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flatexDEGIRO: First pan-European online broker listed in Prime Standard

- Highly profitable technology group valued at around 1.2 billion euros
- SDAX listing expected in December 2020 as part of Deutsche Börse's Fast Entry
- Continued strong momentum in third quarter underpins scalability of business model
- Introduction of "flatex next" and synergies with DEGIRO to further accelerate profitable growth
- New company name flatexDEGIRO supports increase of local brand awareness

Frankfurt/Main - flatex AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) today successfully started trading in the Prime Standard of the Frankfurt Stock Exchange after admission to the regulated market. Based on the initial share price of EUR 43.00 on 26 October 2020, the leading pan-European online broker is currently valued at around EUR 1.2 billion.

"With the DEGIRO transaction we have laid the perfect foundation for long-term international growth, which will be further strengthened by our coming app "flatex next" in Germany. It enables us to offer a more intuitive user interface for our successful trading platform to a broader range of customers and allow them to complete the entire account opening process including video authentication in just five minutes. We thereby consistently implement the initiated strategy of further expanding our leading European position. Our new company name flatexDEGIRO AG, which will soon become effective, demonstrates this joint ambition," says Frank Niehage, CEO, outlining the growth strategy of the online broker.

By 2025 at the latest, flatexDEGIRO expects to almost triple its current customer base to around 3 million. The number of trades executed is expected to increase to at least 100 million p.a. in the same period. A record result for the first half of 2020 and the continuing strong momentum in the third quarter underpin management's confidence in its long-term growth ambitions. In particular, the significant increase in the number of customers, which is expected to be almost 50 percent higher than the previous year's figure at the beginning of 2021, provides a solid basis for this.

"Our unique business model with its complete digital integration of the entire value chain enables us to generate enormous economies of scale from this growth. This allows us to target a sustainable EBITDA margin of 50 percent. In an environment in which the return on equity of European banks has effectively fallen to zero, flatexDEGIRO is already achieving a return on tangible equity of over 40 percent, based on half-year figures 2020 and a uniquely low cost-income-ratio of 43 percent," says Muhamad Chahrour, CFO, highlighting the company's outstanding profitability. "We assume that our listing in the Prime Standard and the increasing visibility resulting from our imminent inclusion in SDAX will enable investors to participate even better in this operational scalability."



Picture: Deutsche Börse / Martin Joppen

In terms of transparency and post-admission obligations, the Prime Standard is the segment with the highest requirements in Europe. With the uplisting, the company intends to underscore its commercial success with a stronger capital market orientation. Under the current conditions, flatexDEGIRO considers an admission to the SDAX in December 2020 as given.

The full prospectus approved by BaFin for the up-listing to the Prime Standard of the Frankfurt Stock Exchange is available on the company's website in the "Investor Relations" section.

Clifford Chance, Frankfurt am Main, has provided legal advice to the company in the up-listing process. BankM acted as the Listing Agent for the admission and listing of the shares of the company on the regulated market of the Frankfurt Stock Exchange. Jefferies GmbH, Frankfurt am Main, advised the company in connection with the listing as financial advisor.

To underscore its position as Europe's largest retail online broker, the group's AGM decided on 20 October 2020 to evolve the company name from flatex AG to flatexDEGIRO AG. This name change will take effect shortly. In its respective markets, the company continues to operate under its strong B2C brands "flatex" and "DEGIRO".

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About flatex AG

flatex AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) operates one of the leading and fastest growing online brokerage businesses in Europe, executing millions of paperless securities transactions per annum. B2C customers in 18 European countries are serviced via the flatex and DEGIRO brands and offered a wide range of independent products at competitive pricing, based on a modern, in-house state-of-the-art technology.

With the acquisition of DEGIRO in July 2020 flatex became one of the largest online brokers in Europe with more than 1.2 million customers and 70 million securities transactions estimated for 2020. In a time of bank consolidation, low interest rates and digitalization, the flatex Group is thus ideally positioned for further growth. Until 2025 at the latest, flatex aims to win over 3 million customers and execute at least 100 million transactions per year.

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