Baader Bank

Group Semi-Annual Report as at 30/06/2026

All figures are preliminary and unaudited

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NET ASSETS

Baader Bank Group

All figures are provisional and unaudited[1]

ASSETS	30/06/2026	31/12/2025	Change
	EUR'000	EUR'000	%
1. Cash reserves	30,673	29,548	3.8
2. Loans and advances to banks	2,746,704	2,443,231	12.4
3. Loans and advances to clients	229,770	207,171	10.9
4. Debt securities and other fixed-income securities	300,535	281,956	6.6
5. Trading portfolio	137,256	107,455	27.7
6. Equity investments	22,209	21,921	1.3
7. Intangible assets	22,020	23,155	-4.9
8. Property, plant and equipment	85,564	70,928	20.6
9. Other assets	11,937	6,506	83.5
10. Prepaid expenses and deferred charges	16,043	16,060	-0.1
11. Excess of plan assets over pension liabilities	27,011	26,746	1.0
Total assets	3,629,723	3,234,676	12.2

EQUITY AND LIABILITIES	30/06/2026	31/12/2025	Change
	EUR'000	EUR'000	%
1. Bank loans and advances	98,752	66,687	48.1
2. Liabilities to customers	3,000,084	2,691,012	11.5
3. Trading portfolio	51,517	19,355	>100.0
4. Other liabilities	75,899	48,001	58.1
5. Prepaid expenses and deferred charges	132	145	-9.5
6. Provisions	63,642	89,245	-28.7
7. Fund for general banking risks	91,361	87,361	4.6
8. Equity	248,337	232,870	6.6
Total equity and liabilities	3,629,723	3,234,676	12.2

Total assets as at 30/06/2026 increased by 12 % compared to the balance sheet date as at 31/12/2025 to EUR 3,629.7 million. On the asset side, the change stems primarily from the increase in loans and advances to banks, while the change on the liability side is mainly due to the increase in liabilities to customers.

As at 30/06/2026, the Group had balance sheet equity in the amount of EUR 248.3 million (31/12/2025: EUR 232.9 million) and a balance sheet equity ratio of 6.8 %. Capital resources stood at EUR 339.7 million, and the Common Equity Tier 1 ratio (CET 1 ratio) and the (provisional) total capital ratio were both 21.80 % in the first half of the year. With this basis, Baader Bank is solidly positioned for further growth and investment.

The Group's net asset position remains sound.

[1] For reasons of simplicity, the figures are shown in EUR thousands (EUR '000). For computational reasons, rounding differences of +/- one unit may occur in the tables. This also applies to the income statement table.

RESULTS OF OPERATIONS

Consolidated income statement

All figures are provisional and unaudited in accordance with HGB (German Commercial Code; Handelsgesetzbuch)

		1st half of 2026	1st half of 2025	Change
		EUR'000	EUR'000	%
1.	Net interest income	30,940	48,151	-35.7
2.	Current income from			
	a) Equities	302	404	-25.2
	b) Equity investments	39	45	-13.3
		341	449	-24.0
3.	Net commission income	-17,774	-30,293	-41.3
4.	Net result from the trading portfolio	116,582	132,951	-12.3
5.	Revenue	3,801	6,071	-37.4
6.	Other operating income	3,616	4,705	-23.1
7.	Administrative expenses			
	a) Personnel expenses	-52,062	-57,660	-9.7
	b) Other administrative expenses	-51,260	-41,786	22.7
		-103,322	-99,446	3.9
8.	Depreciation, amortisation and write-downs on intangible assets and property, plant and equipment	-5,237	-6,195	-15.5
9.	Other operating expenses	-1,186	-2,127	-44.2
10.	Depreciation, amortisation and write-downs on receivables and certain securities as well as allocations for provisions in credit transactions	-1,492	-1,529	-2.4
11.	Income from the write-up of equity investments, shares in affiliates and securities treated as assets	148	864	-82.8
12.	Expenses from the addition of the fund for general banking risks	-4,000	-4,500	-11.1
13.	Profit/loss on normal activities	22,418	49,102	-54.3
14.	Taxes on income	-7,108	-14,302	-50.3
15.	Other taxes not shown under Item 9	-23	-23	0.6
16.	Consolidated net income	15,287	34,778	-56.0
17.	Non-controlling interests	8	188	-95.7
18.	Retained earnings from the previous year	24,441	9,846	>100.0
19.	Consolidated net retained profit	39,736	44,811	-11.32

Note on the presentation of the income statement

The table above furthermore shows the consolidated income statement in accordance with the requirements for annual financial statements in the HGB structure.

In a departure from the HGB structure, the income statement with notes is presented below using the management account structure.

There were no changes in valuation, accounting and reporting methods in the first half of 2026.

OVERVIEW OF KEY FIGURES – 1ST HALF-YEAR 2026

Consolidated income statement

All figures are provisional and unaudited

in mn. €	1st Half Year 1/1/-30/06/ 2026	2025	Delta
Result from interest business	18.9	22.8	-3.9
Result from commission business	53.3	59.8	-6.5
Result from trading activities	57.5	68.2	-10.7
Revenue	3.8	6.1	-2.3
Other income	4.0	5.1	-1.1
Income	137.5	162.0	-24.5
Personnel expenses	52.1	57.7	-5.6
Other operating expenses	57.7	50.1	7.6
Risk provision	5.4	5.2	0.2
Expenses	115.1	112.9	2.2
Earnings before tax (EBT)	22.4	49.1	-26.7
Taxes	7.1	14.3	-7.2
Minorities	0.0	-0.2	0.2
Group results	15.3	35.0	-19.7
Earnings per share in EUR	0.31	0.72	-0.40
Return on equity after tax in %	13.1	36.9	-23.8
Return on capital after tax in %	0.9	1.4	-3.9

The Baader Bank Group generated earnings before tax of EUR 22.4 million in the first half of 2026 (H1 2025: EUR 49.1 million). The Group's total earnings fell by 15% to EUR 137.5 million (H1 2025: EUR 162.0 million).

Earnings from the interest business (generally consisting of interest income and interest-induced commission expenses) decreased by 17% to EUR 18.9 million (H1 2025: EUR 22.8 million), primarily due to a decline in average customer deposits and falling interest rates.

Earnings from the commission business recorded a decline of 11% to EUR 53.3 million (H1 2025: EUR 59.8 million).

At EUR 57.5 million, earnings from the trading business also declined (H1 2025: EUR 68.2 million), driven primarily by lower overall market volatility compared to the previous year, as well as a decrease in customer transaction volumes.

The de-migration of a cooperation partner at the end of 2025 negatively impacted earnings, which was mainly reflected in both earnings from the interest business and earnings from the trading business.

Total expenses in the first half of 2026 rose to EUR 115.1 million, representing an increase of 2% compared to the same period of the previous year (H1 2025: EUR 112.9 million).

Personnel expenses saw a significant year-on-year decline to EUR 52.1 million (H1 2025: EUR 57.7 million), mainly due to lower variable remuneration components. Operating expenses rose considerably to EUR 57.7 million (H1 2025: EUR 50.1 million). In the first half of 2026, pension expenses rose slightly to EUR 5.4 million (H1 2025: EUR 5.2 million) and included allocations to the fund for general banking risks amounting to EUR 4.0 million (H1 2025: EUR 4.5 million).

As at 30/06/2026, the Group's total number of employees (in full-time equivalents) amounted to 695 (31/12/2025: 656).

The positive contributions to earnings made by the Swiss Baader Helvea Group as a subsidiary of the Baader Bank Group bolstered the Group's half-year results.

The tax expense represents the actual taxes charged to the Group.

Earnings per share amounted to EUR 0.31 (H1 2025: EUR 0.72) and return on equity after tax was 13.1% (H1 2025: 36.9%).

FINANCIAL POSITION

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Operational liquidity management, which involves the management of daily payments, the planning of expected cash flows, and the management of disposable liquidity, serves the purpose of ensuring that the Group is able to satisfy all its payment obligations at all times. The Group's cash position, which was already solid in previous years, was also held constant in the past first half of the year.

Baader Bank AG's liquidity coverage ratio (LCR) as at 30/06/2026 was 369,97 % (30/06/2025: 441.6 %).

FIRST HALF YEAR 2026

Equity markets continue upwards despite macroeconomic pressure

The first half of 2026 was marked by numerous geopolitical conflicts, resulting in economic uncertainty as in the previous year. A key issue in particular was the US-Israel war with Iran, which began in late February, as the consequent disruption to shipping in the Strait of Hormuz led to a marked shortage of oil and gas supplies and a sharp rise in energy prices. Following a positive start to the year, financial markets thus saw high volatility with an initial surge in risk aversion.

Despite several countries releasing strategic oil reserves, concerns about more lasting damage to the infrastructure required for energy supply led to a weeks-long oil price shock. Between March and May, Brent oil prices peaked at nearly USD 120, almost double the low of USD 60 seen in January. The conflict eased somewhat over the course of the second quarter, leading to an initial fragile ceasefire during which peace negotiations began. Nervousness on the financial markets consequently significantly subsided once again, and oil prices also steadily declined. By mid-year, oil prices were trading at just over USD 70, and equity markets were up again from year-end 2025.

The sharp rise in energy prices also led to a significant reassessment of macroeconomic conditions. For example, the ECB's growth projections for the eurozone in June 2026 (0.8 % for 2026 and 1.2 % for 2027) were well below December 2025 levels (1.2 % for 2026 and 1.4 % for 2027). By contrast, inflation expectations for 2026 and 2027 saw a notable increase, rising from 1.9 % to 3.0% and from 1.8 % to 2.3 %, respectively. As price pressures continued to clearly mount, central banks became increasingly willing to raise key interest rates once again. At the beginning of the year, expectations were that eurozone key interest rates would remain stable, and amongst some, that the US Federal Reserve would implement significant rate cuts. However, with inflation reaching 3.2% in May, the ECB implemented its first rate hike in June. The Fed likewise revised its monetary policy outlook for 2026. While a further rate cut of 25 basis points had been anticipated in December 2025, in June the central bank signalled the prospect of a 25-basis-point rate hike.

On the financial markets, the shifting outlook for inflation and monetary policy drove government bond yields significantly higher, with this trend reversing somewhat towards the middle of the year. This development was however accompanied by a widening interest rate differential in favour of the US dollar at the long end of the yield curve, causing the euro to lose some of its previous strength against the US dollar and decline by 3%. Precious metal and cryptocurrency prices also experienced losses, despite the price of gold having risen by around 20% by the end of January.

Despite the temporary challenges posed by the macroeconomic environment, equity markets maintained their overall upward trend in the first half of the year. The STOXX Europe 600, which tracks the broad European equity market, rose by 8.4%, while the S&P 500 shot up by 9.6 %. Given that growth momentum in Germany failed to live up to high expectations alongside an unfavourable sector mix, the DAX gained only 2.1 % in the first half of the year.

As in previous years, performance on the equity markets remained selective, with equities of smaller-cap companies often unable to participate in the overall market's positive performance, or only to a below-average extent. Many equities also suffered as their business models came under scrutiny due to the growing prevalence of AI models. Consequently, performance remained highly uneven across sectors too. Commodity stocks and energy sector equities, such as oil stocks and utilities, saw particular gains. Performance among technology stocks was highly uneven — software stocks fell out of favour, while semiconductor stocks and other stocks with AI-related potential in particular saw significant gains, especially in the run-up to SpaceX's IPO. By contrast, consumer stocks and defence stocks performed poorly.

Competition among trading venues as trading volumes rise

Overall, trade revenues continued to develop positively in the first half of 2026 compared to the same period of the previous year. Combined trading volumes on German trading venues were slightly higher year on year. As a result, Baader Bank's market share in market making increased for all asset classes combined. Baader Bank's increased share of order book volumes was primarily driven by North American equities, as the IT sector in particular attracted strong investor interest during the first half of the year.

The number of customer transactions, or trades, declined compared with the previous year. Partly due to generally lower market volatility compared with the same period last year, net trading income for the first half of 2026 declined moderately compared with the same period last year.

In the first half of the year, Baader Bank conducted around 18 million trades in market making. Baader Bank's systems were stable and performed well even on trading-intensive days. In particular, gettex, the trading platform of the Munich Stock Exchange, continues to successfully compete with historically established exchanges, underscoring the ongoing trend of trading volumes moving away from traditional exchanges towards fee-free trading platforms.

With the continued growth in the supply of neo-brokers both in Germany and in Europe, the environment remains promising for gettex as a free-of-charge trading venue. The first half of 2026 saw Baader Bank's sales via the gettex platform rise once again, with increases in the equity and ETF asset classes in particular.

The positive development in trading volumes was also reflected in over-the-counter trading. In the first half of 2026, the revenue for all asset classes combined and the number of trades were slightly higher than the figures for the same period of the previous year.

Towards the end of 2025, Baader Bank extended its trading hours for over-the-counter trading on Saturdays from 2 pm to 7 pm. This move sees Baader Bank add to its trading offering, Baader Trading, and consolidate its position as a market maker in Germany. Having extended trading hours will make it possible to consistently meet the increasing demand from cooperation partners and from institutional and private clients. Trading on gettex and over-the-counter is generally available Monday to Friday, between 7:30 am and 11:00 pm. Here, too, there contains to be sustained competition, with Baader Bank constantly strengthening its position by expanding its product and service offerings.

Baader Bank has also further expanded its trading universe and consolidated its position in retail trading. This development has been driven in particular by the continued growth in the account and securities account business within the cooperation business with B2B partners. To sustain this trajectory in the long term, the bank is focusing on onboarding additional partners, while continuing to develop its powerful IT platform and expand its functionalities. A solid capital and liquidity position are key competitive advantages in this context, particularly for reliable settlement in volatile market phases.

Baader Bank is a full-service provider centred on quoting and execution quality on several stock exchanges, with an increasing focus on European business in the broker market. We assess and implement the latest technology, process and service innovations and tap into potential new markets and products. Baader Bank's trading setup in market making remains competitive even during periods of exceptional market volatility, enabling the bank's customers to enjoy high-quality trading and quotation at all times.

In addition to ongoing market growth, attention is increasingly turning to the potential impact of a future equity pension model, the *Altersvorsorgedepot* (pension investment account). With its launch on 1 January 2027, Baader Bank expects a positive impact on trading volumes and securities transactions in the medium to long term. In this context, Baader Bank, together with its cooperation partners, is aiming to implement a competitive product in order to ensure that its business model continues to be robustly represented within its product offering.

B2B2C platform business sees steady growth with diversified customer base.

Baader Bank's account and securities account business continued to see steady growth in the first half of 2026 thanks to the diversified B2B2C cooperation business. With around 138,000 new securities accounts in the first six months, the number of securities accounts managed by Baader Bank has risen further to 1,266,000 (31/12/2025: 1,128,000 securities accounts). Managed customer assets, consisting of securities account volumes and customer deposits, amounted to EUR 49.2 billion (31/12/2025: EUR 33.2 billion). Growth in the cooperation business, or more specifically B2B2C customer growth, are central to this development. Deposit volume increased slightly compared to the end of 2025, standing at EUR 3.0 billion (31/12/2025: EUR 2.7 billion).

Within the account and securities account business, the implementation of new B2B partnerships remains a strategic focus for Baader Bank. The same applies to the pension investment account currently being implemented, which is intended to supplement the German pension system as of 1 January 2027. Together with its cooperation partners, Baader Bank is implementing the relevant product requirements into a joint product suitable for end customers.

Baader Bank also achieved further growth in its account and securities account business with (international) banks in the first half of the year. In this context, Baader Bank provides other banks with omnibus accounts, i.e. pooled accounts or pooled custody accounts. These accounts allow an institution to hold securities belonging to multiple customers, rather than maintaining a separate custody account with the central depository for each end customer. Through this cooperation model, Baader Bank enables (international) banks to be competitive, especially in markets outside Germany.

Trading volumes in the crypto business were lower in the first half of 2026 year on year. This was due to the overall weaker market environment for digital assets, which was characterised by lower volatility and a corresponding decline in trading activity. This development aligns with broader market trends in the crypto sector and reflects the cyclical slowdown in trading activity following the high volumes seen in the previous year.

Baader Bank acts as a financial commission agent in crypto trading, with crypto assets being held in custody by an authorised crypto custodian. The focus is currently on expanding the bank's existing crypto trading setup, including the integration of new B2B partners.

To further implement its growth strategy, Baader Bank will consistently continue its investment strategy and strategically expand its IT infrastructure. The positive effects of past and planned investments are particularly evident during periods of high trading activity. Furthermore, growth in the B2B2C platform business promotes sustainable cross-selling potential in the Best Execution Service on gettex.

Optimisation in the brokerage business

The first half of 2026 proved positive for brokerage, with trading volumes continuing to rise compared to the already strong performance of the previous year. The number of trades, however, has declined. In the first half of the year, cost savings were achieved through optimisations in the setup process, while growth continued in the cooperation, private customer and institutional businesses. The high level of interest in financial investments is driving growth in the private customer business through Baader Bank's cooperation partners.

Bolstered by a promising market environment, the focus remains on attracting new customers. The aim of achieving sustainable business expansion and increasing market share in the future applies to US brokerage too, while cost reductions have already been achieved.

Baader Bank positions itself as a high-profile and market-leading trading partner, particularly in relation to the cash equity product from Germany, Austria and Switzerland. The product range is complemented by derivatives and interest rate products. Going forward, the brokerage business expansion will be directed not only here but also towards the service universe as well as the quality and scope of connections. This goes hand in hand with the efficiency-driven automation of the business segment in order to remain competitive.

Selective performance in capital market business

The IPO environment in Europe recovered during the first half of 2026, although geopolitical uncertainties continue to dampen IPO activity. The largest IPO in history by the US company SpaceX generated significant public attention. During the first six months of the year, a total of 14 companies were floated on the stock market (with an issue volume of at least EUR 100 million) in Europe, three of which were listed in Germany. The total emissions volume was relatively high at EUR 6.4 billion.

Some of Germany's most significant IPOs include defence supplier VINCORION SE (EUR 345 million), copper processor ASTA Energy Solutions AG (EUR 190 million) and submarine equipment supplier Gabler Group AG (EUR 133 million).

Most recently, Baader Bank acted as co-lead manager in the IPO of Robyg S.A., one of Poland's leading residential construction companies. The transaction totalled EUR 277 million, involving a combination of existing shares from TAG Immobilien AG's holdings and new shares issued through a capital increase.

Baader Bank also acted as co-lead manager in the IPO of Asta Energy Solutions AG on the Frankfurt Stock Exchange, with a total volume of EUR 190 million. The Austrian company's IPO marked the first IPO on the Frankfurt Stock Exchange this year.

At the start of the year, Baader Bank acted as the selling agent for the IPO of the arms and industrial company Czechoslovak Group on the Euronext exchange. The company raised a total of approximately EUR 3.8 billion, making it one of the largest IPOs in the sector in Europe.

In addition to IPOs, secondary placements, capital increases and share buybacks also play a significant role in the current capital market environment.

During the first half of 2026, Baader Bank and Nordea began their collaboration in the areas of research and corporate access. The cooperation focuses on the research offering for institutional clients, which both partners have so far sold primarily in different regions. The aim of the cooperation is to expand the range of services for clients of both companies, so that institutional clients benefit from the complementary services.

Despite the market-related challenges, the bank's Special Execution business continued its positive performance of the previous year. In total, the bank assisted with and concluded 32 transactions in the securities services business in the first half of the year. The outlook for the second half of the year is positive.

As at the half-year reporting date, Baader Bank managed a total of 68 mandates in the corporate brokerage segment. Although the competitive landscape is becoming increasingly challenging, Baader Bank already has several new mandates on the way for the current year.

In a cut-throat environment, Baader Bank added further stocks to its coverage list in the first half of the year with its research business. Cross-selling opportunities are arising from this research business, which acts as an interface between two customer groups of particular relevance for Baader Bank: corporate customers, the majority of whom are from the GSA region, and international institutional investors.

Baader Bank hosts numerous investor conferences that continue to see strong demand. More than 70 leading Swiss companies and almost 300 investors seized the opportunity to exchange ideas at this year's Baader Helvea Swiss Equities Conference, which took place in Bad Ragaz in January. Both small- and mid-cap companies and numerous DAX companies will be in attendance at the Baader Investment Conference in September. Baader Bank is currently also focusing on its corporate access offering, which includes investor and company roadshows in Europe and North America.

OUTLOOK

Mixed capital market environment with new periods of volatility expected due to slowed momentum, political uncertainty and further monetary tightening

In the second half of the year, capital market performance will continue to depend on whether the scenario of only a moderate slowdown in global economic growth, alongside the prospect of an economic recovery in 2027, remains on track. Developments with inflation and the resulting central bank policy are also likely to continue playing an important role. Financial markets would benefit from a resolution of the military conflict with Iran and a subsequent normalisation of oil and gas production and supply routes from the Gulf region.

However, as long as negotiations on a ceasefire or peace agreement continue to drag on, the ongoing political and military conflict is likely to continue to significantly impact price trends. In addition, November's mid-term elections in the US could trigger temporary price fluctuations if the balance of power in Congress shifts against President Trump. The sharp rise in government debt in many countries continues to represent a source of uncertainty. In this context, the French presidential elections scheduled for next year may also already be casting their shadow, now that Marine Le Pen has been allowed to run after all.

Although core inflation rates have remained moderate so far, a prolonged increase in energy prices could lead to second-round effects and trigger a further rise in inflation. This poses the risk that the scenario currently being priced into the markets of monetary tightening remaining moderate could prove too optimistic in the coming months. This would also increase the risk of temporary uncertainty on the financial markets if the published fundamentals proved disappointing in the meantime.

It seems likely that Europe will see a gradual return to growth. Due to Europe's high economic dependence on foreign trade, however, there is still a risk that the economic indicators for this region could weaken again temporarily should the prospect of higher tariffs on exports to the US once again come under discussion, as was recently the case for Canada. A further increase in long-term bond yields could also weigh on profitability, especially for companies that are sensitive to interest rates.

Although European equities are currently valued at only slightly above the average of the last ten years and therefore cannot be considered excessively high, if doubts about the earnings base temporarily intensify, the price gains of recent months could be put to the test. This is particularly true for stocks with AI-related potential, which have seen significant gains in the past few quarters.

For the equity markets, this means that there is an at least occasional risk of renewed volatility in the second half of the year. This is also supported by the high dependence of many indices on a small number of very highly weighted stocks. In the event of price setbacks, stocks with stable growth rates in particular stand to benefit, while more cyclical equities would in all likelihood be negatively impacted. As the first half of the year has shown, a potential risk aversion phase on the financial markets will not necessarily be accompanied by falling commodity prices, a stronger US dollar or lower bond yields. Even though the equity markets are likely to pick up again in the fourth quarter due to seasonal factors, the second half of the year could therefore be as volatile as the first.

Robust business model for sustainable growth

In the second half of 2026, the strategic focus of business activities will be implementing medium- and long-term business objectives in order to actively shape the progressive change and intense competition happening in the securities business. By offering over-the-counter trading services and market making, particularly on the gettex trading platform, Baader Bank has further asserted its independence from established stock exchanges and continued to consolidate its market position.

The capital-backed pension scheme, i.e. the pension investment account, has the potential to multiply the number of shareholders in Germany. This could cause further change to the share culture in Germany for the better overall, and significantly expand the customer base for Baader Bank's cooperation partners.

Baader Bank remains committed to investing in the implementation of its strategic objectives, having positioned itself as a leading securities and banking services provider in Germany, as well as a trading partner for global customers and the operator of an advanced platform in terms of technology and processes. As in the first six months of the year, the strategic focus for the second half of 2026 will remain on the innovative platform strategy with the operation of an integrated business model. This is underpinned by diversified sources of income and a scalable infrastructure. The foundations for the planned further growth are therefore in place, including on the capital side.

In addition to strong capital resources, the powerful IT platform guarantees reliable delivery capabilities, cementing Baader Bank's position as a dependable partner in the global capital market environment. The sustained high trading volumes can always be handled reliably due to Baader Bank's solid capital and liquidity position, even during particularly volatile market phases.

Baader Bank's extensive customer base and growth in recent years provide a stable basis for its key income components, enabling the Group to achieve a positive result whether the capital markets are strong or weak in any given year. It is thus essential to continuously expand the range of services and products to meet the needs of business partners and their end customers.

For the remainder of the current financial year, Baader Bank will continue its investment path for future growth and for optimising and expanding platform functionality. The main objective is to increase the volume of business on the bank's platform.

Baader Bank has been synonymous with the highest levels of professionalism in securities trading for over 40 years. To continue offering our clients and partners a first-rate service, we are subsuming our trading activities and services - including on- and off-exchange market making, brokerage and crypto trading—under Baader Trading.

Unterschleissheim, 30/07/2026

Baader Bank AG
Board of Directors