Annual Report 2024

M.M.WARBURG & CO
BANK

Contents

1 Executive Board report

Dear Stakeholders,

The year 2024 was once again marked by significant geopolitical challenges. The armed conflicts in Ukraine, as well as in Gaza and other regions of the world, continued unabated, causing ongoing uncertainty. At the same time, significant political changes took place, including the presidential election in the United States and the collapse of the coalition government in Germany. These injected additional tumultuousness into the economic and political environment. These geopolitical developments have also had an impact on our business. Nevertheless, we succeeded in closing 2024 on a slightly positive note.

Compared with the previous year, volatility on the capital markets increased. Despite the sometimes extreme fluctuations, we can look back on a generally favourable year on the stock market, with the German DAX index exceeding the 20,000-point mark for the first time. We also achieved solid results for our private banking clients. Our asset management business, which is designed to meet a wide range of client needs and groups with its diverse strategies and structures, made a solid contribution to M.M.Warburg & CO's commission income, which held steady overall versus the prior year. Above all, however, it was our clients who benefited from our solid performance. For example, we placed second in the overall ranking of the firstfive Awards presented in February 2025, as well as in the period spanning 36 months. firstfive AG is an independent analysis firm whose awards are based on the evaluation of real customer portfolios, which is why they are particularly informative.

In 2024, we also once again received four out of five stars from the business magazine Capital as a sustainable asset manager – even before launching a new asset management concept last summer: Our new Warburg Smart Carbon strategy for foundations combines sustainable asset management with effective carbon offsetting. The core portfolio of this new product has the same investment approach as that of our proven Warburg strategy for foundations, with the difference being that we offset the carbon emissions of assets in the portfolio by retiring carbon credits. The concept is particularly aimed at semi-professional and professional investors.

For the current year 2025, we plan to launch further attractive products in the private banking business segment for both our high-net-worth private clients as well as semi-professional and professional investors. In doing so, a particular focus will be placed on current market developments and customer needs, and we will expand our offering accordingly. We will be able to share more details on this soon.

Interest rate developments also had a major impact on our performance in the financial year. Net interest income fell by around 30% year over year due to the interest rate cuts, but was still in line with our expectations, as we had anticipated lower interest rates. One of our objectives for 2024 was to expand our lending business. At the beginning of the year, we therefore made organisational changes and merged our corporate banking and corporate finance divisions.

Over the course of the year, it became apparent that the real estate financing business remained below our expectations, as the commercial real estate market developed more weakly than anticipated. We are confident that the real estate markets will continue to recover in 2025, however, and that our lending business in this segment will grow. We are also planning to expand other promising segments in the financing sector.

Overall, we closed the year 2024 with a profit of EUR 1 million. Our cost discipline contributed significantly to this, as despite considerable investments in our new core banking system, "other administrative expenses" fell compared with the previous year. We are currently in the process of modernising our IT infrastructure and will complete this project by mid-2026, including switching to the core banking system "agree21" from Atruvia. Our goal is to become more digital and modern in order to meet client needs even more quickly and flexibly. In 2024, our digitalisation working group made progress on implementing a platform for using artificial intelligence language models, which is scheduled to be rolled out in 2025. We also expect this to speed up internal processes and give our employees more time to focus on what matters most: our clients.

The positive year-end result does not hide the fact that we did not meet our expectations as regards commission income. Due to challenges in the capital market business, which was again characterised by weak issuance activity, particularly on the equity side for small and mid caps, net commission income remained below target overall. We have now reviewed our business strategy in this regard and intend to present our considerations to the Supervisory Board in May 2025. Our projections for 2025 are therefore subject to possible adjustments to our business model.

Our value proposition will not change, however: M.M.Warburg & CO stands for personalised advice, outstanding performance, and first-class service. We will continue to create lasting added value for you in the future.

Markus Bolder
Member of the Executive Board

Stephan Schrameier
Member of the Executive Board

2 Company background

2.1 Business model

M.M.Warburg & CO is a private bank that is embedded in a holding structure and owned by private shareholders. In addition to its headquarters in Hamburg, the Bank has a regional presence in Germany and operated branches in Berlin, Bremen, Frankfurt, Hanover, Cologne, Munich and Stuttgart in the 2024 financial year. M.M.Warburg & CO's activities are supported by subsidiaries and associated companies, most of which are based in Hamburg. As part of the strategic repositioning and the associated refocusing of the business model, the decision was made in the 2024 financial year to liquidate the investments in Warburg Alternative Assets GmbH and New Bond Street GmbH. For further information, please refer to section 3.1.1 Organisational changes.

M.M.Warburg & CO's corporate identity is based on a combination of tradition and a forward-looking approach, and is based on the Bank's range of services. In this regard, M.M.Warburg & CO is guided by the principles of partnership, independence, reliability, integrity, sustainability and innovation. M.M.Warburg & CO, together with its subsidiaries, operates in three business areas: private banking, corporate and investment banking, and asset management. It has a diversified business model but, thanks to its subsidiaries' specialisation, occupies its own niche in terms of both clients and products, and seeks to conduct business outside the mass market.

M.M.Warburg & CO's business model can be summarised as follows:

The business model of M.M.Warburg & CO

Private Banking	Corporate & Investment Banking	Asset Management
▪ Asset management ▪ Investment advice ▪ Succession planning ▪ Foundation management ▪ Family office services via subsidiary Marcard, Stein & Co.	▪ Corporate banking and finance ▪ Markets and institutional banking ▪ Shipping ▪ Real estate ▪ Research services via subsidiary Warburg Research GmbH	▪ Custodian business ▪ Investment fund business via the subsidiary Warburg Invest Kapitalanlagegesellschaft mbH

In line with its regional roots, M.M.Warburg & CO's activities are focused on Germany; as such, the Bank's business activities and those of its portfolio companies are particularly influenced by economic developments on the German market. However, the dynamics of the German market are heavily influenced by European and global (money and capital) markets. The legal framework for the Bank's business activities is defined by national regulations and, particularly in the area of banking regulation, by European regulations.

The business model can be used to set quantifiable targets for the Bank's management. These key performance indicators are monitored and evaluated on a regular basis to ensure compliance with the strategy.

2.2 Employees

In 2024, M.M.Warburg & CO was able to drive key initiatives forward and make progress in the area of human resources. We further cemented our position as an attractive employer in the financial sector through a variety of measures. We continuously developed activities to attract new employees and actively cultivated our corporate culture and employee loyalty.

We are extremely pleased to report that the voluntary turnover rate fell from 12.29% in 2023 to 7.82% in the 2024 reporting year, which is a clear indication of the success of our measures. This positive trend shows that our initiatives to improve job satisfaction and create an attractive working environment are having an effect.

The update to the collective agreement as regards working hours, which was negotiated and concluded with the central works council in 2024, has been in force since the beginning of 2025. It provides for an increase in the remuneration threshold for the employees that fall under its scope, which means that significantly more employees will once again benefit from the working time regulations.

In 2024, work continued on the change project aimed at transforming the corporate culture. The focus here was on operationalising the five identified pattern changes and publishing the new mission statement in June 2024, which conceptually rounded off the cultural transformation. The efforts to actively transform the corporate culture are being further supported by our "change ambassadors."

In summer 2024, we celebrated our company party in festive spirits with roughly 400 employees above the rooftops of Hamburg on the 23rd floor of the Emporio Tower.

Through the introduction of the new EGYM Wellpass fitness programme, Warburg Bank now offers its employees a comprehensive range of fitness and wellness benefits. The offering supports our health management and has also been well received by employees – 123 employees were members as of 31 December 2024.

As part of our ongoing efforts to optimize our organizational structure, we developed a new job title framework. Its primary objective is to introduce attractive titles that clearly distinguish themselves from the previously used designations associated with powers of attorney. The new titles will apply starting at the turn of the year 2025.

As at 31 December 2024, the Bank employed 617 (620) people.

We would like to thank all employees for their hard work and dedication in 2024. We would also like to thank the members of the works councils for their excellent work and cooperation once again.

3. Business report

3.1 Business performance

3.1.1 Organizational changes

The Bank and M.M.Warburg & CO Gruppe GmbH, its sole shareholder, have decided to merge M.M.Warburg & CO Gruppe GmbH into the bank by way of a notarised agreement dated 26 August 2021 in order to simplify the legal structures and develop a modern governance system. The merger is subject to approval by the supervisory authority. As a result of the merger, the Bank's capital is expected to decrease by EUR 61.2 million ("merger loss") as a result of the difference in carrying amounts according to commercial law. Otherwise, the merger will not have any impact on employees, clients and business partners, as Warburg Bank will continue to exist unchanged as regards its employment and client relationships. The merger is currently undergoing regulatory review.

As part of the implementation of its strategic repositioning and the associated refocusing of its business model, M.M.Warburg & CO has disposed of its shares in Quantum Immobilien AG with effect from 20 December 2024. In addition, the Bank disposed of its shares in Steyler Bank (with the sale completed on 31 May 2024) and completed the liquidation of Warburg Alternative Assets GmbH. Furthermore, the Bank registered the liquidation of New Bond Street GmbH in the commercial register with effect from 1 January 2025. The disposal of these shares and the liquidations will allow M.M.Warburg & CO to further narrow its strategic focus.

3.1.2 Operating activities

Geopolitical uncertainties and the interest rate policy pursued by central banks had an impact on M.M.Warburg & CO's annual results in the current reporting year. For example, the war in Ukraine that broke out in February 2022 and the armed conflict in the Middle East are still ongoing. Interest rate developments were therefore characterised by considerable uncertainty. In addition, geopolitical uncertainties dampened the economic climate. Emerging protectionism continues to weigh on the market environment. M.M.Warburg & CO saw its results impacted by significant investments in IT infrastructure aimed at introducing a new core banking system by 2026.

Receivables from clients amounted to EUR 448.9 million (EUR 459.6 million) in the reporting year and were held at a constant level in line with a conservative risk policy. Lending to clients now accounts for 14.1% (14.0%) of the balance sheet structure. The majority of the Bank's cash investments, amounting to EUR 536.9 million (EUR 532.4 million), are held with Germany's central bank, Deutsche Bundesbank. Total assets decreased by EUR 107.8 million (-3.3%) to EUR 3.2 billion in the reporting year, with the majority of this decline attributable to the decrease in trust assets of EUR 113.7 million (EUR 204.6 million).

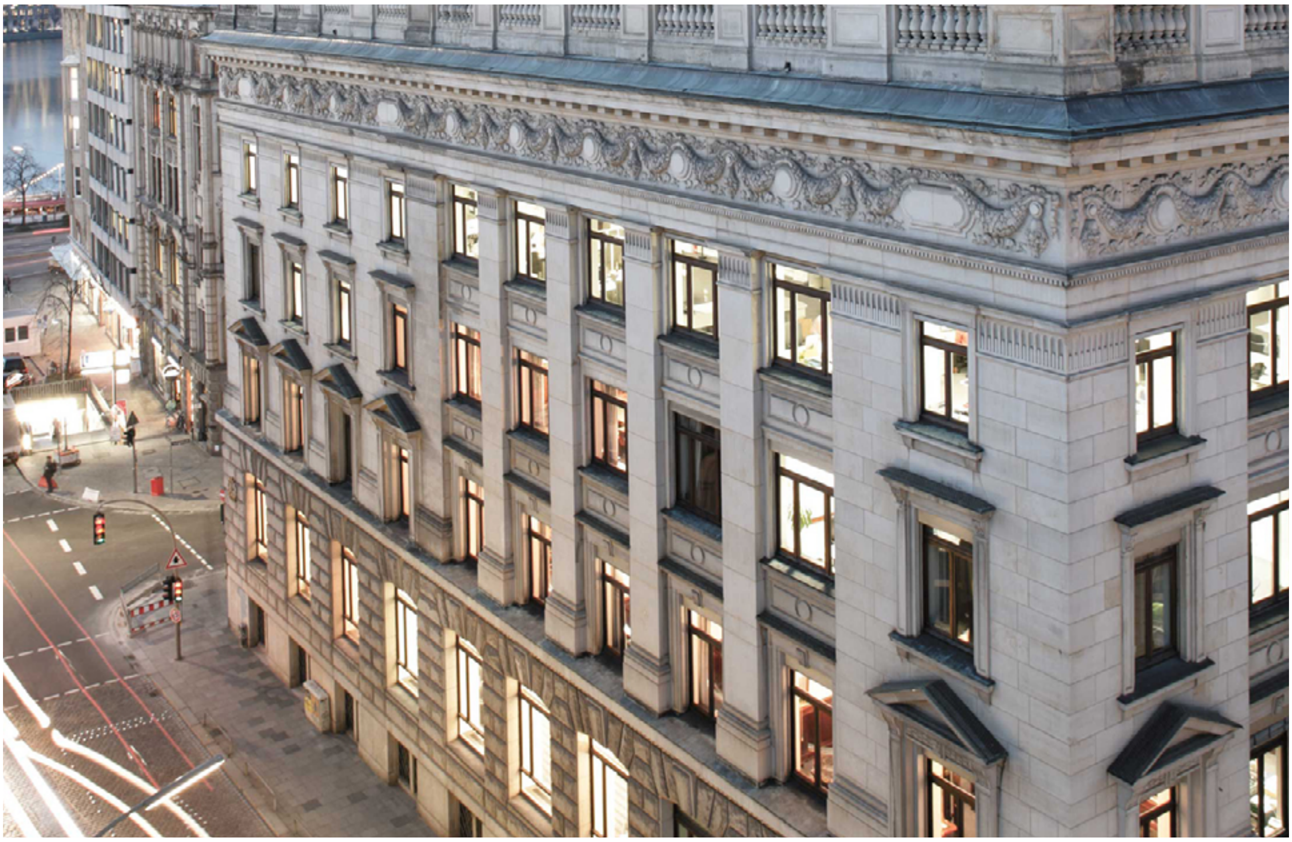
Liabilities to clients decreased by EUR 74.2 million, or 3.0%, compared with the previous year. In contrast, liabilities to banks increased by EUR 96.8 million in the past financial year. The trading portfolio also declined sharply.

Net interest income is largely influenced by interest rate adjustments in the dollar and euro areas. It fell by 31.8% to EUR 67.3 million (EUR 98.7 million). In the previous year, Warburg Invest Holding GmbH contributed EUR 14.2 million to current income included in net interest income through the sale of Warburg Invest AG.

In the challenging market environment, net commission income remained virtually unchanged from the previous year at EUR 66.8 million (EUR 66.5 million). The relatively low number of transactions in the securities business was due to continued weak performance of small- and mid-cap shares in Germany. The number of transactions in the corporate finance business, which is heavily dependent on the capital markets, remains at a low level.

The Bank essentially discontinued its proprietary trading activities at the end of the previous year. Despite these factors, the trading business, which was also severely restricted by the weak market environment, still delivered a positive result of EUR 3.4 million.

Personnel expenses amounted to EUR 70.5 million (EUR 70.1 million), of which EUR 60.3 million (EUR 58.9 million) was attributable to wages and salaries and EUR 10.2



million (EUR 11.2 million) to social security contributions and pension and other benefit expenses.

Other administrative expenses, including depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment, fell to EUR 83.8 million (EUR 89.7 million) and include investments in the new core banking system in the double-digit million euro range.

Net income from financial investments amounted to EUR 2.9 million (EUR -4.9 million), of which EUR 1.8 million (EUR -1.7 million) was attributable to investments in associates and subsidiaries and EUR 1.1 million (EUR -3.2 million) to securities held as non-current assets.

Other operating income amounted to EUR 26.1 million (EUR 11.4 million). The provision recognised in the previous year for potential losses in connection with a special fund launched in 2012 and already liquidated, for which Warburg Bank acted as custodian, was reversed.

A total of EUR 13.3 million was allocated to the fund for general banking risks in the financial year to cover future risks.

Accordingly, net income for the reporting year amounted to EUR 1.0 million (EUR 10.0 million).

The net profit for the year will be carried forward to the new year and offset against the net loss for the previous year.

All relevant KPIs, including the corresponding deviation analysis, are presented in section 5, Performance targets.

3.1.3 Subsidiary reports

3.1.3.1 Warburg Invest KAG

Warburg Invest Kapitalanlagegesellschaft mbH (Warburg Invest KAG), headquartered in Hamburg, offers bespoke asset management solutions to its predominantly institutional clients. In 2024, Torsten Engel joined Warburg Invest KAG as an additional member of the Executive Board alongside Matthias Mansel. He succeeded Christian Schmaal and is responsible for back office operations.

Warburg Invest KAG's core competencies include active portfolio management for its mutual funds. In recent years, the company has received numerous awards for its strong performance in the mutual fund business, including the 2025 European Funds Trophy for "Best German Asset Management Company" in the category "16 to 25 funds offered" and the "Best Performing Fund in 2024" award from The Hedge Fund Journal in the Short Volatility category. This underscores Warburg Invest KAG's commitment to product quality as a multi-asset class boutique provider.

The company's range of services is rounded off by the management of mutual funds for external asset managers. A large proportion of the funds managed are used for asset accumulation, taking sustainability criteria into account.

Warburg Invest KAG strives to achieve maximum client satisfaction by working with its clients as partners. For the company, this means offering a combination of first-class expertise, outstanding service and fair and transparent cost structures. In this context, long-term financial stability is the primary objective.

Market environment

2024 was a challenging year for the capital markets. The year was marked by geopolitical tensions, record highs on the stock markets despite economic uncertainty, and the first interest rate cuts. The changing political landscape – particularly in the United States, but also in Germany – led to renewed market volatility towards the end of the year. In this capital market environment, all asset classes relevant to Warburg Invest KAG achieved gains in value, resulting in rising asset values across all portfolios under our management.

Assets under management

The value of assets under management by Warburg Invest KAG fell by 3% year on year from 2023 to 2024, to EUR 6.8 billion. The overall positive performance of the capital markets was unable to offset the net outflows. The main reason

for this was the reallocation of funds invested by existing institutional clients.

Portfolio management

Warburg Invest KAG's portfolio management achieved overwhelmingly positive results in 2024. In the fixed income segment, the strong performance of previous years continued in the reporting year, resulting in further inflows, particularly from existing clients. Smart tactical and strategic decisions also contributed to value gains for the multi-asset portfolios managed by Warburg Invest KAG. In the liquid alternatives segment, the company significantly exceeded its target returns.

Equity portfolios focusing on blue chips and global strategies also performed particularly well. Investment strategies focusing on small and mid caps, on the other hand, underperformed the broad market indices and large caps.

Sustainable investments

As a company, Warburg Invest KAG takes its social responsibility seriously and manages the funds entrusted to it in accordance with ethical, social and environmental criteria. A minimum standard for sustainable ESG investment is applied to all active investment decisions made by portfolio managers, taking into account the specific client instructions in the case of special funds. This standard is used to reduce sustainability risks in the company's investment processes.

The ESG Office is responsible for Warburg Invest KAG's sustainability strategy. It consists of two employees who focus exclusively on ESG aspects in the investment process. To ensure that sustainability is understood uniformly, an ESG Investment Committee comprising additional Warburg Group employees coordinates the ongoing refinement of investment exclusions across the entire investment universe.

Our sustainability concept, **WARBURG INVEST RESPONSIBLE (W.I.R.),** which comprises two special sustainability funds, WARBURG INVEST RESPONSIBLE Corporate Bonds and WARBURG INVEST RESPONSIBLE – European Equities, has repeatedly been awarded top marks by the Forum Nachhaltige Geldanlagen (FNG, Forum for Sustainable Investment). In addition, the BANTLEON Sustainable Emerging Markets Bonds fund managed by Warburg Invest KAG, which meets the requirements of Germany's Insurance Supervision Act, was awarded two stars by the FNG.

Furthermore, Warburg Invest KAG is a signatory to the United Nations Principles for Responsible Investments (UNPRI) and undergoes regular assessments within this framework.

Results of operations

Given the circumstances described above, the company's results of operations in 2024 were only moderately satisfactory. Commission income totalled EUR 32.5 million, compared with EUR 33.3 million in the previous year.

Overall, net income after taxes amounted to EUR 1.59 million, down from EUR 1.64 million in the previous year. This development nevertheless exceeded the expectations set in the previous year and is attributable, among other factors, to strict cost discipline and some one-off effects.

Outlook

Warburg Invest KAG's goal for the 2025 financial year is to increase AUM. The performance achieved in recent years, which was recognised at the beginning of 2025 in the form of various awards, is certainly providing momentum. It is already becoming apparent that 2025 will be a highly volatile year on the stock markets. One key reason for this is the geopolitical situation. With its focus on active portfolio management, Warburg Invest KAG is uniquely positioned to demonstrate its quality in these conditions.

3.1.3.2 Marcard, Stein & Co

Marcard, Stein & Co is a family office dedicated to providing holistic support to business-owning families. The focus of the company's activities is on providing comprehensive strategic and operational assistance to clients across all asset classes, covering the entire spectrum of family office services. A team of roughly 80 employees with extensive expert knowledge, exceptional dedication and the utmost discretion is at clients' disposal.

In recent years, clients have placed significantly greater importance on security and protection for their families. This not only applies to health aspects, but also to risk management and ensuring that family members are able to make decisions and take action in difficult situations. Putting the family strategy on a firm footing, with succession concepts and professional emergency planning, has become increasingly important. Family-specific crisis concepts with structured prevention and action plans to avert the dangers of systemic crises are becoming an important component of family security within the framework of family office services.

Marcard, Stein & Co also provides advice on all aspects of asset strategy across all asset classes, including liquid assets, real estate, private equity and hedge funds.

Decades of experience and expertise as a partner to asset owners, combined with its banking licence, give Marcard, Stein & Co a special position in the diverse family office market. The family office bank is subject to all applicable supervisory and regulatory requirements, ensuring that clients enjoy the highest level of process quality and security. Based on this strategic advantage, the company was able to maintain its quality leadership in the reporting year and further expand its market position.

Real estate

The real estate asset class represents a significant portion of clients' portfolios. Marcard, Stein & Co manages this area with an experienced team of real estate specialists. The focus is on asset and transaction management for directly held properties and on reviewing, selecting and monitoring indirect real estate investments.

In 2024, property prices stabilised both in Germany and internationally. The significant decline in prices compared to 2022, when real estate prices peaked, is encouraging new acquisitions, which Marcard, Stein & Co is selectively pursuing for its clients, particularly in the residential segment in major German cities. While a market recovery in terms of rising prices in Germany is likely to be rather subdued and slow, the real estate market in the United States can develop in a less constrained and more dynamic manner. Against this backdrop, the focus as regards indirect real estate investments in 2024 was on existing residential properties in the United States with a medium-term value-add strategy.

Corporate investments

As in previous years, Marcard, Stein & Co. continued to serve its clients as a trusted partner in 2024, advising them on how to manage and expand their direct corporate investments. Closely monitoring and reporting on investments and protecting shareholder interests through active participation in advisory boards and informal structures once again delivered significant value.

By continuously expanding its international network of private equity fund managers, Marcard, Stein & Co has further strengthened its position as a highly sought-after investment partner. While fundraising periods generally remain long, the top private equity funds continue to be significantly oversubscribed, meaning that our access is extremely valuable. Even though company valuations appear to be reversing course and heading back up, activity in corporate transactions remained well below historical highs. Private equity firms that specialise in creating value through operational improvements are particularly well placed to leverage their competitive advantages in such a market environment.

Results of operations

Marcard, Stein & Co closed the past financial year with a solid result, albeit down on the previous year. Ordinary income increased compared with the previous year. Net interest income declined year over year, but made a significant contribution to ordinary income. Commission income from our family office mandates continued to grow. This increase more than offset the decline in net interest income. However, high project-related, one-off expenses in connection with the overhaul of our IT platform weighed on the annual results. In addition, ongoing personnel expenses increased due to the expansion of our workforce, mainly as a result of regulatory requirements and the separation of business processes from our parent company.

3.2 Position

3.2.1 Earnings Position

Income Statement

	2024	2023	Change	
	EUR thousands	EUR thousands	EUR thousands	%
Interest income	168,010	170,985	-2,974.8	-1.7
Interest expenses	-104,887	-95,015	-9,872.2	-10.4
Current income	2,105	17,313	-15,207.5	-87.8
Income from profit pool, profit or partial profit transfer	2,023	5,387	-3,363.7	-62.4
Net interest income	**67,251**	**98,670**	**-31,418.2**	**-31.8**
Commission income	72,473	73,160	-687.3	-0.9
Commission expenses	-5,638	-6,679	1,041.6	15.6
Net commission income	**66,835**	**66,481**	**354.3**	**0.5**
Net income from trading transactions	**3,418**	**1,337**	**2,080.6**	**155.6**
Personnel expenses	-70,519	-70,079	-440.2	-0.6
Other administrative expenses/depreciation	-83,794	-89,734	5,939.1	6.6
Administrative expenses	**-154,313**	**-159,812**	**5,498.9**	**3.4**
Net operating income/expenses	**26,141**	**11,399**	**14,741.3**	**129.3**
Risk provisioning	**2,336**	**-3,166**	**5,502.2**	**173.8**
Allocation to fund for general banking risks	**-13,321**	**0**	**-13,320.8**	**N/A**
Profit/loss from financial investments	**2,924**	**-4,905**	**7,828.5**	**159.6**
Result from ordinary activities	**1,271**	**10,004**	**-8,733.2**	**-87.3**
Taxes	**-271**	**-4**	**-266.8**	**-6,397.6**
Net income for the year	**1,000**	**10,000**	**-9,000.0**	**-90.0**

Net interest income

Net interest income, including current income and income from profit transfer agreements, amounted to EUR 67.3 million in the reporting year, falling short of the previous year's figure (EUR 98.7 million). In the previous year, the sale of Warburg Invest AG by Warburg Invest Holding GmbH made a significant contribution to current income, amounting to EUR 17.3 million.

Net commission income

At EUR 66.8 million, net commission income remained at the previous year's level. Net commission income consists mainly of management and brokerage fees in the securities business, fees from foreign payment transactions and fees for corporate finance services.

Trading result

The trading result rose in the reporting year to EUR 3.4 million (EUR 1.3 million). The trading result primarily consists of proprietary trading activities in the equities, foreign exchange, and bond segments, as well as foreign exchange transactions. In the reporting year, the result from the foreign exchange segment contributed significantly to trading income.

Administrative expenses

Personnel expenses amounted to EUR 70.5 million (EUR 70.0 million) in the reporting year. Of this amount, EUR 60.3 million (EUR 58.9 million) was attributable to wages and salaries and EUR 10.2 million (EUR 11.2 million) to social security contributions and pension and other benefit expenses. Personnel costs remained stable in 2024.

Other administrative expenses, including depreciation, amortisation and impairment losses on intangible assets and property, plant and equipment, decreased to EUR 83.8 million (EUR 89.7 million). Other administrative expenses included investments in the double-digit million euro range related to the switch to a new core banking system. Legal and consulting costs as well as the bank levy had a particularly negative impact (totalling EUR 10.8 million).

Net operating result

The net operating result amounted to EUR 26.1 million (EUR 11.4 million) and comprised other operating income of EUR 50.9 million (EUR 40.3 million) and other operating expenses of EUR 24.8 million (EUR 28.9 million). Other operating income included income from the operation of seagoing vessels amounting to EUR 29.0 million (EUR 30.5 million) and from agency agreements amounting to EUR 2.0 million (EUR 2.7 million). Provisions not related to lending business were reversed in the amount of EUR 13.9 million (EUR 1.0 million) and pro rata VAT refunds were recognised in the amount of EUR 2.4 million (EUR 5.6 million). Other operating expenses included expenses of EUR 23.1 million (EUR 23.1 million) arising from the operation of seagoing vessels. The expense from the discounting of provisions amounted to EUR 426 thousand (EUR 564 thousand).

Risk provisioning

Risk provisioning generated income of EUR 2.3 million in the reporting year, compared with an expense of EUR 3.2 million in the previous year.

Risk provisioning

	31 Dec 2024	31 Dec 2023	Change	
	EUR thousand	EUR thousand	EUR thousand	%
Net provision for individual risks in the lending business	3,771	-4,045	7,816	193.2
Net provisions for general risks in the lending business	-1,528	1,300	-2,828	-217.5
Net income from securities transactions	93	-421	514	122.1
Risk provisioning	**2,336**	**-3,166**	**5,502**	**173.8**

Allocation to fund for general banking risks

As part of our strategy, we have allocated EUR 13.3 million to the fund for general banking risks. This action is intended to hedge potential future risks that may arise from business activities and market conditions.

Financial investment result

The financial investment result includes impairment losses and price gains/losses on securities held as fixed assets amounting to EUR 1.1 million (EUR -3.2 million). Investments in associates and affiliated companies account for EUR 1.8 million (EUR -1.7 million).

Annual profit/loss

The net profit for the year 2024 amounted to EUR 1.0 million (EUR 10.0 million) and will be offset against the net loss carried forward from the previous year.

Return on equity

To determine the return on capital employed, the result from ordinary activities is compared with the previous year's equity, resulting in a return of 0.4% (4.3%). Earnings from ordinary operations amounted to EUR 1.0 million (EUR 10.0 million) in the reporting year. The return on equity determined in accordance with section 26a (1) sentence 4 of the German Banking Act (KWG) was 0.03% (0.3%).

Cost-to-income ratio

The cost-to-income ratio, which is calculated by dividing administrative expenses by the sum of interest income, commission income and trading income, stood at 112.4% (96.0%).

3.2.2 Asset position

Assets

	31 Dec 2024	31 Dec 2023	Change	
	EUR thousand	EUR thousand	EUR thousand	%
Cash reserve	8	8,660	-8,651	-99.9
Receivables from banks	536,942	532,411	4,531	0.9
Receivables from clients	448,939	459,631	-10,692	-2.3
Bonds/other fixed-income securities	1,798,020	1,749,528	48,491	2.8
Equities/variable-yield securities	17,496	13,323	4,173	31.3
Trading portfolio	13,260	24,865	-11,605	-46.7
Investments/shares in affiliated companies	73,025	96,271	-23,245	-24.1
Fiduciary assets	113,701	204,686	-90,985	-44.5
Intangible assets/property, plant, and equipment	85,514	86,690	-1,176	-1.4
Other assets	91,644	110,295	-18,652	-16.9
Total assets	**3,178,549**	**3,286,360**	**-107,811**	**-3**

Total assets decreased by EUR 107.8 million compared to 31 December 2023.

Cash reserves, receivables from banks and receivables from clients

Compared to the previous year, the sum of cash reserves and receivables from banks decreased by a total of EUR 4.1 million. At the same time, receivables from clients fell by EUR 10.7 million to EUR 448.9 million.

Bonds and other fixed-income securities

Bonds and other fixed-income securities increased by a total of EUR 48.5 million in the reporting year.

Trading portfolio

The trading portfolio of EUR 13.3 million (EUR 24.9 million) includes derivative financial instruments and pending foreign exchange transactions with a market value of EUR 12.6 million (EUR 23.4 million).

Furthermore, shares and other non-fixed-income securities amounting to EUR 0.8 million (EUR 1.9 million) and, to a lesser extent, bonds and other fixed-income securities are held as trading book assets. The risk discount calculated using the value-at-risk method was significantly lower than in the previous year at EUR 0.1 million (EUR 0.4 million).

Investments/shares in affiliated companies

The decrease in the portfolio is mainly attributable to the sale of Quantum Immobilien GmbH and impairment losses on investments and shares in affiliated companies.

Fiduciary assets

Due to several fund liquidations, fiduciary assets were significantly lower than in the previous year (decline of EUR 91.0 million).

Intangible assets/Property, plant and equipment

The decrease in the net balance of intangible assets and property, plant and equipment amounted to EUR -1.2 million. The capitalisation of EUR 11.8 million in connection with the core bank project and foreign currency effects of EUR 4.4 million were essentially offset by regular straight-line depreciation of EUR 11.5 million and an extraordinary impairment loss on owned vessels of EUR 6.1 million.

Other assets

Other assets comprise miscellaneous assets amounting to EUR 86.8 million and prepaid expenses and deferred income amounting to EUR 4.9 million. Other assets include tax receivables, collateral for financial futures transactions, profit entitlements and receivables from clearing accounts with affiliated companies and associated companies, custodian bank fees and custody fees, material inventory and other items. The decline compared to the previous year was primarily due to lower profit entitlements and receivables from clearing accounts with affiliated companies.

3.2.3 Financial position

Liabilities

	31 Dec 2024	31 Dec 2023	Change	
	EUR thousand	EUR thousand	EUR thousand	%
Liabilities to banks	167,756	70,993	96,763	136.3
Liabilities to clients	2,421,430	2,495,610	-74,181	-3.0
Trading portfolio	9,473	25,235	-15,762	-62.5
Fiduciary liabilities	113,701	204,686	-90,985	-44.5
Other liabilities	56,822	79,432	-22,609	-28.5
Provisions	57,217	72,574	-15,357	-21.2
Subordinated liabilities	98,500	98,500	0	0.0
Fund for general banking risks	17,170	3,849	13,321	346.1
Equity (after profit-and-loss transfer agreement)	236,479	235,479	1,000	0.4
Total assets	**3,178,549**	**3,286,360**	**-107,811**	**-3.3**
Contingent liabilities	21,316	26,314	-4,998	-19.0
Irrevocable lending commitments	98,311	68,206	30,105.7	44.1

Liabilities

Liabilities to banks increased by EUR 96.8 million compared to the previous year (EUR 71.0 million) to EUR 167.8 million. In contrast, liabilities to clients decreased slightly to EUR 2,421.4 million compared with the previous year (EUR 2,495.6 million).

Trading portfolio

The trading portfolio of EUR 9.5 million (EUR 25.2 million) mainly relates to negative market values of derivative financial instruments.

Subordinated liabilities

Subordinated liabilities remained unchanged at EUR 98.5 million in the reporting year.

Other liabilities

Other liabilities comprise miscellaneous liabilities amounting to EUR 55.2 million (EUR 78.3 million) and deferred income amounting to EUR 1.6 million (EUR 1.2 million). The decline in other liabilities was primarily due to a decrease in collateral for financial forward transactions. Collateral for futures contracts amounted to EUR 32.9 million (EUR 62.8 million) in the financial year.

Provisions

This balance sheet item includes, in particular, pension provisions of EUR 36.9 million (EUR 39.0 million) and other provisions of EUR 20.3 million (EUR 33.6 million). Other provisions include provisions to cover potential risks in connection with a special fund launched in 2012 and already liquidated, for which Warburg Bank acted as custodian.

Capital structure

The Bank's equity is composed as follows:

Capital structure

	31 Dec 2024 EUR thousand	31 Dec 2023 EUR thousand
Subscribed capital	125,000	125,000
Capital reserve	135,000	135,000
Other retained earnings	0	0
Accumulated loss	-23,521	-24,521
Equity	**236,479**	**235,479**

The net profit for the year will be offset against the accumulated loss.

Liquidity

There were no restrictions affecting the availability of capital during the reporting period. The Bank had unrestricted access to the money and capital markets at all times. Being able to meet payment obligations at all times, and thus successfully manage liquidity risk, is a prerequisite for the Bank's independence. Liquidity management is therefore of paramount importance. It serves to provide the necessary liquid funds needed by the Bank to carry out financing projects and service liabilities as they become due. Client deposits are the most important source of refinancing. In addition, the interbank market and Deutsche Bundesbank facilities are used to procure liquidity.

The Bank's liquidity coverage ratio (LCR) stood at 209.1% as at 31 December 2024 (previous year: 181.5%).

The Bank's net stable funding ratio (NSFR) stood at 230.4% as at 31 December 2024 (previous year: 207.2%).

4 Risk report

4.1 Risk management

Risk management comprises the management and monitoring of all business activities of M.M.Warburg & CO. As the parent company of the M.M.Warburg & CO financial holding group (hereinafter: the "financial holding group") under banking supervisory law, M.M.Warburg & CO defines the uniform Group standards for the risk management system. These also apply to M.M.Warburg & CO itself.

Subordinate companies are included in the risk management of M.M.Warburg & CO at the level of M.M.Warburg & CO in accordance with the accounting and reporting system via the investment approach (carrying amount plus any loans/liabilities granted). In order to identify material companies within the meaning of risk controlling and MaRisk (minimum requirements for risk management), M.M.Warburg & CO conducts an annual or occasional investment inventory and, within the material companies, risk inventories to determine the material types of risk.

The most recent review of investments resulted in the following material subsidiaries as at 31 December 2024:

- Marcard, Stein & Co AG
- Warburg Invest Holding GmbH with its subsidiary
  - Warburg Invest Kapitalanlagegesellschaft mbH
  - ("Warburg Invest KAG mbH")

As a result of the Group's uniform risk management approach, the business and risk strategy of M.M.Warburg & CO, as the parent company under banking supervisory law, is closely interlinked with the financial holding group and its subordinate companies.

Operational controlling translates the business and risk strategy into operationalised key figures broken down by business area and profit centre for the current and subsequent financial years as part of annual budget planning and strategic multi-year planning (five-year period). Operational controlling reviews the achievement of targets on a monthly basis by comparing actual figures with targets, thereby ensuring that operational planning is continuously monitored.

Risk management measures taken by the Executive Board to reduce, transfer or decide whether to bear risks are determined by the risk quantification, analysis and reporting as part of the operational risk management processes.

Thanks to the structural and procedural organisation of risk management at M.M.Warburg & CO, the Executive Board has appointed risk managers who are operationally responsible for all types of risk identified during the risk inventory. As regards risk monitoring in accordance with MaRisk, the Risk Controlling function and the MaRisk Compliance function represent special functions. These are supplemented by Internal Audit.

The aim of risk management is to ensure that M.M.Warburg & CO is able to bear risks at all times within the scope of its business and risk strategy.

4.1.1 Risk management system

M.M.Warburg & CO is exposed to a wide variety of risks. As part of risk management and risk controlling, the principal risks were identified as counterparty default risk, market price risk, liquidity risk, and operational risk. In addition, strategic risks also play a significant role.

The above-mentioned risks are not limited to M.M.Warburg & CO. Instead, risk monitoring and control requires Group-wide integrated risk management. Risk management therefore includes the identification, quantification, limitation, monitoring and reporting of all risks to which the Group is exposed within the scope of the business and risk strategy defined by the Executive Board.

The controlled assumption of risks, paying due regard to profitability considerations, is crucial for broad-based business activities. The ability to identify, measure, adequately assess and manage risks is essential to successful business operations.

Risk management is based on an annual or ad hoc review of investments to identify the relevant investee companies and risk inventories to identify the material risks. These are quantified using financial mathematical models and compared with the risk limits set by the Executive Board. Risk monitoring and reporting are based on daily market price and liquidity risk reports and quarterly risk reports, which report counterparty default, market price, liquidity and operational risks to the relevant supervisory bodies.

The risks borne by downstream companies are reflected in the risk assessment on the basis of the investment approach and thus in counterparty risk. Irrespective of this, downstream companies within the risk limit system at Group level are assigned risk limits for the individual material risk types in line with their needs and in accordance with the Bank's approved risk appetite. Overall, the approved risk limits and their utilisation are within the risk coverage potential.

The risk assessment and management systems used, as well as the underlying risk models, are subject to systematic ongoing development, reviewed at least once a year and as required, and continuously adapted to business developments. This regularly leads to optimisations and parameter reviews/adjustments.

The risk assessment confidence level for the 2024 financial year was 99.9%, and the risk assessment horizon was one year for all risk types.

Internal Audit regularly reviews all material areas of the Company-wide risk management process as well as the risk management system as a whole within the framework of its risk-oriented audit planning or as required. Audits are carried out both at the parent company and at subordinate companies by the Group Audit department.

4.1.2 Risk types

Counterparty default risks

Counterparty default risk refers to potential losses or impairments resulting from the default or deterioration of the creditworthiness of business partners with whom lending relationships exist. The term "lending" is based on section 19(1) of the German Banking Act (KWG).

Individual borrowers are monitored by Credit Risk Management, which, as a back-office department, assesses the creditworthiness of the borrower using internal rating systems and assesses credit exposures taking into account the collateral provided. In this context, cross-client relationships of borrowers are also taken into account as a "group of connected clients" in accordance with Article 4(1) no. 39 of the CRR. Mathematical and statistical methods are used to determine the rating score, which weight and link certain (usually balance sheet) key figures and qualitative characteristics of a client and consolidate them into a final credit assessment. Rating procedures and risk classification procedures are in place for borrowers in the corporate, private, banking, shipping and commercial real estate sectors. Countries, governments and public bodies are assessed with the help of external ratings.

Collateral is an important tool for reducing risk. It is measured at regular intervals and the associated lending guidelines are reviewed on a regular basis. The LTV ratios of financial collateral are automatically recalculated on a daily basis. As regards collateral in the form of real estate and ships, we use external expert opinions to ensure that the collateral values are assessed impartially.

Provisions for risks are recognised by examining each individual case, taking into account expected recoveries or expected proceeds from the realisation of collateral and deducting realisation costs. Depending on the type of loan, different supporting procedures are used to assess risk provisioning requirements.

The overall portfolio is distributed across different investments, sectors, and size classes. M.M.Warburg & CO has a diversified loan portfolio in line with its risk policy. Of the total portfolio of securities, receivables, loan commitments and trading portfolios, receivables and loan commitments to clients account for 16.0% (18.5%), receivables and loan commitments to banks account for 19.1% (18.7%), securities account for 64.5% (61.9%) and the trading portfolio accounts for 0.5% (0.9%).

The Bank's ship and maritime loan portfolio, diversified by ship type, amounts to EUR 26.6 million (EUR 32.5 million), including outstanding external lines of credit. In addition, the Bank holds vessels in its own fleet that were sold on 31 December 2024 (agreement signed in 2024; closed in 2025). The ships were delivered to the buyers in the first quarter of 2025.

Market price risks

Market price risk refers to potential losses resulting from unfavourable changes in exchange rates or market prices. The Bank uses two value-at-risk risk models to assess market price risks.

The value at risk calculated at the end of the year, based on a confidence level of 99.9% and a holding period of 250 trading days, including the premium for diversification effects for all market price risks, amounted to EUR 17.5 million for the bank M.M.Warburg & CO (EUR 18 million). This figure – calculated without risk-mitigating portfolio effects – includes share risks of EUR 1.5 million (EUR 1.1 million), foreign exchange risks of less than EUR 0.1 million (less than EUR 0.1 million), vega risks of EUR 0 million (less than EUR 0.1 million), market interest rate risks of EUR 6.3 million (EUR 8.4 million) and credit spread risks of EUR 13.9 million (EUR 12.4 million).

All market price risks in the trading and investment books and the mark-to-market valuation of trading positions are communicated to the Executive Board on a daily basis in the relevant daily risk control report.

Operational risks

Operational risk is the risk of losses that occur as a result of the inappropriateness or failure of internal processes, employees, technologies, or as a result of external events.

Operational risks are addressed by the Bank through a clear functional separation of the market areas from the back-end areas and an appropriately detailed set of organizational rules combined with mandatory controls and approvals, which are integrated into technical systems. The control system is constantly evolving. Contingency plans and backup agreements, together with the daily backup of the database, guarantee the availability of the IT systems used at all times. In addition, residual risks are partly covered by insurance. On the basis of regulatory, legal and occupational group-specific standards, the Internal Audit department monitors all organisational regulations and their effectiveness in managing risks. The Legal department reviews all of the Bank's major

contracts. The MaRisk Compliance function monitors compliance with legal regulations and provides early warning of the implementation of new relevant legal standards.

A complaint database exists as a means of early risk detection. This systematically records client complaints, regardless of their legitimacy or the likelihood of potential damage. The evaluation of complaint volumes and reasons enables critical activities to be identified at an early stage and therefore countermeasures to be taken.

The loss database records losses by loss category. The categorisation of losses incurred results in a high degree of transparency regarding the operational loss that has occurred. Risk Controlling has developed a Monte Carlo simulation method that combines self-assessments with actuarial statistical distribution assumptions to estimate operational risk. Operational risk is defined as the total quantile of the allocation minus the expected loss (unexpected loss). A value at risk for operational risks calculated using this method is determined at least once a year and can be broken down into the loss categories for analysis purposes. The value at risk determined helps to define the limit for the reserved economic capital from operational risks in the risk tree. The value at risk calculated at a confidence level of 99.9% over an observation period of one year amounted to EUR 21.3 million at the level of the bank M.M.Warburg & CO as at 31 December 2024 (EUR 14.4 million). As at the reporting date, the risks arising from the completion of the sale of the Bank's own ships were recognised in operational risk, among other items. Risk utilization documents economic capital as part of the risk-bearing capacity calculation. The value at risk loses its significance if losses from previously unobserved events occur in the future at a level that would make another form of modelling structurally necessary.

Liquidity risks

The institution's liquidity risk is divided into the following three components according to the observation horizon:

1. intra-day liquidity risk,
2. insolvency risk, and
3. structural liquidity risk.

It therefore refers to the risk that the Bank will be unable to meet its payment obligations and that the desired level of long-term refinancing is no longer guaranteed.

The Treasury department is responsible for managing the liquidity risk. This department is also responsible for managing the Bundesbank account and the pledgeable liquidity and loss provision stocks of securities. These holdings are included in liquidity management as a reserve.

Liquidity risk is monitored daily by Risk Controlling. The various components of liquidity risk are monitored on a daily basis using key risk indicators (KRIs) and other risk, concentration, and emergency indicators with correspondingly defined early-warning and escalation thresholds. Stress tests are also calculated and the insolvency risk is assessed in two basic scenarios. The model used is based on liquidity-effective cash flows (contractual and statistically modelled) broken down by maturity bands (next day to ten years) and the liquidity buffer (deposits with the Bundesbank, free holdings of ECB-eligible securities, US Treasuries and bonds from issuers to be treated as central or local government issuers under special circumstances pursuant to Article 116(4) of Regulation (EU) No. 575/2013).

The following KRIs assess the components insolvency risk and structural liquidity risk:

- Liquidity-at-risk coverage ratio (LaR-CR)
- Survival period (SP)
- Funding ratio (maturity band of twelve months)

The LaR-CR is the minimum of the ratios of liquidity buffers and cumulative cash outflows per maturity band up to the maturity band "three months." The funding ratio represents the ratio of liabilities to assets in need of refinancing for the "twelve-month" maturity band. The survival period indicates the maturity range up to which a positive liquidity balance exists in accordance with the current liquidity situation. It also describes the period of time available for control measures in the event of unplanned developments. For the currencies defined as material, a so-called FX structural limit is used to limit and monitor the corresponding risks, depending on liquidity transformations in different currencies. As of December 31, 2024, only the US dollar is monitored using an FX structural limit.

The key risk indicators are limited by the Executive Board. In addition, early-warning thresholds are set to ensure a sufficient liquidity buffer at all times for unscheduled developments in cash flows.

M.M.Warburg & CO's key risk indicators as at 31 December 2024 were as follows:

- LaR-CR (minimum up to three months): 170%
- Survival period: three years
- Funding ratio (maturity band of twelve months): 202%

The daily reporting system is supplemented by monthly and quarterly commented reports, including commented stress test reports. Detailed escalation processes and a comprehensive liquidity contingency plan round off the risk management instruments for liquidity risk.

Other and indirect risks

In addition to the risks mentioned above, the Bank is exposed to further risks.

Within the scope of the risk inventory, the following risks were identified and classified as other risks: strategic risk, business risk and pension risk. Strategic risk includes, in particular, the risk of a strategically inappropriate positioning, regulatory risks and the risk of a changing labour market. Business risk represents the risk of unplanned declines in earnings due to the failure to achieve revenue and cost targets. This risk is mitigated in the economic risk-bearing capacity concept by maintaining a risk buffer.

In addition, indirect risks and risk drivers are identified during the risk inventory process, including, at present, reputational risk, model risk and ESG risks. These risks do not constitute a separate risk type, but influence the various risk types. Reputational risk is defined as the risk that public reporting could negatively impact confidence in M.M.Warburg & CO. When considering reputational risk, a distinction is made between two aspects. The long-term dimension is considered as part of the strategy and the short-term dimension is reflected as part of the liquidity risk. Model risk is reflected in the economic risk-bearing capacity concept by means of a risk buffer. ESG risks are analysed separately on a regular basis, both qualitatively and quantitatively.

4.1.3 Risk exposure in accordance with banking supervisory regulations

The above-mentioned risk report presentations cover the internal management that the Group and/or the Bank have imposed on themselves in order to monitor the risks appropriately as part of the risk strategy. In addition, numerous regulatory requirements must be met as part of banking supervisory reporting. The most important key figures (capital adequacy and liquidity) for the bank as at 31 December 2024 (based on reports submitted) were as follows:

- Own-funds ratio: 20.3% (21.7%)
- Total Tier 1 capital ratio: 15.6% (16.1%)
- Common Equity Tier 1 capital ratio: 12.3% (12.9%)
- LCR: 209.1% (181.5%)
- NSFR: 229.75% (207.2%)

The Bank has met the regulatory minimum requirements and capital buffer requirements.

The leverage ratio was determined to be 4.9% (previous year: 4.8%). The key figures were determined in accordance with regulatory requirements.

The most important key figures (own funds and liquidity) for the financial holding group as at 31 December 2024 were as follows:*

- Own-funds ratio: 19.3% (20.4%)
- Total Tier 1 capital ratio: 14.8% (15.1%)
- Common Equity Tier 1 capital ratio: 11.7% (11.9%)
- LCR: 234.2% (208.9%)
- NSFR: 267.6% (256.1%)

The minimum regulatory requirements and capital buffer requirements were complied with as of December 31, 2024.

4.1.4 Risk-Bearing Capacity in Accordance with MaRisk

The utilization of the risk coverage potential (RCP) from an economic perspective, with a confidence interval of 99.9% and a risk observation horizon of one year, is 59% for M.M.Warburg & CO (69%).

* The key figures are based on the values reported in the last report. Further changes may occur before the date of official approval of the annual financial statements.

5 Performance targets

Performance targets

Metric	Target 2024	Actual 2024	Achievement 2024	Target 2025
Net income for the year	Sharp decline	Sharp decline	Target achieved	Sharp decline
Net interest income	Sharp decline	Sharp decline	Target achieved	Sharp decline
Net commission income	Sharp increase	Slight increase	Target not achieved	Slight decrease
Trading result	Sharp increase	Sharp increase	Target achieved	Sharp decline
Administrative expenses	Slight decrease	Slight decrease	Target achieved	Slight decrease
Risk provisioning requirements	Sharp increase	Sharp decline	Target not achieved	Sharp decline
Return on equity	Sharp decline	Sharp decline	Target achieved	Sharp decline
Cost-to-income ratio	Slight decrease	Sharp increase	Target not achieved	Sharp increase

The economic situation improved slightly in 2024 compared with the previous year due to falling inflation rates, less restrictive monetary policy and the resulting economic recovery. The geopolitical tensions between China and Taiwan, which continued into 2025, Russia's war of aggression in Ukraine, the conflict in the Middle East and increasing protectionism are significant factors weighing on the global economy. The growth outlook for Germany therefore remains gloomy overall.

In this challenging market environment, the Bank generated a net profit of EUR 1.0 million. This is significantly lower than in the previous year and than forecast, but remains positive.

Net interest income declined significantly compared with the previous year. This effect is attributable, among other factors, to the ECB's change in interest rate policy and the resulting interest rate cuts. In addition, the end of 2023 included a one-off distribution from the sale of Warburg Invest AG, which exceeded interest income in 2023.

The Bank succeeded in slightly increasing its net commission income in 2024 compared with the previous year, which had already fallen significantly short of the targets set for 2023. However, the significantly reduced targets for 2024, which had been set in response to the deviations from the original targets set for 2023, were again missed by a considerable margin due to the difficult market conditions with weak issuance activity in the German small and mid-cap segment. As expected, net trading income rose sharply compared with the previous year, mainly due to foreign exchange gains.

The strategic repositioning of M.M.Warburg & CO remains the focus of our efforts. Administrative expenses were thus slightly lower than in the previous year 2023 and only slightly above the level projected for 2024. This reduction in other administrative expenses is mainly attributable to the Bank's strict cost control. Personnel costs remained roughly at the same level as in 2023.

The return on equity and the costs-to-income ratio deteriorated significantly compared with the previous year.

With regard to net interest income, a sharp decline in earnings is expected for the coming financial year. This is mainly because central banks are expected to keep cutting interest rates. Compared with the 2024 financial year, interest margins will therefore continue to narrow.

Net commission income is expected to decline slightly in the coming year, while net trading income is likely to decline sharply in 2025. Administrative expenses are expected to decline slightly in the coming year.

Taking into account the expected trend in operating income and the review of the business model, we anticipate a sharp rise in the cost-to-income ratio and a sharp decline in the return on equity for 2025 compared with the previous year.

The focus remains on achieving the target values for return on equity and the cost-to-income ratio defined in the "Strategy 2024". For both metrics, an industry comparison was carried out as part of "Strategy 2024", which set a cost-to-income ratio of 80% and a return on equity of 10% as medium-term targets for M.M.Warburg & CO. The deadline set to achieve these targets is the end of the 2027 financial year.

In order to achieve this goal, the Bank is currently conducting a comprehensive analysis and review of its business model. At the end of this process, the aim is to establish a stable and successful business and operating model, which will be presented to the Supervisory Board of Warburg Bank in May 2025. We expect that the changes to our business and operating model will put additional pressure on our 2025 performance targets, but will significantly improve performance in 2027 and beyond.

As always, M.M.Warburg & CO stands ready to serve its clients as a reliable partner, offering financing and investment options tailored to their needs on the basis of its independence.

The management report contains forward-looking statements regarding business and earnings performance based on current plans, estimates, forecasts and expectations. These statements are subject to risks and uncertainties. Actual results and performance may therefore differ from the assumptions made.

Hamburg, 12 May 2025

M.M.Warburg & CO (AG & Co.)
Kommanditgesellschaft auf Aktien

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