Ascory

BANK

Interim Report as at 30 June 2026

Preliminary remarks

This Interim Report contains key figures and the interim financial statements, including the balance sheet, profit and loss account, as well as explanatory notes relating to the balance sheet and profit and loss account, and the interim management report. These have not been audited nor have they been the subject of an audit review.

Statement of the legal representatives:

The Board of Managing Directors confirms that to the best of its knowledge, the interim financial statements prepared in accordance with standard accounting principles provide as true and fair view of the company's financial position as possible and that the Interim Report represents as true and fair view of the company as possible with respect to important events during the first six months of the financial year and the consequences of these events for the company.

The first half of 2026 featured the operational implementation of the strategic realignment that was initiated in the previous year. 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.

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.

Contents

Letter to shareholders

Pictured (from the left): Hendrik Harms and Matthias Wargers

Dear Shareholders,

For our bank, the first half of 2026 was marked by the continued and consistent implementation of our transformation. Following our return to profitability in 2025, the strengthening of our capital base and the completion of key transformation measures, we embarked on the next phase of our development. A clear indication of this was the change of name to Ascory Bank AG, which took effect in February 2026. However, it represents more than just a new name, it reflects the clear positioning of a focused bank with a refined business model, modern structures and high standards of quality, reliability and ability to put ideas into practice. This is based on the new business and risk strategy adopted by the executive bodies at the beginning of the year, and will ensure that the Bank's future development is consistently aligned with clearly defined strategic guidelines. We are aiming for a return on equity (ROE) above 10%, a cost-to-income ratio (CIR) below 65% and a common equity Tier 1 (CET1) ratio above 15% by 2029.

A particular focus in the first half of 2026 was the further professionalisation of our operational platform in accordance with the target operating model (TOM), which serves as the central target architecture for the Bank's processes, organisation and systems. This also included the further development of credit rating: The internal rating process to date has been supplemented or replaced by external, professional procedures and established rating systems. Our aim is to achieve greater granularity in rating levels, improved validity of probabilities of default and, overall, greater informative value in risk assessment. This will create the basis for even more accurate, consistent and scalable credit management, allowing the Bank to operate in a risk-adjusted, capital conscious manner geared towards sustainable profitability. The background to this is our aim to achieve profitable growth through our business model as a specialist lending bank for young and budding growth companies in the core business areas Fintech, Energy Transition and Leveraged Finance. Alongside this, we are strengthening our refinancing base, further developing strategic partnerships and integrating our Sofia branch more closely into the Bank's overall strategy.

These milestones have enabled us to re-establish efficient processes, clear responsibilities and focused management. At the same time, we were able to meet our operational targets, generating earnings before tax of around EUR 1.8 million in the first half of the year. In addition, Ascory Bank is reorganising its management structure for the next few years and expanding its Board of Managing Directors.

The management team will increase from two to three members with effect from 1 October 2026. Alongside Matthias Wargers, Board Member responsible for Front Office and Chief Executive Officer, Daniel Piatek, as Board Member responsible for Back Office, will take over responsibility for the Credit, Finance, Risk, Compliance and Regulatory Reporting divisions from Hendrik Harms. Kai Friedrichs, who until now has served as the Bank's General Representative, Chief Operating Officer and Chief Information Officer, will be appointed to the Board of Managing Directors and will be responsible for IT and Banking Operations.

The new management structure will boost the Bank's technological, operational and strategic development. The progress made in recent months confirms that Ascory has the resources and structures in place to establish itself in the market over the long-term as a focused financing partner for growth-oriented companies. In light of this, the Board of Managing Directors expects a positive result for the 2026 financial year and a further improvement in profitability.

We would like to thank you, our shareholders, for your trust and support. We would also like to thank our employees who are helping to shape this journey, showing great dedication, a high level of professionalism and a clear focus on the future. Together, we have laid the foundations for the further development of Ascory Bank for the remainder of the year, ensuring it remains visible, profitable and sustainable.

Hamburg, August 2026

Yours faithfully,

Matthias Wargers
Spokesman for the Board
of Managing Directors

Hendrik Harms
Managing Director

Interim financial statements as at 30 June 2026

In accordance with the German Commercial Code (HGB).

For the financial year from 1 January 2026 to 30 June 2026.

Ascory Bank AG
Grosse Elbstrasse 39
22767 Hamburg, Germany

Balance Sheet

as at 30 June 2026

Assets		**EUR**	**Financial year EUR**	**Previous year EUR**
1.	Cash reserve			
	a) Cash and cash equivalents	469.98		1,715.11
	b) Balances at central banks	4,690,196.77		7,710,035.69
			4,690,666.75	7,711,750.80
	↳ of which: at the Bundesbank EUR 4,670,196.77 (EUR 7,043,254.22)			
2.	Loans and advances to banks			
	a) Due on demand	340,863,794.81		402,962,732.10
	b) Other receivables	27,234.60		27,226.53
			340,891,029.41	402,989,958.63
3.	Loans and advances to customers		555,324,188.66	550,786,987.90
	↳ of which: public sector loans EUR 63,441,611.18 (EUR 84,308,966.76)			
4.	Bonds and other fixed-income securities			
	a) Bonds and debt securities			
	aa) From public issuers	46,257,240.60		15,351,799.73
	↳ of which: acceptable as collateral at the Bundesbank EUR 45,855,528.00			
	ab) From other issuers	41,905,736.72		31,717,266.35
			88,162,977.32	47,069,066.08
5.	Shares and other variable-yield securities		64,798,150.79	17,544,913.67
6.	Participating interests		1,725,827.52	0.00
7.	Shares in affiliated companies		0.00	750,000.00
8.	Trust assets		25,147,299.39	26,593,135.56
	↳ of which: trust loans EUR 25,147,299.39 (EUR 26,593,135.56)			
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	7,624.00		14,596.00
			7,624.00	14,596.00
10.	Property, plant and equipment		115,867.02	129,310.00
11.	Other assets		11,880,956.26	10,774,631.13
12.	Prepaid expenses and deferred charges		230,184.22	564,909.21
Total assets			**1,092,974,771.34**	**1,064,929,258.98**

Equity and liabilities		EUR	Financial year EUR	Previous year EUR
1.	Bank loans and overdrafts			
	a) Due on demand	6,814.05		117,558.92
	b) With agreed term or period of notice	244,429.40		234,415.97
			251,243.45	351,974.89
2.	Amounts due to customers			
	a) Other liabilities			
	aa) Due on demand	475,890,301.79		446,099,760.98
	ab) With agreed term or period of notice	477,604,126.66		476,675,070.33
			953,494,428.45	922,774,831.31
3.	Trust liabilities		25,147,299.39	26,593,135.56
	↳ of which: trust loans EUR 25,147,299.39 (EUR 26,593,135.56)			
4.	Other liabilities		744,450.62	2,034,565.07
5.	Deferred income		1,812.99	35,245.85
6.	Provisions			
	a) Provisions for pensions and similar obligations	1,624,103.00		1,624,103.00
	b) Provisions for taxes	0.00		20,573.68
	a) Other provisions	12,118,344.07		13,736,028.01
			13,742,447.07	15,380,704.69
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		25,426,181.72	23,591,893.96
			80,193,089.37	78,358,801.61
Total equity and liabilities			**1,092,974,771.34**	**1,064,929,258.98**
10.	Contingent liabilities			
	a) Liabilities arising from guarantees and warranty agreements EUR 10,269,512.09 (EUR 11,287,012.69)			
11.	Other obligations			
	a) Irrevocable loan commitments EUR 78,014,136.44 (EUR 66,521,144.30)			

Profit and Loss Account

For the period 1 January 2026 to 30 June 2026.

				1 January 2026 to 30 June 2026	1 January 2025 to 30 June 2025
		EUR	EUR	EUR	EUR
1.	Interest income from				
	a) Lending and money market transactions	22,842,726.69			23,235,350.02
	b) Fixed-income securities and debt register claims	129,649.49			557,284.01
			22,972,376.18		23,792,634.03
2.	Interest expenses		-8,162,491.70		-8,218,510.43
				14,809,884.48	15,574,123.60
3.	Current income from				
	a) Shares and other variable-yield securities		250,000.00		499,600.00
				250,000.00	499,600.00
4.	Commission income		907,953.59		1,553,099.61
5.	Commission expenses		-86,586.42		-122,135.14
				821,367.17	1,430,964.47
6.	Other operating income			1,168,401.06	1,537,386.33
7.	General administrative expenses				
	a) Personnel costs				
	aa) Wages and salaries	-5,707,388.30			-4,679,418.13
	ab) Social security contributions and expenses for pensions and other employee benefits	-729,434.32			-694,634.51
	↳ of which: for pensions EUR 7,857.60 (EUR 147,094.41)		-6,436,822.62		-5,374,052.64
	b) Other administrative expenses		-7,662,509.44		-11,932,151.40
				-14,099,332.06	-17,306,204.04
8.	Depreciation and amortisation of intangible assets and property, plant and equipment			-21,633.24	-27,694.05
9.	Other operating expenses			48,712.15	-261,114.55
10.	Depreciation and write-downs of receivables and certain securities and allocations to provisions in the lending business			-1,136,842.14	-1,070,627.92
11.	Allocation to fund for general banking risks			0.00	0.00
12.	Income from write-ups and write-downs of participating interests, shares in affiliated companies and securities treated as assets			0.00	117,869.88
13.	**Income from ordinary business activities**			1,840,557.42	494,303.72

		EUR	EUR	1 January 2026 to 30 June 2026 EUR	1 January 2025 to 30 June 2025 EUR
14.	Taxes on income and earnings		-5,321.32		-453,596.38
15.	Other taxes, provided they are not recognised under item 9		-948.34		-670.47
				-6,269.66	-454,266.85
16.	**Annual net profit**			1,834,287.76	40,036.87
17.	Profit carried forward from previous year			23,591,893.96	23,068,712.46
18.	**Net profit**			25,426,181.72	23,108,749.33

Condensed notes

for the period from 1 January to 30 June 2026 (interim financial statements)

Preliminary remarks

The unqualified audit opinion on the 2025 annual financial statements and the 2025 Management Report was issued on 23 June 2026.

The figures in the tables in the condensed notes are presented in thousands of euros (TEUR) or millions of euros (EUR million). Please note that rounded figures are used in the tables and in the text. Rounding differences are therefore possible. Comparative figures for key balance sheet figures relate to the annual financial statements as at 31 December 2025, comparative figures for key profit and loss account figures relate to the interim financial statements as at 30 June 2025.

In these condensed notes, we emphasise particular aspects of the information in the interim financial accounts, but do not provide the same level of detail as notes that have not been condensed. The accompanying balance sheet and profit and loss account are not condensed. The interim financial statements as a whole should be read in conjunction with the annual financial statements as at 31 December of a (previous) year.

1 General disclosures

The accounting and valuation methods used for the previous year's financial statements were generally applied in these interim financial statements, hence separate explanations are only provided in the event of deviations. Income taxes were estimated based on the expected full-year tax rate.

All subsidiaries (within the meaning of 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 Estimation uncertainties and discretionary judgements

Use has been made of permissible estimates, discretionary judgements and assumptions. Estimates are based on empirical values and observable factors that are reviewed on a regular basis. Discretionary judgements have been made with due regard to legally permissible allowances.

Pension obligations have been calculated using the projected unit credit method in accordance with IAS 19. Based on the following assumptions:

Figures in %	30 June 2026	31 December 2025
Discount rate	1.90	1.90
Expected salary increase	2.00	2.00
Expected pension increase	2.00	2.00

3 Merger

The merger of VARP Finance GmbH into Ascory Bank AG resulted in the following merger balance sheet as at 1 January 2026:

	Ascory Bank AG	VARP Finance GmbH	Merger balance sheet
Assets			
Cash reserve	7,712	0	7,712
Loans and advances to banks	402,990	827	403,817
Loans and advances to customers	550,787	0	550,733
Bonds and other fixed-income securities	47,069	0	47,069
Shares and other variable-yield securities	17,545	0	17,545
Participating interests	0	1,726	1,726
Shares in affiliated companies	750	0	0
Trust assets	26,593	0	26,593
Intangible assets	15	0	15
Property, plant and equipment	129	0	129
Other assets	10,774	0	10,775
Prepaid expenses and deferred charges	565	0	565
Total assets	**1,064,929**	**2,553**	**1,066,678**
Equity and liabilities			
Bank loans and overdrafts	352	0	352
Amounts due to customers	922,775	0	922,771
Trust liabilities	26,593	0	26,593
Other liabilities	2,035	929	2,164
Deferred income	35	0	35
Provisions	15,381	29	15,410
Secondary liabilities	5,000	0	5,000
Fund for general banking risks	14,400	0	14,400
Equity capital	78,359	1,595	79,953
Total equity and liabilities	**1,064,929**	**2,553**	**1,066,678**

We have omitted a further breakdown of the restated figures for the previous year below, as they are of minor significance.

4 Notes to the balance sheet

4.1 Assets

4.1.1 Loans and advances to customers

	30 June 2026 TEUR	31 December 2025 TEUR
Loan receivables	477,130	449,117
Public sector loans	63,442	84,309
Other receivables	14,753	17,361
Loans and advances to customers	**555,325**	**550,787**

4.1.2 Financial assets

	30 June 2026 TEUR	31 December 2025 TEUR
Shares and other variable-yield securities	64,798	17,545
Bonds and other fixed-income securities	88,163	47,069
Shares in affiliated companies	0	750
Participating interests	1,726	0
Financial assets	**154,687**	**65,364**

4.1.3 Other assets

	30 June 2026 TEUR	31 December 2025 TEUR
Company shares	2,498	2,498
Corporation tax and solidarity surcharge	3,810	0
Business tax	3,976	7,041
Value-added tax	156	12
Other taxes (abroad)	0	0
Other	1,440	1,224
Other assets	**11,880**	**10,775**

4.2 Equity and liabilities

4.2.1 Bank loans and overdrafts

	30 June 2026 TEUR	31 December 2025 TEUR
Liabilities due on demand - Loro accounts	4	117
Development banks	244	234
Liabilities due on demand - other accounts	3	1
Bank loans and overdrafts	**251**	**352**

4.2.2 Amounts due to customers

	30 June 2026 TEUR	31 December 2025 TEUR
Time deposits	218,355	178,663
Current accounts	193,290	203,192
Deposits	59,811	59,810
Other	4,435	4,435
Liabilities due on demand	475,891	446,100
Term deposits	477,604	476,675
Limited-term liabilities	477,604	476,675
Amounts due to customers	**953,495**	**922,775**

4.2.3 Provision for taxes

There were mainly tax refund claims as at the reporting date, as was the case on 31 December 2025. These are recognised under Other assets.

	30 June 2026 TEUR	31 December 2025 TEUR
Income tax, Sofia	0	21

5 Notes to the profit and loss account

5.1 Interest income

Interest income consists mainly of income from loans granted and money market transactions. The ECB's key interest rate, which is relevant for the marginal lending facility, was 2.65% at the end of the reporting period (previous year: 2.4%).

Interest expenses mainly include interest on customer deposits (call, fixed-rate and term deposits).

Net interest income was down TEUR 764 compared with the previous period, partly due to lower interest income from loans granted and money market transactions (TEUR 323) and lower interest expenses (TEUR 56).

5.2 Administrative expenses

There was an improvement in administrative expenses compared with the previous period; specifically, the costs associated with the special audit in 2025 did not carry over into 2026.

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

6.1.2 Board of Managing Directors

Board Member responsible for Front Office:
Matthias Wargers

Board Member responsible for Back Office:
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.

6.2 Notifications in accordance with Section 20 AktG

No notifications pursuant to Section 20 (1) AktG were sent to the Bank in the reporting period and therefore no announcements pursuant to Section 20 (6) AktG were published in the Federal Gazette.

6.3 German Corporate Governance Code

From 20 March 2007 to 28 February 2017, the Ascory Bank AG share (ISIN DE000A40ZUV2) was listed in the Entry Standard segment of the German Stock Exchange. Following the closure of the Entry Standard segment, the Bank's shares have been listed in the Basic Board segment on the Open Market since 1 March 2017. The Bank has decided not to publish a declaration of compliance with the German Corporate Governance Code (Section 161 AktG) as the company is not listed in accordance with Section (3)(2) AktG.

6.4 Supplementary statement

No events of particular significance occurred after 30 June 2026.

Hamburg, 25 August 2026
Ascory Bank AG

Matthias Wargers
Managing Director

Hendrik Harms
Managing Director

Interim 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 110 people across both locations. The Bank is registered with the Federal Financial Supervisory Authority (BaFin) under no. 109520 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.

In the 2025 financial year, the bank underwent extensive realignment, 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 realignment, 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

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.

<u>Corporate Clients/Fintech</u>
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.

B. Economic report

1. Macroeconomic and industry-related conditions

The economic climate in the first half of 2026 was again characterised by geopolitical and trade policy uncertainties. In Germany, the slight economic upturn that had become apparent at the end of the previous year continued initially. In Q2 2026, gross domestic product, adjusted for price, seasonal and calendar effects, was up 0.2% compared with the previous quarter, and, on a price-adjusted basis, was 0.9% higher than in the same quarter in the previous year. Exports provided a positive boost, while consumer spending showed modest growth and investment fell compared with the previous quarter.[1] In the euro area, seasonally adjusted gross domestic product was up 0.4% in Q2 2026 compared with the previous quarter, and was 1.0% higher than in the same quarter in the previous year.[2]

1 https://www.destatis.de/DE/Presse/Pressemitteilungen/2026/07/PD26_269_811.html
2 https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-30072026-ap

Prices remained volatile during the reporting period. In Germany, the rate of inflation in June 2026 was 2.3% compared with the same month in the previous year; in the euro area, it was 2.8%.[3] After the Governing Council of the ECB had initially left its key interest rates unchanged, it raised them by 25 basis points in June 2026. Since 17 June 2026, the interest rate for the deposit facility has stood at 2.25%, the main refinancing rate at 2.40% and the interest rate for the marginal lending facility at 2.65%.[4]

This resulted in a market environment that remained challenging for the banking sector. The relatively subdued economic momentum and structural pressures in individual sectors increased lending risks, while geopolitical developments occasionally led to heightened volatility on the financial markets. At the same time, the European banking sector as a whole proved to be well-capitalised, profitable and resilient.[5] Banking supervision continued to focus specifically on geopolitical and macro-financial risks, the management of lending risks as well as operational resilience, IT and cyber risks, governance and climate and environmental risks.[6]

The capital markets were characterised by periods of heightened volatility in the first half of 2026, particularly as a result of persistent geopolitical tensions.[7] The DAX closed the first half of 2026 at 24,995.81 points, marking a moderate increase of 2.06% or 505.40 points compared with figure at the end of 2025.[8]

In the fintech and venture capital sectors, financing activity remained selective. German start-ups raised around EUR 1.7 billion in venture capital in Q1 2026, 6% more than in the same quarter of the previous year.[9] At the same time, revenues of German fintech companies rose by 27% to around EUR 3.4 billion in the 2024 financial year, with larger and established providers benefiting in particular.[10]

The expansion of renewable energy continued in Germany and Europe during the first half of 2026. In Q1, 46% of electricity generation in the EU came from renewable energy sources, with wind power being the most important of these.[11] In Germany, its share of net public electricity generation stood at 61.8% in the first half of the year, while photovoltaic generation reached a new record high.[12] The further expansion of generation, grid and storage capacity helped meet the financing requirements for transformation and infrastructure projects relating to the energy transition.

With regard to Bulgaria, where our branch is located, the first half of 2026 was characterised in particular by the introduction of the euro. Bulgaria became the 21st member state of the euro zone on 1 January 2026 and was fully integrated into the euro system.[13] The Bulgarian economy continued to show robust growth: In Q2 2026, real gross domestic product was up 2.7% year-on-year and up 0.6% compared with the previous quarter on a seasonally adjusted basis.[14]

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3 https://www.destatis.de/DE/Presse/Pressemitteilungen/2026/07/PD26_243_611.html
4 https://www.ecb.europa.eu/press/pr/date/2026/html/ecb.mp260611~4d41bd5e83.en.html
5 https://www.eba.europa.eu/publications-and-media/publications/risk-assessment-report-june-2026
6 https://www.bankingsupervision.europa.eu/framework/priorities/html/ssm.supervisory_priorities202511.de.html
7 https://www.ecb.europa.eu/press/financial-stability-publications/fsr/html/ecb.fsr202605~50566915a7.en.html
8 https://de.statista.com/statistik/daten/studie/162176/umfrage/monatliche-entwicklung-des-dax/
9 https://www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokumente-Dashboard/KfW-VC-Dashboard-Q1-2026.pdf
10 https://finanz-szene.de/fintech/deutsche-fintechs-haben-ertraege-im-jahr-2024-auf-mehr-als-3-mrd-euro-gepusht/
11 https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20260701-1
12 https://www.ise.fraunhofer.de/de/presse-und-medien/presseinformationen/2026/solarstrom-europaweit-auf-dem-vormarsch.html
13 https://www.ecb.europa.eu/euro/changeover/bulgaria/html/index.en.html
14 https://www.nsi.bg/index.php/en/press-release/gross-domestic-product-gdp-national-level-9117

2. Business development

In the first half of 2026, the Bank focused on the operational implementation of the business and risk strategy adopted in the previous year. Work on further developing the business model and organisational and governance structures continued as planned. In February 2026, the change of name from Varengold Bank AG to Ascory Bank AG was officially concluded and became legally binding.

Business activities focused on structured financing in the Fintech, Energy Transition and Leveraged Finance business areas. In the reporting period, existing business relationships were further developed and new financing projects were reviewed or implemented. New lending business was carefully managed in line with the Bank's risk-bearing capacity, capital commitment and targeted level of profitability. The refinancing base and cooperation with strategic partners were also further developed.

A key focus in the first half of the year was the fundamental enhancement of our lending risk assessment. To this end, all the Bank's assets underwent a full re-rating. This involved the use of newly developed or newly introduced rating systems as well as external specialist service providers. The previous internal rating process was therefore comprehensively revised and replaced in part. The aim of this was to provide a more nuanced representation of lending risks, achieve greater granularity in the rating categories and improve the derivation and validation of probabilities of default. The results will form an essential basis for the Bank's ongoing credit, risk and capital management. In addition, the Bank also revised its methodology for calculating general bad debt provisions, aligning it more closely with recognised commercial accounting principles and standard market practices. Risk assessments will be carried out in a more nuanced manner going forward. The adjustment is therefore intended to provide a more risk-appropriate representation of the portfolio and is not based on a change in the assessment of lending risk.

Alongside this, organisational and operational structures were refined based on the target operating model. The focus was on standardising processes and responsibilities, improving data infrastructure and strengthening the integration between front office and back office functions. The Sofia branch was further integrated into operational processes and the Bank's overall management. As part of the realignment, the subsidiary VARP Finance GmbH was also merged into the Bank with effect from 1 January 2026 in order to reduce complexity and costs. Going forward, the Bank's equity investments will be recognised directly on the balance sheet in an equity investment section allocated to Corporate Clients.

In the first half of 2026, the Bank generated earnings before tax of EUR 1.8 million, which exceeded forecasts. Net income was EUR 15.881 million. The first half of 2026 was characterised by two factors in particular; the merger of VARP with Ascory Bank had a positive impact. However, increased risk exposure arising from legacy cases in the lending sector had the opposite effect. Due to one-off tax effects in the first half of the year, half-year net profit also amounted to EUR 1.8 million, which is significantly higher than the previous year's figure. The common equity Tier 1 ratio (CET1) was around 19% as at 30 June 2026. The decline of around 4 percentage points compared with the end of 2025 reflects the Bank's dynamic growth in new business during the first half of the year.

In summary, the first half of 2026 was characterised by the continued implementation of the strategic realignment, the refinement of management and risk structures and a focus on the defined core business areas. This meant that the organisational and regulatory foundations laid in the previous year for the Bank's growth-oriented development were implemented as planned.

3. Position

There may be rounding differences in the following figures.

3.1 Net earnings position

	1 January 2026 - 30 June 2026 TEUR	1 January 2025 - 30 June 2025 TEUR	Changes TEUR	Changes in %
Net interest income	14,810	15,574	-764	-4.9
Provision surplus	821	1,431	-610	-42.6
Other earnings	250	500	-250	-50.0
Net earnings	**15,881**	**17,257**	**-1,376**	**-8.0**
Personnel costs	-6,437	-5,374	-1,063	19.8
Material expenses	-7,663	-11,932	4,269	-35.8
Depreciation of intangible assets and property, plant and equipment	-22	-28	6	-21.9
Administrative expenses and depreciation	**-14,121**	**-17,334**	**3,213**	**-18.5**
Other operating income	**1,217**	**1,276**	**-59**	**-4.6**
Earnings Valuation of receivables	**-1,137**	**-1,071**	**-66**	**6.1**
Earnings Valuation of equity investments	**0**	**118**	**-118**	**-100.0**
Profit before tax	**1,841**	**494**	**1,346**	**272.4**
Income taxes	**-6**	**-454**	**448**	**-98.6**
Earnings after tax	**1,834**	**40**	**1,794**	**4,484.6**

Net interest income was down around 5% to EUR 14.8 million, which was mainly due to the loss of interest income from overnight deposits at the Bundesbank in the course of the scheduled phasing out of the wind-down portfolio.

The commission result was down 43% or around EUR 0.6 million as a result of the strategic realignment and the associated discontinuation of the Commercial Banking division.

In terms of expenses, operating expenses were down 37% or around EUR 4.4 million, mainly due to the one-off expenses in connection with the special audit in 2025. In contrast, personnel costs were up 20% (around EUR 1.1 million), due to increased temporary provisions for unused holiday and severance payments. Total administrative expenses were therefore down 19% to EUR 14.1 million.

Other operating income is largely attributable to the gain arising from the merger of VARP into Ascory Bank.

Risk provisions are affected in particular by individual value adjustments on 'old cases'; this is offset by write-ups on securities and the change in the methodology used to calculate general bad debt provisions.

3.2 Asset and financial position

	30 June 2026 TEUR	31 December 2025 TEUR	Changes TEUR	Changes in %
Cash reserve	4,690	7,712	-3,022	-39.2
Loans and advances to banks	340,891	402,990	-62,099	-15.4
Loans and advances to customers	555,324	550,788	4,536	0.8
Financial assets, other securities, property, plant and equipment, intangible assets	154,810	65,364	89,446	136.8
Trust assets	25,147	26,593	-1,446	-5.4
Other assets	12,111	11,483	629	5.5
Total assets	**1,092,975**	**1,064,929**	**28,046**	**2.6**
Bank loans and overdrafts	251	352	-101	-28.6
Amounts due to customers	953,494	922,777	30,718	3.3
Trust liabilities	25,147	26,593	-1,446	-5.4
Provisions	13,742	15,381	-1,638	-10.7
Secondary liabilities	5,000	5,000	0	0.0
Other liabilities	746	2,068	-1,322	-63.9
Fund for general banking risks according to 340g HGB	14,400	14,400	0	0.0
Total liabilities	**1,012,782**	**986,750**	**26,211**	**2.7**
Equity capital	80,193	78,359	1,834	2.3
Total equity and liabilities	**1,092,975**	**1,064,929**	**28,046**	**2.6**
Contingent liabilities	10,270	11,287	-1,017	-9.0
Irrevocable loan commitments	78,014	66,521	11,493	17.3

Ascory Bank has a well-ordered asset and financial position.

As at 30 June 2026, total assets were up 2.6% compared with 31 December 2025 to EUR 1,093.0 million, which is reflective mainly of an increase in Loans and advances to customers as well as Financial assets and Other securities. The investment in a special fund (EUR 46.5 million) resulted in a shift between Loans and advances to banks repayable on demand and Shares and other variable-yield securities.

Contingent liabilities were down EUR 1.0 million as at the reporting date, while irrevocable loan commitments rose to EUR 78.0 million (previous year: EUR 66.5 million).

The cash reserve and Loans and advances to banks make up a large part of the Bank's liquid assets and at EUR 345.6 million accounted for 32% of total assets as at the reporting date (previous year: EUR 410.7 million or 38.6%).

3.3 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)

In the first half of 2026, the Bank generated earnings before tax of TEUR 1,841, which exceeded the pro rata projection. The main factors were higher operating income, which more than offset the slight increase in administrative expenses and the less favourable net risk provisions. The Interim Management Report does not include a figure for return on equity (ROE), as this key performance indicator only allows for a sufficiently meaningful assessment of return on equity once the results for the full financial year are available, due to fluctuations in earnings during the year.

Another financial performance indicator is the cost-to-income ratio. This was around 97% as at 30 June 2026, which is below the forecast of 100% issued for 2026 as a whole. The variance is primarily attributable to higher net income than projected, 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 business 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.

The comprehensive strategic review process, which began last year with a view to aligning the Bank's strategic direction with changing market conditions, regulatory requirements and sustainable growth targets, continued in the first half of 2026. Prior to this, a structured approach was used to review existing business models, prioritise strategic areas for action and define specific courses 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 sector 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 portfolios 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 decided in 2025 to replace its internal rating process with external, professional procedures. The aim of this high-priority project was to achieve greater granularity in the rating levels and further improve the validity of calculated probabilities of default (PDs). Working with specialist providers will 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 was completed and employed for the first time at the end of 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 monthly 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.

The assessment of the legal risks associated with pending cum-ex-related proceedings remained essentially unchanged during the reporting period compared with the 2025 Annual Report. These proceedings will be monitored on an ongoing basis and taken into account as part of the risk management process.

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%. In addition, the Bank has established a country limit system in order to limit concentrations.

Risk-bearing capacity

Risk-bearing capacity is analysed by the Risk Controlling department on a monthly basis. The appropriateness of the methods and procedures 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)). The total risk exposure used to determine the regulatory capital requirements was EUR 487,839 as at 30 June 2026. This was offset by eligible equity capital of TEUR 100,724. All regulatory minimum capital ratios were complied with.

In the economic perspective, risk-bearing capacity is determined on a present value basis. The risk-coverage potential was EUR 97.89 million as at 30 June 2026 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 78.5%, which is just 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. 62.2% was attributable to credit risk, 11.3% to market price risk, 13.1% to operational risk, 4.4% to liquidity risk, 6.7% to strategic risk and 2.4% to reputational risk.

The significantly higher limit utilisation compared with the end of 2025 is attributable mainly to the increase in counterparty risk resulting from the move to external agencies for rating and LGD methodologies. However, the Bank expects a significant reduction in amounts at risk over the next six months as a result of repayments that have been announced, particularly in high-risk exposures.

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.

The conflict in the Middle East and the associated geopolitical tensions do not currently have any direct material impact on the Bank’s risk position. Given the business model and the lack of noteworthy exposure in particularly energy-intensive sectors, there is no increased direct vulnerability to potential energy price shocks or supply disruptions. Interest rate risk in the portfolio also remains limited, and consequently greater volatility on the capital markets does not currently give rise to any significant additional risks.

However, indirect risks may intensify in the event of further escalation or a protracted conflict situation. Such risks include macroeconomic pressures resulting from rising energy and raw material prices, persistent market volatility, potential disruptions to global supply chains and a slowdown in economic growth. These factors could indirectly affect the financial performance of individual borrowers and in turn have an impact on the Bank's risk position.

The Bank monitors geopolitical developments and their potential impact on the risk position on an ongoing basis as part of its risk management.

2. Opportunities report

The opportunities outlined in the management report for the 2025 financial year remain largely unchanged. The focus of the business model on structured financing for growth-oriented companies continues to present opportunities for the controlled expansion of lending business. Focusing on the business areas Fintech, Energy Transition and Leveraged Finance, as well as on defined financing structures, enables a targeted selection of loan exposures, taking into account their risk profile, capital commitment and profitability.

A significant opportunity arises from the full revaluation of assets carried out in the first half of 2026. The use of new rating systems and external specialist service providers will allow a more nuanced assessment of lending risks and more accurate modelling of probabilities of default. The resulting improvement in input data can support more accurate selection and pricing of new business as well as risk-adjusted allocation of capital and risk-weighted assets.

In the Fintech business area, opportunities continue to arise from the financing requirements of established and growing companies, particularly in the areas of consumer and corporate lending, leasing and factoring. The Bank’s long-standing knowledge of the market, existing business relationships and experience in structuring secured financing enable it to support scalable business models with a sustainable earnings and risk structure.

In the Energy Transition business area, the ongoing expansion of Europe’s energy infrastructure continues to open up market opportunities. Investments in battery storage, renewable generation capacity, grid infrastructure and complementary energy systems in particular are driving sustained demand for project-specific and structured financing solutions. Opportunities arise for the Bank specifically in transparently structured projects that allow a clear assessment of the project and repayment risks.

In the Leveraged Finance business area, opportunities arise from the gradual build-up of a diversified loan portfolio in the small- and mid-cap segment. Working with experienced financing partners as well as involvement in transactions via co-investment and sub-fund structures, enables controlled market access and broader risk diversification. On this basis, the business area can be gradually developed further whilst taking its risk-bearing capacity into account.

Further opportunities arise from the diversification of the refinancing base and the closer integration of the branch in Sofia. In addition to retail customer deposits, institutional refinancing sources and access to the Bulgarian market can provide additional flexibility in liquidity management. At the same time, local expertise and existing operational capacity in Sofia can be utilised both to tap into regional business opportunities and to streamline selected processes more efficiently.

The further rollout of the target operating model may create additional opportunities to enhance efficiency and scalability. Standardised processes, clear lines of responsibility, an improved data base and the targeted use of automation and analytics solutions can provide support particularly for loan processing, risk management and reporting. This can help accommodate increasing business volume without a corresponding rise in organisational complexity. Overall, the refinement of lending risk assessment and operational and organisational structures in the first half of 2026 has improved the conditions for capitalising on these opportunities in a controlled and capital-conscious manner, and in line with the Bank's risk-bearing capacity.

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.

Macroeconomic developments are likely to continue to be shaped by conflicting factors throughout the remainder of the year. In its summer economic forecast, the ifo Institute expects[15] Germany's price-adjusted gross domestic product to increase by 0.8% in both 2026 and 2027. Whilst expansionary fiscal policy is likely to bolster the economy, the rise in energy prices due to the conflict in the Middle East is having a particularly negative impact. The forecast is based on the assumption that the conflict will ease and energy prices will gradually fall. The ifo Institute is forecasting growth of 2.2% for the global economy in 2026 and 2.4% in 2027. According to current assessments, the geopolitical developments do not have any specific direct implications for the Bank. Potential indirect effects, particularly on energy prices, financing conditions and borrowers' creditworthiness, are monitored on an ongoing basis. The ifo Institute is expecting a rate of inflation of 2.9% for Germany in 2026 and 2.7% in 2027. The European Central Bank is forecasting overall inflation of 3.0% for the euro zone in 2026 and 2.3% in 2027.[16] Following the rise in key interest rates in June 2026, the future course of monetary policy will continue to depend on incoming economic and inflation data.[17]

In the markets relevant to the Bank, there is still the assumption that there is a fundamental, albeit selective requirement for financing. Industry experts expect consolidation in the German fintech market to continue during the course of the year. Capital is likely to continue to flow selectively into viable and scalable business models; at the same time, closer cooperation is anticipated between banks and fintechs.[18] In the Energy Transition area, the expansion of generation, grid and storage capacities is likely to continue to generate significant financing requirements. The European Commission estimates that the European energy sector will require an average of around EUR 660 billion in investment per annum between 2026 and 2030.[19]

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15 https://www.ifo.de/fakten/2026-06-18/ifo-konjunkturprognose-sommer-2026-energiepreisanstieg-bremst-finanzpolitik
16 https://www.ecb.europa.eu/press/projections/html/ecb.projections202606_eurosystemstaff~a495110f8d.de.html
17 https://www.ecb.europa.eu/press/pr/date/2026/html/ecb.mp260611~4d41bd5e83.de.html
18 https://paymentandbanking.com/2026-so-sehen-expert-innen-den-fintech-markt/
19 https://energy.ec.europa.eu/topics/funding-and-financing/clean-energy-investment_en

Overall, the environment is expected to remain challenging in the second half of 2026. However, it should remain sustainable with disciplined management of risk, capital and costs. The Bank has taken this into account in its current strategic planning and, thanks to its diversified earnings structure and solid capital base, considers itself to still be in a good position to achieve stable results even under current market conditions. In the second half of 2026, the Bank's focus will continue to be on establishing the new Ascory Bank brand and further expanding its core business areas.

Based on current planning, the Board of Managing Directors expects positive earnings before tax of around EUR 3.0 million for the 2026 financial year. The cost-income ratio is forecast to be below 100% and return on equity around 4%.

Hamburg, 25 August 2026

Ascory Bank AG

Matthias Wargers
Managing Director

Hendrik Harms
Managing Director

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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

Ascory Bank AG is part of the German Banks Compensation Scheme (EdB).

Permissions/Approvals of Ascory Bank AG

- Acquisition brokerage (section 1 (1a) sentence 2 no. 2 KWG [German Banking Act])
- Investment advisory services (section 1 (1a) sentence 2 no. 1a KWG)
- Investment brokerage (section 1 (1a) sentence 2 no. 1 KWG)
- Asset management (section 1 (1a) sentence 2 no. 11 KWG)
- Safe custody business (section 1 (1) sentence 2 no. 5 KWG)
- Proprietary business (section 32 1a) KWG)
- Proprietary trading (section 1 (1a) sentence 2 no. 4 KWG)
- Deposit business (section 1 (1) sentence 2 no. 1 KWG)
- Factoring (section 1 (1a) sentence 2 no. 9 KWG)
- Financial leasing (section 1 (1a) sentence 2 no. 10 KWG)
- Financial commission business (section 1 (1) sentence 2 no. 4 KWG)
- Financial portfolio management (section 1 (1a) sentence 2 no. 3 KWG)
- Guarantee business (section 1 (1) sentence 2 no. 8 KWG)
- Lending business (section 1 (1) sentence 2 no. 2 KWG)

Disclaimer

Notes on the content

The information in this report is meant neither for publication nor distribution in, for example, the United States of America, Australia, Canada, Japan, or any other country where such publication or distribution could be unlawful.

This report was produced with the utmost care. Rounding, typographical and printing errors may nonetheless not be excluded. Whiles calculating sums of rounded amounts and percentages, rounding differences may occur.

Forward-looking statements

This report contains forward-looking statements. Forward-looking statements are statements that include not only historical facts, but also statements about our beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections available to the Board of Managing Directors of Ascory Bank AG at the time of preparing this Annual Report. Forward-looking statements speak only as of the date on which they are made. The reader should therefore not over-rely on these statements, particularly in connection with contracts or investment decisions. We expressly point out that all forward-looking statements are connected with known or unknown risks and uncertainties and are based on assumptions related to future events beyond our control. We cannot accept any liability for the accuracy, completeness, or for the actual occurrence of the statements made. The Board of Managing Directors assumes no obligation to update such statements to reflect new information or future events. A number of important factors could therefore cause actual results to differ materially from forward-looking statements. Such factors include a change in general economic conditions or the competitive environment, the threat of deterioration in earnings from special charges as well as the state of the financial markets, from which Ascory Bank AG achieves substantial portions of its income.

Note
This English version of the Interim Report 2026 is for informational purposes only. Legally binding is solely the German version of the interim Report 2026.