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## flatex to buy DeGiro to become Europe's online brokerage champion

- flatex AG acquires 100% of the shares in DeGiro for a purchase price of EUR 250m on a cash and debt free basis after completion of the agreement
- The purchase price will be financed by a capital increase against contribution in kind of up to 7.5 million shares at EUR 25.33 and a cash component of up to EUR 60 million
- Development of a financial supermarket under continuation of both brands in more than 15 European countries with over 1 million customers and over 35 million transactions annually in 2020
- Complementary set-up in the areas of IT, processing and regulation offers quickly realisable synergy potentials of over EUR 30 million annually
- Mid-term ambition: EUR 300 million revenue, EUR 150 million EBITDA and EUR 3 earnings/share

**Frankfurt am Main – With the acquisition of DeGiro B.V., flatex will become the leading pan-European online broker with a presence in over 15 European countries, over one million customers and more than 35 million transactions in 2020. The consistent continuation of flatex AG's international expansion strategy (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) as the result of the review of strategic options by the US investment bank Lazard, which was initiated in the summer of 2019, is the highlight of the growth story. The evaluation of various strategic options, which included new partnerships, acquisitions, the acquisition of new strategic investors and even a partial or complete sale of the company, has thus been completed successfully and in the best sense for all stakeholders.**

"During the process and due to the latest developments in our industry, e.g. the ongoing consolidations in the United States, once again we realised that size, scaling, customer orientation and internationality are key success factors. We want to actively participate in the consolidation given our financial strength and to continue being in the driver seat. For our stakeholders, we consider inorganic growth to be significantly value-creating. flatex/DeGiro will establish itself as the largest and leading independent pan-European online broker," says Frank Niehage, CEO of flatex AG.

In a first step, flatex directly acquired 9.4% in DeGiro upon signing the sale and purchase agreement. The acquisition of the remaining 90.6% is subject to the approval of the responsible authorities. The closing of the entire transaction is expected by the beginning of the second quarter of 2020. The transaction is fully supported by the DeGiro Management.

To finance the purchase price for 100% of the shares in DeGiro, flatex AG is carrying out a capital increase against contribution in kind at completion. In this context, up to 7.5 million new flatex shares will be issued to the current DeGiro shareholders precluding the subscription rights of existing shareholders. In addition, flatex will pay in total up to EUR 60 million in cash.

With more than 300,000 customers and more than 12 million securities transactions processed per year, flatex is one of the leading online brokers in the DACH region. DeGiro has established itself as a leading international player in Western and Southern Europe with about 500,000 customers and c. 19 million transactions annually. Taking into account the current market conditions and the expected

synergies, both companies consider the transaction to be a landmark deal. The following synergies are mainly relevant:

- Strong cultural fit with a focused strategy on self-directed, sustainable and trading-affine customers as well as high quality in the areas of product range and customer service.
- Highly complementary geographic, technological and regulatory set-up allows rapid leverage of significant operational synergies
- Diversification and internationalization of the employee base with expanded future development opportunities for more than 800 employees

"Due to the highly complementary structures in the areas of IT, order flow and back office, as well as the synergies through the use of the flatex full banking license, we assume EBITDA growth potential of more than EUR 30 million per year. We will grow and scale the business and expect revenues of EUR 300 million, an EBITDA of approximately EUR 150 million and earnings per share (EPS) of more than EUR 3 in the medium term as a result of the takeover and the joint growth. After approval of the transaction, both companies and brands, DeGiro and flatex, will continue to operate in the flatex group. Our clear goal is to offer to our flatex and DeGiro customers in Europe with our 800 employees 'Best of both Worlds'," says Muhamad Chahrour, CFO of flatex AG.

Currently, DeGiro acts as a Dutch investment firm and, unlike flatex, which has a German full banking license, is unable to offer full financial services directly itself. With the German banking license and the European passport, flatex Bank will in future form the regulatory backbone for both flatex and DeGiro.

„This marks the start of an exciting new chapter in the remarkable success story of DeGiro. Both companies complement each other perfectly, resulting in many synergies. flatex brings a lot of experience in the broker industry and operates under a German banking license while DeGiro owns and operates one of the most efficient trading engines in the market. Combining forces will make DeGiro part of a listed company with a banking license – and although flatex has a longer history than us, both companies still have a challenger mentality driven by innovation and entrepreneurial spirit.“, says Esmond Berkhout, CEO of DeGiro.

In the transaction flatex was advised by Lazard as sole financial advisor, and by pwc Legal as legal advisor. On behalf of DeGiro shareholders, ING acted as sole financial advisor, pwc as transaction advisor and Loyens & Loeff as legal advisor. flatex and DeGiro shareholders would like to express their sincere thanks for the support.

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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 round about 12.5 million customer's securities transactions paperless per annum. Offering their more than 300,000 B2C customers top services at a competitive pricing based on their modern, self-developed state-of-the-art technology.

Many B2B customers, the state infrastructure and established financial services companies as well as disruptive business ideas benefit from flatex' white label banking technology and become quickly successful businesses due to the self-developed core banking system (FTG:CBS) that belongs to the most modern and most modular systems in the market – the standard platform for private and specialist banks. In times of bank consolidation, low interest rates and digitalisation, flatex is ideally positioned for further growth and well on its way to becoming Europe's leading provider of financial technology.

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