Annual Financial Statements

flatexDEGIRO

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Balance sheet

as at 31 December 2021

in EUR	12/31/2021	12/31/2020
Assets	**548,282,047.61**	**438,553,944.01**
Fixed assets	393,927,412.68	392,048,371.92
Intangible assets	**5,245,244.69**	**3,146,472.77**
Concessions, industrial property rights and similar rights and assets acquired against payments, as well as licences to such rights and assets	5,245,244.69	3,146,472.77
Property, plant and equipment	**6,916,005.86**	**7,200,177.49**
1. Land and buildings, including buildings on third-party land	854,040.57	1,829,813.49
2. Technical equipment and machinery	5,654,627.29	4,945,249.00
3. Other equipment, factory and office equipment	407,338.00	425,115.00
Financial assets	**381,766,162.13**	**381,701,721.66**
1. Shares in affiliated companies	381,364,730.13	381,325,292.66
2. Asset value pensions	401,432.00	376,429.00
Current assets	142,514,730.93	42,806,285.09
Inventories	**10,501.20**	**36,743.11**
1. Work in progress	3,426.20	27,583.94
2. Finished goods and products	7,075.00	9,159.17
Receivables and other assets	**132,210,023.76**	**33,227,983.60**
1. Trade receivables	1,091,068.00	980,012.97
2. Receivables from affiliated companies	130,914,581.20	30,793,868.45
3. Other assets	204,374.56	1,454,102.18
Other securities	**236.66**	**1,325.30**
Cash on hand and bank balances	**10,293,969.31**	**9,540,233.08**
Accruals	**10,849,547.00**	**2,775,496.00**
Asset difference from asset offsetting	**990,357.00**	**923,791.00**

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	12/31/2021	12/31/2020
Liabilities	**548,282,047.61**	**438,553,944.01**
Equity	**376,453,911.84**	**340,242,696.69**
Subscribed capital	109,792,548.00	27,273,137.00
Shares issued	109,792,548.00	27,273,137.00
Capital reserve	**228,890,283.24**	**309,627,114.24**
Retained earnings	**3,342,445.45**	**6,843,329.40**
Legal reserve	32,775.45	32,775.45
Other revenue reserves	3,309,670.00	6,810,553.95
Loss carried forward	**0.00**	**-23,788,552.45**
Net profit for the year	**34,428,635.15**	**20,287,668.50**
Debt capital	**171,828,135.77**	**98,311,247.32**
Provisions	**116,930,161.08**	**51,179,615.40**
1. Provisions for pensions	5,374,044.00	3,930,397.00
2. Tax provisions	15,121,517.08	12,340,318.40
3. Other provisions	96,434,600.00	34,908,900.00
- thereof for long-term variable compensation components	74,588,078.32	15,387,096.85
Liabilities	**37,797,476.69**	**34,660,274.08**
1. Liabilities to banks	5,184,012.57	5,523,324.18
2. Advance payments received on orders	73,519.90	96,019.90
3. Trade accounts payable	1,578,815.52	720,140.72
4. Liabilities to affiliated companies	22,983,809.59	17,352,681.40
5. Other liabilities	7,977,319.11	10,968,107.88
Prepaid expenses	**17,100,498.00**	**12,471,357.84**

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Profit and loss

for the financial year from 1 January to 31 December 2021

in EUR	2021	2020
Revenues	**49,719,734.58**	**38,225,318.16**
Increase/decrease in inventories of finished goods and work in progress	**1,878.72**	**-111,464.34**
Other operating income	**1,531,320.79**	**1,167,435.07**
Cost of materials	**11,778,310.22**	**8,677,703.36**
1. Cost of purchased goods	193,543.49	271,065.13
2. Expenses for purchased services	11,584,766.73	8,406,638.23
Personnel expenses	**88,789,419.92**	**40,208,358.35**
1. Wages and salaries	84,789,133.29	36,908,062.04
- thereof for long-term variable compensation components	59,200,981.47	15,387,096.85
2. Social security contributions and expenses for pensions and other benefits	4,000,286.63	3,300,296.31
Amortisation of intangible assets and depreciation of tangible fixed assets	**4,057,097.71**	**3,735,441.43**
Other operating expenses	**16,849,938.92**	**12,582,214.60**
Income from participations	**129,251,512.52**	**67,574,914.45**
- thereof from affiliated companies	129,251,512.52	67,574,914.45
Other Interest and similar income	**31,447.02**	**22,221.12**
Depreciation financial assets and securities held as current	**1,088.64**	**18,090.44**
Interest and similar expenses	**2,480,087.58**	**1,964,539.41**
Taxes on income and earnings	**21,582,110.60**	**19,122,528.66**
Earnings after taxes	**34,997,840.04**	**20,569,548.21**
Other taxes	**569,204.89**	**281,879.71**
Net income	**34,428,635.15**	**20,287,668.50**
Loss carried forward	**0.00**	**23,788,552.45**
Retained earnings/loss*	**0.00**	**-3,500,883.95**

*The loss carried forward was offset against the revenue reserves in the same amount by the increase balance sheet as of 01/01/2021.

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Notes

Notes to the Annual Financial Statements for the financial year from 1 January 2021 to 31 December 2021

General information

The Company is registered in the Commercial Register at the Local Court of Frankfurt under number HRB 103516 and has been listed in the SDAX of the Frankfurt Stock Exchange (Deutsche Börse AG) in Frankfurt since 21 December 2020.

The annual financial statements for the financial year 2021 were prepared in accordance with the provisions of Book 3 of the German Commercial Code applicable to them as well as the provisions of the German Stock Corporation Act 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 account was prepared using the total cost method. The financial year corresponds to the calendar year. The company is a large corporation in accordance with § 267 Para. 3 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 in its version of 16 December 2019 (hereinafter "DCGK"), which is now to be issued for the first time as a result of the admission to the Regulated Market of the Frankfurt Stock Exchange, will be made publicly available by the Executive 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 for the largest group of companies in accordance with the International Financial Reporting Standards (IFRS). The consolidated financial statements are each submitted to the Federal Gazette and published.

Accounting and valuation principles

In preparing the annual financial statements, it was assumed that the company was a going concern in accordance with § 252 para. 1 no. 2 German Commercial Code. 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 account and the notes.

Intangible assets

Intangible assets acquired for a consideration are recognised at acquisition cost less scheduled straight-line depreciation (1 to 7 years) based on standard industry or official depreciation tables. In the event of a probable permanent reduction in value, unscheduled depreciation is applied.

Tangible fixed assets

Property, plant and equipment are recognised at acquisition or production cost, less scheduled depreciation based on use, insofar as they are subject to wear and tear. Depreciation is calculated pro rata temporis on the basis of the normal useful lives of the assets (1 to 50 years) using the straight-line method. They are carried out in accordance with the depreciation tables customary in the industry or official depreciation tables. Where necessary, unscheduled depreciations is applied. Low-value fixed assets with individual acquisition costs of up to EUR 800 are recorded under fixed assets and written off in the year of acquisition. Fixed assets

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with individual acquisition cost of more than EUR 800 are depreciated pro rata over their scheduled useful life.

Financial assets

Financial assets are valued at their acquisition cost or, in the case of permanent impairment, at the lower fair value. 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.

Inventories

Finished goods and work in progress reported under inventories are valued at production cost, taking into account the principle of the lower of manufacturing or acquisition cost. Production costs include individually documented working hours and appropriate components of material and production overheads as well as the depreciation of fixed assets and pro rata administrative overheads.

Receivables and other assets

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

Securities held as current assets

Securities held as current assets are valued at the lower of acquisition cost or fair value based on the stock exchange or market price on the reporting date.

Cash on hand and bank balances

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

Prepaid expenses

Prepaid expenses and deferred charges are accounted for according to Section 250 para. 1 of the German Commercial Cods. They are reversed in accordance with the expenditure of the accounting period.

Plan assets and pension obligations

The valuation if the assets to be offset according to § 246 paragraph 2 sentence 2 of the German Commercial Code ("plan assets") are measured within the meaning of § 255 paragraph 4 of the German Commercial Code. The remaining surplus of assets is stated in the balance sheet as a separate balance sheet item under "asset difference from offsetting assets" in accordance with § 246 paragraph 2 sentence 3 of the German Commercial Code.

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

Estimated rates of increase are taken into account for a forward-looking valuation of obligations. The Heubeck mortality tables 2018 G serve as the basis for calculation. As in the previous year, the modified going-concern value method was used to determine the pension obligation for an active entitlement, as documented by actuarial reports. As in the previous year, the projected unit credit method used for current entitlements of a total of eight former beneficiaries.

The actuarial calculation of the pension obligations was performed uniformly as of 31 December 2021, using an interest rate of 1.87 % (previous year: 2.30 %). 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. The average interest rate of the last ten years was applied without change in accordance with obligations.

Furthermore, an unchanged rate of pension growth of 1% 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, in application of § 246 para. 2 sentence 2 of the German Commercial Code, the fair value of the plan assets held for this purpose (actuarially determined

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asset value of the claims from corresponding reinsurance policies) is offset against the corresponding provisions from retirement benefits. The same applies to the effectively pledged fair value credit balance held as cover assets for the part-time early retirement scheme. The resulting asset-side difference from the offsetting of assets is shown as a separate balance sheet item.

The difference between the recognition of provisions based on the corresponding average interest rate from the past ten financial years and the recognition of provisions based on the corresponding average interest rate from the past seven financial years was kEUR 2,640 on the balance sheet date (previous year: kEUR 3,434).

Other provisions

Other provisions include all risks and contingent liabilities at the balance sheet date. The other provisions shown are valued at the settlement amount required according to prudent commercial assessment. Future price and cost increases were taken into account by applying appropriate interest to any claims. The settlement amount was only insignificantly influenced in each case. Also included is an obligation from a part-time retirement agreement, which is offset by plan assets with a fair value in the same amount. Accordingly, provisions with a term of more than one year were netted out 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.

Deferred income

Deferred income accordance to § 250 para 2 of the German Commercial Code are recognized in the amount of the income to be deferred if it represents income for a specific period after the balance sheet date.

Notes to the balance sheet

Fixed assets

The development of the individual fixed asset items and the corresponding depreciation and amotization is shown in the statement of changes in fixed assets.

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In EUR	Acquisition/ production costs as of 01/01/2021	Additions	Disposals	Reclassi-fications	Acquisition/ production costs as at 12/31/2021	Accumulated depreciation as at 01/01/2021	Additions	Disposals	Accumulated depreciation as at 12/31/2021	Carrying amount as at 12/31/2020	Carrying amount as at 12/31/2021
Intangible assets acquired for consideration											
Concessions, industrial property rights and similar rights and assets acquired against payment, as well as licences to such rights and assets	9,386,700	3,759,214	90,787	-	13,055,127	6,240,227	1,660,314	90,659	7,809,882	3,146,473	5,245,245
Total intangible assets	**9,386,700**	**3,759,214**	**90,787**	**-**	**13,055,127**	**6,240,227**	**1,660,314**	**90,659**	**7,809,882**	**3,146,473**	**5,245,245**
Material assets											
1. Land and buildings, including buildings on third-party land	4,610,489	281,243	2,996,672	-	1,895,060	2,780,675	257,016	1,996,671	1,041,020	1,829,813	854,041
2. Technical equipment and machinery	14,837,619	2,625,339	271,994	-	17,190,964	9,892,370	1,886,550	242,583	11,536,337	4,945,249	5,654,627
3. Other equipment, factory and office equipment	1,244,248	205,902	345,402	-	1,104,747	819,133	192,883	314,606	697,409	425,115	407,338
Total property, plant and equipment	**20,692,356**	**3,112,484**	**3,614,068**	**-**	**20,190,772**	**13,492,178**	**2,336,448**	**2,553,861**	**13,274,766**	**7,200,177**	**6,916,006**
Financial assets											
1. Shares in affiliated companies	381,325,293	39,437	-	-	381,364,730	-	-	-	-	381,325,293	381,364,730
2. Asset value pensions	376,429	25,003	-	-	401,432	-	-	-	-	376,429	401,432
Total financial assets	**381,701,722**	**64,440**	**-**	**-**	**381,766,162**	**-**	**-**	**-**	**-**	**381,701,722**	**381,766,162**
Total fixed assets	**411,780,777**	**6,936,138**	**3,704,856**	**-**	**415,012,060**	**19,732,405**	**3,996,762**	**2,644,520**	**21,084,647**	**392,048,372**	**393,927,413**

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Shares in affiliated companies

The investment book value of flatex Finanz GmbH was increased by kEUR 39.4 as of 11 March 2021 due to subsequent acquisition costs for DeGiro B.V. For a complete overview of the shares in affiliated companies, please refer to the other disclosures in these annual financial statements.

Trade receivables and other receivables

The trade receivables shown in the balance sheet do not include any receivables with a remaining term of more than one year (previous year: kEUR 0). Receivables from sales taxes of previous years are shown at kEUR 0 (previous year: kEUR 256). In addition, no income taxes receivables from previous years are reported (previous year: kEUR 1,108).

Other assets

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

Receivables from affiliated companies

There are receivables from affiliated companies in the amount of kEUR 130,915 (previous year: kEUR 30,794); these arose from profit and loss transfer agreements in the amount of kEUR 129,252 (previous year: kEUR 28,575), from delivery and service accounting as well as from fiscal unity for VAT purposes.

Equity

Subscribed capital

The company's subscribed capital - after the exercise of stock options and a 1 : 4 share split in the 2021 financial year - amounted to kEUR 109,793 (previous year: kEUR 27,273) as at the balance sheet date. At the end of the financial year, the share capital was divided into 109,792,548 (previous year: 27,273,137) no-par value registered shares with a notional value of EUR 1.00 each.

- The subscribed capital of kEUR 27,273 existing at the beginning of the reporting period increased to kEUR 27,426 until 19 August 2021 (the day before the share split became effective) due to the exercise of share options and the corresponding creation of 153,000 new shares.
- The Annual General Meeting of flatexDEGIRO AG resolved on 29 June 2021 to carry out a capital increase from company funds by issuing new shares. For each existing no-par value share, the company issued three new no-par value shares without additional payment to the shareholders. In this way, both the subscribed capital of flatexDEGIRO AG and the number of shares issued were quadrupled (share split 1 : 4). After registration of the capital increase from company funds in the commercial register on 20 August 2021, the subscribed capital increased accordingly to kEUR 109,704 (including the new shares created by exercising options up to this date). The new shares created in the course of the share split are fully entitled to dividends for the 2021 financial year. The notional value of the no-par value registered shares continues to be EUR 1.00 each.
- After the entry of the share split in the commercial register, a further 88,000 shares (after consideration of the share split) were newly created as a result of the exercise of share options.

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The share capital developed as follows:

in kEUR	2021	2020
Carry forward as at 01/01	27,273	19,596
Increase through exercise of options prior to the share split	153	177
Capital increase due to utilisation of authorised capital (issue of new shares against contribution in kind in connection with the acquisition of DeGiro B.V.)	0	7,500
Capital increase from company funds by issuing new shares (share split)	82,278	0
Increase through exercise of options after the share split	88	0
Status as at 31/12	109,793	27,273

No treasury shares were held during the entire reporting period.

Authorised capital

At the beginning of the 2021 financial year, the company had authorised capital totalling kEUR 13,600.

As of the balance sheet date, flatexDEGIRO AG has authorised capital totalling kEUR 54,400 (Authorised Capital 2021/I: kEUR 43,600; Authorised Capital 2021/II: kEUR 10,800) as outlined below:

- By resolution of the Annual General Meeting held on 20 October 2020, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital by 19 October 2025 by issuing new registered no-par value shares against cash and/or non-cash contributions in kind once or severval times by a total of up to kEUR 10,900, whereby the subscription rights of shareholders could be excluded in defined cases (Authorised Capital 2020/I). At the Annual General Meeting on 29 June 2021, in connection with the 1 : 4 share split, the complete cancellation of the Authorised Capital 2020/I and the creation of a new Authorised Capital 2021/I with an identical maturity date (until 19 October 2025) in a correspondingly adjusted amount was resolved. According to the new provision in the Articles of Association, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital by 19 October 2025 by issuing new registered no-par value shares against cash and/or non-cash contributions in kind once or severval times by a total of up to kEUR 43,600, whereby the subscription rights of shareholders may be excluded in defined cases (Authorised Capital 2021/I). The aforementioned resolutions of the Annual General Meeting of 29 June 2021 became effective upon entry in the Commercial Register on 20 August 2021. The Authorised Capital 2021/I of flatexDEGIRO AG remains unchanged at kEUR 43,600 as of the balance sheet date.
- By resolution of the Annual General Meeting held on 20 October 2020, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital until 19 October 2025 by issuing new registered no-par value shares against cash and/or non-cash contributions in kind once or severval times by a total of up to kEUR 2,700, whereby the subscription rights of shareholders could be excluded in certain cases

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(Authorised Capital 2020/II). At the Annual General Meeting on 29 June 2021, in connection with the 1 : 4 share split, the complete cancellation of the Authorised Capital 2020/II and the creation of a new Authorised Capital 2021/II with an identical maturity date (until 19 October 2025) in a correspondingly adjusted amount was resolved. According to the new provision in the Articles of Association, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital by 19 October 2025 by issuing new registered no-par value shares against cash and/or non-cash contributions in kind once or severval times by a total of up to kEUR 10,800, whereby the subscription rights of shareholders may be excluded in defined cases (Authorised Capital 2021/II). The aforementioned resolutions of the Annual General Meeting of 29 June 2021 became effective upon entry in the Commercial Register on 20 August 2021. The Authorised Capital 2021/II of flatexDEGIRO AG remains unchanged at kEUR 10,800 as of the balance sheet date.

Conditional capital

- By resolution of the Extraordinary General Meeting held on 30 October 2014, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital by up to kEUR 1,390 through the issuing of up to 1,390,000 new no-par value bearer shares with dividend entitlement from the beginning of the financial year in which they were issued (Conditional Capital 2014, referred to in the company's commercial register as "Conditional Capital 2014/I"). In accordance with the resolution of 30 October 2014, the conditional capital 2014 serves exclusively to secure subscription rights, which based on the Annual General Meeting held on 30 October 2014 as part of the 2014 stock option programme, are granted to the members of the Management Board up to and including 30 September 2019 and employees of the company as well as members of the management and employees of companies affilifated with the company. On 27 July 2016, the Annual General Meeting resolved to switch from bearer to registered shares; the conditional capital 2014 was adjusted accordingly to the issue of registered shares. By resolution of the Extraordinary General Meeting held on 04 December 2017, the authorisation to issue stock options under a 2014 share option programme, which was resolved by the General Meeting held on 30 October 2014 with adjustments by the General Meeting held on 27 July 2016, was amended and substantiated. At the same time, the conditional capital 2014 was amended in such a way that it also serves to service subscription rights that have been issued on the basis of the authorisation resolution of the Annual General Meeting held on 30 October 2014, also with adjustments by the Annual General Meeting held on 27 July 2016 and also in the version after its amendment by the corresponding resolution of the Annual General Meeting held on 04 December 2017, and 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 Annual General Meeting held on 04 December 2017. In 2019, as part of the 2014 stock option programme, a total of 859,000 subscription shares were issued and a total of 125,000 subscription shares were issued in the 2020 financial year from the 2014 conditional capital with a proportional amount of the share capital of EUR 1.00 per share; corresponding amendments to the Articles of Association were entered in the Commercial Register.

  At the beginning of the financial year 2021, the conditional capital 2014 thus amounted to kEUR 406. Due to further exercises of share options from the 2014 share option programme, a total of 83,000 new registered no-par value shares with a proportionate amount of the share capital of EUR 1.00 per share were issued from the conditional capital 2014 in the financial year 2021 by 1 July 2021. The corresponding amendment to the Articles of Association was filed with the Commercial Register and registered on 1 July 2021 as requested. The conditional capital 2014 was reduced accordingly to kEUR 323. In the course of the 1 : 4 share split resolved by the Annual General Meeting on 29 June 2021, the existing conditional capital 2014 increased by operation of law in the same ratio as the

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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 amounts to kEUR 1,292.

- By resolution of the Annual General Meeting held on 28 August 2015, the Management Board was authorised, with the approval 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 entitlement from the beginning of the financial year in which they were 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 subscription rights, which based on the authorisation of the Annual Meeting held on 28 August 2015 as part of the 2015 stock option programme, are granted to the members of the Management Board up to and including 27 August 2020 and employees of the company as well as members of the management and employees of companies affiliated with the company. On 27 July 2016, the Annual General Meeting resolved to switch from bearer to registered shares; the conditional capital 2015 was adjusted accordingly to the issue of registered shares. By resolution of the Extraordinary General Meeting held on 04 December 2017, the authorisation resolved by the General Meeting held on 28 August 2015 with adjustments by the General Meeting held on 27 July 2016 to issue stock options as part of a 2015 stock option programme was changed and specified; at the same time, the conditional capital 2015 was amended so that it is used exclusively to service subscription rights that are based on the authorisation resolution of the General Meeting held on 28 August 2015, also with adjustments by the General Meeting held on 27 July 2016. August 2015, also with adjustments by the Annual General Meeting held on 27 July 2016 and also in the version following its amendment by the corresponding resolution of the Annual General Meeting held on 04 December 2017, also to the extent that as per the issuing of subscription rights, the option conditions underlying the subscription rights in question were redrafted as part of the corresponding resolution of the Annual General Meeting held on 04 December 2017. Within the framework of the 2015 share option programme, share options totalling EUR 52,500 were exercised in the 2020 financial year, as a result of which a total of 52,500 new registered no-par value shares with a proportionate amount in the share capital of EUR 1.00 per share were issued from the conditional capital 2015.

  At the beginning of the 2021 business year, the conditional capital 2015 accordingly amounted to EUR 177,500. Due to further exercises of share options, a total of 70,000 new registered no-par value shares with a proportionate amount of the share capital of EUR 1.00 per share were issued from the conditional capital 2015 in the 2021 business year until 1 July 2021. The corresponding amendment to the Articles of Association was filed with the Commercial Register and registered on 1 July 2021 as requested. The conditional capital 2015 was thus reduced to EUR 107,500. In the course of the 1 : 4 share split resolved by the Annual General Meeting held 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. In the further course of the reporting period, due to the exercise of share options, an additional 88,000 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 88 to kEUR 342 after the share split. The corresponding amendment to the Articles of Association was filed with the commercial register and entered on 15 February 2022 as requested. As of the balance sheet date, the conditional capital 2015 amounts to kEUR 342.

- By resolution of the Extraordinary General Meeting held on 4 December 2017 in the version following the adjustments made by the resolution of the ordinary General Meeting held on 7 August 2018, the resolution of the ordinary General Meeting held on 20 October 2020

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and the resolution of the ordinary General Meeting held on 29 June 2021, the Management Board was authorised, with the approval of the Supervisory Board, to increase the share capital by up to June 2021, the Management Board was authorised, with the approval of the Supervisory Board, to conditionally increase the share capital by up to kEUR 14,000 through the issue of up to 14,000,000 new registered no-par value shares with dividend entitlement from the beginning of the financial year in which they are issued (Conditional Capital 2017, referred to in the Company's commercial register as "Conditional Capital 2018/I"). The conditional capital increase serves to service bonds issued until 03 December 2022 on the basis of the corresponding authorisation resolution of the Annual General Meeting held on 04 December 2017 as amended after the adjustments by the resolution of the Annual General Meeting held on 07 August 2018, by the resolution of the Annual General Meeting held on 20 October 2020 and by the resolution of the Annual General Meeting held on 29 June 2021. The corresponding amendment to the Articles of Association was entered in the Commercial Register on 20 August 2021. As at the balance sheet date, the conditional capital 2017 amounts to kEUR 14,000.

- By resolution of the Annual General Meeting held on 7 August 2018, as amended by the resolution of the Annual General Meeting held on 29 June 2021, the Management Board was authorised, with the approval of the Supervisory Board, 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 entitlement 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 on the basis of the corresponding authorisation resolution of the Annual General Meeting held on 07 August 2018, as amended after the adjustments by the resolution of the Annual General Meeting held on 29 June 2021, until 06 August 2023. The corresponding amendment to the Articles of Association was entered in the Commercial Register held on 20 August 2021. As at the balance sheet date, the conditional capital 2018/II amounts to kEUR 14,400.

Share options plan

flatexDEGIRO AG has created share option plans for the competitive overall compensation of executives. The first share option programme was launched in 2014. Subscription rights were issued for the first time in 2015 under this programme.

Each subscription right from the share option programme grants the holder the right to acquire one share in the company against payment of the subscription price fixed at the time of issue. The subscription price is determined on the basis of the average closing price of the share over a fixed period prior to the resolution of the Annual General Meeting less a discount.

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

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No subscription rights were granted to the Management Board of flatexDEGIRO AG in 2021 (previous year: 40,000, after stock split). As of 31 December 2021, a total of 568,000 active subscription rights still existed (after stock split). In the 2021 financial year, 241,000 subscription rights were exercised (previous year: 157,500) and EUR 241,000 was added to the subscribed capital accordingly. The capital reserve increased by kEUR 1,542 (previous year: kEUR 1,522) in the current financial year due to shares issued for options entitled to subscription.

Development of equity

The subscribed capital was increased by options exercised in the reporting year from the share option programmes 2014 and 2015 in the amount of kEUR 241 (previous year: kEUR 177.5). The entries in the commercial register were made on 1 July 2021 and 15 February 2022.

The Annual General Meeting of flatexDEGIRO AG, Frankfurt (the "Company"), on 29 June 2021 resolved to increase the share capital of the company by means of a capital increase from corporate funds (Sections 207 et seq. AktG) and to issue three new no-par value shares to the shareholders for each existing no-par value share ("share split"). Due to the ongoing possibility of the beneficiaries of the employee participation programmes (share option plans 2014 and 2015) to exercise stock options already issued and to subscribe to shares of the company, the share capital of the company could change at any time.

The capital increase from company funds was carried out by converting a partial amount of the "free capital reserves" included in the increase balance sheet as of 1 January 2021 under "capital reserves" in the amount of kEUR 82,278.41 (= three times the share capital existing at the time of entry of the resolution in the commercial register) into share capital. 82,278,411 new registered no-par value shares with an notorial value in the share capital of EUR 1.00 per share and dividend entitlement from 1 January 2021 were issued ("bonus shares"). The bonus shares shall be entitled to the shareholders of the Company in accordance with their shareholdings in the ratio that three new no-par value registered shares are attributable to each old no-par value registered share.

In order to implement the aforementioned share split, the loss carried forward was offset via the revenue reserves as of 01/01/2021.

in EUR	Subscribed capital	Own shares acquired	Capital reserve	Legal reserve	Retained earnings	Net profit or loss	Total equity
Status as at 12/31/2020	27,273,137	-	309,627,114	32,775	6,810,554	-3,500,884	340,242,697
Change due to stock option programme	241,000		1,541,580				1,782,580
Change due to share split 2021	82,278,411		-82,278,411		-3,500,884	3,500,884	-
Net profit for the year	-	-	-	-	-	34,428,635	34,428,635
Status as at 12/31/2021	**109,792,548**	**-**	**228,890,283**	**32,775**	**3,309,670**	**34,428,635**	**376,453,912**

Provisions for pensions

The pension provisions for one current employee and one retired employee as well as eight (previous year: eight) former members of the Management Board of the former XCOM AG are based on actuarial reports.

In the course of the offsetting required under § 246 para. 2 sentence 2 of the German Commercial Code, existing pension obligations in the amount of kEUR 9,181 (previous year: kEUR 8,522) as of the balance sheet date are offset against the plan assets held for this purpose ("plan assets"). The fair value of the plan assets, which corresponds to the acquisition costs,

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amounts to kEUR 10,171 on the reporting date (previous year: kEUR 9,445). In the course of the application § 246 para. 2 sentence 2 of the German Commercial Code, interest income from plan assets amounting to kEUR 447 (previous year: kEUR 543) was also offset against expenses from existing obligations of kEUR 2,267 (previous year: kEUR 2,131).

The fair value of the plan assets exceeding the corresponding pension obligation is recognised as the asset-side difference from the asset offsetting in the amount of kEUR 990 (previous year: kEUR 924). The excess liability arising for four beneficiaries as of the balance sheet date is reported under pension provisions in the amount of kEUR 4,143 (previous year: kEUR 2,807).

Tax provisions

In the reporting year, flatexDEGIRO AG reported a corporate income tax provision of kEUR 7,569 (previous year: kEUR 6,221). The provision for trade tax amounts to kEUR 7,552 (previous year: receivable kEUR 6,120).

Other provisions

Other provisions mainly include bonus provisions of kEUR 4,200 (previous year: kEUR 2,800), provisions for Stock Appreciation Rights of kEUR 74,588 (previous year: kEUR 15,387), kEUR 13,000 (previous year: kEUR 13,000) in connection with the acquisition of DeGiro B.V., annual financial statement and audit costs of kEUR 559 (previous year: kEUR 538), legal and consulting fees of kEUR 380 (previous year: kEUR 206) and various outstanding invoices in the amount of kEUR 1,985 (previous year: kEUR 2,221).

Stock Appreciation Rights

flatexDEGIRO AG introduced the Stock Appreciation Rights Plan 2020 (SAR Plan 2020) in May 2020. According to the SAR Plan 2020, board members and employees can be granted up to one million Stock Appreciation Rights (before stock split), which after a waiting period of three years can be exercised by the beneficiary within a further three years. The SARs are granted on a pro-rata basis over the three-year waiting period and only entitle the holder to a cash payment, 50 % of which depends on changes in the share price and 50 % on changes in the earnings per share. Furthermore, up to a further 400,000 SARs (before share split) can be granted as part of a purchase model. Thr purchase of shares in flatexDEGIRO AG is a prerequisite for the granting of additional SARs as part of the purchase model. In 2021, a total of 1,135,832 SARs (after share split) were granted to employees.

For the SAR Plan 2020, a provision is recognised as an expense over the vesting period. The expenses are recorded in personnel expenses. The provision is valued using a suitable option pricing model (Black-Scholes formula) and taking into account the expected EPS 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 2021, a provision of kEUR 74,588 (previous year: kEUR 15,387) and corresponding expenses of kEUR 59,201 (previous year: kEUR 15,387) was created.

No SARs were granted to the Management Board members in 2021 (previous year: 1,760,000 SARs after stock split).

Liabilities to banks

As of the balance sheet date, flatexDEGIRO AG had liabilities to banks in the amount of kEUR 5,184 (previous year: kEUR 5,523). This includes a short-term bank loan from the subsidiary flatexDEGIRO Bank AG. There are no liabilities to external banks (previous year: kEUR 542).

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in EUR	2021	2020
Total up to 1 year	5,184,013	5,523,324
Total >1 year to 5 years	0	0
Total >5 years	0	0
Total	5,184,012.57	5,523,324

Advance payments received and trade payable

There is a liability with a remaining term of more than one year in the amount of kEUR 1,054 (previous year: EUR 0) from rental licences.

As in the previous year, the other advance payments and liabilities shown have a remaining term of up to one year.

Amounts owed to affiliated companies

As at 31 December 2021, liabilities to affiliated companies amount to kEUR 370 (previous year: kEUR 206) to flatexDEGIRO Bank AG from the VAT group, liabilities from the income-tax-sharing agreement in the amount of kEUR 19,180 (previous year: kEUR 1,661) and trade payables in the amount of kEUR 9 (previous year: kEUR 34). In addition, there is a liability of kEUR 3,298 (previous year: kEUR 0) for compensation claims from the purchase of DeGiro B.V. in 2020.

All loans granted to Group subsidiaries prior to the reporting period were repaid in full in the financial year just ended. All liabilities to affiliated companies have a remaining term of up to one year.

Other liabilities

Other liabilities are composed as follows:

In EUR	12/31/2021	12/31/2020
Tax liabilities	1,085,200	757,746
Liabilities from lease purchase	4,948,307	4,782,347
Other liabilities	1,943,813	5,428,016
Total	**7,977,319**	**10,968,108**

The other liabilities include a trust amount of kEUR 1,702 in connection with the purchase of DeGiro B.V. (previous year: kEUR 5,000). There are no other liabilities with a remaining term of more than three years.

Deferred income

Deferred income includes the deferral of income already received, which represents income for subsequent periods. There are two deferred income items in connection with the sponsorship of Borussia Mönchengladbach with a remaining term of more than one year (previous year: kEUR 0).

Notes to the profit and loss account

Revenues

The revenues of kEUR 49,720 (previous year: kEUR 38,225) are mainly generated in Germany. In accordance with the operating activities of the company, the revenues are broken down as follows:

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In EUR	12/31/2021	12/31/2020
Core Banking System (CBS)	17,979	15,190
IT infrastructure	2,097	2,148
Software (development and maintenance)	7,477	8,161
Group allocations	22,167	12,726
Total	**49,720**	**38,225**

Revenues from affiliated companies amounted to kEUR 39,298 in the reporting year (previous year: kEUR 25,449). The company generated significant revenues for IT services and from a Group allocations for management and other services. Due to the addition of the transaction volume of Degiro B.V., the revenues increased accordingly, especially in the areas of CBS and levies.

Other operating income

The other operating income mainly relates to income from the increase in the asset value of the reinsurance policy in the amount of kEUR 565 (previous year: kEUR 534), pre-tax reductions from the previous year, motor vehicles in kind in the amount of kEUR 416 (previous year: kEUR 428) and from the reversal of provisions in the amount of kEUR 483 (previous year: kEUR 21).

Cost of materials

The cost of materials of kEUR 11,778 (previous year: kEUR 8,678) mainly includes expenses from sponsorship for Borussia Mönchengladbach and purchased services for IT services and data lines.

Personnel expenses

This item includes expenses for retirement benefits in the amount of kEUR 78 (previous year: kEUR 49). In addition, personnel expenses include expenses for the provision for the SAR Plan 2021 in the amount of kEUR 59,201 (previous year: kEUR 15,387).

Other operating expenses

Other operating expenses include, in particular, occupancy costs, insurance, contributions and levies, repairs and maintenance costs, licence fees, marketing and travel costs, vehicle costs, telecommunications costs, IT costs, training costs and legal and consulting fees.

In EUR	2021	2020
Legal and consulting fees	2,067,359	1,557,754
Contributions and fees	166,276	107,624
IT costs	2,925,386	1,803,994
Rental expenses	3,743,269	2,839,533
Insurances, contributions and levies	1,567,792	1,338,852
Other expenses	4,757,369	2,750,349
Postage and office supplies	50,885	62,833
Vehicle costs	756,923	788,133
Travel expenses	203,538	189,747
Representation	611,142	1,143,394
Total	**16,849,939**	**12,582,215**

Depreciation

Depreciation on tangible and intangible assets increased to kEUR 4,057 (previous year: kEUR 3,735) due to an one-time unscheduled depreciation effect. No unscheduled depreciation on land and buildings (previous year: kEUR 397) is included.

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The item "Depreciation on financial assets and securities held as current assets" includes depreciation of kEUR 1 (previous year: kEUR 18) on securities recognised as current assets in accordance with the strict lower-of-cost-or-market principle.

Income from participating interests

The income from the profit and loss transfer agreement with flatex Finanz GmbH is shown in the income from participations. Income from participations increased by kEUR 61,677 to kEUR 129,252 in the reporting year.

Other interest and similar income

In the reporting yeat, no interest was appropriated by affiliated companies (previous year: kEUR 0). The item includes kEUR 13 in interest income from reinsurance policies, which are not attributable to plan assets. Furthermore, interest income from the discounting of provisions in the amount of kEUR 5 (previous year: kEUR 1) as well as interest income according to § 233a German Tax Code for income tax from previous years in the amount of kEUR 13 (previous year: kEUR 8 for sales tax).

Interest and similar expenses

This item includes kEUR 1,820 (previous year: kEUR 1,596) and contains the interest income from plan assets in the amount of kEUR 447 (previous year: kEUR 534) and also interest expenses to be offset pursuant to § 246 para. 2 sentence 2 of the German Commercial Code from liabilities from pension obligations and similar long-term obligations of kEUR 2,267 (previous year: kEUR 2,131).

In the reporting year, interest of kEUR 369 (previous year: kEUR 177) was paid to affiliated companies.

Taxes on income and earnings

Corporate income tax, solidarity surcharge and trade tax were recorded for the financial year 2021 in accordance with applicable tax regulations. The item includes income tax of kEUR 10,850 (previous year: kEUR 9,610) and trade tax of kEUR 10,732 (previous year: kEUR 9,512). The item includes tax expenses of kEUR 1,423 for the previous year (previous year: kEUR 142).

Other information

Contingent liabilities and other financial obligations

As of the balance sheet date, the following other financial obligations existed in accordance with § 251 of the German Commercial Code in conjunction with § 268 para. 7 of the German Commercial Code:

In EUR	Total as at 12/31/21	Thereof: up to 1 year	Thereof: between 2 and 5 years	Thereof: after 5 years	Total as at 12/31/20
From rental and leasing contracts	11,773,707	3,976,709	7,796,998	-	8,784,329
From maintenance contracts	3,573,176	959,144	2,614,033	-	1,750,565
From other contracts	3,839,636	3,501,636	338,000	-	3,106,165
As of 12/31/2021	19,186,519	8,437,489	10,749,031	-	13,641,058

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

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Employees

On an annual average 331 (previous year: 296) people were employed in the current financial year. Compares to the previous year, the employees in the reporting year are broken down by group as follows:

Number	2021	2020
Full-time employees	248	231
Part-time employees	62	45
Executive employees and authorised signatories without Management Board	21	20
Total	**331**	**296**

Shareholdings

flatexDEGIRO AG holds a direct interest of 20% or more in the following companies within the meaning of § 285 no. 11 of the German Commercial Code (HGB):

	Directly shares held as of 12/31/21 in percent	Equity as of 12/31/21 in EUR	Result of the financial year 2021 in EUR
flatex Finanz GmbH, Frankfurt	100	368,479,891	129,251,513[1]
Xervices GmbH, Frankfurt	100	156,290	-12,516
Cryptoport GmbH, Frankfurt	100	1,299,087	7,678
financial.service.plus GmbH, Leipzig	72	1,015,663	48,780
flatexDEGIRO Bank AG, Frankfurt	100[2]	64,177,433	129,276,577[3]

[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

Board members and compensation

The Management Board of flatexDEGIRO AG consists of:

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

Muhamad Said Chahrour, Frankfurt - M. Sc., Chief Financial Officer.

The compensation of the Management Board is shown in detail in the table below:

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In EUR	Year	Compensation independent of performance		Performance-based compensation				Total compensation
					Long-term variable compensation (component II)			
		Annual fixed salary	Other compensations	One-year variable compensation (Component I)	Option plan 2014	Option plan 2015	SAR Plan 2020*	
Frank Niehage	2021	500,000.00 €	24,650.00 €	1,000,000.00 €	- €	- €	- €	1,524,650.00 €
	2020	500,000.00 €	27,500.00 €	1,000,000.00 €	- €	- €	1,080,000 units 3,286,966.00 € (fair value)	4,814,466.00 €
Muhamad Said Chahrour	2021	**240,000.00 €**	**22,725.00 €**	**500,000.00 €**	**- €**	**- €**	**- €**	762,725.00 €
	2020	200,000.00 €	22,500.00 €	300,000.00 €	- €	40,000 units (58,900 € fair value)	680,000 units 2,126,813 € (fair value)	2,708,213.00 €
Total	**2021**	**740,000.00 €**	**47,375.00 €**	**1,500,000.00 €**	**- €**	**- €**	**- €**	**2,287,375.00 €**
	2020	**700,000.00 €**	**50,000.00 €**	**1,300,000.00 €**	**- €**	**58,900.00 €**	**5,413,779.00 €**	**7,522,679.00 €**

*the valuation of the SARs issued are made at the grant date.

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The fixed compensation of the incumbent Management Board members remained unchanged until the reporting date of 31 December 2021. No benefits were granted to any of the Management Board members by a third party with regard to their activities as Executive Board members.

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

Martin Korbmacher, Frankfurt, Chairman of the Supervisory Board

Positions heldt:

- Managing Director Event Horizon Capital & Advisory GmbH
- Managing Director arsago ACM GmbH

In 2021, Mr Korbmacher was a member of the following other statutory Supervisory Boards of domestic and foreign companies:

- Chairman of the Supervisory Board of SGT German Private Equity GmbH & Co. KGaA, Frankfurt (until 23 June 2021: Member of the Supervisory Board)
- Chairman of the Supervisory Board of flatexDEGIRO Bank AG, Frankfurt
- Chairman of the Supervisory Board of innoplexus AG, Eschborn (until 07.03.2021)
- Member of the Supervisory Board of PTV Planung Transport Verkehr AG, Karlsruhe

Stefan Müller, Kulmbach; Deputy Chairman of the Supervisory Board

Positions held:

- Chief Representative of Börsenmedien AG, Kulmbach
- Chief Representative BF Holding GmbH, Kulmbach
- Chief Representative GfBk Gesellschaft für Börsenkommunikation mbH, Kulmbach
- Managing Director Panthera AM GmbH, Kulmbach
- Managing Director Yigg GmbH, Kulmbach

In 2021, Mr Müller was a member of the following other statutory supervisory boards of domestic companies:

- Chairman of the Supervisory Board of Finlab AG, Frankfurt (until 19 December 2021: Deputy Chairman of the Supervisory Board, until 28 February 2021: Member of the Supervisory Board)
- Deputy Chairman of the Supervisory Board of Heliad Equity Partners GmbH & Co. KGaA, Frankfurt
- Member of the Supervisory Board of flatexDEGIRO Bank AG, Frankfurt
- Deputy Chairman of the Supervisory Board of TubeSolar AG, Augsburg (since 23.11.2021)

Herbert Seuling, Kulmbach, Member of the Supervisory Board

Positions held:

- Managing Director of M & S Monitoring GmbH, Kulmbach

In 2021, Mr Seuling was a member of the following other statutory supervisory boards of domestic companies:

- Member of the Supervisory Board of Heliad Equity Partners GmbH & Co. KGaA, Frankfurt am Main
- Chairman of the Supervisory Board of TubeSolar AG, Augsburg (until 05.12.2021: Member of the Supervisory Board)

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- Deputy Chairman of the Supervisory Board of FinLab AG, Frankfurt (until 19 December 2021: Member of the Supervisory Board)
- Member of the Advisory Board of Bionero GmbH, Thurnau

By resolution of 9 December 2021, flatexDEGIRO AG has formed an Audit Committee consisting of the members of the Supervisory Board. The Chairman of the Audit Committee is Mr Herbert Seuling.

The members of the Supervisory Board of flatexDEGIRO AG only receive regulat fixed payments. The compensation in detail, divided according to the compensation for the work on the Supervisory Board in the Group parent company flatexDEGIRO AG and for Supervisory Board activities in Group subsidiaries (in each case including the respective temporary VAT rate):

In EUR	**2021**	**2020**
flatexDEGIRO AG	240,000.00	282,405.00

Auditor's fees

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

Appropriation of earnings

The Management Borad has pursuant to § 58 para. 2 AktG in conjunction with § 19 para. § 19 para. 6 of the Articles of Association, and the Supervisory Board has agreed that the net profit for the year in the amount of EUR 34,428,635.15 be transferred to the other revenue reserves.

Events after the balance sheet date (supplementary report)

There were no significant events after the balance sheet date.

Frankfurt, 7 March 2022

Frank Niehage	Muhamad Said Chahrour
Chief Executive Officer	Chief Financial Officer

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Management Report

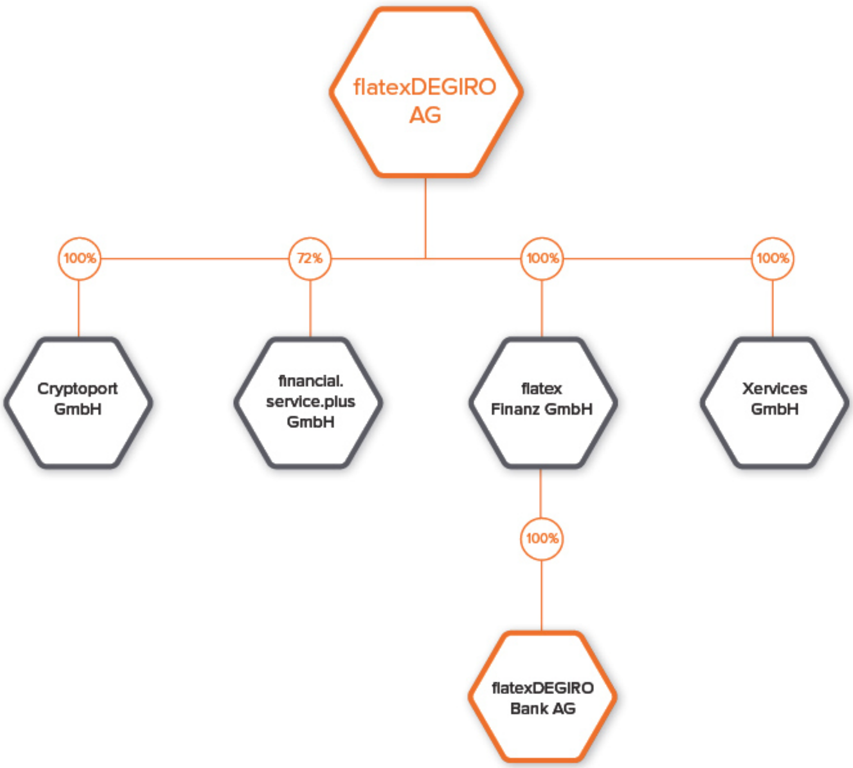
1 Fundamentals of society

1.1 Business model of the company

flatexDEGIRO AG (Frankfurt Local Court, HRB 103516) is a European provider of financial technologies. The business activities of the company consist of the development, provision and operation of future-proof and efficient IT solutions for the processing of financial transactions and payment transactions of all kinds for European financial service providers. This includes, in particular, the provision and operation of the IT infrastructure for the processing of brokerage transactions for the more than two million private customers of the flatex and DEGIRO brands within the flatexDEGIRO Group in a total of 18 European countries.

1.2 Group structure of flatexDEGIRO AG

The group structure of the flatexDEGIRO AG with its subsidiaries and sub-subsidiaries is shown below:



The following changes to our Group's corporate structure took place in the 2021 financial year:

- Upon entry into the commercial register on 8 April 2021, flatex Bank AG was renamed flatexDEGIRO Bank AG.
- In addition, upon entry into the commercial register on 7 May 2021 with retroactive effect from 1 January 2021, DeGiro B.V. was merged into flatexDEGIRO Bank AG.
- Upon entry into the commercial register on 1 December 2021, Brokerport Finance GmbH was renamed Cryptoport GmbH.

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1.3 Management of the company

The Management Board of flatexDEGIRO AG is composed of the following members as at 31 December 2021:

Frank Niehage, LL.M.
CEO

Muhamad Said Chahrour
CFO

In addition, the Management Board is advised by a global management team in the areas of risk management, information technology, human resources and marketing, partly also from within the subsidiaries:

Jörn Engelmann
Chief Risk Officer

Stephan Simmang
Chief Technology Officer

Steffen Jentsch
Chief Information Officer

Christiane Strubel
Chief HR Officer

Giscard Monod de Froideville
Chief Marketing Officer

As at 31 December 2021, the Supervisory Board of flatexDEGIRO AG consists of the following members:

Martin Korbmacher
(Chairman)

Stefan Müller
(Deputy Chairman)

Herbert Seuling
(Supervisory Board member)

The current declaration on corporate governance pursuant to Sections 289f, 315d of the German Commercial Code as well as the compensation report are available for download from the website of flatexDEGIRO AG at https://flatexdegiro.com/de/investor-relations/corporate-governance.

1.4 Compensation system of the Management Board and Supervisory Board

The members of the Management Board of flatexDEGIRO AG receive fixed and variable compensation components as well as share-based payment. There are no 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 compensation component.

For further disclosures, we refer to the notes to the consolidated financial statements and the notes to these annual financial statements.

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1.5 Disclosures pursuant to Section 289a HGB

1. Composition of the subscribed capital

   The subscribed capital (share capital) of flatexDEGIRO AG on the balance sheet date was EUR 109,792,548.00 and is divided into 109,792,548 no-par value registered shares with full voting rights. Each share grants equal associated rights, and one vote each at the Annual General Meeting.

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

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

3. Equity participants of more than 10%

   At the balance sheet date (31 December 2021), equity participants based on indirect or direct equity participation that have exceeded 10% of the voting rights are in place as follows:

   - Mr Bernd Förtsch, Germany, notified us on 28 October 2020 that his voting right share in flatexDEGIRO AG on 23 October 2020, held directly or indirectly, was 5,351,845 voting rights or 19.62 %. At this point in time, the total number of voting rights in accordance of Section 41 WpHG was 27,273,137, with 396,607 voting rights or 1.45 % of voting rights held directly by Mr Förtsch; 4,955,238 voting rights or 18.17 % of voting rights were attributed to Mr Förtsch via his equity participations in GfBk Gesellschaft für Börsenkommunikation mbH ("GfBk"), Kulmbach, and Heliad Equity Partners GmbH & Co KGaA, Frankfurt. At that point, GfBk held a direct stake of 12.93 % 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 12.93 % 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 para. 1 of the German Securities Trading Act (WpHG).
   - In the 2021 financial year, Morgan Stanley, Wilmington, Delaware, USA , informed us most recently on 21 December 2021 that its voting interest in flatexDEGIRO AG on 15 December 2021, held directly or indirectly, amounted to 11,917,910 voting rights or 10.86 % of the voting rights of flatexDEGIRO AG. The majority of this was attributable to instruments in the context of collar structures. The total number of voting rights in accordance with Section 41 WpHG was 109,784,548.

The equity participations reported to us and in place as at 31 December 2021 are shown in the notes to the Annual Financial Statements of flatexDEGIRO AG, under disclosures in accordance with Section 160 (1) no. 8 AktG.

4. Shares with special rights

   There are no flatexDEGIRO AG shares that grant special rights.

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

   Employees who hold an interest in the capital of flatexDEGIRO AG exercise their control rights in the same manner as other shareholders, in accordance with the statutory provisions and the Articles of Association.

6. Regulations for the appointment and dismissal of members of the Managment Board and amendment of the Articles of Association

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The provisions relevant to the appointment and dismissal of members of the Management Board can be found in Sections 84 and 85 of the German Stock Corporation Act (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 following the provisions of Sections 179 et seqq., Section 133 AktG, and Section 4 para. 3 - para. 8 (here in each case in the last sentence) and Section 18 para. 2 of the Articles of Association. In as far as amendments affect only the wording, the Supervisory Board can also resolve upon this in the cases regulated in Section 4 para. 3 – para. 8 of the Articles of Association. Section 18 paragraph 2 of the Articles of Association, in accordance with Section 179 paragraph 2 sentence 2 of the German Stock Corporation Act (AktG), sets out that resolutions of the Annual General Meeting shall be passed by with a simple majority of the submitted votes and, if the law specifies a capital majority in addition to the voting majority, with a simple majority of the vote-entitled capital which is represented at the time the resolution is voted on, subject to mandatory statutory specifiations or provisions to the contrary.

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

Issuing of shares: the company has the following authorised capital which, subject to approval by the Supervisory Board, the Management Board may use create and issue new shares:

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

In addition, the company has the following conditional capitals which, subject to approval by the Supervisory Board, the Management Board may use 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 430,000 shares (2015 share options programme);
- Conditional Capital 2018/I (2017) pursuant to Section 4 (6) of the Articles of Association: Issue of up to 14,000,000 shares (in context of the issue of debt capital instruments in the form of convertible bonds and/or bonds with warrants);
- Conditional Capital 2018/II pursuant to Section 4 para. 7 of the Articles of Association: Issue of up to 14,400,000 shares (in context of the issue of debt capital instruments, e.g. convertible bonds and/or bonds with warrants).
- At the balance sheet date, there was no authorisation on the part of the Management to acquire treasury shares.

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

8. Agreements providinf for a change of control resulting from an acquisition offer, and the company#s compensation agreements made with members of the Management Board or employees in respect of takeover offers

At the level of flatexDEGIRO AG, there are no material contracts with contain change-of-control clauses that provide for a company takeover.

At the level of flatexDEGIRO Bank AG, there are contracts which contain change-of-control clauses that permit the respective parties and/or contract 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 at flatexDEGIRO AG" occurs when (i) a third party acquires the majority of shares of flatexDEGIRO AG or the majority of

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voting rights of flatexDEGIRO AG or essentially all assets of flatexDEGIRO AG, or (ii) a third party gain a controlling influence over flatexDEGIRO AG in another way within the meaning of Section 17 of the German Stock Corporation Act (AktG).

The employment contract of the Chairman of the Management Board of flatexDEGIRO AG includes a clause relating to a change of control. This is intended to financially safeguard the Chairman of the Management Board in the event of a change of control, in order that they can maintain independence in a takeover situation.

- In the event of a change of control, the Chairman of the Management Board is entitled to a special right of termination within the first six months.
- In the event of the special right of termination being exercised, the following compensation payments shall be due to the Chairman of the Management Board:
    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 adjustement payments specified under 1. and 2. are in each case calculated pro-rata until the expiry of the currently valid contractual term.
    4. Together, the compensation payments may amount to a maximum of two total annual compensation amounts (compensation cap). The total compensation for the expired financial year is taken as a basis for calculating the cap.
    5. If the total compensation for the expired financial year is expected to be significantly higher or lower, this must be used as the basis.

Furthermore, there are no compensation agreements with members of the Management Board or employees in the event of a takeover situation.

1.6 Business activity of the company

The business activity of flatexDEGIRO AG is the development, production, distribution and maintenance of software and hardware as well as IT infrastructure. The core product of the flatexDEGIRO AG is the flatex Core Banking System (in short: FTX:CBS).

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 the FTX:CBS takes place in the high-performance data centres of the flatexDEGIRO AG which ensure a secure and redundant operation. Through the combination of software and IT infrastructure has resulted in a scalable system which flatexDEGIRO AG to process a growing number of transactions with its own proprietary systems. In 2021, flatexDEGIRO AG was able to reliably process the 91 million transactions of 2.6 million customer accounts.

In addition to FTX:CBS, the proprietary Limit Order System (in short: L.O.X.) 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 corporate payments area round off the portfolio. These range from individual authorisation procedures via distributed electronic signatures to multi-bank capability.

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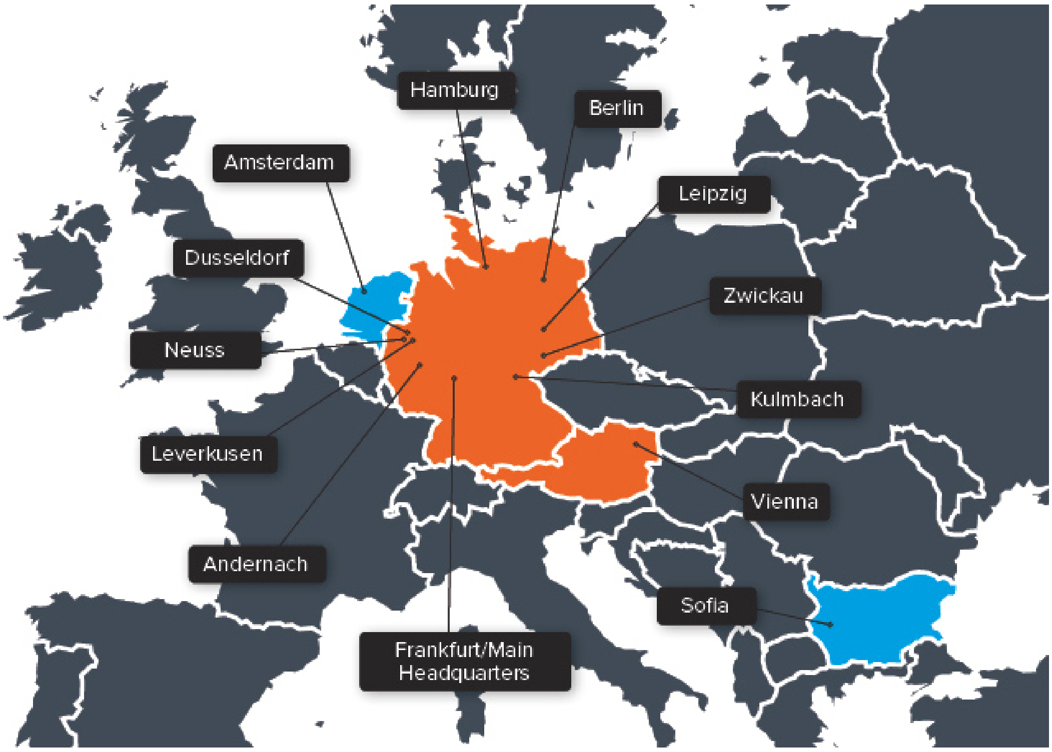
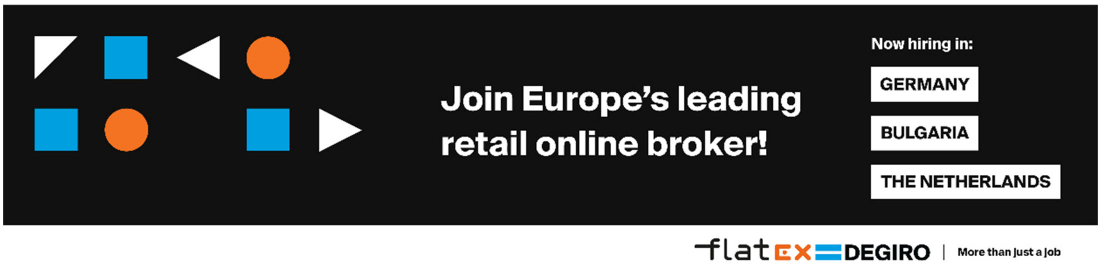
1.7 Employees and locations

As at the reporting date, flatexDEGIRO AG has business operations at ten locations in Germany and one site each in the Netherlands, Austria and Bulgaria. As of the reporting date, 1,132 employees (previous year: 971) are employed by the flatexDEGIRO Group, of which 331 (previous year: 302) are employed by the parent company flatexDEGIRO AG.



Advanced conferencing software enables employees of flatexDEGIRO AG to work on amobile basis, which means we are reducing the strain daily communting places on our employees as well as on the environment. In addition, flatexDEGIRO AG avoids flights within Germany where possible, and is driving forward measures to promote e-mobility. For example, the Group's vehicle fleet is being fully converted to hybrid or electric-powered vehicles. The first completely electrically powered vehicles are already in use.

To increase visibility of the flatexDEGIRO employer brand, recruiting has been standardised across national borders under the umbrella brand. In addition, due to the current COVID-19-pandemic, recruitment processes have been adapted to protect applicants and our employees to the best possible extent. As such, it is preferred that interviews are conducted remotely.



Through the introduction of SAP SuccessFactors® as a professional HCM solution, flatexDEGIRO AG supports its employees through each phase of the employee lifecycle and promotes global collaboration between employees in their daily work.

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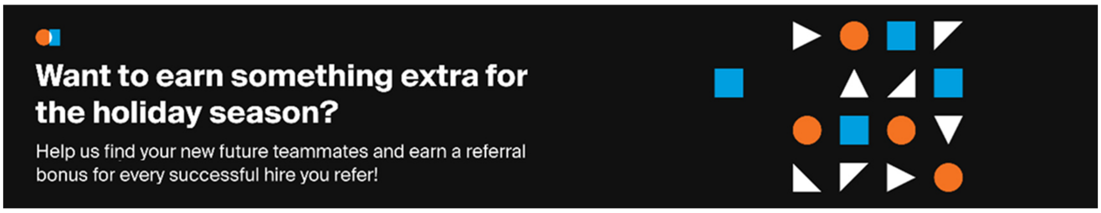
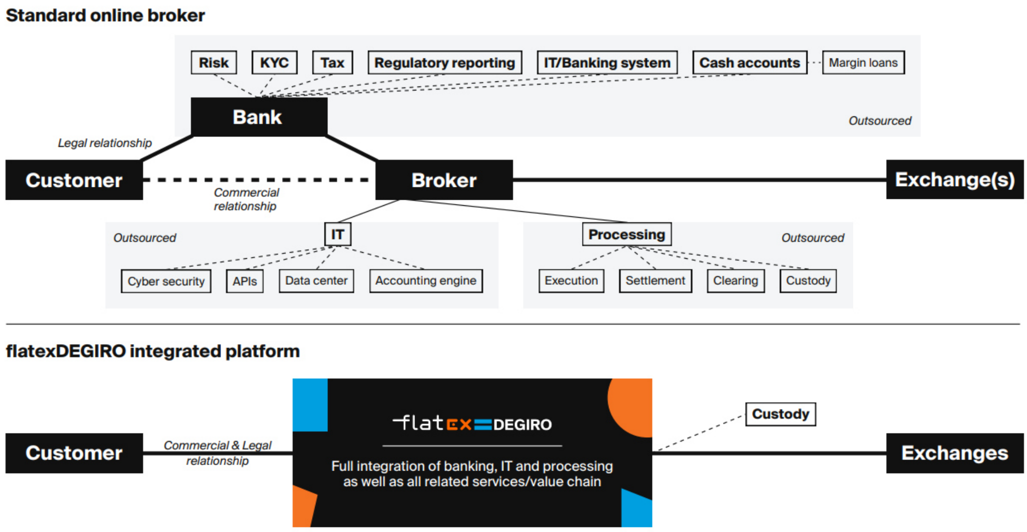
An employee-recruit-employee campaign supports the recruitment of innovative talent in Europe and ensures the competitiveness of flatexDEGIRO in the future. After each application process, flatexDEGIRO AG collects active feedback in order to continuously improve the processes.



1.8 Products and services

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. Thus, the predominantly modular structure with numerous interfaces between the actors and units involved in the online brokerage process is no longer necessary:



In the sales platform, customer contact points are supported with components from the areas of online account and deposit opening (OKDE), customer relationship management (CRM), online banking front end, trading front end, support and call centre as well as (marketing) campaign management. The technical support is provided by modular software solutions from the Banking Suite, such as the customer account management ENTAX or CRM tools for B2C customers.

The production platform includes all production processes for Account and Deposit Account Management, Deposit Banking, Securities Settlement, Payment Transactions, Money Market and Foreign Exchange Trading, Credit Transaction and Cash Logistics. Software solutions such as the WebBranch, as well as solutions such as Corporate Payments, tools for Professional Trading or Market Data & Low Latency Services are integrated into this platform.

The Regulatory & Steering Platform comprises business processes in Accounting, Regulatory, Reporting and Risk Management. On the software side, support is provided, among other things through the Europe-wide connection of a cloud ERP General Ledger (SAP Business byDesign©) based on Hana S/4 technology. This also includes Business Intelligence and Management Reporting Tools.

The support platform supplements the above platforms with processes for archiving, release management, fulfilment and authentication.

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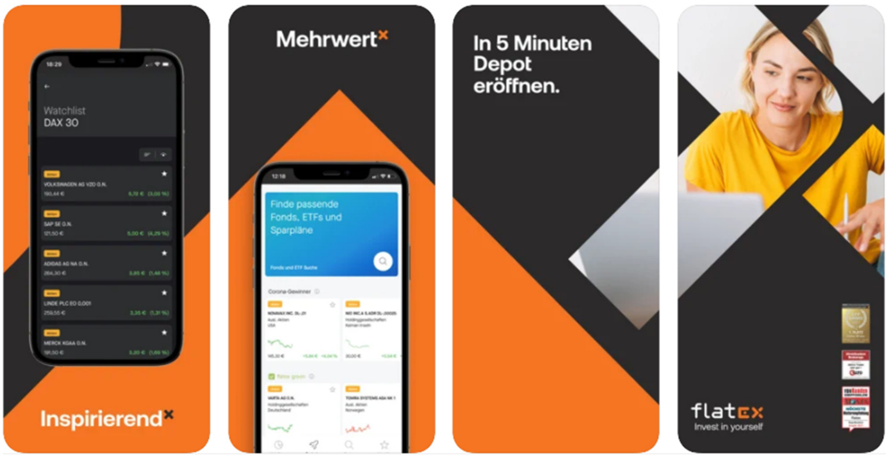
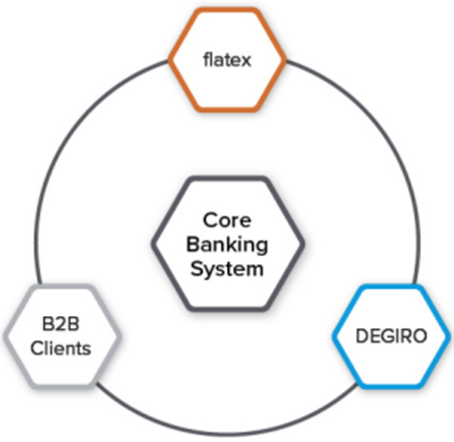
With flatex-next, the introduction of an innovative, user-friendly and easy-to-understand user interface took place at the end of 2020, with which flatexDEGIRO AG is advancing easy access to the brokerage business. A broad Section of the population is given the opportunity to buy securities with just a few clicks and thus make a contribution to their personal retirement provision. Not least in times of low interest rates, increased volatility and affinity for online business due to the COVID-19-pandemic.



The IT of the core banking system already meets the requirements of the international security standard ISO:27001 and is certified accordingly. The maintenance of information security is supported by training and awareness measures.

1.9 Target markets and customers

In the core business area, flatexDEGIRO AG offers its products to the group brands flatex and DEGIRO to enable their B2C end customers to settle securities transactions using the FTX:CBS technology platform.



In order to further secure the innovative strength and to cover the ongoing IT costs, FTX:CBS is made available as a standard solution to existing customers and selected third-party customers within the scope of B2B business. The joint implementation of regulatory requirements and joint business operations are a significant contribution to the cost efficiency of IT.

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1.10 Goals and strategies

1.10.1 Strategic goals of the company

The strategic goals of flatexDEGIRO AG are derived from the goals of the flatexDEGIRO Group.

In the online brokerage business, "digital proximity" to the customer is crucial. In addition to transparent communication and fast provision of relevant information, this includes a stable brokerage platform with "state of the art" functions, innovative products and processes. The added value for the client arises from the interaction of "product", "platform" and "price". In addition to an attractive price-performance ratio with an extensive, innovative and constantly growing product portfolio, continuous investment in the platform is an essential component to ensure continuous availability even on particularly busy trading days.

In addition, further simplification of capital market access is to take place by expanding the functionalities for additional product groups, for example for ETF (Exchange Traded Funds) and fund savings plans as well as ETPs (Exchange Traded Products). This is intended to promote the participation of society as a whole in international capital markets through easy access to the financial market and reasonable transaction costs and also serve to supplement state pension provision.

A comprehensive range of information and training on basic economic and financial knowledge, introductions to the flatexDEGIRO online platforms and product training help flatexDEGIRO customers to make considered and informed decisions. With videos, interactive formats, topic-based events (online and offline), a broad selection of information sources is to be offered.

Access to the international capital markets is further simplified through the targeted further development of mobile applications.

Sustainable investments can be interesting both from a yield perspective and in terms of their contribution to environmental protection and a more socially just society. By promoting this form of investment, a contribution can be made to a more sustainable economic development. It is therefore the goal of flatexDEGIRO to make ESG products much more visible. To implement this goal, flatex-next is to receive further filter functions for sustainable products, which will be further expanded in the coming years. A "sustainable investment products" category (flatex-green) has already been in place since 2021.

Based on the trades processed in the last two years, flatexDEGIRO Group aims to increase the number of trades to at least 250 million to 350 million transactions by 2026. At the same time, the customer base is to be increased from the current 2.06 million customer accounts to at least seven to eight million customers during this period.

Acquisitions may be made, if necessary, to complete the growth targets. Growth through acquisitions would likely target online brokers that typically have higher costs per transaction, higher costs per customer acquisition, inefficient product partnerships or other challenges. The objective would be to increase profits and create synergistic value through the flatexDEGIRO Group's largely automated processes and systems, marketing strategies, award-winning product portfolio and experienced management team.

Expansion outside Europe is still not planned.

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1.10.2 Operational goals of the company

flatexDEGIRO intends to grow organically with its online brokerage brands in existing markets (currently in 18 European countries) by attracting new customers with its flat-rate pricing model, comprehensive and independent product offering and transparent, convenient and trader-oriented platforms. In doing so, international growth will focus on DEGIRO's most attractive and high-potential markets and growth in Germany and Austria will focus on flatex.

The technical integration of DEGIRO's processes to the greatest possible extent will help to exploit the synergy potential of the cooperation and continue to optimise the utilisation of the system landscape. In particular, the development services provided in previous years for various projects in the European environment will benefit the Group as a whole.

The aim is also to achieve stable IT operations while maintaining a high degree of vertical integration and thus limiting dependence on external IT service providers. With the use of cloud technologies, insofar as these can be brought into line with regulatory requirements, internal and external services are to be mapped flexibly in the future, thus offering a faster and more efficient provisioning time.

The further expansion of FTX:CBS is oriented towards the essential needs of the corporate group. This includes, in particular, the expansion of the digital B2C customer solutions (optimised application lines and mobile applications) and the own OTC trading platform L.O.X.

Based on our assumptions, flatexDEGIRO AG is confident to expand the customer base to over 2.7 to 2.9 million customer accounts in 2022 and to execute 95 million to at least 115 million transactions.

1.11 Financial goals of the company

The company's key financial goals include the generation of sustainable profits and the maintainance of a solid equity base. The company's financial goals also include ensuring comfortable liquidity levels at all times. This should help to achieve a positive development in central control parameters.

Profit-oriented and sustainable corporate development that positively impacts the company’s value is therefore at the heart of all our financial targets.

1.12 Strategies to achieve our goals

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

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

- A High-potential and Key People Circle for executives
- A dual study programme offered in collaboration with the Frankfurt School of Finance and Management (FSOF)
- Participation in the company's success through various employee share option programmes
- Flexible working arrangements

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- Options of childcare, emergency care, parent & child office, and holiday clubs at all sites in Germany
- Full coverage of external childcare costs for very young children
- Sports and health provision, physiotherapy, and fitness programmes
- Employee discounts for the purchase of IT equipment
- Vouchers for discounted meals
- 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.

With the up-listing to regulated trading on the Frankfurt Stock Exchange and the fulfilment of the highest transparency requirements in the Prime Standard, flatexDEGIRO AG took an important step in 2020 to further strengthen its investor relations activities.

Continous 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 practise 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. In all strategic decisions flatexDEGIRO AG considers its social responsibility, as well as the interests of over 1,100 employees, its investors, clients, suppliers, and other stakeholders. For the 2021 financial year an ESG (Environment, Social, Governance) report is being prepared which is based on established reporting standards (GRI - Global Reporting Initiative) and intends to offer a qualitative assessment of our process optimisations and measures – both those already implemented and those planned for the future.

flatexDEGIRO aims to reduce Scope 1 and 2 emissions by at least 70 % by the year 2026. Scope 3 emissions are considered in their situational context (e.g. commuting), and we intend to reduce these by up to 30% where warranted.

The separate annual non-financial Group report is available for download on the company's website under Investor Relations > Reports & Financial Calendar (https://flatexdegiro.com/en/investor-relations/reports-financial-calendar).

The company engages in an appreciative, continuous dialogue with all relevant stakeholders. These include our customers, employees, business partners, shareholders, associations, and public authorities, and also politicians and scientists. In the course of these exchanges, we seek to gather new ideas, appreciate different standpoints, identify trends and develop partnerships. flatexDEGIRO also utilises this open dialogue to discuss current challenges and to highlight important framework conditions for flatexDEGIRO. As a matter of principle, we allow the feedback of our stakeholders to flow into business considerations, further developments and decision-making processes.

The flatexDEGIRO AG considers responsible, resource-sparing business conduct to be an essential foundation of 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, alongsider 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 company is committed to continuing its responsible corporate governance in the future and will continue to meet its social obligations and incorporate these into its value management. This

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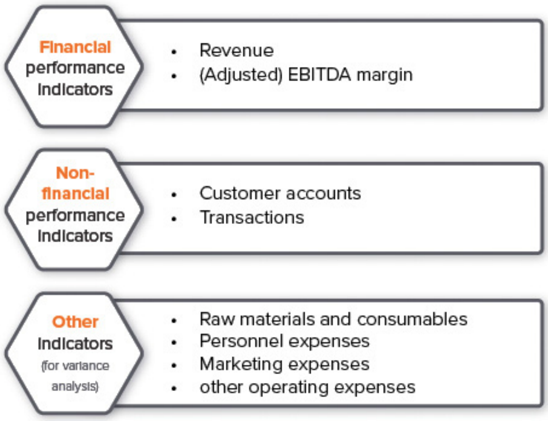
includes setting minimum standards for the energy efficiency of our technologies, and also reducing environmental risks through the continuous optimisation of business processes.

1.13 A value-oriented management system

The flatexDEGIRO AG is integrated into the Group-wide controlling system. The information that follows is therefore derived from the flatexDEGIRO Group. To achieve the overall corporate goals, the management has agreed key target figures and performance indicators (KPIs), which will contribute to increasing company value over 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 nstruments for Group controlling. By constantly monitoring performance indicators, changes in the development of our business can be promptly recognised, and countermeasures 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 system of reporting. The other indicators implicitly included in the (adjusted) EBITDA margin are used for variance analyses and do not serve as direct control parameter.

Corporate planning is conduted 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 the 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 to 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 the business planning can be finalised.

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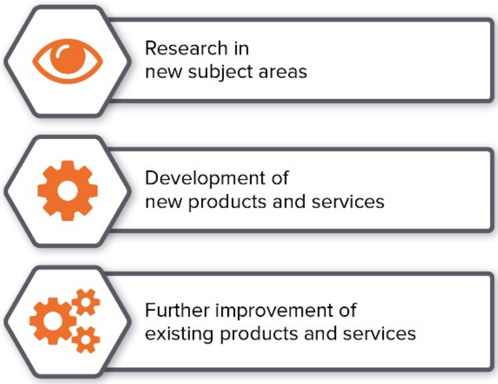
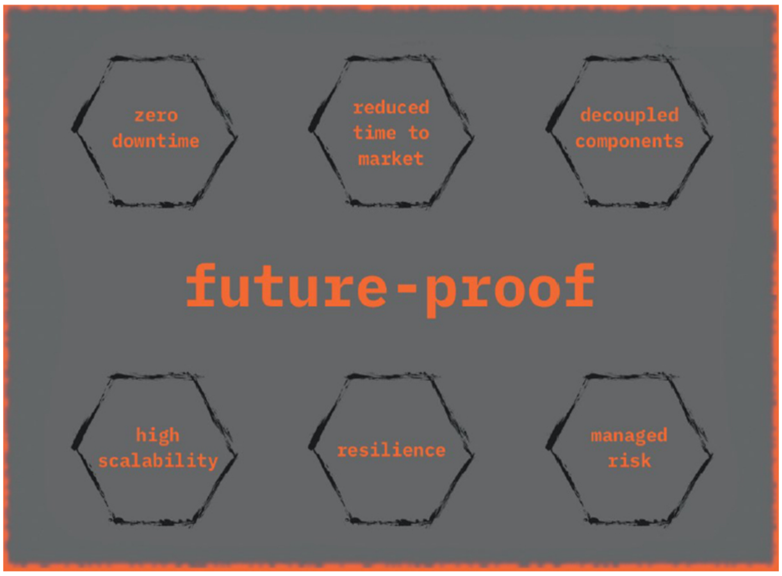
1.14 Research and development activities

In order to supply innovative products and services, flatexDEGIRO AG needs to be especially activitie 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. flatexDEGIRO AG does not, according to Section 248 of the German Commercial Code, capitalise internally generated intangible assets.

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



The development activities of flatexDEGIRO AG take place in different development units. In the past financial year, development activities focused in particular on the Europe-wide integration of DEGIRO, the implementation and expansion of DEGIRO's connection to the Tradegate infrastructure and the development and expansion of the flatex next app. In addition, investments were made in the FTX:CBS service platform in order to harmonise and further automate business processes.

In the course of this, approximately 0.47% (previous year: 0.68%) of personnel expenses (excluding expenses for long-term, variable compensation) were invested in the research area. As of the reporting date, 144 employees (previous year: 137) work exclusively in software

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development and undertook tasks in the areas of Product Management, Development and Quality Assurance. The qualification, experience and commitment of the employees are key factors for the success of the research and development activities.

1.15 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 Organisations of the Treadway Commission (COSO Internal Control - Integrated Framework, COSO I, in the version dated 14 May 2013). It is derived from the consolidated financial statements of the flatexDEGIRO Group.

The Audit Committee of the Supervisory Board of flatexDEGIRO AG monitors the effectiveness of the ICS - as required by Section 107 (3) sentence 2 AktG. The scope and design of the ICS are at the discretion and responsibility of the Management Board. As part of its role as third line of defence, the internal audit department is also responsible for independently reviewing the functionality and effectiveness of the accounting-related ICS in the group and at flatexDEGIRO AG. The internal audit department has comprehensive rights to the information, audit and inspection rights.

The accounting-related ICS of flatexDEGIRO AG comprises the principles, procedures and measures to ensure the correctness of accounting. It is continuously developed and aims to achieve the following: the consolidated financial statements of flatexDEGIRO AG should be prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union and the additional applicable requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code. In addition, the accounting-related ICS also pursues the objective that the flatexDEGIRO AG Annual Financial Statement as well as the summarised Management Report are complied in accordance with the specifications of commercial law.

The basic principle for any ICS is that, regardless of how it is specifically designed, 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 financial statements will be avoided or detected.

The Group Finance & Administration area controls the processes for consolidated accounting and the creation of the management report. Laws, accounting standards and other pronouncements are continuously analysed to determine whether and to what extent they are relevant and how they affect accounting. Relevant requirements are recorded and communicated, for example in the Group accounting guideline and, together with the Group-wide deadline and schedule, they form the basis for the financial statement preparation process. In addition, supporting supplementary procedural instructions such as the Group accounting guideline, the intercompany guideline, IT systems and IT-supported reporting and consolidation processes, support the process of standardised and proper consolidated accounting. 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 on a standardised basis Group-wide. Employees included in the accounting processes receive regular training. flatexDEGIRO AG and the Group companies are responsible for ensuring that they comply with the guidelines and procedures that apply Group-wide. The respective Group companies ensure the proper and timely execution of their accounting-related processes and systems; Group Finance & Administration support and monitor them in this.

Operational accounting processes are executed by the operational units (service centres). The harmonisation of processes increases the efficiency and quality of processes and therefore also the reliability of the internal control system. In this process, the ICS secures both the internal service centre process quality and the interfaces with Group companies, by means of suitable controls and an internal certification process.

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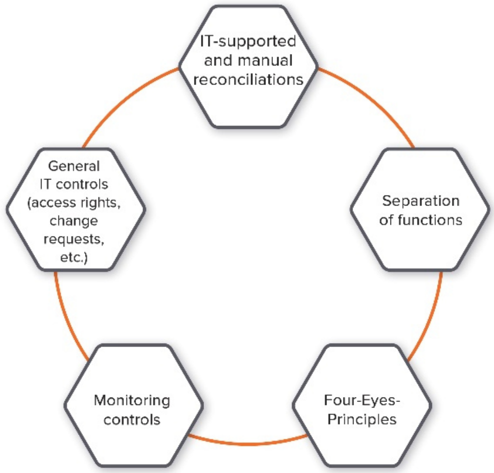
Internal controls defined under risk aspects are embedded in the accounting process. The accounting-related ICS comprises both preventive and detective controls; these include:



The effectiveness of the accounting-related ICS is monitored throughout the Group. These procedures are consistently geared towards the risk of possible misreporting in the consolidated financial statements: under risk aspects, financial statement items and accounting-related process steps are defined that are regularly reviewed for effectiveness during the course of the year and also on a random sample basis. Where control weaknesses are identified, they are analysed and evaluated, in particular with regard to their impact on the consolidated financial statements and the Group Management Report. Significant control weaknesses as well as the associated action plans for processing the ongoing work progress 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 is closely involved across all stages of the procedures.

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2 Economic report

2.1 Macro-economic and sector-specific parameters

Global economy

In the 2021 reporting year, the development of the global economy continued to be dominated by the COVID-19-pandemic and the rapid spread of the Delta variant at the start of the year. This remains the most significant risk for the global economy. The strong economic downturn of the previous year was balanced out by the third quarter of 2021, particularly in the more advanced economies, and economic output returned to pre-crisis levels. With strong sustained growth in the summer, towards the middle of the year, the European economy was the fastest to recover. The United States of America saw quite the opposite situation. From the phase, starting in winter 2020-21, during which the pandemic had relatively little economic effect, high infection rates in the third quarter of 2021 had an extremely negative impact on the economy. China also experienced an economic downturn over the same period, though this was less as a result of the virus than from strong declines in the property sector, driven by tighter financial regulation. Newly industrialised countries were also able to use their experience from previous epidemics to positive effect in the course of 2021. Gross domestic product (GDP) exceeded the pre-crisis level after just one year.[1]

In general, we assume that economic growth will slow. The COVID-19-pandemic will continue to exert a significant influence on the economy, not least due to the spread of the Omicron variant since November 2021 and the expectation of a fifth wave, with the potential for lockdowns. Credit Suisse nonetheless expects global economic growth of +4.3% during 2022. For comparison, the pre-pandemic growth rate was only +2.7% and in the 2021 reporting year it was +5.8%. The justification for this prediction is an ongoing significantly increasing demand for industrial goods, as the pandemic meant that little or no income could flow to service sectors such as tourism or gastronomy. Further easing in the aforementioned sectors, together with state support measures and the continuation of an essentially favourable financial and monetary policy environment, are expected to drive economic recovery forward.[2]

Alongside the dominant risk factor of the COVID-19-pandemic, the issue of global supply and capacity shortages came into play in 2021. The implications of these shortages are currently difficult to forecast. The release of pent-up consumer demand could lead to strengthened future economic growth.[3] It is also noticeable that the level of consumption remains at a generally stable.[4]

The full impact of the Ukraine crisis on overall economic development is impossible to fully assess at the present moment. The direct effects of the war as well as the economic sanctions which have already been brought against Russia nevertheless have the potential to significantly affect key influencing factors, such as shortages of raw materials, inflation and the economic performance of various states and companies. There may also be an indirect impact on consumers' financial circumstances.

[1] Credit Suisse: World Economy - A Year of Change, https://www.credit-suisse.com/microsites/investment-outlook/de/global-economy.html :Retrieved: 10.01.2021
[2] Credit Suisse: World Economy - A Year of Change, https://www.credit-suisse.com/microsites/investment-outlook/de/global-economy.html :Retrieved: 10.01.2021
[3] German Council of Economic Experts (Hg.): Annual Report 2021/22: Transformation gestalten: Education, Digitalisation and Sustainability. December 2020.
[4] German Council of Economic Experts (Hg.): Annual Report 2021/22: Transformation gestalten: Education, Digitalisation and Sustainability. December 2020.

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Macro-economic framework conditions in Europe

Like the rest of the world, the European economy was negatively affected by COVID-19 and the measures that respective governments put in place as a reaction to high levels of mortality and the enormous pressure on health systems. All the markets in which flatexDEGIRO is active have been negatively affected by COVID-19, albeit to differing degrees. Considering this current variation, we assume that the projected recovery will also differ from country to country.

The European Central Bank (ECB) published its latest forecasts for the eurozone on 10 December 2020. Given a recent tightening of mitigation measures, a further contraction in economic activity is expected both in the fourth quarter of 2020 and the first quarter of 2021. The ECB assumed a decline in real GDP in the eurozone of -7.3% in 2020 and a recovery of +3.9% in 2021.[5]

The first three quarters of 2020 saw the GDP of the Netherlands decline by 4.1% in comparison to the first three quarters of 2019, with the decline mainly attributable to a drop in private household expenditure (-6.4%). Investment in fixed assets declined by 3.5% during the same period, while exports and imports declined by roughly the same amount (4.6% against 4.7%). In November 2020, the European Commission forecast that GDP would decline by 12.4% in Spain in 2020 and by 9.4% in France, while the Netherlands would see a decline of 5.3% in the same year.[6]

In Germany, in 2020 the COVID-19-pandemic led to the biggest drop in economic output in any quarter since quarterly economic output reporting started in 1970. As already noted, the summer months in particular saw a return to strong growth in Europe. This was due to increased demand for services such as cultural and sporting events and also eating out. The winter half-year was predominantly characterised by global supply shortages, in particular a lack of silicon chips, the impact of which was strongly felt by the German automotive and machine construction industries. The steep rise in energy prices in Germany led to a simultaneous slowdown in both production and private consumption. Inflation for 2021 stands at around 3.1%, which represents the highest figure since 1993. Despite all these challenges, KfW Research forecasts GDP growth of +4.4% for 2022. This indicator was only at +2.6% in 2021. It is expected that the pre-crisis level will be exceeded in the second quarter of 2022.[7]

Industry-specific framework conditions

By comparison with 2020, the situation in the financial markets has improved significantly. The DAX started 2021 at 13,719 points. Despite briefly slowing in October and November, the index eventually closed the year at 15,885 (+2,166) points, an annual increase of +15.8%. This was largely due to corporate profits, which set new records. Despite all this, M.M. Warburg predicts sideways movement for the future. The other German indices saw similar developments. The SDAX grew by +11.2%, while the MDAX also kept pace, with an increase of +14.1%. Turning to the indices with the greatest global importance in Europe, Asia and America, largely positive developments may be discerned here too. The MSCI World, which measures the value of more than 1,542 companies from 23 industrial nations, significantly exceeded the development of the

[5] European Central Bank, https://www.ecb.europa.eu/pub/projections/html/ecb.projections202012_eurosystemstaff%7Ebf8254a10a.en.html, December 2020
[6] European Economic Forecast, https://ec.europa.eu/info/sites/info/files/autumn_20_forecast.pdf, November 2020
[7] KfW Research (ed.): KfW Economic Compass: Postponed is not abandoned! 30 November 2021

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DAX, with an annual performance of +21.2%. Despite the continuing pandemic, stock market forecasts for 2022 remain positive, though growth is expected to be weaker.[8]

By contrast to 2020, the euro lost significant value against the US dollar in 2021. At the start of the reporting year, the euro was still quoted at USD 1.23, but by the end of the year it had fallen to USD 1.13 (-8.3% in comparison with the previous year). This was a result of the differing monetary policies of the Federal Reserve and the European Central Bank.

The development of the oil market has likewise charted a significantly different course to that of the preceding year. Whilst at the start of the reporting year a barrel of Brent Crude cost USD 51.34, by the end of 2021 the price had risen to USD 79.20 (+54.3%). The reason for this is significantly lower output to date compared to the pre-pandemic period.[9]

In December 2021, the Council of the Central European Bank decided to extend and expand the pandemic emergency purchase programme (PEPP) which was first launched in March 2020, without affecting the course of monetary policy. The deposit interest rate for banks is proposed to remain unchanged at -0.5%.[10]

Low interest rates persisted for European bonds. The ten-year German government bond yielded -0.179% by the end of the year.

The German market for information and telecommunications (ITC) is forecast to grow by 3.6% to a total turnover of EUR 184.9 billion in 2022. As previously, the greatest driver of growth is expected to be IT business, with an increase of 5.9% to EUR 108.6 bn.[11]

The number of new FinTech companies in the market continues to grow steadily. Established providers are consolidating their market position by offering a broad product range.

Demand for technology products and services is strongly driven by the ongoing digitalisation of the financial industry. With the “death of banking” – the shift from traditional retail banking to online banking – the demand for automated processes and technology services will continue to grow. Furthermore, increased regulatory requirements call for greater adaptability in established systems which have been in use for decades, and which offer neither the flexibility nor the scalability necessary. These new challenges in the financial sector, as well as the increasing use of innovative technologies within retail banking and securities settlement, are key drivers of growth for flatexDEGIRO AG. flatexDEGIRO AG unites banking and technology expertise to integrate new technologies perfectly into the business models of B2B customers. This means the Group is able to position itself as a standard platform provider, while its takeover of the Dutch broker DEGIRO means it is able to operate in 18 countries as a pan-European broker.

2.2 Business performance

Through the most extensive integration of DEGIRO into the technical infrastructure of FTX:CBS in 2021, a total of more than 91 million B2C transactions were successfully processed by over two million customers of the flatex and DEGIRO brands (previous year: 75 million transactions respectively 1.33 million customer accounts):

[8] M.M.Warburg & CO (ed.): Capital Market Perspectives. November 2021.
[9] M.M.Warburg & CO (ed.): Capital Market Perspectives. November 2021.
[10] European Central Bank (ed.): Press Release 16. Monetary Policy Decisions. 16 December 2021.
[11] Bitkom, EITO.ICT market figures. January 2022.

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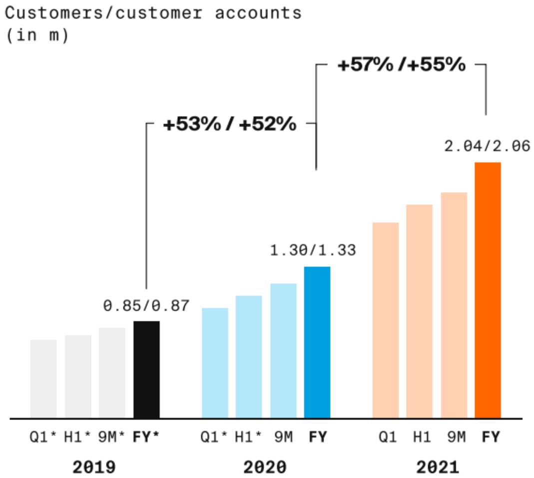

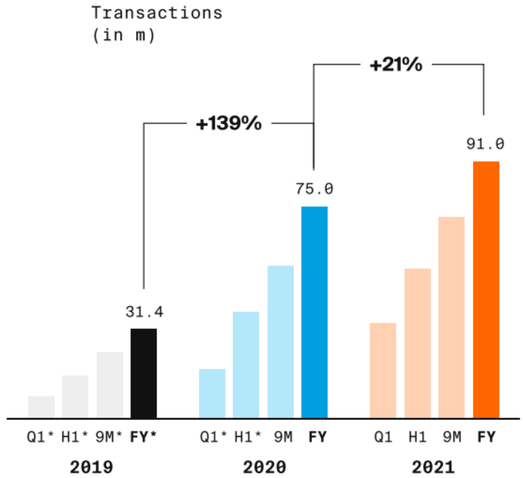

* pro forma

The strongly increasing growth rate confirms the high scalability of the technology and furthermore the multinational availability of FTX:CBS in a total of 18 European countries. flatexDEGIRO AG structures its market presence according to the size and growth dynamics of its customer base in the respective countries. The core markets with the largest customer base include Germany, the Netherlands and Austria. The strongest growth opportunities are seen in France, Spain, Portugal, Italy, Switzerland, Ireland and the United Kingdom (Growth Markets). The remaining markets (Denmark, Norway, Sweden, Finland, Poland, Hungary, the Czech Republic and Greece) are counted as Research Markets.

In 2021, the highest absolute number of new customers (+408,000) was achieved in the Core Markets (+46 %), while the Growth Markets demonstrated the greatest relative growth (+75 %) with 285,000 new customers. flatexDEGIRO's Research Markets exceeded the threshold of 100,000 customer accounts (+67 %) in 2021.

Core Markets :
NL, DE, AT

Customer accounts Dec 2021: **1.30m**
New customer accounts: **0.41m (+46%)**
Transactions settled in 2021: **57.7m (+15%)**

Growth Markets:
FR, ES, PT, IT, CH, UK, IE

Customer accounts Dec 2021: **0.67m**
New customer accounts: **0.29m (+75%)**
Transactions settled in 2021: **29.9m (+34%)**

Research Markets:
DK, NO, SE, FI,PL, CZ, HU, GR

Customer accounts Dec 2021: **0.10m**
New customers accounts: **0.04m (+67%)**
Transactions settled in 2021: **3.4m (+36%)**

The structure enables the targeted further development of the core banking system for high-margin and potential future markets.

A significant improvement in technology was achieved through the introduction of the mobile application flatex-next 3.0, which was released in the German core market on 11 October 2021. Through a completely new user interface, the customer should be able to make a better-informed investment decision through more relevant and targeted information. New functions that enable a higher degree of customisation and active information about relevant news via push notification are under development. The addition of this intuitive user interface to the existing desktop version and the international rollout are already well advanced in the coming development steps and are planned for 2022 and already available as a preview:

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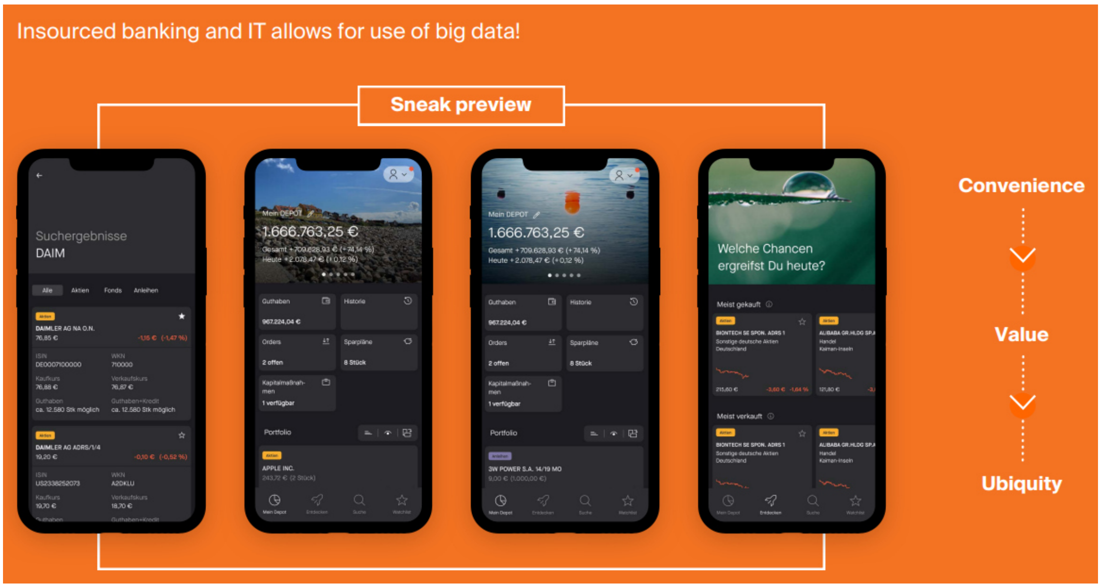

The cooperation of flatexDEGIRO AG with the Bundesliga football team Borussia Mönchengladbach was successfully continued in 2021. Particularly through the resulting (international) TV presence, but also through the resumption of play in the Bundesliga in front of spectators in the stadium, the awareness of the flatex brand in Germany was significantly increased.

In the area of administrative organisation, successes were achieved in the past business year through the European integration of central functions such as Finance, Human Resources, Legal and Procurement, which will lead to significantly more efficient business processes. In the area of digitalisation, the introduction of SAP Business byDesign© in the Netherlands and Bulgaria made business data available regardless of time and place. The introduction of SAP Success Factors as a professional human experience management solution standardises important, global human resources processes and offers optimal networking of colleagues from different countries and departments. In addition, the introduction of digital signature technology has significantly reduced process turnaround times in the area of document management. Thus, flatexDEGIRO AG is equipped with state-of-the-art solutions in essential parts of the administration.

2.3 Comparison of the forecasts reported in the previous period with the actual business development

The following table compares the forecasts made by the Management Board of the company for the current reporting period with the key figures actually achieved:

In kEUR	2021	2021e
Revenue	49,720	>40,175
EBITDA margin (adjusted)	-12.4 %	>-5.7 %

Revenue increased significantly compared to the previous year's level, so that the actual result exceeded the forecasted moderate increase for the financial year 2021. This increase essentially results from the increase in revenue for IT services and services in relation to the increased transaction volume of the flatex and DEGIRO brands. As in the previous year, the adjusted EBITDA margin is adjusted for the expense of the virtual stock option plan SAR (stock appreciation rights) and the sports sponsorship of Borussia Mönchengladbach. It corresponds to the slightly increasing forecasts of the previous annual report. The EBITDA margin during the past financial year was -133.0 % withour a corresponding adjustment (including expenses for SARs) and corresponds to the expected forecasts due to the business activities of the company with corresponding central functions for its subsidiaries. The annual result after taxes of EUR 34.4 million (previous year EUR 20.3 million) was significantly influenced by the financial result.

2.4 Earnings position

flatexDEGIRO AG generated revenues of EUR 49.7 million (previous year: EUR 38.2 million). This includes revenues from affiliated companies in the amount of EUR 39.3 million (previous year: EUR 25.4 million). 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. Revenues was mainly generated with customers in Germany. For a detailed breakdown of revenue, please refer to the notes to the present annual financial statement.

The other operating incomes amount to EUR 1.5 million (previous year: EUR 1.2 million). The company's order situation essentially ensured high utilisation of available resources. The price conditions of customer relationships have not changed significantly.

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in EUR	2021	2020
Revenues	**49,719,735**	**38,225,318**
thereof: revenues with affiliated companies	39,297,782	25,449,299
thereof: other operating income	1,531,321	1,167,435
Personnel expenses	88,789,420	40,208,358
Cost of materials	11,778,310	8,677,703
Other operating expenses	16,849,939	12,582,215
Depreciation	4,057,098	3,735,441
Financial result	129,250,424	65,614,506
Interest result	-2,448,641	-1,942,318
Tax expense	22,151,315	19,404,408
Net profit for the year	**34,428,635**	**20,287,669**

Personnel expenses amount to EUR 88.8 million (previous year: EUR 40.2 million). 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 increased from EUR 3.1 million to EUR 11.8 million. Other operating expenses amount to EUR 16.8 million (previous year: EUR 12.6 million) and resulted mainly from rental expenses of EUR 3.7 million (previous year: EUR 2.8 million), IT costs of EUR 2.9 million (previous year: EUR 1.8 million), insurance, contributions and levies of EUR 1.6 million (previous year: EUR 1.3 million) and other expenses of EUR 4.8 million (previous year: EUR 2.8 million).

The depreciation amounts to EUR 4.1 million (previous year: EUR 3.7 million), and it relates to intangible and tangible assets.

The company's financial result amounts to EUR 129.3 million (previous year: EUR 65.6 million) and consists mainly of income from the profit-and-loss transfer of flatex Finanz GmbH.

Net interest result was EUR -2.4 million (previous year: EUR -1.9 million). Tax expenses for the current year amounts to EUR 22.2 million (previous year: EUR 19.4 million). 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 sub-subsidiaries of flatexDEGIRO AG.

Overall, the annual result after taxes was EUR 34.4 million (previous year: EUR 20.3 million). The change in the annual result corresponds to the forecast of the company's operative business while taking into account the expenses for SAR and sports sponsorship.

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2.5 Financial position

Ensuring solvency is a high priority for the company's financial management. The short-term liquidity amounts to EUR 142.5 million (previous year: EUR 42.8 million) and consists mainly of receivables from affiliated companies of EUR 130.9 million (previous year: EUR 30.8 million), bank balances due on demand of EUR 10.3 million (previous year: EUR 9.5 million) and trade receivables of EUR 1.1 million (previous year: EUR 1.0 million).

in EUR	**2021**	**2020**
Equity	376,453,912	340,242,697
Provisions	116,930,161	51,169,415
Liabilities	37,797,477	34,670,474
Deferred income	17,100,498	12,471,358
Short-term liquidity	142,514,731	42,806,285
Current liabilities	57,260,664	22,400,000

In contrast, there are current liabilities of EUR 57.3 million (previous year: EUR 22.4 million), consisting of liabilities to affiliated companies and trade payables as well as provisions (tax provisions and other provisions). Other provisions include a provision for contingent losses from the acquisition of DeGiro B.V. in the amount of EUR 13.0 million (previous year: EUR 13.0 million).

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 integration of DeGiro B.V. into 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 previous 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 at 31 December 2021 was EUR 376.5 million (previous year: EUR 340.2 million).

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

Provisions increased by EUR 65.7 million and amounted to EUR 116.9 million as at 31 December 2021 (previous year: EUR 51.2 million). The main change results from the increase in the provision for SARs from EUR 59.2 million to EUR 74.6 million (previous year: EUR 15.4 million). 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 EUR 37.8 million (previous year: EUR 34.7 million). Liabilities to banks amount to EUR 5.2 million (previous year: EUR 5.5 million). There are no other operating long-term loans. Trade payables and payables to affiliated companies amount to EUR 23.0 million (previous year: EUR 18.1 million) and mainly include liabilities from the acquisition of the former DeGiro B.V.

Other liabilities and deferred income amount to EUR 25.1 million (previous year: EUR 23.4 million). The change is mainly the result of the addition of further deferred income to affiliated companies for future IT services and the charging on of sponsorship expenses at Borussia Mönchengladbach.

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2.6 Assets position

The amount of assets reported on the balance sheet of flatexDEGIRO AG amounted to EUR 548.3 million as of 31 December 2021 (previous year: EUR 438.6 million).

in EUR	**2021**	**2020**
Assets	548,282,048	438,553,944
Fixed assets	393,927,413	392,048,372
Current assets	142,514,731	42,806,285
Prepaid expenses and deferred income	10,849,547	2,775,496
Asset difference from asset offsetting	990,357	923,791

The main fixed assets included shares in affiliated companies totalling EUR 381.4 million (previous year: EUR 381.3 million) as of 31 December 2021. The investment portfolio of flatexDEGIRO AG included the shares in flatex Finanz GmbH, which in turn included all shares in flatexDEGIRO Bank AG.

Receivables from affiliated companies increased by EUR 100.1 million to EUR 130.9 million (previous year: EUR 30.8 million). This includes receivable from the profit transfer of flatexDEGIRO Bank AG, which will be distributed to flatexDEGIRO Bank AG after the balance sheet is approved. The trade receivables amount to EUR 1.1 million (previous year: EUR 1.0 million). Tangible and intangible assets amount to EUR 12.2 million (previous year: EUR 10.3 million). The change is mainly due to the acquisition of new IT hardware and software.

The prepaid expenses and deferred income amount to EUR 10.9 million (previous year: EUR 2.8 million). The increase is mainly due to paid invoices for the sponsorship of Borussia Mönchengldadbach.

The asset difference from asset offsetting amounts to EUR 1.0 million (previous year: EUR 0.9 million). This item comprises the balance of pension obligations and the fair value of the reinsurance claims assigned to the beneficiaries.

2.7 General statement on the business development and the situation of the company

flatexDEGIRO AG successfully met the expectations in the 2021 financial year. The company's operating business developed as expected. The COVID-19-pandemic in Europe continued to lead to increasing volatility on the stock markets. This resulted in a strong increase in the volume of transactions in the Group's brokerage business. This has resulted in a positive business development, particularly on the part of the subsidiaries of flatexDEGIRO AG.

The sponsorship of the Bundesliga football club Borussia Mönchengladbach increases the awareness of the flatex and DEGIRO brands and is an important component of the further growth strategy. Overall, the Management Board of flatexDEGIRO AG assesses the company's business performance for the past financial year as successful.

2.8 Report on events after the closing date

There were no significant events after the balance sheet date.

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3 Forecast, Opportunity, and Risk Report

3.1 Forecast Report

The forecast period for business performance refers to the 2022 financial year and consists of 12 months. For the purposes of the forecasts, only continuing operations are taken into account.

The strategic objective of flatexDEGIRO AG (Vision 2026) is to be additionally supported by a continuous expansion of the flatex and DEGIRO apps into easy-to-understand trading apps. The fully technical integration and migration of DEGIRO's customers, transactions and processes is the Group's primary goal. This migration will help to exploit the synergy potential of the cooperation and continue to optimise the utilisation of the system landscape. In particular, the development services provided in previous years for various projects in the European environment will benefit the Group as a whole here.

Increasing the scalability of the systems must be ensured at all times. In the area of IT infrastructure, an even higher degree of virtualisation and the expansion of the bank's systems into an Active/Active solution (equivalent operation in two data centres) should result in lower recovery times, even in an emergency.

The outlook for the development of activities in 2022 continues to be shaped by the COVID-19-pandemic and the resulting economic and socio-political consequences. However, no significant pandemic effects are expected for flatexDEGIRO AG, as the sales revenues are almost completely firmly contracted.

Furthermore, the ongoing digitalisation and automation of processes through corresponding IT support are the focus of development. For example, OCR technology, especially for business processes in the FTX:CBS support platform, can help to save important ecological resources.

flatexDEGIRO AG expects that all firmly contracted revenues and new business expected at the time of planning will be realised on the basis of empirical values and taking into account price and economic developments. Overall, it can be assumed that the positive development of the previous financial year will continue.

The company's financial performance indicators are expected to continue to develop positively as a result of the aforementioned effects:

in kEUR	2022e	2021
Revenue	moderately increasing	49,720
EBITDA margin (adjusted)	moderately increasing	-12.4 %

Description	
moderate	+/- 0.1 to 5.0%
slightly	+/- 5.1 to 10.0%
clearly	+/- 10.1 to 20.0%
strongly	+/- 20.1%

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3.2 Opportunities Report

The opportunities for flatexDEGIRO AG are derived from the overarching goals of the flatexDEGIRO Group. Increased transaction volumes, orders for the technical implementation of new regulatory requirements and technology innovations require a higher level of IT services as well as software support and maintenance. Thus, they have an indirect influence on the individual financial statements of the flatexDEGIRO Group.

The Management Board of flatexDEGIRO AG expects an uncertain economic environment in 2022. In the equity markets, the Management Board expects reduced volatility in the securities markets in 2022 compared to 2021. Overall, positive customer development is expected. This, in turn, will lead to increased transaction figures for the group with simultaneous risk diversification in the 18 European countries in which the flatex and DEGIRO brands are active.

In addition, there is the opportunity to further expand the Europe-wide brand awareness of flatex and DEGIRO through targeted marketing campaigns. The continued increase in transaction numbers in the group's online brokerage will lead to further economies of scale, which will result in an optimisation of transaction costs.

3.3 Risk Report

The risk portfolio of flatexDEGIRO AG is derived from the Risk Report of the flatexDEGIRO Group and takes into account the requirements of the individual company. In this regard, the following statements can be made on the basis of the Group's risk management, and they also apply to the flatexDEGIRO Group as a whole.

Risk management system

The flatexDEGIRO Group conducts its online brokerage and banking business in a regulated market. As such, in addition to dealing with constant changes in the business environment of the company, adapting to changes in legal and regulatory frameworks is essential to the company‘s success. Current developments are constantly being monitored and carefully analysed. 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 Group.

In principle the flatexDEGIRO Group 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 among 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. Each manager develops effective task-specific control processes to this end and ensures their ongoing application.

In order to schieve an overall and overarching risk assessment as well as to limit and control risks, the flatexDEGIRO Group is integrated into the risk management of the parent institution of flatexDEGIRO Bank AG and contributes to the cross-departmental and Group-wide tasks of identification, assessment, control, monitoring, and communication that anchor risk control and risk management processes.

With the acquisition of DeGiro B.V. by flatexDEGIRO AG in the second half of 2020, the risk profile of flatexDEGIRO AG in the brokerage business has now been significantly diversified geographically in 18 European countries.

The acquisition of DeGiro B.V. was followed by steps initiated by flatexDEGIRO AG to harmonise existing processes and systems Group-wide. This consists of the gradual deactivation of

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components that are no longer required, in favour of harmonised and consistent processes Group-wide. In 2021, DEGIRO was integrated into flatexDEGIRO Bank through the merger.

flatexDEGIRO Bank AG is the superordinate institute of the Group and 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. The head of the risk management department is involved in all important risk policy decisions of the Management Board. In the event of a change in the head of the Risk Management Department, the Supervisory Board of the flatexDEGIRO Group is informed immediately.

Risk identification and risk assessment

The flatexDEGIRO Group conducts a risk inventory on a regular basis and may also update it on the basis of current events; this identifies the following key types of risks: counterparty default, market price, interest rate, liquidity, operational and other risks. At the same time the risks are assessed, taking into account the risk-reducing measures taken and the current net equity situation. This includes, in particular, a risk shield in the form of the assumption of a risk by cooperation partners and clients of flatexDEGIRO Group. In this process, flatexDEGIRO Group and the cooperation partners attach great importance to ensuring that risks are borne or partially underwritten in proportion to the related upside potential.

In the risk inventory process of flatexDEGIRO Group, the risk assessments of all corporate divisions assessed as significant are carried out in a consistent manner. In this process, assessments are made of probabilities and loss levels, which are then condensed into a risk-oriented overall assessment. The assessments serve particularly to identify emerging risk concentrations in good time, so that appropriate countermeasures can be initiated in a timely fashion.

The risk assessments of the risk inventory (RiskMap) are reported on as part of the ongoing risk reporting of the flatexDEGIRO Group and regularly discussed with the management and the supervisory body of the flatexDEGIRO Group.

Control of risks

flatexDEGIRO Group carries out scenario-based risk capacity calculations (including stress tests) on a regular basis, taking into account possible concentration risks and potential extreme developments in the (market) environment of the Group, to ensure adequate net equity levels of the Group even under unfavourable conditions.

The findings from these risk capacity analyses are used by 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 department.

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

Risk monitoring and risk communication

The Management is informed about the current risk and income statement situation in the flatexDEGIRO Group through daily reports. In particular, this type of reporting provides a form of ongoing ad hoc reporting. The daily "risk cockpit" is a central (risk) monitoring tool that provides information about performance indicators, risk indicatiors, and limit utilisation levels that are required for maintaining control as well as the development of suitable early warning indicators. It also provides commentary on control-relevant issues and, if applicable, recommendations for necessary control measures. It also displays the degree of target achievement accomplished on a monthly and annual basis for each business are that it important from a risk perspective as well as a comparison with the previous year's profit and loss results.

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The daily and weekly reporting is supplemented by the "Monthly Risk Report" ("MRR"), which contains a detailed monthly presentation and commentary of the income statement and the Group's risk situation and offers additional analyses of the Group's opportunity and risk situation. The Monthly Risk Report is also sent to the Supervisory Board, among other stakeholders, and it is discussed in detail at monthly "finalisation meetings" with Management and the Supervisory Board. The analysis of cyber and IT risks is also included in the Monthly Risk Report.

Based on our own assessment, the steps taken to analyse and monitor the risk situation of flatexDEGIRO AG are deemed to be appropriate. The risk capacity was adequate at all times during the reporting period. No immediate risks that could jeopardise the continued existence of the company, including with respect to potential concentration risks, were discernible at the time of preparation of this risk report.

Internal risk management and control system

The used ERP system "SAP Business byDesign" ensures that the previously defined business processes are implemented in an organised way so that it is guaranteed that business transactions are recorded, uniformly, and in a timely fashion. The primary goal is compliance with legal requirements and internal regulations.

Through the central accounting and controlling functions, the accounting processes are continuously managed across the Group, and the methods and tools that are used (four-eyes principle, access control, storage of the archive system, etc.) to ensure regular risk assessment/limitation measures are continuosly updated. The financial statement of the respective subsidiaries are generated centrally by the flatexDEGIRO Group and made uniformly available to the target group in a suitable format. To support this part of the process chain as it relates to interim and annual financial statements, central contact persons are named who can significantly increase efficiency and make use of synergistic effects. To ensure that the methods used are up to date in the course of preparing financial statements, the employees in the Accounting and Controlling departments who are involved in this process receive training at regular intervals.

The internal risk management and control system of the flatexDEGIRO Group attaches particular importance to the following principles:

- Compliance with economic and business guidelines,
- Compliance with current legal requirements, other guidelines, and internal instructions,
- Ensuring the accuracy and currency of accounting, reporting, and the integrity of recorded data; and
- Functionality and sustainability of Group-wide internal control systems.

The efficiency of the Group-wide internal control system based on the accounting principles was reviewed and confirmed by the Management Board of flatexDEGIRO Group. Furthermore, the Supervisory Board of flatexDEGIRO Group continuously monitors the existing control system with regard to the regulatory requirements.

Management and limitation of counterparty default risks

The flatexDEGIRO Group defines contractor default risk as the risk of losses or lost profits due to unexpected defaults or unforeseeable deteriorations in the creditworthiness of business partners.

This can occur, for example, in the event of the bankruptcy or insolvency of business or cooperation partners. flatexDEGIRO AG is fundamentally subject to the advance performance risk for services it provides.

To control the risk of counterparty default, a due diligence check is carried out before entering into a partnership, and the creditworthiness of the business partner is regularly monitored. To limit the risk of default, the counterparty must pay set-up fees and issue monthly invoices in order to limit the advance performance risk.

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A large number of the company's business relationships are with partners who are themselves subject to the oversight of a regulatory authority. There is also a risk of counterparty default by the banks with which the company maintains its current business accounts.

Managing and limiting market price risks

The flatexDEGIRO Group understands market price risk as the risks of losses due to changes in market prices (share prices, exchange rates, precious metal/commodity prices, interest rates) and due to price-influencing parameters (e.g., volatilities). The flatexDEGIRO Group incurs market price risks from the activities of the the FIN (financials) UNIT; these are monitored daily using Value at Risk Limit System.

With regard to the EU ban on payments for order flow (PFOF) announced by the ECB in December, flatexDEGIRO Group does not expect any negative impact on its operational or financial development. On the contrary, flatexDEGIRO Group expects that such a decision would have a significantly positive impact on business development, driven by presumably necessary price adjustments by peer companies that rely mainly or exclusively on such allowances for customer flow in order to be able to offer supposedly low trading fees. For more detailed information, please refer to the consolidated financial statements of flatexDEGIRO AG.

flatexDEGIRO AG does not have any active business relationships with the Russian and Ukrainian markets, neither with Russian or Ukrainian companies or banks, nor with their European subsidiaries of them.

Due to these circumstances, flatexDEGIRO AG does not currently anticipate any increased risks.

Managing and limiting liquidity risks

The 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.

The current liquidity situation of the company and the Group is comfortable. Liquidity surpluses are achieved on a monthly basis. With regards to the available liquid funds, the liquidity risk is of subordinate importance from the company's point of view.

Control and limitation of operational and other risks

The 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.

The flatexDEGIRO Group uses a multi-year time series of actually incurred losses for its operational risk inventory. 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 so-called basic indicator approach, an internal measurement approach is also used internally to determine an underlying capital amount to cover operational risks. In addition to determining operational risks from historical data, the bank uses expert assessments to determine potential damage as part of risk assessments with all of the bank's departments in order to model non-quantifiable risks where there is insufficient damage data history.

Dependence on software and other IT risks

For the 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 Internet-based systems used Group-wide which are essential for the proper conduct of business. The Group is highly dependent on the trouble-free functioning of these systems. Despite comprehensive measures for data backup and the

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bridging of system disruptions, malfunctions and/or complete failures of EDP and internet 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.

Significant Group-wide EDP and IT investments are made to ensure, on the one hand, that the significantly expanded business volume can be executed accordingly and on the other hand, that sufficient safeguarding against disruptions is provided. The probability of software and other EDP risks is rated to be very low and the possible degree of loss is rated to be low.

Personnel risks

As a result of the extensive restructuring of the flatexDEGIRO Group, which was completed in 2018, the structure and processes organisation as well as communication processes all changed, which may initially lead to an increased potential for errors and losses. The flatexDEGIRO Group uses the monitoring and communication processes that have been set up to limit these risks, which are primarily related to personnel. Nevertheless, individual mistakes by individual employees can never be completely ruled out. The probability of occurrence of an event resulting from personnel risks is assessed as very low, and the possible extent of harm is assessed as low.

Legal risks

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

flatexDEGIRO is involved in an employment dispute with a former employee, which could result in a financial risk. Against this background, a corresponding provision was created.

The implementation of the identified synergies through the integration of DEGIRO has already led to a significant improvement in earnings in 2021, as expected. Nevertheless, the above-mentioned risks also exist for isolated, still existing integration synergy potentials. With regard to costs, there is a risk that synergies can be realised later than forecast. These risks are monitored through a regular reassessment of the synergy measures.

Reputational risks

The reputational risk for flatexDEGIRO Group is the risk of negative economic effects that arise as a consequence of 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 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. The 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.

To limit its operational risks, flatexDEGIRO Group fundamentally promotes a risk culture which ensures compliance with high ethical standards and a pronounced awareness of risk in all relevant business processes, for both the management and the employees of flatexDEGIRO Group. Beyond this, the limitation of risk is one of the key performance targets for all flatexDEGIRO Group managers within their respective areas of responsibility. Each manager develops task-specific control processes to this end and ensures their ongoing application. In addition, flatexDEGIRO Group conducts a risk inventory on a regular basis, and may also update it on the basis of current events – in particular to ensure an ongoing analysis and assessment of the operational risk in existing business processes.

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The flatexDEGIRO Group assigns a low probability to the operational risks outlined above and cautiously estimates a high-risk measure.

Risks from COVID-19

The development of the global economy in the reporting year 2021 continued to be shaped by the COVID-19-pandemic. The strong economic downturn from the previous year was offset by the advanced economies in particular by the third quarter of 2021 and economic performance was brought back to pre-crisis levels. Due to the temporary closure of bank branches as part of lockdown measures, the general acceptance of online banking and brokerage continued to increase noticeably.

The online brokerage sector is traditionally characterised by volatilities in the various capital markets. The COVID-19-pandemic has led to increased volatility in the equity markets and thus to a significant increase in transactions in the brokerage business.

The business activity and thus the asset, financial and earnings situation was affected by the COVID-19-pandemic in various business areas in terms of turnover and result, but not to a negative extent. Possible future effects on the valuation of individual assets and liabilities are being analysed on an ongoing basis. The imponderables regarding the further course of the COVID-19-pandemic do not allow flatexDEGIRO AG to rule out possible economic consequences. Based on past experience, only limited negative effects on the business of flatexDEGIRO AG are to be expected in the future as a result of the COVID-19-pandemic.

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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 asset position, 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, 7 March 2022

flatexDEGIRO AG

Frank Niehage	Muhamad Said Chahrour
Chief Executive Officer	Chief Financial Officer

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Replication of the 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 2021, the statement of profit and loss for the financial year from 1 January 2021 to 31 December 2021 and notes to the financial statements, including the presentation of the recognition and measurement policies presented therein.

In addition, we have audited the management report of flatexDEGIRO AG for the financial year from 1 January 2021 to 31 December 2021. 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 2021 and of its financial performance for the financial year from 1 January 2021 to 31 December 2021 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, 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 section "AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE ANNUAL FINANCIAL STATEMENTS AND OF THE MANAGEMENT REPORT" 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) point (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.

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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 2021 to 31 December 2021. 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 opinion on these matters.

We have identified the following matters as key audit matters:

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

VALUATION OF SHARES IN AFFILIATED COMPANIES

Matter

In the annual financial statements of flatexDEGIRO AG, shares in affiliated companies amounting to € 381.4 million, corresponding to 69.6% 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 numerous 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 "Notes to the balance sheet" in the sub-section "Shares in affiliated companies" of the notes and "2.6 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 2021. 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 industryspecific market expectations. In addition, we critically examined the discount rate used on the basis of 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.

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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 the amount of € 74.6 million are recognized under the balance sheet item "Provisions". The addition to the provisions for the financial year are recognized in the income statement under personnel expenses for long-term variable remuneration in the amount of € 59.2 million in connection with the Stock Appreciation Rights Plan 2020 (SARs Plan 2020).

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 personnel 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 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 "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 Executive Board and external analyst opinions. 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.

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

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OTHER INFORMATION

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

- the non-financial statement provided in section 1.12 of the management report
- the statement on corporate governance provided 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 EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE ANNUAL FINANCIAL STATEMENTS AND THE MANAGEMENT REPORT

The executive directors 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 executive directors 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 or error.

In preparing the annual financial statements, the executive directors 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 executive directors 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 executive directors 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

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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 for one 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 executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- conclude on the appropriateness of the executive directors' 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 executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation

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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 related safeguards.

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 "flatexDEGIRO_JA_2021.zip" (SHA256-Hashwert: 30855ab9f8af06101869ebde2129439ce45c5ef367cb4f29dd19a61a25cccab7) 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 2021 to 31 December 2021 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 (10.2021)). 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 applies the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QS 1).

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Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors 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 executive directors 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 29 June 2021. We were engaged by the supervisory board on 23 November 2021. 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 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 group entities the following services that are not disclosed in the consolidated financial statements or in the group management report:

- Audit of an interim balance sheet in the context of the share split pursuant to Section 209 (2) of the German Stock Corporation Act (AktG)
- Audit of investment service providers in accordance with § 89 of the German Securities Trading Act for flatexDEGIRO Bank AG 2020
- Audit of the compensation report pursuant to Section 162 (3) of the German Stock Corporation Act (AktG) of flatexDEGIRO AG
- Regulatory Audit of flatexDEGIRO Bank AG (Austria)

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- Audit monitoring in the context of an external audit

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 Federal Gazette — 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 Marvin Gruchott.

Frankfurt am Main, March 17th 2022

BDO AG
Wirtschaftsprüfungsgesellschaft

Rist	Gruchott
Wirtschaftsprüfer (German Public Auditor)	Wirtschaftsprüfer (German Public Auditor)

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