent management and planning of business in Bulgaria and near-shore activities for the Bank as a whole.

B. Economic report

1. Macroeconomic and industry-related conditions

The economic climate in the 2025 financial year was again characterised by geopolitical uncertainties. Despite these global challenges, the first signs of a cautious recovery began to emerge in Germany and the eurozone. In Germany, the overall economic climate in 2025 continued to be characterised by generally subdued growth. Following two years of recession, economic output grew only marginally in 2025. According to initial estimates, real gross domestic product rose by 0.2% (seasonally-adjusted 0.3%). The main drivers of growth were higher private and public spending, while exports declined once again and investment remained sluggish.¹

Prices stabilised as the year progressed. The average annual inflation rate in Germany in 2025 stood at +2.2% compared with 2024, reflecting a return to significantly lower inflation rates overall compared with previous years.² Against this backdrop, and in view of stabilising inflation trends in the euro area, monetary policy continued on its path towards normalisation: In February, March, April and June 2025, the Governing Council of the ECB cut key interest rates by 25 basis points; the interest rate for the deposit facility was therefore 2.00% from 11 June 2025³ (main refinancing rate 2.15 %⁴, marginal lending rate 2.40 %⁵). This meant that financing conditions remained less restrictive compared

1 https://www.destatis.de/DE/Presse/Pressemitteilungen/2026/01/PD26_017_811.html

2 https://www.destatis.de/DE/Themen/Wirtschaft/Preise/Verbraucherpreisindex/_inhalt.html?templateQueryString

3 <https://de.statista.com/statistik/daten/studie/201162/umfrage/entwicklung-des-ezb-zinssatzes-fuer-die-einlagefazilitaet-seit-1999/>

4 <https://de.statista.com/statistik/daten/studie/201216/umfrage/ezb-zinssatz-fuer-das-hauptrefinanzierungs-geschaefit-seit-1999/>

5 <https://de.statista.com/statistik/daten/studie/201209/umfrage/ezb-zinssatz-fuer-die-spitzenrefinanzierungsfazilitaet-seit-1999/>

with the high interest rate phases in 2022/2023, but at the same time remained significantly higher than in the long-term low interest rate environment. The capital markets showed robust development overall in 2025. Germany's benchmark index, the DAX, ended the 2025 trading year at 24,490 points (up around 23% on the start of the year), reflecting an overall positive market sentiment despite periods of volatility.⁶

This resulted in a mixed picture for the banking sector. Moderate economic momentum and continued subdued investment activity were offset by more stable price trends and a more predictable interest rate environment compared with previous years. At the same time, the supervisory authority focused on key risk drivers (including the economic environment, geopolitical upheavals, digitalisation/cybersecurity and sustainability).⁷

In the fintech and venture capital sectors, the trend towards selective financing continued in 2025, with conditions generally improving for successful companies. The KfW Venture Capital Dashboard reports 1,444 deals for 2025 (slightly down on the previous year), alongside rising average round sizes and a renewed increase in the importance of scale-up financing; investors continued to be significantly more selective than during the boom phase.⁸ Furthermore, market analyses show that financing conditions for start-ups tended to improve over the course of 2025, yet without returning to the levels seen during the previous boom.⁹

The expansion of renewable energy in Europe continued in 2025 and remained a key driver of investment in generation capacity and the associated infrastructure (in particular grids, storage and system integration). Against this backdrop, demand for financing of transformation and energy transition projects remained high, generally supporting the market environment for

structured and project-related financing in this segment.¹⁰

With regard to Bulgaria as the location of the branch office, the European integration and convergence process also remained relevant in 2025: Bulgaria continued to participate in the exchange rate mechanism (ERM II). In July 2025, a decision was taken at European level to introduce the euro in Bulgaria with effect from 1 January 2026. As at the reporting date, the changeover had been legally approved but had not yet taken effect.¹¹ The Bulgarian economy showed robust growth in 2025. According to preliminary data from the National Statistical Institute (NSI), real gross domestic product (GDP) rose by 3.1% compared with 2024.¹²

2. Business development

The 2025 financial year was marked by a comprehensive strategic and organisational realignment. A new Board of Managing Directors was appointed in March 2025. The former members of the Board of Managing Directors stepped down by mutual agreement, following which the Supervisory Board appointed Matthias Wargers as Spokesman of the Board of Managing Directors and Hendrik Harms as Board member.

The financial statements for the 2023 financial year, prepared in March 2025, and the financial statements for the 2024 financial year, prepared in August 2025, were issued with an unqualified audit opinion.

In both the Fintech and Energy Transition business areas, activities were specifically focused on structured finance and existing partnerships were further developed. In the 2025 financial year, the Bank generated total earnings before tax (EBT) of TEUR 2,046, which is higher than the figure of TEUR 800 that was forecast in the last management report. Operating profit

6 <https://www.boersenag.de/aktuelles/neuigkeiten-quotrix/der-dax-im-jahr-2025/>

7 https://www.bafin.de/DE/Aufsicht/Fokusrisiken/Fokusrisiken_2025/Fokusrisiken_2025_node.html

8 https://www.kfw.de/%C3%9Cber-die-KfW/Newsroom/Aktuelles/News-Details_876544.html

9 https://www.ey.com/de_de/newsroom/2026/01/ey-startup-barometer-2026

10 https://energy.ec.europa.eu/topics/infrastructure/european-grids_en?prefLang=de

11 <https://www.ecb.europa.eu/press/pr/date/2025/html/ecb.pr250604~26651b6294.de.html>

12 <https://www.nsi.bg/index.php/en/press-release/gross-domestic-product-gdp-national-level-8959>

continued to be impacted by the planned wind-down of the discontinued commercial banking business, as well as by one-off expenses relating to the special audit. At the same time, core business showed a stable performance, particularly in the strategically defined business areas Corporate Clients/Fintech and Corporate Clients/Energy Transition. In the Fintech business area, one-off gains were also realised from the disposal of participating interests based on long-term business relationships.

Net income amounted to TEUR 40,919. Administrative expenses amounted to TEUR 32,494, which was below the previous year's level, however, this figure was again influenced by one-off expenses in connection with the special audit of more than EUR 4,010, as well as by targeted investments in governance, process and system structures. The common equity Tier 1 (CET1) ratio improved to around 24% as at 31 December 2025 (previous year: around 17%), thereby exceeding the regulatory minimum requirements.

In summary, the 2025 financial year was characterised by far-reaching structural changes, the resolution of key legacy and special issues and a clear focus on the business model. This laid the groundwork for the Bank's future development.

3. Position

There may be rounding differences in the following figures.

3.1 Earnings performance

The company's interest income totalled TEUR 47,908 in the reporting year, compared with TEUR 53,902 in the previous year. The decline is primarily due to both a lower average balance and a further reduction in the interest rate on the balance held with the Bundesbank of TEUR 395,332 as at 31 December 2025 (previous year: TEUR 387,234); the deposit facility rate fell from 3% to 2% during the reporting year. Interest income from lending activities showed positive trends. This is largely attributable to the strategic expansion of the loan portfolio.

Interest income also includes income from fixed-income securities. This amounted to TEUR 840 in the reporting year, compared with TEUR 1,536 in the previous year.

Interest expenses rose by 276% from TEUR 13,069 to TEUR 16,674 in the financial year. The increase in interest expenses is primarily due to an increase in the volume of fixed-term deposits. Net interest income of TEUR 31,235 was generated in the financial year (previous year: TEUR 40,833).

Current income from shares and other variable-yield securities fell slightly from TEUR 440 in the previous year to TEUR 250 in the financial year.

Commission income was down in the financial year from TEUR 5,422 to TEUR 3,294. In the previous year, commission income from the Commercial Banking business area was still reported; however, this ceased during the financial year due to the Bank's realignment. Commission expenses fell from TEUR 985 to TEUR 245, also due to the realignment. Overall, net commission income fell by 31.3% to TEUR 3,049.

Other operating income of TEUR 6,385 (previous year: TEUR 5,578) was significantly influenced in the reporting year by the disposal of shareholdings amounting to TEUR 3,263 (previous year: TEUR 0), the reversal of provisions of TEUR 1,692 (previous year: TEUR 4,215) and income from the on-debiting of project business costs of TEUR 1,347 (previous year: TEUR 833).

Net income was down 20.2% from TEUR 51,288 to TEUR 40,919.

Personnel costs fell significantly during the financial year due to the absence of the one-off effect from the previous year (restructuring of the Board of Managing Directors), dropping by 38.5% from TEUR 17,720 to TEUR 10,892; they are thus also well below the figure for 2023 (TEUR 12,949). Consulting fees, costs of preparing financial statements and audit costs, and costs in connection with the Section 44 KWG audit and the special representative amounted

to TEUR 10,266 in the financial year compared with TEUR 9,912 in the previous year. As the special audit was completed in October 2025, the one-off costs associated with this audit, which account for the majority of expenses, will no longer apply from the 2026 financial year. Expenses for maintenance and IT were up slightly compared with the previous year from TEUR 5,475 to TEUR 5,767.

Depreciation, amortisation and write-downs of intangible assets and property, plant and equipment amounted to TEUR 56, which is in line with the previous year's figure of TEUR 61.

Other operating expenses were up 21.2% in the financial year from TEUR 3,686 to TEUR 4,675. The increase is primarily attributable to the formation of a provision for potential claims arising from tax liability in connection with cum-ex transactions, which is included in the expenses for legal risks in the amount of TEUR 1,622 (previous year: TEUR 2,793). This item also includes expenses relating to the depreciation of shareholdings of TEUR 1,548 (previous year: TEUR 0) and losses arising from foreign currency translation of TEUR 1,257 (previous year: gain of TEUR 489).

After offsetting against related income, Depreciation and write-downs of receivables and certain securities as well as allocations to provisions in the lending business amounted to TEUR 2,008 (previous year: TEUR 5,066). Most of this cost is attributable to the increase in risk provisions for the lending business.

The special item 'Fund for general banking risks in accordance with Section 340g HGB', which amounted to TEUR 14,400 in the previous year, remained unchanged in the financial year.

Depreciation, amortisation and impairment losses as well as income from write-ups of participating interests, shares in affiliated companies and securities treated as fixed assets resulted in net income of TEUR 360 in the reporting year (previous year: TEUR 583).

Income from ordinary business activities was TEUR 2,046, well above the previous year's figure (TEUR 129).

In absolute terms, the tax burden fell from EUR 1,704 in the previous year to TEUR 1,523.

Taking into account taxes on income and earnings and other taxes, the annual net profit was TEUR 523 (previous year: net loss of TEUR 1,576).

Return on capital employed in accordance with Section 26a KWG, calculated by dividing annual net profit by total assets was 0.1% compared with -0.2% in the previous year.

3.2 Net asset position

Total assets were down 5.7% from EUR 1,004.5 million to EUR 1,064.9 million as at the reporting date.

The assets side is characterised by the cash reserve and overnight deposits at the Bundesbank recognised as loans and advances to banks of EUR 403.1 million (previous year: EUR 393.2 million), which corresponds to 37.9% of total assets. As a result of the expansion of lending activities, loans and advances to customers amounted to EUR 550.8 million as at the reporting date (previous year: EUR 447.9 million) and, at 51.7%, made up the largest item on the balance sheet. Bonds, shares and other securities amounted to EUR 64.6 million (previous year: EUR 114.3 million). Overall, these items account for 95.6% of total assets (previous year: 95.1%).

At EUR 922.8 million (previous year: EUR 840.4 million) or 86.6%, customer deposits continued to be the dominant item on the liabilities side. It was up just under three percentage points year-on-year. These deposits were made up of current account balances of EUR 203.2 million (previous year: EUR 260.0 million), term deposits of EUR of 476.7 million (previous year: EUR 460.4 million), overnight deposits of EUR of 178.7 million (previous year: EUR 80.0 million) and security deposits of EUR of 64.2 million (previous year: EUR 39.9 million).

The Tier 1 capital ratio as at 31 December 2025 stood at 24.00%, representing a significant improvement on the previous year's figure (18.35%).

The Bank has a well-ordered asset and capital structure.

3.3 Financial position

At EUR 403.1 million or 37.9% (previous year: EUR 393.2 million or 39.1%) of total assets, balances at central banks, in particular the Bundesbank, accounted for a significant proportion of the assets side of the balance sheet as in the previous year.

The regulatory liquidity coverage ratio (LCR ratio) was 383.9% as at the reporting date (previous year: 436.7%) and demonstrates the Bank's excellent liquidity position well above the regulatory requirements. The Bank's liquidity position was not at risk at any time.

Irrevocable loan commitments change depending on new customer business or due to limit adjustments for existing customers. They amounted to a total of EUR 66.6 million as at 31 December 2025, compared with EUR 57.4 million in the previous year.

3.4 Financial performance indicators

The Bank's business and risk strategy objectives are designed to ensure its long-term viability and competitiveness whilst maintaining an appropriate level of resilience. The Bank uses the following key figures and indicators in particular to manage and assess these objectives:

- EBT (Earnings before tax)
- Return on equity (ROE, before taxes and provisions)
- Cost-to-income ratio (CIR)

Earnings before tax of TEUR 2,045 was generated in the reporting year (previous year: TEUR 129). The earnings before tax performance indicator is therefore well above the earnings forecast set out in the previous year's management

report, which predicted a break-even or slightly positive result of up to TEUR 800.

The main drivers of the improvement compared with the forecast earnings are higher net income (TEUR 3,200) and positive effects from the offsetting result for receivables/securities in the liquidity reserve (TEUR 700), which was offset by higher administrative expenses than planned (TEUR 1,600) and higher other operating expenses (TEUR 1,000).

A new performance indicator is return on equity (ROE), which was 4.90% in the reporting year (previous year: 4.17%). Return on equity is calculated as the ratio of earnings before tax - before the recognition or reversal of provisions in accordance with Section 340f/g of the German Commercial Code (HGB) - to common equity Tier 1 capital. A forecast for this performance indicator was not provided in the previous management report.

Another financial performance indicator is cost-to-income ratio, which at 95.6% was below the previous year's level (91.6%). The cost-to-income ratio was therefore below the forecast of around 98%. The variance is primarily attributable to higher net income than planned, which was only partially offset by higher material expenses. The cost-to-income ratio is calculated as the ratio of administrative expenses (personnel costs, material expenses and depreciation and amortisation) to income (net interest income less allocations to provisions for default risks in the lending business, commission surplus and balance of other operating income and expenses) expressed as a percentage.

C. Risk, opportunity and forecast report

1. Risk report

A risk is the possibility of undershooting expected financial or strategic targets due to uncertainties in business activities, market conditions, processes, systems or the behaviour of customers and business partners. Risks are not viewed solely as threats, but as an integral part of busi-

ness operations that are consciously accepted, actively managed and utilised in accordance with the risk strategy.

The Bank has a risk management system that is tailored to its size, complexity and business model. This system serves to systematically identify, assess, manage, monitor and report on all material risks. Its design is based on the applicable legal and regulatory requirements, in particular the German Banking Act (KWG), the Capital Requirements Regulation (CRR) and the German Risk Management Guidelines (MaRisk). The risk models used, including the underlying assumptions and parameters, are documented and validated on a regular basis.

The organisation of risk management follows the three lines of defence model. Operational responsibility for assuming and managing risks lies with the business divisions. The independent Risk Control and Compliance functions monitor compliance with regulatory and internal requirements and support the business divisions in managing risk. As the third line of defence, Internal Audit regularly and independently reviews the adequacy and effectiveness of the internal control and risk management system.

The business strategy defines the Bank's key objectives and the measures required to achieve them. Building on this, the risk strategy sets out the material risk categories, risk appetite and the principles of risk management. The business and risk strategies are consistently aligned and take into account market conditions, regulatory requirements and sustainable growth targets. The risk management system is based on a risk inventory carried out regularly and as required, within the framework of which all material risks are identified and assessed.

Last year, the Bank underwent an extensive strategic review process with the aim of aligning its strategic direction with changing market conditions, regulatory requirements and sustainable growth targets. A structured approach was used to review existing business models, prioritise strategic areas for action and define a specific course of action to boost competitiveness. The

process was carried out in close coordination with the relevant specialist departments and with the support of external experts and formed the basis for the Bank's new forward-looking business and risk strategy. This is based on the following strategic guidelines:

- Realignment and redesign of management of the Bank as a whole by defining clear KPIs and establishing secure, efficient and risk-oriented processes and analyses.
- RWA-optimised and focused expansion of the Corporate Clients/Fintech division, and extension to include adjoining growth-oriented alternative lending platforms (for example, leasing/factoring).
- Risk-oriented expansion of business in the Corporate Clients/Energy Transition division with growth-oriented young companies in the Energy Transition segment in Bulgaria and Germany.
- Development of structural, HR and process-related prerequisites for a growth-oriented fresh start.

The material risk categories identified were counterparty risk, market price risk, liquidity risk, operational risk, as well as strategic and reputational risk. Sustainability risks do not constitute a separate risk category, but act as a driver of the risk categories referred to above.

Credit risk

Credit risk includes traditional credit risks as well as issuer, counterparty default and investment risks. Country risks are taken into account as part of the credit rating process and are additionally managed through a country limit system. Quantification in the context of risk-bearing capacity is based on the expected loss (calculated as exposure at default/EAD x loss given default/LGD x probability of default/PD) and the unexpected loss. Unexpected loss is calculated using a credit risk model based on the CreditMetrics or Gordy approach for a confidence level of 99.9% and a time horizon of one year. This model divides the portfolio for simulation analysis into a sub-portfolio, which is particularly relevant due to the size of its positions and port-

folios that are smaller in size and homogenous ('Large Homogenous Portfolio' approach; LHP approach). Both these portfolios are mapped with different degrees of granularity:

- Portfolio 1: Simulation of the individual positions using CreditMetrics™
- Portfolio 2: Simulation of credit rating clusters (per rating system) based on specific Gordy model scenario.

ic.riskreview software from ICnova AG is used to calculate credit risk. In addition, migration risk is taken into account over a one-year observation horizon using external migration matrices. The effects of collateral are not recognised separately in the risk-bearing capacity calculation. If agreed lending limits are exceeded, loss ratios are adjusted accordingly.

As part of the ongoing development of risk management, the Bank has decided to replace its internal rating process with an external, professional procedure. The aim of this high-priority project is to achieve greater granularity in the rating levels and further improve the validity of the calculated probabilities of default (PDs). By working with specialist providers, the aim is to ensure higher quality of methodology as well as greater overall reliability and validity of risk assessment. Rating systems (RSU providers) that are well-established in the market will be used. In addition, service provider Mountstreet was commissioned to develop bespoke models for securitisations and securitisation-like structures in order to address the specific characteristics of these credit exposures. The project is scheduled for completion in the first half of 2026.

Market price risk

Market price risk comprises price risks including foreign currency risks, interest rate risks and credit spread risks. The price risk (general price risk) is quantified using the 'value at risk'. For both the trading book and the banking book, this is measured with a confidence level of 99.9%, a holding period of 250 days and a lookback of 21 years by historical simulation of the changes in prices or the maturity- and currency-matched

swap or money market rates. The Bank defines credit spread risk as negative changes in the market value of bonds held by the Bank itself as a result of a deterioration in issuers' credit standing that has not yet been reflected in a rating downgrade (specific price risk). The credit spread risk is quantified using the 'value at risk'. For both the trading book and the banking book this is measured with a confidence level of 99.9%, a holding period of 250 days and a lookback of 21 years calculated by historical simulation of the changes in the rating-dependent asset swap spreads of the bonds. Foreign currency futures held to hedge open foreign currency positions in GBP and USD are also included in exchange rate risk. Interest rate risk is measured on a quarterly basis using interest rate shock scenarios, including changes of plus and minus 200 basis points, as well as other scenarios defined by regulatory authorities and specific to the institution. When aggregating sub-risks as part of the risk-bearing capacity assessment, the individual risks are added together on a conservative basis, meaning that diversification effects are not taken into account.

Liquidity risk

To determine the risk value for liquidity risk, a Bank-run scenario is assumed in which all deposits are withdrawn by customers and banks on their contractual maturity date. In the event of economic stress, this quantification is carried out using the liquidity flows reported in accordance with additional monitoring metrics for liquidity reporting (AMM). The cumulative refinancing gap and the cumulative available liquidity coverage potential are also analysed. Based on these data, the contractual cumulative refinancing gap is determined for each maturity band, 'due on demand' to 'longer than five years'. Forward interest rates are used to determine the interest expense for refinancing the contractual gaps for each maturity band. The Bank uses this procedure to calculate the refinancing and call risk. In addition, the Treasury department produces a daily liquidity maturity report. Key performance indicators in this context include a distance to illiquidity of at least three months, a minimum daily liquidity of EUR

20 million and compliance with the liquidity coverage ratio. A contingency plan with an integrated early warning system has been implemented. Monitoring is performed by Risk Controlling.

Operational risk

Operational risk is quantified on a quarterly basis using scenario analyses in conjunction with a Monte Carlo simulation. This is based on 200,000 simulations, from which the 99.9% quantile is derived as the risk value. Material sub-risks are model risks, legal risks, service risks, the failure of critical IT systems, external events, money laundering and terrorism financing risks, external fraud, insider trading and transitory ESG risks. Management of these risks is based on an established internal control system, a loss database and emergency and preventive measures.

Strategic and reputational risk

In the economic perspective, strategic risk is recognised at a flat rate of 10% of the planned interest income from lending business over the next 12 months. Reputational risk is quantified at 10% of the planned interest expense for call and fixed-term deposits for the next 12 months.

Concentration risks

Concentration risks are mitigated by limits and early warning thresholds. Board of Managing Directors' guidelines stipulate, among other things, that the largest single position may not exceed 10% of the portfolio exposed to a risk of counterparty default and that the ratio of the riskiest position to liable capital must be less than 10%. Furthermore, the largest position may only increase the Herfindahl-Hirschmann index to a limited extent, and the largest collateral position may not exceed 10% of the portfolio exposed to a risk of counterparty default.

Risk-bearing capacity

Risk-bearing capacity is analysed by the Risk Controlling department on a monthly basis. The appropriateness of the methods and proce-

dures used to assess risk-bearing capacity is checked regularly. The Board of Managing Directors determines the amount of total allowable risk and its distribution among each of the individual types of material risk. Care is taken in this context through ongoing monitoring and assessment to ensure that the different business activities are backed by adequate risk-bearing potential. Ongoing monitoring of the risk situation is the responsibility of Risk Controlling. The Board of Managing Directors is informed regularly and on an ad hoc basis. Defined countermeasures are in place to address any instances where regulatory requirements or critical utilisation thresholds are not met. The Bank bases its risk-bearing capacity policy on the guidelines issued by BaFin and the Bundesbank regarding the realignment of the ICAAP. The policy covers both the normative and the economic perspectives.

For the normative perspective, the risk-coverage potential and the risks are determined for both current and future planning periods. At the time of preparing this report, capital planning relates to a period of three years and includes the planning scenario required by the supervisory authority and an adverse scenario. Moreover, the Bank uses the option in subsection 35 of the RBC guideline to apply the 'severe economic downturn' stress test, which was developed in accordance with GP 4.3.3 subsection 3 MaRisk and covers all types of risk, as an additional adverse scenario. In the capital planning scenarios, risks from the economic perspective are considered which have an influence on the available capital. In the normative perspective, risk-coverage potential comprises regulatory own funds as well as other capital components, insofar as these are recognised by the supervisory authority for the purpose of meeting regulatory capital requirements (special item 'Fund for general banking risks' in accordance with Section 340g of the German Commercial Code (HGB) and eligible contingency reserves under Section 340f of the German Commercial Code (HGB)). As at 31 December 2025, the regulatory capital requirements amounted to TEUR 69,597. These were met with eligible equity capital of TEUR 100,417. All capital adequacy ratios were met.

In the economic perspective, risk-bearing capacity is determined on a present value basis. The risk-coverage potential was EUR 100.5 million as at 31 December 2025 and is comprised of regulatory own funds, contingency reserves according to Section 340f and g HGB, earnings in the current financial year, as well as hidden reserves. Utilisation of risk coverage potential by the risks was 59.4%, which is well below the defined thresholds. The maximum tolerance limit is 90%. The Board of Managing Directors is directly involved if capacity utilisation exceeds 80%. Risk distribution as at the reporting date was as follows. 56.0% was attributable to credit risk, 8.0% to market price risk, 16.0% to operational risk, 9.5% to liquidity risk, 7.8% to strategic risk and 2.7% to reputational risk.

There were no risks jeopardising the company's existence in the reporting period. Overall, risk-bearing capacity was adequate. The Bank considers the risk position to be appropriate. Geopolitical and macroeconomic developments are monitored on an ongoing basis.

At present, the current conflict in the Middle East has only a limited direct impact on the Bank's risk position. Given its lack of exposure to energy-intensive sectors, there is no immediate increased vulnerability to potential energy price shocks or supply disruptions. Furthermore, interest rate risk in the portfolio is low, meaning that even secondary effects arising from volatile capital markets are currently expected to have only a limited impact. However, in the event of a prolonged or escalating conflict, it cannot be ruled out that indirect risks may increase. These include, in particular, macroeconomic pressures arising from rising energy prices, increased market volatility, potential supply chain disruptions and a general economic slowdown. These could have an indirect impact on the creditworthiness of individual borrowers and the general risk situation.

Overall, however, the Bank is monitoring further geopolitical developments closely so that it can take risk-mitigating measures at an early stage

where necessary. At present, there is no immediate need for any further action.

2. Opportunities report

Following a period of addressing legacy and special issues, the realignment completed in 2025 will open up prospects for the sustainable further development of the business model. Key opportunities arise from the Bank's clear positioning as a specialist financing partner for growth-oriented companies. The focus within its core Corporate Clients business on the fintech, energy transition and leveraged finance sectors enables the Bank to target market segments where there is a sustained need for financing, whilst at the same time allowing for risk-adjusted portfolio management. The concentration on defined ticket sizes, standardised structures and RWA-efficient financing helps shape growth in a controlled manner and in line with risk-bearing capacity.

In the Corporate Clients/Fintech business area, opportunities arise in particular from the ongoing professionalisation and consolidation of the European fintech market. The sustained demand for refinancing solutions for technology-driven business models, for example in the areas of consumer and corporate lending, leasing or factoring, provides the Bank with an opportunity to leverage its structuring and analytical expertise in a targeted manner, drawing on its many years of experience, existing market knowledge and a network built up over the years. The Bank supports its customers through various stages of development. Demand remains high for banking partners offering rapid decision-making processes and reliable structures, particularly in the mid-market segment for transactions up to EUR 25 million.

In the Corporate Clients/Energy Transition business area, too, the ongoing transformation of Europe's energy infrastructure is creating substantial market opportunities. The growing need for investment in battery storage solutions, energy infrastructure and complementary busi-

ness models is leading to an increasing demand for project- and structure-based financing. The Bank sees particular potential here in financing innovative, growth-oriented companies, as well as in clearly defined project structures that enable transparent risk analysis.

In the Corporate Clients/Leveraged Finance business area, the Bank's short-term goal is to establish a presence in the market through its first transactions, and it intends to expand this business gradually over the coming years. The partnership concluded with a major bank in 2025 as well as sub-participations through a special fund present significant opportunities in this regard and will enable the Bank to gradually participate in transactions and work alongside experienced partners who specialise in serving customers in this market segment. The special fund manages a diversified co-investment portfolio and makes funds available exclusively to European borrowers, particularly in Western Europe.

Another opportunity lies in the further development of the refinancing structure. Retail deposit business continues to provide a stable foundation for securing the financing of core business areas. Furthermore, the strategic development of institutional refinancing sources, particularly through engagement with the Bulgarian market, provides additional flexibility in liquidity management.

The branch in Sofia represents a further lever for tapping into opportunities within the context of the Bank's overall strategy. Through clearer strategic integration and transparent management within defined risk and return parameters, both market potential - particularly in the area of energy transition - and efficiency potential in selected functional areas, such as payment processing and, in some instances, the lending sector and compliance, can be exploited. Proximity to regional markets and the use of local expertise support the Bank as a whole in implementing its strategic objectives.

Opportunities also arise from the governance and management structures established in 2025. These include clearly defined procedures within key committees, such as the ALCO for key treasury matters and the Credit Committee, including a separate sub-committee for Bulgarian transactions. The IT and data architecture continue to be advanced with analytics and automation solutions increasingly deployed to gradually improve the efficiency of lending processes, management and reporting, while at the same time enhancing the scalability of the business model without adding disproportionate complexity. This is intended to further strengthen the efficient implementation of financing and the sustainable development of the Bank.

The completion of the special audit pursuant to Section 44 of the German Banking Act (KWG) in October 2025 represents another relevant factor in the Bank's opportunity profile. With this process concluded and the resulting measures largely implemented, the regulatory framework is now more clearly defined. This makes it easier to focus on the operational development of the business model and reduces uncertainties in medium- to long-term planning.

Overall, the transformation achieved in the 2025 financial year and the strategic focus on selected business areas of the Bank open up solid opportunities for stable and manageable business development. The Bank will exploit this potential whilst maintaining a conservative approach to risk in accordance with regulatory requirements.

3. Forecast report

The following forward-looking statements are based on the Bank's assessments at the time of reporting and are subject to risks and uncertainties that may cause actual results to differ from the forecasts.

The geopolitical situation remains tense in light of the recent escalations in the Middle East and continues to be characterised by heightened

uncertainty, which is affecting, amongst other things, energy prices and supply chains. According to current assessments, the war has no immediate, specific impact on the Bank; nevertheless, potential indirect effects are being monitored on an ongoing basis.

Moderate growth is expected for the German economy in 2026. The ifo Institute forecasts gross domestic product (GDP) growth of 0.8% for 2026 and 1.1% for 2027.¹³ According to the ifo economic forecast, however, the global economy is expected to contract slightly on average in 2026 and to expand again in 2027. This is due in particular to the challenges posed by US tariff policy and geopolitical tensions.¹⁴

At the same time, the disinflationary trend is likely to continue: The European Central Bank (ECB) expects headline inflation in the euro area to be 1.9% in 2026, with core inflation (excluding energy and food) at 2.2%. Against this backdrop, interest rates remain restrictive, although the ECB left the deposit rate at 2.0% in December 2025. The reasons cited for this are a slowdown in price growth for services and lower food inflation.¹⁵ Despite the European Central Bank's interest rate cuts in the summer of 2025, interest income remains a stable source of revenue for banks.

In the area of alternative financing, market observers expect the recovery to continue, following the increasing momentum seen in 2025.¹⁶ In the area of energy transition projects, too, high investment and financing requirements are expected to persist in Europe in 2026 as part of the expansion of renewable energy and system integration, with energy analyses highlighting in particular the need for accelerated grid investment and system flexibility.¹⁷

Overall, the outlook for 2026 is therefore expected to remain challenging, but fundamentally sustainable for banks provided they exercise

disciplined risk and cost management. The Bank has taken these challenges into account in its current strategic planning and, thanks to its diversified earnings structure and solid capital base, considers itself well positioned to achieve stable results even under current market conditions. In 2026, the Bank's focus will be on establishing the new Ascory Bank brand and further expanding its core business areas. The aim is to consistently translate the structural and organisational foundations laid during the 2025 transformation year into sustainable growth and improved profitability, and to significantly exceed the break-even point. The Board of Managing Directors therefore expects a profit of around EUR 3.0 million before tax for 2026, with a cost-to-income ratio of well below 100%. Return on equity (ROE) is forecast at around 4%.

Hamburg, 31 March 2026

Ascory Bank AG



Matthias Wargers
Managing Director



Hendrik Harms
Managing Director

¹³ <https://www.ifo.de/prognosen/ifo-konjunkturprognose>

¹⁴ <https://www.ifo.de/fakten/2025-12-11/ifo-konjunkturprognose-winter-2025-der-strukturwandel-hat-deutschland-fest-im-griff>

¹⁵ https://www.ecb.europa.eu/press/projections/html/ecb.projections202512_eurosystemstaff~12ead61977.de.html#toc7

¹⁶ <https://financefwd.com/de/fintech-szene-zieht-mehr-als-8-milliarden-euro-an/>

¹⁷ https://energy.ec.europa.eu/topics/infrastructure/european-grids_en?prefLang=de

Opinion of the independent auditor

To Ascory Bank AG (until 2 February 2026: Varengold Bank AG), Hamburg

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

Audit opinion

We have audited the annual financial statements of Ascory Bank AG, Hamburg, which comprise the balance sheet as of 31 December 2025, the profit and loss account for the financial year from 1 January 2025 to 31 December 2025 and the notes to the financial statements, including the presentation of the accounting policies. We have also audited the Management Report of Ascory Bank AG, Hamburg, for the financial year from 1 January 2025 to 31 December 2025.

In our opinion, based on the findings of our audit

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to public limited companies and give a true and fair view of the assets, liabilities and financial position of the company as of 31 December 2025 and of its financial performance for the financial year from 1 January 2025 to 31 December 2025 in compliance with generally accepted accounting principles in Germany, and
- the accompanying Management Report as a whole provides an accurate picture of the company's position. In all material respects, this Management Report is consistent with the annual financial statements, complies with German legal requirements and presents the opportunities and risks of future development appropriately.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any objections regarding the regularity of the annual financial statements and the Management Report.

Basis for audit opinion

We conducted our audit of the annual financial statements and the Management Report in accordance with Section 317 HGB and EU Audit Regulation (No. 537/2014; hereinafter referred to as 'EU Audit Regulation') and in compliance with generally accepted principles for the audit of financial statements in Germany promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the 'Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report' section of our auditor's report. We are independent of the company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided any non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the Management Report.

Key audit matters in the audit of the annual financial statements

Key audit matters are those matters that, based on our professional judgement, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2025 to 31 December 2025. These matters were addressed in the context of our audit of the annual financial statements as a whole, and when forming our opinion on them; we do not provide a separate opinion on these matters.

In our opinion, the following matters were most significant in our audit:

- i. Risk provisioning in the customer lending business
- ii. Mapping of risks due to possible repayment of refunded capital gains tax

In the following presentation of these key audit matters, we first describe the respective matter in order to then present the audit approach including our findings. We have structured our presentation of these key audit matters as follows:

1. Facts and circumstances, and presentation of problem
2. Audit approach and findings
3. Reference to further information

The key audit matters are presented below:

i) Risk provisioning in the customer lending business

1. In the company's annual financial statements as at 31 December 2025, customer loans totalling EUR 550.8 million (approx. 52% of total assets; previous year: EUR 447.9 million) are reported under the balance sheet item Loans and advances to customers. These consist mainly of claims under loan agreements. The Bank also recognises irrevocable loan commitments of EUR 66.5 million (previous year: EUR 57.4 million) and liabilities from guarantees and warranty agreements of EUR 11.3 million (previous year: TEUR 7.2) as off-balance sheet liabilities.

As at 31 December 2025, the Bank had taken into account protection against default risks in the customer lending business by recognising provisions for losses on individual accounts and general bad debt provisions or general provisions. The Bank also recognised other risk provisions in its balance sheet as at 31 December 2025 by offsetting hidden reserves in accordance with Section 340f HGB against receivables from customers, and also in the form of a special item for general banking risks in accordance with Section 340g HGB (EUR 14.4 million).

The measurement of risk provisions in the customer lending business is determined in particular by the structure and quality of the loan portfolio as well as macroeconomic factors and

estimates by the legal representatives regarding the probability and amount of future loan defaults, the calculation of the collateral value to be recognised as well as industry and macro-economic factors. The amount of the individual loss provisions for receivables from customers corresponds to the difference between the outstanding loan amount and the lower value to be attributed to it on the reporting date. Existing collateral is taken into account. General bad debt provisions are calculated on the basis of expected losses.

Impairment losses in the customer lending business are highly significant in terms of their amount for the company's net assets and earnings performance and also involve considerable discretionary judgement on the part of the legal representatives. In addition, the measurement parameters applied, which are subject to considerable uncertainty, have a significant influence on the recognition and amount of any necessary impairment allowances. In light of this, this matter was of particular significance in the context of our audit.

2. As part of our audit, we first assessed the design of the company's relevant internal control system and, based on this, the effectiveness of the controls. In doing so, we considered business organisation, IT systems and the relevant valuation models.

We also assessed the measurement of receivables from customers, including the appropriateness of estimated values, based on sample checks of the Bank's credit exposure. Here, we assessed, among other things, the company's available documentation regarding the financial circumstances and the recoverability of the corresponding collateral. In the case of collateral for property, for which the company provided us with valuation reports, we obtained an understanding of the underlying initial data, the valuation parameters applied and the assumptions made, critically assessed these and evaluated whether they were within a reasonable range. We also assessed the measurement methods used by the company and the underlying assumptions and parameters in order to evaluate the provisions for losses on individual accounts and general bad debt provisions as well as general provisions that were recognised.

Based on our audit procedures, we were able to satisfy ourselves overall that the assumptions used by the legal representatives to form and measure risk provisions in the customer lending business were reasonable.

3. The company's disclosures on the recognition and measurement of risk provisions in the customer lending business are included in section 2 'Accounting policies' in the notes to the financial statements and in section 3.1 of the Management Report.

ii) Mapping of risks due to possible repayment of refunded capital gains tax

1. In the company's annual financial statements, the item Other provisions includes a provision for legal risks due to the possible repayment of refunded capital gains tax in the amount of TER 8,365 (previous year: TEUR 6,773). The increase in the provision in the 2025 financial year is due to the recognition of a provision for a potential liability claim for third-party taxes in the amount of TEUR 1,400 as well as interest effects.

Provisions must be recognised for uncertain liabilities in accordance with Section 249 (1) sentence 1 HGB. There must be an external obligation for this that has arisen legally or been prompted for financial reasons, and there must be serious expectation that the provisions will be utilised. If the required criteria for recognition are met, a provision for legal risks needs to be recognised.

The legal representatives of Ascory Bank AG consider it sufficiently likely that the above-mentioned claims could be successful and have set aside provisions for legal risks. The risk assessment to be carried out on the progress of the legal disputes and the assessment of whether the recognition of a provision to cover the risk is necessary in view of these disputes is characterised to a large extent by the estimates and assumptions of the legal representatives. In light of this and due to the amount of the claims asserted, we consider this matter to be of particular significance for our audit.

2. As part of our audit, we examined the existing risks from pending and potential legal disputes in terms of content, taking account of the report of the special auditor in accordance with Section 44 KWG, and assessed whether and to what extent provisions should be recognised. Our assessment considered the information obtained during our regular discussions with the Bank's legal representatives. We analysed the reasons for recognising the provision and determining the amount of the provision. We also took into account the comprehensive explanations in the special auditor's report in accordance with Section 44 KWG, the estimates of legal advisers obtained by Ascory Bank AG and other documents provided by Ascory Bank AG.

Based on our audit procedures, we were able to satisfy ourselves that the estimates made by the legal representatives for the recognition and measurement of the provisions for legal risks arising from the potential repayment of refunded capital gains tax are adequately documented and substantiated.

3. The company's disclosures on the provision for legal risks are included in section 4.2.13 'Other provisions', section 5.7 'Other operating expenses' of the notes to the financial statements and section A of the Management Report.

Other information

The legal representatives are responsible for the other information.

Other information comprises the annual report - excluding cross-references to external information - with the exception of the audited annual financial statements, the audited management report and our auditor's report.

Our opinions on the annual financial statements and on the Management Report do not cover this other information, and consequently we do not express an opinion on this or provide any other form of assurance for this.

Our responsibility in the context of our audit is to read the other information referred to above and, in doing so, consider whether the other information

- is materially inconsistent with the annual financial statements, with the disclosures in the audited Management Report or with knowledge we have obtained during the audit, or
- otherwise appears to be materially misstated.

Responsibility of the legal representatives and the Supervisory Board for the annual financial statements and the Management Report

The legal representatives are responsible for preparing annual financial statements that comply, in all material respects, with German commercial law applicable to private limited companies, and ensuring that the annual financial statements give a true and fair view of the assets, liabilities, financial position and earnings performance of the company in accordance with generally accepted accounting principles in Germany. In addition, the legal representatives are responsible for such internal control as they have deemed necessary in accordance with generally accepted accounting principles in Germany in order to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. tampering with accounts or misappropriating assets) or error.

When preparing the annual financial statements, the legal representatives are responsible for assessing the company's ability to continue as a going concern. Furthermore, they are responsible for disclosing matters relating to the continuation of the company's activities, where relevant. They are also responsible for preparing the accounts based on the going concern principle unless there are actual or legal circumstances to the contrary.

Moreover, the legal representatives are responsible for preparing the Management Report which, as a whole, provides an appropriate view of the company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and presents the opportunities and risks of future development appropriately. The legal representatives are also responsible for such arrangements and measures (systems) that they have considered necessary in order to enable the preparation of a management report that fulfils the applicable German legal requirements and to be able to provide sufficient appropriate evidence for the statements made in the Management Report.

The Supervisory Board is responsible for overseeing the financing reporting process used by the company to prepare the annual financial statements and the Management Report.

Responsibility of the Auditor for the Audit of the Annual Financial Statements and the Management Report

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation, and in compliance with generally accepted accounting principles in Germany promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the financial decisions of users taken on the basis of these annual financial statements and Management Report.

During the audit, we exercise due discretion and maintain professional scepticism. In addition,

- we identify and assess the risks of material misstatement in the annual financial statements and the Management Report, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate in order to provide a basis for our opinions. The risk of not detecting material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- we obtain an understanding of internal controls relevant to our audit of the annual financial statements and of arrangements and measures (systems) relevant to our audit of the Management Report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls or its systems.
- we evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of accounting estimates and related disclosures made by the legal representatives.
- we reach a conclusion on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence we have obtained, whether there is material uncertainty related to events or circumstances that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in the auditor's report to the relevant disclosures in the annual financial statements and in the Management Report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence we have obtained up to the date of our auditor's report. However, future events or circumstances may result in the company no longer being able to continue its business activities.
- we evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events such that the annual financial statements give a true and fair view of the assets, liabilities, financial position and earnings performance of the company in accordance with generally accepted accounting principles in Germany.
- we evaluate the consistency of the Management Report with the annual financial statements, its compliance with German law, and the view of the company's position it provides.
- we perform audit procedures on the forward-looking statements made by the legal representatives in the Management Report. Based on sufficient appropriate audit evidence, we simulate the significant assumptions used by the legal representatives as a basis for the forward-looking statements, and assess the proper derivation of the forward-looking statements from these assumptions. We do not express a separate opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events will differ materially from the forward-looking statements.

We discuss the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit, with those charged with supervisory responsibility.

We provide those charged with supervisory responsibility with a statement that we have complied with the relevant requirements in terms of independence, and discuss with them all relationships and other matters that may reasonably be thought to affect our independence, and where applicable, the relevant safeguards applied to mitigate risks to independence.

From the matters communicated with those charged with supervisory responsibility, we determine the matters that were of most significance in our audit of the annual financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or other legal provisions prevents their public disclosure.

OTHER STATUTORY AND OTHER LEGAL REQUIREMENTS

Other disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor by the General Meeting on 29 October 2025. We were engaged by the Supervisory Board on 4 December 2025. We have been the auditor of Ascory Bank AG, Hamburg, without interruption since the 2024 financial year.

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

AUDITOR IN CHARGE

The auditor in charge of the audit is Miriam Brosig.

Hanover, 31 March 2026

PKF TREUWERK AG
Wirtschaftsprüfungsgesellschaft

Miriam Brosig
Auditor

Christian-Peter Lamm
Auditor





Ascory Bank AG (trading as Varengold Bank AG until 2 February 2026)

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Board of Managing Directors

Matthias Wargers (Spokesperson for the Board of Managing Directors)
Hendrik Harms

Supervisory Board

Dirk Auerbach (Chairman)
Vasil Stefanov
Tobias Weitzel

Companies Register

HRB 73684 Hamburg District Court

VAT ID No.

Financial Authority, Hamburg, DE247069729

Corporate Governance

Ascory Bank AG is registered with the Federal Financial Supervisory Authority (BaFin), Graurheindorfer Str. 108, 53117 Bonn, Germany; Tel.: 0228/4108 – 0) under number 109 520 and published on the website www.bafin.de.

Deposit insurance

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