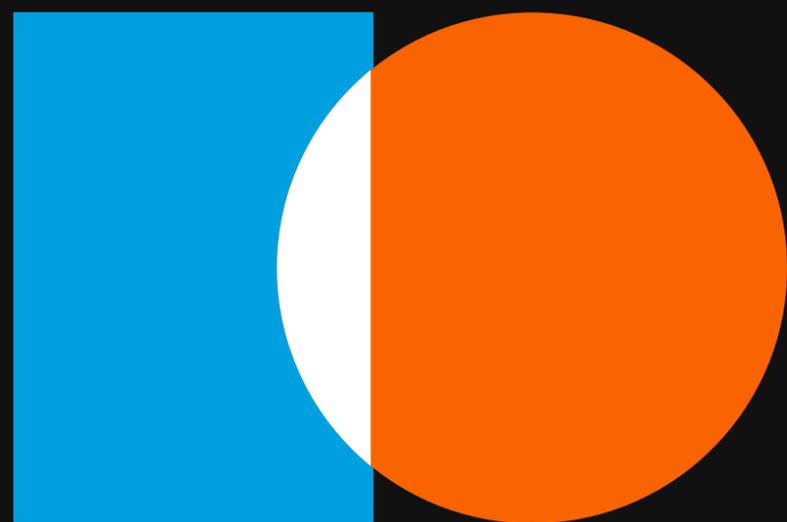


GROUP STRATEGY DAY 2021

# THE NEW ERA OF BROKERAGE



## Key Message

# 1

### Philosophy

We allow our customers to shape their financial future by retailizing capital market access. We don't follow trends, we set them.

# 2

### Diligence

We are focused and dedicated to provide an outstanding online brokerage platform while we show pioneering spirit and are ready for innovation.

# 3

### Efficiency

We distinguish ourselves from other players by our technology driven end-to-end set-up that enables future-proof operations and high scalability.

# 4

### Hypergrowth

We will continue to grow faster than the market, by clients, trades, customer satisfaction, service quality and products and thus revenues.

# 5

### Profitability

We run a highly scalable business model where our profitable growth results in profitability growth.

# 6

### You

We do all this to provide our clients the best user experience, our employees the best working environment and our stakeholders the best journey.

# A Success Story



## The red line in our success story

### Prepared the structures

- Verticalised the value chain by insourcing technology and banking platform
- Focused on brokerage strategy
- Optimized IT and banking structures to control costs and allow scale
- Invested into state-of-the-art IT architecture to outperform

### Seized the opportunity

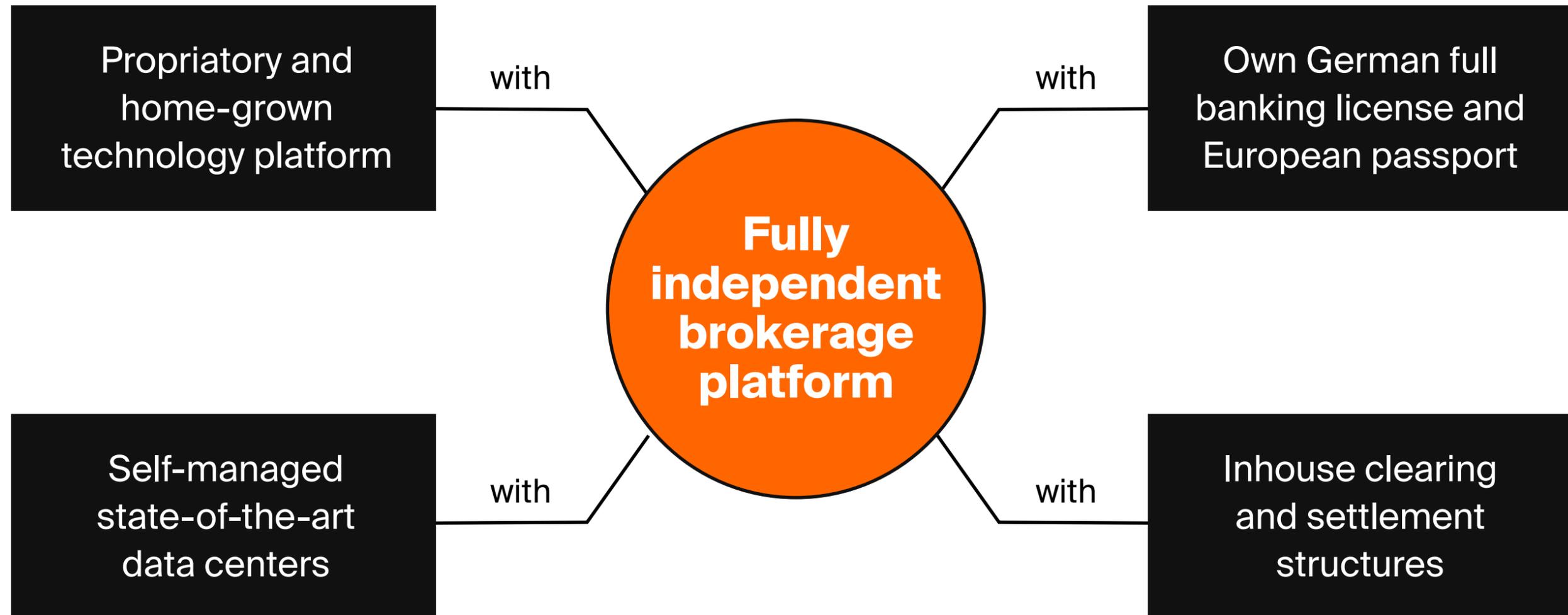
- Acquired the most competitive and only pan-European peer for €250m
- De-risked the business strategy by accessing multiple markets and investment cultures
- Realized quick win synergies in less than 12 months after deal closing

### Facing ultimate growth

#### Since the acquisition

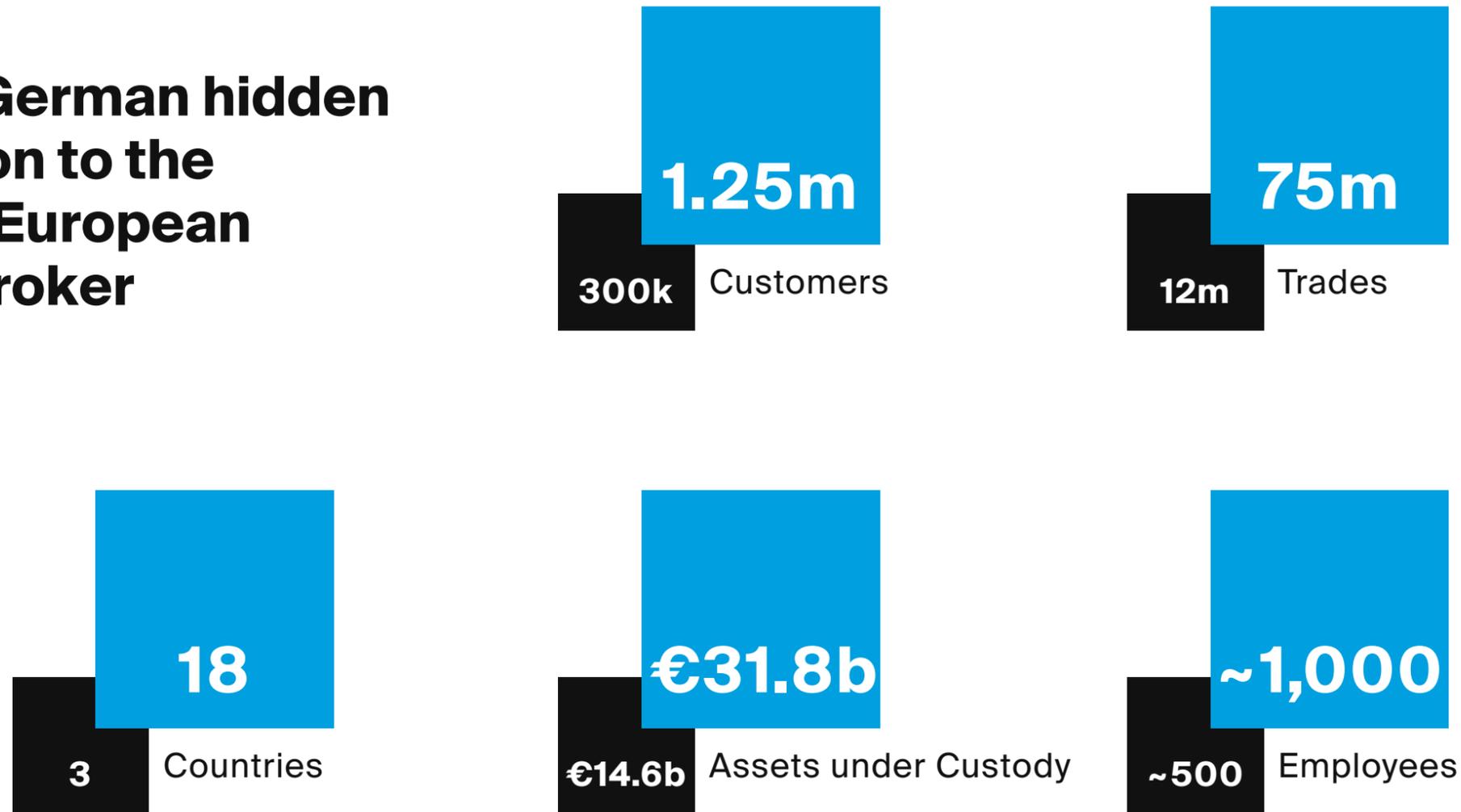
- Grew customer base by >1 million clients
- Settled over 120 million transactions
- Claimed market leadership in 3 countries with more to come

## Prepared the structures: Our USPs versus the competition



**Seized the opportunity: game-changing trophy deal**

**From a German hidden champion to the leading European online broker**



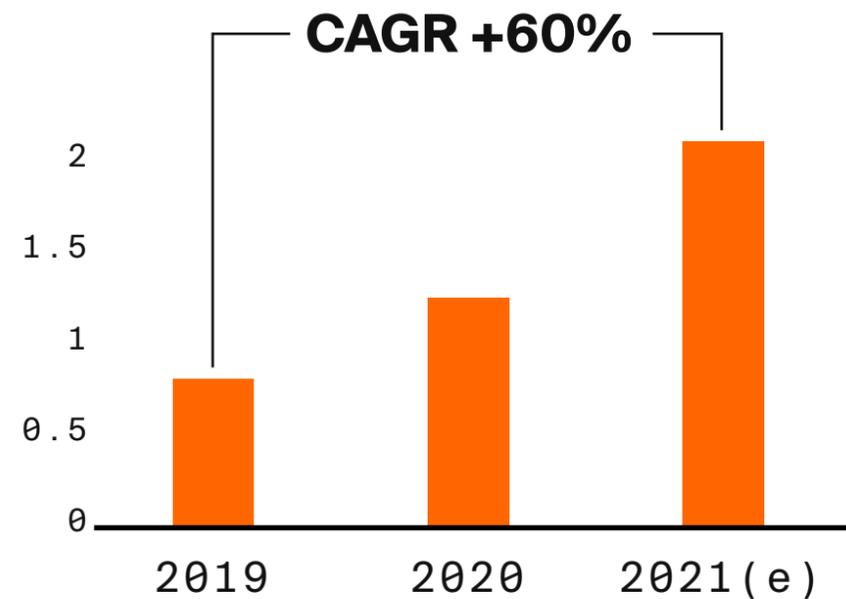
■ 2019  
■ 2020

## Facing ultimate growth...



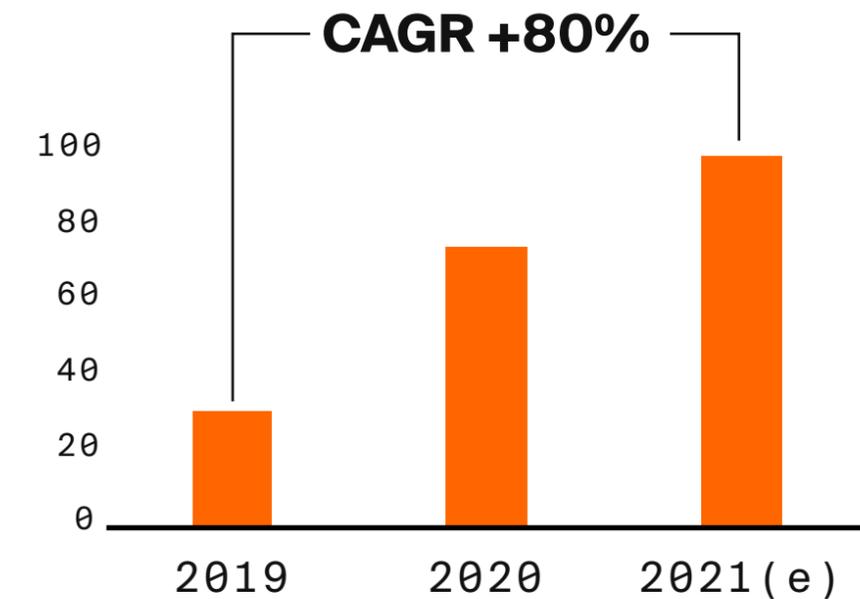
Outperforming market growth with the “right” clients is evidence for superior strategic positioning

CUSTOMERS



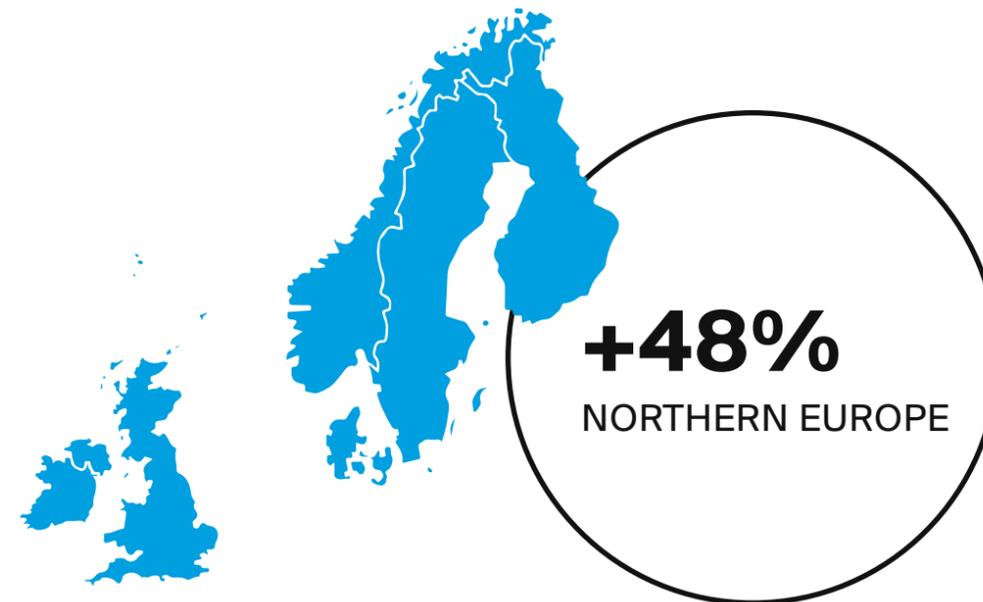
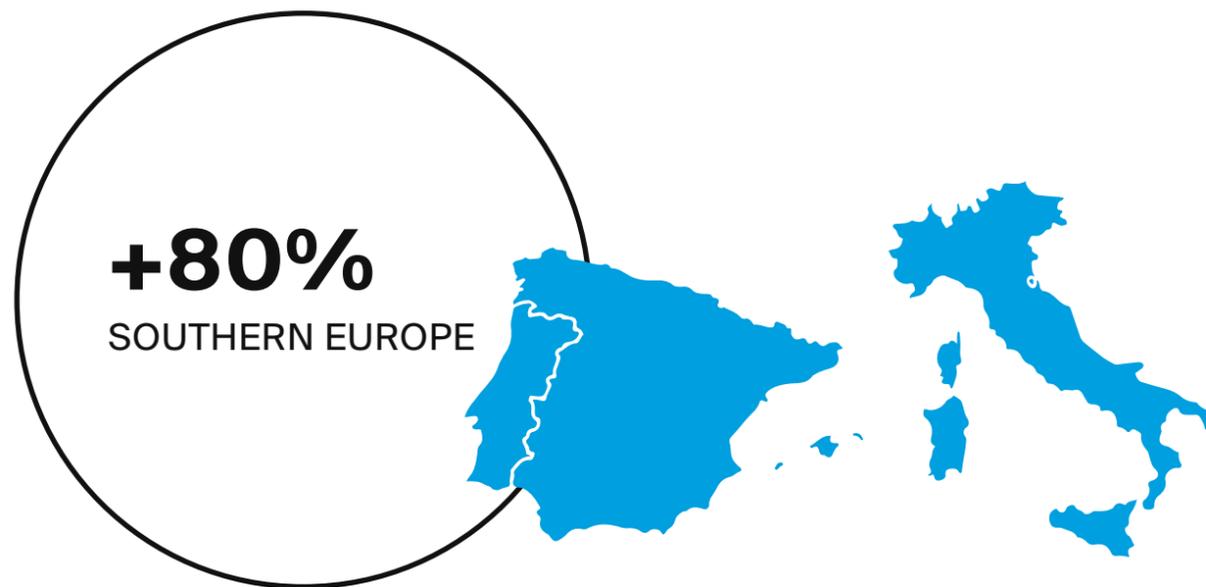
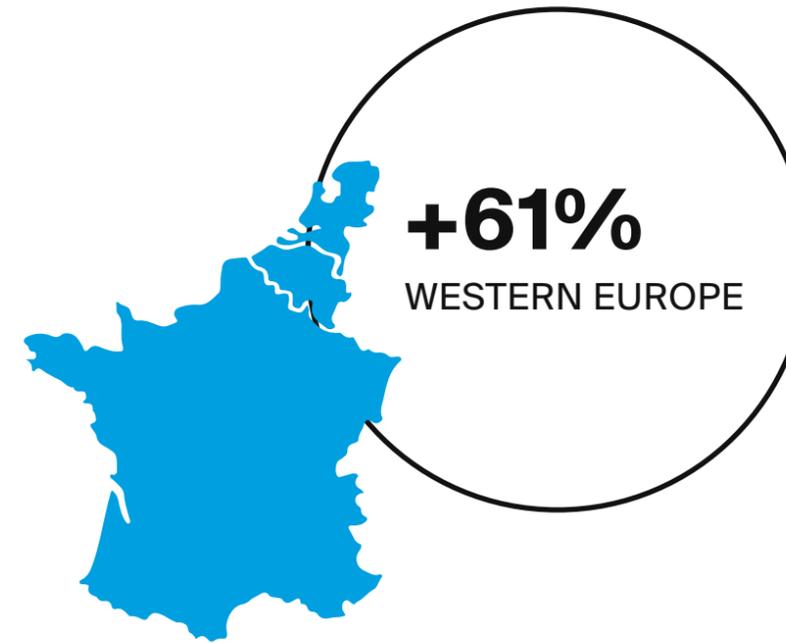
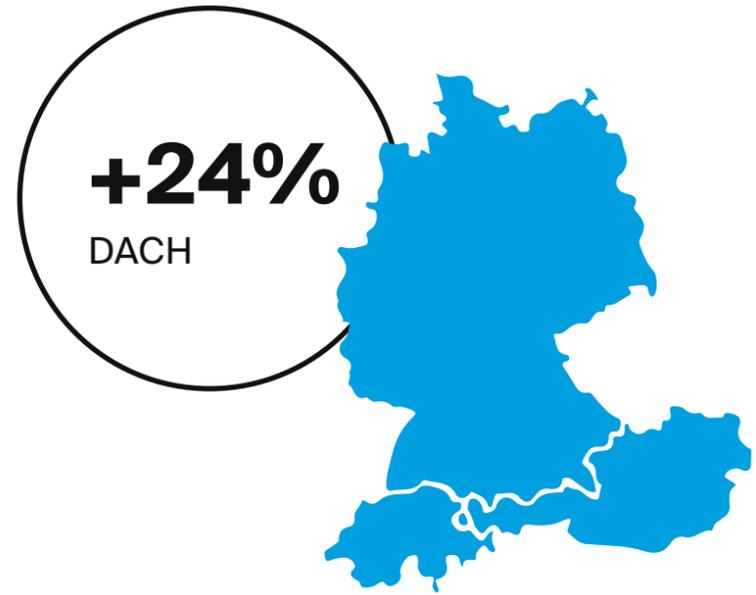
High share of active customers with recurring and frequent trading and investing

TRANSACTIONS



e: Management expectation, mid point of current guidance for 2021

# ..across our pan-European footprint



Customer growth, CAGR 2018-2020

## .. and massive synergy measures



**Euro cash accounts  
provided to all customers**



**Refinancing of  
credit book**



**Harmonization of IT  
Infrastructure**



**European ETP  
Partnerships**

-  Goldman Sachs
-  BNP Paribas



**Early and late trading  
starting in July/August**

- [tradegatexchange](#)

# We delivered on income metrics..

2019-2021 (c)<sup>1</sup>

**~3.5x**

Revenues

**~22%<sub>0</sub> points**

Adjusted EBITDA margin expansion

**~7x**

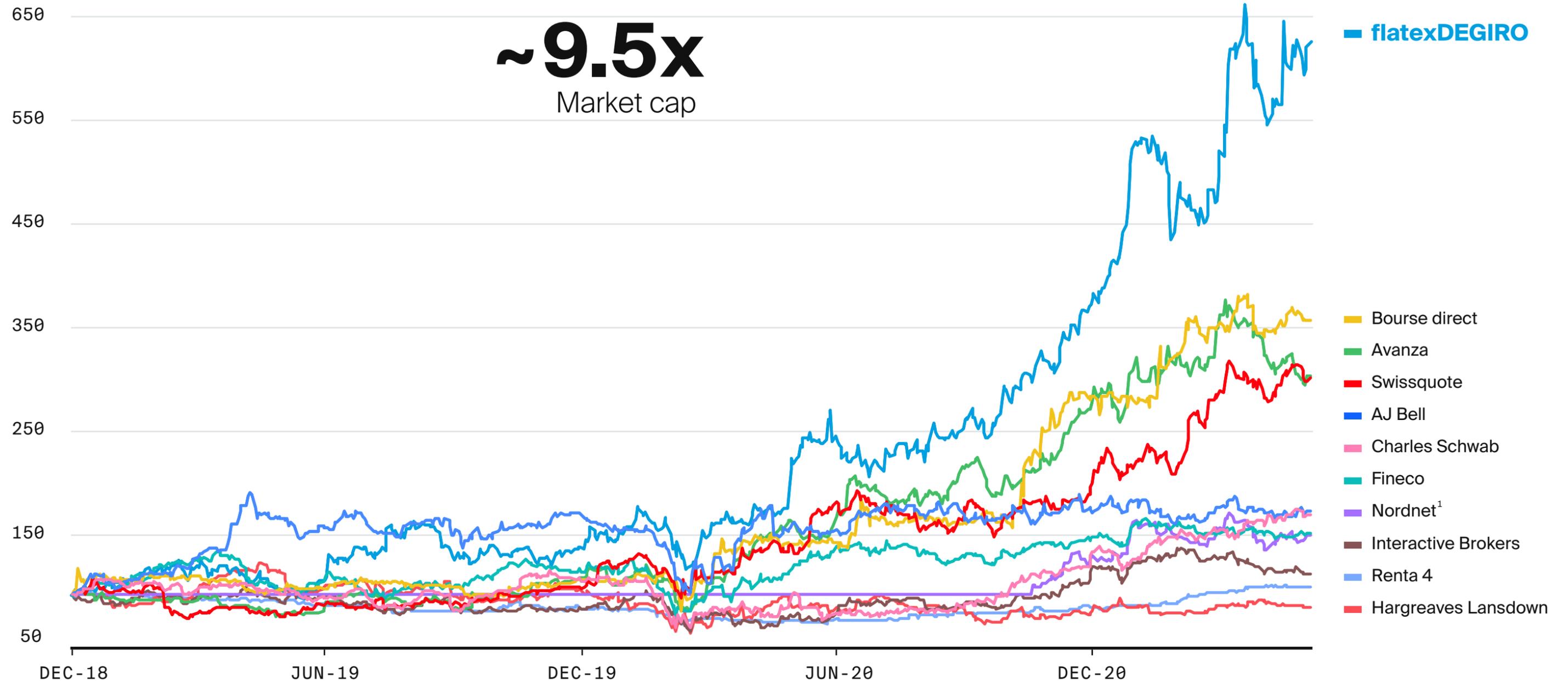
EPS

**~4.5x**

Operating Cash Flow

<sup>1</sup> c: Consensus

# ..consequently, we delivered for our shareholders

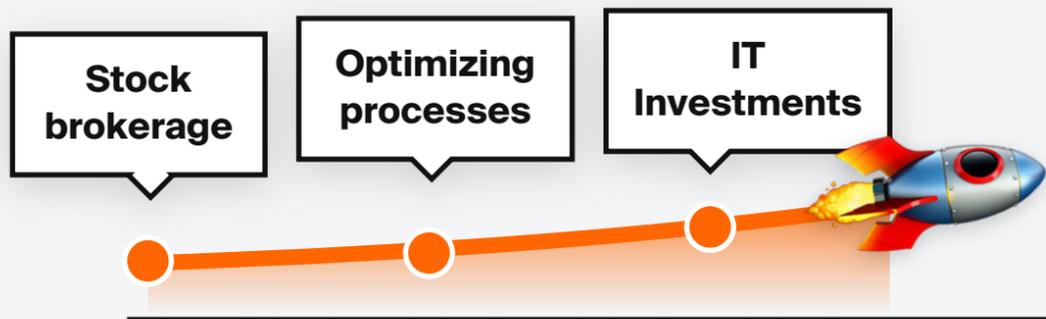


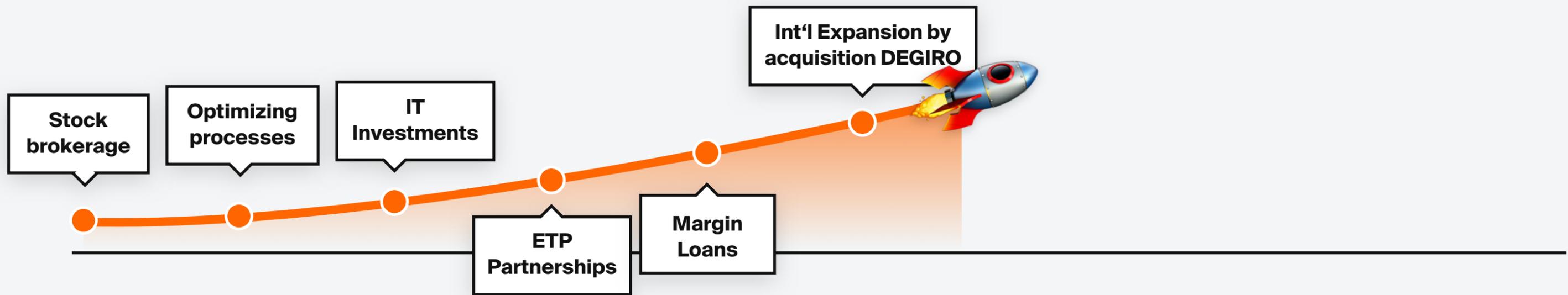
**~9.5x**  
Market cap

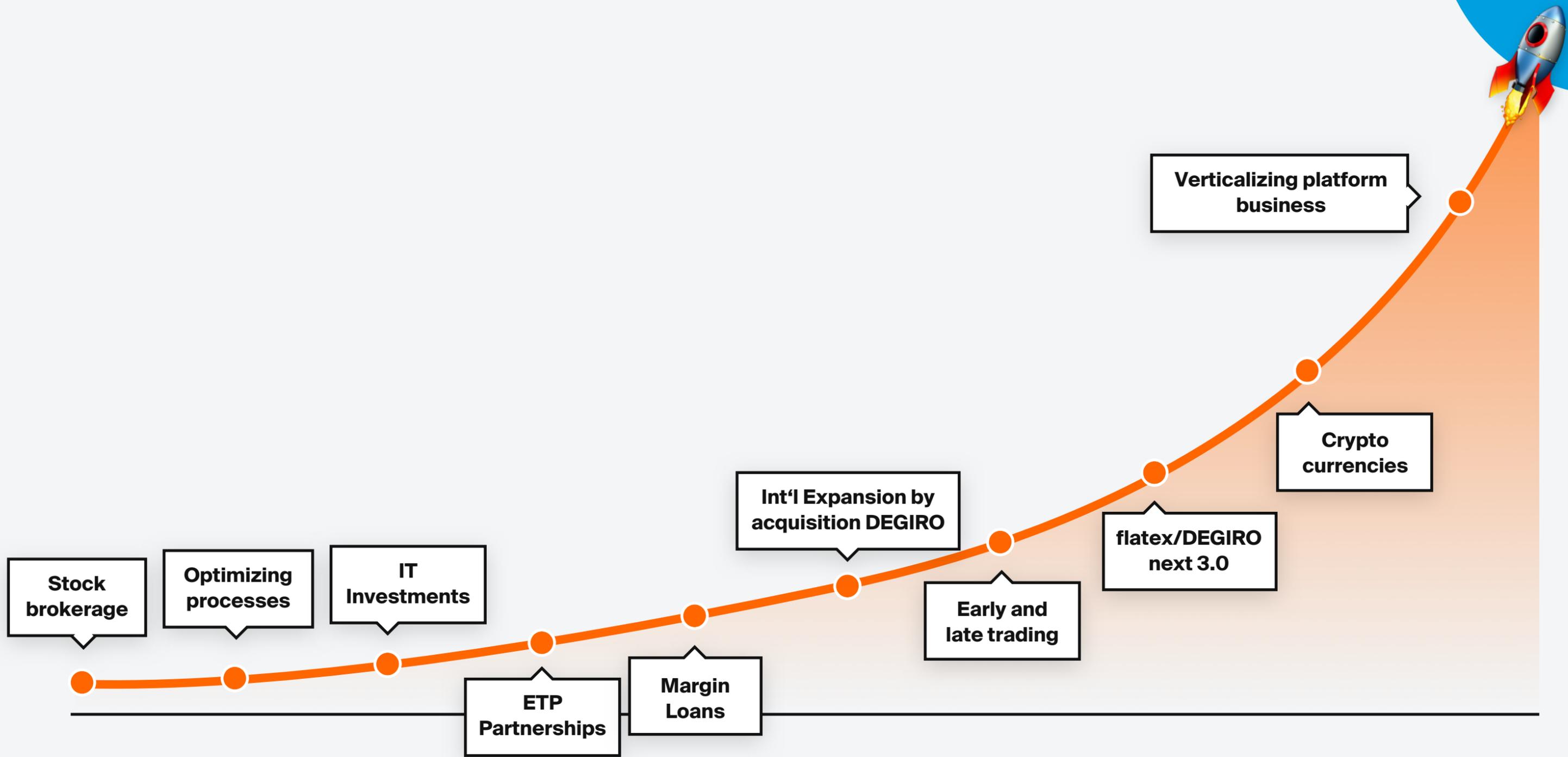
<sup>1</sup> listed since November 2020

# The New Era in Online Brokerage

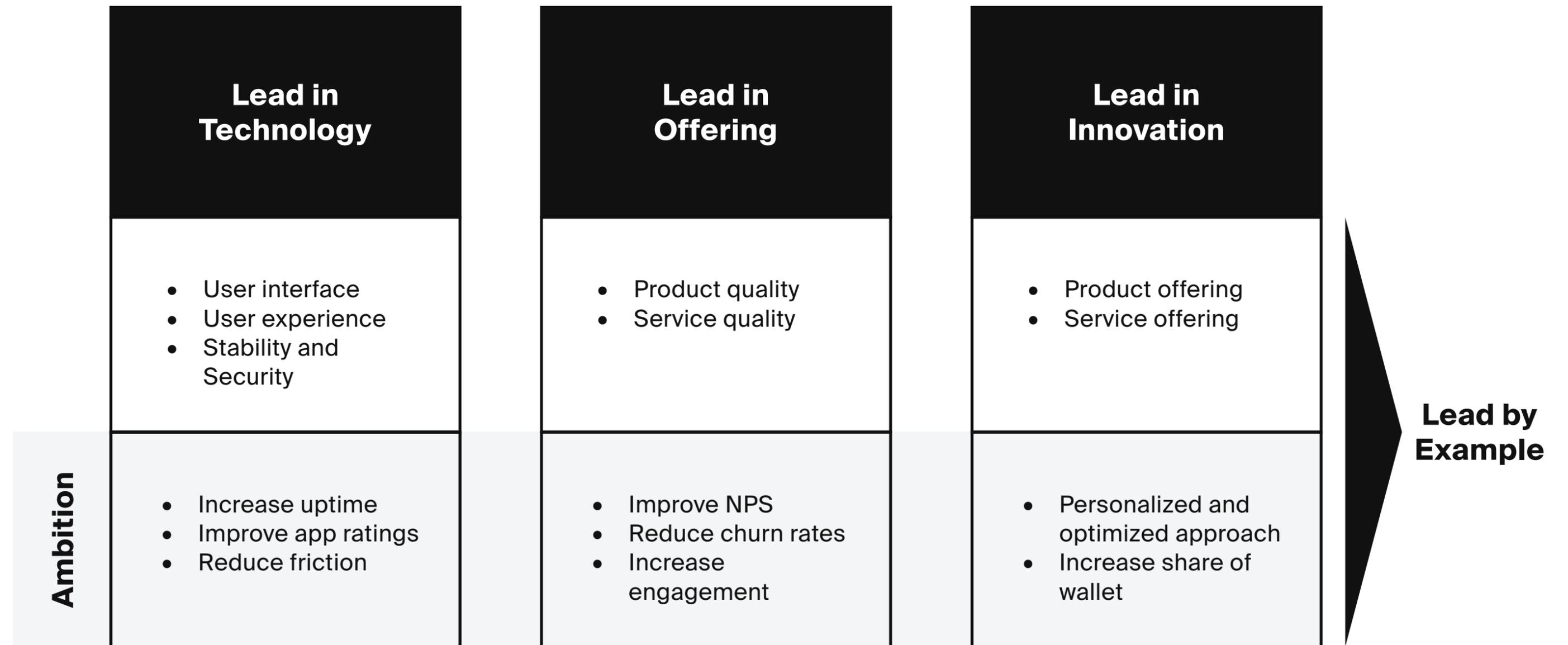








## Turning our Customers into a Fanbase



# Lead in Technology

What customers feel 🙄👏



**Constant strong investment in IT platform pays off**



**Most robust platform**



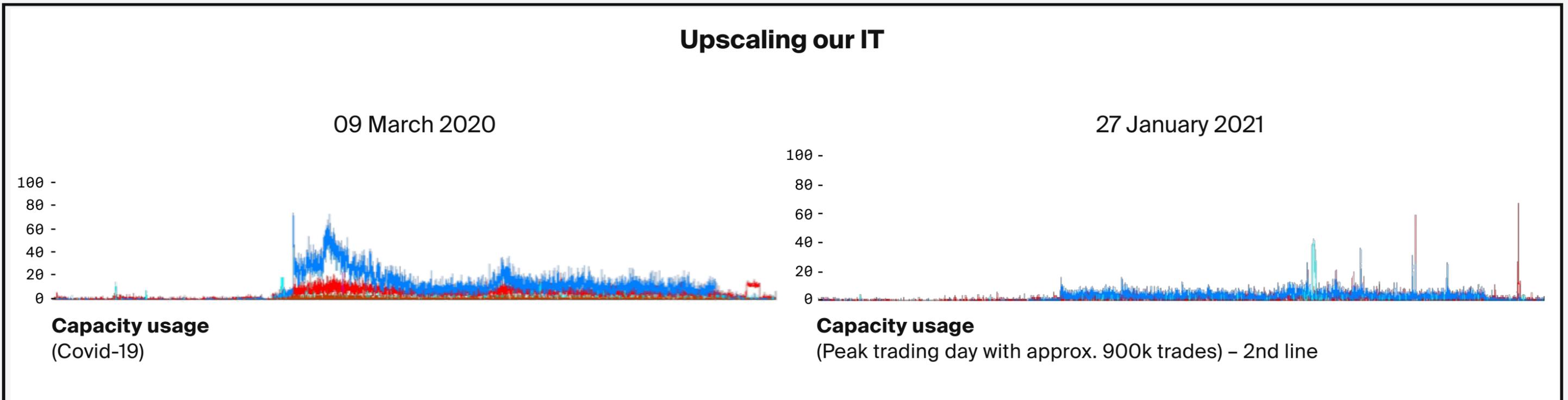
**High level of security**



**Outstanding availability**



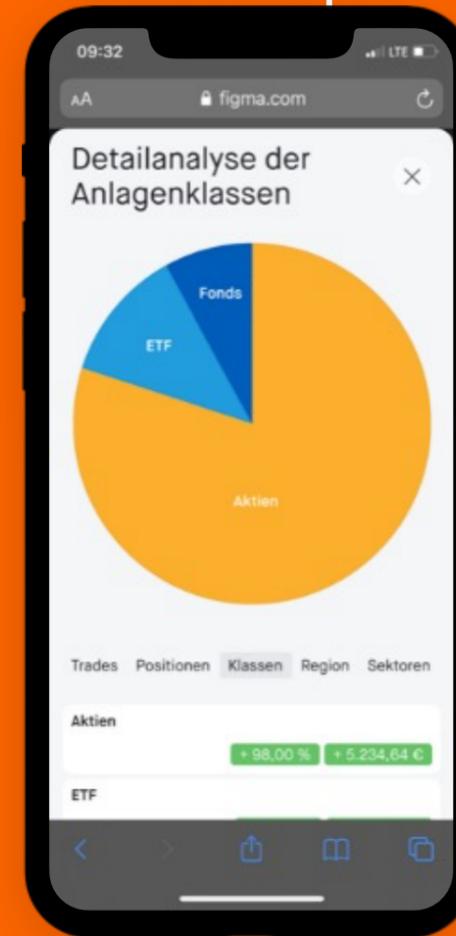
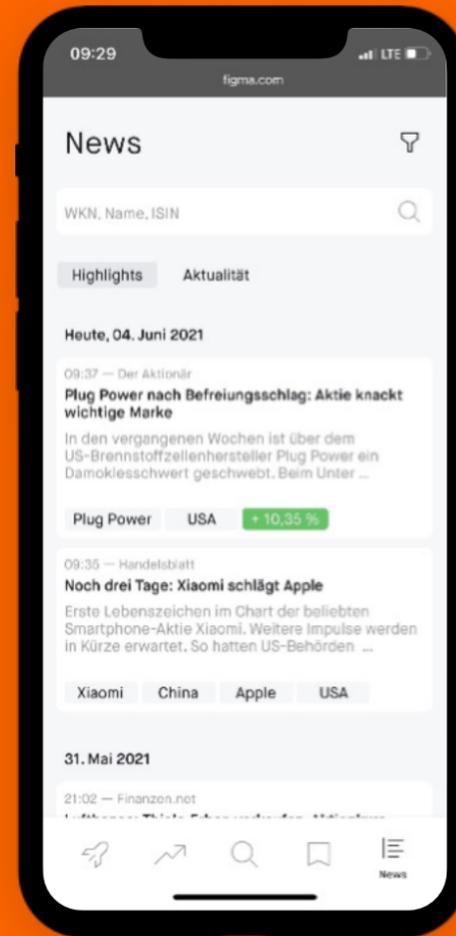
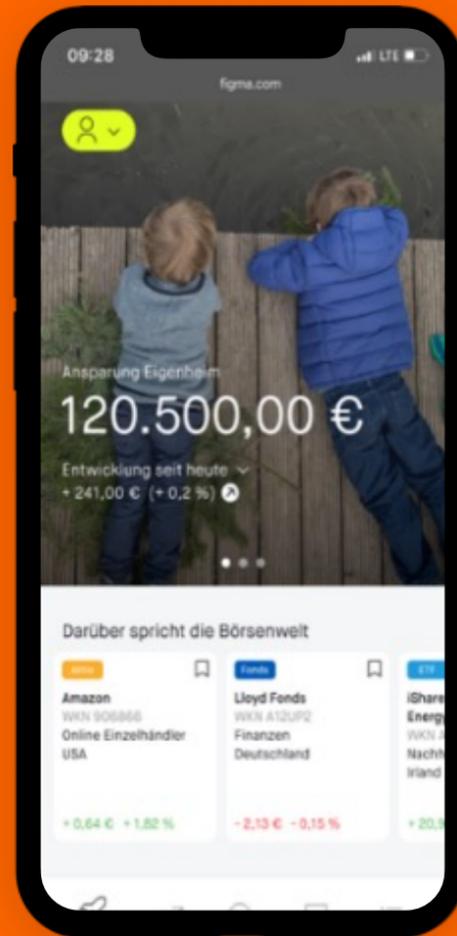
**Substantial headroom for further scalability exists already today**



# Lead in Offering: 'next 3.0' - from pull to push

What customers see  

Sneak preview



Convenience



Value

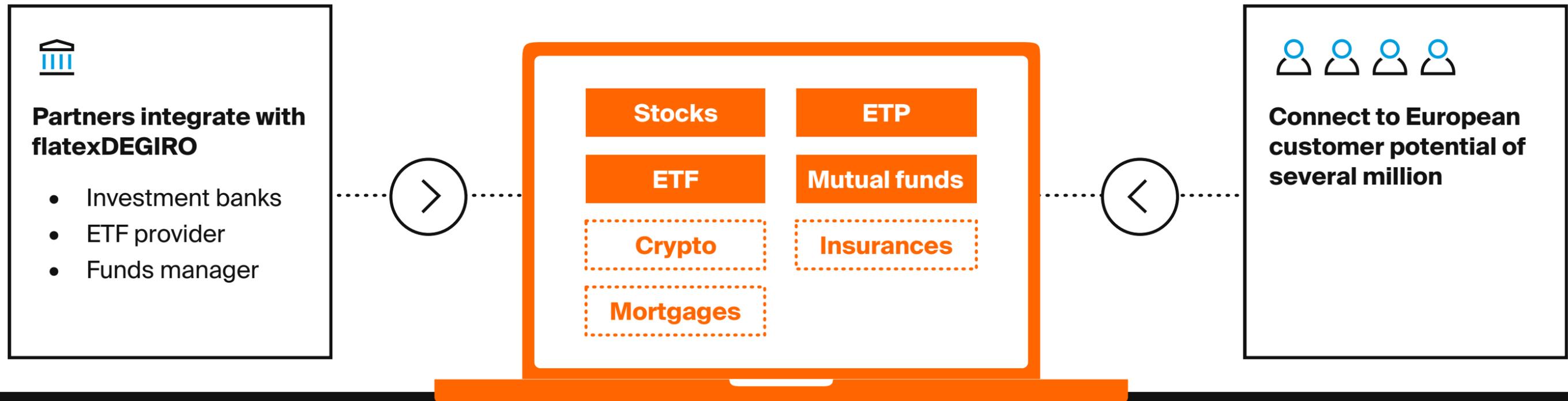


Ubiquity

# Lead in innovation

What customers want  

## Europe's leading financial supermarket platform



  
**Open Platform Architecture**

  
**Highly experienced in innovative partnership models in the financial industry**

  
**Easy integration**

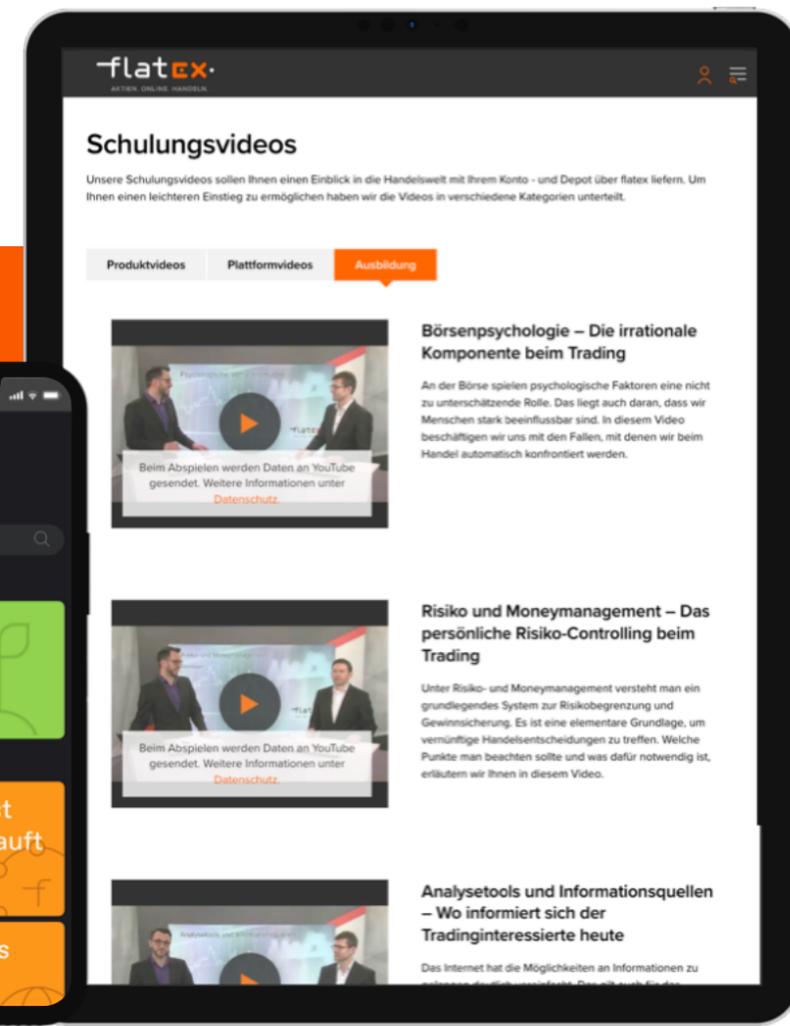
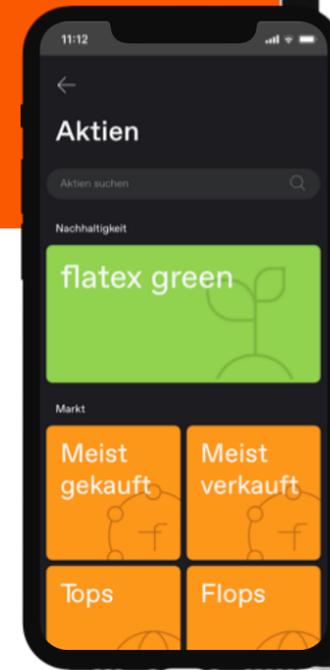
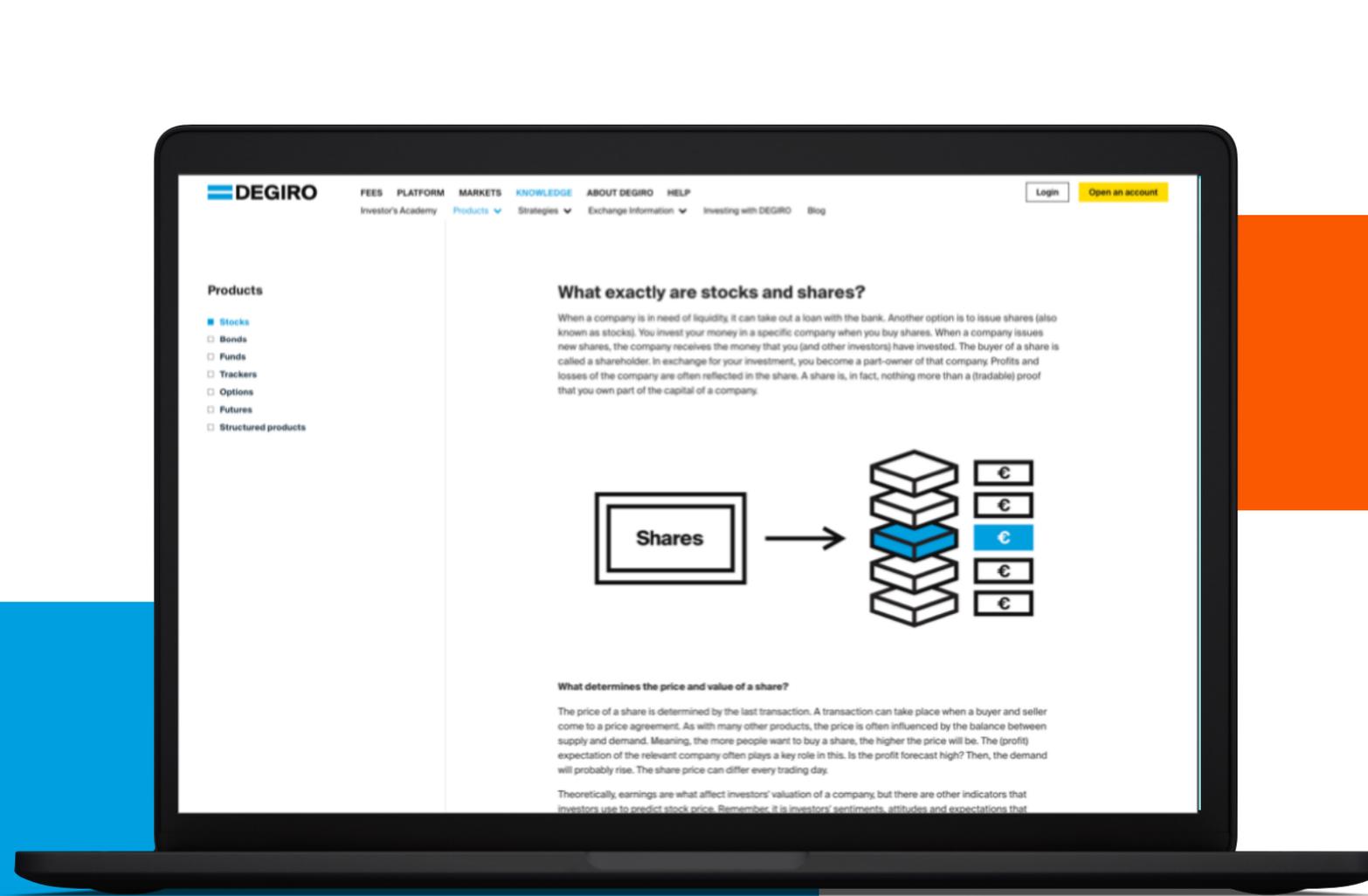
  
**Perfect customer base for further expansion**

  
**Substantial opportunity to increase share of wallet**

## Lead by Example..

|                  |  |  |  |
|------------------|--|--|--|
| <b>CUSTOMERS</b> |  <p><b>Environment</b></p> <p>Paperless communication aim of 100% by 2025</p>   |  <p><b>Education</b></p> <p>Increase and improve understanding of offering and product suitability</p>  |  <p><b>Offering</b></p> <p>Increase focus on ESG products<br/>“flatex green” / “DEGIRO green”</p>   |
| <b>CORPORATE</b> |  <p><b>Human Capital</b></p> <ul style="list-style-type: none"> <li>• Increase employee satisfaction</li> <li>• Increase ownership</li> <li>• Maintain high level of diversity</li> </ul> |  <p><b>Technology</b></p> <ul style="list-style-type: none"> <li>• 100% green electricity</li> <li>• UN supplier Charter</li> <li>• ..</li> </ul> |  <p><b>Operation</b></p> <ul style="list-style-type: none"> <li>• Reduce travelling</li> <li>• Overhaul car policy</li> <li>• ..</li> </ul> |

# ..with respect to Customers..



# ..and with respect to Corporate Culture



Half tech-rockstars, half non-tech-rockstars



1/3 under 30



45 nationalities



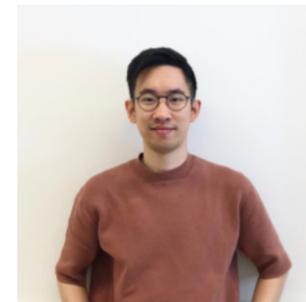
1/3 female



15% partime

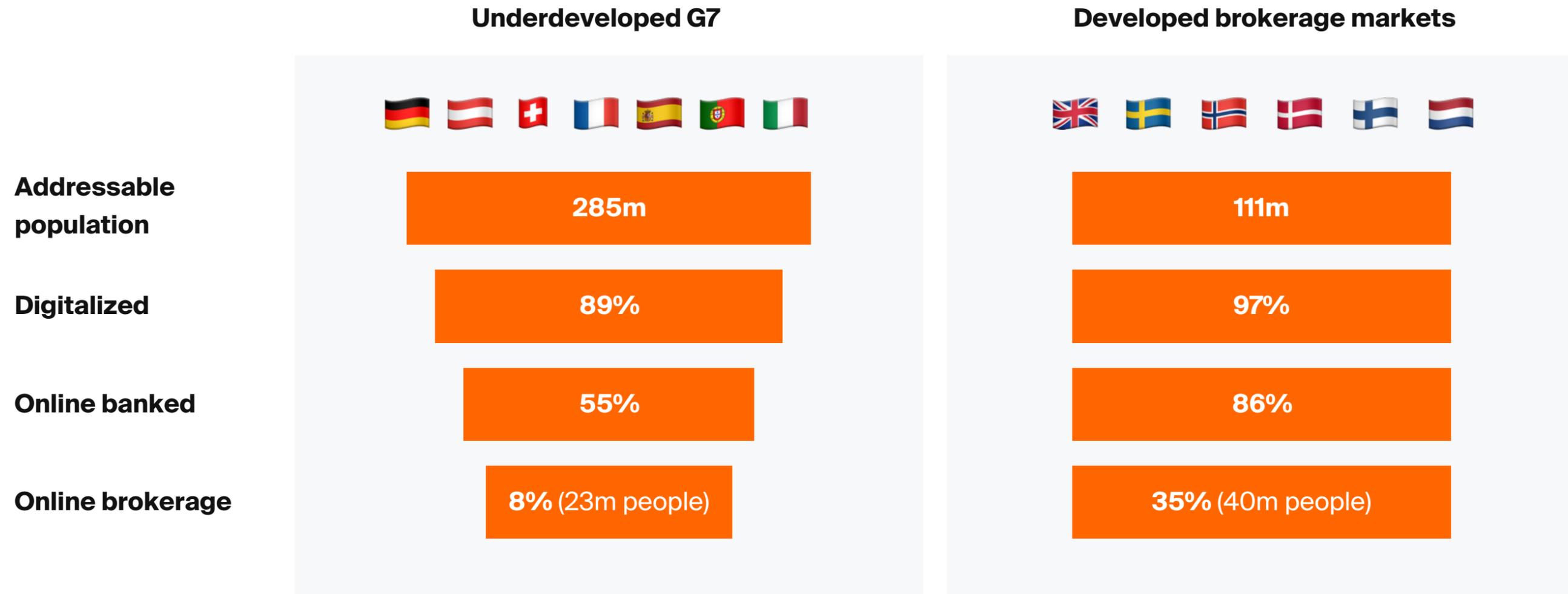


Flexible working well before Covid



**Our unique opportunity**

## Massive customer potential in Continental Europe..



**Massive structural gap between developed (35%) and “underdeveloped G7” markets (8%) in online brokered population.**

Source: company estimate, statista

## ..driven by strong secular trends..

A new generation with no negative bias:



„What is the DotCom bubble?“

Increasing digitization:



„I can invest and manage my wealth on my mobile phone.“

Negative interest environment:



„Saving accounts don't generate capital gains.“

Tax-incentivized saving schemes:



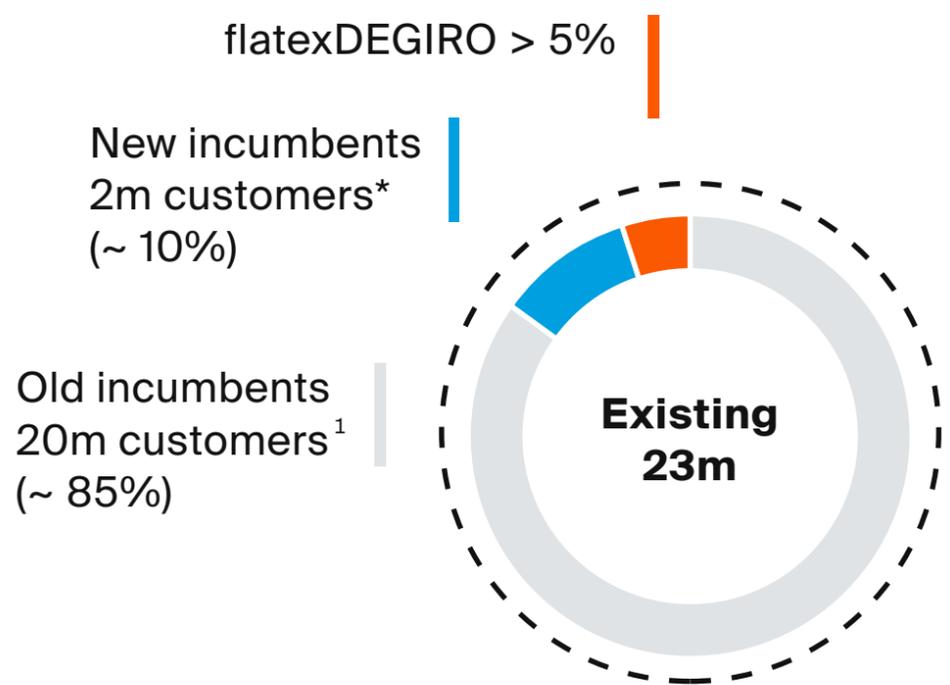
„I take care of my pension myself.“

Listed household brands:

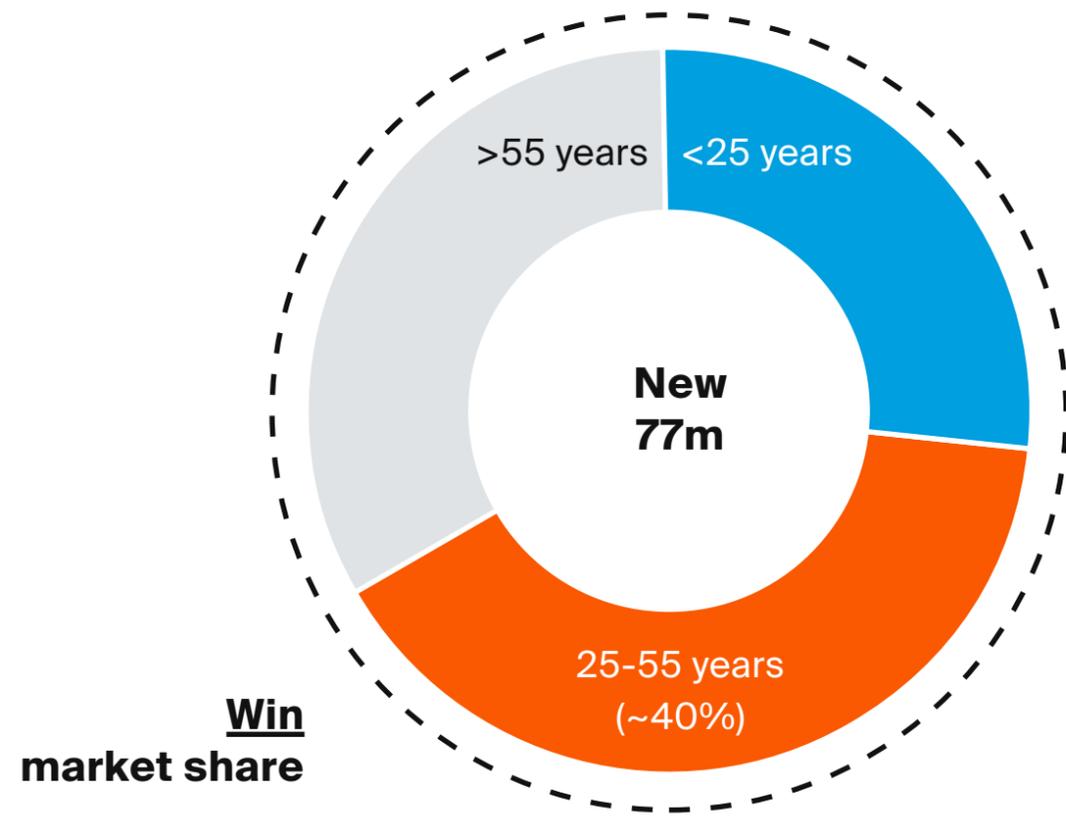


“I can invest easily in companies that I like and use.“

# ..allows for two-folded growth..



**Steal market share**



**Win market share**

<sup>1</sup> Company estimate

## ..in flatexDEGIRO core markets..

### CAPITAL OUTFLOWS

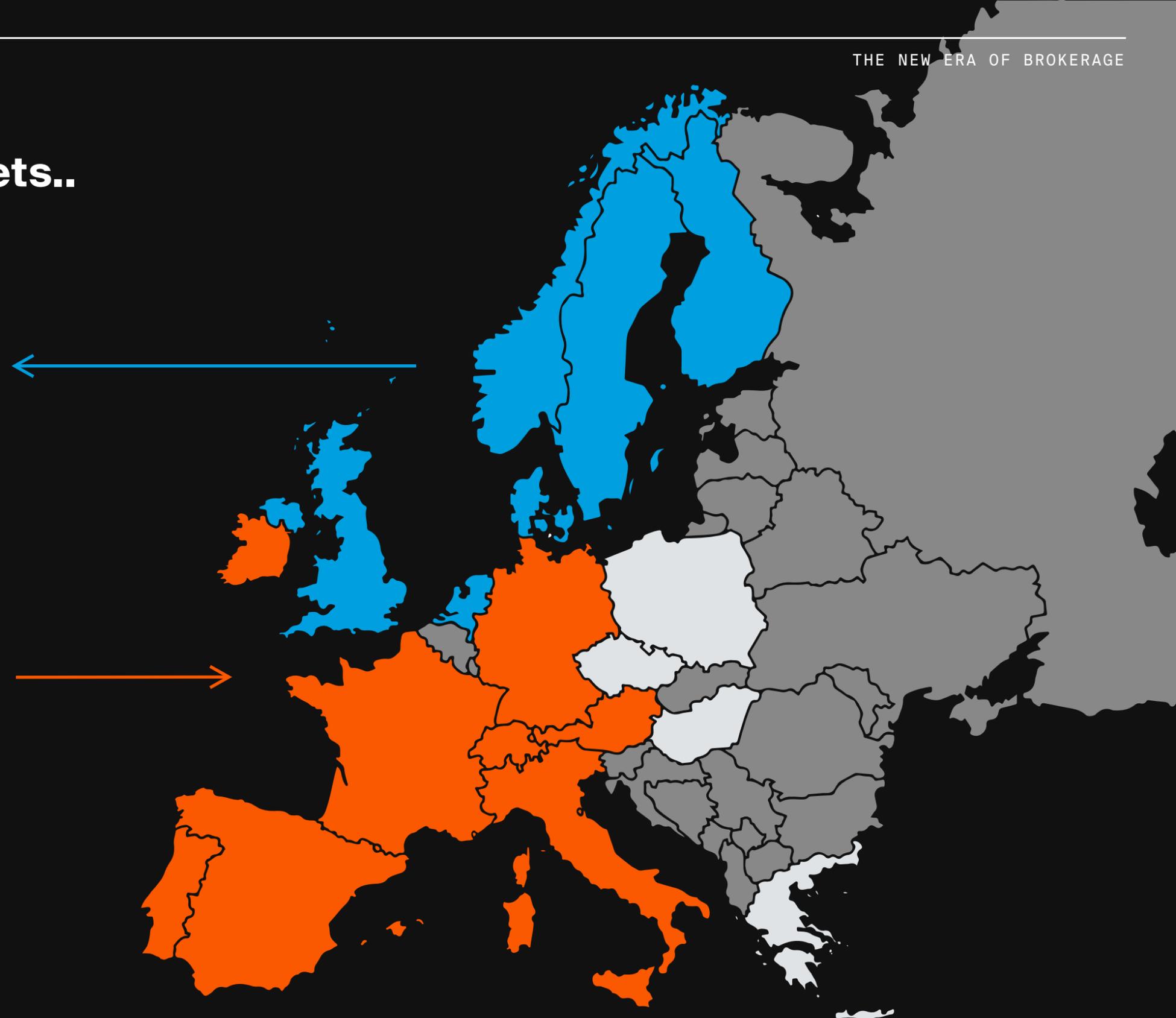
#### Saturated markets with structural divestments

(e.g. Nordic Capital)

### CAPITAL INFLOWS

#### Underdeveloped markets with enormous potential

- Sequoia, Accell, TVC, Founders Fund
- Tencent, Prosus Ventures
- Cryptology Asset Group, Alan Howard
- Tencent, BlackRock
- Valar Ventures (Peter Thiel), DST Global (Yuri Milner)



## ..with most attractive pricing due to low costs and high scalability of our setup..

Comparing a local stock transaction of €1,000 / CHF1,000  
without special conditions or campaign.



**Portugal:**  
DEGIRO € 1.00 | Banco Invest € 6.75  
**Customer advantage:**  
85%



**France:**  
DEGIRO € 0.40 | Boursorama € 6.00  
**Customer advantage:**  
93%



**Spain:**  
DEGIRO € 2.50 | BBVA € 12.80  
**Customer advantage:**  
80%



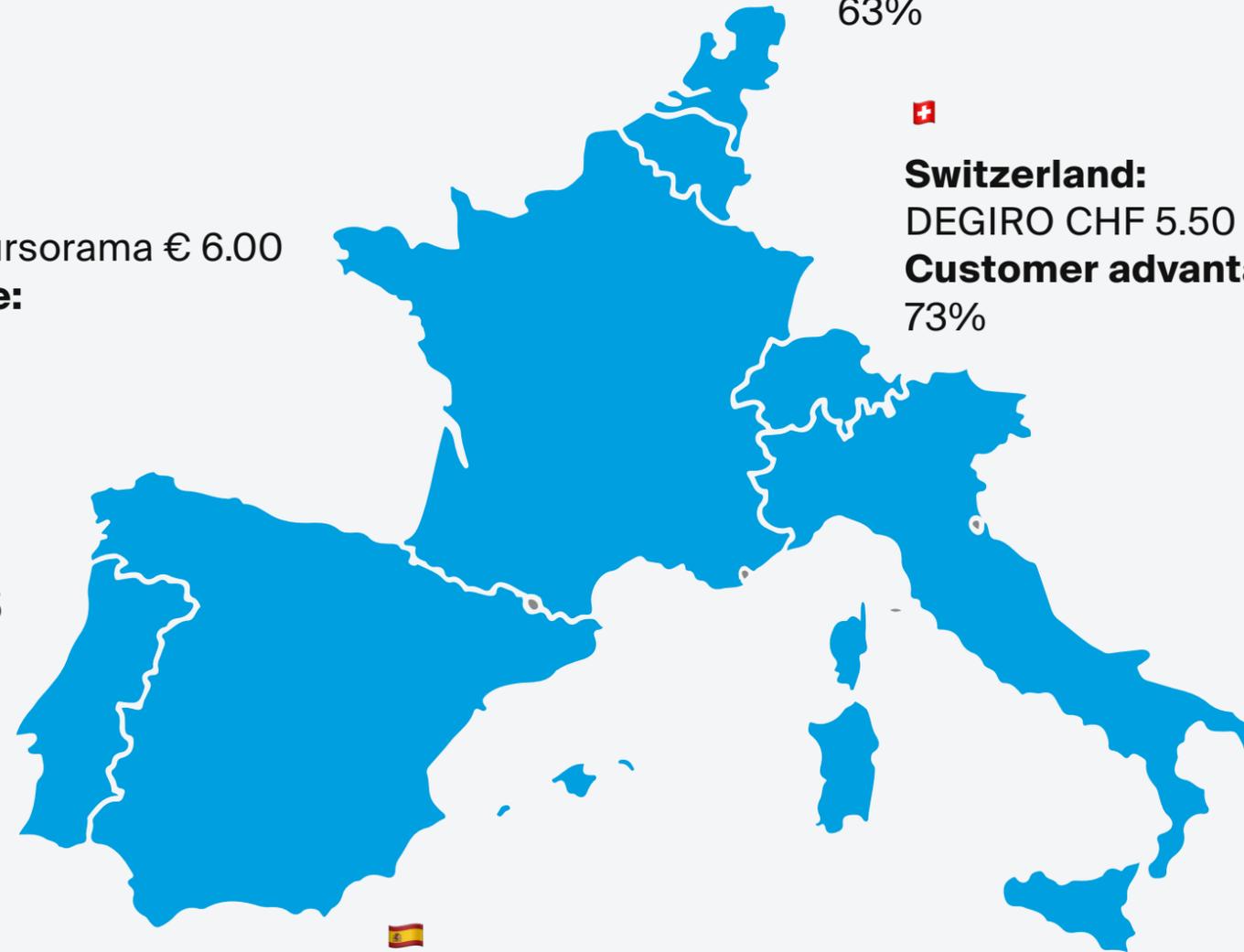
**Netherlands:**  
DEGIRO €2.30 | Binck €8.00  
**Customer advantage:**  
63%



**Switzerland:**  
DEGIRO CHF 5.50 | Swissquote CHF 20.00  
**Customer advantage:**  
73%



**Italy:**  
DEGIRO € 1.00 | Fineco € 19.00  
**Customer advantage:**  
95%

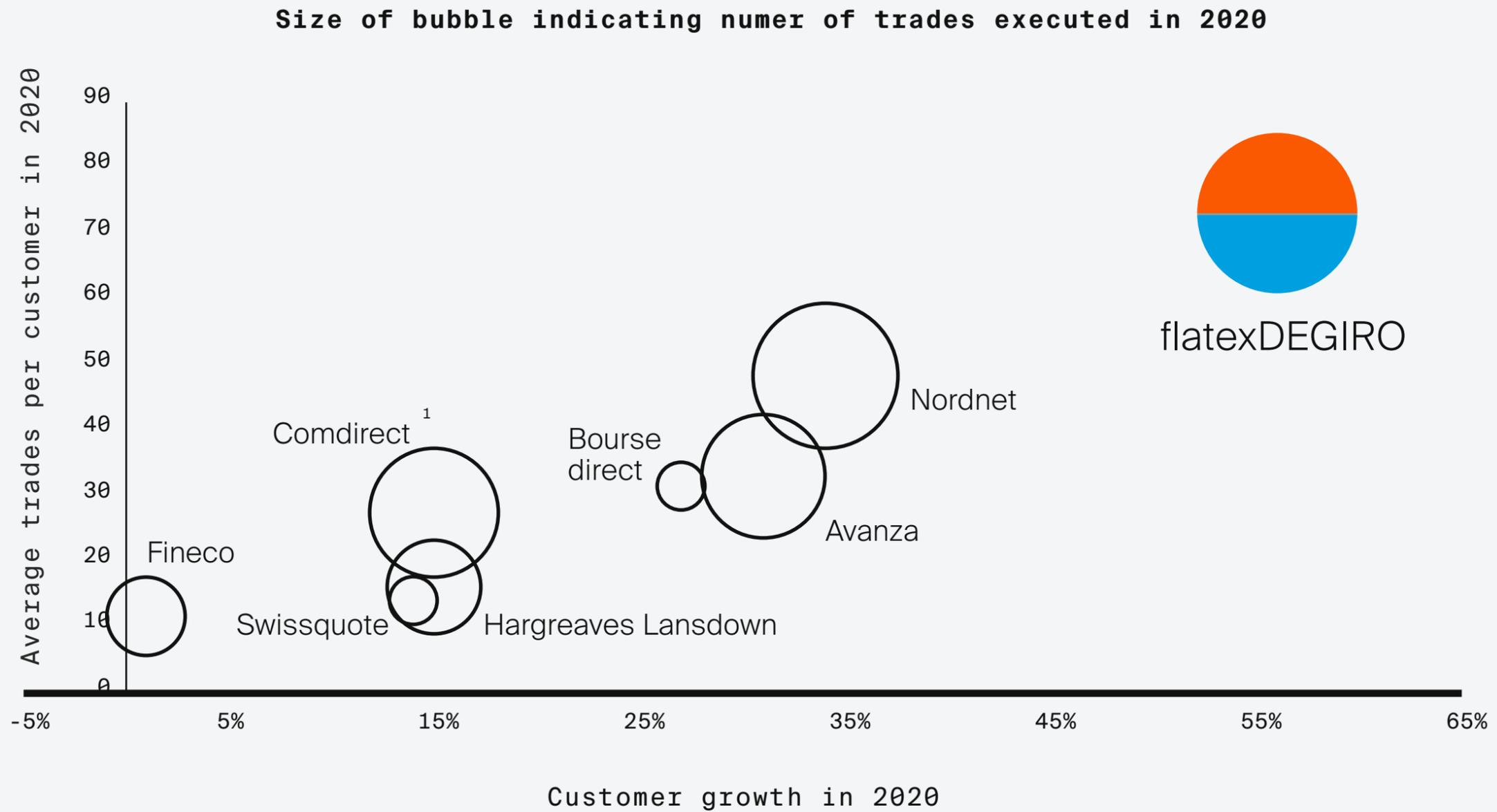


## ..and outstanding growth rates..

| Company             | Geographical focus | Net new Customers 2020 | %Growth 2020 | Customers 2020 | Net new Customers Q1 2021 | %Growth Q1 2021 | Customers March 2021 |
|---------------------|--------------------|------------------------|--------------|----------------|---------------------------|-----------------|----------------------|
| <b>flatexDEGIRO</b> | <b>Europe</b>      | <b>+450k</b>           | <b>56%</b>   | <b>1.25m</b>   | <b>+360k</b>              | <b>29%</b>      | <b>1.61m</b>         |
| Nordnet             | Nordics            | +308k                  | 34%          | 1.22m          | +167k                     | 14%             | 1.39m                |
| Avanza              | Nordics            | +304k                  | 31%          | 1.28m          | +153k                     | 12%             | 1.43m                |
| comdirect           | Germany            | +230k                  | 15%          | 1.80m          | -                         | -               | [1.80m]              |
| Hargreaves Lansdown | UK                 | +220k                  | 17%          | 1.50m          | -                         | -               | [1.50m]              |
| ING DiBa            | Germany            | +210k                  | 15%          | 1.64m          | -                         | -               | [1.64m]              |
| consorsbank         | Germany            | +160k                  | 9%           | 1.33m          | -                         | -               | [1.33m]              |
| AJ Bell             | UK                 | +62k                   | 27%          | 0.30m          | -                         | -               | [0.30m]              |
| Swissquote          | Switzerland        | +51k                   | 14%          | 0.41m          | -                         | -               | [0.41m]              |
| Bourse direct       | France             | +45k                   | 27%          | 0.21m          | -                         | -               | [0.21m]              |
| Fineco              | Italy              | +12k                   | 1%           | 1.35m          | +39k                      | 3%              | 1.39m                |
| <b>Peer average</b> |                    |                        | <b>17%</b>   |                |                           | <b>9%</b>       |                      |

Source: company data for publicly listed companies, press releases and news articles for non-listed companies

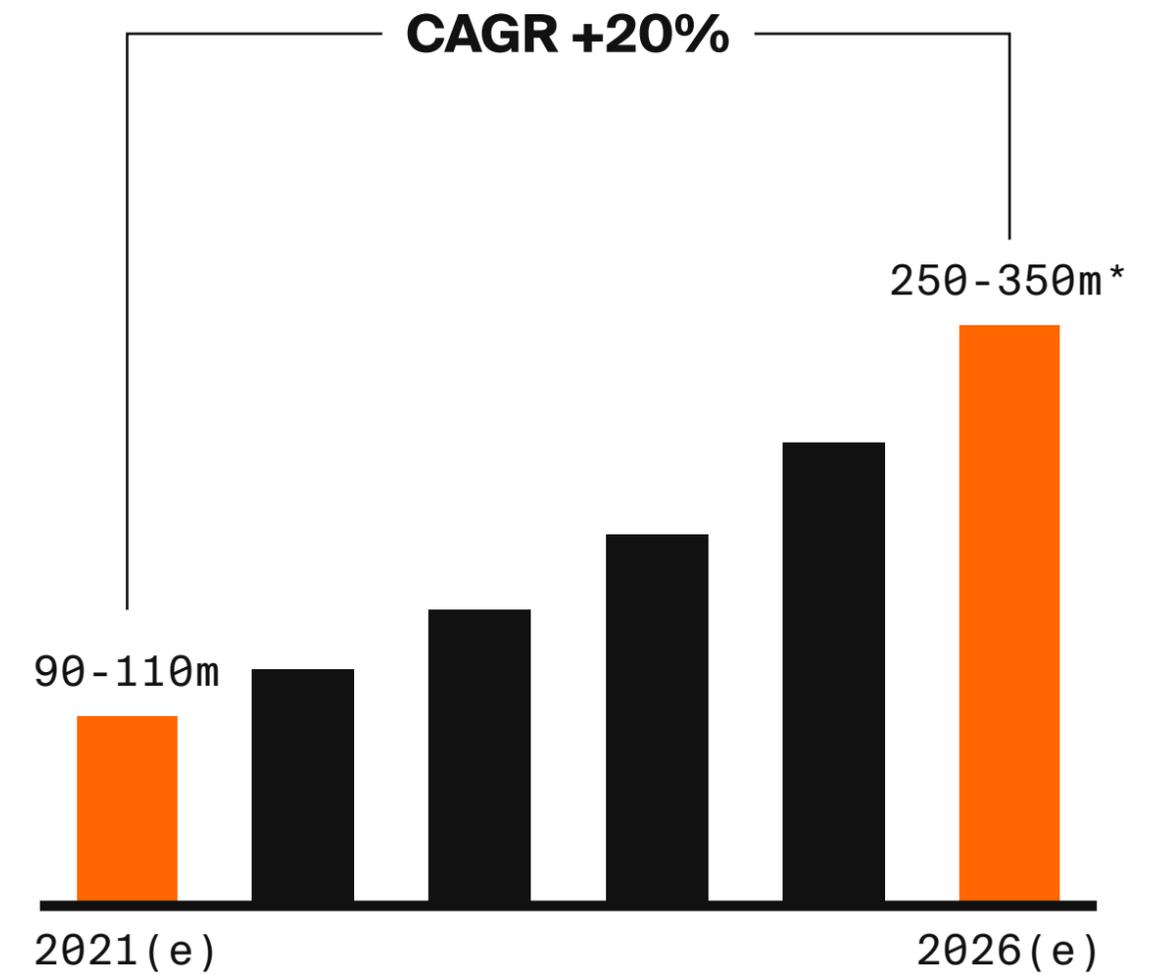
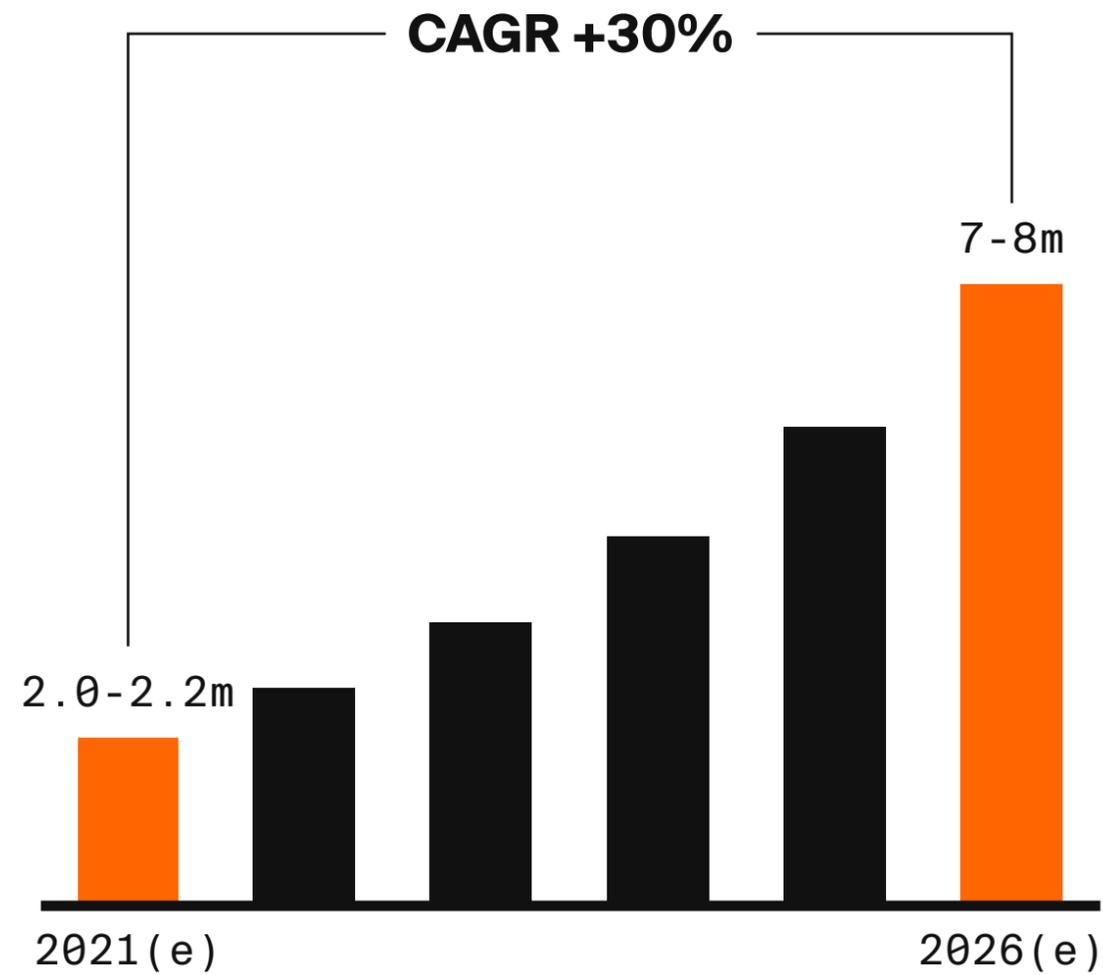
# .. while growing an exceptionally high-value customer base.



1 Comdirect: Trading activity based on 9M/2020 figures

**Next chapter of growth**

# ~ 4 x customer base ... 3 x trading volume



\* in a year with low market volatility

## Why we believe in upcoming market growth

### Global

- Start Crypto brokerage in H2 2021
- flatex/DEGIRO 3.0
- Support of secular trends by increasing marketing in the industry

 **Portugal**  
Tax service for clients will accelerate growth (estimated Q1 2022)

 **France**  
PEA accounts will accelerate growth (estimated Q1 2022)

 **Spain**  
Tax service for clients will accelerate growth (estimated Q1 2022)

 **Switzerland**  
On-site custody accounts will accelerate growth (estimated Q1 2022)

 **Italy**  
Starting marketing penetration (estimated Q4 2021 / Q1 2022)

## Case study France: Rising to market leadership

1  stage

**Start operations**

2  stage

**Turn on powerful marketing**

3  stage

**Add ancillary services**



# Blueprint for future market leadership

Large growth potential in other European Markets.



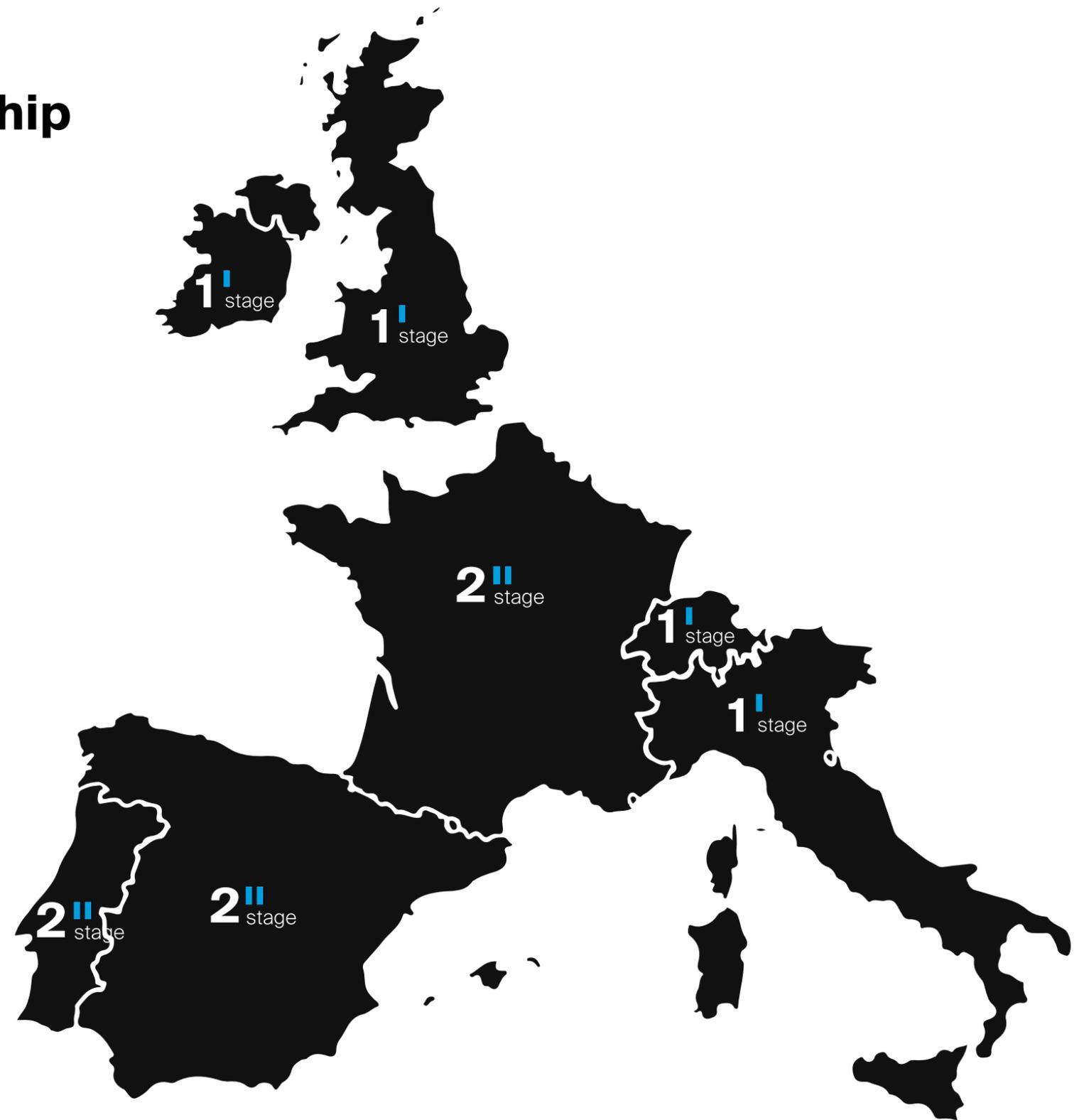
Q4 2021



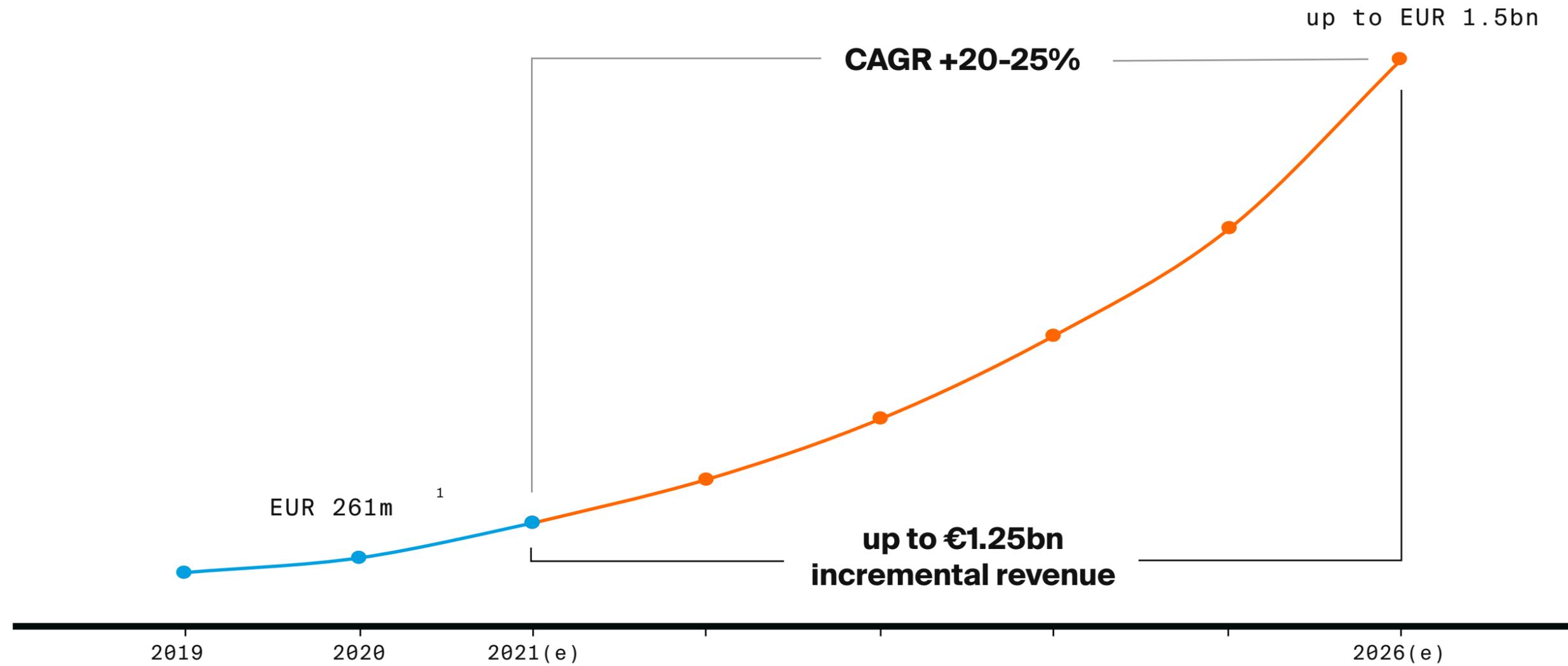
Q2 2022



Q4 2021 / Q1 2022



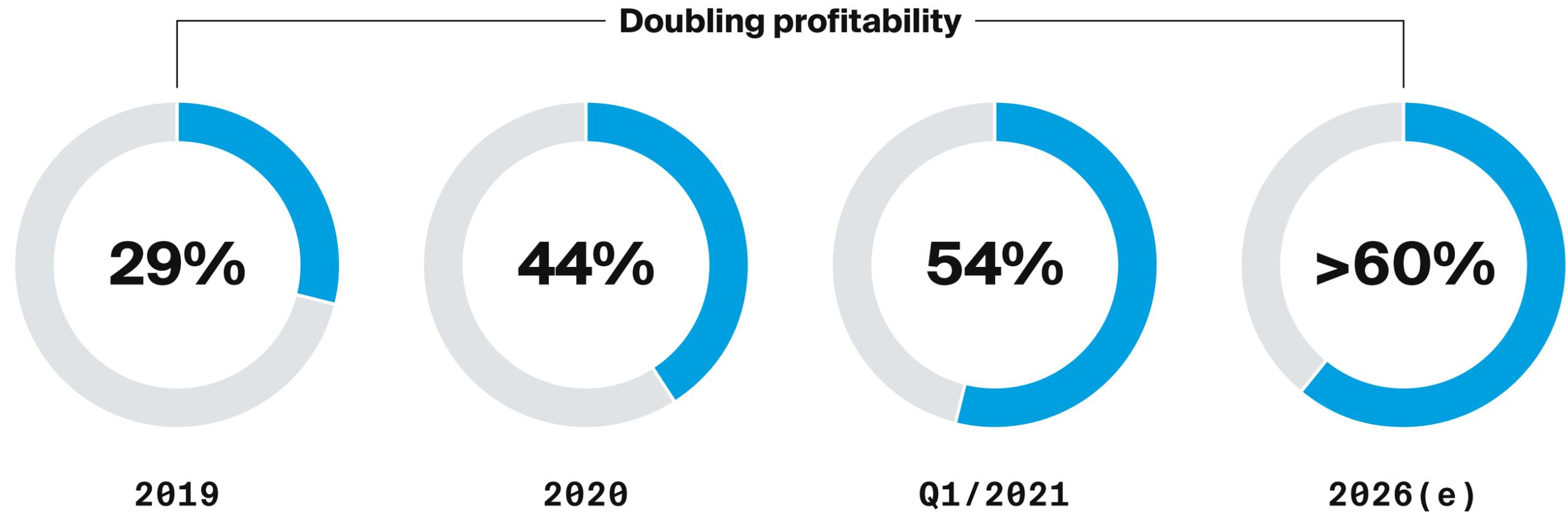
# Revenue opportunity of up to EUR 1.5bn p.a.



1 DEGIRO not included in 2019 and only 5 months consolidated in 2020

# Profitable growth results in profitability growth

Adjusted EBITDA margin<sup>1</sup>



<sup>1</sup> adjusted for long-term incentive plan

## Capital Allocation

expected generation of

**> EUR 1.5bn**

in accumulated  
Operating Cash Flow  
2022-2026

### Organic growth investments

- Invest in markets
- Invest in platform and products
- Maintain sustainable capitalization

### Sensible acquisition strategy

- High quality sector targets or verticalization
- Opportunities that accelerate customer growth, expand product offering or improve technological set-up

### Balanced capital return

- Potential share buybacks especially during inviting market environment

# Our 2026 outlook

Extending our position  
as Europe's leading  
online broker.



## 7-8m

Customers

## 250-350m

Minimum Transactions<sup>1</sup>

## €1.5bn

Revenue (up to)

## >60%

Adjusted EBITDA Margin<sup>2</sup>

## >€1.5bn

Accumulated Operating  
Cash Flow (2022-2026)

<sup>1</sup> In a year of low market volatility

<sup>2</sup> Adjusted for long-term incentive plan

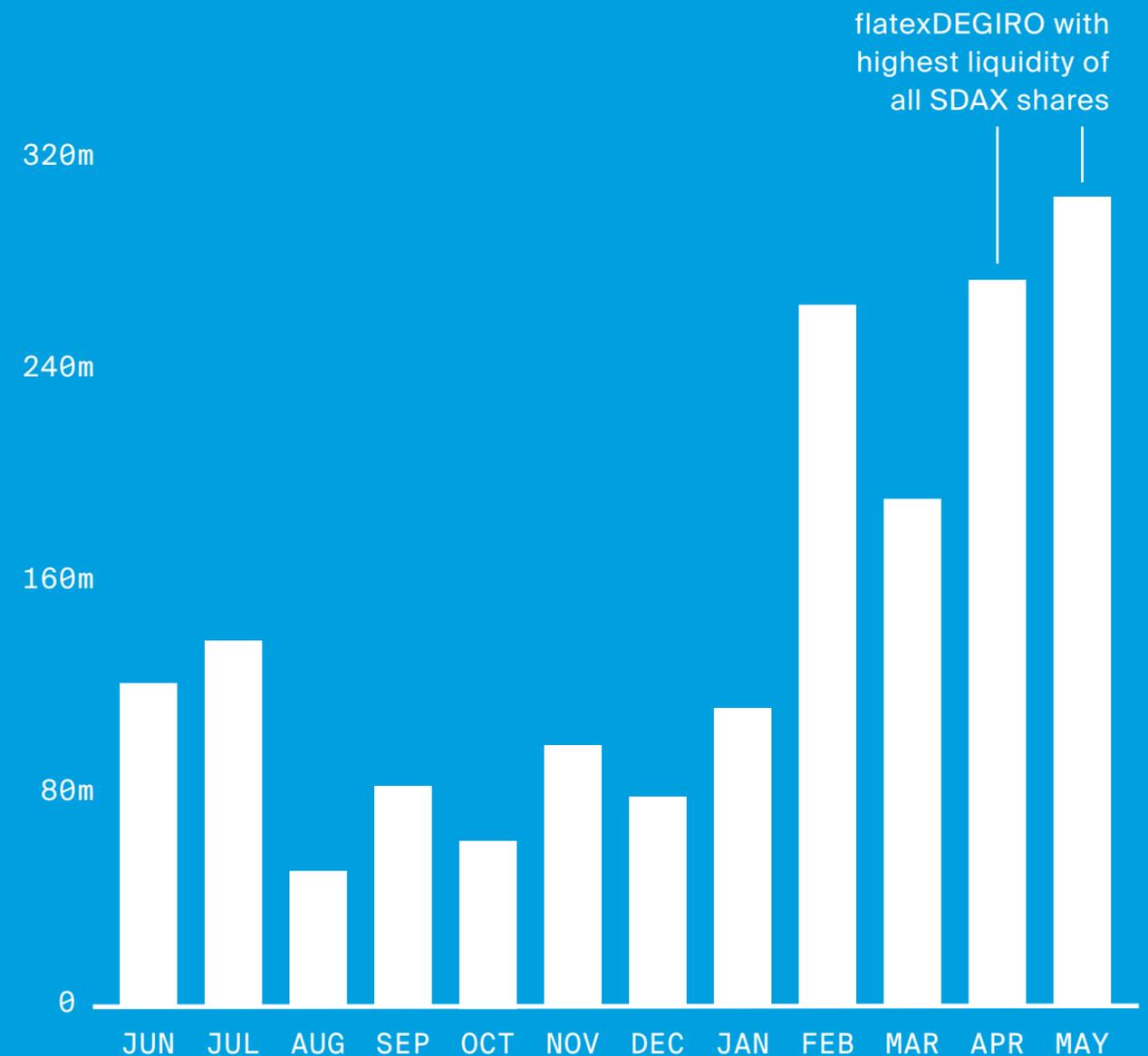
## Our Capital Market story - elevate to next stage

### Attractiveness of flatexDEGIRO for global blue-chip investors significantly increased..

- SDAX listing has put us on the radar screen
- MarketCap of EUR 3 bn and highest liquidity of all SDAX stocks make us investable
- Strong long-term growth story valuation makes us attractive

### ..with further steps in the pipeline.

- Active dialogue with ESG rating agencies initiated, expected to result in material improvement of current ratings
- Proposed stock split (4:1) to further increase liquidity
- Aiming for MDAX at year-end



Order book turnover(€) in the last 12 months

flatEX=DEGIRO