

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Management Report  
for the 2023 financial year**

**A. Legal and commercial basis of the Company**

Société Générale Effekten GmbH (SGE) is a 100% subsidiary of Société Générale S.A. Frankfurt, which is a branch of Société Générale S.A., Paris (SG). The purpose of the company is to issue and sell securities and to purchase, sell, hold and manage equity interests.

The securities issued by SGE are publicly offered in individual or multiple countries of the European Economic Area or Switzerland. In addition, admission for the securities to trading in a regulated market or a multilateral trading system in the European Economic Area or on a Swiss stock exchange may also be applied for. Currently, the respective trading venues include the stock exchanges in Frankfurt, Stuttgart, Madrid, Barcelona, Milan, Paris, Stockholm and Zurich.

The issues are taken over by SG and, in a second step, they are placed with end customers by SG, so that no influence on the economic circumstances of the issuer results from this action. Redemption of the securities is guaranteed by SG in the form of a parent company guarantee.

The parent company guarantee can be viewed at:

[https://prospectus.socgen.com/program\\_search/guarantee-2-mar-20](https://prospectus.socgen.com/program_search/guarantee-2-mar-20)

The Company holds majority shares in Société Générale Securities Services GmbH, Aschheim, and ALD Lease Finanz GmbH, Hamburg.

**B. Financial review**

**I. General economic and industry-specific conditions**

The German economy slid into recession in 2023 as full-year GDP contracted by 0.3%. The main causes afflicting the German economy were the coronavirus crisis, Russia's invasion of Ukraine, the high level of inflation, unfavorable financing conditions, weak demand in Germany and abroad, and the Middle East conflict.<sup>1</sup>

At 5.9%, the inflation rate in Germany slowed in 2023 compared to the 6.9% rate in 2022. The price of energy products rose by 5.3% in 2023, after the sharp increase of 29.7% in 2022. Food

---

<sup>1</sup> Hamburg Institute of International Economics (December 2023): Economic Forecast Germany Winter 2023. [https://www.hwwi.org/wp-content/uploads/2023/12/HWWI\\_Konjunkturprognose\\_4\\_2023.pdf](https://www.hwwi.org/wp-content/uploads/2023/12/HWWI_Konjunkturprognose_4_2023.pdf) (02/22/2024).

inflation was especially pronounced in 2023, at 12.4%.<sup>2</sup> To lower inflation, the European Central Bank began to progressively raise its base interest rate beginning in the middle of 2022. After ten consecutive interest rate hikes, the European Central Bank has kept the base interest rate steady at 4.5% since September 2023.<sup>3</sup>

The German economy continues to be significantly influenced by economic growth in foreign countries, particularly China and the United States. China's economy expanded by 5.2% in 2023, surpassing its target rate of 5%. It grew at a much faster rate in the first quarter of 2023 than in the final quarter of 2022, but then quickly lost momentum over the further course of the year.<sup>4</sup> China is still being affected by lower exports, which fell by around 5% year-on-year in 2023, the sharpest decline since the financial crisis. China is also contending with a crisis in its real estate sector and a drop in consumer spending.<sup>5</sup> Due to the steadily falling birth rate, the population decline in China appears to be progressing even faster than originally feared, which also undermines the country's economic growth potential.<sup>6</sup>

Despite the high level of base interest rates, the U.S. economy grew at a faster rate than expected in 2023. Gross domestic product expanded at an annualized rate of 2.5%, as compared to the forecast rate of 2.0%.<sup>7</sup> Both the Eurozone economy and the EU economy grew at a rate of only 0.5% in 2023.<sup>8</sup> Economic growth in the Eurozone and EU was hampered by multiple factors, among them the erosion of household purchasing power and high interest rates.<sup>9</sup> In December 2023, about 12.9 million people in the EU were unemployed, which corresponds to an unemployment rate of 5.9%. At 6.4%, the unemployment rate in the Eurozone remained above the level of the EU.<sup>10</sup>

## II. Business developments

Issuance activity decreased by 6.2% in financial year 2023 (2023: 544,197 issued products; 2022: 579,956 issued products).

---

<sup>2</sup> German Federal Office of Statistics (16/01/2024): Inflation Rate +5.9% in 2023.

[https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24\\_020\\_611.html#:~:text=WIESBADEN%20E%20%80%93%20Die%20Verbraucherpreise%20in%20Deutschland,%20B%20C%20%25%20gelegen](https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/01/PD24_020_611.html#:~:text=WIESBADEN%20E%20%80%93%20Die%20Verbraucherpreise%20in%20Deutschland,%20B%20C%20%25%20gelegen) (02/22/2024).

<sup>3</sup> European Central Bank (01/25/2024): Monetary Policy Resolutions.

<https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.mp231214~9846e62f62.de.html> (01/26/2024).

<sup>4</sup> Statista (01/17/2024): China: Real Gross Domestic Product (GDP) Growth from 4th Quarter 2020 to 4th Quarter 2023.

<https://de.statista.com/statistik/daten/studie/179388/umfrage/wachstum-des-bruttoinlandsprodukts-bip-in-china-nach-quartalen/> (03/01/2024).

<sup>5</sup> Statista (03/07/2024): China: Relative Change in Export Volume from January 2023 to February 2024.

<https://de.statista.com/statistik/daten/studie/173902/umfrage/veraenderung-der-monatlichen-exporte-aus-china-gegenueber-dem-vorjahresmonat/> (03/01/2024), GTAI – Germany Trade & Invest (12/20/2023). Uncertainty Instead of Plannability.

<https://www.gtai.de/de/trade/china/wirtschaftsumfeld/unsicherheit-statt-planbarkeit-251412> (03/01/2024).

<sup>6</sup> German Economic Institute (02/29/2024). Afterpains of the One-Child Policy: Demographic Change in China.

<https://www.iwkoeln.de/studien/gero-kunath-china-im-demografischen-wandel.html> (03/01/2024).

<sup>7</sup> GTAI – Germany Trade & Invest (02/07/2024): Economic Environment USA. <https://www.gtai.de/de/trade/usa/wirtschaftsumfeld/abschwung-der-us-wirtschaft-laesst-auf-sich-warten-1075360>

<sup>8</sup> Eurostat (02/14/2024): Eurozone GDP Unchanged, Employment Up 0.3%. <https://ec.europa.eu/eurostat/documents/2995521/18507488/2-14022024-AP-DE.pdf/bcbe5116-b73f-a433-f528-4019e44e0b07> (02/21/2024).

<sup>9</sup> European Commission (02/15/2024): EU Economic Forecast: Faster Decrease in Inflation and Slower Growth.

[https://commission.europa.eu/news/inflation-eu-will-fall-faster-and-economy-grow-more-slowly-new-forecast-says-2024-02-15\\_de](https://commission.europa.eu/news/inflation-eu-will-fall-faster-and-economy-grow-more-slowly-new-forecast-says-2024-02-15_de) (02/21/2024).

<sup>10</sup> German Federal Office of Statistics (01/10/2024): EU-wide Employment Reaches at 5.9% in December 2023.

<https://www.destatis.de/Europa/DE/Thema/Bevoelkerung-Arbeits-Soziales/Arbeitsmarkt/EUArbeitsmarktMonat.html#:~:text=Europa%20EU%20weite%20Erwerbslosigkeit%20liegt%20Dezember%202023%20bei%205%20C%20%25> (02/22/2024).

In total, 28,925 investment products (PY: 28,592) were issued in 2023. In the category of products without capital protection, 15,312 products were issued as discount certificates, 11,143 products as bonus certificates, 1,914 products as reverse convertibles, 538 products as index/participation certificates, and 2 products as express certificates. In the category of products with capital protection, 16 products were issued as capital protection certificates.

Furthermore, 515,272 leverage products were issued (PY: 551,364). In addition to 302,157 products with knock-out options, 169,503 products were issued as warrants and 43,612 products as factor certificates in the category of products without knock-out options.

The German market accounted for 78% of total issuance activity and foreign markets accounted for 22% (of which: 48% France, 26% Scandinavian market, 11% Switzerland, 9% Benelux, 4% Iberian market, 2% Italy).

The subsidiary ALD Finanz Lease GmbH, Hamburg, acquired in 2017 held its own in a still difficult market environment and generated a higher profit. The impairment recognized in the purchase price paid for the interests in Société Générale Securities Services GmbH, which reduced the carrying amount of this investment from EUR 515 thousand to EUR 1.00, due to future profit expectations, was kept in place.

The overall performance in the financial year can be regarded as positive considering the relatively constant issuance activities. The performance of the subsidiaries met expectations and exceeded the forecasts communicated in the previous year.

### **III. Financial position, cash flows and liquidity position, and financial performance**

#### **a) Financial position**

Compared to the previous year, total assets declined by EUR 4,867 million to EUR 27,075 million. This reduction is primarily attributable to the lower issuance volume in the category of warrants.

The balance sheet mainly presents the issued certificates (balance sheet item: Liabilities from issued certificates) and the hedging transactions conducted in this connection (balance sheet item: Receivables from affiliated companies from the investment of issue proceeds) and the issued warrants (balance sheet item: Other liabilities) and the hedging transactions conducted in this connection (balance sheet item: Other assets). The value of the items presented in the balance sheet varies depending on the number and nominal amounts of issued securities and the related hedging transactions.

The Company presented the companies acquired at January 1, 2017 (ALD Lease Finanz GmbH and Société Générale Securities Services GmbH) in the balance sheet as Noncurrent financial assets – Interests in affiliated companies.

The Company's share capital remains unchanged at EUR 26 thousand. In addition, the company holds EUR 1,138 thousand (PY: EUR 1.138 thousand) in profit carried forward. The Company's equity remained unchanged year-on-year because the Company entered into a profit transfer agreement with Société Générale Frankfurt as of January 1, 2016, and thus any profits earned or losses incurred are transferred to or compensated by Société Générale Frankfurt.

Receivables are owed by Société Générale Frankfurt and Société Générale S.A., Paris, particularly in connection with the issuing activities. Receivables are also owed by ALD Lease Finanz GmbH under the profit transfer agreement concluded between ALD Lease Finanz GmbH (subsidiary company) and Société Générale Effekten GmbH (parent company) on September 26, 2017. Possible credit risks do not exist outside of the Société Générale group.

Liabilities are mainly incurred from the issuance of certificates and warrants, as well as a loan received from Société Générale Frankfurt for the acquisition of the subsidiaries Société Générale Securities Services GmbH, Aschheim, and ALD Lease Finanz GmbH, Hamburg, as of January 1, 2017.

There are also liabilities from the absorption of the loss of Société Générale Securities Services GmbH, Aschheim, on the basis of a profit transfer agreement concluded between Société Générale Securities Services GmbH (subsidiary company) and Société Générale Effekten GmbH (parent company) on December 1, 2017.

The financial position was sound in financial year 2023.

#### b) Financial performance

The proceeds from the sale of issued warrants and certificates are always offset by the expenses for the acquisition of the corresponding hedging transactions, so that the Company itself does not generate any profit from its issuance activities. In accordance with IDW RS HFA 35 para. 86, the cash flows resulting from the termination of the hedge have been recognized directly in equity, with no effect on the income statement, since the 2021 financial year.

Because currency risks are hedged, exchange rate fluctuations have no effect on the Company's income statement.

Due to the ongoing economic development of Société Générale Securities Services GmbH, the writedown of shares in Société Générale Securities Services GmbH to a memo value of EUR 1.00 was kept in place.

Personnel expenses and other operating expenses are passed on to Société Générale S.A., Paris, and Société Générale S.A., Frankfurt Branch, based on a "cost plus" arrangement. The EUR 816 thousand decrease in other operating expenses compared to the previous year resulted mainly from cost reductions in the issuance process.

In its income statement, the Company recognized income from a profit transfer agreement resulting from the profit of ALD Lease Finanz GmbH, which the Company recognizes in the same period on the basis of the profit transfer agreement concluded with ALD Lease Finanz GmbH, and expenses for the absorption of the loss of Société Générale Securities Services GmbH, which the Company recognizes in the same period on the basis of a profit transfer agreement.

Interest and similar expenses mainly consisted of interest payments on the loan granted by Société Générale Frankfurt in December 2016 to finance the acquisition of subsidiaries.

Due to a profit transfer agreement concluded with Société Générale Frankfurt effective January 1, 2016, the Company shows no net profit/loss for the year as of December 31, 2023.

The financial performance was sound in financial year 2023.

#### c) Cash flows and liquidity position

The nature and execution of the Company's business activities are aimed at maintaining a balanced liquidity position at all times.

Liabilities from the issuance of certificates and warrants are always hedged by maturity-matched financial instruments denominated in the same currency and bearing an identical price risk.

Business transactions affecting cash flow result from the issues and the corresponding hedging transactions, from the payment of personnel and other operating expenses, and the charging of these expenses to Société Générale S.A., Paris, and Société Générale Frankfurt.

Due to the complete reimbursement of all expenses incurred upon issuance by the parent company, the Company has sufficient liquidity and is in a position to satisfy all payment obligations.

At the reporting date of December 31, 2023, the Company recognized a liability to Société Générale Frankfurt in the amount of EUR 407,223 thousand, which is presented in the item of Liabilities to affiliated companies. At the reporting date of December 31, 2023, the Company recognized a receivable from Société Générale Frankfurt in the amount of EUR -1,206 thousand and a receivable from Société Générale S.A. in the amount of EUR 1,068 thousand under the cost-plus agreements in effect.

Under the existing profit transfer agreements, the Company recognized receivables from ALD Lease Finanz GmbH in the amount of EUR 77,789 thousand and liabilities to Société Générale Securities Services GmbH in the amount of EUR 8,825 thousand from the loss absorption, and liabilities to Société Générale Frankfurt in the amount of EUR 64,235 thousand from the profit transfer.

The Company can resort to a committed credit facility of Société Générale S.A. Frankfurt Branch in the amount of EUR 10,000 thousand, which had been drawn down by an amount of

EUR 5,977 thousand as of the reporting date. In addition, Société Générale S.A., Paris, promised the Company in a letter of comfort dated April 30, 2015 that the liquidity risks from expenses and the issuance business are secured.

The liquidity position was sound in financial year 2023.

The Société Générale Group emphasizes the strength of its balance sheet (CET1 ratio of 13.1% at December 31, 2023), which provides a cushion of around 340 basis points above the regulatory requirements. Its liquidity position was likewise strong, with a LCR ratio of 160% at the end of December 2023. Société Générale S.A., Paris, will recommend to the Annual General Meeting the payment of a dividend of EUR 1.25 per share.

#### **IV. Financial/ non-financial performance indicators**

On the one hand, the Company is a pure issuing vehicle without its own credit rating, which generates income from the cost-plus agreements in effect with Société Générale S.A. Paris and Société Générale Frankfurt. On the other hand, the Company derives its income from the equity interests held by the Company. The management of the issuance vehicle is based on the “engineering” of new products and the associated targeted placement of securities with investors. The subsidiaries manage their business under their own responsibility.

The Company largely relies on the systems and control procedures of the parent company for its own internal controlling. To enhance operational efficiency, the parent company continuously adjusts its systems and control procedures and adds to these controls as needed. The financial accounting processes and the related controls are reviewed on a continual basis and adjusted when necessary.

No other non-financial performance indicators are used.

### **C. Report on the Company’s future development, opportunities and risks**

#### **I. Expected development of the Company (Forecast Report)**

The adverse conditions affecting economic growth in 2023, including sharply diminished foreign demand for industrial products, consumer restraint, and higher financing costs, which dampened investment, remained in effect in the first quarter of 2024. Even a small decrease in economic output in the first quarter of 2024 would push the German economy into recession. The persistent weakness of the German economy since the start of Russia’s invasion of Ukraine will probably continue. However, a recession in the sense of a substantial, broad-based, and longer-lasting contraction of economic output is still not apparent, nor is it expected at the present time. In particular, the income situation and thus the consumption of private households

should improve further in light of the stable labor market, rising wages, and a lower rate of inflation.<sup>11</sup> Modest economic growth of 0.5% is predicted for 2024.<sup>12</sup>

The inflation rate in Germany had fallen to 2.9% at the beginning of 2024. This is the lowest rate since June 2021, when it was 2.4%. Despite the discontinuation of government-subsidized price caps for energy products (fuel, electricity, natural gas, and light heating oil) and the CO<sub>2</sub> price increase from EUR 30 to EUR 45 per ton, which affects fossil fuel prices, energy prices in January 2024 were 2.8% less than in January 2023, which has dampened inflation. Even the discontinuation of the value-added tax reduction for food service establishments has not led to a higher rate of inflation.<sup>13</sup> The Ifo Institute now anticipates an inflation rate of only 2.2% for the full year 2024.<sup>14</sup> Moreover, the German Bundesbank expects the inflation rate to fall this year by more than half.<sup>15</sup>

In January 2024, the European Central Bank again resolved to leave the base interest rate unchanged. In December 2023, the Governing Council of the European Central Bank determined that whereas inflation has indeed declined in the Eurozone and in the EU in the last few months, it could quickly rise again on a temporary basis. According to the December projections, inflation will gradually subside over the course of 2024 and move closer to the 2% target in 2025.<sup>16</sup>

The unemployment rate was 5.7% in 2023. The number of unemployed jobseekers rose by 169,000 to 2,805,000 in January 2024, representing an increase of 189,000 over January 2023.<sup>17</sup> It is to be expected, however, that the unemployment rate will fall slightly to 5.5% in 2024.<sup>18</sup>

The growth strategy of the Société Générale Group is focused on Germany, as evidenced by issuance activity, given that 78% of products are issued in Germany.

The Management expects that the Company's issuance activity will remain at a high level. As in prior years, a broad range of warrants and certificates will be offered in 2024. Moreover, the volatile market environment will probably lead to a higher volume of follow-up issues of turbo warrants as barriers are breached.

---

<sup>11</sup> German Bundesbank (02/19/2024): German Economy.

<https://www.bundesbank.de/resource/blob/925164/ac0aef3ec5045cc07f0a745554e4ba5d/mL/2024-02-konjunktur-data.pdf> (02/23/2024).

<sup>12</sup> Statista (01/31/2024): IMF Forecast: Real Gross Domestic Product (GDP) Growth in the Important Industrialized and Emerging-Market Countries in the Years 2022 to 2025. <https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/> (02/23/2024).

<sup>13</sup> German Federal Office of Statistics (02/09/2024). Inflation Rate +2.9% in January 2024.

[https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/02/PD24\\_051\\_611.html#:~:text=Data%20ranges%20from%2037.4%20to%20111.3.](https://www.destatis.de/DE/Presse/Pressemitteilungen/2024/02/PD24_051_611.html#:~:text=Data%20ranges%20from%2037.4%20to%20111.3.) (02/12/2024).

<sup>14</sup> Statista (01/16/2024). Inflation Rate: Change in Consumer Prices in Germany from 2008 to 2023 and Ifo Institute Forecast Through 2025. <https://de.statista.com/statistik/daten/studie/1298570/umfrage/prognose-des-ifo-zur-entwicklung-der-inflationsrate-in-deutschland/> (04/10/2024).

<sup>15</sup> German Bundesbank (12/20/2023). Inflation Will Fall by More than Half in 2024. <https://www.bundesbank.de/de/presse/interviews/-die-inflation-wird-sich-2024-mehr-als-halbieren--920684> (02/22/2024).

<sup>16</sup> German Bundesbank (02/19/2024): Monetary Policy and Banking.

<https://www.bundesbank.de/resource/blob/925168/de4578f29ef990cd70d801a31e89b125/mL/2024-02-geldpolitik-data.pdf> (02/22/2024).

<sup>17</sup> German Federal Employment Agency (01/31/2024). Development of the Labor Market in Germany in 2024.

<https://www.arbeitsagentur.de/news/arbeitsmarkt> (02/08/2024).

<sup>18</sup> Statista (01/02/2024). Indicators of the Labor Market in Germany in 2021 and 2022 and Forecast for 2023 and 2024.

<https://de.statista.com/statistik/daten/studie/1108292/umfrage/corona-prognose-zum-arbeitsmarkt/#:~:text=Mit%20der%20Corona-Krise%20und,auf%205%2C5%20Prozent%20sinken> (02/22/2024).

In 2024, the Company expects a profit contribution from ALD Lease Finanz GmbH of EUR 66.1 million and a profit contribution from Société Générale Securities Services GmbH in the amount of approximately EUR 1.2 million on the basis of the profit transfer agreements concluded with those companies.

Including the accrued interest on the borrowed loans in the amount of approx. EUR 6.0 million and the reimbursements made on the basis of the cost-plus agreement, the Company expects a profit of approx. EUR 61.3 million before the profit transfer to Société Générale Frankfurt.

Thanks to the existing credit facility with Société Générale S.A., Frankfurt Branch, in the amount of EUR 10 million, no liquidity shortages are expected.

## **II. Risk Report**

The Company's risk situation is characterized by its well-organized transaction structure and its close integration into the Société Générale group. The fact that all risks incurred are borne by the parent company under the terms of a "global guarantee" is taken into consideration with respect to the risk management of the warrants and certificates business.

In the 2023 financial year, potential effects from sustainability risks on SGE, including its subsidiaries ALD Lease Finanz GmbH and Société Générale Securities Services GmbH, were taken into consideration. Sustainability risks are events or conditions from the areas of the environment, social affairs, or corporate governance, the occurrence of which can have actual or potential negative impacts on the financial position, cash flows and liquidity position, financial performance, and reputation of ALD Lease Finanz GmbH. Such risks include climate-related risks in the form of physical risks and transaction risks. Sustainability risks are taken into consideration in the corresponding risk types.

Sustainability risks are taken into account under the respective risk types.

Potentially occurring risks in financial year 2023 were as follows:

### Counterparty default risks

There are no settlement risks because the payments from the sale of the securities issued and from the purchase of the hedging transactions, as well as those from any exercise of options, are always balanced. Receivables from offsetting transactions are only owed by Société Générale S.A., Paris. The credit rating of Société Générale S.A., Paris, and its subsidiaries is the key factor for risk assessment, and it is sound.

In general, sustainability risks can arise in form of physical and transitional risks in the business field in which ALD Lease Finanz GmbH is active along with Bank Deutsches Kraftfahrzeuggewerbe GmbH.

The effects of sustainability risks on the risk types are assessed and estimated as part of the risk inventory process and then applied in the assessment of the individual risk types. The same



procedure is applied in the treatment of sustainability risks in the conduct of stress tests. To this extent, sustainability risks are indirectly incorporated into the risk profile.

The ongoing transformation of engine types toward electromobility and possible changes in legal framework conditions constitute possible transitional factors of influence on the future financial position and performance.

At the present time, the leasing of electric vehicles is heavily subsidized by the manufacturers through their captive companies. Therefore, ALD Lease Finanz GmbH can offer competitive leasing terms only on a selective basis. This situation could possibly change as the technology progresses, potentially giving rise to greater opportunities in this business.

The possible increasing importance of CO2 footprints in financial markets could have a negative impact on the business model, if price mechanisms consider such ESG factors earlier or more intensively than the loan inventory grows, and thus the refinancing sources become costlier or scarcer.

In connection with the 7th MaRisk Amendment, in which the consideration of ESG risks across the board is one of the major innovations, the necessary fields of action were identified, cataloged and handled by the responsible organizational units.

#### Market price risks

All market price risks associated with issued warrants and certificates are fully hedged by means of hedging transactions with Société Générale S.A., Paris. This means there are no price risks, currency risks or interest rate risks.

#### Liquidity risks

Daily monitoring of the payment flows and close coordination with the back-office departments of Société Générale S.A., Paris, ensure that the Company is always in a position to fulfill its payment obligations. No liquidity risks can be discerned at present due to the integration into the Société Générale group, the hedging of issues by means of direct offsetting transactions with Société Générale S.A., Paris, and the existing cost-plus agreements for issuance and administrative expenses.

#### Operational risks

Société Générale S.A., Paris, has developed processes and systems for monitoring and controlling operational risks that are used by Société Générale Effekten GmbH. They are essentially based on the principle of permanent monitoring. Specially designed applications document processes and evaluate them according to prescribed criteria in order to prevent losses from operational risks. When considering operational risks, one must also include climate-related risks. Climate-related risks are divided into four sub-categories: Physical risks

(consequences of extreme weather events and changes in climatic and ecological conditions), mitigation risks (statutory measures to reduce greenhouse gas emissions), transition risks (risks following adjustment processes) and adaptation risks (measures to prepare society and the environment for the effects of the climate crisis). The greatest risks to society can arise from physical risks. To minimize these risks, precautions in the context of the Business Continuity Plan (BCP) were undertaken to maintain seamless business operations in the event of disruptions to the infrastructure.

The same rules and principles apply to the outsourced processes in the service centers in Bangalore and Bucharest as apply to Société Générale Effekten GmbH. Compliance with required processes is assured by means of standardized committees and key process indicators (KPIs).

The described measures and processes made it possible to ensure that no operational risks occurred in financial year 2023 in the following areas:

- Regulatory reports
- Information technology risks
- Outsourcing risks
- Fraud risks

There were no significant changes to the risk situation compared to the prior year. Based on currently available information, there are no discernible risks that could endanger the Company's continued operation as a going concern. Operational risks have been limited by the ability of employees to work from home. They can work from home via a secured VPN access.

The new product process described in the opportunity report does not exacerbate existing risks or give rise to new risks. Neither the Ukraine-Russia conflict nor the Middle East conflict nor high inflation had serious effects on the Company.

The hedging relationships between issued certificates and warrants, on the one hand, and offsetting transactions, on the other hand, are always assured by means of complete symmetrical representation.

### **III. Report on opportunities**

It is expected that economic growth in 2024 will again be adversely affected by weak foreign demand for industrial products, consumer restraint, and higher financing expenses.<sup>19</sup> The IMF anticipates full-year economic growth of 0.5%.<sup>20</sup>

---

<sup>19</sup> German Bundesbank (02/19/2024). German Economy.

<https://www.bundesbank.de/resource/blob/925164/ac0aef3ec5045cc07f0a745554e4ba5d/mL/2024-02-konjunktur-data.pdf> (02/23/2024).

<sup>20</sup> Statista (01/31/2024). IMF Forecast: Real Gross Domestic Product (GDP) Growth in the Important Industrialized and Emerging-Market Countries in the Years 2022 to 2025. <https://de.statista.com/statistik/daten/studie/38043/umfrage/prognose-zur-entwicklung-des-bip-in-ausgewaehlten-laendern/> (02/23/2024).

To offer investors the best-possible selection of products, the product portfolio is adapted to current market conditions on a daily basis.

The Company's strategy is designed to identify emerging opportunities in good time, to assess them using our risk management system or resource estimator, and to use them for the Company's successful development by implementing suitable measures. Due to the Company's activity as an issuance vehicle within the group of Société Générale S.A., Paris, which hedges all risks with hedging transactions, a New Product Committee (NPC) is appointed in each case to design new products at the level of Société Générale S.A., Paris. In this context, all departments involved in the issuing process point out their specific needs and resource allocations.

Consideration is given to all relevant factors for the Company, such as markets, competitive situation, strategic orientation, existing organization, personnel, back office, technical processing capacity, and volume factors. The risks of the 2024 financial year will be analyzed to that effect and the risk management system will be adjusted accordingly.

Under the current circumstances, particularly given the Ukraine-Russia conflict, the Middle East conflict, and the high inflation rate, it is difficult to make a statement about the outlook for the 2024 financial year. Generally speaking, however, the Management expects the positive development to continue.

#### **D. Internal controls and risk management system as they relate to the financial reporting process**

At the Group level, the Société Générale Group is subject to supervision by the French supervisory authority ACPR and since November 4, 2014, supervision by the European Central Bank (ECB); it is also subject to the regulations of French bank regulation, which require a minimum standard for all Group entities.

To the extent that local laws and regulations prescribe stricter standards than the laws applicable in France, the stricter standards are applicable in every case.

The internal control system (ICS) is based on the three-lines-of-defense model, which is continually adjusted to match the latest requirements.

#### **FIRST LINE OF DEFENSE**

The first line of defense (LOD1) is the level of Business Units (BUs) and Support Units (SUs), which assume risks and bear direct responsibility for continuous operational management. The BUs and SUs bear primary responsibility for risk assessment and for control and oversight measures within their given areas, and for the ongoing performance of first-level controls according to the norms, standards and procedures established by the second line of defense. At the level of the first line of defense, suitable procedures and control systems are employed to

ensure risk identification, analysis, measurement, control and mitigation with due regard to the Group's risk appetite and in compliance with all external and internal requirements for their business activities. To this end, the senior managers of the BUs and SUs or the managers responsible for business processes implement the following measures, to the extent necessary:

- Allocation of necessary and adequate resources to perform the first-level controls;
- Specification of normative first-level control processes (LOD1) to ensure the fulfillment of the control objectives in an appropriate relationship to the Group's risk appetite;
- Assurance of the preparation, implementation and monitoring of the first-level controls;
- Monitoring of the quality of implementation and appropriateness of the reported results;
- Regular review of controls and the implementation of necessary changes, particularly in the case of changes in the business activities and the associated risks due to new laws and regulations;
- Quarterly approval of control measures at the senior management level;
- Communication of control results.

Senior operational managers are also responsible for ensuring that all employees under their supervision are appropriately informed of and trained in their responsibilities related to risk management and control.

## **SECOND LINE OF DEFENSE**

The Risk Department, Compliance Department and Finance Department form the second line of defense (LOD2). They are responsible for the identification, assessment, analysis, measurement, monitoring and control of all risks, as well as correct reporting in the form of a risk summary prepared by the respective Group entities. This includes the adoption of suitable norms, standards and procedures in consideration of the operational risk framework and the provision of material indicators and analyses for general risk monitoring. They are also responsible for assessing the Group's risk profile and for the effectiveness of the operational risk framework at the level of the BUs and SUs. The three SUs monitor and support the implementation of risk management measures by the BUs in order to ensure the appropriateness and effectiveness of the processes and controls at the level of the first line of defense. By continually performing second-level control activities, they ensure the appropriateness, functionality and effectiveness of the continual first-level controls.

In this context, the three strategic SUs exercise the following functions in the risk areas assigned to them:

- Groupwide control function;
- Continual second-level control activities.

Within the Finance Department (DFIN), the Groupwide control function is distributed to several sub-departments, depending on the process in question. The responsibilities of these departments ("process owners") are listed in the following:

- The Accounting Department is responsible for processes related to the preparation of accounting information;
- The Regulation Department is responsible for processes related to the preparation of supervisory or regulatory information;
- The ALM Department is responsible for processes related to the management of structural risks;
- The Funding and Treasury Department is responsible for processes related to funding and liquidity management;
- The Finance Management Department is responsible for processes related to the preparation of management reports and indicators and for finance administration;
- The Finance Communication Department is responsible for processes related to finance communication;
- The Vendor Payments Department is responsible for processes related to the payment of overhead costs and vendors.

### **THIRD LINE OF DEFENSE**

Within Société Générale S.A., Paris, the second-level control teams report to the responsible Group SUs. The Risk Management Function or the Finance Management Function (DFIN) under the supervision of the Risk Division are therefore responsible for the control function for second-level structural risks.

Within the third line of defense, all Group-level activities, transactions and processes are reviewed by the General Inspection or Internal Audit Departments (LOD3), without exception. General Inspection and Internal Audit are also authorized to audit Group activities in countries that do not have a Group location. The awarding of services to outside service providers is subject to audits by General Inspection or Internal Audit under the leadership of the General Inspections Committee (CIIG), i.e. several Group companies can commission a single audit of a service provider engaged by them jointly.

### **CONTINUAL CONTROLS CONTINUAL FIRST-LEVEL CONTROL ACTIVITIES**

The continual first-level control activities are performed within the BUs as part of their operational activities. They ensure the security and quality of transactions and operational activities. These control activities comprise a number of continual measures to ensure compliance with regulations and with the validation and security requirements for transactions at the operational level.

The continual control activities include:

- Risk avoidance systems: These control measures are performed on a regular and ongoing basis or by means of automated processes within the scope of transaction processing. This includes a framework plan for risk management, i.e. security regulations and controls

(including automated ones) within the scope of transaction processing or controls within the scope of operational processes.

- Control activities by the senior management: Line managers are responsible for ensuring the correct functioning of all systems in their area of responsibility. In this context, regularly performed, formal procedures ensure employees' compliance with regulations and procedures and the effective performance of first-level controls. The control activities of line managers mainly comprise adjustments of the primary controls from the standard normative controls.

Division managers use controls performed by dedicated teams, e.g. (i) for sensitive processes for which stricter or standardized controls are required or to avoid self-controls, and/or (ii) insofar as the bundling of control activities increases productivity.

## **CONTINUAL SECOND-LEVEL CONTROL ACTIVITIES**

Continual second-level control activities are the measures belonging to the second line of defense. In this way, operational managers bear responsibility for risk assessment and management, as well as operational security, using inter alia the prescribed standards and the procedures, methods and controls defined for this purpose. The continual second-level control activities are performed by teams that act independently of the operational teams:

At the Group level, the continual control activities are performed by teams that report to the Group Sus that form the second line of defense for the following three functions:

- Finance: The continual second-level control activities relate to quality in accounting, regulatory or supervisory and financial information, as well as tax matters, with the exception of tax avoidance risks (FATCA – Foreign Account Tax Compliance Act and CRS – Common Reporting Standard);
- Compliance: The continual second-level control activities relate to compliance audits and comprise legal audits and audits related to tax avoidance risks;
- Risk: The continual second-level control activities relate to credit and market risks, as well as structural risks such as liquidity risk and operational risks. Operational risks particularly include risks within the scope of the core business (including fraudulent acts), as well as procurement, communication, property or personnel risks and risks in IT processes and systems.

Frankfurt am Main, April 29, 2024

The Management

Société Générale Effekten GmbH

---

Helmut Höfer

---

Timo Felix Zapf

SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBH. FRANKFURT AM MAIN

BALANCE SHEET at 12/31/2023

<u>ASSETS</u>	31.12.2023 EUR	31.12.2022 EUR	<u>EQUITY AND LIABILITIES</u>	31.12.2023 EUR	31.12.2022 EUR
<b>A. NONCURRENT ASSETS</b>			<b>A. EQUITY</b>		
Noncurrent financial assets			I. Subscribed capital	25.564,59	25.564,59
Interests in affiliated companies	406.708.441,30	406.708.441,30	II. Profit carried forward	1.137.724,99	1.137.724,99
<b>B. CURRENT ASSETS</b>			III. Financial year net profit/loss	0,00	0,00
Receivables and other assets				<u>1.163.289,58</u>	<u>1.163.289,58</u>
1. Receivables from affiliated companies			<b>B. PROVISIONS</b>		
a) From the investment of issue proceeds	5.091.015.342,62	5.105.659.095,24	I. Provisions for pensions and similar obligations	234.517,00	222.649,00
- thereof due in more than one			II. Other provisions	1.012.913,79	1.030.922,41
year: EUR 2,895,696,309.12				<u>1.247.430,79</u>	<u>1.253.571,41</u>
(PY: EUR 2,954,303,463.60 )			<b>C. LIABILITIES</b>		
b) Other receivables	80.064.525,41	61.186.947,74	I. Liabilities from issued certificates	5.091.015.342,66	5.105.659.095,24
- thereof due in more than one			- thereof due in up to one		
year: EUR 0.00 (PY: EUR 0.00)			year: EUR 2,195,319,033.63 (PY: EUR 2,151,355,631.68)		
2. Other assets	20.909.812.225,55	25.612.959.407,15	- thereof due from affiliated companies:		
- thereof due in more than one			EUR 5,091,015,342.66 (PY: EUR 5,105,659,095.24)		
year: EUR 17,588,238,437.29 (PY: EUR 19,930,408,472.07)			II. Trade payables	852.596,36	124.632,66
- thereof due from affiliated companies:			- thereof due in up to one		
EUR 20,909,812,225.54 (PY: EUR 25,612,959,407.15)			year: EUR 852,596.36 (PY: EUR 124,632.66)		
	<u>26.080.892.093,58</u>	<u>30.779.805.450,13</u>	III. Liabilities to affiliated companies	483.441.148,93	466.864.834,02
<b>C. TRUST ASSETS</b>			- thereof due in up to one		
Receivables	587.775.844,17	755.598.292,78	year: EUR 75,735,789.16 (PY: EUR 59,641,740.15)		
- thereof due in more than one			IV. Other liabilities	20.909.880.726,55	25.611.448.468,51
year: EUR 109,016,842.63 (PY: EUR 193,253,165.31)			- thereof due in up to one		
- thereof due from affiliated companies:			year: EUR 3,321,573,722.25 (PY: EUR 5,680,999,845.56)		
EUR 587,775,844.17 (PY: EUR 755,958,292.78)			- thereof due to affiliated companies:		
			EUR 20,909,880,726.55 (PY: EUR 25,611,448,468.51)		
				<u>26.485.189.814,51</u>	<u>31.184.097.030,44</u>
	<u>27.075.376.379,05</u>	<u>31.942.112.184,21</u>	<b>D. TRUST LIABILITIES</b>		
			- thereof due in up to one	587.775.844,17	755.598.292,78
			year: EUR 478,759,001.54 (PY: EUR 562,345,127.47)		
			- thereof due to affiliated companies:		
			EUR 587,775,844.17 (PY: EUR 755,958,292.78)		
				<u>27.075.376.379,05</u>	<u>31.942.112.184,21</u>



SOCIÉTÉ GÉNÉRALE EFFEKTEN GMBHFRANKFURT AM MAININCOME STATEMENTFOR THE PERIOD FROM JANUARY 1, 2023 TO DECEMBER 31, 2023

	January 1, 2023 to December 31, 2023 EUR	January 1, 2022 to December 31, 2022 EUR
1. Income from warrant transactions	-	-
2. Expenses for warrant transactions	-	-
3. Income from certificate transactions	-	-
4. Expenses for certificate transactions	-	-
5. Revenues	8.041.203,70	9.502.221,31
thereof Société Générale S.A., Paris	5.184.293,64	6.511.741,54
thereof Société Générale Frankfurt	2.856.910,06	2.989.917,11
thereof Société Générale Zurich	-	562,66
6. Other operating income	64.557,50	-
7. Personnel expenses		
a) Wages and salaries	310.078,70	273.700,17
b) Social security contributions, pension expenses and other benefit expenses	88.581,66	121.867,25
thereof for pensions: EUR 56,319.00 (PY: EUR 59,613.23)		
8. Other operating expenses	7.739.190,34	8.554.744,61
9. Income from equity investments	-	-
- thereof from affiliated companies: EUR 0 (PY: EUR 0)		
10. Income from a profit transfer agreement	77.788.889,92	59.446.788,30
11. Other interest and similar income	207.578,99	115.039,60
- thereof from affiliated companies: EUR 207,578.79 (PY: EUR 115,039.60)		
12. Impairments of noncurrent financial assets and securities classified as current assets	-	-
- thereof in affiliated companies: EUR 0 (PY: EUR 0)		
13. Expenses for loss absorptions	8.825.207,11	29.267.809,70
14. Interest and similar expenses	4.903.771,72	3.701.619,88
- thereof to affiliated companies: EUR 4,903,771.72 (PY: EUR 3,701,619.88)		
- thereof from negative interest: EUR 0.00 (PY: EUR 80,403.28)		
15. Net profit/loss after taxes	64.235.400,58	27.144.307,60
16. Profits transferred under a profit transfer agreement	64.235.400,58	27.144.307,60
17. Financial year net profit/loss	<u>0,00</u>	<u>0,00</u>

**Société Générale Effekten GmbH  
Frankfurt am Main**

**Notes to the Annual Financial Statements  
for the 2023 financial year**

**Notes to the annual financial statements at December 31, 2023 and other disclosures**

The annual financial statements of Société Générale Effekten GmbH at December 31, 2023, have been prepared according to the accounting regulations of the German Commercial Code (HGB) and the supplementary regulations of the Limited Liability Companies Act (GmbHG) and in compliance with German generally accepted accounting principles.

The Company's registered head office is located in Frankfurt/Main. It is registered with the Frankfurt am Main Local Court under Commercial Register Record No. HRB 32283.

To improve clarity and transparency, the titles of individual items of the Company's financial statements have been adjusted and new titles have been introduced, in a departure from the format prescribed in Section 266 (2) and (3) HGB.

**Profit transfer agreements**

By signature of September 7, 2016, Société Générale Effekten GmbH (subsidiary company) entered into a profit transfer agreement for an indefinite term with Société Générale S.A., Frankfurt Branch, Frankfurt am Main (parent company), with retroactive effect to January 1, 2016.

By signature of September 26, 2017, ALD Lease Finanz GmbH, Hamburg (subsidiary company), entered into a profit transfer agreement for an indefinite term with Société Générale Effekten GmbH (parent company), with retroactive effect to January 1, 2017.

By signature of December 1, 2017, Société Générale Securities Services GmbH, Aschheim (subsidiary company), entered into a profit transfer agreement for an indefinite term with Société Générale Effekten GmbH (parent company), with retroactive effect to January 1, 2017.

**1. Recognition and measurement principles**

As in the previous year, the following recognition and measurement methods were mainly applied in the preparation of the annual financial statements.

Companies that are to be included in the consolidated financial statements of a parent company as parent or subsidiary companies (Section 290 HGB) in accordance with the regulations applicable to full consolidation are presented as Interests in affiliated companies as defined in Section 271 (2) HGB. Interests in affiliated companies are measured at amortized cost. In accordance with Section 253 (3) HGB, impairments are recognized to account for impairments that are expected to be permanent.

Receivables are measured at their nominal amount plus accrued interest. Liabilities not hedged are measured at their settlement value plus accrued interest.

The calculation of deferred taxes is based on temporary differences between items of the commercial law balance sheet and items of the tax law balance sheet according to Section 274 HGB. Due to the fact that Société Générale Effekten GmbH has been part of a consolidated tax group for income tax purposes with Société Générale, Frankfurt Branch, as a subsidiary company since January 1, 2016, deferred taxes are recognized only at the level of the parent company.

The provisions for pensions were measured at the settlement value deemed necessary according to sound business judgment (Section 253 (1) sentence 2 HGB) in accordance with actuarial principles, taking the 2018 G Life Expectancy Tables of Prof. Dr. Klaus Heubeck into account. A standard term to maturity of 15 years was assumed for discounting purposes and the provisions were discounted to present value by application of the average market interest rate for the last 10 years as calculated at the reporting date, that being 1.82% (in the previous year, the average market interest rate for the last 10 years was applied: 1.78%) (Section 253 (2) sentence 2 HGB). The maturity-matched interest rates of the German Bundesbank are applied for discounting the provisions to present value.

The projected unit credit method is applied as an actuarial measurement method. The following parameters were assumed for the pension provisions: a discount rate of 1.74%, a salary dynamic of 3.60% (PY: 3.60%), and a pension dynamic of 2.60% (PY: 2.60%). The effects of interest rate changes are recognized in the operating profit/loss. The difference between the amount of recognized pension provisions after discounting to present value by application of the average market interest rate for the last 10 financial years and the provision amount that would result if the provisions were discounted to present value by application of the average market interest rate for the last seven financial years is EUR 3,538 and is therefore subject to a payout block according to Section 253 (6) HGB, although this payout block is not applied.

The other provisions account for all discernible risks and uncertain obligations. They are measured at the settlement amount deemed necessary according to sound business judgment in accordance with Section 253 (1) HGB. Provisions with a term of more than one year are not discounted to present value in accordance with Section 253 (2) HGB. There were no provisions with such a term at the reporting date.

Until exercise or expiration, option premiums are recognized at cost as Other assets or Other liabilities.

The issued certificates are recognized as Liabilities from issued certificates until due. The issued certificates are offset by hedging transactions, which are recognized in Receivables from affiliated companies.

The portfolio of issued warrants and certificates at the reporting date is completely hedged against market price changes by means of maturity-matched, currency-matched and price risk-identical hedging transactions with the sole shareholder Société Générale S.A., Paris.

The liabilities from issued certificates and warrants and the hedging transactions recognized in Receivables and other assets were aggregated into valuation units and recognized as assets at cost or as liabilities in the amount of the issue proceeds. These are perfect micro-hedges. In accordance with Section 254 HGB, subsequent measurement is not performed due to their characteristic as valuation units, i.e., due to non-recognition of the offsetting changes in value, the net hedge presentation method is used in this context (Section 285 (19b) and (19c) HGB, as well as Section 285 (23a) and (23b) HGB). In accordance with IDW RS HFA 35 (86), the cash flows resulting from the termination of the hedge were recognized

directly in equity, with no effect on the income statement. It was not necessary to recognize value adjustments in Receivables and other assets.

Liabilities not aggregated into valuation units are presented at the settlement amount. These liabilities are Trade payables and Liabilities to affiliated companies. The corresponding income statement item for such liabilities is presented within Other operating expenses, Expenses from loss absorptions, and Profits transferred under a profit transfer agreement.

In addition, the Company issues certificates in its own name and for account of Société Générale S.A., Paris, under a trust agreement with the sole shareholder, Société Générale S.A., Paris. The corresponding financial instruments are presented within Trust assets on the assets side and within Trust liabilities on the equity and liabilities side of the balance sheet. The certificates from trust transactions are offset by hedging transactions that are recognized under Trust assets. These transactions are measured at cost.

## 2. Development of noncurrent financial assets

### Noncurrent financial assets

	Interests in affiliated companies
	EUR'000
Acquisition cost 1/1/2023	407,223
Acquisitions	-
Disposals	-
Acquisition cost 12/31/2023	407,223
Accumulated impairments 1/1/2023	515
Financial year additions to impairments	-
Transfers	-
Disposals	-
Accumulated impairments 12/31/2023	515
Carrying amount at the 12/31/2022 reporting date	406,708
Carrying amount at the 12/31/2023 reporting date	406,708

The Interests in affiliated companies are attributable to the purchase of Société Générale Securities Services GmbH, Aschheim (Commercial Register Record No. HRB 169711 with the Munich Local Court) from Société Générale Securities Services Holding S.A., Paris, for a price of EUR 515 thousand as of January 1, 2017, and the purchase of ALD Lease Finanz GmbH, Hamburg (Commercial Register Record No. HRB 92469 with the Hamburg Local Court) from SG Consumer Finance S.A. France for a price of EUR 406,708 thousand. Due to the sustained economic development of Société Générale Securities Services GmbH, the impairment of the interests in Société Générale Securities Services GmbH was kept in place.

### 3. Notes to the balance sheet

**Receivables from affiliated companies** amounted to EUR 5,171,080 thousand (PY: EUR 5,166,846 thousand). They were mainly composed of receivables owed by Société Générale S.A., Paris, in the amount of EUR 5,091,015 thousand (PY: EUR 5,105,659 thousand) from the investment of the issue proceeds from issued certificates and from Other receivables in the amount of EUR 80,065 thousand (PY: EUR 61,187 thousand). The Other receivables mainly consisted of receivables from ALD Lease Finanz GmbH, Hamburg, under an existing profit transfer agreement in the amount of EUR 77,789 thousand (PY: EUR 59,447 thousand), and receivables under existing cost reimbursement agreements with Société Générale S.A. Frankfurt Branch, Frankfurt am Main, in the amount of EUR 1,206 thousand (PY: EUR 624 thousand) and Société Générale S.A., Paris, in the amount of EUR 1,068 thousand (PY: EUR 1,116 thousand).

**Other assets** comprise the OTC options acquired by the shareholder to hedge issued warrants. They amounted to EUR 20,909,812 thousand (PY: EUR 25,612,959 thousand).

The **Trust assets** in the amount of EUR 587,776 thousand (PY: EUR 755,598 thousand) are funds belonging to the shareholder Société Générale S.A., Paris, from multiple certificates issued for the shareholder in the name of Société Générale Effekten GmbH and for account of Société Générale S.A., Paris.

The Company's **equity** was unchanged at EUR 1,163 thousand (PY: EUR 1,163 thousand). It is comprised of the subscribed capital in the amount of EUR 26 thousand and the retained earnings from the prior years in the amount of EUR 1,138 thousand. A profit transfer agreement was concluded between Société Générale S.A., Frankfurt Branch, and the Company with effect as of January 1, 2016.

With the exception of provisions for pensions and similar obligations, the presented **provision amounts** remain due in less than one year.

The Other Provisions result primarily from provisions for issuance costs, as well as audit and consulting costs. They amounted to EUR 1,013 thousand (PY: EUR 1,031 thousand).

**Liabilities to affiliated companies** in the amount of EUR 483,441 thousand (PY: EUR 466,865 thousand) mainly consisted of existing liabilities to Société Générale S.A. Frankfurt Branch under borrowed loans in the amount of EUR 407,223 thousand (PY: EUR 407,223 thousand) and liabilities to Société Générale S.A. Frankfurt Branch for the profit transfer in the amount of EUR 64,235 thousand (PY: EUR 27,144 thousand), as well as liabilities to Société Générale Securities Services GmbH for the loss absorption in the amount of EUR 8,825 thousand (PY: EUR 29,268 thousand) on the basis of the profit transfer agreement. This item also includes a liability to Société Générale S.A. Frankfurt Branch from ongoing clearing operations in the amount of EUR 226 thousand, and another liability resulting from the current account in the amount of EUR 2,931 thousand.

The **Trust liabilities** in the amount of EUR 587,776 thousand (PY: EUR 755,598 thousand) included the issuance of certificates issued in the Company's own name for account of Société Générale S.A., Paris.

**Certificates (issues) in foreign currencies** are presented in the items of Liabilities from issued certificates and Trust liabilities on the equity and liabilities side of the balance sheet in the total amount of EUR 1,576,169. This total is broken down by currencies in the table below:

<b>Currency</b>	<b>EUR'000</b>
SEK	1,245,781
DKK	158,734
USD	151,446
CHF	9,834
NOK	7,780
GBP	2,493
JPY	101

The corresponding hedges are presented in the same amount in Receivables from affiliated companies from the investment of issue proceeds and in Trust assets on the assets side of the balance sheet. Currency translation is performed at the exchange rate applicable on the posting date in connection with the formation of valuation units (net hedge presentation method), taking into account the terms and conditions of the issue specified in the respective prospectus. Because currency risks are hedged, exchange rate fluctuations have no effect on the Company's income statement.

**Warrants (issues) in foreign currencies** are presented in Other liabilities on the equity and liabilities side of the balance sheet in the total amount of EUR 8,652,658 thousand. This total is broken down by currencies in the table below:

<b>Currency</b>	<b>EUR'000</b>
SEK	6,032,471
DKK	1,405,306
NOK	1,187,253
USD	16,050
CHF	11,206
JPY	372

The corresponding hedges are presented in the same amount in Other assets on the assets side of the balance sheet. Currency translation is performed at the exchange rate applicable on the posting date in connection with the formation of valuation units (net hedge presentation method), taking into account the terms and conditions of the issue specified in the respective prospectus. Because currency risks are hedged, exchange rate fluctuations have no effect on the Company's income statement.

Liabilities/ trust liabilities in the amount of EUR 26,485,189 thousand / EUR 587,776 thousand consisted mainly of liabilities to affiliated companies (EUR 27,072,113 thousand).

There were no other financial commitments at the reporting date.

## Maturity structure of receivables and liabilities

EUR'000

	Total	Due in up to 1 year	Due in 1 to 5 years	Due in more than 5 years
<b>Receivables</b>				
- Receivables from the investment of issue proceeds	5.091.015	2.195.319	298.830	2.596.867
- Other receivables	80.065	80.065		
- Trust assets	587.776	478.759	99.811	9.206
Other assets	20.909.812	3.235.785	819.074	16.854.954
Interests in affiliated companies	406.708			406.708
<b>TOTAL</b>	<b>27.075.376</b>	<b>5.989.927</b>	<b>1.217.714</b>	<b>19.867.735</b>
<b>Liabilities</b>				
- Liabilities under issued certificates	5.091.015	2.195.319	298.830	2.596.867
- Trade payables	853	853		
- Liabilities to affiliated companies:	483.441			483.441
- Trust liabilities	587.776	478.759	99.811	9.206
Other liabilities, including provisions	20.911.128	3.237.095	819.074	16.854.959
<b>TOTAL</b>	<b>27.074.213</b>	<b>5.912.026</b>	<b>1.217.714</b>	<b>19.944.473</b>

## 4. Notes to the income statement

The income statement is prepared in accordance with the cost summary method.

**Revenues** in the amount of EUR 8,041 thousand (PY: EUR 9,502 thousand) consisted of service costs assumed under a cost-plus procedure with an administrative cost mark-up of 5% by Société Générale S.A., Paris, in the amount of EUR 5,184 thousand and by Société Générale S.A. Frankfurt Branch in the amount of EUR 2,857 thousand.

**Personnel expenses** consisted of wages and salaries in the amount of EUR 310 thousand (PY: EUR 274 thousand) and social security contributions and pension expenses in the amount of EUR 89 thousand (PY: EUR 122 thousand).

**Other operating expenses** consisted primarily of issuance costs, legal and consulting fees and stock exchange costs:

<i>In euro thousands</i>	<b>2023</b>	<b>2022</b>
Stock exchanges, regulatory authority	6,481	7,368
Cost allocation Société Générale Frankfurt	808	701
Legal, consulting, audit	450	486
Advertising	-	-
<b>Total</b>	<b>7,739</b>	<b>8,555</b>

The **income from a profit transfer agreement** in the amount of EUR 77,789 thousand (PY: EUR 59,447 thousand) represents the profit of ALD Lease Finanz GmbH, which is recognized by the Company in the same reporting period on the basis of the profit transfer agreement with ALD Lease Finanz GmbH.

The losses incurred by Société Générale Securities Services GmbH in the amount of EUR 8,825 thousand (PY: EUR 29,268 thousand) are recognized by the Company as **expenses for loss absorptions** in the same period on the basis of the profit transfer agreement.

The item of **Interest and similar expense** primarily includes paid and accrued interest in the amount of EUR 4,904 thousand for a loan from Société Générale S.A., Frankfurt Branch.

The Company entered into a profit transfer agreement with Société Générale S.A., Paris, Frankfurt Branch (parent company), with effect as of January 1, 2016, and has been in an integrated tax group relationship for purposes of value-added tax and income tax since that time. Therefore, all **income taxes** accrue at the level of the parent company. The profit/loss after taxes in the amount of EUR 64,235 thousand was completely transferred, resulting in a **financial year profit/loss** of EUR 0 thousand.



## 5. Information on issuance activities

The issuance volume in the 2023 financial year is presented in the table below:

DERIVATIVE SECURITIES	TYPE	UNDERLYING	FINANCIAL YEAR 2023				FINANCIAL YEAR 2022			
			NO.	VOLUME (IN UNITS)	CARRYING AMOUNT in EUR'000	LONGEST TERM	NO.	VOLUME (IN UNITS)	CARRYING AMOUNT in EUR'000	LONGEST TERM
<b>Investment products</b>										
With capital protection (100%)	Capital protection certificates	Stocks	2	10.000.001	1.010.000	21.06.2024	2	885	1.947	07.06.2024
		Funds					1	3.568	3.581	04.11.2022
		Futures	2	2.500.001	62.675	25.04.2024	-	-	-	-
		Indices	11	10.000.010	1.010.000	19.12.2025	3	10.185	3.235	24.01.2024
		Commodities	1	1	-	21.06.2024	-	-	-	-
			<b>16</b>	<b>22.500.013</b>	<b>2.082.675</b>		<b>6</b>	<b>14.638</b>	<b>8.763</b>	
	Structured bonds	Stocks	-	-	-		3	2.353	2.219	22.05.2023
		Indices	-	-	-		5	1.650	1.796	16.12.2022
				-	-		<b>8</b>	<b>4.003</b>	<b>4.015</b>	
	Without capital protection (<100%)	Reverse convertibles	Stocks	1.875	603.665	629.515	17.04.2025	3.813	760.605	719.337
Indices			39	39.700	37.401	Open End	47	2.681.015	26.558	20.12.2024
			<b>1.914</b>	<b>643.365</b>	<b>666.916</b>		<b>3.860</b>	<b>3.441.620</b>	<b>745.895</b>	
Bonus certificates		Stocks	8.281	25.209.753	1.175.021	Open End	7.182	43.290.967	1.527.386	Open End
		Indices	2.858	4.641.599	598.974	19.02.2025	2.772	7.434.479	743.307	Open End
		Currencies	4	5.147	160	22.04.2024	-	-	-	-
			<b>11.143</b>	<b>29.856.499</b>	<b>1.774.155</b>		<b>9.954</b>	<b>50.725.446</b>	<b>2.270.693</b>	
Discount certificates		Stocks	13.335	45.386.450	1.780.313	20.06.2025	12.214	42.927.918	1.382.921	Open End
		Futures	237	1.114.190	68.777	17.11.2025	220	330.514	24.277	15.11.2023
		Indices	1.618	7.549.256	528.465	19.12.2025	1.788	9.667.733	564.227	Open End
	Commodities	118	157.802	13.294	20.12.2024	216	446.714	25.866	Open End	
	Currencies	4	4.335	132	17.02.2023	-	-	-	-	
		<b>15.312</b>	<b>54.212.033</b>	<b>2.390.981</b>		<b>14.438</b>	<b>53.372.879</b>	<b>1.997.291</b>		
Express certificates	Stocks	2	30.000	28.793	23.03.2027	79	621.161	186.350	11.02.2027	
	Funds	-	-	-		1	10.000.000	181	27.04.2023	
	Indices	-	-	-		76	1.166.563	120.567	07.03.2030	
	Basket	-	-	-		-	-	-	-	
		<b>2</b>	<b>30.000</b>	<b>28.793</b>		<b>156</b>	<b>11.787.724</b>	<b>307.098</b>		
Index / participation certificates	Stocks	213	3.512.988	8.354	Open End	19	94.843	5.720	Open End	
	Funds	-	-	-		4	22.345	21	13.10.2022	
	Futures	30	1.412.006	10.689	Open End	32	2.424.866	34.636	Open End	
	Indices	283	14.218.281	45.406	Open End	91	15.202.264	171.242	Open End	
	Commodities	12	82.113	2.614	Open End	23	103.150	6.009	Open End	
		<b>538</b>	<b>19.225.388</b>	<b>67.063</b>		<b>169</b>	<b>17.847.468</b>	<b>217.628</b>		
Outperformance / sprint certificates	Stocks	-	-	-		-	-	-	-	
	Indices	-	-	-		1	1.880	452	10.10.2024	
			-	-		<b>1</b>	<b>1.880</b>	<b>452</b>		
<b>TOTAL investment products:</b>			<b>28.925</b>	<b>126.467.298</b>	<b>7.010.583</b>		<b>28.592</b>	<b>137.195.658</b>	<b>5.551.835</b>	

DERIVATIVE SECURITIES	TYPE	UNDERLYING	FINANCIAL YEAR 2023				FINANCIAL YEAR 2022			
			NO.	VOLUME (IN UNITS)	CARRYING AMOUNT in EUR'000	LONGEST TERM	NO.	VOLUME (IN UNITS)	CARRYING AMOUNT in EUR'000	LONGEST TERM
<b>Leverage products</b>										
With knock-out	Knock-out products	Stocks	175.334	4.304.394.730	4.078.044	Open End	182.641	8.649.474.432	8.493.437	Open End
		Energy	1	1.149	65	Open End	3	14.010	27	Open End
		Fixed Income	21	468.705	2.138	Open End	423	13.169.072	40.454	Open End
		Funds	-	-	-		-	-	-	
		Futures	23.294	887.702.845	1.722.930	Open End	26.619	2.043.647.255	3.445.941	Open End
		Indices	76.685	8.330.963.651	9.448.291	Open End	84.322	14.670.974.728	12.071.239	Open End
		Commodities	15.996	1.411.665.093	934.968	Open End	19.453	1.799.082.894	1.321.463	Open End
		Currencies	10.825	262.658.775	214.493	Open End	26.031	781.475.164	811.311	Open End
		Interest rate	1	1.639	4	Open End	4	33.800	274	Open End
			<b>302.157</b>	<b>15.197.856.587</b>	<b>16.400.933</b>		<b>339.496</b>	<b>27.957.871.355</b>	<b>26.184.146</b>	
Without knock-out	Factor certificates	Stocks	31.182	1.722.255.460	2.262.927	Open End	34.892	1.996.681.287	3.535.294	Open End
		Energy	-	-	-		65	3.538.231	3.444	Open End
		Fixed Income	15	60.484	133	Open End	134	8.064.033	47.427	Open End
		Futures	3.495	1.256.124.124	862.672	Open End	4.232	1.406.028.794	1.843.123	Open End
		Indices	8.399	1.626.458.877	988.024	Open End	8.986	3.736.932.824	1.287.386	Open End
		Commodities	158	9.819.722	15.360	Open End	601	117.982.923	257.540	Open End
		Currencies	363	34.926.759	92.464	Open End	234	4.464.007	7.539	Open End
		Interest rate	-	-	-		4	37.513	147	Open End
			<b>43.612</b>	<b>4.649.645.426</b>	<b>4.221.580</b>		<b>49.148</b>	<b>7.273.729.612</b>	<b>6.981.900</b>	
	Warrants	Stocks	112.767	11.622.659.575	2.415.867	Open End	110.152	23.052.034.348	5.654.104	Open End
		Energy	-	-	-		-	-	-	
		Fixed Income	1	2.877	5	Open End	-	-	-	
		Futures	4.503	368.950.999	196.328	Open End	3.886	584.418.840	470.835	Open End
		Indices	36.175	4.356.076.719	4.311.333	Open End	32.842	6.181.905.941	5.565.994	Open End
		Basket	-	-	-		1	10	467	04.08.2023
		Commodities	4.605	239.526.644	128.598	Open End	3.700	228.603.577	138.954	Open End
		Currencies	11.452	122.142.538	109.528	Open End	12.139	122.073.406	127.407	Open End
		Interest rate	-	-	-		-	-	-	
			<b>169.503</b>	<b>16.709.359.352</b>	<b>7.161.659</b>		<b>162.720</b>	<b>30.169.036.122</b>	<b>11.957.761</b>	
<b>TOTAL leverage products:</b>			<b>515.272</b>	<b>36.556.861.365</b>	<b>27.784.172</b>		<b>551.364</b>	<b>65.400.637.089</b>	<b>45.123.807</b>	
<b>TOTAL derivative securities:</b>			<b>544.197</b>	<b>36.683.328.663</b>	<b>34.794.755</b>		<b>579.956</b>	<b>65.537.832.747</b>	<b>50.675.642</b>	

All issues are fully hedged by concluding OTC options with identical features or by investing issue proceeds with Société Générale S.A., Paris.

The fair value of financial derivatives and bonds with embedded derivatives is generally measured on the basis of market values; in case of illiquid markets, measurement is performed on the basis of internal models. These “in-house valuation models” are regularly tested by specialists in the Risk department of Société Générale S.A., Paris. Derivative financial instruments with option characteristics are measured by Société Générale S.A., Paris, using generally recognized option price models.

When an active market exists, prices quoted by stock exchanges, brokers and pricing agencies are used.

The type, volume, and fair values of the derivative hedging transactions at the reporting date were as follows: The Company held 170,921 OTC options with a market value of EUR 1,076 million to hedge stock and index warrants, 10,581 OTC options with a market value of EUR 1,590 million to hedge commodity warrants, 6,468 OTC options with a market value of EUR 168 million to hedge foreign currency warrants, and 1,205 OTC options with a market value of EUR 8 million to hedge interest rate warrants.

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. If no observable prices are available for identical assets or liabilities, the fair value of financial instruments is determined by the use of another valuation technique under which determining, observable input factors are applied.

In addition, the Company held 26,897 certificates with a market value of EUR 1,297 million, including trust transactions.

The carrying amount of the warrants listed here at December 31, 2023 was EUR 20,910 million and is presented within the Other liabilities item in the balance sheet. The carrying amount of the issued certificates at December 31, 2023 was EUR 5,679 million and is divided between the item of Liabilities from issued certificates and the item of Trust liabilities in the balance sheet.

## 6. Significant shareholdings

The significant according to Section 285 (11) HGB break down as follows:

Name and registered head office	Percentage of equity held (%)	Equity of the company (EUR'000)	Financial year net profit/loss (EUR'000)
Directly			
ALD Lease Finanz GmbH, Hamburg	100	226,953	- 1)
Société Générale Securities Services GmbH, Aschheim	100	35,330	- 2)
Indirectly			
ALD AutoLeasing und Dienstleistungs GmbH, Hamburg	43.8	2,364	438
Bank Deutsches Kraftfahrzeuggewerbe GmbH, Hamburg		405,550	- 3)
- Voting shares	51	550	
- Non-voting shares	100	405,000	
BDK Leasing und Service GmbH, Hamburg	100	1,023	- 4)

1)	Profit/loss before profit transfer	EUR'000	77,789
2)	Profit/loss before loss transfer	EUR'000	-8,825
3)	Profit/loss before profit transfer	EUR'000	59,347
4)	Profit/loss before profit transfer	EUR'000	-1,434

## **7. Disclosures on the independent auditor's fees recognized as expenses in the 2021 financial year**

The fees for the independent auditor recognized as expenses in the 2023 financial year amounted to:

- |                                     |             |   |
|-------------------------------------|-------------|---|
| - For auditing services:            | EUR 221,000 |   |
| - For other certification services: | EUR         | - |
| - For tax advisory services:        | EUR         | - |
| - For other services:               | EUR         | - |

The fees for auditing services comprise the expenses for the audit of the consolidated financial statements and Group management report and for the audit of the separate financial statements and separate management report of Société Générale Effekten GmbH.

## **8. Disclosures regarding directors and officers and employees**

The following individuals were Managing Directors in the 2023 financial year and in the time until the preparation of the annual financial statements:

- Mr. Helmut Höfer, lawyer (general counsel), Frankfurt am Main  
Head of Legal Germany & Austria Société Générale S.A. Frankfurt Branch.
- Ms. Nurten Spitzer-Erdogan, graduate economist, Frankfurt am Main (relieved of position as Managing Director of Société Générale Effekten GmbH with effect as of 06/30/2023), Chief Financial Officer and Chief Operational Officer, Société Générale S.A. Frankfurt Branch.
- Mr. Andreas Thomas, business studies graduate, Munich (appointed on 07/01/2023 and relieved of position as Managing Director of Société Générale Effekten GmbH with effect as of 03/31/2024), Chief Operational Officer Société Générale S.A. Frankfurt Branch.
- Mr. Timo Felix Zapf, business studies graduate, Frankfurt am Main (appointed on 09/15/2023), Chief Financial Officer (since August 1, 2023) Société Générale S.A. Frankfurt Branch.
- Mr. Christian Sagerer, Bachelor of Business Administration, Oberursel (appointed on 04/01/2024 and relieved of position as Managing Director of Société Générale Effekten GmbH with effect as of 04/25/2024), Head of Global Markets Germany & Austria and member of the Management Board Société Générale S.A. Frankfurt Branch.

The Managing Directors Mr. Timo Felix Zapf and Mr. Helmut Höfer are employees of Société Générale S.A., Frankfurt am Main Branch.

Expenses of EUR 16 thousand were charged to Société Générale Effekten GmbH as compensation for the work of Managing Directors in the 2023 financial year.

The Company had an average of 4 employees during the financial year. Three employees work full-time and one employee works part-time.

As a capital market-oriented company, the Company has established an Audit Committee in accordance with Section 324 HGB, composed of the following members:

Mr. Peter Boesenberg (Chairman)  
Ms. Heike Hoevekamp  
Mr. Marco Maibaum  
Ms. Nurten Spitzer-Erdogan (until 06/30/2023)  
Mr. Adrian Mrosek  
Mr. Timo Zapf  
Mr. Kais Adsi  
Mr. Andreas Thomas (from 07/01/2023 to 03/31/2024)  
Mr. Christian Sagerer (as of 04/01/2024)

## **9. Group affiliation**

At the reporting date of December 31, 2023, Société Générale S.A., Frankfurt Branch held a 100% equity interest in Société Générale Effekten GmbH.

The shareholder of Société Générale S.A., Frankfurt branch, is Société Générale S.A., Paris (smallest scope of consolidation within the meaning of Section 285 No. 14a HGB and largest scope of consolidation within the meaning of Section 285 No. 14 HGB). Notice of publication of the consolidated financial statements of Société Générale S.A., Paris, in which the Company is included, is given in France in the “Bulletin des Annonces Légales et Obligatoires (BALO)” under the heading “Publications Périodiques” (R.C.S: 552 120 222). The consolidated financial statements are available on the website [www.societegenerale.com](http://www.societegenerale.com).

## **10. Events after the reporting date**

Mr. Andreas Thomas was relieved of his position as Managing Director of SG Effekten GmbH with effect as of 03/31/2024. In addition, Mr. Christian Sagerer was appointed as Managing Director of SG Effekten GmbH with effect as of 04/01/2024 and relieved of this position as of 04/25/2024.

No further events of particular importance occurred after the reporting date of December 31, 2023.

Frankfurt am Main, April 29, 2024

The Management

Société Générale Effekten GmbH

---

Helmut Höfer

---

Timo Felix Zapf

## **Responsibility Statement of the Legal Representatives**

We warrant to the best of our knowledge that the annual financial statements give a true and fair view of the Company's financial position, cash flows and financial performance in accordance with applicable accounting principles, and that the management report provides an appropriate view of the Company's business performance, including its results and position, and appropriately presents the principal opportunities and risks of the Company's anticipated future development.

Frankfurt am Main, April 29, 2024

The Management

Société Générale Effekten GmbH

---

Helmut Höfer

---

Timo Felix Zapf

**AUDITOR'S REPORT BY THE INDEPENDENT AUDITOR**

To Société Générale Effekten GmbH, Frankfurt am Main

**REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT****Audit opinions**

We have audited the annual financial statements of Société Générale Effekten GmbH, Frankfurt am Main, which comprise the balance sheet as at December 31, 2023 and the income statement for the financial year from January 1 to December 31, 2023 and the notes to the financial statements, including a description of recognition and measurement methods. In addition, we have audited the management report of Société Générale Effekten GmbH, Frankfurt am Main, for the financial year from January 1 to December 31, 2023.

In our opinion, on the basis of the knowledge obtained in the audit

- the accompanying annual financial statements comply with the regulations of German commercial law applicable to corporations in all material respects, and give a true and fair view of the financial position and cash flows of the Company as at December 31, 2023 and its financial performance for the financial year from January 1 to December 31, 2023 in accordance with German generally accepted accounting principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and the management report.

**Basis for the audit opinions**

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

**Key audit matters in the audit of the annual financial statements**

We determined that there are no key audit matters to be communicated in our auditor's report.

**Other information**

The legal representatives are responsible for the Other information. The Other information comprises:

- the Responsibility Statement of the Legal Representatives on the annual financial statements and the management report pursuant to Section 264 (2) sentence 3 HGB and Section 289 (1) sentence 5 HGB, respectively,
- but not the annual financial statements, not the statements made in the management report that were audited for content, and not our corresponding auditor's report.

Our opinions on the annual financial statements and the management report do not cover the Other information and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the above-mentioned Other information and, in so doing, to consider whether the Other information

- is materially inconsistent with the annual financial statements, the statements made in the management report, which we audited for content, or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

**Responsibility of the legal representatives and the Audit Committee for the annual financial statements and the management report**

The legal representatives are responsible for the preparation of the annual financial statements that comply, in all material respects, with the regulations of German commercial law applicable to corporations, and that the annual financial statements give a true and fair view of the financial position, cash flows and financial performance of the Company in compliance with German generally accepted accounting principles. In addition, the



legal representatives are responsible for such internal controls as they have determined necessary in accordance with German generally accepted accounting principles to enable the preparation of annual financial statements that are free from material misstatements, whether due to fraudulent acts (i.e., manipulation of accounting records and misappropriation of assets) or errors.

In preparing the annual financial statements, the legal representatives are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to a going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless barred by factual or legal circumstances.

Furthermore, the legal representatives are responsible for the preparation of the management report that, as a whole, provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient suitable evidence for the assertions in the management report.

The Audit Committee is responsible for overseeing the Company's financial reporting process for the preparation of the annual financial statements and the management report.

### **Auditor's responsibilities for the audit of the annual financial statements and the management report**

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatements, whether due to fraudulent acts or errors, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements, and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraudulent acts or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements and this management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material misstatements in the annual financial statements and the management report, whether due to fraudulent acts or errors, plan and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraudulent acts is higher than the risk of

not detecting a material misstatement resulting from errors, as fraudulent acts may involve collusion, forgery, intentional omissions, misrepresentations, or the overriding of internal controls.

- Obtain an understanding of the internal control system relevant to the audit of the annual financial statements and arrangements and measures relevant to the audit of the management report in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the legal representatives and the reasonableness of estimates made by the legal representatives and related disclosures.
- Conclude on the appropriateness of the legal representatives' use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the annual financial statements and the management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.
- Evaluate the presentation, structure and content of the annual financial statements as a whole, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the financial position, cash flows and financial performance of the Company in compliance with German generally accepted accounting principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the legal representatives in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, the actions taken or safeguards implemented to eliminate threats to independence.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

#### **OTHER LEGAL AND REGULATORY REQUIREMENTS**

#### **Report on the audit of the electronic reproductions of the annual financial statements and the management report prepared for disclosure purposes in accordance with Section 317 (3a) HGB**

##### **Audit opinion**

In accordance with Section 317 (3a) HGB, we conducted an audit with reasonable assurance to determine whether the reproductions of the annual financial statements and the management report contained in the file, which bears the SHA-256 Number 86220e9fcc981f08879c4b6fcebb2e7cafcb5320c3b65327803c1f5382ba698d, and prepared for disclosure purposes (also referred to hereinafter as the "ESEF Documents") meet the requirements of Section 328 (1) HGB for the European Single Electronic Format ("ESEF Format") in all material respects. In accordance with the German statutory regulations, this audit only covers the transposition of the information contained in the annual financial statements and the management report into the ESEF Format and it therefore does not cover the information contained in these reproductions or any other information contained in the above-mentioned file.

In our opinion, the reproductions of the annual financial statements and the management report contained in the above-mentioned file and prepared for disclosure purposes meet the requirements of Section 328 (1) HGB for the European Single Electronic Format in all material respects. Beyond this audit opinion and our audit opinions on the attached annual financial statements and the attached management report for the financial year from January 1 to December 31, 2023 contained in the foregoing "Report on the audit of the annual financial statements and the management report," we provide no audit opinion on the information contained in these reproductions or the other information contained in the above-mentioned file.

##### **Basis for the audit opinion**

We conducted our audit of the reproductions of the annual financial statements and the management report contained in the above-mentioned file in accordance with Section 317 (3a) HGB and in compliance with the IDW Auditing Standard: Audit of the electronic reproductions of financial statements and management reports prepared for disclosure purposes in accordance with Section 317 (3a) HGB (IDW PS 410 (June 2022)). Our responsibility for this audit is described further in the section entitled "Responsibility of the auditor of the annual financial statements for the audit of the ESEF Documents." Our audit practice observed the requirements of the IDW Quality Management Standard.

**Responsibility of the legal representatives and the Audit Committee for the ESEF documents**

The legal representatives of the Company are responsible for the preparation of the ESEF Documents with the electronic reproductions of the annual financial statements and the management report in accordance with Section 328 (1) sentence 4 no. 1 HGB.

The legal representatives of the Company are also responsible for such internal controls as they have determined necessary to enable the preparation of ESEF Documents that are free from violations, whether due to intent or error, of the requirements of Section 328 (1) HGB for the European Single Electronic Format.

The Audit Committee is responsible for overseeing the process for the preparation of the ESEF Documents as part of the financial reporting process.

**Responsibility of the auditor of the annual financial statements for the audit of the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from violations, whether due to intent or error, of the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional skepticism throughout the audit. We also

- Identify and assess the risks of material violations, whether due to intent or error, of the requirements of Section 328 (1) HGB, plan and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion.
- Obtain an understanding of the internal controls relevant to the audit of the ESEF Documents in order to plan audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these controls.
- Assess the technical validity of the ESEF Documents, i.e. whether the file containing the ESEF Documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in effect at the reporting date for the technical specifications for this file.
- Assess whether the ESEF Documents enable a content-identical XHTML reproduction of the audited annual financial statements and the audited management report.

**Further information pursuant to Article 10 of the EU Audit Regulation**

We were elected as the auditor by the annual general meeting on June 23, 2023. We were engaged by the Management on November 24, 2023 to audit the annual financial statements. We have been the auditor of the annual financial statements of Société Générale Effekten GmbH, Frankfurt am Main, continually since financial year 2017.

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

***OTHER ISSUE — USE OF THE AUDITOR'S REPORTS***

Our auditor's report must always be read in conjunction with the audited annual financial statements and the audited Group management report, as well as the audited ESEF Documents. The annual financial statements and the Group management report transposed into the ESEF format — including the versions to be filed in the Register of Companies — are merely electronic reproductions of the audited annual financial statements and the audited Group management report and do not replace them. In particular, the ESEF Report and our audit opinion included therein may only be used in conjunction with the audited ESEF Documents provided in electronic form.

***GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT***

The German Public Auditor responsible for the engagement is Martina Mietzner.

Frankfurt am Main, April 30, 2024

**Deloitte GmbH**

Wirtschaftsprüfungsgesellschaft

Martina Mietzner  
Wirtschaftsprüferin  
[German Public Auditor]

Jutta Ihringer  
Wirtschaftsprüferin  
[German Public Auditor]