

## flatexDEGIRO with record level of customer assets and solid performance in H1 2023

- Over 186,000 new customers won in H1 2023, total customer base of 2.56 million
- Assets under Custody reach record level of EUR 47.8 billion at the end of June 2023, including EUR 3.5 billion of cash deposits
- Net cash inflows in H1 2023 of EUR 2.9 billion, of which customers re-invested over 90 %
- Adj. Revenues<sup>1</sup> in Q2 2023 of EUR 91 million, an increase of 8% over Q2 2022 (EUR 84 million)
- Adj. EBITDA<sup>1</sup> in Q2 2023 of EUR 34 million, an increase of 24 % over Q2 2022 (EUR 27 million)
- Further significant margin improvement expected in H2 2023
- Full-year guidance confirmed: Adj. Revenues<sup>1</sup> of EUR 380 million with an Adj. EBITDA<sup>1</sup> margin of > 40 % and an Adj. EBT<sup>1</sup> margin of > 30 %

*Frank Niehage, CEO of flatexDEGIRO: "We aim at providing our customers with the best online brokerage offering in Europe in order to achieve sustainable success together. In a challenging environment, we have demonstrated both during the first six months of 2023: Our customers' assets grew by an average of almost 1.5 billion euros per month. And every month our customers brought close to 500 million euros of new capital into our platform. Taking the value increase of security portfolios as a proxy for performance, the numbers indicate that our customers have on average been able to grow their wealth by around 14 percent over the last six months."*

*Muhamad Chahrour, Deputy CEO & COO of flatexDEGIRO AG: "Our operating result during the second quarter of 2023 has already exceeded the previous year's quarter by 24 percent. In the coming six months, we expect further improvements driven by more favorable pricing, higher interest rate levels and significantly lower operating expenses. This allows us to deliver on our financial targets for 2023 and lays the foundation for further profitability growth."*

### Maintaining strongest customer growth in the industry

By the end of June 2023, the number of customer accounts reached 2.56 million, an increase of 6.8 percent compared to 2.40 million customer accounts on December 31, 2022. Customer account growth has therefore been more than twice as strong as the one of listed European peers, which averaged at 3.2 percent<sup>2</sup>. Overall, more than 186,000 new gross customer accounts were added in the first half of 2023, around 74,000 thereof joined flatex and DEGIRO during the second quarter 2023. The annualized customer retention rate was 98.1 percent at the end of the first half of the year.

In its Core Markets (The Netherlands, Germany and Austria), flatexDEGIRO won approx. 93,000 new gross customer accounts in the first half 2023, increasing the customer base in those three markets to 1.5 million (+ 5.6 percent compared to the end of 2022). The strongest growth rates were recorded in

<sup>1</sup> Adjusted for effects of the building/release of provisions for long-term, variable compensation (Stock Appreciation Rights Plan, SARs). In Q2 2023, SARs provisions of EUR 4.8 million were included in personnel expenses. In H1 2023 these amounted to EUR 15.4 million. In H1 2022 and Q2 2022, the release SARs provisions of EUR 7.3 million was reflected in Other Operating Income, positively impacting revenues.

<sup>2</sup> Including Avanza, Fineco, Hargreaves Lansdown, Nordnet

flatexDEGIRO's Growth Markets (especially France, Spain, Portugal and Italy), were the customer base grew by 8.8 percent since the start of the year to now close to 1 million (+ approx. 85,000 new gross customer accounts in H1 2023).

### **Record level of Assets under Custody and high net cash inflows**

Assets under Custody reach a record level of EUR 47.8 billion at the end of June 2023, an increase of 21.0 percent or EUR 8.3 billion over the last six months. Cash deposits included herein increased by EUR 0.3 billion or 9.2 percent to EUR 3.5 billion. This growth was driven by a strongly positive development of securities held by flatexDEGIRO customers (approx. plus EUR 5.4 billion) as well as by significant net cash inflows into flatexDEGIRO platforms of EUR 2.9 billion. Over 90 percent of these net cash inflows were re-invested by flatexDEGIRO customers in securities.

### **flatexDEGIRO benefits from increase interest rate levels with conservative treasury strategy**

flatexDEGIRO continues its conservative treasury strategy with customer cash under custody being deployed in very short duration investments. This mainly includes EUR 0.9 billion of fully collateralized margin loans provided to flatexDEGIRO brokerage customers as well as approx. EUR 2.6 billion of customer cash under custody of with the vast majority being deposited directly at the German Federal Bank (Bundesbank) with overnight availability.

The increase in the ECB depository rate has a very direct and significant impact on flatexDEGIRO's net interest income, given the short duration of the EUR 2.6 billion cash deposits.

### **Industry-wide subdued trading activity of retail investors**

Across the industry, trading activity of retail investors remains on a low level, negatively affected by the geopolitical tensions, high inflation rates and rising interest rates. The number of transactions processed via flatexDEGIRO's platforms was 29.5 million in the first half of 2023. This represents a decrease of 22.4 percent compared to the 38.1 million transactions from the first half of 2022.

With 20.5 million transactions, the Core Markets accounted for approx. 70 percent of all transactions during the first six months 2023, followed by 8.1 million transactions (approx. 27 percent) in the Growth Markets and 0.9 million transactions (approx. 3 percent) in Research Marktes.

With 13.2 million transactions during the second quarter, a reduction of 19.2 percent compared to the first quarter 2023 (16.3 million), trading activity followed typical seasonal patterns.

### **Year-on-year increase of Adj. Revenues and Adj. EBITDA in Q2 2023**

Adjusted Revenues in the second quarter 2023 amounted to EUR 90.8 million (Q2 2022: EUR 84.2 million), up 7.8 percent year-on-year. Customer account growth, higher commissions per transaction and a significant increase in interest income contributed to this positive development. Adj. Revenues for the first half-year 2023 amounted to EUR 189.1 million (H1 2022: EUR 202.3 million).

Average commissions per transaction reached EUR 3.99 in Q2 2023, a slight increase compared to Q2 2022 (EUR 3.98), despite of a significant reduction in settled transactions.

Adj. EBITDA in the second quarter 2023 increased by 24.2 percent to EUR 33.9 million (Q2 2022: EUR 27.3 million), corresponding to an Adj. EBITDA margin of 37.4 percent (Q2 2022: 32.4 percent). In the first six months 2023, Adj. EBITDA amounted to EUR 63.9 million (H1 2022: EUR 81.8 million).

In connection with long-term variable compensation (Stock Appreciation Rights Plan, SARs), provisions of EUR 15.4 million were built in the first half-year 2023, including EUR 4.8 million during the second quarter 2023. In 2022, SARs provisions of EUR 7.3 million were released in the first half-year and EUR 10.0 million during the second quarter.

Including these changes of SARs provisions, EBITDA reached EUR 48.5 million in the first half of the year (H2 2022: EUR 89.1 million) and EUR 29.1 million in the second quarter (Q2 2022: EUR 37.4 million).

## **Full year outlook confirmed**

Management confirms its forecast for the full year 2023, aiming at Adj. Revenues of approx. EUR 380 million, with an Adj. EBITDA margin of over 40 percent and an Adj. EBT margin of over 30 percent.

For the second half of 2023, management expects a further increase of the average commissions achieved per settled transaction and higher interest income, mainly due to higher interest rate levels. Operating expenses are expected to decrease strongly, driven by a lower marketing spent and approx. EUR 9 million of non-recurring expenses in H1 2023, including tax-incentivized inflation compensation payments to employees. In combination, operating margins in the second half-year 2023 are expected to significantly exceed the levels achieved during the first half of 2023.

		H1 2023	H1 2022	Change in %	Q2 2023	Q2 2022	Change in %
<b>Financials</b>							
Revenues	EUR m	189.1	209.6	-9.8	90.8	91.6	-0.9
Adj. Revenues	EUR m	189.1	202.3	-6.5	90.8	84.2	7.8
Commission income	EUR m	120.7	157.8	-23.5	52.7	64.4	-18.2
Interest income	EUR m	59.0	34.9	68.9	32.4	17.3	87.9
Other operating income <sup>3</sup>	EUR m	9.4	16.9	-44.3	5.6	9.9	-42.7
Commission per transaction	EUR	4.08	4.14	-1.4	3.99	3.98	0.3
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EBITDA	EUR m	48.5	89.1	-45.6	29.1	37.4	-22.1
EBITDA margin	%	25.6	42.5	-39.7	32.1	40.8	-21.4
Adj. EBITDA	EUR m	63.9	81.8	-21.9	33.9	27.3	24.2
Adj. EBITDA margin	%	33.7	40.4	-16.4	37.4	32.4	15.3

Adjusted figures exclude the effects of the building/release of provisions for variable, long-term compensation (Stock Appreciation Rights, SARs).

<sup>3</sup> Including the release of provisions for variable, long-term compensation (Stock Appreciation Rights, SARs) of EUR 7.3 million in H1 2022 and Q2 2022

## Commercial KPIs

		H1 2023	H1 2022	Change in %	Q2 2023	Q2 2022	Change in %
Customer accounts at the end of the period	m	2.56	2.29	11.9	2.56	2.29	11.9
New customer accounts (gross)	k	186.0	282.5	-34.2	73.6	97.3	-24.3
Transactions settled	m	29.5	38.1	-22.4	13.2	16.2	-18.5
		Jun 2023	Dec 2022	Change in %	Jun 2023	Mar 2023	Change in %
Assets under Custody	EUR bn	47.8	39.5	21.0	47.8	45.1	6.0
- thereof: Securities	EUR bn	44.2	36.2	22.1	44.2	41.7	6.0
- thereof: Cash	EUR bn	3.5	3.2	9.2	3.5	3.3	6.0

## Regional split - Customer accounts

		H1 2023	H1 2022	Change in %	Q2 2023	Q1 2023	Change in %
flatexDEGIRO	m	2.56	2.29	11.9	2.56	2.50	2.5
Core Markets	m	1.49	1.38	7.8	1.49	1.46	2.1
Growth Markets	m	0.95	0.80	19.8	0.95	0.92	3.2
Research Markets	m	0.12	0.11	6.2	0.12	0.12	2.0

## Regional split - Transactions settled

		H1 2023	H1 2022	Change in %	Q2 2023	Q2 2022	Change in %
flatexDEGIRO	m	29.5	38.1	-22.4	13.2	16.2	-18.5
Core Markets	m	20.5	25.9	-20.6	9.2	10.9	-15.1
Growth Markets	m	8.1	10.8	-25.3	3.6	4.7	-24.3
Research Markets	m	0.9	1.4	-34.0	0.4	0.6	-33.6

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## About flatexDEGIRO AG

flatexDEGIRO AG (WKN: FTG111, ISIN: DE000FTG1111, Ticker: FTK.GR) operates the 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 2.5 million customer accounts and over 67 million securities transactions processed in 2022, flatexDEGIRO is the largest retail online broker in Europe. In times of bank consolidation, low interest rates and digitalization, flatexDEGIRO is ideally positioned for further growth.

For more information, visit <https://www.flatexdegiro.com/en>

## Disclaimer

### Preliminary results

This release contains preliminary information that is subject to change and that is not intended to be complete.

### Non-IFRS measures (APMs)

This presentation includes non-IFRS measures, including Adjusted EBITDA. These measures are alternative performance measures as defined by the European Securities and Markets Authority ("ESMA"). flatexDEGIRO presents these non-IFRS measures as (i) they are used by its management to measure performance, including in presentations to the Management Board and Supervisory Board members and as a basis for strategic planning and forecasting; and (ii) they represent measures that flatexDEGIRO believes are widely used by certain investors, securities analysts and other parties as supplemental measures of operating and financial performance. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered as a substitute for analysis of flatexDEGIRO's operating results as reported under IFRS. Non-IFRS measures are not a measurement of flatexDEGIRO's performance or liquidity under IFRS and should not be considered as alternatives to consolidated net profit or any other performance measure derived in accordance with IFRS or other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

### Forward-looking statements

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.