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## flatexDEGIRO continues blowout growth with over 500,000 new customers in six months

- Net customer growth of over 500k in H1 2021 (~ 3k per calendar day) and high customer retention rate of >98.5%, resulting in a total customer base of 1.75 million as of June 2021 (+74% vs. June 2020 pro forma and +41% vs. Dec 2020)
- Assets under custody increased to more than EUR 40 billion (+198% vs. H1 2020), manifesting the high-quality profile of customer growth
- High and robust retail engagement results in 53 million executed trades in H1 2021 (+41% vs. pro-forma H1 2020) with a system uptime of > 99.9%
- Commercial success translates in all-time (preliminary) record financials: Revenues of EUR 226m (+127% vs. H1 2020), Adjusted EBITDA margin of 47.6% (+2.2%-points vs. H1 2020) and adjusted EPS of 2.40 EUR (+79% vs. H1 2020)
- (Preliminary) Operating cash flow more than doubled after six months to EUR 83.4 million (+119% vs. H1 2020), despite higher marketing expenses of EUR 17.9 million (vs. EUR 8.4 million in H1 2020).
- Launch of additional product, service and education initiatives in H2 2021, targeting more than 250 million retail clients in the continental European core and growth markets
- High conviction to reach 2021 FY guidance of 2.0-2.2 m customers and 90-110 m transactions

**Frankfurt/Main – Preliminary half-year 2021 figures published today underpin flatexDEGIRO’s claim as Europe’s leading and fastest-growing retail online broker. flatexDEGIRO (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) won over 500,000 new customers, thereby surpassing the record growth number of full-year 2020 already after just six months. With additional growth initiatives in its ‘underdeveloped G7’ markets kicking in in H2 2021, flatexDEGIRO aims at continuing to win significant market shares in all continental European markets.**

"The excellent operating performance fully confirms our forecasts and vision: flatexDEGIRO’s enormous new customer generation goes beyond plain seasonality and fluctuations in market volatility. With best-in-class products and services at most attractive prices, we are on our way to retailize online brokerage in Europe," says Frank Niehage, CEO of flatexDEGIRO AG. "In the coming months, we will launch important new product offerings and services to the benefit of our customers all over Europe, making trading and investing even more attractive for everyone. We thereby further increase our striking power on the way to market leadership in each of our growth countries in continental Europe, especially France, Spain, Portugal, Italy and Switzerland."

"The ongoing strong inflow of high-quality customers demonstrates the success of our market leading approach, proven also by our consistent outperformance over all major European peers such as Avanza, Fineco and Nordnet. We have outgrown each of them in every single month for the last 18 months straight. Over the last six months, we won as many new customers as they did combined, and we are still hungry," adds Muhamad Chahrour, CFO of flatexDEGIRO AG and CEO of DEGIRO. "We are winning all over Europe the ‘right’ customers, aged 25 to 55, with a diverse educational background and more and more female investors entering the investment and saving market. In our core markets, we are leading in almost every respect: a robust platform with an outstanding availability that we are developing continuously, a transparent product and exchange offering that cannot be found anywhere else in Europe, and the highest possible security levels for our customers’ assets as a fully regulated German bank. This is why our 1.75 million customers entrust us with more than EUR 40 billion in assets."

## Key figures

		H1 2021	H1 2020	Change in %
<b>Brokerage KPIs</b>				
Settled Transactions	m	52.97	37.65*	+40.7
Brokerage Customers at end of period	m	1.75	1.01*	+74.4
<b>Operating KPIs</b>				
Assets under Custody	m EUR	40,599	13,634	+197.8
thereof: Securities	m EUR	37,818	12,229	+209.2
Thereof: Cash	m EUR	2,781	1,405	+98.0
Average number of Employees		1,085	544	+99.4
<b>Financials (preliminary)</b>				
Revenues	m EUR	226.1	99.8	+126.6
Adjusted EBITDA	m EUR	107.7	45.4	+137.1
Adjusted EBITDA margin	in %	47.6	45.4	+4.6
EBITDA	m EUR	53.2	42.7	+24.6
EBITDA margin	in %	23.5	42.8	-45.1
Adjusted EPS (undiluted)	EUR	2.40	1.34	+79.1
EPS (undiluted)	EUR	1.03	1.14	-9.6
Adjusted Cost-Income ratio	in %	44.9	41.9	+7.2
Operating Cashflow	m EUR	83.4	38.0	+119.5

\* pro forma

## Major events in H1 2021

- April 2021: flatex in Germany launches Europe's largest zero-cost ETF and funds saving plans offer with over 3,000 products
- May 2021: DeGiro B.V. merges with flatexDEGIRO Bank AG to reduce regulatory complexity and further increase the synergy potential
- June 2021: ISS ESG rates flatexDEGIRO within the top 10% of peers
- June 2021: flatexDEGIRO announces future European ETP partnerships and the offering of early and late trading all over Europe
- June 2021: Annual General Meeting approves all agenda items with large majorities, including the proposed stock split (1:4), which will be executed during the third quarter 2021

## flatexDEGIRO continues to win the right customers at scale..

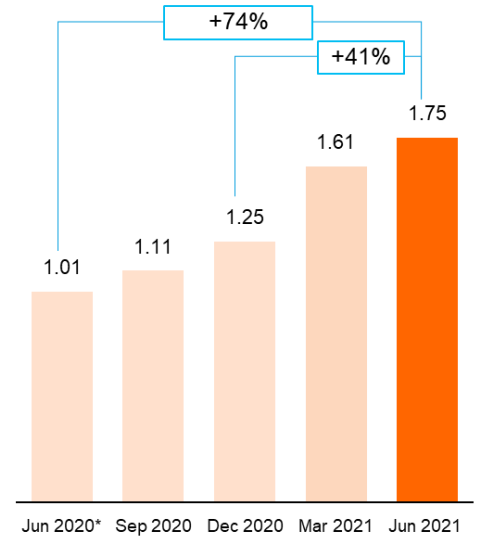
During the first six months 2021, flatexDEGIRO won over 500,000 new customers, raising its European customer base to 1.75 million at the end of June 2021 (Dec 2020: 1.25 million). Customer addition was thus more than 2.5 times the previous year's period, which was already exceptional due to Covid-19. It even exceeded the record growth of the full year 2020 of approx. 450,000 new customers after just six months. Compared to the 1.01 million customers (pro forma) at the end of June 2020, the increase amounted to 74.4 percent.

On a European level, flatexDEGIRO further increased its market share, growing three times faster than its major peers on average<sup>1</sup>. The same outperformance was already observed in full-year 2020<sup>2</sup>.

At the same time, flatexDEGIRO continues to enjoy one of the most trading-active, loyal and high-quality customer bases among all European retail online brokers. Trading activity of flatexDEGIRO customers remained on a high level, amounting in H1 2021 to an average of approx. 71 trades on an annualized basis, which was very similar to the level reached already in full-year 2020 (approx. 73). Customer retention over the first half year stood at 98.5 percent.

Customer acquisition costs (CAC) in the first half 2021 dropped to EUR 34 for each fully onboarded new customer. This new record low, which was even some 30 percent below the Company's own short- and mid-term guidance for sustainable CAC of around EUR 50, highlights flatexDEGIRO's outstanding ability to leverage its unique platform and to scale with an average payback period of less than three months. In the first half of 2020, CAC still amounted to approx. EUR 120.

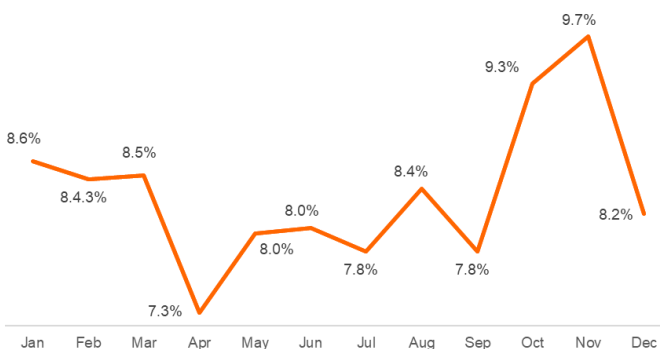
Number of Brokerage Customers (million)



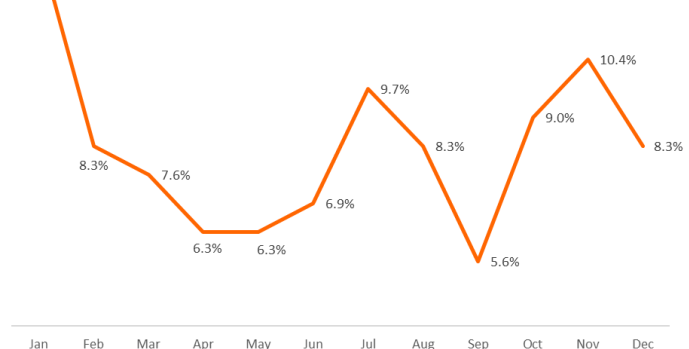
## ..which drives sustainable growth..

Customer growth and trading activity of clients in 2021 have so far followed typical seasonal patterns, with a rather dynamic start in the first quarter being followed by lower levels in the second, especially due to a high number of banking holidays and the beginning of summer vacations. Customer growth and activity levels typically picking up again in the third quarter and reach their peak during Q4. In general, the number of new customers and transactions in the second half of a year tends to be higher than in the first half.

Share of full year trades per month (2016-2019)



Share of full year customer growth per month (2016-2019)



<sup>1</sup> flatexDEGIRO with new customer growth in H1 2021 of 41%. Avanza, Fineco and Nordnet with an average customer growth of 14% in H1 2021. Source: company data.

<sup>2</sup> flatexDEGIRO with new customer growth in 2020 of 56%. Avanza, Fineco and Nordnet with an average customer growth of 19% in 2020. Source: company data.

Over the first six months 2021, flatexDEGIRO settled 52.97 million transactions, an increase of 40.7 percent over the first half 2020 (pro forma: 37.65 million transactions). After an exceptionally good start in 2021, transactions in the second quarter were again strong, virtually matching previous year's level, itself an absolute record quarter at the time.

## ..and leads to a record financial performance and outstanding operating cash flows.

Revenues increased by 126.6 percent to EUR 226.1 million in the first six months of 2021 (H1 2020: EUR 99.8 million). The significant increase was driven by strong customer growth and the consolidation of DEGIRO. The share of online brokerage business in revenues increased to 97 percent, including commission income as well as interest income. Inducements received under Mifid II from product partners or trading venues accounted for only an insignificant amount of approx. 10 percent herein. Revenues per trade developed positively during the first half year and with the launch of new product and service offers in the months to come management is confident to see further improvement in the second half of 2021.

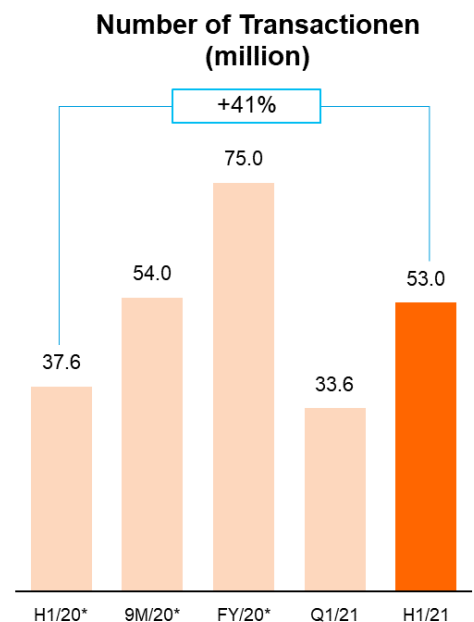
Due to the high scalability of the business model and its strong operating leverage, flatexDEGIRO was able to increase its adjusted EBITDA margin by 2.2 percentage points to 47.6 percent (H1 2020: 45.4 percent), despite significantly higher variable marketing costs to support the long-term growth strategy (+ EUR 9.5 million compared to H1 2020), which will pay off in top-line growth only after the end of the reporting period. The Adjusted EBITDA reached EUR 107.7 million, an improvement of 137.1 percent compared to the first half year 2020 (EUR 45.4 million).

Reported EBITDA rose by 24.6 percent to EUR 53.2 million (H1 2020: EUR 42.7 million). The EBITDA adjustments result to a minor extent from one-time personnel expenses related to the merger and, for the most part, to non-cash provisions for long-term incentive plans, which are solely linked to share price performance and future EPS expectations. Based on the strong performance of flatexDEGIRO over the recent months, both factors led to additional provisions built, in line with the achieved and expected shareholder returns. The Company also digested a number of non-personnel one-time effects from the merger of DEGIRO with flatexDEGIRO Bank AG that were not adjusted.

After the successful implementation of all relevant synergy measures, first positive effects on profitability were seen in the first half 2021. This relates primarily to the use of marketing efficiencies and increased negotiating power from the combination of the two companies ("One firm") as well as the use of the Group's infrastructure and banking license for the entire European business ("One bank"). Synergies resulting from the harmonisation of IT systems ("One IT") as well as from the combination of the companies' trade flows ("One Flow") will start contributing to EBITDA, as expected, in the second half of 2021.

Adjusted EPS increased by 79.1 percent to EUR 2.40 (H1 2020: EUR 1.34), despite higher depreciation and amortization of identified intangible assets based on the DEGIRO purchase price allocation, that were accounted for only after closing of the acquisition in July 2020, and thus not included in the H1 2020 (adjusted) EPS. On a reported basis EPS reached EUR 1.03 (H1 2020: EUR 1.14).

Operating cash flow more than doubled from EUR 38.0 million in the first six months 2020 to EUR 83.4 million in the first half 2021. The significant generation of free cash flows provides a strong basis for flatexDEGIRO's ambitious growth plans and will, together with sustained low customer acquisition cost, be used to aggressively aim at market share gains in yet underdeveloped continental European markets by systematically widening the product and service offer as well as launching targeted marketing campaigns.



## Outlook and Vision 2026

For the full year 2021, flatexDEGIRO expects its customer base to increase by 750,000 to 950,000 to 2.0 to 2.2 million customers, that will do an average of around 55 to 65 transactions per year. The number of executed transactions is thus estimated at 90 to 110 million for 2021.

The launch of important new products and services during the second half of 2021 is expected to further support the already strong development shown in the first half. On its path to retailize capital market access, DEGIRO customers will shortly benefit as the first clients in Europe outside of Germany and Austria from extended trading hours (8 a.m. to 10 p.m.) with Tradegate Exchange, the leading German retail exchange owned by Deutsche Börse AG. This will give clients access to capital markets outside of normal working-hours with a highly regulated and trusted exchange. flatexDEGIRO thereby adds to its platform another unique feature and strong USP in almost all of its international markets. Furthermore, customers will benefit soon from the roll-out of flatexDEGIRO's European ETP partnerships. A major education campaign to support less experienced customers in better understanding capital markets, equity-based saving opportunities and long-term investment strategies will be broadcasted all over Europe.

It is flatexDEGIRO's vision to serve 7 to 8 million customers by 2026. As a European brokerage powerhouse, flatexDEGIRO would then process at least 250-350 million transactions per year - even in years with low volatility.

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### About flatexDEGIRO AG

flatexDEGIRO 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 more than 1.25 million customers and over 75 million securities transactions in 2020, flatexDEGIRO is the largest retail online broker in Europe. In a time of bank consolidation, low interest rates and digitalization, the flatexDEGIRO Group is ideally positioned for further growth. Within the next five years, flatexDEGIRO aims to grow its customer base to 7-8 million customers, settling at least 250-350 million transactions per year – even in years with low volatility.