

Frankfurt/ Main, 03 December 2022

flatexDEGIRO expands Management Board and specifies financial expectations for 2022

- flatexDEGIRO expects full year revenues 2022 to amount to approx. EUR 380 m (+/- 2%) with an Adj. EBITDA margin of approx. 37% (+/- 1%point)
- Corporate Governance strengthened by appointing two additional members to the Management Board of flatexDEGIRO AG
- Current Group CFO, Muhamad Chahrour, to transition to Deputy-CEO and Chief Operating Officer
- Special BaFin audit requires resolution of organizational and procedural shortcomings after rapid growth and temporary capital surcharges

flatexDEGIRO expects robust financial performance in 2022 despite ongoingly muted trading activity of retail investors

High inflation rates, energy prices and geo-political issues continue to negatively influence trading activity of retail investors in Europe. Despite first signs of improvements in the stock market in October, overall retail trading has not yet found back to normal seasonal patterns, which are usually resulting in increased trading activity towards the end of the year. However, positive market movements have led to a significant increase of assets under custody at flatexDEGIRO, growing by over EUR 4 billion since the end of September 2022 to currently approx. EUR 42 billion. Against this background flatexDEGIRO expects full year revenues 2022 to amount to approx. EUR 380 million (+/- 2 percent) with an Adj. EBITDA margin of approx. 37 percent (+/- 1 percentage point).

Frank Niehage, CEO of flatexDEGIRO AG: "External factors have turned trading activity of retail investors from record highs at the beginning of 2021 to record lows in 2022, making it the most challenging year for the online brokerage industry in Europe. However, even in this most unfavorable environment, we expect to deliver in 2022 the highest EBITDA and net income ever, supported by our strong and cost-efficient business model and by optimized monetarization. Rising interest rate levels will contribute strongly to next year's net income and with further tailwinds from already initiated operational initiatives, we are very confident to continue our profitable growth in 2023 and beyond."

Resolution of organizational and procedural shortcomings after rapid growth required

With the acquisition of DEGIRO and the accelerated organic growth, flatexDEGIRO has transformed from a German/Austrian niche player into the pan-European leader in online brokerage. From 2019 to 2021, the Group has seen more than a sevenfold increase in the number of settled transactions, rising from 12 million to 91 million, while the amount of its customers' assets under custody have almost tripled from EUR 14.5 billion to over EUR 40 billion. Until end of September 2022, customer accounts have grown by over 500 percent from 390,000 in 2019 to 2.4 million. Due to this transformative growth, the German regulator does not consider flatexDEGIRO any longer a "small and non-complex" institute, resulting in increased regulatory requirements for the Group, along with a generally higher level of supervision.

In 2022, the German Federal Financial Supervisory Authority (BaFin) has conducted a special audit at flatexDEGIRO in accordance with section 44 of the Kreditwesengesetz (KWG - German Banking Act), identifying shortcomings in some business practices and governance, with audit report provided in November 2022. As a result of the audit, BaFin will, among other things, impose flatexDEGIRO to ensure appropriate business organization and has issued temporary capital surcharges.

flatexDEGIRO has immediately initiated various measures to comply with the regulatory requirements within a specified timeframe and will continue to work closely with BaFin. A group-wide regulatory program has been set up at board level and first measures were implemented, including the appointment of Dr. Matthias Heinrich as new Chief Risk Officer at flatexDEGIRO Bank AG as well as organizational

changes in the leadership of the internal controls, risk management and regulatory reporting departments.

Furthermore, the supervisory and management board have decided to capitalize flatexDEGIRO Bank AG with additional EUR 50 million out of own retained funds. Given the current flatexDEGIRO Group CET1 of approx. EUR 180 million and the net profits 2022 to be fully retained, management sees all future growth efforts are adequately financed, with solid regulatory funds and without the need for any capital measures.

Management Board expanded to reflect growth and strengthen corporate governance

In order to reflect the significant growth of the Company and to strengthen its corporate governance, the Supervisory Board of flatexDEGIRO AG has decided to expand the Group's Management Board by two additional members and to extend the role of current Group CFO, Muhamad Chahrour.

After his successful six-years tenure as Group CFO, **Muhamad Chahrour** has been appointed Deputy-CEO and Chief Operating Officer (COO) of both, flatexDEGIRO AG as well as flatexDEGIRO Bank AG, effective 1 January 2023. Having concluded the main integration work at DEGIRO after the merger, Muhamad Chahrour has left the branch management of the Group's international brand DEGIRO, where he served as CEO of DEGIRO for almost two years. In his new role as COO and Group Deputy-CEO he will maintain responsibility for the operational and commercial development of DEGIRO and, together with Group CEO Frank Niehage, for the strategic evolution of the flatexDEGIRO Group.



Muhamad Chahrour, designated Deputy-CEO and COO of flatexDEGIRO AG and flatexDEGIRO Bank AG

Dr. Benon Janos, currently Chief Financial Officer (CFO) of flatexDEGIRO Bank AG, is scheduled as planned to succeed Muhamad Chahrour as Group CFO. Before joining flatexDEGIRO in 2016, Benon Janos gained proven securities expertise through his nearly 15 years at Goldman Sachs, where he began his career and was responsible as Managing Director for the German securities business. He holds a degree in mechanical engineering from RWTH Aachen University and a doctorate in materials engineering from the Massachusetts Institute of Technology (M.I.T.) in Boston, USA, where he also obtained a parallel business degree in Masters of Technology & Policy.

Also effective 1 January 2023, **Stephan Simmang** will join the Management Board of flatexDEGIRO AG as the Group's Chief Technology Officer (CTO). Like Benon Janos, Stephan Simmang joined flatexDEGIRO in 2016 from Goldman Sachs, where he spent almost 20 years in leading positions, including responsibility for IT infrastructure in continental Europe and for defining international IT standards with a global team. Since joining

flatexDEGIRO, Stephan Simmang was responsible for the continuous development of the in-house IT platform and the introduction of industry-leading technological innovations, most recently as Divisional Board Member. He holds a degree in electrical engineering from RWTH Aachen University.

Martin Korbmacher, Chairman of the Supervisory Board of flatexDEGIRO AG: "The successful growth of flatexDEGIRO into Europe's leading online broker also requires us to adapt our internal structures and management bodies to this new size. Following the extension of flatexDEGIRO AG's Supervisory Board last year with the appointment of Aygül Özkan, I am very pleased to further expand the capabilities and diversity of our Management Board with the addition of two particularly experienced and long-standing executives of our company and with Muhamad Chahrour transitioning in this new, important role after his very successful six-years tenure as our Group's CFO."



Stephan Simmang, designated CTO of flatexDEGIRO AG and flatexDEGIRO Bank AG



Dr. Benon Janos, designated CFO of flatexDEGIRO AG and flatexDEGIRO Bank AG

Frank Niehage, CEO of flatexDEGIRO AG: "I am very much looking forward to working with the two new Executive Board members and to further intensify the excellent cooperation that has already lasted for six years. The fact that these key positions were filled with candidates from within the company clearly speaks for the high quality of management at the various levels at flatexDEGIRO."

Furthermore, the Supervisory Board has decided that **Christiane Strubel**, who is heading HR at flatexDEGIRO as a General Representative since 2016, should also be appointed to the Management Board of flatexDEGIRO AG as soon as all regulatory requirements are fulfilled.



Christiane Strubel, CHRO of flatexDEGIRO

Contact:

Achim Schreck
Head of Investor Relations & Corporate Communications

flatexDEGIRO AG
Omniturm – Große Gallusstraße 16-18
D-60312 Frankfurt/Main
Phone +49 (0) 69 450001 0
achim.schreck@flatexdegiro.com

About flatexDEGIRO AG

flatexDEGIRO AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) operates a leading and fastest growing online brokerage platform in Europe. Based on modern, in-house state-of-the-art technology, customers of the flatex and DEGIRO brands are offered a wide range of independent products with execution on top TIER 1 exchanges. The technological edge as well as the high efficiency and strong economies of scale enable flatexDEGIRO to continuously improve its service offering to customers.

With more than 2 million customer accounts and over 91 million securities transactions processed in 2021, flatexDEGIRO is the largest retail online broker in Europe. In times of bank consolidation, low interest rates and digitalisation, flatexDEGIRO is ideally positioned for further growth. Within the next five years, flatexDEGIRO aims to expand its customer base to 7-8 million customer accounts and process 250-350 million transactions per year - even in years of low volatility.

Further information at <https://www.flatexdegiro.com/en>

Disclaimer

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