

2022

COMPENSATION REPORT



flatex  DEGIRO

COMPENSATION REPORT 2022

The Compensation Report contains a summary of the principles that apply to the determination of the total remuneration of the members of the Management Board of flatexDEGIRO AG. The principles and amount of compensation for the members of the Supervisory Board are also explained.

The Compensation Report takes into account the requirements of the German Stock Corporation Act (AktG), in particular Section 162 AktG; the requirements of the German Commercial Code (HGB), taking into account the provisions of German Accounting Standard No. 17 (DRS 17); the recommendations of the German Corporate Governance Code (GCGC) as published on 28 April 2022 and International Financial Reporting Standards (IFRS).

Compensation of the Management Board

Fundamentals of Management Board compensation

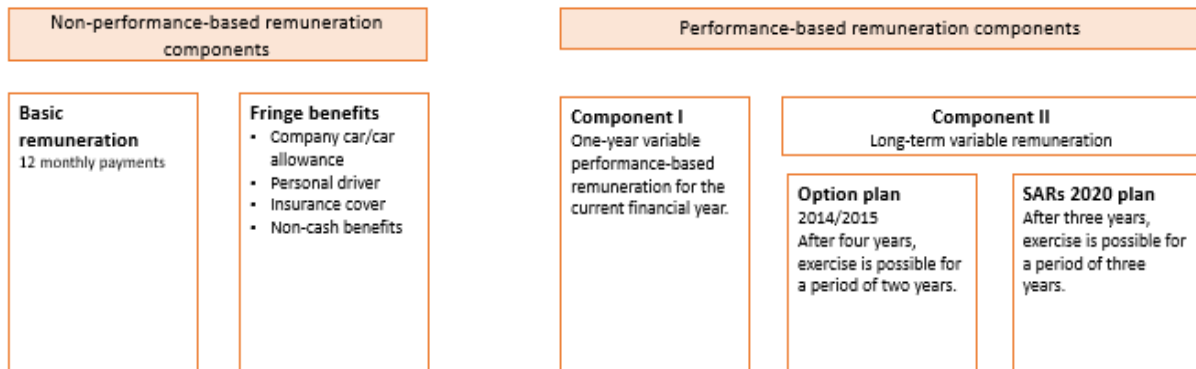
The Management Board remuneration system applicable to future Management Board contracts was passed by the Supervisory Board on 14 May 2021 and approved at the Annual General Meeting of flatexDEGIRO AG on 29 June 2021.

The current compensation of the members of the Management Board consists of various components. The members of the Management Board are entitled to a fixed annual salary, annual variable performance compensation (component I), long-term variable compensation (component II) and fringe benefits on the basis of the service contracts concluded with them. There are no entitlements from a company pension plan.

The compensation of the members of the Management Board is determined by the Supervisory Board, which regularly reviews its structure and appropriateness. It is ensured that the compensation of the Management Board is oriented towards the sustainable development of the company and that the variable compensation components are assessed on a multi-year basis. Secondary employment generally requires approval.

In addition to the regular duties of the Management Board and the personal performance of the respective Management Board member, the criteria for calculating the total compensation are the performance of the Management Board as a whole and the financial success of flatexDEGIRO within the peer group of the flatexDEGIRO Group. The compensation structure is intended to promote lasting positive corporate development.

Compensation of the Management Board



No use was made of the option to claw back variable compensation components in the reporting period.

Non-performance-based remuneration components

Basic remuneration

The fixed annual salary for all members of the Management Board is set in accordance with the requirements of German stock corporation law, taking into account the compensation customary in the market, and is paid monthly. In the event of a temporary incapacity for work due to illness, accident or any other reason beyond the control of the respective member of the Management Board, the fixed basic remuneration will continue to be paid.

If the member of the Management Board is permanently unable to work during the term of the service contract, the employment contract ends at the end of the quarter in which the permanent incapacity for work or gainful employment is determined. Permanent incapacity for service within the meaning of this contract exists if the member of the Management Board is unable to perform his or her duties for more than six months and his or her return to service is not expected within a further six months.

Fringe benefits

- In line with usual market and Group practice, the company grants all members of the Management Board further benefits under their Management Board contracts, some of which are regarded as pecuniary benefits and taxed accordingly, including the provision of a company car or a car allowance, as well as the granting of accident and liability insurance and benefits for keeping two households.
- In addition, the members of the Management Board are entitled to reimbursement of hospitality and travel expenses up to the maximum tax rates, insofar as they are incurred solely in the interests of the company.
- The company also maintains Group liability insurance for financial loss for employees including all members of the Management Board and Supervisory Board. The insurance covers personal liability in the event that claims are made against these individuals for

financial loss in the course of their activity (D&O insurance). The cover for the members of the Management Board and the Supervisory Board has been designed to comply with statutory requirements. This means that 10% of the potential loss remains with the insured person, up to one and a half times the fixed annual remuneration. It is up to the individual Management Board members to obtain supplementary cover privately and on their own account. Insurance cover is also provided for directors' and officers' liability and criminal law protection for all company employees. The legal representatives and members of the supervisory body are also insured against infringements committed or allegedly committed in the course of their official duties. Finally, there is accident insurance (total annual expense of EUR 3,048.40) for the members of the Management Board.

Performance-based remuneration components

There are two variable, performance-based compensation components, which consist of an annual bonus component (component I, see a.) and a long-term, share-based compensation component (component II, see (b)). Their purpose is to motivate the Management Board to commit to the long-term success of the company by having a stake in its business development.

The compensation components consist of the following substantively:

a. Short-term variable compensation (component I)

Short-term variable compensation incentivises the contribution made in the financial year to the operational implementation of the corporate strategy, in particular the establishment and expansion of the company as Europe's leading online broker.

The financial performance criteria are based on the Group's operating income, measured in terms of revenue and profitability (adjusted EBITDA margin/cost-income ratio). Sales and profitability are the most important financial performance indicators for the Group's operating financial performance. The non-financial targets comprise the company's success factors that, while not directly expressed in balance sheet items, are essential for its long-term success. Non-financial objectives include, for example, the following: employee satisfaction and promotion of diversity (employee engagement), customer satisfaction (net promoter score) and sustainability (ESG ratings) (this list is for illustrative purposes only and is not exhaustive or mandatory in isolation; the Supervisory Board may make the final selection and weighting of the non-financial targets at its reasonable discretion). However, even in the case of 'non-financial targets' being a short-term incentive component, the Supervisory Board ensures that the achievement of these targets is clearly and transparently explained to the Management Board and is therefore to be valued purposefully after the end of the one-year performance period.

In the event of early termination, the rules for pro rata payout apply. Extraordinary developments (such as the sale of shares and the usage of hidden reserves) are not taken into account when calculating the bonus. In the event of a deterioration in the situation of flatEXDEGIRO AG, the total remuneration may be reduced to a reasonable amount if the continued payment would otherwise be unfair.

b. Long-term, performance-based compensation component (component II)

In order to establish a further long-term, performance-based compensation component, share option programmes were launched in 2014, 2015 and 2020 in which the active members of the Management Board and key people within the company can participate.

The share option programmes from 2014 and 2015 have essentially the same conditions. The share option programme from 2020 is a virtual option model. Options were allocated to the members of the Management Board by the Supervisory Board. Participation itself was voluntary for the Management Board members.

All long-term performance-based compensation components reward the long-term performance of the company. The focus here is on the positive development of the share price and earnings per share.

Under the SARs 2020 plan, directors and employees may be granted up to four million stock appreciation rights (SARs), which may be exercised by the beneficiary for a further three years after a vesting period of three years. Furthermore, up to 1,600,000 SARs can be granted as part of a purchase model. The acquisition of shares in flatexDEGIRO AG is a prerequisite for granting further SARs as part of the purchase model.

The share option programmes for 2014 and 2015 are essentially as follows:

- The Management Board member receives the allocation of a certain number of options at a certain point in time (subscription date)
- The strike price per option is €1.825 in the 2014 option model. The strike price in the 2015 option model is €3.1975.
- Within the first 24 months of the strike date, the value of the share must increase by 100% under the 2014 share option programme and by 50% under the 2015 share option programme over the price on the subscription date (reference period). The price is the XETRA closing price on the date of issue.
- At the end of the first 24 months from the date of allocation, there is a further 24-month holding period.
- At the end of the first 48 months, the beneficiary has the option of exercising his or her options if they exist.
- When exercising the options, the beneficiary must pay the subscription price of €1.825 per option (2014 option programme) or €3.1975 per option (2015 option programme) as well as the applicable income tax.

The 2020 (virtual) share option programme (SAR) is essentially structured as follows:

- The Management Board member receives the allocation of a certain number of stock appreciation rights (subscription date).
- The term is six years from the date of the written commitment (date of issue).

- Each appreciation right only grants the entitled party the right to the payout of a sum of money (cash claim) from flatexDEGIRO AG.
- The cash entitlement per stock appreciation right is calculated on the basis of 50% of the share price of flatexDEGIRO AG and the development of the EPS value.

Individual compensation for the Management Board for 2022

The following disclosure of compensation for the 2022 financial year takes into account the applicable accounting principles. The fair values of the awarded share-based payment were determined in accordance with the applicable accounting principles.

The maximum compensation defined in the Management Board remuneration system adopted in 2021 is not taken into account as it only applies to future Management Board contracts.

Total remuneration

The remuneration of the Management Board is set out in detail in the following table:

		Non-performance-based remuneration		Total remuneration	Performance-based remuneration**		Total remuneration
		Fixed annual salary	Other remuneration		Component I One-year variable remuneration		
Frank Niehage	2022	500,000.00 €	21,989.00 €	34%	1,000,000.00 €	66%	1,521,989.00 €
	2021	500,000.00 €	24,650.00 €	34%	1,000,000.00 €	66%	1,524,650.00 €
Muhamad Said Chahrour	2022	300,000.00 €* [*]	25,392.00 €	35%	600,000.00 €	65%	925,392.00 €
	2021	300,000.00 €* [*]	22,725.00 €	40%	500,000.00 €	60%	822,725.00 €
Full Management Board	2022	800,000.00 €	47,381.00 €	35%	1,600,000.00 €	65%	2,447,381.00 €
	2021	800,000.00 €	47,375.00 €	36%	1,500,000.00 €	64%	2,347,375.00 €

^{*} Mr Chahrour is paid EUR 60,000 of his annual remuneration at flatexDEGIRO Bank AG

^{**} Component II was not allocated in the reporting period/long-term variable remuneration is measured at fair value on the allocation date

The fixed remuneration of the serving members of the Management Board remained unchanged until 31 December 2022.

None of the members of the Management Board have been granted or promised any benefits by a third party in connection with their work as members of the Management Board.

Vertical compensation comparison

When comparing compensation vertically, the compensation of the Management Board is compared with that of the managers as a whole. The compensation of the Management Board should not conflict significantly with the salary level of the other employees and managers. The Supervisory Board is kept informed on an ongoing basis about the vertical compensation comparison. Compensation is based on performance and success across the various areas of responsibility.

	2022	2021	2020
Frank Niehage	1,500,000.00 €	1,500,000.00 €	1,500,000.00 €
Muhamad Said Chahrour	900,000.00 €	800,000.00 €	500,000.00 €
Executive Director & Managing Director	124,078.00 €	178,972.00 €	148,366.00 €
Director	94,725.00 €	85,742.00 €	86,527.00 €
Analyst/Associate/Manager	58,450.00 €	53,727.00 €	50,685.00 €

Explanations:

Possible allocations from the SARs 2020 plan are excluded from the presentation for better comparability.

Commitments to the Management Board in the event of termination of employment

There are no pension commitments for the members of the Management Board. Furthermore, no contingent liabilities have been taken on in favour of the members of the Management Board.

In the event of premature termination of the service relationship, the following rules apply to the members of the Management Board:

- I. In the event of dismissal/termination for good cause, the agreement is terminated at the time of dismissal. The company is entitled to relieve the member of the Management Board of any further work for the company for the remaining term of the service contract. This leave comes with continued payment of the pro rata annual salary. Variable compensation is not due for such periods of leave.
- II. Ordinary termination of the service contract is excluded during the term of the contract.

There were no deviations from the remuneration system of the Management Board pursuant to Section 162 (1) no. 5 AktG during the reporting period.

Significant agreements of the company that are subject to a change of control as a result of a takeover bid and compensation agreements of the company that have been concluded with the members of the Management Board or with employees in the event of a takeover bid

At the level of flatexDEGIRO Bank AG, there are agreements which, in the event of a change of control as a result of an acquisition, provide that the respective parties or the respective contractual partner may terminate the cooperation with flatexDEGIRO Bank AG if there is a change of control over flatexDEGIRO AG. Under the agreements, a 'change of control over flatexDEGIRO AG' occurs (i) when the majority of the shares of flatexDEGIRO AG or the majority of the voting rights of flatexDEGIRO AG or substantially all of the assets of flatexDEGIRO AG are acquired by a third party, or (ii) if a third party gains a controlling influence over flatexDEGIRO AG in any other way within the meaning of Section 17 AktG.

The service contract of the Chief Executive Officer of flatexDEGIRO AG includes a 'change-of-control' clause. In the event of a change of control, this is intended to provide the Chief Executive Officer with financial security in order to maintain his or her independence in the event of a takeover situation.

- In the event of a change of control, the Chief Executive Officer has a special right of termination within the first six months.

- If the special right of termination is exercised, he or she shall be entitled to the following compensation payments:
 1. The fixed salary normally payable
 2. A lump-sum bonus payment of EUR 500,000 gross p.a.

The compensation payments referred to in subsections 1 and 2 are calculated on a pro rata basis up to the end of the current contract term. The compensation payments can together amount to a maximum of two annual total compensation payments (severance payment cap). The cap is calculated on the basis of the total compensation for the past financial year.

If the total compensation for the current financial year is likely to be significantly higher or lower, this must be taken into account.

At the level of flatEXDEGIRO AG, there are no other significant agreements with change-of-control clauses in the event of a takeover.

Compensation agreements for takeover bids

There are no further compensation agreements with members of the Management Board or employees in the event of a takeover bid.

Remuneration of the Supervisory Board

Until April 2022, the Supervisory Board consisted of three members. Since May 2022, the Supervisory Board has consisted of four members.

List of Supervisory Board members			
		First appointment	Term in office
Martin Korbmacher	Chairman of the Supervisory Board Chairman of the Remuneration Control Committee Chairman of the Nomination Committee Member of the Joint Risk and Audit Committee	Oct 14	2025
Stefan Müller	Deputy Chairman of the Supervisory Board Member of the Nomination Committee Member of the Joint Risk and Audit Committee	Feb 17	2025
Aygül Özkan	Member of the Supervisory Board Member of the Remuneration Control Committee Member of the Nomination Committee	May 22	2025
Herbert Seuling	Member of the Supervisory Board Member of the Remuneration Control Committee Chairman of the Joint Risk and Audit Committee	May 16	2025

The compensation of the Supervisory Board is defined at the Annual General Meeting and is governed by Article 14 (1) of the Articles of Association.

The compensation is based on the duties and responsibilities of the members of the Supervisory Board. The fixed remuneration for the Chairperson of the Supervisory Board amounts to EUR 120,000 per year. The three other members of the Supervisory Board each receive annual remuneration of EUR 60,000.

In December 2021, the Supervisory Board established an audit committee. At the Annual General Meeting in May 2022, a resolution was passed to adjust the remuneration of the Supervisory Board so that the Chairperson of the Audit Committee receives annual remuneration of EUR 30,000 in addition to his or her remuneration as a member of the Supervisory Board. The Articles of Association pertaining to the Supervisory Board have been amended accordingly.

Chairperson of the Supervisory Board	EUR 120,000*
Member of the Supervisory Board	EUR 60,000**
Chairperson of the Audit Committee	EUR 90,000*

* Serves as full remuneration for membership of the Supervisory Board and chairing other committees

** The other members of the Supervisory Board do not receive any additional remuneration for their membership of Supervisory Board committees

No meeting fees are paid to the members of the Supervisory Board. The amounts are due in full at the end of the financial year and become payable at the time of the Annual General Meeting following approval of their actions.

flatEXDEGIRO AG reimburses the members of the Supervisory Board for any VAT incurred on their remuneration. The above amounts do not include VAT. None of the members of the Supervisory Board have been granted or received any benefits from a third party in connection with their work as a member of the Supervisory Board. Finally, none of the members of the Supervisory Board were granted or paid any compensation or benefits for personally rendered services, in particular advisory or brokerage services.

Supervisory Board members are also covered by D&O Insurance. A deductible of 10% of the potential loss, up to a total of one and a half times the fixed Supervisory Board remuneration, has been set for them. No loans or advances have been granted to Supervisory Board members. Likewise, no contingent liabilities were taken on in their favour.

Note: This is a convenience translation of the German original. Solely the original text in the German language is authoritative.

REPORT OF THE INDEPENDENT AUDITOR ON THE AUDIT OF THE COMPENSATION REPORT IN ACCORDANCE WITH SECTION 162 (3) AKTG

To flatexDEGIRO AG, Frankfurt am Main

Audit opinions

We have formally audited the Compensation Report of flatexDEGIRO AG, Frankfurt am Main, for the financial year from 1 January 2022 to 31 December 2022, to determine whether the disclosures pursuant to Section 162 (1 and 2) AktG [“Aktengesetz”: German Stock Corporation Act] have been made in the Compensation Report. In accordance with Section 162 (3) AktG, we have not audited the content of the Compensation Report.

In our opinion, the accompanying Compensation Report complies, in all material respects, with the disclosures pursuant to Section 162 (1 and 2) AktG. Our audit opinion does not cover the content of the Compensation Report.

Basis for the audit opinion

We conducted our audit of the Compensation Report in accordance with Section 162 (3) AktG and IDW Auditing Standard: The audit of the Compensation Report in accordance with Section 162 (3) AktG (IDW PS 870 (08.2021)). [Institute of Public Auditors in Germany] (IDW) Our responsibility under that provision and standard is further described in the Auditor's Responsibility section of our report. As an auditing practice, we have the requirements of the IDW Quality Assurance Standard: Requirements for Quality Assurance in Auditing Practice (IDW QS 1) applied. We have complied with the professional duties pursuant to the German Auditors' Code and the professional statutes for auditors/sworn accountants, including the requirements for independence.

Responsibility of the Management Board and the Supervisory Board

The Management Board and the Supervisory Board are responsible for the preparation of the Compensation Report, including the related disclosures, which complies with the requirements of Section 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a Compensation Report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our objective is to obtain reasonable assurance about whether the disclosures pursuant to Section 162 (1 and 2) AktG have been made in all material respects in the Compensation Report and to express an opinion thereon in an audit report.

We planned and performed our audit to obtain evidence about the formal completeness of the Compensation Report by comparing the disclosures made in the Compensation Report with the disclosures required by Section 162 (1 and 2) AktG. In accordance with Section 162 (3) of the German Stock Corporation Act (AktG), we have not audited the accuracy of the disclosures, the completeness of the individual disclosures or the fair presentation of the Compensation Report.

Dealing with any misleading representations

In connection with our audit, we have a responsibility to read the Compensation Report in the light of knowledge obtained in the audit of the financial statements, and to remain alert for indications as to whether the Compensation Report contains misleading representations as to the accuracy of the content of the disclosures, the completeness of the content of the individual disclosures, or the presentation of the Compensation Report.

If, based on the work we have performed, we conclude that such a misleading representation exists, we are required to report that fact. We have nothing to report in this regard.

Frankfurt am Main, 15 March 2023

BDO AG
Wirtschaftsprüfungsgesellschaft

Rist	Gruchott
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]