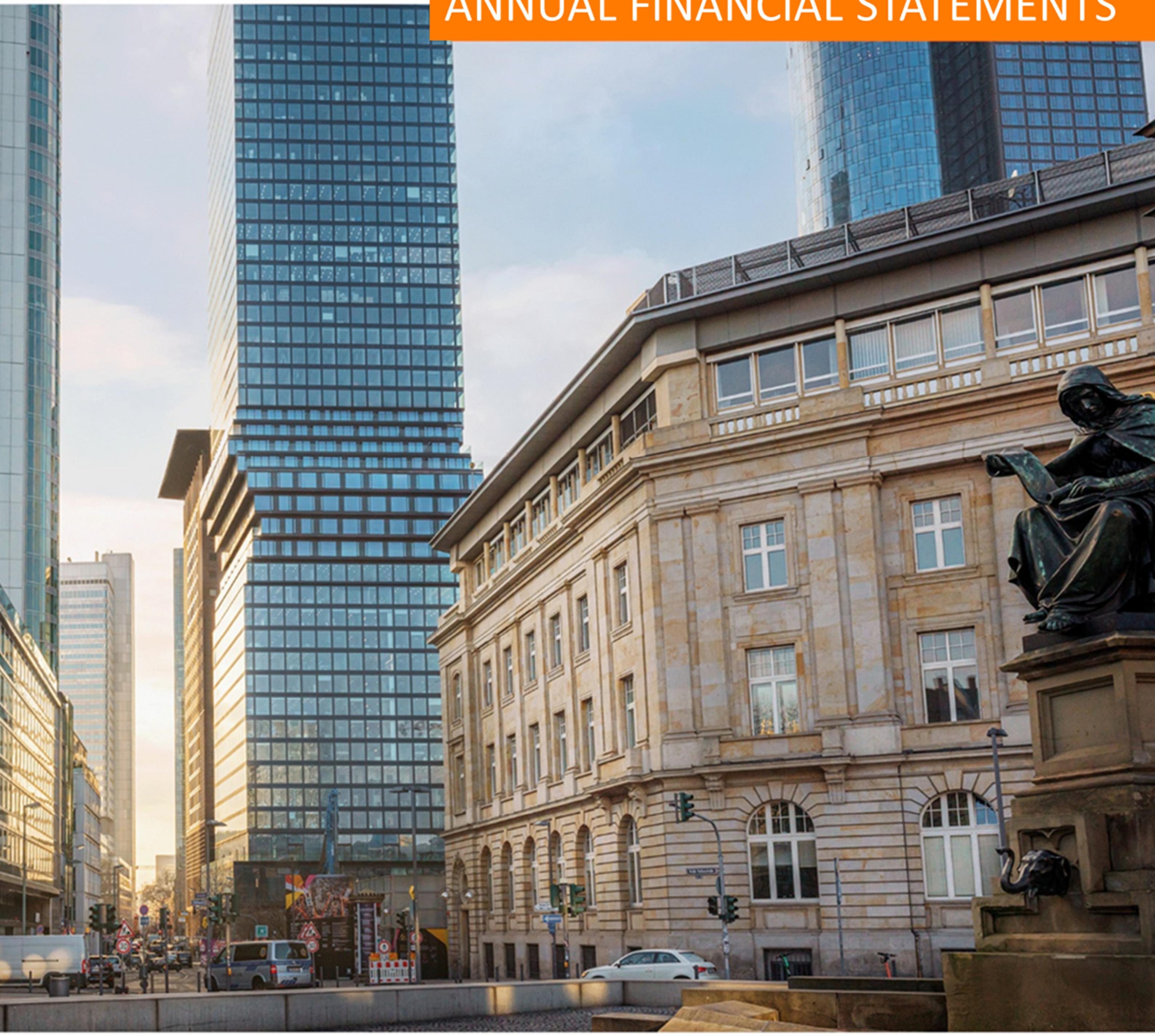
2023

ANNUAL FINANCIAL STATEMENTS



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Balance Sheet

as at 31 December 2023

in EUR	12/31/2023	12/31/2022
Assets	**608,042,314.28**	**571,793,451.36**
Fixed assets	**455,565,859.57**	**454,115,954.29**
Intangible assets	11,751,548.50	9,133,729.48
Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licenses to such rights and assets	11,751,548.50	9,133,729.48
Tangible fixed assets	14,450,854.36	12,935,368.80
Land and buildings including buildings on third-party land	930,397.84	848,091.00
Technical equipment and machinery	12,985,943.52	11,581,317.80
Other equipment, operating and office equipment	534,513.00	505,960.00
Financial assets	429,363,456.71	432,046,856.01
Shares in affiliated companies	428,912,119.71	431,622,807.01
Reinsurance claims from life insurance policies	451,337.00	424,049.00
Current assets	**146,900,798.67**	**109,206,395.21**
Inventories	387,874.72	6,284.62
Work in progress	320,615.53	6,284.62
Finished goods and products	67,259.19	-
Receivables and other assets	109,982,811.42	75,878,750.85
Trade receivables	1,561,248.98	1,451,572.12
Receivables from affiliated companies	94,792,107.47	74,215,312.61
Other assets	13,629,454.97	211,866.12
Cash on hand, bank balances	36,530,112.53	33,321,359.74
Prepayments and accrued income	5,575,656.04	8,471,101.86

	12/31/2023	12/31/2022
Liabilities	**608,042,314.28**	**571,793,451.36**
Equity	**550,400,798.74**	**474,537,464.93**
Subscribed capital	109,992,548.00	109,892,548.00
Shares issued	109,992,548.00	109,892,548.00
- thereof conditional capital	142,000.00	242,000.00
Capital reserve	229,329,783.24	229,110,033.24
Retained earnings	135,534,883.69	88,070,969.32
Legal reserve	2,868,749.80	2,868,749.80
Other retained earnings	132,666,133.89	85,202,219.52
Balance sheet profit	75,543,583.81	47,463,914.37
Debt capital	**57,641,515.54**	**97,255,986.43**
Provisions	36,832,709.45	74,927,764.69
Provisions for pensions	6,309,348.00	5,640,074.00
Provisions for taxation	13,472,581.45	27,486,890.69
Other provisions	17,050,780.00	41,800,800.00
- thereof for long-term variable remuneration	9,393,541.38	36,147,342.25
Liabilities	17,450,144.84	16,221,171.42
Payments received on account of orders	-	45,000.00
Trade payables	1,984,163.60	884,620.46
Payables owed to affiliated companies	5,655,843.33	3,371,077.30
Other payables	9,810,137.91	11,920,473.66
Prepaid income	3,358,661.25	6,107,050.32

Profit and Loss Statement

for the financial year from 1 January to 31 December 2023

in EUR	2023	2022
Revenues	**90,931,224.22**	**79,434,674.36**
Increase (previous year: reduction) of inventories of finished goods and work in progress	16,888.91	-2,504.96
Other operating earnings	2,063,944.70	40,795,243.93
- thereof from reversal of provisions for long-term variable remuneration	-	38,440,736.07
Expenditures on materials	13,779,226.38	13,134,281.87
Expenditures for purchased goods	262,343.97	166,313.66
Expenditures for purchased services	13,516,882.41	12,967,968.21
Personnel expenses	53,885,853.37	32,097,894.36
1. Wages and salaries	45,863,243.57	25,696,004.87
- thereof for long-term variable remuneration	14,030,035.30	-
2. Social security contributions and expenses for pensions and for support	8,022,609.80	6,401,889.49
Amortisations of intangible fixed assets and depreciations of tangible fixed assets	7,485,429.17	5,786,851.14
Other operating expenses	25,506,771.24	18,209,346.33
Income from profit transfer agreements	89,260,030.09	67,204,487.02
- thereof from affiliated companies	89,260,030.09	67,204,487.02
Other interest receivable and similar income	572,695.16	1,515,445.30
Depreciations of financial assets and of investment securities forming part of the current assets	752,967.97	236.66
Interest payable and similar expenses	579,319.63	1,104,587.76
Taxes on income and earnings	5,641,665.91	20,260,486.71
Profit after taxes	**75,213,549.41**	**98,353,660.82**
Other taxes	-330,034.40	589,857.73
Net income for the year	**75,543,583.81**	**97,763,803.09**
Profit carried forward from the previous year	47,463,914.37	-
Transfer to retained earnings	47,463,914.37	50,299,888.72
1. Statutory reserves	-	2,835,974.35
2. Other retained earnings	47,463,914.37	47,463,914.37
Balance sheet profit	**75,543,583.81**	**47,463,914.37**

Notes

Notes to the Annual Financial Statements for the financial year from 1 January 2023 to 31 December 2023

General information

The Company is registered in the Frankfurt am Main commercial register under number HRB 103516 and has been listed in the Prime Standard of the Frankfurt Stock Exchange (Deutsche Börse AG) in Frankfurt since 21 December 2020 and is a member of the SDAX index.

The annual financial statements for the financial year 2023 were prepared in accordance with the applicable provisions of the third book of the German Commercial Code (HGB), the provisions of the German Stock Corporation Act (AktG), and the supplementary provisions of the Articles of Association.

The annual financial statements have been prepared in euros. The disclosure and classification rules were followed in accordance with the legal requirements. The profit and loss statement was prepared using to the total cost method. The financial year corresponds to the calendar year. The Company is a large corporation in accordance with Section 267 Para. 3 German Commercial Code (HGB). The declaration of compliance within the meaning of Section 161 of the German Stock Corporation Act (AktG) based on the German Corporate Governance Code (hereinafter "DCGK") to be issued following admission to the Regulated Market of the Frankfurt Stock Exchange will be made publicly available by the Management Board and Supervisory Board on the website of flatexDEGIRO AG at https://flatexdegiro.com/en/investor-relations/corporate-governance within four months of the end of the reporting year and for at least five years.

As the parent company, flatexDEGIRO AG prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements are submitted to the Company Register and published.

Accounting policies

In preparing the annual financial statements, it was assumed that the Company was a going concern in accordance with Section 252 para. 1 no. 2 German Commercial Code (HGB). The accounting and valuation methods applied by us correspond to the methods applied in the previous year for the preparation of the balance sheet, the profit and loss statement and the notes.

Intangible assets

Intangible assets purchased for valuable consideration are recognised at cost of acquisition reduced by straight-line depreciation (1 to 10 years) based on industry-standard or official depreciation tables. In the event of a probable permanent reduction in value, unscheduled depreciation is applied.

Tangible fixed assets

Tangible fixed assets are recognised at acquisition or production cost, less scheduled depreciation based on use, insofar as they are subject to wear and tear. Depreciation is recognised on the basis of the useful lives of the assets using the straight-line method pro rata temporis. They are recognised in accordance with standard industry or official depreciation tables. If necessary, impairment losses are recognised. Low-value assets with individual acquisition costs of up to EUR 800 are recognised as fixed assets and written off in full in the year of acquisition. Fixed assets with an individual acquisition cost of more than EUR 800 are depreciated pro rata over their scheduled useful lives.

Financial assets

Financial assets are recognised at the lower of cost or fair value in the event of permanent impairment. If the reasons for write-downs to the lower fair value no longer apply, write-ups are made to the higher fair value, up to a maximum of the original acquisition cost. Reinsurance claims from life insurance policies are also recognised under financial assets.

Inventories

Finished goods and work in progress recognised under inventories are measured at the production cost in accordance with the lower of cost or market principle. Production costs include individually documented working hours and appropriate portions of material and production overheads as well as depreciation of fixed assets and proportionate administrative overheads.

Receivables and other assets

Receivables and other assets are recognised at nominal value (reduced by any necessary value adjustments).

Cash on hand and bank balances

Cash on hand and bank balances are stated at nominal value.

Prepayments and accrued income

Prepayments and accrued income are accounted for in accordance with Section 250 para 1 of the German Commercial Code (HGB). The release is recognised in correspondence with the expense for the accounting period.

Plan assets and pension obligations

The assets to be offset in accordance with Section 246 (2) sentence 2 HGB ("plan assets") are measured at fair value within the meaning of Section 255 (4) HGB.

Pension obligations are measured at the settlement amount required according to reasonable commercial judgement. In accordance with Section 253 (2) and (6) HGB, provisions for pension obligations are measured using the corresponding average interest rate from the past ten financial years.

Estimated rates of increase are taken into account with regard to a forward-looking valuation of obligations. The Heubeck mortality tables 2018 G serve as the basis for calculation. The pension obligation is determined with the help of an actuarial report. An entitlement is applied through the active entitlement, taking into account the modified entry age normal method. As in the previous year, the projected unit credit method was mandatorily applied to current entitlements of a total of eight retired pension beneficiaries.

The actuarial calculation of the pension obligations as at 31 December 2023 was performed uniformly using an interest rate of 1.83 % (previous year: 1.78 %). The discount rate corresponds to the interest rate for remaining terms of 15 years in accordance with the German Regulation on the Discounting of Provisions (Rückstellungsabzinsungsverordnung). In accordance with regulations, the average interest rate of the last ten years was applied unchanged. The change in the interest rate is recognised in net interest income.

Furthermore, an unchanged pension growth of 1 to 3 % was assumed. The consideration of a fluctuation trend was not required according to the pension commitments and the beneficiaries.

If the legal requirements are met, the fair value of the cover assets held for this purpose (actuarially determined asset value of the claims from corresponding reinsurance policies) determined as at the reporting date is offset against the corresponding provisions from old-age pensions in application of Section 246 paragraph 2 sentence 2 HGB, considering “IDW RH FAB 1.021”. The same applies to the effectively pledged fair value credit balance held as cover assets for the part-time early retirement. The same applies to the effectively pledged fair value credit held as cover assets for the part-time early retirement agreement.

The difference between the amount recognised for provisions based on the corresponding average interest rate from the past ten financial years and the amount recognised for provisions based on the corresponding average interest rate from the past seven financial years amounted to kEUR 489 as at the balance sheet date (previous year: kEUR 1,766).

Other provisions

Other provisions include all identifiable risks and contingent liabilities as at the balance sheet date. The other provisions shown are measured at the settlement amount required according to reasonable commercial judgement. The settlement amount is the discounted nominal amount, taking into account future price and cost ratios. It also includes an obligation from a partial retirement programme, which is offset by plan assets with a fair value of the same amount. Accordingly, the provision was netted as required. If the remaining term of the provision for uncertain liabilities is longer than one year, the provision is discounted by applying an average market interest rate with matching maturities.

Other liabilities

Liabilities are recognised at the settlement amount.

Prepaid income

Prepaid income in accordance with Section 250 (2) HGB is recognised in the amount of the deferred income to the extent that it represents income for a certain period after the balance sheet date.

Deferred taxes

To the extent that future tax relief is expected overall due to differences between German commercial law and tax valuations in the balance sheet, deferred tax assets are recognised. If the deferred tax assets correspond to the existing deferred tax liabilities, these are offset. Any excess deferred tax assets are not recognised. In this respect, the option under Section 274 (1) sentence 2 HGB is utilised. Differences between the German commercial and tax carrying amounts of assets, liabilities and accrued and deferred items of tax group companies are included to the extent that future tax burdens and relief from the reversal of temporary differences at flatexDEGIRO AG can be assumed.

Tax group for income tax purposes

flatexDEGIRO AG is the tax group parent of flatex Finanz GmbH for income tax purposes, which in turn is the tax group parent of flatexDEGIRO Bank AG for income tax purposes.

Tax group for VAT purposes

In addition, flatexDEGIRO AG is also the parent company of a VAT group. In addition to flatexDEGIRO AG, the VAT group also includes flatex Finanz GmbH, the operating units of flatexDEGIRO Bank AG located in Germany, Xervices GmbH and Cryptoport GmbH.

Explanatory notes to the balance sheet

Fixed assets

The development of the individual fixed asset items and the associated depreciations are shown in the statement of changes in fixed assets:

In EUR	Acquisition/ production cost as at 01/01/2023	Additions	Disposals	Re-classifications	Acquisition/ production cost as at 12/31/2023	Accumulated depreciation as at 01/01/2023	Depreciations	Disposals	Accumulated depreciation as at 12/31/2023	Carrying amount as at 12/31/2022	Carrying amount as at 12/31/2023
Intangible assets purchased for valuable consideration											
Concessions, industrial property rights and similar rights and assets purchased for valuable consideration, as well as licenses to such rights and assets	19,056,527	5,705,234	114,578	-	24,647,183	9,922,798	3,087,394	114,557	12,895,634	9,133,729	11,751,549
Total intangible assets	**19,056,527**	**5,705,234**	**114,578**	**-**	**24,647,183**	**9,922,798**	**3,087,394**	**114,557**	**12,895,634**	**9,133,729**	**11,751,549**
Tangible fixed assets											
1. Land and buildings including buildings on third-party land	2,182,570	392,330	-	-	2,574,900	1,334,479	310,023	-	1,644,502	848,091	930,398
2. Technical equipment and machinery	26,030,396	5,394,139	53,039	-	31,371,495	14,449,078	3,974,960	38,486	18,385,552	11,581,318	12,985,944
3. Other equipment, operating and office equipment	1,421,317	127,031	1,955	-	1,546,393	915,357	98,478	1,955	1,011,880	505,960	534,513
Total tangible fixed assets	**29,634,283**	**5,913,500**	**54,994**	**-**	**35,492,789**	**16,698,914**	**4,383,461**	**40,441**	**21,041,934**	**12,935,369**	**14,450,854**
Financial assets											
1. Shares in affiliated companies	431,622,807	-	1,957,719	-	429,665,088	-	752,968	-	752,968	431,622,807	428,912,120
2. Reinsurance claims from life insurance policies insurance policies	424,049	27,288	-	-	451,337	-	-	-	-	424,049	451,337
Total financial assets	**432,046,856**	**27,288**	**1,957,719**	**-**	**430,116,425**	**-**	**752,968**	**-**	**752,968**	**432,046,856**	**429,363,457**
Total fixed assets	**480,737,666**	**11,646,022**	**2,127,292**	**-**	**490,256,396**	**26,621,712**	**8,223,823**	**154,999**	**34,690,536**	**454,115,954**	**455,565,860**

Intangible assets

Intangible assets increased by kEUR 2,618 to a total of kEUR 11,752 (previous year: kEUR 9,134), mainly due to the addition of new software applications.

Tangible fixed assets

Tangible fixed assets increased by kEUR 1,515 to kEUR 14,451 (previous year: kEUR 12,935), mainly as a result of the expansion of various locations and network equipment in the data centres.

Shares in affiliated companies

As at 31 December 2023, 52 % of the shares in financial.service.plus GmbH were sold. At the same time, a preliminary agreement was concluded for the sale of the remaining 20 %. The carrying amount of shares in financial.service.plus GmbH was written down by kEUR 753 to the lower fair value due to permanent impairment.

Trade receivables and other assets

The trade receivables and other assets recognised in the balance sheet do not include any receivables with a remaining maturity of more than one year (previous year: kEUR 0).

Other assets

As in the previous year, other assets have a remaining maturity of up to one year.

Receivables from affiliated companies

There are receivables from affiliated companies totalling kEUR 94,792 (previous year: kEUR 74,215); these arise from profit and loss transfer agreements amounting to kEUR 89,202 (previous year: kEUR 67,204), from the offsetting of goods and services and from VAT tax groups.

Equity

Share capital

The company's subscribed capital - after the exercise of share options in the 2023 financial year - totalled kEUR 109,993 (previous year: kEUR 109,893) as at the balance sheet date. At the end of the financial year, the subscribed capital is divided into 109,992,548 (previous year: 109,892,548) no-par value registered shares, each with a notional value of EUR 1.00 per share.

- The subscribed capital of kEUR 109,893 existing at the beginning of the reporting period increased to kEUR 109,993 due to the exercise of share options and the corresponding creation of 100,000 new shares.

The share capital developed as follows:

in kEUR	2023	2022
Carry forward as at 01/01	109,893	109,793
Increase through exercise of options	100	100
Status as at 12/31	109,993	109,893

No treasury shares were held during the entire reporting period.

Authorised capital

At the beginning of the 2023 financial year, flatexDEGIRO AG had authorised capital totalling kEUR 54,400 (Authorised Capital 2021/I: kEUR 43,600; Authorised Capital 2021/II: kEUR 10,800):

- By resolution of the Annual General Meeting on 29 June 2021, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital until 19 October 2025 by up to a total of kEUR 43,600 against cash and/or non-cash contributions by issuing new no-par value registered shares on one or more occasions (Authorised Capital 2021/I). The shareholders must generally be granted subscription rights. However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in defined cases. The aforementioned resolution of the Annual General Meeting on 29 June 2021 became effective upon entry in the German Commercial Register on 20 August 2021. The Authorised Capital 2021/I of flatexDEGIRO AG remained unchanged at kEUR 43,600 as at the balance sheet date.
- By resolution of the Annual General Meeting on 29 June 2021, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital by a total of up to kEUR 10,800 by issuing on one or more occasions new no-par value registered shares against cash and/or non-cash contributions until 19 October 2025 (Authorised Capital 2021/II). The shareholders must generally be granted subscription rights. However, the Management Board is authorised, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in defined cases. The aforementioned resolution of the Annual General Meeting on 29 June 2021 became effective upon entry in the German Commercial Register on 20 August 2021. The Authorised Capital 2021/II of flatexDEGIRO AG remained unchanged at kEUR 10,800 as at the balance sheet date.

Conditional capital

- By resolution of the Extraordinary General Meeting of 30 October 2014, the Management Board was authorised, with the consent of the Supervisory Board, to conditionally increase the share capital by up to kEUR 1,390, by issuing up to 1,390,000 new no-par-value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital 2014, also referred to as Conditional Capital 2014/I in the Company's commercial register). In accordance with the resolution of 30 October 2014, the Conditional Capital 2014 serves exclusively to secure pre-emptive rights that are issued to the members of the Management Board, the employees of the Company and the members of the management and employees of affiliated companies of the Company in the period up to and including 30 September 2019 on the basis of the authorisation of the General Meeting of 30 October 2014 within the framework of the 2014 share options programme. The General Meeting of 27 July 2016 resolved to convert the bearer shares of the Company into registered shares. Accordingly, the Conditional Capital 2014 was modified for the issuance of registered shares. By resolution of the Extraordinary General Meeting of 4 December 2017, the General Meeting's authorisation, from 30 October 2014, to issue subscription rights as part of the 2014 share options programme which had been passed with modifications by the General Meeting on 27 July 2016, was modified and substantiated. At the same time, the Conditional Capital 2014 was amended to the effect that it also serves to secure subscription rights issued on the basis of the authorisation resolution of the General Meeting of 30 October 2014, also with adjustments by the General Meeting of 27 July 2016 and also in the version following their amendment by the corresponding resolution of the General Meeting of 4 December 2017, and specifically also to the extent that the option conditions underlying the subscription rights in question were revised after the subscription rights were issued in the context of the corresponding resolution of the General Meeting of 4 December 2017. As part of the 2014 share option programme, a total of 859,000 new registered no-par-value shares with a proportionate amount of the share capital of EUR 1.00 per share were issued from the 2014 Contingent Capital in the 2019 financial year, a total of 125,000 in the 2020 financial year and a total of 83,000 by 1 July of the 2021 financial year; corresponding amendments to the Articles of Association were entered in the commercial register. Accordingly, the Conditional Capital 2014 was authorised to kEUR 323 as of 1 July 2021. In the course of a capital increase from company funds in the form of a 1 : 4 share split resolved by the General Meeting on 29 July 2021, the existing Conditional Capital 2014 increased by operation of law in the same proportion as the subscribed capital (factor 4) to kEUR 1,292. The corresponding amendment to the Articles of Association was entered in the Commercial Register on 20 August 2021. As of the balance sheet date, the Conditional Capital 2014 of flatexDEGIRO AG amounts to kEUR 1,292.

- By resolution of the General Meeting of 28 August 2015, the Management Board was authorised, with the consent of the Supervisory Board, to conditionally increase the share capital by up to kEUR 230, by issuing up to 230,000 new no-par-value bearer shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital 2015, also referred to as Conditional Capital 2015/I in the Company's commercial register). In accordance with the resolution of 28 August 2015, the Conditional Capital 2015 serves exclusively to secure pre-emptive rights that are issued to the members of the Management Board, the employees of the Company and the members of the management and employees of affiliated companies of the Company in the period up to and including 27 August 2020 on the basis of the authorisation of the General Meeting of 28 August 2015 within the framework of the 2015 share options programme. The General Meeting of 27 July 2016 resolved to convert the bearer shares of the Company into registered shares. Accordingly, the Conditional Capital 2015 was modified for the issuance of registered shares. By resolution of the Extraordinary General Meeting of 4 December 2017, the authorisation to issue share options within the framework of a 2015 share options programme, resolved by the General Meeting of 28 August 2015 with adjustments by the General Meeting of 27 July 2016, was amended and substantiated. At the same time, the Conditional Capital 2015 was amended in such a way that it exclusively serves the securing of pre-emptive rights that were or will be issued on the basis of the authorisation resolution of the General Meeting of 28 August 2015, also with adjustments by the General Meeting of 27 July 2016 and in the version after its amendment by the corresponding resolution of the General Meeting of 4 December 2017, and also insofar as the option conditions underlying the respective subscription rights were revised after the subscription rights were issued in the context of the corresponding resolution of the General Meeting of 4 December 2017. As part of the 2015 share option programme, a total of 52,500 new registered no-par value shares with a proportionate amount of the share capital of EUR 1.00 per share were issued from the Conditional Capital 2015 in the 2020 financial year and a total of 70,000 by 1 July of the 2021 financial year; corresponding amendments to the Articles of Association were entered in the commercial register. The Conditional Capital 2015 was reduced accordingly to kEUR 107,500 until 1 July 2021. In the course of a capital increase from company funds in the form of a 1 : 4 share split resolved by the General Meeting on 29 June 2021, the existing Conditional Capital 2015 increased by law in the same proportion as the subscribed capital (factor 4) and now amounted to kEUR 430. The corresponding amendment to the Articles of Association was entered in the Commercial Register on 20 August 2021. Later in the 2021 financial year, due to the exercise of share options, an additional 88,000 subscription rights were issued from the Conditional Capital 2015 with a proportionate amount of the share capital of EUR 1.00 per share; as a result, the Conditional Capital 2015 was reduced by kEUR 88 to kEUR 342 after the share split. The corresponding amendment to the Articles of Association was entered in the Commercial Register on 15 February 2022. Later in the 2022 financial year, due to the exercise of share options, an additional total of 100,000 subscription shares were issued from the Conditional Capital 2015 with a proportionate amount of the share capital of EUR 1.00 per share; as a result, the Conditional Capital 2015 was reduced by kEUR 100 to kEUR 242 after the share split. The corresponding amendment to the Articles of Association was entered in the Commercial Register on 11 May 2022. In the financial year 2023, due to the exercise of share options, an additional total of 100,000 subscription shares were issued from the Conditional Capital 2015, each representing share capital of EUR 1.00 per share; as a result, the Conditional Capital 2015 was reduced in the reporting year by kEUR 100 to kEUR 142. The corresponding amendment to the Articles of Association was entered in the Commercial Register on 19 February 2024. As at the balance sheet date, the Conditional Capital 2015 amounted to kEUR 142.

- By resolution of the Extraordinary General Meeting of 4 December 2017 in the version after the adjustments by the resolution of the ordinary General Meeting of 7 August 2018 and by resolution of the Ordinary General Meeting of 20 October 2020 and by resolution of the General Meeting on 29 June 2021, the Management Board, with the consent of the Supervisory Board, was authorised to conditionally increase the share capital by up to kEUR 14,000 by issuing up to 14,000,000 new registered no-par-value shares with dividend rights starting at the beginning of the financial year in which they are issued (Conditional Capital 2017, designated in the Company's commercial register as Conditional Capital 2018/I). The conditional capital increase was to service debentures that could have been issued until 3 December 2022 based on the relevant authorisation resolution of the General Meeting of 4 December 2017, as amended after adjustments by the resolution of the General Meeting of 7 August 2018, by the resolution of the General Meeting of 20 October 2020 and by the resolution of the General Meeting of 29 June 2021. The authorisation to issue bonds expired on 3 December 2022 without being used. Conditional Capital 2017 became void in its entirety on 3 December 2022 as it expired; the Articles of Association were amended accordingly. The amended was entered in the commercial register on 4 April 2023.
- By resolution of the General Meeting of 7 August 2018, as amended following the adjustments made by the resolution of the General Meeting of 29 June 2021 and with the approval of the Supervisory Board, the Management Board was authorised to conditionally increase the share capital by up to kEUR 14,400 by issuing up to 14,400,000 new registered no-par-value shares with dividend rights from the beginning of the financial year in which they are issued (Conditional Capital 2018/II). The conditional capital increase serves to service bonds and/or profit participation rights issued up to 6 August 2023 on the basis of the corresponding authorisation resolution of the General Meeting of 7 August 2018 in the version after the amendments by the resolution of the General Meeting of 29 June 2021. The authorisation to issue bonds expired on 6 August 2023 without being used. The Conditional Capital 2018/II therefore became void in its entirety. The Articles of Association were amended accordingly. The amended was entered in the commercial register on 19 February 2024.

Share option plan

flatexDEGIRO AG has created share option programmes for the competitive overall remuneration of executives. The first share option programme was launched in 2014. Subscription rights were issued under this programme for the first time in 2015. Each subscription right from the share option programme grants the holder the right to acquire one no-par value bearer share in flatexDEGIRO AG in return for payment of a fixed subscription price. The subscription price is determined on the basis of the average closing price of the share over a fixed period preceding the resolution of the Annual General Meeting, less a discount.

The term of the subscription rights is six years from the issue date; they can be exercised at the earliest after a vesting period of four years. The prerequisite for exercise is that the market price of the share is exceeded by at least 100 % on any stock exchange trading day within two years of the issue of the respective subscription right (2014 option programme performance target). Only in the event of a change of control or delisting as defined in more detail in the authorisation and, if applicable, in later option conditions, can flatexDEGIRO AG pay a cash compensation instead of the shares and the holders of a subscription right can demand a cash compensation instead of the shares (in some cases even before the end of the vesting period).

A second share option programme was launched in 2015 based on a further authorisation by the Annual General Meeting. The conditions for this programme were modified due to the share price development in relation to the exercise requirement to the extent that the stock exchange closing price of the share must now exceed the respective subscription price by at least 50 % on any stock exchange trading day within two years of the issuance of the respective subscription right (performance target option programme 2015). The other conditions are the same as in the first programme.

No subscription rights were granted to the Management Board of flatexDEGIRO AG in 2023 (previous year: none). As of 31 December 2023, a total of 368,000 active subscription rights still existed. In the 2023 financial year, 100,000 subscription rights were exercised (previous year: 100,000) and a corresponding amount of EUR 100,000 was added to subscribed capital. The capital reserve increased by EUR 220 thousand (previous year: EUR 220 thousand) as a result of shares issued for options with subscription rights in the current financial year.

Development of equity

Subscribed capital increased due to options exercised in the reporting year from the share option programme 2015 in the amount of kEUR 100 (previous year: kEUR 100). The entry in the German commercial register was made on 4 April 2023. Retained earnings amounted to kEUR 132,666 (previous year: kEUR 85,202). The legal reserve totalled kEUR 2,869 as at the reporting date (previous year: kEUR 2,869).

in EUR	Subscribed capital	Own shares acquired	Capital reserve	Legal reserve	Other retained earnings	Balance sheet profit / balance sheet loss	Total equity
Status as at 12/31/2022	109,892,548	-	229,110,033	2,868,750	85,202,220	47,463,914	474,537,465
Net profit for the year	-	-	-	-	-	75,543,584	75,543,584
Change due to share option programme	100,000	-	219,750	-	-		319,750
Transfer to retained earnings	-	-	-	-	47,463,914	-47,463,914	-
Status as at 12/31/2023	**109,992,548**	**-**	**229,329,783**	**2,868,750**	**132,666,134**	**75,543,584**	**550,400,799**

Provisions for pensions

The provisions for pensions for one current employee and one former employee as well as eight (previous year: eight) former members of the Management Board of an acquired company are based on actuarial reports.

In the course of the offsetting required by Section 246 (2) sentence 2 HGB, existing pension obligations totalling kEUR 12,148 (previous year: kEUR 10,188) were offset against plan assets held for this purpose as at the reporting date. The fair value of the plan assets totalled kEUR 11,313 as at the reporting date (previous year: kEUR 10,149). As part of the application of Section 246 (2) sentence 2 HGB, interest income from plan assets totalling kEUR 527 (previous year: kEUR 1,488) was also offset against expenses from existing obligations amounting to kEUR 256 (previous year: kEUR 872) in the reporting year.

The excess liability for four beneficiaries as at the reporting date is recognised under provisions for pensions at kEUR 5,035 (previous year: kEUR 4,390).

Provisions for taxation

In the reporting year, flatexDEGIRO AG recognised a provision for corporate income tax and solidarity surcharges of kEUR 6,951 (previous year: kEUR 13,710). The provision for trade tax amounts to kEUR 6,521 (previous year: kEUR 13,777).

Other provisions

Other provisions mainly include provisions for bonuses totalling kEUR 2,805 (previous year: kEUR 2,550), provisions for holidays totalling kEUR 742 (previous year: kEUR 225), provisions for SARs totalling kEUR 9,394 (previous year: kEUR 36,147), provisions for Supervisory Board remuneration totalling kEUR 365 (previous year: kEUR 310), for annual financial statement and auditing costs totalling kEUR 1,044 (previous year: kEUR 894), legal and consulting costs totalling kEUR 100 (previous year: kEUR 75), general consulting costs totalling kEUR 94 (previous year: kEUR 62), and various outstanding invoices totalling kEUR 1,475 (previous year: kEUR 545).

Stock Appreciation Rights

In addition to the stock option plans, flatexDEGIRO AG introduced the Stock Appreciation Rights Plan 2020 (SARs Plan 2020) in May 2020. Under the SARs 2020, members of the Management Board and employees can be granted more than four million stock appreciation rights (SARs), which can be exercised by the beneficiary within a further three years after a vesting period of three years. Furthermore, up to a further 1,600,000 SARs can be granted as part of a purchase model. The purchase of shares in flatexDEGIRO AG is a prerequisite for the granting of further SARs under the purchase model. In 2023, employees were granted a total of 456,129 (previous year: 325,606) SARs.

For the SARs plan 2020, a provision is recognised as an expense over the vesting period. The expenses are recognised in personnel expenses, while any reversals of provisions are recognised in other operating income. The provision is measured using a suitable option pricing model (Black-Scholes formula) and by taking into account the expected earnings per share on the expected exercise date. The other valuation assumptions share price, interest rate and volatility were determined on the basis of publicly available market data on the balance sheet date.

As at 31 December 2023, a provision of kEUR 9,394 (previous year: kEUR 36,147) was established and corresponding expenses of kEUR 14,030 (previous year: income of kEUR 38,441) were recognised.

In 2023, employees were granted a total of 456,129 (previous year: 325,606) SARs. A total of 2,030,438 SARs were outstanding as at the reporting date.

Payments received on account of orders and trade payables

There is a liability with a remaining maturity of more than one year in the amount of kEUR 88 (previous year: kEUR 604) from rental licences.

As in the previous year, the other reported liabilities have a remaining maturity of up to one year.

Payables owed to affiliated companies

As at 31 December 2023, trade payables amounted to kEUR 2,358 (previous year: kEUR 73) with a remaining maturity of up to one year.

In addition, there is a liability of kEUR 3,298 (previous year: kEUR 3,298) for compensation claims utilised from the purchase of DeGiro B.V. in 2020, with a corresponding remaining maturity of three years.

Other payables

Other payables comprise the following:

In EUR	12/31/2023	12/31/2022
Tax liabilities	236,185	1,855,060
Liabilities from lease purchase	8,743,439	9,414,807
Other liabilities	830,513	650,607
Total	**9,810,137**	**11,920,474**

There are no other payables (previous year: kEUR 0) with a remaining maturity of more than one year.

Prepaid income

Prepaid income includes the deferral of income already received, which represents income for subsequent periods. There is prepaid income in connection with the sponsorship of Borussia Mönchengladbach from affiliated companies, a construction cost subsidy for the Hamburg branch, and a maintenance service for a customer.

Explanatory notes to the profit and loss statement

Revenues

Revenues of kEUR 90,931 (previous year: kEUR 79,435) are mainly generated in Germany. In accordance with the company's operating activities, revenues are broken down as follows:

In kEUR	12/31/2023	12/31/2022
Core Banking System (CBS)	33,362	29,155
IT infrastructure	1,861	1,864
Software (development and maintenance)	29,542	24,026
Group allocations	26,166	24,390
Total	**90,931**	**79,435**

Revenues from affiliated companies totalled kEUR 81,215 in the reporting year (previous year: kEUR 70,043). The company generated significant revenues for IT services and from a Group allocation for management and other services, and the CBS.

Other operating earnings

Other operating earnings mainly include income from the increase in the asset value of the reinsurance policy in the amount of kEUR 1,192 (previous year expense: kEUR 337), from the increase from non-cash benefits (vehicle use) in the amount of kEUR 498 (previous year: kEUR

458) as well as from the reversal of provisions in the amount of kEUR 63 (previous year: kEUR 1,983), and kEUR 0 (previous year: kEUR 38,441) from the reversal of provisions from SARs.

Expenditures on materials

The expenditure on materials totalling kEUR 13,779 (previous year: kEUR 13,134) mainly includes expenses from sponsoring for Borussia Mönchengladbach amounting to kEUR 7,870 (previous year: kEUR 8,878).

Personnel expenses

This line item includes expenses for wages and salaries totalling kEUR 45,863 (previous year: kEUR 25,696) and for pensions amounting to kEUR 2,210 (previous year: kEUR 1,584). The increase is due to the rising number of employees and salary adjustments.

Other operating expenses

In particular, other operating expenses include IT costs, costs of premises, insurance, contributions and fees, repairs and maintenance costs, licence fees, advertising and travel expenses, costs of vehicles, telecommunications costs, training costs and legal and consulting costs.

In EUR	2023	2022
IT costs	8,514,910	4,337,895
Office rental costs	4,581,900	3,853,815
Insurances, contributions and fees	1,898,270	1,515,341
Legal and consulting fees	1,503,287	1,506,991
Vehicle costs	1,160,180	868,484
Telecommunication costs	1,049,528	1,003,210
Other personnel expenses	882,366	1,011,556
Travel expenses	702,184	406,248
Training costs	580,605	650,602
Representation	1,149,758	1,028,404
Contributions and fees	104,730	126,847
Postage and office supplies	77,402	52,293
Other expenses	3,301,652	1,847,660
Total	**25,506,771**	**18,209,346**

The increase in IT costs by kEUR 4,177 to kEUR 8,515 (previous year: kEUR 4,338) is mainly due to additional IT services and higher licence fees.

The increase in other expenses by kEUR 1,454 to kEUR 3,302 (previous year: kEUR 1,848) is mainly due to the loss from the disposal of financial.service.plus GmbH (kEUR 1,958).

Income/expenses relating to other periods

There is no income or expenses relating to other periods (previous year: kEUR 0).

Amortisations / depreciations

Depreciation of tangible assets and amortisation of intangible assets increased to kEUR 7,485 (previous year: kEUR 5,787).

The line item "Depreciations of financial assets and of investment securities forming part of the current assets" includes kEUR 753 (previous year: kEUR 0) in write-downs due to the sale of financial.service.plus GmbH.

Income from profit transfer agreements

The line item “Income from profit transfer agreements” includes income from the profit transfer agreement with flatex Finanz GmbH.

In the reporting year, the income from profit transfer agreements increased by kEUR 22,056 to kEUR 89,260.

Other interest receivable and similar income

In the reporting year, no interest was recognised from affiliated companies (previous year: kEUR 0). This line item includes kEUR 15 in interest income from reinsurance policies that are not attributable to plan assets. It also includes interest income from the discounting of provisions totalling kEUR 21 (previous year: kEUR 14). In the financial year, kEUR 10 of interest income and interest expenses were incurred for income taxes in accordance with Section 233a of the Fiscal Code of Germany (previous year: kEUR 0 for value added tax).

Interest payable and similar expenses

This line item comprises the interest expenses to be offset in accordance with Section 246 (2) sentence 2 HGB from liabilities from pension obligations and similar long-term obligations totalling kEUR 256 (previous year: kEUR 872). In the reporting year, interest totalling kEUR 0 (previous year: kEUR 48) was paid to affiliated companies. This line item also includes the balance of interest income from plan assets totalling kEUR 527 (previous year: kEUR 1,488).

Taxes on income and earnings

Corporate income and solidarity surcharge as well as trade tax were recognised for the financial year 2023 in accordance with applicable tax regulations. This includes kEUR 2,698 for corporate income and solidarity surcharge (previous year: kEUR 10,176) and kEUR 2,928 for trade tax (previous year: kEUR 10,085). This line item includes tax expenses totalling kEUR 0 for the previous financial year (previous year: kEUR 178). In addition, capital gains tax in the amount of kEUR 15 is recognised. In the reporting year, there was an overall decrease in the tax expense recognised, which is mainly due to the fact that in 2023 a change was made in the tax allocation of interest income generated at the level of flatexDEGIRO Bank AG from deposit facilities between flatexDEGIRO Bank AG (indirect subsidiary of flatexDEGIRO AG) and its Dutch branch.

Deferred taxes

The total deferred tax assets resulted primarily from pension provisions and assets for pensions, other provisions (SARs) and deferred taxes from tax group companies. The deferred taxes resulting from the tax group companies also result primarily from pension provisions and assets for pensions as well as valuation differences in connection with an investment in a partnership. The measurement of deferred taxes was based on a tax rate of 31.185%.

Other disclosures

Contingent liabilities and other financial obligations

As at the balance sheet date, the following other financial obligations existed in accordance with Section 251 German Commercial Code (HGB) in conjunction with Section 268 (7) HGB:

In EUR	**Total as at 12/31/2023**	**thereof up to 1 year**	**of which between 2 and 5 years**	**thereof after 5 years**	**Total as at 12/31/2022**
From rental and leasing contracts	27,529,191	6,025,108	17,731,707	3,772,377	17,599,207
From maintenance contracts	8,734,919	3,583,916	5,151,002	-	3,114,214
From other contracts	8,021,422	5,586,226	2,435,196	-	5,961,889
Status at 12/31/2023	44,285,532	15,195,250	25,317,905	3,772,377	26,675,310

Apart from the other financial obligations listed above, there are no other contingent liabilities.

Employees

The average number of employees in the current financial year was 364 (previous year: 340). The breakdown of employees by group as at the reporting date compared to the previous year is as follows:

Number	2023	2022
Full-time employees	323	275
Part-time employees	40	60
Executive employees without the Management Board (previous year including authorised representatives)	8	28
Total	**371**	**363**

Shareholdings

flatexDEGIRO AG has direct shareholdings in the following companies within the meaning of Section 285 No. 11 HGB:

	Shares held directly as at 12/31/2023 in percent	Equity as at 12/31/2023 in EUR	Result of the financial year 2023 in EUR
flatex Finanz GmbH, Frankfurt am Main[1]	100.0	428,532,224	-
Xervices GmbH, Frankfurt am Main	100.0	2,698,311	1,320,537
Cryptoport GmbH, Frankfurt am Main	100.0	258,327	-589,440
flatexDEGIRO Bank AG, Frankfurt am Main[2, 3]	-	183,111,538	89,206,251
flatexDEGIRO UK Ltd., London[2, 3]	-	2,281,421	76,136

[1]Profit and loss transfer agreement with flatexDEGIRO AG

[2]Indirectly via flatex Finanz GmbH

[3]Profit and loss transfer agreement with flatex Finanz GmbH

Members of governing bodies and remuneration

The Management Board of flatexDEGIRO AG consists of:

Frank Niehage LL.M, Frankfurt am Main - Chairman of the Management Board with sole power of representation, exempt from the restrictions of § 181 Alt. 2 German Civil Code (BGB) (prohibition of multiple representation).

Muhamad Said Chahrour, Frankfurt am Main - Chief Financial Officer until 28 July 2023

Dr Benon Janos, Frankfurt am Main - Chief Financial Officer

Stephan Simmang, Frankfurt am Main - Management Board member responsible for IT

Details of the Management Board's remuneration can be found in the remuneration report; total remuneration amounted to kEUR 3,308, of which kEUR 72 relates to the SARs component.

The fixed remuneration of the current members of the Management Board remained unchanged until the reporting date of 31 December 2023. None of the Management Board members were granted benefits by a third party with regard to their activities as Management Board members.

The Supervisory Board of flatexDEGIRO AG was composed as follows in the reporting period:

Martin Korbmacher, Frankfurt am Main, Chairman of the Supervisory Board

Position held:

- Managing Director of Event Horizon Capital & Advisory GmbH, Frankfurt am Main

- Managing Director of arsago ACM GmbH, Frankfurt am Main

- Managing Director of arsago Ventures GmbH, Frankfurt am Main

Mr Korbmacher was a member of the following other statutory supervisory boards of domestic companies in 2023.

- Chairman of the Supervisory Board of SGT German Private Equity GmbH & Co. KGaA, Frankfurt am Main (until 28 June 2023)

- Chairman of the Supervisory Board of flatexDEGIRO Bank AG, Frankfurt am Main

Stefan Müller, Küps, Deputy Chairman of the Supervisory Board

Position held:

- Head of Finance and Chief Representative of Börsenmedien AG, Kulmbach

- General Representative of BF Holding GmbH, Kulmbach

- General Representative of GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach

- Managing Director of Panthera AM GmbH, Kulmbach

Mr Müller was a member of the following other statutory supervisory boards of domestic companies in 2023.

- Chairman of the Supervisory Board of Heliad AG, Frankfurt am Main (known as FinLab AG prior to 13 October 2023)

- Deputy Chairman of the Supervisory Board of Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main (until its merger on 12 October 2023 with the former FinLab AG / current Heliad AG)

- Deputy Chairman of the Supervisory Board of tubesolar AG, Augsburg (until 29 September 2023)

- Member of the Supervisory Board of flatexDEGIRO Bank AG, Frankfurt am Main

Herbert Seuling, Kulmbach, Member of the Supervisory Board

Occupation held:

- Managing Director of M & S Monitoring GmbH, Kulmbach

Mr Seuling was a member of the following other statutory supervisory boards of domestic companies in 2023.

- Deputy Chairman of the Supervisory Board of Heliad AG, Frankfurt am Main (trading as FinLab AG prior to 13 October 2023)

- Member of the Supervisory Board of Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main (until its merger on 12 October 2023 with the former FinLab AG / current Heliad AG)

- Chairman of the Supervisory Board of tubesolar AG, Augsburg (until 2 October 2023)

The members of the Supervisory Board of flatexDEGIRO AG only receive fixed remuneration of a regular nature. The remuneration for Supervisory Board activities at the Group parent company flatexDEGIRO AG (including the applicable temporary VAT rate) is as follows:

In EUR	2023	2022
flatexDEGIRO AG	365,000.00	310,000.00

Auditor's fee

The option pursuant to Section 285 No. 17 of the German Commercial Code was exercised. Accordingly, the auditor's fee is reported in the consolidated financial statements of flatexDEGIRO AG.

Appropriation of the profit

The legal basis for the proposal on the appropriation of profits is the balance sheet profit of flatexDEGIRO AG determined in accordance with the accounting regulations under the German Commercial Code following the allocation to retained earnings.

The Management Board proposes to the Annual General Meeting that the balance sheet profit of EUR 75,543,583.81 recognised in the company's annual financial statements for the financial year 2023 be appropriated as follows:

Distribution of a dividend of EUR 0.04 per no-par value share entitled to dividends	EUR	4,399,701.92*
Transfer to other retained earnings	EUR	71,143,881.89*
Profit carried forward from the previous year	EUR	0.00
Balance sheet profit	EUR	75,543,583.81

* The total dividend and the residual amount to be allocated to other retained earnings in the above proposal for the appropriation of profits are based on the share capital of EUR 109,992,548.00 as at 31 December 2023, divided into 109,992,548 no-par value shares with dividend entitlement. The number of shares entitled to dividends may change until the date of the resolution by the Annual General Meeting on the appropriation of net profit due to the existing share option programmes. In this case, a correspondingly adjusted proposal for the appropriation of profits will be submitted to the Annual General Meeting, which will continue to provide for a distribution of EUR 0.04 per no-par value share carrying dividend rights. The adjustment will be made as follows: If the number of shares entitled to dividends and thus the total dividend increases, the amount to be allocated to other retained earnings will be reduced accordingly.

Events after the balance sheet date (supplementary report)

There were no significant events after the balance sheet date.

Frankfurt am Main, 06 March 2024

flatexDEGIRO AG

Frank Niehage
CEO, Chairman of the Management Board

Dr. Benon Janos
CFO, Member of the Management Board

Stephan Simmang
CTO, Member of the Management Board

Christiane Strubel
CHRO, Member of the Management Board

Management Report

Basis of presentation

This Management Report of flatexDEGIRO AG (hereinafter referred as "flatexDEGIRO", "Group", "flatexDEGIRO Group" or "Group of companies") has been prepared in accordance with Section 289 ff German Commercial Code (HGB) and the German Accounting Standards (DRS) 20. All report content and details are based on the reporting date of 31 December 2023 or the financial year ending on this reporting date.

The personal pronouns "we", "us" and "our" used in this Management Report refer to flatexDEGIRO AG including its subsidiaries.

Forward-looking statements

This management report may contain forward-looking statements and information, which may be identified by formulations using terms such as "expects", "aims", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "shall" or similar. Such forward-looking statements are based on our current expectations and certain assumptions, which may be subject to a variety of risks and uncertainties. The results actually achieved by flatexDEGIRO AG may differ substantially from these forward-looking statements. flatexDEGIRO AG assumes no obligation to update these forward-looking statements or to correct them in the event of developments which differ from those anticipated.

1 Fundamentals of the Company

1.1 Business model of the Group

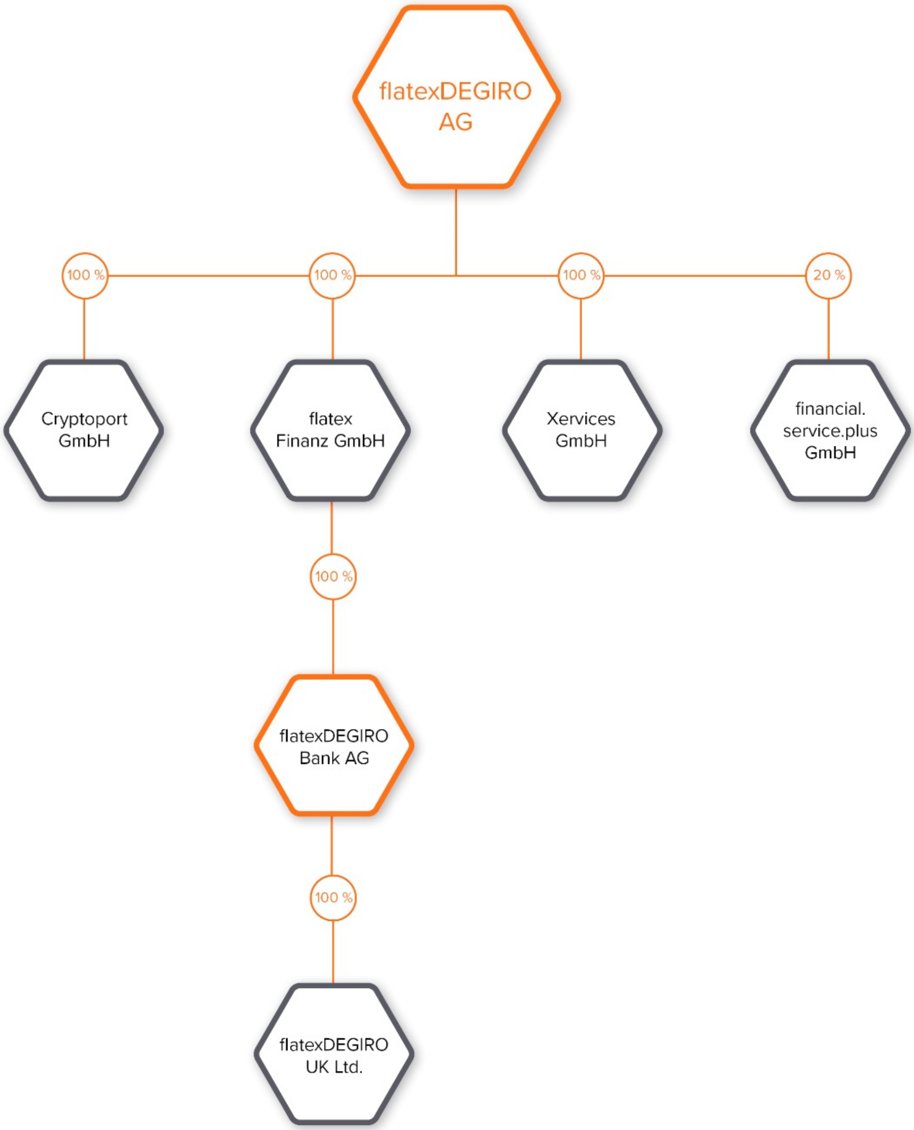
flatexDEGIRO AG is a German company with registered offices in the Omniturm, Grosse Gallusstrasse 16-18, 60312 Frankfurt. It is listed on the regulated market of the Frankfurt Stock Exchange, with additional post-listing obligations (Prime Standard, S-DAX, WKN: FTG111, ISIN: DE000FTG1111 / ticker symbol: FTK.GR).

1.2 Group structure of flatexDEGIRO AG

flatexDEGIRO AG holds a direct 100 % stake in Cryptoport GmbH, Xervices GmbH, and flatex Finanz GmbH, as well as a 20% interest in financial.service.plus GmbH.

flatexDEGIRO AG also holds, via flatex Finanz GmbH, an indirect 100% stake in flatexDEGIRO Bank AG, Frankfurt. The subsidiary flatexDEGIRO Bank AG, Frankfurt, which is included in the consolidated financial statements, operates a branch office in the Netherlands under the name flatexDEGIRO Bank Dutch Branch, which has its registered office in Amsterdam, a branch office in Bulgaria under the name flatexDEGIRO Bank Bulgaria BFT, a subsidiary in the United Kingdom under the name flatexDEGIRO UK Ltd. with registered office in London, and one branch offices in Austria under the name flatexDEGIRO Bank AG, with registered office in Vienna.

The group structure of flatexDEGIRO AG and its subsidiaries and second-tier subsidiaries is illustrated below:



The investment in financial.service.plus GmbH was reduced from 72% to 20% in the 2023 financial year, meaning that the company is no longer included in the scope of consolidation and is to be classified as at equity investment. There were no other changes to the Group structure.

1.3 Management of the Company

The management of flatexDEGIRO AG is the responsibility of the Management Board, which consists of the following members as at 31 December 2023:

Frank Niehage, LL.M.
CEO

Dr. Benon Janos
CFO

Stephan Simmang
Chief Technology Officer

In addition, the Management Board is advised by a global management team in the areas of risk management, information technology, securities settlement and human resources:

Dr. Matthias Heinrich
Chief Risk Officer

Steffen Jentsch
Chief Project & Process Officer

Jens Möbitz
Board Member, Bank

Christiane Strubel
Chief HR Officer

After many years as Chief Financial Officer (CFO) of flatexDEGIRO Bank AG, Dr Benon Janos was also appointed CFO of flatexDEGIRO AG as of 1 January 2023.

Stephan Simmang also joined the Management Board of flatexDEGIRO AG and flatexDEGIRO Bank AG as Chief Technology Officer (CTO) on 1 January 2023.

Muhamad Chahrour, Deputy CEO and COO, left the company with effect from 31 December 2023.

Christiane Strubel was appointed to the Management Board of flatexDEGIRO AG as CHRO with effect from 1 January 2024.

As at 31 December 2023, the Supervisory Board of flatexDEGIRO AG consisted of the following members:

Martin Korbmacher
(Chairman)

Stefan Müller
(Vice-Chairman)

Britta Lehfeldt
(Supervisory Board member)

Aygül Özkan
(Supervisory Board member)

Herbert Seuling
(Supervisory Board member)

Britta Lehfeldt was elected to the Supervisory Board of flatexDEGIRO AG by resolution of the Annual General Meeting on 13 June 2023.

The current declaration on corporate governance pursuant to Sections 289f and 315d HGB can be downloaded from the flatexDEGIRO AG website at www.flatexdegiro.com/en/investor-relations/corporate-governance

The Declaration of Conformity within the meaning of Section 161 of the German Stock Corporation Act (AktG), issued on the basis of the German Corporate Governance Code as amended on 28 April 2022, will be published on the flatexDEGIRO AG website at www.flatexdegiro.com/en/investor-relations/corporate-governance by the Supervisory Board and Management Board after it has been adopted, but no later than four months after the end of the reporting period.

1.4 Remuneration system of the Management Board and Supervisory Board

The members of the Management Board of flatexDEGIRO AG receive fixed and variable remuneration components as well as a share-based payment. There are no compensation commitments to members of the Management Board for the time after the end of their respective terms of employment with the Company. The members of the Supervisory Board of flatexDEGIRO AG only receive a fixed remuneration component.

1.5 Disclosure pursuant to Sections 289a

1. Composition of subscribed capital

   The subscribed capital (share capital) of flatexDEGIRO AG on the balance sheet date was EUR 109,992,548.00 and is divided into 109,992,548 no-par registered shares with full voting rights. Each share grants equal associated rights, and one vote each in the Annual General Meeting

2. Restrictions and relevant agreements on voting rights and share transfers

   The Management Board is not aware of any agreements with shareholders of flatexDEGIRO AG on the balance sheet date that contain restrictions affecting voting rights or share transfers. There are statutory restrictions on voting rights which apply, e.g., pursuant to Section 44 (1) of the Securities Trading Act (WpHG) (violation of notification obligations), Section 71b AktG (rights from treasury shares), and Section 136 (1) AktG (exclusion of voting rights in certain conflicts of interest).

3. Equity participations exceeding 10 % of voting rights

   As of the balance sheet date (31 December 2023), the following indirect or direct equity participations exceed 10 % of the voting rights:

   - Mr Bernd Förtsch, Germany, notified us on 27 October 2023 that his voting right share in flatexDEGIRO AG on 12 October 2023, held directly or indirectly, was 21,112,968 voting rights or 19.20 %. At this time, the total number of voting rights in accordance with Section 41 of the German Securities Trading Act (WpHG) was 109,952,548, with 1,586,428 voting rights or 1.44 % of voting rights held directly by Mr Förtsch; 19,526,540 voting rights or 17.76 % of voting rights were attributed to Mr Förtsch via his equity participations in GfBk Gesellschaft für Börsenkommunikation mbH ("GfBk"), Kulmbach, and Heliad AG, Frankfurt. At that point, GfBk held a direct stake of 13.08 % in the share capital of flatexDEGIRO AG. At that point in time, BFF Holding GmbH ("BFF"), as a 100 %-owned parent company of GfBk, indirectly held 13.08 % of the share capital of flatexDEGIRO AG via its equity participation in GfBk. Up to the balance sheet date, the Management Board had not been informed by GfBk, BFF or Mr Förtsch of any further instances of thresholds being met as defined by Section 33 Paragraph 1 WpHG.

4. Shares with special rights

   There are no flatexDEGIRO AG shares that grant any special rights.

5. Control of voting rights where employees hold capital shares and do not directly exercise their control rights

   The Management Board is not aware of any employees who hold shares in the capital of flatexDEGIRO AG and do not directly exercise their control rights in the same manner as other shareholders, in accordance with the statutory provisions and the Articles of Association.

6. Provisions for the appointment and dismissal of members of the Management Board and amendment of the Articles of Association

   The provisions relevant to the appointment and dismissal of members of the Management Board can be found in Sections 84 and 85 AktG, as well as in Section 6 of the Articles of Association. The Articles of Association of flatexDEGIRO AG do not contain any provisions which deviate from the statutory regulations in this respect.

   Amendments to the Articles of Association are made in line with the provisions of Sections 179 et seqq., and 133 AktG and Section 4 (3 - 7) (here in each case in the last sentence) and Section 18 (2) of the Articles of Association. In as far as amendments affect only the wording, they may be made by resolution of the Supervisory Board in the cases defined in Section 4 (3 - 7) of the Articles of Association. Section 18 (2) of the Articles of Association, in accordance with Section 179 (2) sentence 2 AktG, sets out that resolutions of the Annual General Meeting shall be passed by simple majority of the votes cast and, if the law specifies a capital majority in addition to the voting majority, by simple majority of the voting capital which is represented at the time the resolution is voted on, subject to mandatory statutory specifications or provisions to the contrary.

7. Management Board's authority to issue and repurchase shares

   Share issuance: the Company has the following authorised capital which, subject to approval by the Supervisory Board, the Management Board may use to create and issue new shares:

   - Authorised Capital 2021/I pursuant to Section 4 (3) of the Articles of Association: issue of up to 43,600,000 shares;
   - Authorised Capital 2021/II pursuant to Section 4 (8) of the Articles of Association: issue of up to 10,800,000 shares.

   In addition, the Company has the following conditional capital which, subject to approval by the Supervisory Board, the Management Board may use to create and issue new shares:

   - Conditional Capital 2014 pursuant to Section 4 (4) of the Articles of Association: issue of up to 1,292,000 shares (2014 share options programme);
   - Conditional Capital 2015 pursuant to Section 4 (5) of the Articles of Association: issue of up to 242,000 shares (2015 share options programme);
   - Conditional Capital 2018/I (2017) pursuant to § 4 (6) of the Articles of Association: Issue of up to 14,000,000 shares (in connection with the issue of debt instruments in the form of convertible bonds and/or bonds with warrants);
   - Conditional Capital 2018/II pursuant to § 4 paragraph 7 of the Articles of Association: Issue of up to 14,400,000 shares (in connection with the issue of debt instruments, e.g., convertible bonds and/or bonds with warrants).
   - As of the balance sheet date, the Management Board is not authorised to acquire treasury shares.

   For further details, please refer to the consolidated financial statements of flatexDEGIRO AG.

8. Significant company agreements that are subject to a change of control resulting from an acquisition offer, including the resulting effects, and compensation agreements of the company that have been concluded with the members of the Management Board or with employees in respect of a takeover offer

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

   At the level of flatexDEGIRO Bank AG, there are contracts which contain change-of-control clauses that permit the respective parties and/or contractual partner to terminate their cooperation with flatexDEGIRO Bank AG in the event of a change of control at flatexDEGIRO AG. Under these contracts, 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 AktG section 17.

   The service contract of the Chairman of the Management Board of flatexDEGIRO AG includes a change-of-control clause. In the event of a change of control, this is intended to provide the Chairman of the Management Board with financial security in order to maintain his independence in the event of a takeover situation.

   - In the event of a change of control, the Chairman of the Management Board has a special right of termination within the first six months.
   - If the special right of termination is exercised, he shall be entitled to the following compensation payments:
     1. The fixed salary that is in principle to be paid.
     2. A flat-rate bonus payment in the amount of EUR 500,000 gross p. a.
     3. 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.
     4. Together, the compensation payments may amount to not more than two year's total remuneration (compensation cap). The cap is calculated on the basis of the total remuneration for the past financial year.
     5. If the total remuneration for the current financial year is likely to be significantly higher or lower, this must be taken into account.

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

1.6 Business activity of the Company

The business activities of flatexDEGIRO AG in the 2023 reporting year were characterised by continuous further development of the technological basis in the area of flatexDEGIRO AG's core product, the flatex Core Banking System (FTX:CBS for short). At the same time, the company was able to further consolidate its position as a reliable operator of a state-of-the-art data centre.

In addition, the reporting year was characterised by numerous projects in which flatexDEGIRO AG's software solutions were further developed in order to meet the constantly changing requirements of the financial sector and the regulatory environment. Our development teams focussed on the implementation of customised applications, digital platforms and security solutions to enable the Group's brokerage customers in particular to conduct their business efficiently and securely.

Designed as a standard platform for the technological mapping of business processes for full banking operations, FTX:CBS fulfils current requirements for regulatory, security and availability. The hosting and operation of FTX:CBS takes place in flatexDEGIRO AG's own data centres, which guarantee secure and redundant operation. The combination of software and IT infrastructure has created a scalable system that allows flatexDEGIRO AG to process a growing number of transactions with its own systems. In 2023, flatexDEGIRO AG was able to reliably process the 57 million transactions of 2.7 million customer accounts.

In addition to FTX:CBS, the Limit Order System (L.O.X. for short) is able to monitor the limit orders and request for quote orders of more than 20 European brokers against the price feed of connected issuers with more than 600,000 products. Products from the area of corporate payments round off the portfolio. These range from individual authorisation procedures via distributed electronic signatures and multi-bank capability.

1.7 Employees and locations

As at the reporting date, flatexDEGIRO AG has business operations at ten locations in Germany. As of the reporting date, 371 employees (previous year: 363) were employed by the flatexDEGIRO AG.

Advanced conferencing software enables flatexDEGIRO employees to work mobile, reducing the impact that travelling to and from work every day has on both our employees and the environment. For this purpose, flatexDEGIRO generally offers hybrid working models to all employees. In addition, flatexDEGIRO AG avoids domestic flights as far as possible and is constantly pushing ahead with measures to promote e-mobility. The first fully electric vehicles are in use throughout Europe.

Continuous learning and further development of our employees are crucial for our sustainable entrepreneurial success. To this end, flatexDEGIRO has established and expanded a range of targeted development and training opportunities for career starters, middle management employees and experienced managers. In view of the COVID-19 pandemic and general health care, flatexDEGIRO promotes the possibility of appropriate preventive vaccinations among its employees.

The attractiveness of flatexDEGIRO as an employer was confirmed both in a Group-wide employee survey and by a number of external awards such as the “Top Employer” seal in 2023. This is also reflected in the best rating of all online brokers on the German employer rating platform kununu.

By deploying SAP SuccessFactors® as a professional HCM solution, flatexDEGIRO AG supports its employees during each phase of the employee lifecycle and simplifies the global collaboration between employees in their daily work. In the past financial year, the system was expanded to include a digital employee assessment and an international recruiting platform.

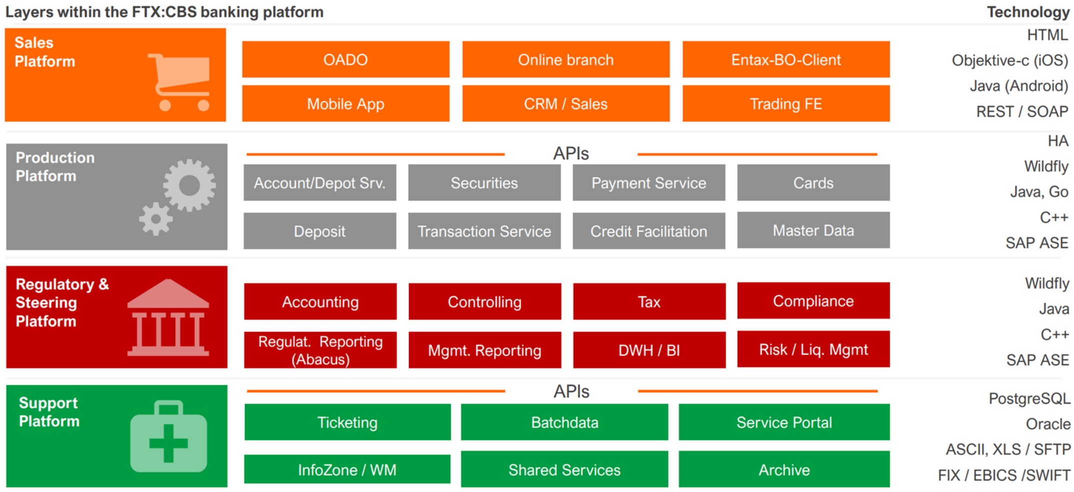
1.8 Products and services

Together with flatexDEGIRO Bank AG, flatexDEGIRO AG offers end customer business in the online brokerage segment, efficient securities and payment processing as well as the development and operation of innovative IT technologies, all from a single source. As an innovative company in the financial sector with in-house IT and an in-house bank with a full banking licence, flatexDEGIRO AG has an exceptionally high level of vertical integration and is only dependent on external service providers to a limited extent.

The products and services of flatexDEGIRO AG are based on an ecosystem consisting of the dimensions Software as a Service (SaaS) and Banking as a Service (BaaS).

SaaS forms the technology basis, BaaS represents the banking services of flatexDEGIRO AG. This enables the flatexDEGIRO Group to cover the entire product portfolio of a technology provider and a full-service bank.

The flatexDEGIRO core banking system FTX:CBS is a scalable IT standard platform for the technological mapping of business processes for full banking operations. It combines the technical support of all bank- and brokerage-specific business processes in one system:



The sales platform forms the basis for customer contact points with components from the online account and custody opening (client check-in, CCI), Customer Relationship Management (CRM), online banking front-end, trading front-end, support and call centre as well as (marketing) campaign management areas. Technical support is provided by means of the Banking Suite's modular software solutions, such as ENTAX or CRM tools.

The production platform encompasses all productions processes for account and custody management, cash deposit, securities settlement, payments, money market and foreign exchange transactions and loans. Software solutions such as WebFiliale and WinFiliale, as well as solutions such as corporate payments, tools for professional trading and market data and low latency services are integrated into this platform.

The control platform (regulatory and steering platform) covers business processes in accounting, regulatory reporting, management reporting and risk management. On the software side, support is provided, among other things, by connecting a Cloud ERP General Ledger (SAP Business ByDesign©) based on S/4HANA technology. It also includes business intelligence and management reporting tools.

The support platform assists the other three platforms with archiving, release management, fulfilment and authentication processes.

In addition to FTX:CBS, the Limit Order System (abbreviation: L.O.X.) from the group subsidiary Xervices GmbH is able to ensure bilateral technical order forwarding and to monitor the limit orders of approx. 20 European brokers against the price feed of connected issuers with approx. 600,000 products.

1.9 Goals and strategies

1.9.1 Strategic goals of the Company

flatexDEGIRO AG aims to position itself as the leading independent European "financial supermarket" and thus offer financial products on its platform that go beyond the current product range, either itself or via partnership models. This could include, for example, a digital asset management offering or access to insurance. The main focus here is on the further development and expansion of the online brokerage business. Above all, flatexDEGIRO is aiming for sustainable, above-average growth and rapid market penetration. Furthermore, maintaining a technologically leading position is critical to success. By exploiting economies of scale and an efficient centralised business organisation, flatexDEGIRO aims to achieve further increase in profitability and shareholder value creation through this growth.

There are currently no plans to expand outside Europe.

1.9.2 Operative goals of the Company

flatexDEGIRO AG is following clear operational targets in the 2023 reporting year in order to further strengthen its position as an innovative technology provider and ensure the successful operation of its own data centre. The formulated goals reflect the company's strategic priorities and long-term vision.

A primary operational goal of flatexDEGIRO AG is the continuous provision of new technologies, methods and solutions in order to provide our customers with innovative products and services. The support of research and development is central to this in order to anticipate market trends and develop solutions in line with customer needs. The further expansion of FTX:CBS is geared towards the needs of the Group. This includes, in particular, the expansion of the digital brokerage platforms and our own OTC trading platform L.O.X.

The security of sensitive financial data is always the top priority. One operational objective is to maintain the highest standards in terms of data security and compliance. Through regular audits, training and the implementation of the latest security technologies, flatexDEGIRO AG ensures the protection of the information entrusted to us. Compliance with legal regulations and industry standards is an integral part of our business activities.

In the area of data centre operations, flatexDEGIRO AG focuses on the efficient use of resources in order to minimise environmental impact and optimise operating costs. Improving energy efficiency and utilising renewable energy sources are key elements of this operational objective. Continuous monitoring and optimisation of the infrastructure contribute to the sustainability of our data centre.

flatexDEGIRO AG acknowledges the value of its employees as a key resource. One operational goal is to continuously promote the skills, qualifications and commitment of our employees. Through training, development programmes and a positive corporate culture, flatexDEGIRO AG strives to develop its motivated and competent team. Employee participation and involvement are essential in order to achieve the goals we have set together.

1.10 Financials goals of the Company

The financial goals of flatexDEGIRO include generating sustainable profits and maintaining a solid equity base. The Company’s financial goals also include ensuring comfortable liquidity levels at all times. This is intended to ensure a positive development in the key performance indicators.

Therefore, at the core of all financial targets is a profit-oriented and sustainable corporate development with positive effects on the company's value. Among other things, this will enable the capital allocation strategy announced in December 2023 to be realised in subsequent years.

1.11 Strategies to achieve our goals

The management of flatexDEGIRO AG places its strategic focus primarily on the existing business models and an up-to-date human resources policy.

flatexDEGIRO AG has spent many years promoting the commitment, satisfaction, motivation and loyalty of its employees through the following measures:

- High Potential and Key People Circle for executives
- Dual study programme offered in collaboration with the Frankfurt School of Finance and Management (FSOF)
- Participation in the Company's success through various profit-sharing programmes
- Flexible working arrangements
- Full coverage of external childcare costs for very young children
- Sports, healthy living and fitness opportunities
- Employee discounts for the purchase of IT equipment
- Non-cash benefits card for discounted non-cash purchases
- Introduction of corporate benefits as an employee incentive
- Company pension scheme with additional employer contributions
- Activities to promote occupational health and safety

Keeping employees up to date about the development of the Company is a priority for the management's internal information policy.

Continuous strengthening of our corporate culture and social commitment

The business of flatexDEGIRO AG is built on compliance with regulatory requirements and legislation within the framework of our comprehensive approach to compliance management.

This principle is put into practice every day in our work, by means of responsible corporate governance which is aligned with the Company's values, operational guidelines and effective management systems.

flatexDEGIRO does not own any buildings but is a tenant at all its locations. Natural gas is used to generate heat at various locations, meaning that the resulting direct CO2 emissions (Scope 1 emissions) must be taken into account. Furthermore, direct CO2 emissions (Scope 1 emissions) are generated through use of our vehicle fleet. A large portion of our emissions are generated indirectly through the purchase of electricity and heat (Scope 2 emissions). flatexDEGIRO also strives to avoid emissions that occur upstream or downstream in the value chain (Scope 3 emissions).

flatexDEGIRO aims to reduce Scope 1 and 2 emissions by at least 70 % by 2026 (base year 2020). Scope 3 emissions are considered in their respective context (e.g., commuting), and we intend to reduce these by up to 30 % as opportunities arise (base year 2020).

The current separate consolidated non-financial report in accordance with Section 315b of the German Commercial Code (HGB) is available to download from the Company's website under Investor Relations > Reports & Financial Calendar (www.flatexdegiro.com/en/investor-relations/reports-financial-calendar).

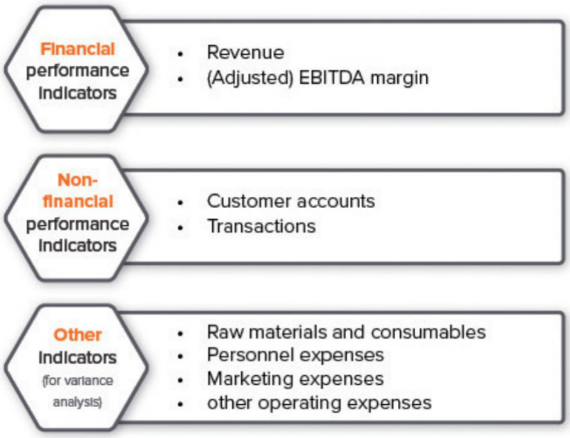
The flatexDEGIRO-Group engages in continuous dialogue with all relevant stakeholders. These include our customers, employees, business partners, shareholders, industry associations and public authorities, as well as policymakers and the scientific community. In the course of these exchanges, we seek to gather new ideas, appreciate different standpoints, identify trends and develop partnerships. flatexDEGIRO also uses this open dialogue to discuss current challenges and to highlight aspects of the operating environment that are important for flatexDEGIRO.

flatexDEGIRO considers responsible, economical business to be an essential foundation for successful corporate governance and has also set out this principle in its "Code of Conduct and Ethical Principles". Using energy and resources as efficiently and carefully as possible is important for the commercial success of flatexDEGIRO. This area, alongside reducing business travel, is where we have the most significant leverage to reduce our environmental footprint. flatexDEGIRO takes its own environmental responsibility very seriously and is constantly striving to reduce energy consumption at all its sites. This coincides with our objective of reducing emissions, given that these are largely determined by our consumption of electricity and heat.

The flatexDEGIRO-Group intends to continue its responsible corporate governance in the future and to keep meeting its social obligations and incorporating these into its value management. This includes setting minimum standards for the energy efficiency of our technologies and also reducing environmental risks through the continuous optimisation of business processes.

1.12 A value-based management system

flatexDEGIRO AG is integrated into the Group-wide management system. The following presentations are therefore derived from the flatexDEGIRO Group. In order to achieve the overall company goals, the management has agreed on central target figures and key performance indicators (KPIs) that contribute to increasing the value of the company in the long term:



The financial and non-financial performance indicators ensure the comparability of commercial framework data in international markets.

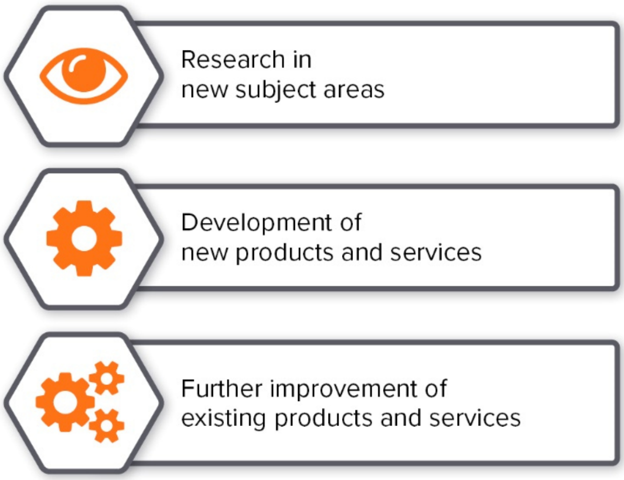
The financial performance indicators are consolidated at Group level and are fed into a rolling plan for future business development alongside the financial results. Monthly reporting and more detailed analyses are central instruments for Group controlling. By constantly monitoring the performance indicators, we aim to identify changes in business performance at an early stage and enable countermeasures to be initiated in good time. The Supervisory Board, the Management Board and the management team of flatexDEGIRO AG are kept constantly updated about the development of the performance indicators via monthly risk reporting and a general reporting framework. The other indicators implicitly included in the (adjusted) EBITDA margin are used for variance analysis and do not serve as direct control parameters.

Corporate planning is conducted by analysing past performance and forecasting on the basis of the information obtained to date. This business planning process is carried out at least once a year with a top-down approach, on the basis of specifications set out by the flatexDEGIRO AG management, as well as with a bottom-up approach to validate the determined figures and to adjust these key operational issues affecting the KPIs. The individual specialist departments make a significant contribution to this, so findings can be brought together at Group level and business planning can be finalised.

While in previous years the Company used adjusted key performance indicators (e.g., adjusted revenues, adjusted EBITDA margin, adjusted EBT margin), no adjustments will be made from 2024 onwards in order to establish simpler and more transparent performance indicators. Revenues and net profit will be used as key financial performance indicators in future.

1.13 Research and development activities

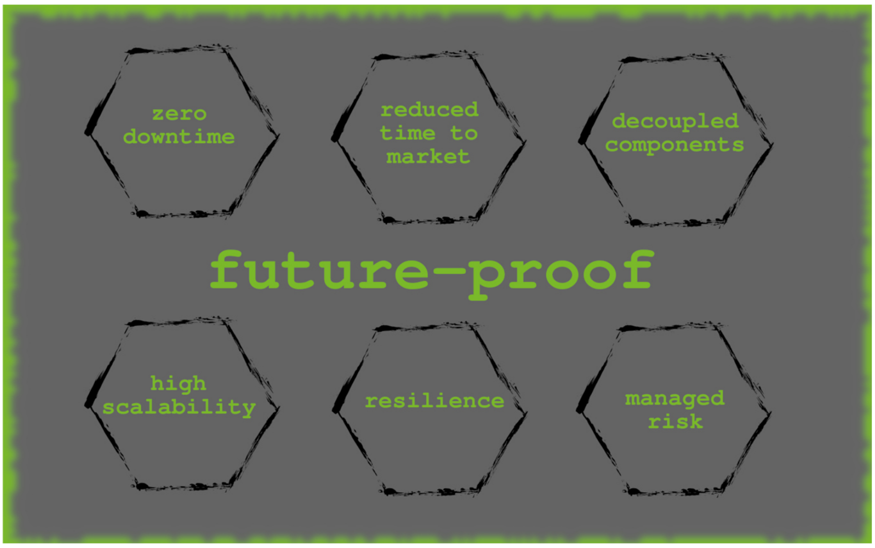
In order to supply innovative products and services, flatexDEGIRO AG needs to be especially active in the following areas:



The (further) development of products and services is mainly carried out for flatexDEGIRO Bank AG and DEGIRO, as well as for third-party customers. In accordance with Section 248 German Commercial Code (HGB), flatexDEGIRO AG does not capitalise internally generated intangible assets.

The technology-driven services provided by flatexDEGIRO AG enable our customers and partners to benefit from the performance of FTX:CBS. Customer-oriented, innovative research and development activities are a key operational task for flatexDEGIRO AG, as they guarantee the Company's success and create the basis for the Group's future growth.

The "future-proof" concept summarises the principles of our research and development work and the focus of flatexDEGIRO AG's IT activities: high system availability, short development times, scalability and risk-oriented IT services.



The contribution made by the staff of the R&D departments is an essential pillar of the commercial success of flatexDEGIRO AG.

The qualifications, experience and dedication of employees are key factors for the success of our research and development activities.

flatexDEGIRO strives to develop products and solutions that meet the needs of customers and to drive the market forward with innovations. The development activities of flatexDEGIRO AG are conducted in various development units, employing a modular approach. This modularisation enables efficient implementation and further development of our technology services, making it possible for the corresponding customer or market requirements to be integrated with little or no adaptation required to the platform approach.

On the basis of this scalable and modular platform approach, flatexDEGIRO AG can offer its customers innovative and flexibly customisable solutions along the entire financial services value chain. The use of cutting-edge technologies and innovative software solutions – predominantly proprietary and supplemented with third-party services where useful – ensures the efficient deployment of resources in a highly dynamic market environment.

In the past financial year, activities focused on optimising the implementation of regulatory requirements, particularly in connection with BaFin's special audit, the further expansion of the technical infrastructure, the ongoing optimisation of existing applications, the further development of flatex-next and the technical integration of DEGIRO into the Group. In addition, work was carried out to provide flatexDEGIRO customers with access to digital asset management in partnership with Whitebox and, in partnership with the Börse Stuttgart Group, to evaluate direct access to cryptocurrency trading.

Around 0.45% (previous year: 0.47%) of personnel expenses (excluding expenses for long-term variable remuneration) were invested in research. As at the reporting date, 148 employees (previous year: 144) worked exclusively in software development and performed tasks in the areas of product management, development and quality assurance.

1.14 Accounting-related internal control system

The flatexDEGIRO AG internal control system (ICS) is established based on the internationally recognised framework for internal control systems of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Internal Control – Integrated Framework, COSO I, in the version dated 14 May 2013).

The Audit Committee of the Supervisory Board of flatexDEGIRO AG monitors the efficacy of the ICS – as required by Section 107 (3) sentence 2 AktG. The scope and design of the ICS are at the discretion and under the responsibility of the Management Board. The internal audit is responsible for independently reviewing the functionality and effectiveness of the ICS in the Group and at flatexDEGIRO AG. The internal audit has the comprehensive rights to information, audit and access needed to perform these activities.

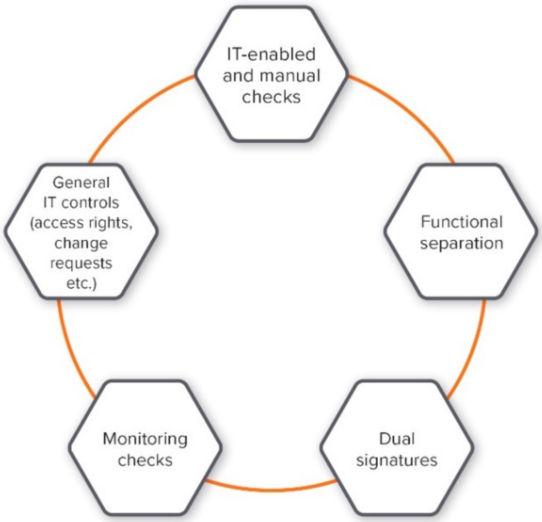
The accounting-related ICS of flatexDEGIRO AG includes the principles, procedures and measures to ensure the correctness of accounting. It is continuously developed and enhanced. In addition, the accounting-related ICS also aims to ensure that the annual financial statements of flatexDEGIRO AG and the management report are prepared in accordance with the provisions of commercial law.

The basic principle for any ICS is that, regardless of how it is specifically organised, there is no absolute certainty that it will achieve its objectives. So, with regard to the accounting-related ICS, there can only be relative, but not absolute, certainty that material misstatements in the accounting will be avoided or detected.

The Group Finance & Administration department manages the accounting and management reporting processes. Laws, accounting standards and other publications are continuously analysed to determine whether and to what extent they are relevant and how they affect accounting. Relevant requirements are recorded and communicated in the Group accounting guidelines, for example, and together with the Group-wide financial statement calendar form the basis for the financial statement preparation process. If necessary, we also use external service providers, e.g., for the valuation of SARs or pension obligations. Group Finance & Administration ensures that the requirements are complied with uniformly throughout the Group. The employees involved in the accounting process receive regular training. flatexDEGIRO AG is responsible for ensuring that it complies with the applicable guidelines and procedures. The respective Group companies ensure that their accounting-related processes and systems run properly and on time; Group Finance & Administration supports and monitors them in this process.

Operational accounting processes are carried out by operational units (service centres). By harmonising the processes, the efficiency and quality of the processes and therefore also the reliability of the internal control system are increased. The ICS safeguards both the internal process quality of the service centres and the interfaces to the Group companies through suitable controls and an internal certification process.

Internal controls defined under risk aspects are embedded in the accounting process. The accounting-related ICS comprises both preventive and detective controls; these include:



The effectiveness of the accounting-related ICS is monitored throughout the Group. This process is consistently geared towards the risks of potential misstatement in the annual financial statements: at the beginning of the year, accounting items and accounting-related process steps are defined under risk aspects, which are regularly and additionally randomly checked for effectiveness over the course of the year. If control weaknesses are identified, they are analysed and assessed, particularly with regard to their impact on the annual financial statements and the management report. Significant control weaknesses, their action plans for remediation and the ongoing progress of work are reported to the Management Board and additionally to the Audit Committee of the Supervisory Board of flatexDEGIRO AG. In order to ensure the high quality of this accounting-related ICS, the internal audit department is closely involved at all stages of the process.

2 Economic Report

2.1 Macro-economic and sector-specific parameters

Global economy

The global economic situation did not improve noticeably in the 2023 reporting year compared to the previous year. On the contrary, global economic development was again faced with several challenges in 2023 and was also impacted by numerous crises. It was increasingly possible to overcome the effects of the COVID-19 pandemic and the resulting disruption to production and logistics. In geopolitical terms, the Russia-Ukraine war contributed to further ongoing tensions. Geopolitical uncertainty was heightened even further when Hamas launched a terrorist attack against Israel on 7 October 2023, however. This resulted in an increased risk of the global economy falling into separate camps, which may result in the restructuring of global value chains and chillier international trading relations. At the same time economic growth remained flat due to the high interest rates. Inflation rates were still very high at a global level, reaching double figures in some cases. The central banks stood by their restrictive monetary policies as a result, so preventing inflation from rising any further, and towards the end of 2023 it had indeed been reduced again significantly.[1]

The energy price shocks in 2022 continued to weigh on industry in the reporting year 2023. Heavily industrialised regions in central Europe were particularly affected. Overall economic output remained largely unchanged. The labour market in the euro area was still tight. In addition, consumer demand from private households fell as a result of slow development in real wages. In the USA, however, the economy was buoyant. Although the US central bank, the Federal Reserve (Fed) increased its prime interest rate to 5.5 %, the labour market turned out to be extremely robust. Consumer sentiment was positive, despite the restrictive monetary policy mentioned above. This was due to higher incomes in real terms. Inflation of 3.0 % was below the global average.[2]

The pace of economic growth varied widely in developing and emerging markets. Whereas countries such as India and Indonesia continued to post strong growth rates, economic development in China was subdued. Although the country was set for growth, having cast off its zero-covid policy, the domestic economy was held back by difficulties on the property market, which depressed investing activities and depleted the assets of private households.[3]

As far as future global economic developments are concerned, the economic research institutes quoted here are forecasting a rather subdued upturn (see the following table, “Global GDP (real) in % compared to the previous year”). Although real wages are rising again overall, thanks to lower inflation rates, and commodities prices, particularly for energy, are lower, businesses and consumers are still faced with great uncertainty. This is due to the tense geopolitical situation. In addition to the war between Russia and Ukraine, attention is focused on the Middle East conflict, whose impact and consequences are hard to predict. Then there are economic conflicts, as between the USA and China, for example. The divergence in some areas of economic policy between European countries and domestic political uncertainty in the USA are further factors of uncertainty that are weighing on economic performance. Furthermore, the effects of monetary

[1] IW Köln (Publisher): IW-Konjunkturprognose Winter 2023: Hausgemachte Probleme verschärfen konjunkturelle Schwäche. Nr. 65/2023. 13 December 2023.
[2] ifo Institut (Publisher): ifo Konjunkturprognose Winter 2023: Konjunkturerholung verzögert sich - Haushaltslücke birgt neue Risiken. Sonderausgabe December 2023.
[3] IW Köln (Publisher): IW-Konjunkturprognose Winter 2023: Hausgemachte Probleme verschärfen konjunkturelle Schwäche. Nr. 65/2023. 13 December 2023.

policy and the steep interest rate increases have not yet been fully digested by the real economy. Taken as a whole, the slow pace of economic growth will continue in 2024.[4]

Average global economic growth of 2.7 % is expected for the year 2023, which is due to decline slightly to 2.5 % in 2024, primarily due to the effects of monetary policy tightening in industrialised countries. The assumption is that the global economy will grow more slowly than the historical average in the forecast period.[5] A slight year-on-year increase of +0.3 % to 2.8 % is therefore predicted for 2025 according to the forecasts of the following institutes.

Global GDP (real) in % compared to the previous year

	2022 (Actual)	2023 (Forecast)	2024 (Forecast)	2025 (Forecast)
ifo Institut[6]	+2.7	+2.7	+2.0	+2.3
IfW Kiel[7]	+3.0	+2.7	+2.4	+2.8
DIW Berlin[8]	+3.5	+3.0	+3.1	+3.3
IW Köln[9]	+2.9	+2.5	+2.5	
Average	+3.0	+2.7	+2.5	+2.8

Macro-economic framework conditions in Europe

The economy slowed in the euro area in the second half of 2023. More restrictive financing conditions, a lack of confidence in the economy and diminished competitiveness all had an adverse effect. According to the latest forecasts, the economy will recover somewhat more slowly than assumed by the ECB experts in their macroeconomic projections published in September 2023.[10]

After economic output only expanded moderately in the first half of the year, many leading indicators are now pointing towards an increasingly weak economy. Consumer confidence has continued to recover, but businesses were much less optimistic recently than it was the case just a few months ago; the mood in industry is currently particularly bad. These negative tendencies are not expected to depress confidence permanently, however. As energy prices largely return to normal, real incomes go up and the global economic environment provides increasing support, the economy in Europe should pick up speed again in the forecast period. As monetary policy will probably only be loosened slowly, however, the pace of expansion is predicted to be slow.[11]

The effects of the ECB's more restrictive monetary policy and unfavourable lending conditions continue to impact the economy and affect growth prospects in the short term. These adverse effects should subside over the course of the forecast period and support growth. According to the latest expectations, average annual GDP growth will slow from 3.4 % in 2022 to 0.6 % in 2023. It should recover again to 0.8 % in 2024. Compared with the forecasts from September

[4] IfW Kiel (Publisher.): Kieler Konjunkturberichte: Weltwirtschaft im Winter 2023. Nr. 109 (2023/Q4). 13 December 2023.
[5] ECB (Publisher): Economic bulletin: Economic, financial and monetary developments. Issue 8/2023. 13 December 2023
[6] ifo Institut (Publisher): ifo Konjunkturprognose Winter 2023: Konjunkturerholung verzögert sich - Haushaltslücke birgt neue Risiken. Sonderausgabe Dezember 2023.
[7] IfW Kiel (Publisher): Kieler Konjunkturberichte: Weltwirtschaft im Winter 2023. Nr. 109 (2023/Q4). 13. December 2023.
[8] DIW (Publisher): DIW Wochenbericht: DIW-Konjunkturprognose: Aussichten reichen von wolkig bis heiter. Nr. 50/2023. 14 December
[9] IW Köln (Publisher): IW-Konjunkturprognose Winter 2023: Hausgemachte Probleme verschärfen konjunkturelle Schwäche. Nr. 65/2023. 13 December 2023.
[10] https://www.ecb.europa.eu/pub/projections/html/ecb.projections202312_eurosystemstaff~9a39ab5088.en.html
[11] https://www.ifw-kiel.de/fileadmin/Dateiverwaltung/IfW-Publications/fis-import/272a03b0-6058-4f33-8fbc-8bc5b640464b-KKB_106_2023_Q3_Euroraum_DE_V2.pdf

2023, the outlook for GDP growth in the years 2023 and 2024 has been corrected slightly downwards in view of the most recent published data and the weak results of the latest surveys.[12]

Short-term indicators suggest that economic performance in the fourth quarter of 2023 was poor. Growth should pick up again from early 2024, however, since real available incomes are increasing – buoyed by lower inflation, robust wage growth and stable employment levels – and export growth should resume thanks to higher international demand.[13]

Consumer demand from private households in the euro area fell as a result of the unfavourable changes in real wages. The previous year's energy price shock continues to have an adverse impact on industrial performance, particularly in the highly industrialised regions of central Europe. Labour markets in the euro area remain tight, although overall economic production was largely unchanged from the fourth quarter of 2022 to the third quarter of 2023. A reduction in the supply of available workers due to demographic changes increases search costs and reduces companies' recruitment chances. Staff are therefore being kept on by their companies, even if they are not working at full capacity. The inflation rate recently fell rapidly to 2.4 % in November 2023, which is only slightly above the target set by the European Central Bank (ECB).[14]

Estimates suggest that medium-term inflation expectations remain fixed overall on the ECB's inflation target of 2.0 %. Total inflation, as measured by the harmonised consumer price index (HCPI), should fall from 5.4 % in 2023 to an average of 2.7 % in 2024. Compared with the forecasts from September 2023, the HCPI inflation has been corrected downwards for the years 2023 and 2024. This is principally due to the latest data, which are lower than expected, and to lower assumptions about the prices for energy commodities.[15]

Focus economic development in Germany

In the reporting year 2023, as in the previous years, German economic performance was still significantly affected by the COVID-19 pandemic and the energy crisis triggered by the Russia-Ukraine war. In fact, economic output is at the same level as four years ago, before the outbreak of the coronavirus pandemic. Over this period Germany has been overtaken by all the other countries in the euro area in terms of its economic growth.[16]

Supply shortages in the years 2021 and 2022, combined with the energy crisis, have created a shock wave in import, producer and consumer prices which has dealt the German economy a severe blow. The result is that the inflation rate rose to 8.2 % in the first quarter of 2023. It was accompanied by steep falls in real incomes and purchasing power. [17]

In November 2023 the Federal Constitutional Court ruled that a government decision to transfer a public borrowing authorisation left over after the coronavirus pandemic to the Climate and Transformation Fund (CTF) was null and void. Since then, public debate has focused on all the government's financial measures, both those already adopted and those planned. The budgetary shortfall created by the ruling is expected to mean that the federal government's financial policies will be more restrained in the future.[18]

Higher financing costs as a result of tighter monetary policy depress private investments, particularly in the residential construction sector. In addition, a stronger euro and rapidly rising wages create headwinds for exporters. The Council of Economic Experts predicts a fall in GDP of 0.4 % in 2023. This is largely explained by the slump in domestic demand. With regard to 2024, private consumer spending is expected to recover by the end of the year, as real incomes will rise again. Although from a global perspective the world economy is only expected to recover

[12] https://www.ecb.europa.eu/pub/projections/html/ecb.projections202312_eurosystemstaff~9a39ab5088.en.html
[13] Ibid.
[14] https://www.ifo.de/DocDL/sd-2023-sonderausgabe-dezember-wollmershaeuser-etal-ifo-konjunkturprognose.pdf
[15] Ibid.
[16] https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202324/JG202324_Gesamtausgabe.pdf
[17] https://www.iwkoeln.de/fileadmin/user_upload/Studien/Report/PDF/2023/IW-Report_2023-Konjunkturprognose-Winter.pdf
[18] https://www.ifo.de/DocDL/sd-2023-sonderausgabe-dezember-wollmershaeuser-etal-ifo-konjunkturprognose.pdf

slowly and the impacts on export business remain substantial, an increase in German GDP of 0.7 % is forecasted for 2024.[19]

Total inflation, as measured by the harmonised consumer price index (HCPI), was down from 8.7 % in 2022 to 6.0 % in the reporting year. It is expected to drop to 3.1 % and 2.7 % in 2024 and 2025 respectively, driven by a fall in energy prices.

There are predominantly upside risks for inflation. The high level of inflation could become more entrenched if wages and profits rise even more strongly. Such a transfer is possible in an environment of high overall economic demand. This emphasises the importance of decisive monetary policy action to counteract more sustained inflation and the associated economic and social risks.[20]

Sector-specific framework conditions

The German market for information technology and telecommunications (ITC) achieved revenue growth of around 2.0 % and total revenue of around EUR 215.0 billion in 2023. The information technology sector (IT hardware, software and IT services) made a significant contribution to this, with sales increasing by 2.2 % or EUR 142.9 billion.[21]

Demand for technology products and services will not slow down, also due to the ongoing digitalisation of the financial industry. The industry association bitkom expects growth of 4.4 % for 2024 compared to 2023. In the context of an industry-specific analysis, existing and future technical and regulatory requirements in particular are driving sales.

2.1.1 Business performance

The business performance of flatexDEGIRO AG in 2023 was significantly influenced by the Group-internal developments of various IT projects.

In terms of technology, a particular focus was on increasing the degree of automation of processes in connection with securities lending at DEGIRO.

Furthermore, the financial result of flatexDEGIRO AG is significantly influenced by the operating business of flatexDEGIRO Bank AG due to the profit transfer, so that its implications are explained in more detail below:

Decline in trading activity across the industry

External factors had an adverse impact on the mood on capital markets in 2023, particularly among retail investors, and resulted in a decline in trading activity across the sector.

The ongoing war in Ukraine, military conflicts in the Middle East and other geopolitical tensions caused uncertainty among investors and had a negative impact on the global economy. The previous year's high inflation rates did abate in 2023, but they are still above the inflation targets set by the central banks. The previous year's high inflation rates have eased in 2023 but are still above the central banks' long-term inflation targets. Central banks started to raise interest rates significantly from mid-2022, a trend that continued in 2023. The ECB has raised its key interest rate by 450 basis points within 18 months. This has put additional pressure on the stock markets and further dampened investor sentiment.

Over the year, the trading activity of flatexDEGIRO customers decreased from an average of 30 transactions per year in 2022 to 22 transactions per year in 2023.

[19] https://www.sachverstaendigenrat-wirtschaft.de/fileadmin/dateiablage/gutachten/jg202324/JG202324_Gesamtausgabe.pdf
[20] https://www.bundesbank.de/resource/blob/911516/c440ff9a9619345116512d81ff0cdbc0/mL/2023-06-prognose-data.pdf
[21] Bitkom, IDC: ITK-Marktzahlen. January 2024

Sustained customer growth

flatexDEGIRO continued its customer growth in 2023 and gained over 340,000 new customer accounts (gross) (previous year: around 460,000). As in previous years, flatexDEGIRO's growth was significantly higher than that of comparable European companies – insofar as they have published official figures. Overall, the number of customer accounts rose to 2.7 million at the end of the year (previous year: 2.4 million). In the Netherlands flatexDEGIRO passed the mark of 750,000 customer accounts in the year under review and exceeded the 250,000 mark in Austria. Altogether, there are now seven countries where flatexDEGIRO has more than 100,000 customer accounts: the Netherlands, Germany, Spain, Austria, France, Portugal and Italy.

Expansion of trading-related revenues per transaction

In the interest of all stakeholders, flatexDEGIRO continuously strives to achieve an optimal balance between sustainable, profitable growth and the most attractive customer offering possible. In connection with the sharp rise in inflation rates and generally rising interest rates, flatexDEGIRO again carried out a comprehensive review of its price-performance catalogue in the 2023 financial year and made adjustments. In doing so, the Management Board took care not to jeopardise the attractiveness of the overall offering. Accordingly, the price-performance catalogue was only adjusted once for the DEGIRO brand, particularly with regard to products that were previously offered without an order fee.

In return, flatexDEGIRO has abolished the partial custody account fees of 0.1% p.a. on the custody account volume charged by flatex with effect from 1 January 2023. Attractive new customer offers at flatex have also been extended.

Effects of a positive interest rate environment

The ECB raised its deposit facility rate by 200 basis points in several stages in 2023, from 2 % at the beginning of the year to 4 %. Due to the majority of customer deposits held directly with the Deutsche Bundesbank. flatexDEGIRO benefits from the positive interest rate environment and from the increases in the form of rising interest income. In addition, flatexDEGIRO adjusted its interest rate for securities backed loans over the course of the year in line with prevailing rates, which also had a positive impact on its net interest income.

Successful remediation of key findings of the special audit in accordance with Section 44 KWG

In 2022, the German Federal Financial Supervisory Authority (BaFin) conducted a special audit at flatexDEGIRO Bank AG in accordance with Section 44 of the German Banking Act (KWG). Measures were taken at the end of 2022 to eliminate the identified deficiencies. As part of a dedicated programme structures, the Management Board is focussing on the rapid, efficient and complete processing and implementation of all necessary changes. One particular focus in 2023 was to resolve some of the major deficiencies in the very short term, particularly those that related to the application of credit risk mitigation techniques (CRMT) in connection with margin loans at DEGIRO. flatexDEGIRO was able to do this within just ten months. In agreement with the special commissioner appointed by BaFin for this purpose, the supervisory authority confirmed that these CRMT could be applied again at the end of September 2023. The Management Board is striving to resolve the relevant findings successfully in 2024

Management Board and Supervisory Board adopt key points of a new capital allocation strategy for the first time

On the basis of the figures as of 30 June 2023, the renewed applicability of the CRMT resulted in the risk-weighted assets of the flatexDEGIRO Group to go down straight away by approximately EUR 470 million and so resulted in a significant improvement in the regulatory capital surplus. Including profits from 2023, flatexDEGIRO expects to achieve a Common Equity

Tier 1 ratio (CET1 ratio) of more than 30 % and to continue generating regulatory capital surpluses in the years ahead. On this basis, the Management Board and Supervisory Board of flatexDEGIRO AG decided for the first time on the outline of a new capital allocation strategy. Subject to compliance with all regulatory ratios, the main elements are as follows:

- The Management Board and Supervisory Board intend to propose to the Annual General Meeting in 2024 to authorise the Company for a period of five years to buy back shares of up to 10 % of the share capital of flatexDEGIRO AG (Section 71 (1) no. 8 AktG).
- The Management and Supervisory Board intend to propose to the Annual General Meeting to pay a regular annual dividend, which should start at EUR 0.04 per share in line with the statutory minimum dividend of 4 % of share capital.

The Annual General Meeting will vote on the respective annual dividend. For a share buyback the approval of BaFin is additionally required.

2.2 Comparison of the forecasts reported in the previous period and the actual business performance

The comparison of the forecasts made by the Management Board of the company for the current reporting period with the key figures actually achieved is shown in the following figure:

In kEUR	2023	2023e
Revenue	90,931	>83,486
EBITDA margin (adjusted)	12.69 %	>55.3 %

Revenue was significantly increased compared to the previous year's level, so that the forecast moderate increase for financial year 2023 was exceeded. This increase essentially results from the increase in revenues for IT services and services in relation to the increased number of securities accounts of the flatex and DEGIRO brands as well as the increase in revenues for L.O.X. The adjusted EBITDA margin is adjusted for expenses of the virtual Stock Option Plan SARs (stock appreciation rights). The EBITDA margin without corresponding adjustment amounts to -0.18 % in the past financial year (including expenses for SARs) and is in line with the expected forecasts due to the business activities of the company with corresponding central functions for its subsidiaries. The annual result after taxes of mEUR 75.5 (previous year mEUR 97.8) is significantly influenced by the financial result. While flatexDEGIRO AG has used adjusted key figures (e.g., Adj. EBITDA margin) in previous years, formal planning assumptions and forecasts for the key performance indicators for 2024 will not be adjusted in order to establish simpler and more transparent key figures. In its forecast, the Management Board will focus on revenue and net profit from 2024 onwards.

2.3 Financial performance

flatexDEGIRO AG generated revenues of mEUR 90.9 (previous year: mEUR 79.4). This includes revenues from affiliated companies of mEUR 81.2 (previous year: mEUR 70.0). This revenue was mainly earned from software development services, operation, licences and maintenance as well as the transfer of administrative costs as part of a Group-wide allocation of costs. The increase is mainly due to the remuneration for deposit-dependent remuneration and the increase in revenue for L.O.X. Revenues was mainly generated with customers in Germany.

Other operating income amounted to kEUR 2,063.9 (previous year: kEUR 40,795.2). The difference compared to the previous year is mainly due to the reversal of provisions for the company's stock appreciation rights plan (mEUR 38.4) in 2022.

The company's order situation essentially ensured high utilisation of available resources. The price conditions of customer relationships have not changed significantly.

in EUR	2023	2022
Revenues	90,948,113	79,432,169
thereof: revenues with affiliated companies	81,214,659	70,043,353
Other operating income	2,063,945	40,795,244
Personnel expenses	53,885,853	32,097,894
Cost of materials	13,779,226	13,134,282
Other operating expenses	25,506,771	18,209,346
Depreciations	8,238,397	5,787,088
Financial result	89,260,030	67,204,487
Interest result	-6,624	410,858
Tax expense	5,311,632	20,850,344
Net profit for the year	**75,543,584**	**97,763,803**

Personnel expenses amounted to mEUR 53.9 (previous year: mEUR 32.1). The main change results from the addition to a provision for the virtual Stock Option Plan (SARs) as well as salary adjustments and additional expenses due to the hiring of new employees. The cost of materials increased by kEUR 644.9 to mEUR 13.8. Other operating expenses amounted to mEUR 25.5 (previous year: mEUR 18.2) and resulted mainly from IT costs of mEUR 4.7 (previous year: mEUR 4.3), rental expenses of mEUR 4.6 (previous year: mEUR 3.9), advertising and travel costs of mEUR 2.4 (previous year: mEUR 2.3) and insurance, contributions and levies of mEUR 1.8 (previous year: mEUR 1.4).

Depreciation and amortisation amounted to mEUR 8.2 (previous year: mEUR 5.8) and related to intangible assets and property, plant and equipment. The increase results from the depreciation of investments in hardware pools at various locations, network equipment and data centres.

The company’s financial result amounts to mEUR 89.3 (previous year: mEUR 67.2) and consists of income from the profit transfer of flatex Finanz GmbH. The interest result is considered separately.

Net interest result was kEUR -6.6 (previous year: kEUR 410.9). Tax expenses for the current year amount to mEUR 5.3 (previous year: mEUR 20.9). flatexDEGIRO AG is the parent company for the German-based part of the Group.

In this respect, the increased tax expense results in particular from the positive business results of the subsidiaries and second-tier subsidiaries of flatexDEGIRO AG. In the financial year, there was an overall decrease in the recognised tax expense, which is mainly due to the fact that in 2023 a change in the tax allocation of interest income generated at the level of flatexDEGIRO Bank AG from deposit facilities between flatexDEGIRO Bank AG (indirect subsidiary of flatexDEGIRO AG) and its Dutch permanent establishment was made.

Overall, the annual result after taxes was mEUR 75.5 (previous year: mEUR 97.8). The change in the annual result – taking into account the addition to provisions for SARs and sports sponsorship – corresponds to the development of the company's operating business, as expected.

2.4 Financial position

Ensuring solvency is a high priority of the company's financial management. Short-term liquidity amounts to mEUR 146.5 (previous year: mEUR 109.2) and consists mainly of receivables from affiliated companies of mEUR 94.8 (previous year: mEUR 74.2), bank balances due on demand of mEUR 36.5 (previous year: mEUR 33.3) and trade receivables of mEUR 1.6 (previous year: mEUR 1.5).

in EUR	2023	2022
Equity	550,400,799	474,537,465
Provisions	36,832,709	74,927,765
Liabilities	17,450,145	16,221,171
Deferred income	3,358,661	6,107,050
Short-term liquidity	146,512,924	109,206,395
Current liabilities	7,965,570	6,177,007

In contrast, there are current liabilities of mEUR 8.0 (previous year: mEUR 6.2), consisting of liabilities to affiliated companies and trade payables, advance payments received and other liabilities.

The company is involved in the Group's liquidity management. For additional information, please refer to the consolidated financial statements of flatexDEGIRO AG.

The investments are financed from ongoing business operations. Significant investments continue to be the establishment and expansion of the FTX:CBS platform for the standardisation and expansion of the Group's infrastructure as well as the modernisation of the workplace infrastructure of the respective locations.

flatexDEGIRO AG was able to meet its financial obligations at all times during the past financial year. The company did not encounter any liquidity bottlenecks during the financial year. In addition, the company does not foresee any liquidity bottlenecks on the horizon.

Equity as of 31 December 2023 was mEUR 550.4 (previous year: mEUR 474.5).

With regard to the powers of the Management Board to issue and purchase new shares, we refer to the notes to the present annual financial statements.

Provisions decreased by mEUR 38.1 and amounted to mEUR 36.8 as of 31 December 2023 (previous year: mEUR 74.9). The main change results from the reduction of the provision for SARs from mEUR 26.8 to mEUR 9.4 (previous year: mEUR 36.1). With the entry of the profit and loss transfer agreements in the commercial register – on the one hand from flatexDEGIRO Bank AG to flatex Finanz GmbH and on the other hand from flatex Finanz GmbH to flatexDEGIRO AG – flatexDEGIRO AG has become the tax group parent for the entire group of companies and thus the tax subject of the entire group of companies.

Liabilities amount to mEUR 17.5 (previous year: mEUR 16.2). There are no other operating long-term loans. Trade payables and liabilities to affiliated companies amount to mEUR 7.6 (previous year: mEUR 4.3).

Other liabilities and deferred income amount to mEUR 13.2 (previous year: mEUR 18.0). The change is mainly due to the decrease in deferred income.

2.5 Net assets

The balance sheet volume of flatexDEGIRO AG amounted to mEUR 608.0 as at 31 December 2023 (previous year: mEUR 571.8).

in EUR	2023	2022
Assets	608,042,314	571,793,451
Fixed assets	455,565,860	454,115,954
Current assets	146,900,799	109,206,395
Prepayments and accrued income	5,575,656	8,471,102

The main item in non-current assets are the shares in affiliated companies with mEUR 428.9 (previous year: mEUR 431.6) as at 31 December 2023. flatexDEGIRO AG's investment portfolio includes the shares in flatex Finanz GmbH, which in turn holds all shares in flatexDEGIRO Bank AG.

Receivables from affiliated companies increase by mEUR 20.6 to mEUR 94.8 (previous year: mEUR 74.2). This includes the receivables from the profit transfer of flatexDEGIRO Bank AG, which will be distributed after the balance sheet of flatexDEGIRO Bank AG has been approved. Trade receivables amount to mEUR 1.6 (previous year: mEUR 1.5. Property, plant and equipment and intangible assets amount to mEUR 26.2 (previous year: mEUR 22.1). The change is mainly due to the acquisition of new IT hardware and software.

Prepaid expenses amount to mEUR 5.6 (previous year: mEUR 8.5). The reduction is mainly due to paid invoices for the sponsorship of Borussia Mönchengladbach.

2.6 General statement on the business performance and position of the Company

flatexDEGIRO AG successfully met the management's expectations in the 2023 financial year. In particular, the effects of the war led to uncertainty on the stock markets and also had a negative impact on customers' trading activities. Nevertheless, the company's operating targets were achieved, particularly in the subsidiaries of flatexDEGIRO AG. Overall, the Management Board of flatexDEGIRO AG considers the company's business performance in the past financial year to have been successful.

3 Forecast and opportunities report

The period for business development forecasts refers to the 2024 financial year.

The forecast profile largely corresponds to that of the Group, which is why the following comments largely relate to the Group.

The outlook for developments in 2024 is still extremely uncertain in respect to the expected trading activity of retail investors. The reasons for this are the ongoing geopolitical conflicts, persistently high inflation rates in Europe and a lack of visibility about the timing and extent of possible interest rate cuts by the ECB. Customer activity at flatexDEGIRO began to stabilise at a relatively low level at the beginning of the second quarter of 2023.

In the challenging market environment that prevailed last year, flatexDEGIRO was able to continue growing its customer base and keep the average volume of cash under custody and margin loans stable. The ECB's deposit rate, which is important for interest income, has risen continuously over the course of the year and, at 4.0 % at the end of 2023, is 200 basis points higher than at the beginning of 2023 (2.0 %). In view of the general increases in interest rates, flatexDEGIRO adjusted the interest rate for margin loans at flatex and DEGIRO in several steps in 2023, most recently with effect from 1 January 2024. The adjustments to the table of fees and services made in May 2023 at DEGIRO also have the potential to have a further positive impact on average commissions per transaction, viewed over the year as a whole.

The Management Board therefore believes that this is a good starting point for achieving further increases in the main commercial and financial performance indicators, even if trading activity by retail investors should remain subdued in 2024 and the ECB should cut interest rates over the course of the year as expected. It is the explicit goal of the Management Board to continue pursuing the existing strategy and implementing it in a focused manner.

flatexDEGIRO AG expects that all firmly contracted revenues and new business expected at the time of planning will be realised on the basis of past experience and taking into account price and economic developments. Overall, it can be assumed that the positive development of the previous financial year will continue. As in previous years, the result of flatexDEGIRO AG is dependent on the financial power of flatexDEGIRO Bank AG.

While the flatexDEGIRO AG has used adjusted figures (e.g., adjusted revenue, adjusted EBITDA margin, adjusted EBT margin) in prior years, no adjustments will be made in formal planning assumptions and forecasts for key performance indicators from 2024 onwards in order to establish simpler and more transparent performance indicators.

In the view of the Management Board, there is a potential to increase the revenue slightly to significantly and the consolidated net profit strongly in the 2024 financial year. The corresponding expectations are shown in the following table:

In kEUR	2024	2023
Revenues	slight increase	90,931
Net profit	significant increase	75,544

Description	Extent of change
Moderate	+/- 0 % to 5 %
Slight	+/- 5 % to 10 %
Significant	+/- 10 % to 15 %
Strong	More than +/- 15 %

3.1 Opportunities report

The opportunity profile largely corresponds to that of the Group, which is why the following comments largely relate to the Group. As a matter of principle, the Company's opportunities are analysed at regular intervals and reported to the Management Board. A significant opportunity for the flatexDEGIRO Group lies in the expansion of the Group's value creation following the acquisition of DEGIRO, to extend its range of products and services and to gain market share as a result. As a pure online broker, flatexDEGIRO competes with a large number of players that offer ("limited") access to capital markets for retail investors, including traditional banks (online and offline) and other online brokers. In view of the strong general trend from offline to online and flatexDEGIRO's strategy of concentrating on retail investors who already have basic trading knowledge, gaining market share from online and offline banks is considered to be a key growth driver.

In geographic terms, the growth potential is considered to be particularly good in west and south-west Europe, where a total population of some 285 million is still significantly underrepresented when it comes to the use of online brokerage services. In key markets for flatexDEGIRO, such as Germany, Austria, Switzerland, France, Italy, Spain and Portugal, only around 8 % of the population used online brokerage services in 2020. By comparison, in established markets like Britain, the Netherlands and Scandinavia, the share of the population using online brokerage providers is around 35 %. flatexDEGIRO expects that ongoing digitisation in the "underdeveloped" markets creates a market potential of around 100 million new users of online brokerage.

The Group therefore intends to grow organically with its online brokerage brands in existing markets (currently active in 16 European countries), by winning new customers with its attractive pricing model, an extensive and independent range of products, and transparent, convenient and trader-friendly platforms. flatexDEGIRO concentrates its growth on markets and customer groups that make a positive earnings contribution. The focus is particularly on the core markets (Germany, Netherlands and Austria), where flatexDEGIRO has a broad customer base with the flatex and DEGIRO brands and a relatively high market share, and on growth markets (France, Spain, Portugal, Italy, Switzerland, Britain and Ireland), where the greatest growth potential has been identified for the years ahead.

In the brokerage business, “digital proximity” to the customer is also key. Alongside transparent communication and rapid provision of relevant information, this includes a stable brokerage platform with state-of-the-art functions, and innovative products and processes. The added value for our customers arises from the interaction of the product, platform, and price. In addition to offering good price-performance ratio with an extensive, innovative and constantly growing product portfolio, continuous investment in the platform is an important part of ensuring consistent availability even on days with a particularly high level of trading.

In order to increase its profitability, the Group intends to focus more strongly on customers with lower trading activity, but also on the top 1 % of customers. Inactive customers are also to be reactivated by continues extensions to the product range. One objective is therefore to further simplify the access to the capital market by selectively extending the functionalities for additional product and investor groups. At the same time, there is a distinction between customer preferences in the online brokerage market. In addition to customers with a long-term horizon (e.g., ETF and fund savings plans or bonds), there are also customers with short-term interests (e.g., ETPs). The Group will continue to expand its strong flatex and DEGIRO brands in both directions and maintain the ViTrade brand 's focus on professional traders.

flatexDEGIRO is also in a regular dialogue with active customers at various levels. We take customer requests and needs on board in face-to-face conversations and in discussions at investment conferences. We also organise roadshows, customer events and training courses that also include feedback sessions with the participants. Digital media such as videos, webinars and virtual trader get-togethers are also on offer. The intention is to intensify these exchanges, particularly with the top 1 % of our customers (in each country), both in order to gain a better understanding of their needs and also to work with these customers on products, services and functions.

In addition, the current market environment offers catch-up potential in the online brokerage segment in the event of an improvement in general capital market sentiment and an associated increase in trading activity by retail investors. Expanding the volume of margin loans also has the potential to further improve the Group’s profitability.

The management expects continuing growth in online brokerage markets, driven by the continuation of secular trends. The company believes that due to its pan-European focus, strong brands and attractive customer offerings, it is well positioned to continue to benefit from these growth trends and gain additional market share in the future.

3.2 Risk report

Risk management system

flatexDEGIRO AG conducts its online brokerage and banking business in a regulated market. As such, in addition to the internally driven changes in the business environment of the Group, adapting to changes in legal and regulatory frameworks is essential to the Company’s success. Current developments are constantly being monitored and carefully analysed. Since the start of the military conflict in Ukraine in February 2022, all of the Group's business divisions/portfolios have been continuously monitored in this context as part of monthly risk reporting and the necessary control measures implemented. The Management Board incorporates the emerging opportunities and potential threats into its business and risk strategy and adjusts it accordingly as necessary. Monitoring and managing the risks of the Group is a central component of the Company’s management tools at flatexDEGIRO AG.

In principle flatexDEGIRO AG promotes a risk culture that ensures compliance with high ethical standards and a pronounced awareness of risks in all relevant business processes, both among management and other employees of the flatexDEGIRO Group. Beyond this, the limitation of risks is one of the key performance targets for all flatexDEGIRO Group managers within their respective areas of responsibility. In this context, each manager should develop effective, task-specific control processes and ensure their ongoing application.

In accordance with Section 2f (1) of the German Banking Act (KWG), flatexDEGIRO AG has been the superordinate institution of the Group since 2022. It is responsible for the Group-wide tasks of risk controlling in accordance with the “Minimum Requirements for Risk Management” (MaRisk) AT 4.4.1. It thereby contributes significantly to the cross-departmental and Group-wide tasks anchored in risk management and risk controlling processes i.e., identification, assessment, management, monitoring and communication of risks. A group-wide risk strategy is intended to ensure uniform risk management procedures and methods for all group companies. In this sense, the look-through procedure is applied in the risk-bearing capacity calculation in order to look through to the level of the individual companies.

The head of the Risk Management/Controlling department is involved in all important risk policy decisions of the Management Board. In the event of a change in the leadership of the Risk Management/Controlling department, the Supervisory Board of flatexDEGIRO AG will be informed immediately.

Risk identification and risk assessment

The flatexDEGIRO Group conducts a risk inventory on a regular basis and may also updated it on the basis of current events. The risk inventory identified the following key types of risks for 2023: credit risk, market price risk (including interest rate, credit spread, real estate price and FX risks), operational risk, liquidity risk and other risks.

In the risk inventory process of flatexDEGIRO AG, the risk assessments of all corporate divisions assessed as significant are carried out in a consistent manner. This involves estimates of capital, financial position and liquidity and adopting both perspectives, the normative and the economic perspective, in accordance with the guidelines for risk-bearing capacity. A materiality assessment for relevant risk types is conducted on this basis, and concentrations of risk and financial performance are included at a later stage. A materiality assessment of ESG risks has also been carried out since 2023. This entails analysing ESG risk drivers in detail along with their impact on the classic risk types. The outcome was that ESG risks exist almost exclusively in the area of non-financial risk.

To summarise, the risk inventory therefore tracks all the risk types relevant for the ICAAP and ILAAP, which are measured and managed in the downstream, overarching risk management process.

The management and the supervisory body of flatexDEGIRO AG are regularly informed about the development of the main risk types as part of the ongoing risk reporting.

Risk management

As of 31 December 2023, the risk management at flatexDEGIRO follows the dual management approach comprising a normative and an economic perspective, in accordance with the BaFin guidelines for risk-bearing capacity. The normative perspective in the sense of the new guidelines for risk-bearing capacity is supplemented. The normative perspective is based on the capital ratios of Pillar I and takes into account a period of at least three years on the basis of strategic business planning.

The objective of the normative risk-bearing capacity is to ensure compliance with the regulatory minimum capital requirements and regulatory structural capital / liquidity requirements of flatexDEGIRO AG to ensure the continuation of the Company (“going concern” concept), both in the consideration of a base case scenario and in deviating adverse scenarios.

The objective of the economic perspective is to ensure the economic risk-bearing capacity. flatexDEGIRO applies the economic perspective to both risk quantification and the risk-bearing capacity and also includes elements that are not or not adequately reflected in the accounting or regulatory capital requirements (Pillar I).

In accordance with AT 4.1 no 2 MaRisk, both perspectives have the objective of taking appropriate account of the procedures used to ensure risk-bearing capacity both for the continuation of flatexDEGIRO as well as to protect creditors from economic losses.

To reflect these objective, flatexDEGIRO-Group carries out scenario-based risk capacity calculations (including stress tests) on a regular basis, which take into account possible concentration risks and potential extreme developments in the Group's (market) environment, and ensure its capital adequacy even under unfavourable conditions.

The findings from these risk capacity analyses are used by the flatexDEGIRO-Group to install risk control and risk management requirements for the Group’s operating businesses by way of an adequate risk limitation system. Adjustments to the risk limitation system are made in close coordination between the Group’s management and the Risk Management/Controlling department.

Ongoing monitoring measures and a comprehensively implemented risk communication system (risk reporting) should ensure that the risks taken by flatexDEGIRO-Group remain within the strategic specifications and its risk-bearing capacity. In addition, they enable a rapid reaction to emerging risk control needs. The monitoring and control instruments used in this process, in the form of sub-monthly and monthly reports, are presented in more detail below.

Risk monitoring and risk communication

Management is supplied with current figures pertaining to the risk and financial performance at flatexDEGIRO-Group by means of regular reports. Such reports also ensure continuous ad-hoc reporting: as a central (risk) management instrument, the weekly risk cockpit reporting provides daily information on the performance indicators, risk ratios and limit utilisation figures required for the management, as well as on the development of relevant early warning indicators. It also contains comments on control-relevant issues and, where appropriate, recommendations for necessary adjustments. In addition, for each business area that is significant from a risk perspective, it includes monthly and annual target achievement levels as well as comparisons with the previous year’s profit and loss statement. The risk cockpit reporting can also take place more frequently (e.g., daily) as needed (e.g., in a crisis).

The cockpit described above is complemented by the Monthly Risk Report (MRR) (overall risk report as required by MaRisk), which contains a month-based detailed presentation and commentary on the Group’s risk and financial performance and supplementary additional analyses of the Group’s opportunity and risk situation. The MRR is also submitted to the Supervisory Board, among other parties, and discussed in detail with the management team and Supervisory Board in regular finalisation meetings

Risk report, including risk reporting on the use of financial instruments

The following section describes in more detail the key risks flatexDEGIRO-Group is exposed to as a result of its operating activities.

Managing and limiting credit risks

According to the internal definition, credit risk means the risk of losses due to the default of counterparties (borrower, issuer, contracting party) and from changes in the creditworthiness of these parties.

Credit risks in flatexDEGIRO-Group result in the Treasury department on the one hand from conservatively selected financial investments (including interbank investments, government and German state bonds, bank bonds, covered bonds) and on the other hand from investments in special funds, which supplement the sector diversification of the Group's overall portfolio, such as through infrastructure financing and residential real estate investments. The investment/lending strategy and the limits based on it are intended to ensure a wide diversification of individual positions, so that concentration risks remain limited. Along with risk-averse selection of business partners, risks are also limited by means of ongoing monitoring of credit ratings on the basis of publicly available data. Currently, credit risks of the treasury portfolio are monitored on a daily basis using CDS prices and rating changes and are communicated daily to the relevant decision-makers.

flatexDEGIRO-Group is also exposed to credit risk from its lending business. It pursues a strategy of fully collateralised lending in this area.

a) By issuing security-backed loans (Lombard & flatex-flex loans) via the flatex and ViTrade brands and (margin loans) via the DEGIRO brand in the Financial Services division, flatexDEGIRO AG is exposed to credit risk. Through appropriate requirements pertaining to the security type, credit rating, volatility and liquidity of the securities accepted as security, as well as conservative collateralisation rates and ongoing monitoring of credit lines and securities, the Group ensures that the security-based loans taken up by customers are also sufficiently covered by deposited securities even when prices are falling. Scenario analysis of the collateralised security holdings are carried out monthly on the basis of a VaR simulation (99.9 % confidence level; holding period depending on the collateral terms [40 days for a flatex-flex loan] / [5 days for margin loans]) and is included in the calculation of risk-bearing capacity.

   In the context with the market developments relating to Silicon Valley Bank (particularly US regional banks) and in Europe at Credit Suisse as well as subsequent global decline in the financial markets, particularly in bank securities at the beginning of 2023, there were no defaults on the Bank's securities-backed loans due to the conservative loans collateralised by securities. Furthermore, stress tests with significant market distortions are carried out on an ongoing basis to ensure that securities are adequately collateralised.

b) In the reporting year, flatexDEGIRO fully implemented its risk structure as part of the credit strategy that already defined in 2022 by completely reducing non-strategic loan portfolios (football financing, factoring, other asset-based). Only the portfolios already in liquidation will not be reduced until final liquidation/realisation in 2024. The credit strategy now focuses on retail credits with securities as collateral, which are generally lower-risk and are now to be further expanded.

The total amount of credit risk (calculated in the economic perspective with a 99.9 % confidence level) was kEUR 11,438 as of 31 December 2023 (31 December 2022: kEUR 12,195). The decline in counterparty default risk compared with December 2022 is primarily driven by the reduction of the non-securities-backed loan portfolio, which was initiated in the last two years and has been consistently continued, as well as by reduction of fund positions held as investments as the respective fund assets mature.

The distribution of credit risks at flatexDEGIRO AG has the following structure:

Position / (in kEUR)	12/31/2023	12/31/2022
Loans secured by securities	kEUR 1,199	kEUR 1,264
Loans not secured by securities	kEUR 5,643	kEUR 6,441
Banks	kEUR 3,306	kEUR 3,080
Bonds	kEUR 296	kEUR 57

Funds	kEUR 994	kEUR 1,354
Total	kEUR 11,438	kEUR 12,195

Risk measurement

For the calculation of credit risks as part of the risk-bearing capacity in the economic perspective, flatexDEGIRO uses the IRB formula, with a standard confidence level of 99.9 % for a one-year time horizon. The CVaR (credit value at risk) calculated in this way is recognised as an unexpected loss ("UL") in the economic perspective. The expected loss (EL) is calculated by multiplying the probability of default (PD) of the rating grade with the corresponding exposures at default (EAD) and a loss given default (LGD). Historical PDs and LGDs are used for all items with unsecured portions. Furthermore, no diversification effects are recognised to reduce risk.

Concentration risks are currently effectively limited by requirements for the diversification of counterparty default risk-bearing positions (primarily according to the geographic spread, publicly available ratings, and the maturity of the investments) in the investment strategy pursued.

The bank's total counterparty default risk amounted to mEUR 11.4 as of 31 December 2023. The expected loss (EL), which is also used for internal management, was recognised as a total of mEUR 0.47 for the risk provisioning (PWB) for the business affected by credit risks.

Managing and limiting market price risks

Market price risks are understood by flatexDEGIRO AG as loss risks due to changes in market prices (share prices, exchange rates, real estate prices, interest rates) and due to price-influencing parameters (e.g., volatilities, credit spreads).

Similarly, to the credit risk, the market price risk is controlled and managed with the Value at Risk (VaR). The VaR does not represent the maximum possible loss that could occur in extreme market situations but is based on a historical period. For the economic perspective of risk-bearing capacity, a holding period of one year with a confidence level of 99.9 % is also assumed for the sake of consistency. When limits are exceeded, countermeasures are initiated immediately.

The flatexDEGIRO only takes limited market risks, focusing in particular on generating stable earnings that contribute to a diversification of the financial performance and therefore to a reduction of earnings concentrations. None of the companies belonging to the Group operates a trading book.

The following material sub-risk types are considered here:

Interest rate risk

The flatexDEGIRO Group has stable and sizeable customer deposits over the course of time (flatexDEGIRO Bank AG). flatexDEGIRO engaged in maturity transformation to a minor extent and manages interest rate risk with a conservative assets and liabilities management. Treasury only invests cash on a short- to medium-term investments in the banking business. In addition, interest rates can be actively adjusted at short notice in the traditional lending business (especially for margin loans) and customer deposits generally do not earn positive interest. This creates additional earnings opportunities for flatexDEGIRO AG.

An ongoing calculation of interest rate risks on the basis of a VaR calculation (99.9 % confidence level; one-year observation horizon) ensures that negative developments in interest rate risk are recognised early on and countermeasures can be initiated. Furthermore, flatexDEGIRO AG expanded its stress tests to include additional scenarios for interest rate risk in the context of rising interest rates.

The loss estimate based on Value at Risk is in the magnitude of kEUR 13,028 (previous year: kEUR 8,737). The year-on-year change stems mainly from the prolongation of bonds maturing in the fourth quarter.

flatexDEGIRO-Group also determines possible interest rate risks for the banking book in accordance with BaFin requirements (Circular 06/2019). This is subject to the proviso that, as a result of a sudden and unexpected change in interest rates, the cumulative change in present value is less than 20 % of the Group's liable equity capital.

The ratio as of 31 December 2023 for a parallel shift in the yield curve of:

+/- 200 basis points +/- 2.85 % (previous year: -/+ 3.12 %)

The ratio was maintained throughout the year.

The loss estimate for the interest rate risk based on the value at risk is in the order of mEUR 1.58 (previous year: mEUR 2.76) for the first-time introduction as at the reporting date of 31 December 2023.

Credit spread risk

The Group is vulnerable to losses due to an increase in credit spreads through investments in bonds in the Treasury Department. The investment is mainly limited to German government and federal state bonds, US and CHF treasuries. The risk is accepted from a strategic point of view, especially due to the excellent credit rating and short-term duration of these investments. The Bank uses a VaR approach (99.9 % confidence level; one-year observation horizon) for measuring the credit spread risk.

Property price risk

The Group is invested in a diversified German residential property portfolio through two fund investments. The focus is on residential properties in the medium rental price segment, with investments in economically strong, regional German cities and their respective metropolitan areas. This involves a risk of loss due to changes in property market prices. The Group uses a VaR approach (99.9 % confidence level; one-year observation horizon) for measuring property price risk.

The loss estimate for property price risk based on Value at Risk is in the order of mEUR 9.4 as of 31 December 2023 (previous year: mEUR 11.1).

FX risk

Within the scope of financial commission business in brokerage, FX risks arise from peak regulations (corporate actions, maturities, income) in clearing and settlement in securities processing; positions arising from peaks are closed on the following day. The Group uses a VaR approach (99.9 % confidence level; one-year observation horizon) for measuring FX risk.

The loss estimate for FX risk based on Value at Risk is in the order of mEUR 0.8 as of 31 December 2023 (previous year: mEUR 1.3).

The Group cockpit is updated on a regular basis with control-relevant information concerning flatexDEGIRO-Group market price risks, meaning that the Group's management team receives this information every week. The market price risks are also reflected in the MRR of the Group, in such a way that detailed presentations and comments on the current risk situation are ensured and, if necessary, adjustments may be initiated.

flatexDEGIRO AG assesses the extent of the resulting risks as very high, but the associated probability of occurrence as low.

Managing and limiting liquidity risks

flatexDEGIRO-Group defines its liquidity risk as the risk that it cannot fully and/or in a timely manner meet its current or future payment obligations from the available financial resources. As a consequence, refinancing resources may need to be raised at higher interest rates, or existing assets may need to be liquidated at a discount to provide additional (temporary) financial resources. Additionally, flatexDEGIRO-Group generally subsumes the refinancing risk and the market liquidity risk under the term liquidity risk.

Just like with the other risk types, the liquidity risk is simulated on the basis of a liquidity VaR approach (99.9 % confidence level; one-year observation horizon) for potential outflow rates; the potential refinancing costs are recognised as liquidity risk. In liquidity risk management, more than 60 % (previous year: 50 %) of the assets are due daily and are immediately available. Consequently, no refinancing costs are applied. The liquidity VaR was kEUR 0 as of 31 December 2023 (previous year: kEUR 0).

In order to initiate countermeasures immediately, daily liquidity forecasts are used to identify liquidity gaps at an early stage; these can arise from cash outflows on the customer side or from the securities business, among other things.

Efficient management of the liquidity reserves to be held and successive diversification of the available refinancing sources are pursued as part of liquidity planning.

To limit the remaining liquidity risk (liquidity risk in the narrower sense), flatexDEGIRO-Group pursues a conservative investment strategy in which client deposits with daily maturities are reinvested predominantly in short-term instruments, and there are substantial investments in ECB-eligible securities, which may be pledge for short-term funding through the central bank as needed. In addition to very conservative short-term minimum liquidity buffers/limits (daily, weekly, monthly liquidity bands) which must be maintained, management is also conducted by means of ongoing duration measurement across all relevant investments of flatexDEGIRO-Group, which are within the average target corridor of less than 24 months.

Finally, flatexDEGIRO-Group carries out ongoing liquidity monitoring and appropriate financial planning / liquidity planning in the Group's financial accounting department. The measures implemented, in combination with a "liquidity business continuity plan", ensure a comfortable liquidity level with adequate reserves for the Group's payment obligations, also and particularly in the case of unforeseen events such as unfavourable market developments or payment deferrals and client defaults.

Around 60 % of assets were due daily as of the reporting date (previous year: around 53 %); capital was committed for an average of 43 days (previous year: 54 days).

Control and limitation of operational and other risks

flatexDEGIRO-Group defines operational risk as the risk of loss due to human error, the inadequacy of internal processes and systems, and external events. Legal and reputational risks are also included in this category.

flatexDEGIRO-Group uses a multi-year time series of actually incurred losses for its operational risk measurement. These losses are categorised according to the type of damage, the cause of the loss, the time of occurrence, etc., and documented in a database. The operational risks are internally managed by assigning each loss case to a risk strategy (avoidance, reduction, transfer, etc.) and implementing defined measures. In addition to the standard approach for Pillar I, an internal assessment approach from the loss history using a Monte Carlo simulation (99.9 % confidence level; one-year observation horizon) for Pillar 2 is used internally to determine an amount for the regulatory capital to be held from operational risks. In addition to the identification of operational risks from historical data, flatexDEGIRO AG uses expert assessments to identify potential losses as part of risk assessments with all specialist departments of flatexDEGIRO AG, in order to map quantifiable risks where a sufficient loss data history is not available. The total value for operational risks measured on the basis of the approach explained above amounts to kEUR 44,591 as at 31 December 2023 (previous year: kEUR 33,386).

Selected operational and other risks:

a) Dependency on software and other EDP risks (ICT risks)

For flatexDEGIRO-Group, operational risk arises particularly from the dependency on IT infrastructure and associated services which is typical for banking operations. This also includes dependency on the flawless provision of services which have been outsourced to external service providers. The operational risks in IT can be divided into hardware, software and process risks. There are comprehensive EDP and online systems used Group-wide, which are essential for the proper conduct of business. The Group is highly dependent on these systems working without issues. Despite comprehensive measures for data backup and the bridging of system disruptions, malfunctions and/or complete failures of EDP and online systems may not be precluded. Deficiencies in data availability, errors or functional problems in the software used and/or server failures due to hardware or software flaws, accident, sabotage, phishing or other reasons, could also have a significant negative impact on the Group's reputation or market position, or lead to possible obligations to pay damages.

The wars in Ukraine and the Middle East do not have any adverse effects on dependency on service providers or in terms of cyber-attacks; permanent monitoring in these areas ensures that countermeasures can be taken at all times.

Significant Group-wide EDP and IT investments are made to ensure, on the one hand, that the significantly larger expanded business volume can be executed accordingly and on the other hand, that sufficient safeguards against disruptions is provided.

b) Legal risks

The flatexDEGIRO Group acts as a regulated provider of financial services in an environment with a rapidly changing (regulatory/) legal framework. Legal violations can result in fines or litigation risks. flatexDEGIRO AG contains these legal risks by permanently monitoring the legal environment, keeping legal expertise available internally, and by consulting legal expertise externally where needed.

c) Outsourced processes

flatexDEGIRO-Group has set up outsourcing controlling, which aims to take stock of all relevant outsourcing contracts and initiates management activities as needed. All outsourcing contracts are taken into account in the Group's risk management system. Non-material outsourcing contracts are subject to lesser control intensity requirement than material outsourcing contracts.

Service level agreements (SLAs) have been agreed as part of the concluded outsourcing contracts for all material outsourcing. Moreover, liability rules which allow a transfer of damages have also been agreed.

d) Reputational risk

The reputational risk for flatexDEGIRO-Group is the risk of negative economic effects that arise from the Company's reputation being damaged.

In principle the Group companies strive to ensure a high level of customer loyalty by having a good reputation, in order to gain a competitive advantage over their competitors. In addition to the immediate financial implications, many of the risks discussed above pose a risk that the Group's reputation may be damaged, and that a decline in customer loyalty may result in financially adverse consequences for the Group. flatexDEGIRO-Group puts particular emphasis on reputational risk in its strategic guidelines and continually uses its risk-controlling processes to monitor the relevant environment. Associated risk estimates are made as part of the estimates for the Group's operational risks.

In order to limit its operational risks, flatexDEGIRO-Group fundamentally promotes a risk culture which ensures that both the management and the other employees of flatexDEGIRO AG observe high ethical standards and a pronounced risk awareness in all relevant business processes. Beyond this, the limitation of risks is one of the key performance targets for all flatexDEGIRO-

Group managers within their respective areas of responsibility. In this context, each manager develops task-specific control processes and should ensure their ongoing application.

Other risks

Other risks for flatexDEGIRO-Group are currently general business risks and pension risks.

General business risk exists due to the dependence on technical developments and customer behaviour. General business risks arise from changes in the framework conditions. These include, for example, the market environment, customer behaviour, and technological progress.

Technological developments and changing customer behaviour can significantly influence the market conditions for financial services. They may open up opportunities for flatexDEGIRO-Group financial products, but they may also negatively impact demand for the Group's products and services and so reduce its financial success.

flatexDEGIRO-Group pays particular attention to changes in the legal and regulatory environment, as well as to changes in customer behaviour and technological progress, and reviews the resulting strategic implications on an ongoing basis.

Pension risks refer to the risk of losses due to changes in market prices or demographic assumptions that have a negative impact on pension obligations. Changes in interest rates or discount rates can also lead to an increase in pension obligations and thus to a loss. The pension risk only results from legacy contracts, no new obligations are entered into for the main workforce. The quantitative assessment shows a risk exposure slightly above the materiality threshold, so pension risk is classified as material.

Overall risk position of the financial holding group

As already mentioned, flatexDEGIRO-Group's risk-bearing capacity concept is based on the dual management approach of a normative and an economic perspective. The latest ICAAP framework is designed to ensure that the Group's capital adequacy is sufficient at all times: i.e. compliance at all times with all Pillar 1 regulatory capital requirements and ancillary conditions in the normative perspective from the perspective of a minimum 5-year planning horizon, and ensures its risk-bearing capacity at all times in the economic, present-value perspective from the perspective of a rolling 1-year horizon.

flatexDEGIRO-Group assesses its economic risk-bearing capacity by comparing the risk potential of the main risk types with the economically calculated risk coverage potential.

For the bank, compliance with the requirements is a strict secondary condition for the implemented risk management processes. Compliance with the free risk coverage capital (ICAAP ratio: ratio of PR/IC < 90 %) is set as a strict secondary condition for further utilisation as part of the allocated limits for the material risk types.

The allocation of the risk coverage funds and the amount of the limits as well as the upstream early warning thresholds for the individual risk types and the ICAAP as a whole define the risk appetite of the Group. The risk appetite is determined on the basis of the business strategy, the strategic business planning and the risk inventory and is intended to ensure the consistency of the risk and income targets as well as appropriate capital and liquidity within the framework of the overall bank management.

The free risk coverage capital amounts to kEUR 145,704 (previous year: kEUR 111,521) as at 31 December 2023 with an ICAAP ratio of 35.62 % (previous year: 34.40 %).

No immediate risks that could jeopardise the continued existence of the flatexDEGIRO-Group, including with respect to potential concentration risks, were discernible at the time of preparation of this risk report. In addition, flatexDEGIRO-Group has prepared a restructuring plan according to simplified specifications. This is updated at regular intervals and as required.

The total capital ratio (before approval of the consolidated financial statements) as at 31 December 2023 is 25.03 % (previous year: 14.83 %) with liable capital of kEUR 227,824 (previous year: kEUR 184,187). The minimum regulatory requirements are significantly exceeded in the reporting year. The change compared to the previous year is mainly due to the renewed approval of credit risk mitigation techniques in September 2023, following the successful changes made to reporting processes.

In the internal management (economic perspective), the risk-bearing capacity was assured at all times during the financial year.

The disclosure report of flatexDEGIRO AG pursuant to Section 26a KWG in conjunction with Part 8 CRR provides detailed documentation of the risk positions of the banking group.

With effect from 24 May 2022, flatexDEGIRO AG is classified as the parent financial holding company of the flatexDEGIRO Group in accordance with Section 2f (1) KWG. This means that the role of the parent company under supervisory law will be transferred from flatexDEGIRO Bank AG to flatexDEGIRO AG. The holding company is therefore responsible for monitoring and complying with risks at Group level.

Management Board assessment of the overall risk situation

The Group views the assessment of the overall risk situation in the form of a consolidated analysis of all material risk categories and individual risks. The overall risk was slightly lower in 2023 financial year compared to the previous year. Even if certain risk drivers had a lesser effect on the overall risk situation in 2023, they were replaced by other risk factors. The world economy recovered slightly after an initial shock due to the Ukraine war and corrections on global financial markets, although there is still great uncertainty about the course of the war. The terrorist attack on Israel and the escalation of the conflict in the Middle East, as well as uncertain developments in other regions, also entail further risks for financial markets. In addition to the macroeconomic and geopolitical risks mentioned, there are new risk drivers, above all relating to cyber-security, which cannot be ignored. Attacks on corporate IT systems and financial market infrastructure are increasing in all regions of the world; not only the total number, but also their severity. As a financial services business for private customers, it is particularly important for flatexDEGIRO to monitor these developments very closely.

Against this background, flatexDEGIRO-Group continues to be cautious in its risk assessment, but is still convinced that neither any of the aforementioned individual risks nor the risks in the group jeopardise the going concern of the company as of the reporting date or at the time of preparation of the consolidated financial statements.

Furthermore, flatexDEGIRO-Group is confident that it will be able to continue to seize opportunities that arise in the future without having to expose itself to disproportionately high risks. Overall, the aim is to strike a healthy balance between risks and opportunities.

4 Collateralisation of the legal representatives (responsibility statement)

We hereby affirm that, in accordance with the applicable accounting principles, the financial statements of flatexDEGIRO AG give a true and fair view of the net assets, financial position, and financial performance of the Company and that the Management Report includes a fair view of the development and performance of the business and the position of the Company corresponding to the actual situation of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.

Frankfurt am Main, 06 March 2024

flatexDEGIRO AG

Frank Niehage
CEO, Chairman of the Management Board

Dr. Benon Janos
CFO, Member of the Management Board

Stephan Simmang
CTO, Member of the Management Board

Christiane Strubel
CHRO, Member of the Management Board

INDEPENDENT AUDITOR'S REPORT

To the flatexDEGIRO AG, Frankfurt am Main

REPORT ON THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

AUDIT OPINIONS

We have audited the annual financial statements of flatexDEGIRO AG, Frankfurt am Main, which comprise the balance sheet as at 31 December 2023, the statement of profit and loss for the financial year from 1 January 2023 to 31 December 2023 and notes to the annual financial statements, including the presentation of the recognition and measurement policies.

In addition, we have audited the management report of flatexDEGIRO AG for the financial year from 1 January 2023 to 31 December 2023. In accordance with the German legal requirements, we have not audited the content of the parts of the management report listed in section "OTHER INFORMATION".

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

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023 and of its financial performance for the financial year from 1 January 2023 to 31 December 2023 in compliance with German Legally Required 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. Our audit opinion on the management report does not cover the content of those parts of the management report listed in section "OTHER INFORMATION".

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

BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and the EU Audit Regulation (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 OF 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, in accordance with Article 10 (2) letter (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual financial statements for the financial year from 1 January 2023 to 31 December 2023. These matters were addressed in the context of our audit of the annual financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

We have identified the following matters as key audit matters to be disclosed in our auditor's report:

1. Valuation of Shares in Affiliated Companies
2. Valuation of the Stock Appreciation Rights Plan (SARs-Plan 2020)

1. VALUATION OF SHARES IN AFFILIATED COMPANIES

Matter

In the annual financial statements of flatexDEGIRO AG, shares in affiliated companies amounting to EUR 428.9 million, corresponding to 70.54% of total assets, are recognized under the balance sheet item "Financial assets". Shares in affiliated companies mainly comprise the shares of flatex Finanz GmbH, which holds 100% of the shares of flatexDEGIRO Bank AG.

Shares in affiliated companies are carried at cost or, in the event of a probable permanent impairment, at the lower fair value. The assessment of an impairment that is expected to be permanent is subject to discretionary decisions. The fair value is measured using a valuation model based on the discounted cash flow method.

The assessment of the recoverability of shares in affiliated companies is complex and requires estimates and judgments by the legal representatives, particularly with regard to the amount of future cash surpluses, the growth rate for forecasting cash flows beyond the detailed planning period and the discount rate to be used.

Due to the significance of the shares in affiliated companies for the annual financial statements of flatexDEGIRO AG in terms of amount, as well as the high level of discretionary decisions, a key audit matter applies.

The disclosures by flatexDEGIRO AG on shares in affiliated companies are included in the sections "Accounting policies", "Explanatory notes to the balance sheet" in the subsection "Shares in affiliated companies" of the notes and "2.5 Net assets" of the management report.

Auditor's Response

As part of our audit procedures on the internal control system, we obtained an understanding of the valuation process and the significant assumptions made by the legal representatives in the planning for the valuation of the shares in affiliated companies. Based on this, we assessed the effectiveness of selected relevant controls relating to the identification of impairment needs and the performance of the relevant valuations for the shares in affiliated companies.

In addition, we assessed the appropriateness of the significant assumptions and discretionary parameters as well as the calculation method used in the valuation of shares in affiliated companies. We reconciled the forecast of future cash surpluses in the detailed planning period with the multi-year plan approved by the Board of Management and satisfied ourselves of the Company's adherence to planning based on an analysis of deviations from plan in the past and in the financial year 2023. We verified the assumptions underlying the planning and the growth rates assumed in forecasting the cash flows beyond the detailed planning period by comparing them with past developments and current industry-specific market expectations. In addition, we critically examined the discount rate used based on the average cost of capital of a peer group. We also performed our own sensitivity analyses with regard to the effects of possible changes in the cost of capital and the assumed growth rates. In addition, we satisfied ourselves of the mathematical accuracy of the valuation model used.

For the audit of the valuation of shares in affiliated companies, we have called in internal specialists who have particular expertise in the field of business valuations.

2. VALUATION OF THE STOCK APPRECIATION RIGHTS PLAN (SARS-PLAN 2020)

Matter

In the annual financial statements of flatexDEGIRO AG, other provisions for long-term variable remuneration in connection with the Stock Appreciation Rights Plan 2020 (SARs-Plan 2020) in the amount of EUR 9.4 million are recognized under the balance sheet item "Provisions". Due to valuation results at the reporting date and the exercise of stock options during the financial year, EUR 14.0 million was added to the provision and recognized as an expense during the financial year.

For the SARs-Plan 2020, a provision is recognized as an expense in the amount of the settlement amount required according to prudent business judgment over the vesting period. The expense is recognized in personell expense. The provision is measured using an option pricing model (Black-Scholes Formula). The valuation of the stock appreciation rights is complex and requires numerous estimates and judgments by the legal representatives, in particular in addition to the development of the share price and earnings per share (EPS) over the expected term until the option is exercised and the discount rate to be used.

Due to the significance of the SARs-Plan 2020 for the annual financial statements of flatexDEGIRO AG in terms of amount, the initial exercise of stock options in the financial year 2023 and the high level of discretionary decisions, a key audit matter applies.

The disclosures by flatexDEGIRO AG on the valuation of the SARs Plan 2020 are included in the sections "Accounting policies", "Explanatory notes to the balance sheet" in the subsection "Other provisions" and "Notes to the income statement" in the subsection "Personnel expenses" of the notes.

Auditor’s Response

As part of our audit procedures on the internal control system, we obtained an understanding of the processes in place to determine the valuation of the SARs-Plan 2020 and the significant assumptions made by the legal representatives in the planning. Based on this, we assessed the design of the related controls with regard to the valuation of the SARs-Plan 2020 and tested their effectiveness.

In addition, we assessed the appropriateness of the key assumptions and discretionary parameters as well as the calculation method for the valuation of the SARs Plan 2020. For the valuation of the SARs Plan 2020, the company regularly commissions an external expert opinion covering relevant valuation parameters. We validated the forecast of expected EPS at the expected exercise date with the multi-year plan approved by the management board. We have reconstructed the share price development assumed in the valuation, which was modeled using the Black-Scholes method. We verified the assumption of the term until the option is exercised based on historical information. In addition, we critically reviewed the discount rates used based on the calculated cost of equity. To verify the calculation model, we recalculated the valuation of the provision and the calculation of the expense. In addition, we verified the amount paid out for the exercise of stock options on a sample basis and reconciled it with supporting documents.

For the audit of the valuation of the SARs-Plan 2020, we called in internal specialists who have expertise in the field of valuation.

OTHER INFORMATION

The management board or the supervisory board are responsible for the other information. The other information comprises:

- the separate non-financial group statement published on the parents company's website, to which reference is made in section 1.12 of the management report
- the separately published group declaration on corporate governance, to which reference is made in section 1.3 of the management report
- the assurance given by the legal representatives (balance sheet oath) in section 4 of the management report
- the other parts of the annual report, except for the audited financial statements and management report as well as our auditor's report

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

In connection with our audit, our responsibility is to read the other information and thereby acknowledge whether the other information

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The management board are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required Accounting Principles. In addition, the management board are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the annual financial statements, the management board 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 going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the management board 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 management board 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 appropriate evidence for the assertions in the management report.

The supervisory board is responsible for overseeing the company's financial reporting process for the preparation of the annual financial statements and of the management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, 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 audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with § 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 fraud or error 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 judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the annual financial statements and of the management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures (systems) relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the company.
- evaluate the appropriateness of accounting policies used by the management board and the reasonableness of estimates made by the management board and related disclosures.
- conclude on the appropriateness of the management board's use of the going concern basis of accounting and, based on the audit evidence obtained, 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 in the management report or, if such disclosures are inadequate, to modify our respective audit 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 overall presentation, structure and content of the annual financial statements, 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 assets, liabilities, financial position and financial performance of the company in compliance with German Legally Required 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 management board in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the

management board 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 audit opinion on the prospective information and on 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 also 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 applied to eliminate independence threats

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 ASSURANCE ON THE ELECTRONIC RENDERING OF THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT, PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH § 317 (3A) HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 (3a) HGB to obtain reasonable assurance as to whether the rendering of the annual financial statements and the management report (hereinafter the “ESEF documents”) contained in the electronic file „flatexdegiroag.zip“ and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format (“ESEF format”). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the annual financial statements and management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the annual financial statements and the management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying annual financial statements and the accompanying management report for the financial year 1 January 2023 to 31 December 2023 contained in the "Report on the audit of the annual financial statements and of the management report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the annual financial statements and the management report contained in the file identified above in accordance with § 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with § 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the requirements of the IDW Quality Management Standards, which implement the IAASB's international Standards on Quality Management.

Responsibilities of the Management Board and the Supervisory Board for the ESEF Documents

The management board of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the annual financial statements and the management report in accordance with § 328 (1) sentence 4 no. 1 HGB.

In addition, the management board of the company are responsible for such internal controls that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Auditor's Responsibilities for the Assurance Work on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also

- identify and assess the risks of material intentional or unintentional non-compliance with the requirements of § 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- evaluate 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 force at the date of the financial statements, on the technical specification for this electronic file.
- evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited annual financial statements and to the audited management report.

FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as auditor by the annual general meeting on 13 June 2023. We were engaged by the joint risk and audit committee on 13 October 2023. We have been the auditor of the flatexDEGIRO AG without interruption since the financial year 2015.

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

In addition to the financial statement audit, we have provided to the audited company or companies under that company's control the following services that are not disclosed in the consolidated financial statements or in the group management report:

- Audit of reporting requirements and rules of conduct in accordance with § 89 of the German Securities Trading Act and the audit of safe custody business in accordance with § 1 (1) sentence 2 no. 5 of the German Banking Act and § 89 (1) sentence 2 of the German Securities Trading Act for flatexDEGIRO Bank AG
- Examination of the remuneration report pursuant to Section 162 (3) of the German Stock Corporation Act (AktG) of flatexDEGIRO AG
- Regulatory review of flatexDEGIRO Bank AG (Austria)

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited annual financial statements and the audited management report as well as the assured ESEF documents. The annual financial statements and the management report converted to the ESEF format – including the versions to be published in the Company Register – are merely electronic renderings of the audited annual financial statements and the audited management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents provided in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Lukas Rist.

Frankfurt am Main, 15 March 2024

BDO AG
Wirtschaftsprüfungsgesellschaft

Schmidt	Rist
Wirtschaftsprüfer	Wirtschaftsprüfer
(German Public Auditor)	(German Public Auditor)