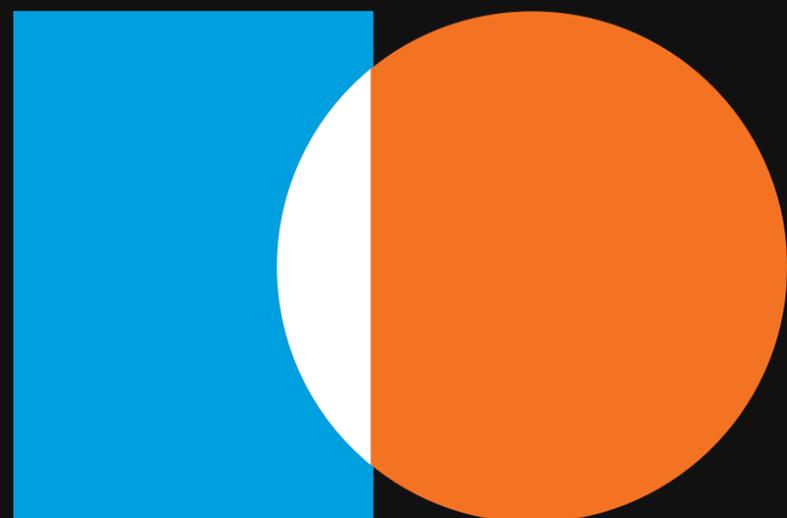


FLATEXDEGIRO AG | 27 APRIL 2023

# Q1 2023

# INTERIM MANAGEMENT STATEMENT



**Disclaimer****Q1 2023 - Interim Management Statement**

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.

## Processing of BaFin findings fully on schedule

### 1 Status Update

- Kick-off workshop with Special Representative and BaFin held in April 2023
- Progress made in regards to DEGIRO margin loan process
  - IT release delivered and deployed
  - Process automation implemented
  - Documentation and evidence delivered
  - Parallel phase to compare automated and former data started

### 2 Targeted timeline unchanged

- Current focus on all findings effecting the Credit Risk Mitigation Techniques for DEGIRO margin loans. Aim is to resolve these findings within 2023
- All other findings to be resolved within the next 12-18 months
- Building on this/ongoing: organizational development, ensuring permanent synchronization of organization and growth

# Further strengthening of Corporate Governance

## Supervisory Board



**Martin Korbmacher**

Chair



**Stefan Müller**

Deputy Chair



**Aygül Özkan**

Member



**Herbert Seuling**

Member



**Britta Lehfeldt**

Member

to be proposed to  
AGM on 13 June 2023

## Management Board



**Frank Niehage, LL.M.**

CEO



**Muhamad Said Chahrour**

Deputy CEO & COO



**Dr. Benon Janos**

CFO



**Stephan Simmang**

CTO



**Christiane Strubel**

CHRO

Once regulatory  
requirements are fulfilled

# Business Highlights



ETP partnerships rolled out to Spain, Portugal and Switzerland, Italy to follow soon



Adjustment of margin loan rates at DEGIRO & flatex by 100 bps due to new interest environment, effective January 2023, next step in July 2023



Partnership with TaxDown in Spain (> 250k customer accounts)



Adjustment of commissions at DEGIRO for US trades and local trades\* to 1 EUR (+1 EUR handling fee), effective mid-May 2023



Awarded best broker in the Netherlands (Cashcow), in Germany (Brokerwahl) and Portugal (Rankia)

\* in Spain, Portugal, Italy and France

# Financial deep dive



**Improved trading activity,  
but still on low level**



**Better monetarization with  
further measures to come**



**Positive impact from  
higher interest rates**



**High marketing spent only  
in Q1 2023**



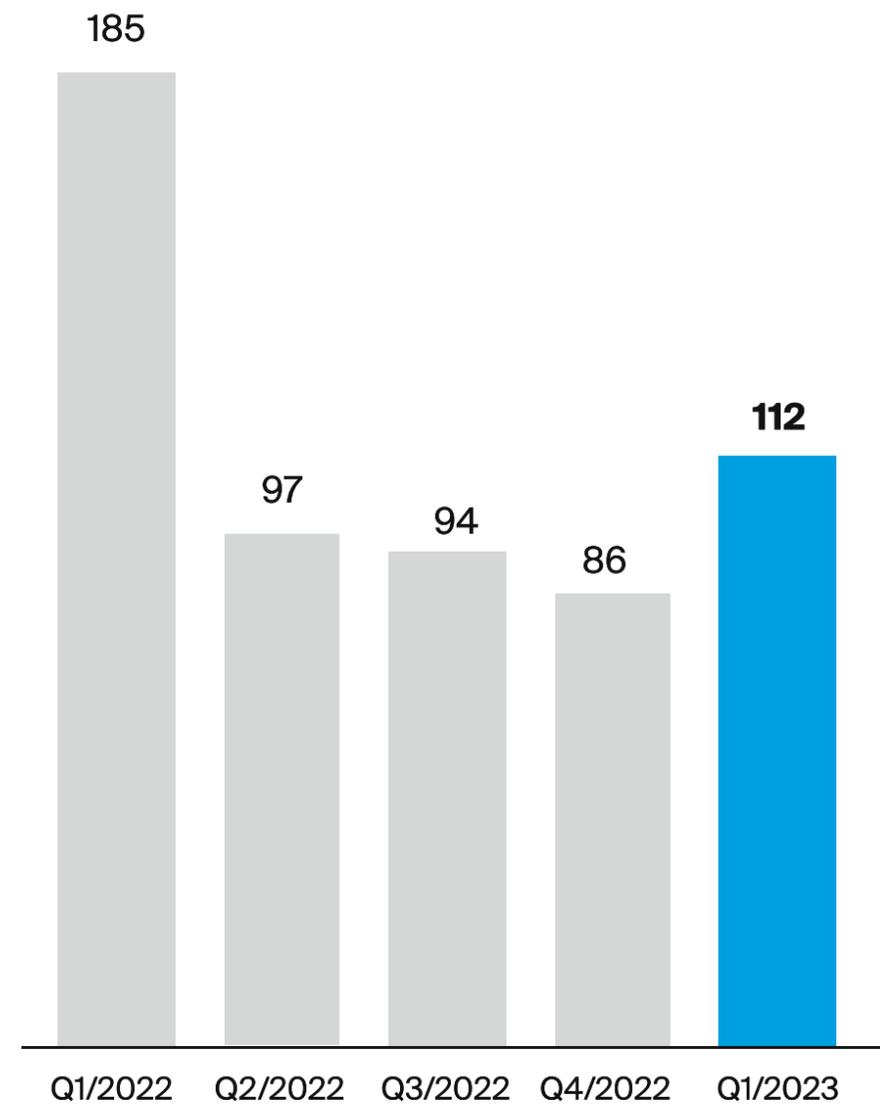
**Continuous net cash  
inflows**



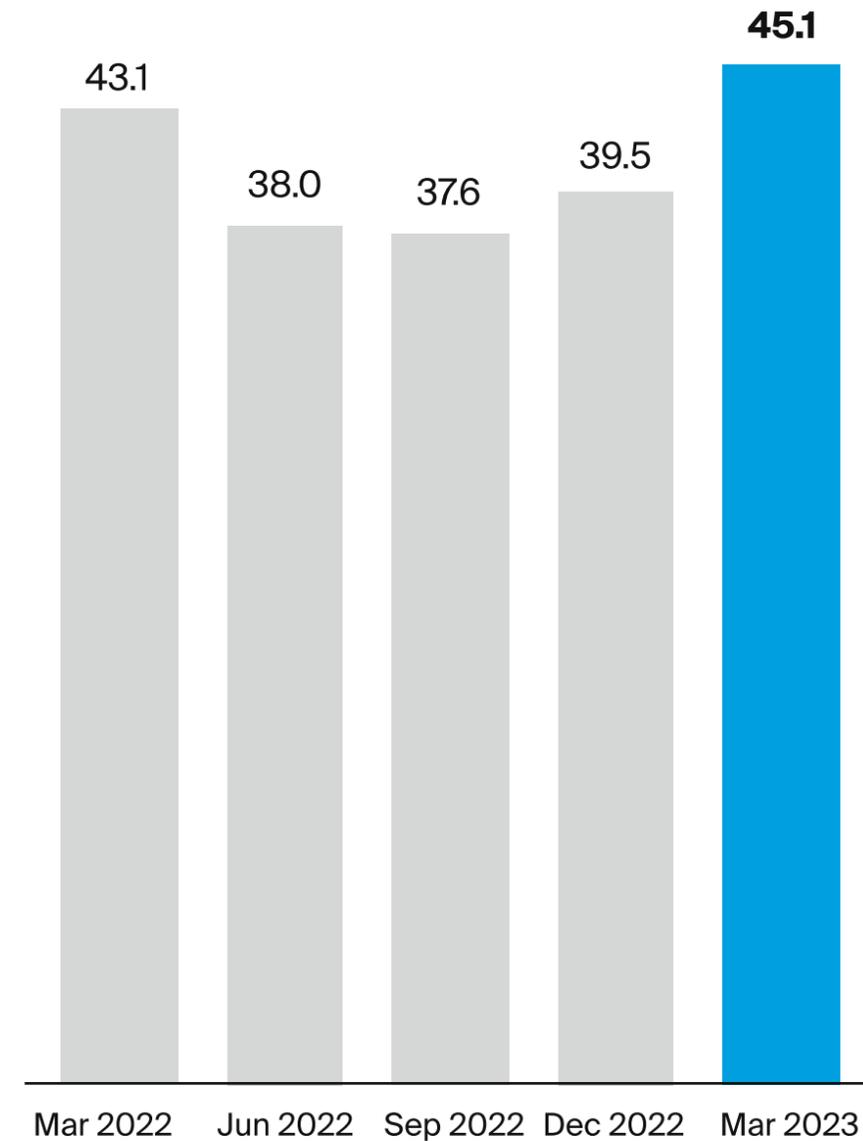
**Solid CET1 ratio after  
inclusion of FY 2022  
profits**

## Commercial performance

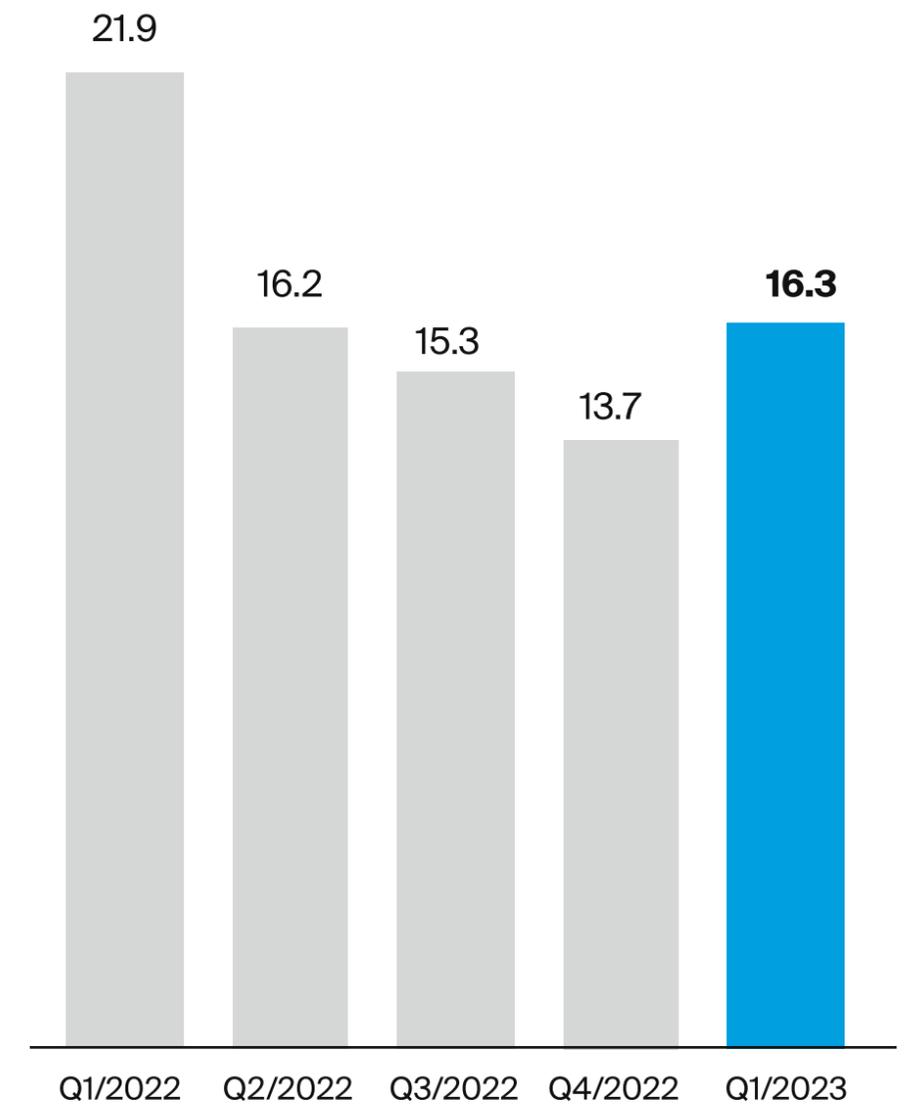
### Gross customer additions (k)



### Assets under Custody (bn EUR)

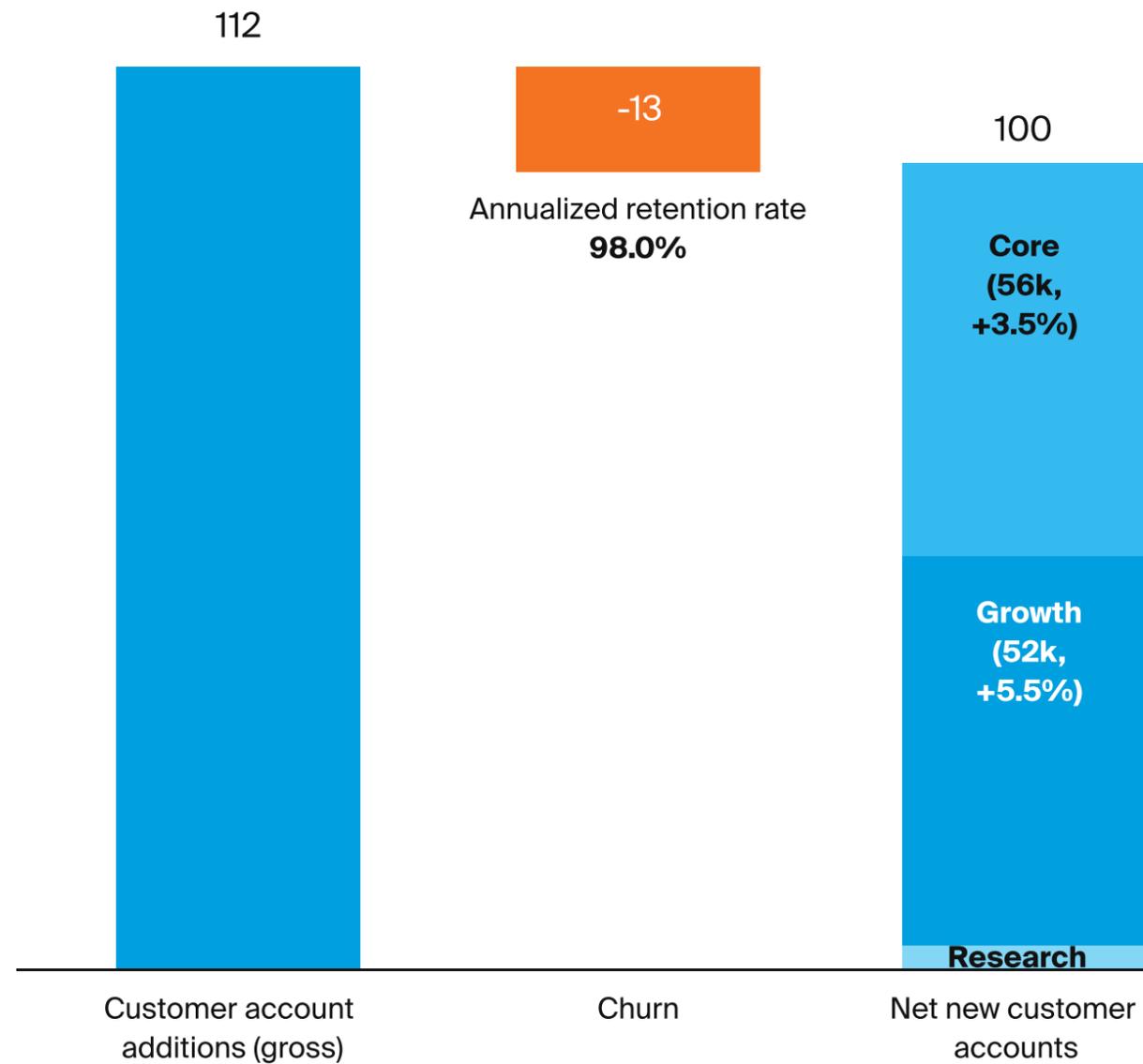


### Settled transactions (m)

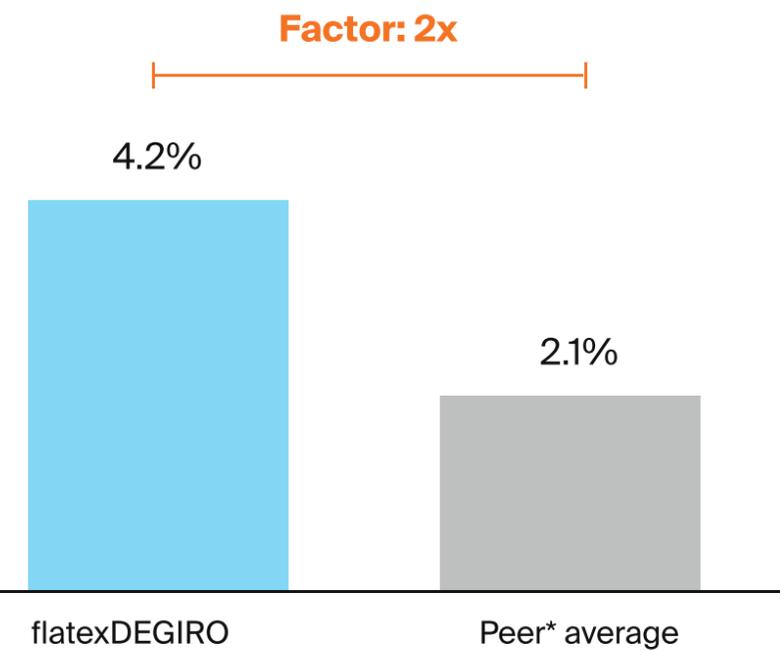


# Customer growth & retention Q1 2023

## Additional customer accounts Q1 2023 in k



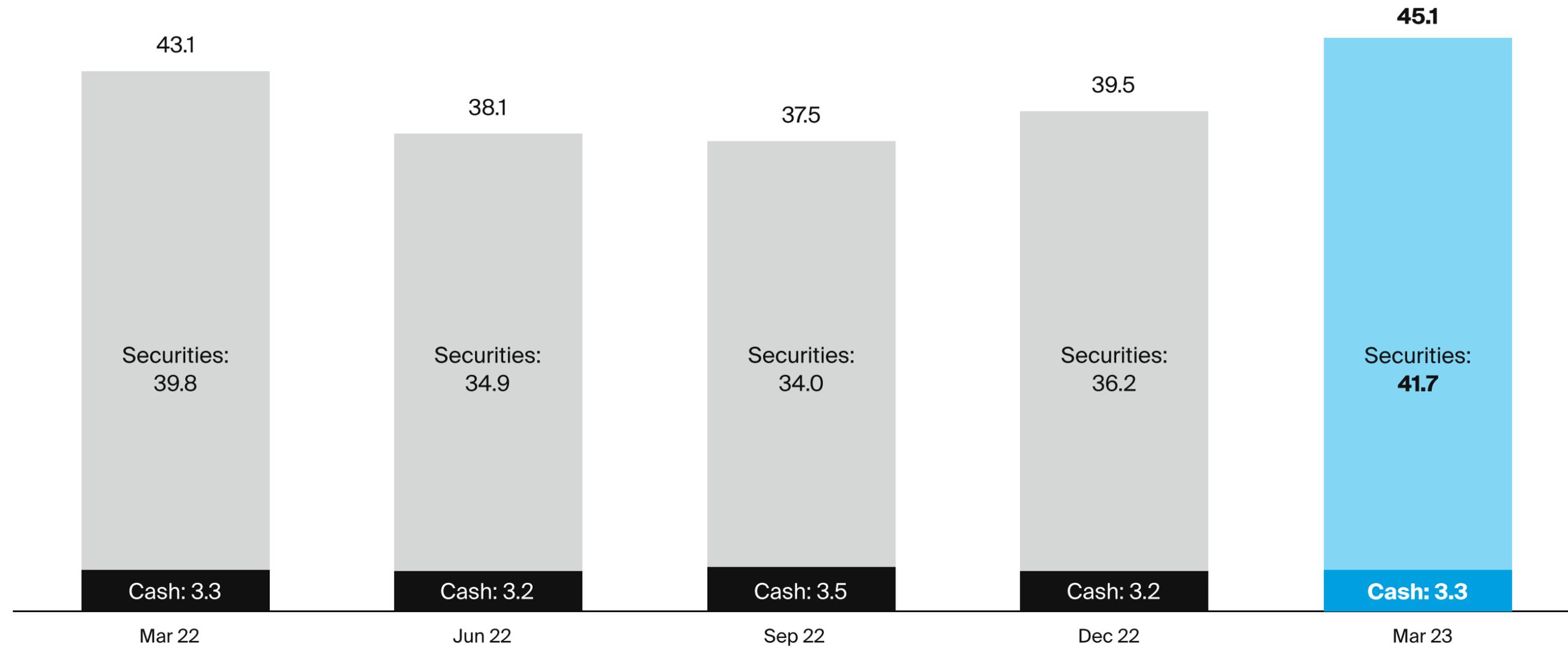
## YTD net customer account growth



\* Peer average in Q1/2023 includes Avanza, Nordnet, Fineco

## Development of Assets under Custody

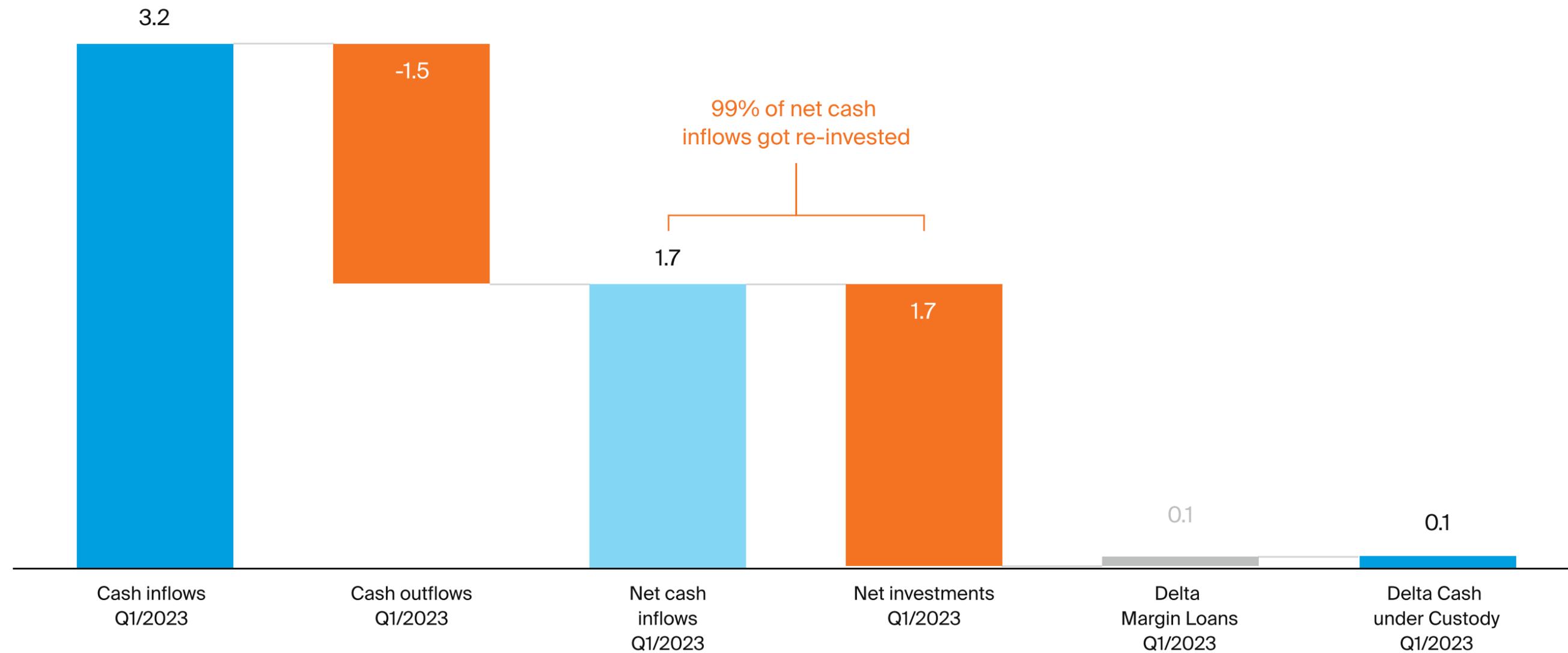
### Assets under custody in € bn



## Net cash inflows of € 1.7 bn, of which 99% invested

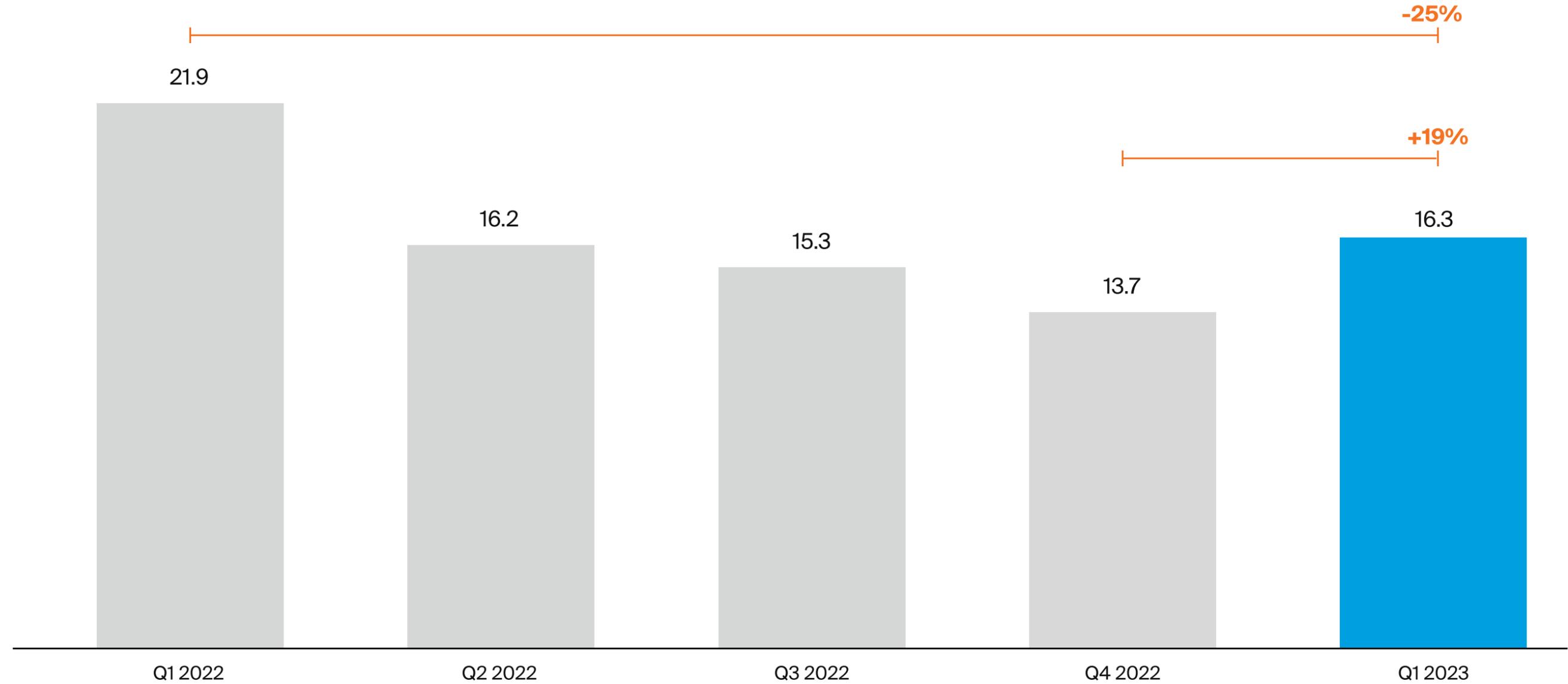
### Positive monthly net inflows continuing

in € bn



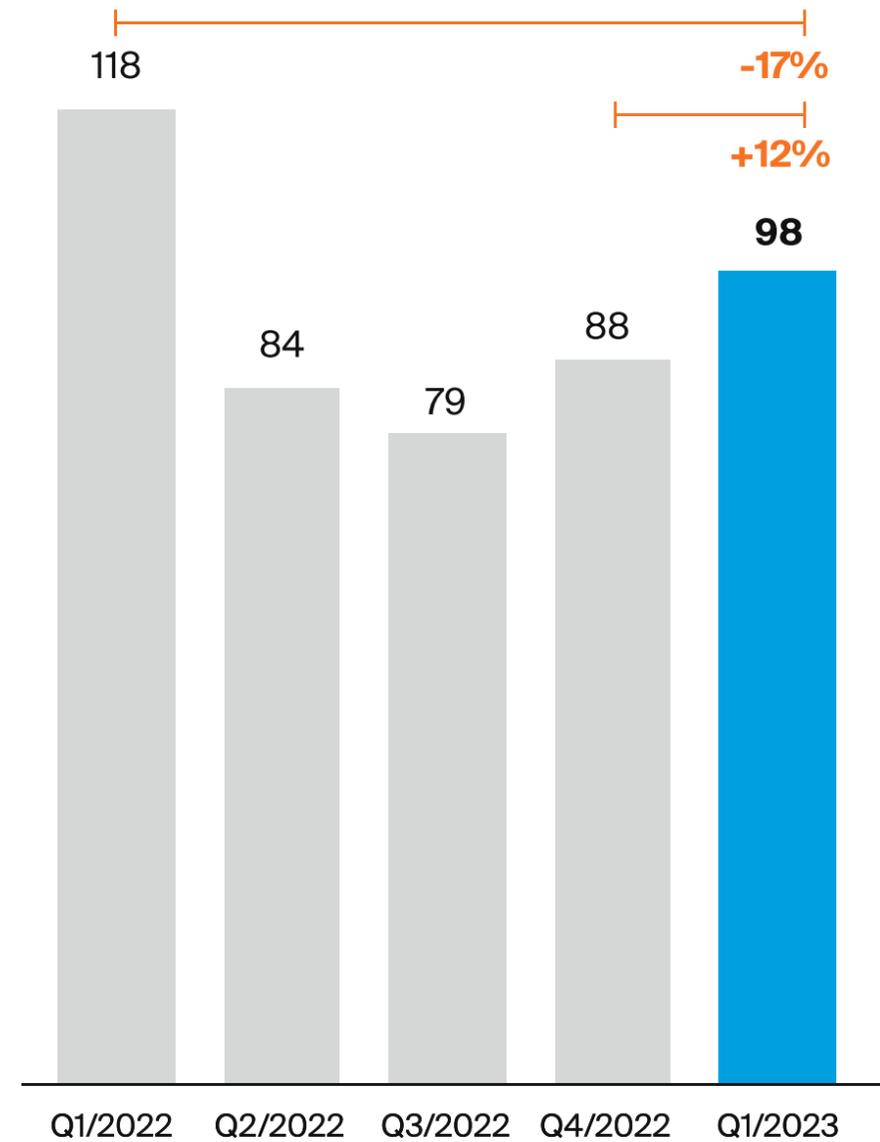
## Improved trading activity quarter-on-quarter

### Settled transactions in m

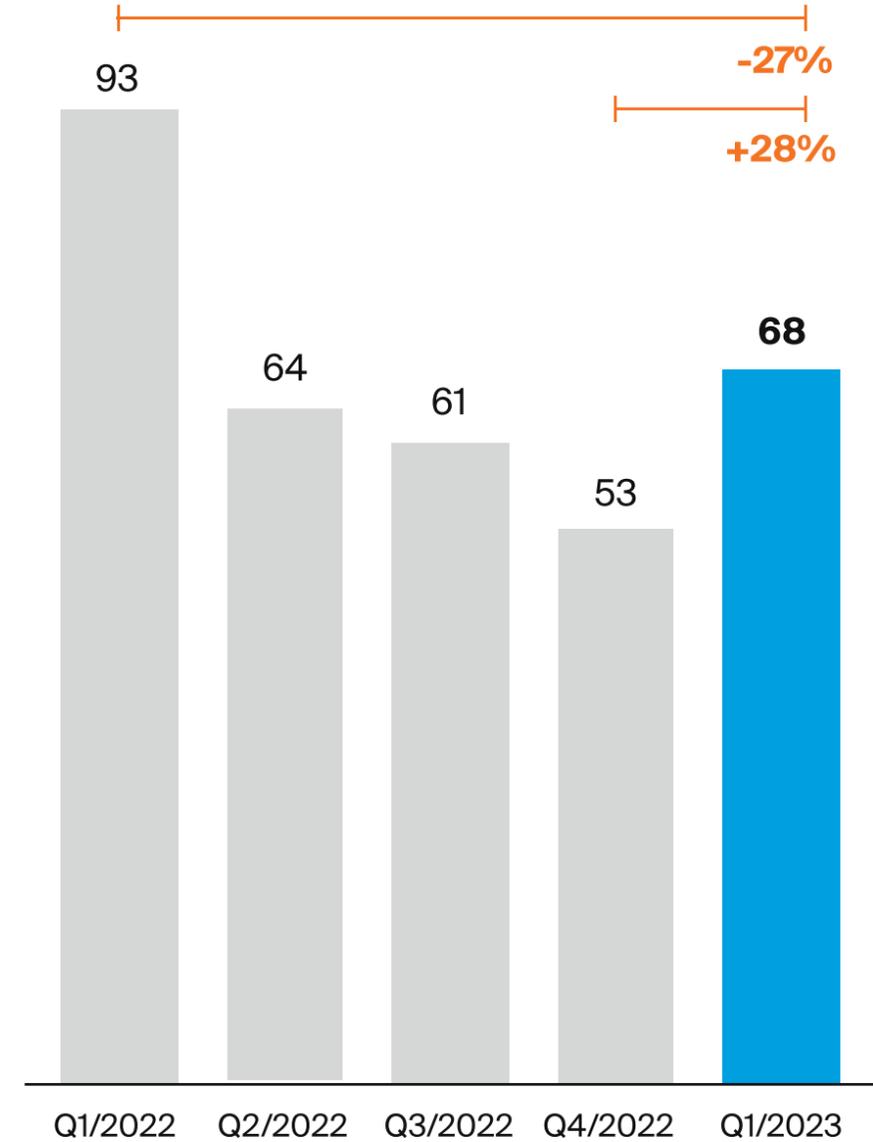


## Revenue split

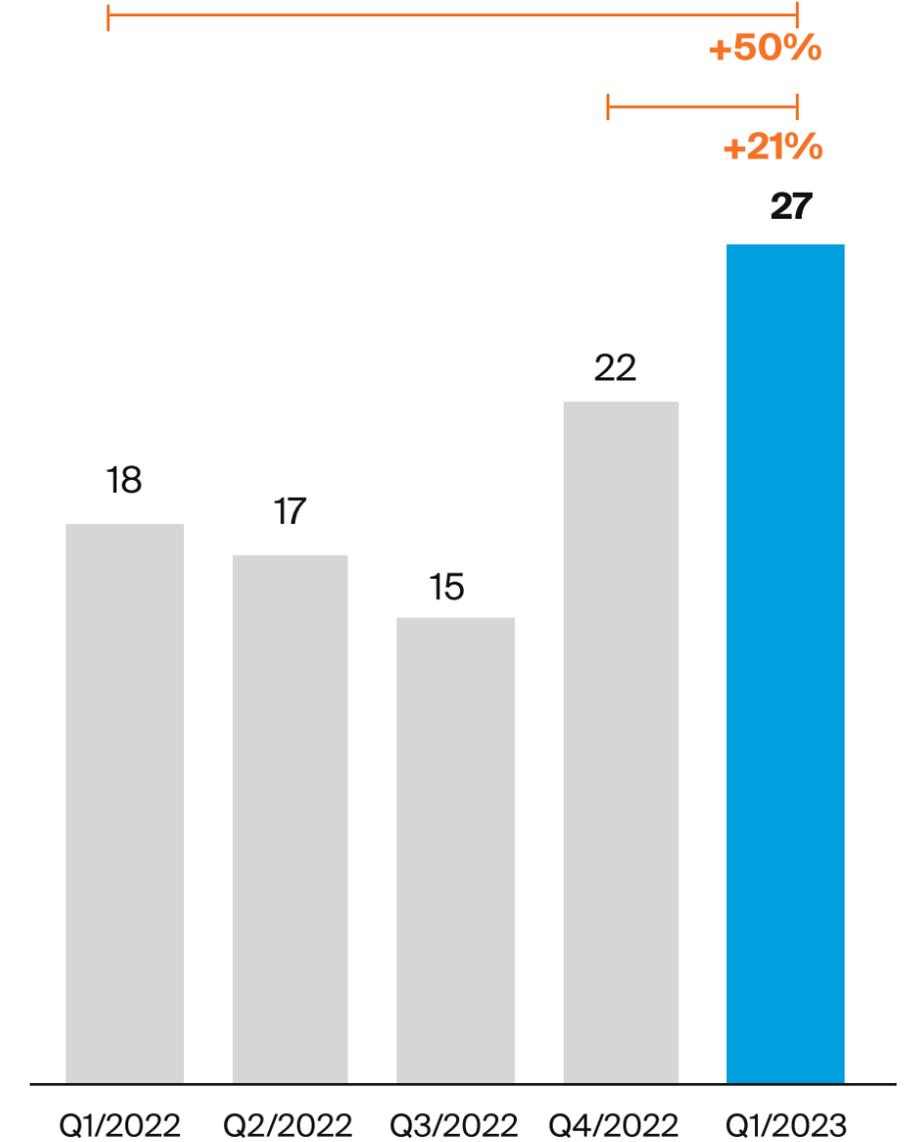
### Adjusted\* Revenues (m EUR)



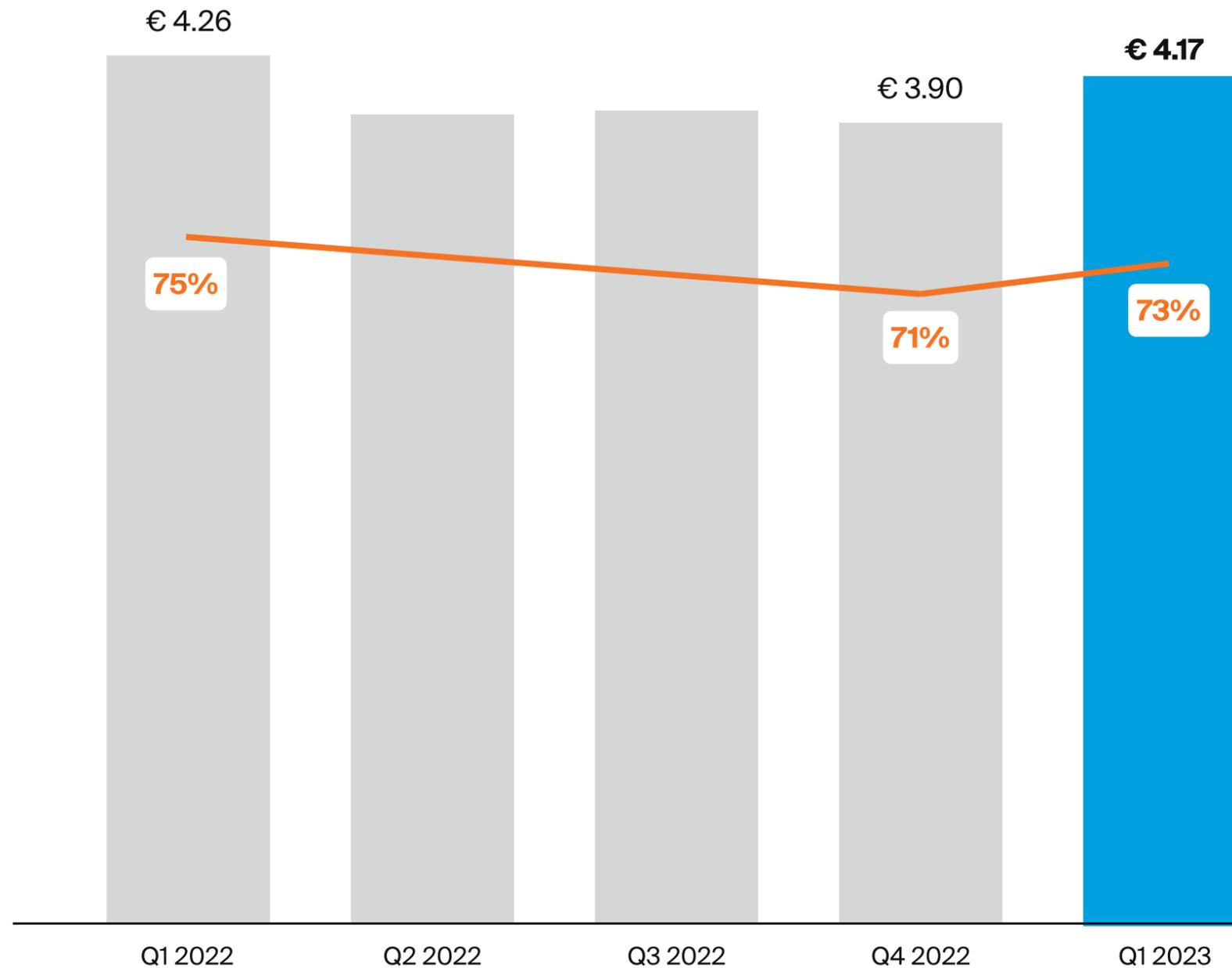
### Commission income (m EUR)



### Interest income (m EUR)



## Commission per Transaction



- Improved monetarization supported by increased DEGIRO handling fees (+0.50 €) in September 2022
- ETP Partnerships introduced in Spain/Portugal/Switzerland, Italy to follow soon
- Adjustment of commission at DEGIRO for US trades, local trades in Spain/Portugal/Italy/France and ETF core selection to become effective mid-May 2023

— Share of "High revenue Transactions" (Cash products, incl. stocks, bonds, etc.)

## Cost development in-line with budget

### Personnel

- EUR 3.3 m one-time inflation compensation payment in Q1 2023
- EUR 10.6 m provision for long-term, variable compensation (Stock Appreciation Rights Plan, SARs) built in Q1 2023 (Q1 2022: EUR 2.7 m; Q4 2023: release of EUR 17.7 m)

### Marketing

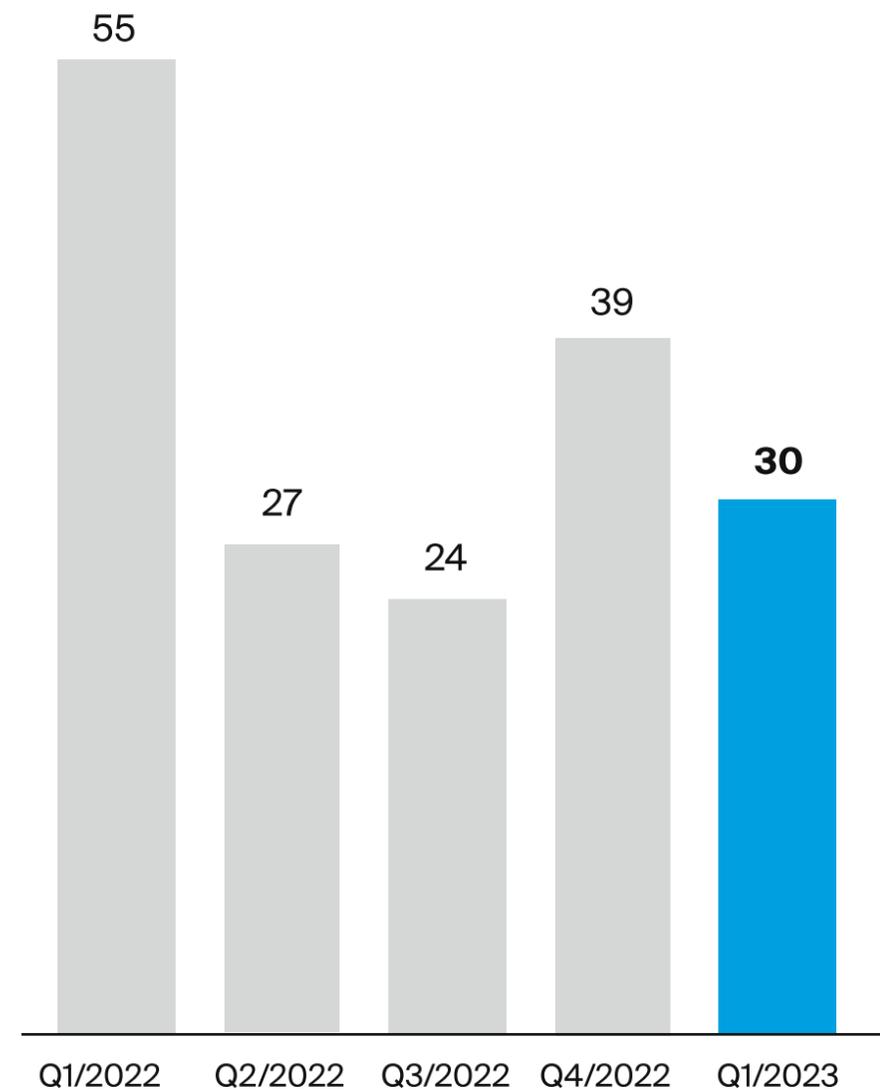
- Marketing expenses of EUR 17.2 m peaked in Q1 2023, driven by TV campaigns at flatex and DEGIRO
- max. EUR 15-18 m to come over the next 9 months, i.e. upcoming quarterly marketing expenses to be on average EUR 10+ m lower than in Q1 2023

### Other

- EUR 1.1 m BaFin fine for misdemeanor procedure

## EBITDA development

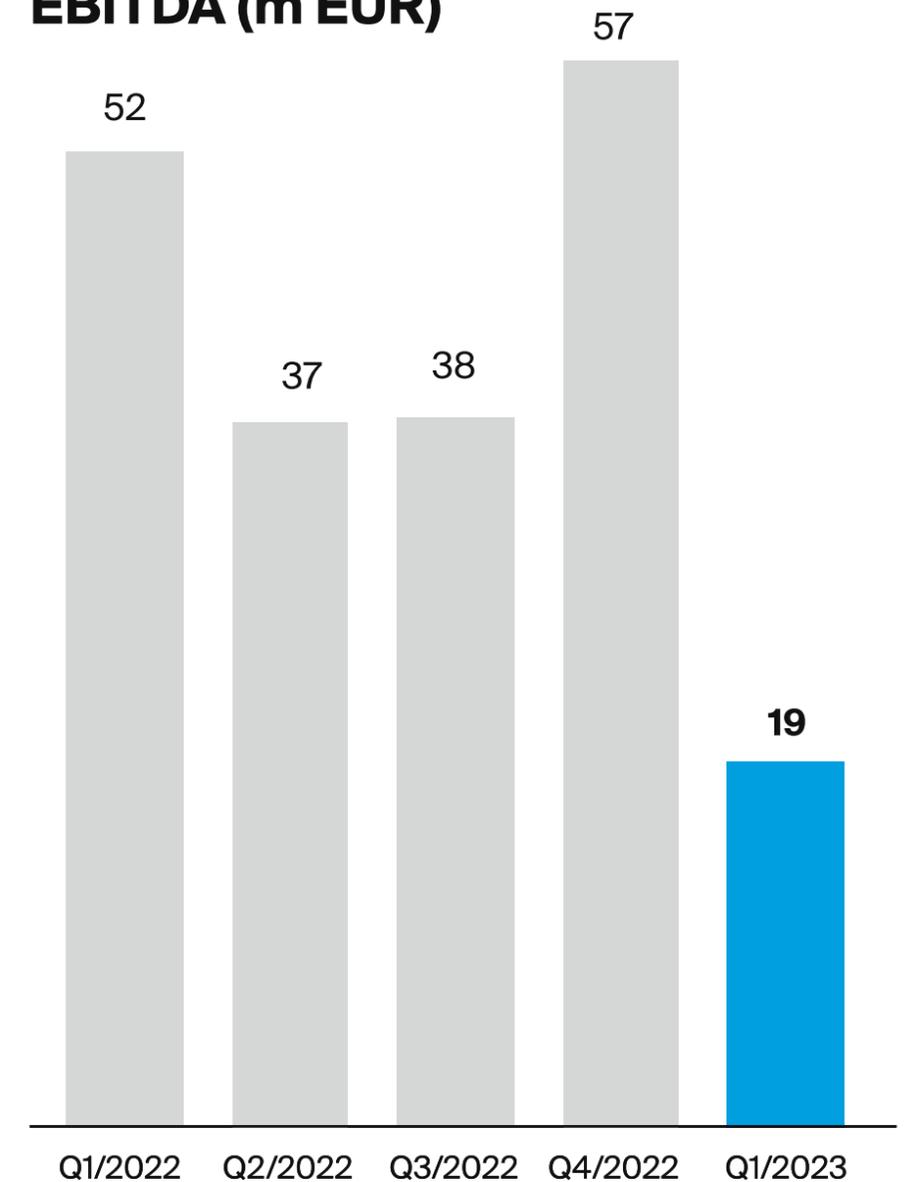
### Adj.\* EBITDA (m EUR)



### Q1/2023 (special) effects

- Marketing spent EUR 9.3 m higher than in Q4/2022
- One-time inflation compensation payment of EUR 3.3 m
- BaFin fine of EUR 1.1 m

### EBITDA (m EUR)



\* excl. effects resulting from building/releasing provisions for long-term, variable compensation (Stock Appreciation Rights Plan, SARs)

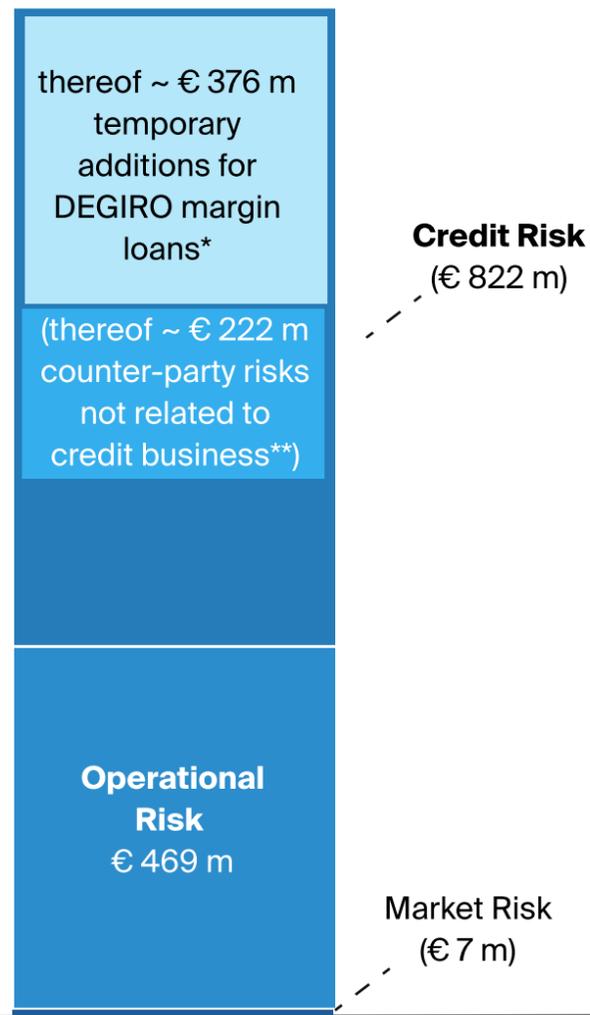
## Unchanged Guidance

<b>Slight increase in Adj. Revenues</b>	<b>=&gt;</b>	<b>~ EUR 380 million</b>
<b>Moderate increase in Adj. EBITDA margin</b>	<b>=&gt;</b>	<b>&gt; 40 %</b>
<b>Moderate increase in Adj. EBT margin</b>	<b>=&gt;</b>	<b>&gt; 30 %</b>

- Adjustments refer to building/releasing provisions for long-term variable compensation (SARs)
- Cost management in place
- Lower marketing expenses going forward

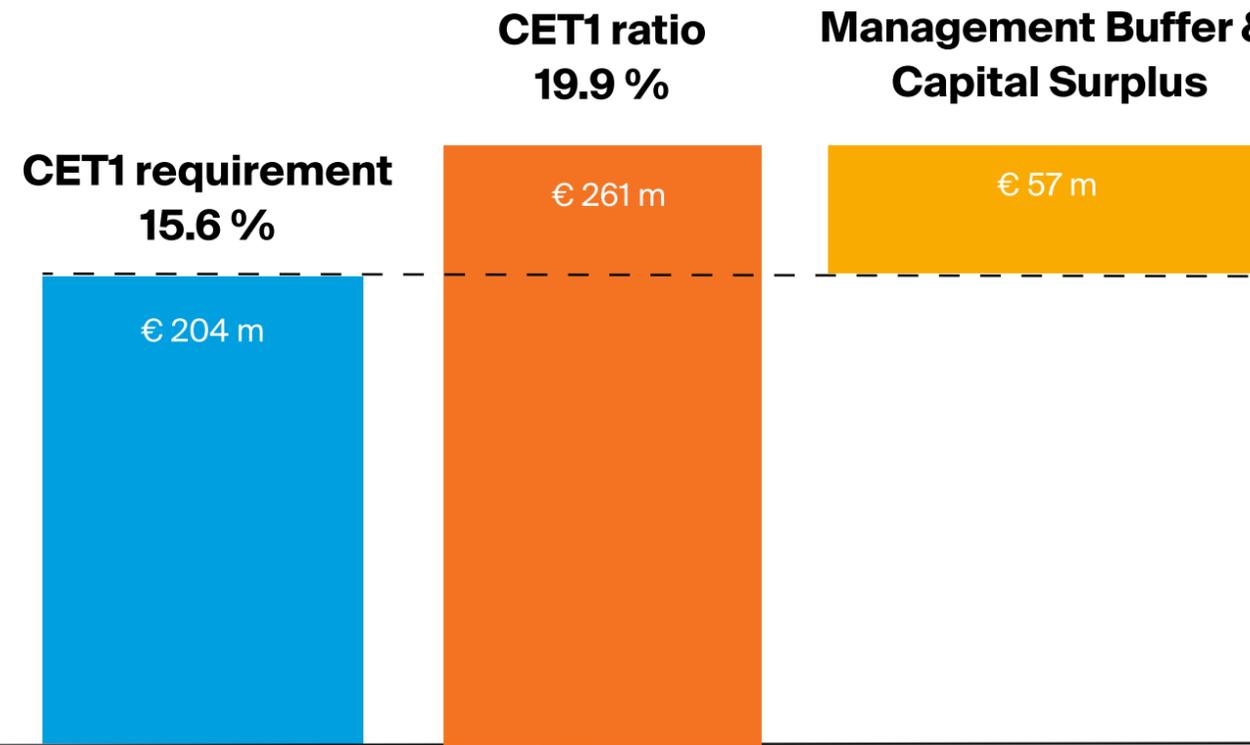
# Solid capital structure, resolving BaFin findings to significantly increase CET1 ratio and Capital Surplus

## Capital Requirement



**Risk weighted assets (RWA)**  
**€ 1.3 bn**

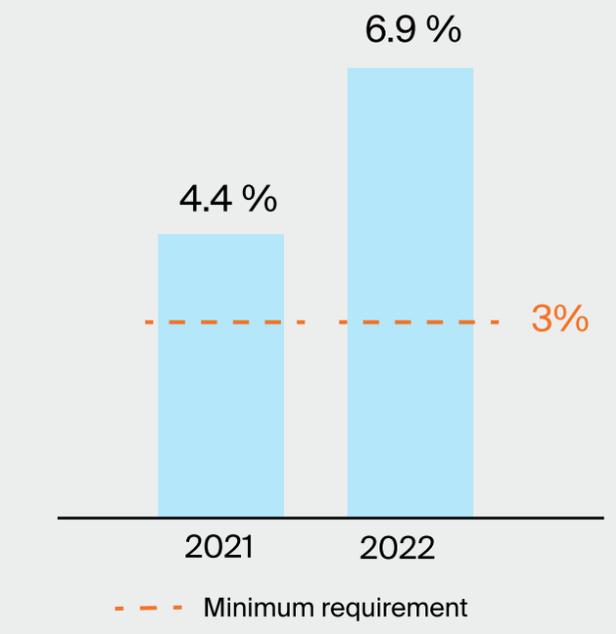
## Capital Structure



## Potential from resolving relevant BaFin finding\*

- Decrease of RWA by € 376 m to € 933 m
- Decrease of CET1 requirement to € 145 m
- Increase of CET1 ratio to ~ 28 %
- Increase of Management Buffer & Capital Surplus to € 116 m

## Leverage Ratio



All data Group figures as of 31 December 2022

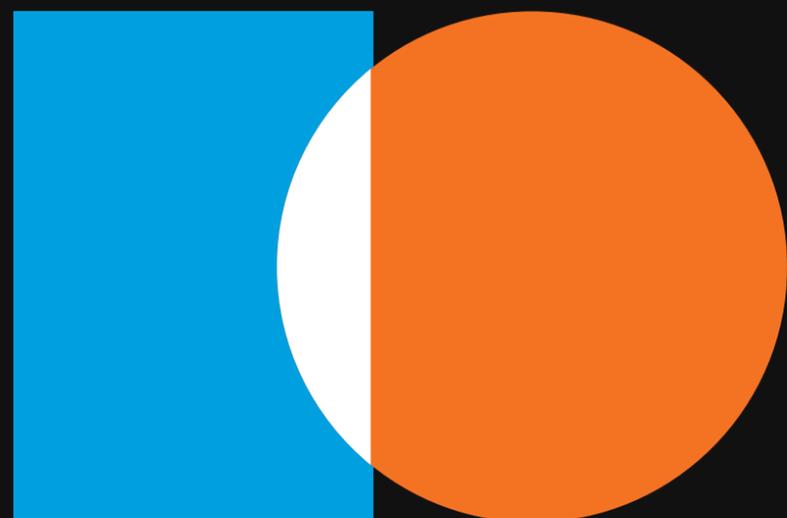
\* use of credit risk mitigation temporarily unavailable for DEGIRO margin loans due to findings in BaFin audit, to be resolved within 2023

\*\* incl. counter-party deposits for brokerage activities, receivables, prepaid expenses, etc.

FLATEXDEGIRO AG | 27 APRIL 2023

# Q1 2023

# INTERIM MANAGEMENT STATEMENT



## Contact

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Interim Management Statement - Q1 2023

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