Annual General Meeting of flatexDEGIRO AG on 29 June 2021

Re Item 8, resolution subsection 8.4 of the agenda: Report of the Management Board to the Annual General Meeting pursuant to Section 186 para. 4 sentence 2 AktG in conjunction with Section 221 para. 4 sentence 2 AktG

On 07 August 2018, the Annual General Meeting of the Company authorized the Management Board by way of a resolution under agenda item 8 to issue bearer or registered subordinated or non-subordinated convertible bonds and/or bonds with warrants, profit participation rights and/or participating bonds (or combinations of these instruments) (hereinafter jointly referred to as Bonds) on one or more occasions, also simultaneously in different series, until 06 August 2023 in a total nominal amount of up to EUR 180,000,000.00 and to grant the holders or creditors of the bonds (hereinafter collectively the Holders) conversion or option rights to a total of up to 3,600,000 no-par value registered shares of the Company with a pro rata amount of the share capital of up to EUR 3,600,000.00 in total in accordance with the more detailed terms and conditions of the bonds (hereinafter the „**Authorization 2018/II**“).

By operation of law, no automatic adjustment of the Authorization 2018/II will occur as a result of the capital increase from company funds proposed under agenda item 8, resolution subsection 8.1, as the Authorization 2018/II has not yet been utilized and therefore no contractual relationships within the meaning of Section 216 para. 3 sentence 1 of the German Stock Corporation Act (AktG) have yet been established that would be subject to an automatic adjustment by operation of law. In relation to the increased amount of share capital, the authorizations would thus become less important. Therefore, this authorization shall be adjusted by resolution of the Annual General Meeting to the changed capital ratios as a result of the capital increase from company funds, while preserving the value of the capital increase in the same factor. In order to maintain the Company's financial room for manoeuvre to the extent hitherto granted by the Annual General Meeting and to give it the flexibility to use this financing instrument in the future, the total nominal amount of the maximum number of Bonds to be issued is thus to be increased by a factor of four from currently EUR 180,000,000.00 to EUR 720,000,000.00 in parallel with the increase in the share capital. The Contingent Capital 2018/II in Article 4 para. 7 of the Articles of Association shall be adjusted accordingly.

The Management Board submits the following report to the Annual General Meeting on agenda item 8, resolution subsection 8.4 pursuant to Section 221 para. 4 sentence 2 AktG in conjunction with Section 186 para. 3 sentence 4 and para. 4 sentence 2 AktG on the reasons for authorizing the Management Board to exclude shareholders' subscription rights when exercising the authorization. This report is available on the Company's website at https://www.flatexdegiro.com under „Investor Relations“ in the subsection „Annual General Meeting & Prospectus“, there under „Annual General Meeting 2021“ from the time the Annual General Meeting is convened and throughout the entire Annual General Meeting. The report is announced as follows:

According to the proposed resolution under agenda item 8.4, the Management Board is authorized, with the approval of the Supervisory Board, to issue bonds with a total nominal value of up to EUR 720,000,000.00 on one or more occasions until 06 August 2023. Shareholders are generally entitled to the statutory subscription right to bonds that are linked to conversion or option rights or conversion or option obligations (Section 221 para. 4 AktG in conjunction with Section 186 para. 1 AktG). In order to facilitate the settlement, it shall be possible to make use of the option to issue the bonds to one or more credit institutions or companies within the meaning of Section 186 para. 5 sentence 1 AktG with the obligation to offer the bonds to the shareholders in accordance with their subscription rights (indirect subscription right).

However, subject to the conditions set out below, the Management Board is authorized, with the approval of the Supervisory Board, to exclude shareholders' subscription rights:

a) The Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription rights in full to the extent that bonds are issued against payment in cash at an issue price that is not significantly below the market value of such bonds. This gives the Company the opportunity to take advantage of favorable market situations very quickly and at very short notice and to achieve better conditions for the bonds by fixing the terms and conditions close to the market. Such close-to-market pricing and smooth placement would not be possible if the subscription right were maintained. Pursuant to Section 186 para. 2 sentence 2 AktG, the subscription price (and thus the terms and conditions of the bonds) must be published at least three days prior to the end of the subscription period. There would then be a risk that market conditions would change during this period and that the terms of the bonds would therefore no longer be in line with market conditions. This risk would have to be countered by applying haircuts, for example on the interest rate or the issue price of the bonds, as security. The bonds would therefore ultimately not be placed at optimal market conditions. The granting of a subscription right also jeopardizes its successful placement with third parties or entails additional expenses due to the uncertainty of its exercise (subscription behavior). Finally, if subscription rights are granted, the Company cannot react at short notice to favorable or unfavorable market conditions due to the length of the subscription period.

   Pursuant to Section 221 para. 4 sentence 2 AktG, the provisions of Section 186 para. 3 sentence 4 AktG shall apply mutatis mutandis to the exclusion of subscription rights provided for herein in the event that the bonds are issued against payment in cash.

   Accordingly, this option to exclude subscription rights may only be exercised for bonds with conversion or option rights or conversion or option obligations for shares representing a maximum of 10 percent of the share capital. The relevant amount is the amount of the share capital at the time the authorization takes effect and - if this amount is lower - at the time this authorization is exercised. The share capital attributable to new shares issued or sold during the term of this authorization with the exclusion of subscription rights in accordance with or pursuant to Section 186 para. 3 sentence 4 AktG shall be counted towards the aforementioned 10% limit. This applies both to shares issued from authorized capital excluding shareholders' subscription rights pursuant to Section 203 para. 1 AktG in conjunction with Section 186 para. 3 Sentence 4 AktG and to treasury shares sold during the term of this authorization on the basis of an authorization excluding shareholders' subscription rights. Section 186 para. 3 sentence 4 AktG, as well as those treasury shares that are sold during the term of this authorization on the basis of an authorization excluding shareholders' subscription rights.

   Section 186 para. 3 sentence 4 AktG stipulates that, in the event of an issue of shares with the exclusion of subscription rights in accordance with this provision, the issue price of the shares may not be significantly lower than the stock market price. This is intended to ensure that there is no significant economic dilution of the value of the shares and that the shareholders have the opportunity to maintain their share in the Company's capital stock by purchasing shares on the stock exchange at approximately the same conditions. Whether such a dilution effect occurs in the case of the issue of bonds without subscription rights can be determined by calculating the hypothetical stock exchange price (market value) of the bonds in accordance with recognized, in particular financial mathematical methods and comparing it with the issue price. If, after due examination by the Management Board, this issue price is only insignificantly lower than the hypothetical stock exchange price (market value) at the time of issuance of the bonds, the calculated market value of a subscription right would fall to almost zero. Since the shareholders cannot then suffer any significant economic disadvantage as a result of the exclusion of subscription rights due to the only insignificant discount, the exclusion of subscription rights is permissible in accordance with the meaning and purpose of the provision of Section 186 para. 3 sentence 4 AktG.

Irrespective of this review by the Management Board, the setting of conditions in line with the market and thus the avoidance of a significant dilution of value in the event of a bookbuilding procedure is guaranteed. In this procedure, the terms and conditions of the bonds are determined on the basis of the purchase requests submitted by investors, thus determining the total value of the bond close to the market.

b) The Management Board is also authorized to exclude shareholders' subscription rights if the bonds are to be issued against non-cash contributions. This is intended to strengthen the Company in the competition for interesting acquisition targets and to enable it to react quickly and flexibly when opportunities arise. The use of this authorization may also be useful to achieve an optimal financing structure. The authorization enables the Company to offer bonds to third parties in connection with business combinations or for the purpose of acquiring (also indirectly) companies, parts of companies, interests in companies or other assets or claims to the acquisition of assets or claims against the Company. The authorization is also intended to provide for the possibility of granting bonds to the holders of certificated or uncertificated monetary claims instead of cash payment, for example, if the Company has initially undertaken to pay a cash amount when acquiring a company and subsequently bonds are to be granted instead of cash.

The Management Board will carefully examine in each individual case whether it will make use of the authorization to issue bonds with conversion or option rights or conversion or option obligations against contributions in kind with exclusion of subscription rights. It will only do so if this is in the interest of the Company and thus of its shareholders. The Company will not suffer any disadvantage as a result, since the issue of the bonds against a contribution in kind requires that the value of the contribution in kind is in reasonable proportion to the value of the new bonds issued for this purpose. In determining the value of the bonds given as consideration, the Management Board will generally use the theoretical market value of the bonds determined in accordance with recognized financial mathematical methods, derived from the stock exchange price of the shares of flatexDEGIRO AG, or the market value of the bonds determined by a recognized market-oriented method.

c) Furthermore, the exclusion of subscription rights in favor of the holders of already issued bonds with conversion or option rights or conversion or option obligations or warrants is possible with regard to the dilution protection to which they are generally entitled under the terms and conditions of the bonds. In order to facilitate the placement, this protection against dilution usually provides, in addition to the possibility of reducing the conversion or option price, that the holders or creditors of the bonds or warrants may also be granted subscription rights to new shares in the event of a subsequent issue of further bonds, as is the case for shareholders. This puts them in the same position as if they were already shareholders. Such granting of a subscription right offers the possibility of preventing the conversion or option price of previously issued bonds or warrants from having to be reduced. This ensures a higher issue price of the shares issued upon execution of the conversion or exercise of the option.

In order to be able to grant subscription rights to the holders of previously issued bonds as protection against dilution, the shareholders' subscription rights to the new bonds used for this purpose must be excluded.

d) Finally, an authorization to exclude subscription rights for fractional amounts is provided for. This serves to ensure that a practicable subscription ratio can be presented with regard to the amount of the respective issue. Without the exclusion of the subscription right for fractional amounts, the technical implementation of the capital increase and the exercise of the subscription right would be considerably more difficult, in particular in the case of the issuance of bonds with round amounts. The bonds excluded from shareholders' subscription rights as free fractions will be realized either by sale on the stock exchange or otherwise in the best possible way for the Company.

To the extent that profit participation rights or participating bonds without conversion or option rights or conversion or option obligations are to be issued, the Management Board is authorized, subject to the consent of the Supervisory Board, to exclude the shareholders' subscription rights altogether if these profit participation rights or participating bonds have bond-like features, i.e. do not confer any membership rights in the Company, do not grant any participation in liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the net income for the year, the distributable profit or the dividend. In addition, it is required that the interest rate and the issue amount of the profit participation rights or participating bonds correspond to the current market conditions at the time of issue. If the aforementioned conditions are met, the exclusion of the subscription right does not result in any disadvantages for the shareholders, since the profit participation rights or participating bonds do not establish any membership rights and do not grant any share in the liquidation proceeds or in the profits of the Company, i.e. they do not convey a position comparable to that of a shareholder.

There are currently no concrete plans to exercise the authorization to issue bonds. Corresponding anticipatory resolutions with the option to exclude subscription rights are common practice both nationally and internationally. In any case, the Management Board will carefully examine whether the exercise of the authorization and, in particular, an exclusion of the subscription right is in the interest of the Company and its shareholders.

If the proposed authorization is exercised, the Management Board will report on this at the next Annual General Meeting.