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CORPORATE NEWS

Varengold Bank AG:

Preliminary unaudited figures for 2023 and a good start to the year in Q1 2024

- Special audit still ongoing
- Audit of annual financial statements 2022 in final stages
- Preliminary EBT 2023 in the amount of EUR 25.8 million
- Preliminary EBT for Q1 2024 at EUR 5.9 million

Hamburg, 09/04/2024 – Varengold Bank AG (symbol: VG8) looks back on a turbulent year 2023. The special audit ordered by the German Federal Financial Supervisory Authority (BaFin) in accordance with Section 44 of the German Banking Act (KWG) led to restrictions and restructuring measures in the payment transaction business in mid-2023 and thus to a significant loss of commission income in the context of further business planning. The special audit is still ongoing, with two of the three audit items having been completed to date.

Due to this special audit and the resulting findings, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, as the auditor for the financial year 2022, was also unable to complete the necessary audit procedures at the Bank within the regularly scheduled time frame. Following the consideration of positive and negative value-enhancing factors as part of the work on the financial statements 2022 and the performance of additional audit procedures, the annual audit report for 2022 is currently being finalised. The Bank assumes the outstanding audit opinion to be issued in the foreseeable future.

Varengold Bank immediately took preventative measures as a result of the restrictions in the payment transaction business in June 2023 and not only reorganised the Commercial Banking division, but also implemented a cost reduction programme and expanded the Marketplace Banking division with a focus on the lending business. For the financial year 2023, the Bank reports preliminary and unaudited earnings before taxes (EBT) as a key performance indicator of EUR 25.8 million (preliminary EBT 2022: EUR 26.8 million). At EUR 65.3 million, net income is around 20% below the previous year's level, while administrative expenses fell by around 6% to EUR 33.7 million.

The Management Board is convinced that the Bank has taken the right measures to counter the effects of last year's special audit.

The first quarter of 2024 got off to a satisfactory start. Varengold Bank generated net income of EUR 14.1 million in the first three months. Administrative expenses totalled EUR 7.3 million in this period. In general, the Bank's business activities have recently benefited from the current interest rate environment, with around 50% of net income in the first quarter, for example, attributable to interest on overnight deposits at the Bundesbank. The Bank expects this effect to decrease over the course of the year. As at 31 March 2024, the Bank reported a preliminary EBT of EUR 5.9 million.

About Varengold Bank AG

Varengold Bank is a German financial institution founded in 1995 and granted a full banking licence in 2013. In addition to its head office in Hamburg, the bank has a presence in Sofia. Core business areas are Marketplace Banking and Commercial Banking (Transaction Banking). Within Marketplace Banking, the focus is on the cooperation with European Fintechs, especially lending platforms. Varengold Bank's service portfolio includes Funding, Debt and Equity Capital Markets products, Fronting Services for products subject to banking licence requirements / Banking-as-a-Service (BaaS) and International Payment Services as well as Trade Finance. Varengold Bank is registered with the Federal Financial Supervisory Authority (BaFin) under no. 109 520 and its shares (ISIN: DE0005479307) have been listed on the Open Market of the Frankfurt Stock Exchange since 2007. For more information, see www.varengold.de.

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