

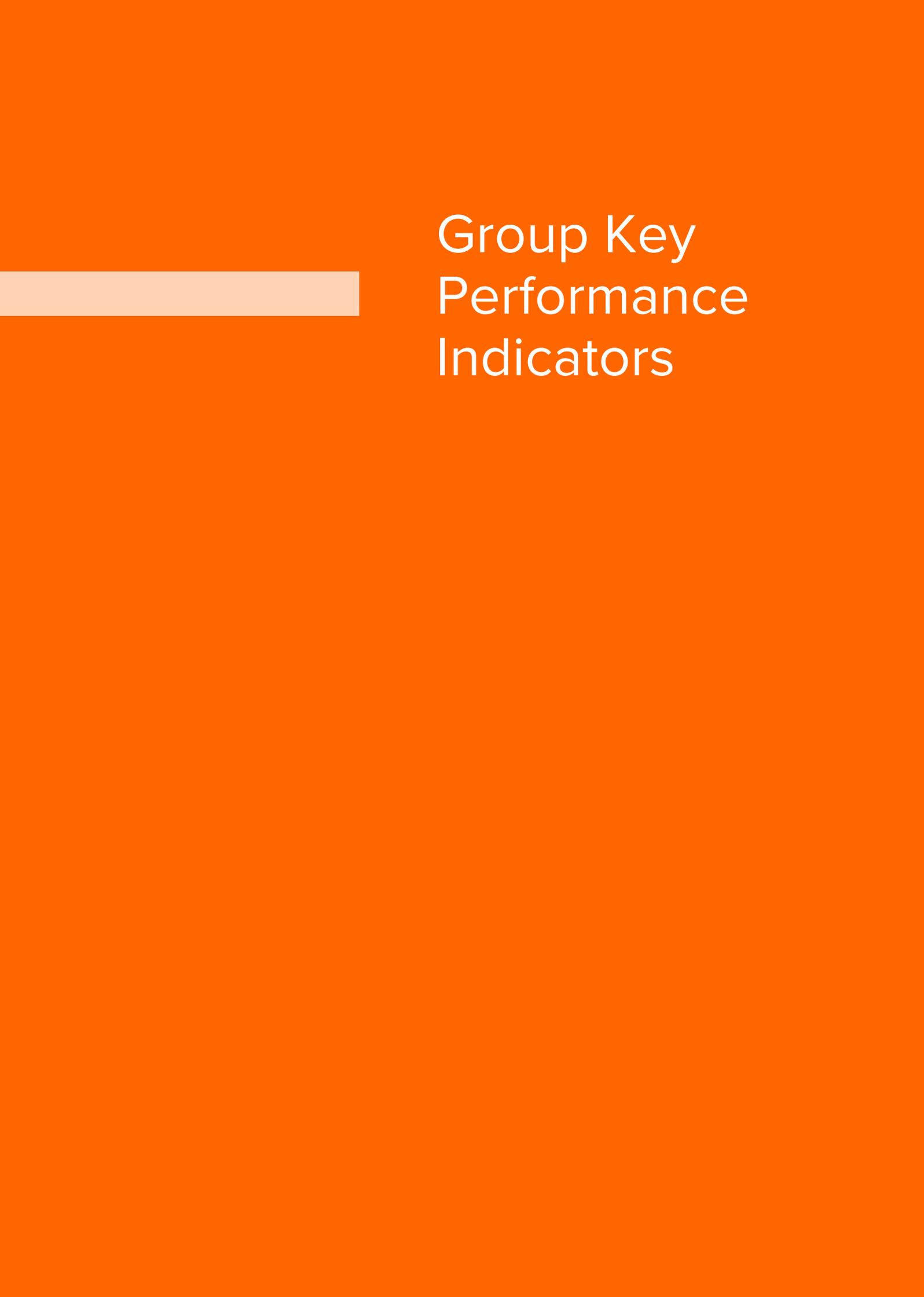
# 2021

HALF-YEAR REPORT



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# Group Key Performance Indicators

## Group Key Performance Indicators

		1st HY 2021	1st HY 2020	Change in %
<b>Brokerage key figures</b>				
Transactions executed	number	52,974,653	37,647,044 <sup>*</sup>	+40.7
Average number of brokerage customers	number	1,609,717	915,333 <sup>*</sup>	+75.9
Transactions per brokerage customer/year (annualized)	number	71	83 <sup>*</sup>	-14.5
<b>Operating business</b>				
Transactions executed	number	52,974,653	13,119,461	+303.8
Customers as of 06/30	number	1,804,171	424,036	+325.5
Customers assets under custody	mEUR	40,599	13,634	+197.8
thereof: securities	mEUR	37,818	12,229	+209.2
thereof: cash deposits	mEUR	2,781	1,405	+98.0
Employees (average)	number	1,085	544	+99.4
<b>Financials</b>				
Revenues	kEUR	226,113	99,778	+126.6
Adjusted EBITDA	kEUR	107,677	45,406	+137.1
Adjusted EBITDA before marketing and advertising expenses**	kEUR	125,558	53,851	+133.2
Adjusted EBITDA margin before marketing and advertising expenses**	in %	55.5	54.0	+2.8
Adjusted EBIT	kEUR	91,962	38,478	+139.0
Adjusted half-year net profit	kEUR	65,748	26,267	+150.3
Adjusted earnings per share (undiluted)	EUR	2.40	1.34	+79.1
Adjusted cost-income ratio	in %	44.9	41.9	+7.2
Adjusted profit margin	in %	29.1	26.3	+10.6
<b>Balance sheet and cash flow statement</b>				
Equity (06/30/2021 vs. 12/31/2020)	kEUR	474,528	445,834	+6.4
Total assets (06/30/2021 vs. 12/31/2020)	kEUR	3,237,069	2,818,178	+14.9
Equity ratio (06/30/2021 vs. 12/31/2020)	in %	14.7	15.8	-7.2
Operating cash flow	kEUR	83,400	37,999	+119.5
Adjusted return of tangible equity (ROTE)	in %	71.3	22.9	+211.4
<b>Segments</b>				
	Revenue kEUR	220,803	90,500	+144.0
Financial Services (FIN)	Adj. EBITDA kEUR	102,733	41,174	+149.5
	Revenue kEUR	23,919	18,137	+31.9
Technologies (TECH)	Adj. EBITDA kEUR	4,943	4,232	+16.8
	Revenue kEUR	-18,609	-8,859	-110.1
Consolidation	Adj. EBITDA kEUR	-	-	-

\*The pro-forma key figures are based on assumptions and represent the hypothetical situation for the complete integration of DeGiro B.V. into the flatexDEGIRO Group for the periods presented. They are intended to be used for illustrative purposes only and do not necessarily reflect the actual financial, asset, and earnings position of the flatexDEGIRO Group.

\*\*Details on the adjusted EBITDA before marketing and advertising expenses/ adjusted EBITDA margin before marketing and advertising expenses are shown less personnel expenses for long-term, variable remuneration, one-off expenses in connection with the DeGiro B.V. merger and marketing expenses.

Details on the adjusted EBITDA / EBIT / half-year net profit / earnings per share / cost-income ratio / profit margin / ROTE are shown less personnel expenses for long-term, variable remuneration and one-off expenses in connection with the DeGiro B.V. merger. For better comparability of the key figures for the period using the adjusted EBITDA / EBIT / half-year net profit and earnings per share, we refer to the half-year consolidated financial statement, Section 1.1. Earnings position.



# Half-Year Group Management Report

## Basis of presentation

This half-year group management report for flatexDEGIRO AG (hereinafter referred as “Group” or “Group of companies”) was prepared in accordance with Sections 315 and 315a German Commercial Code (HGB) and with the German Accounting Standards (DRS 16 Half-year financial reporting). All report content and details are based on the reporting date of 30 June 2021 or the half-year reporting period from 1 January 2021 to 30 June 2021.

The personal pronouns “we” or “us” used in this half-year group management report refer to flatexDEGIRO AG together with its subsidiaries.

## Forward-looking statements

This half-year group management report 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”, “shall” or similar terms. Such forward-looking statements are based on our current expectations and certain assumptions, which may be subject to a variety of risks and uncertainties. The results actually achieved by flatexDEGIRO AG may substantially differ from these forward-looking statements. flatexDEGIRO AG assumes no obligation to update these forward-looking statements or to correct them in case of developments which differ from those anticipated.

# 1 Economic Report

## 1.1 Earnings Position

The main source of revenue for flatEXDEGIRO AG are commission income, interest income and, to a lesser extent, other operating income, primarily from the IT services business.

Revenues in the first half-year 2021 amounted to kEUR 226,113 (1st half of 2020: kEUR 99,778). After deducting raw materials and consumables of kEUR 40,633 (1st half of 2020: kEUR 19,442) **net revenue amounted to kEUR 185,480** (1st half of 2020: kEUR 80,336).

Commission income increased by kEUR 114,247 from kEUR 76,915 in the first half of 2020 to kEUR 191,162. After deducting commission expenses of kEUR 33,889 recognised in raw materials and consumables (1st half of 2020: kEUR 13,595) the **net commission income amounted to kEUR 157,273** (1st half of 2020: kEUR 63,320). This growth compared to the same period of the previous year is primarily the result of the significant increase in the number of customers and the increase in transaction numbers, which were driven both by strong organic growth and by the full inclusion of DEGIRO compared to the previous year.

Interest income amounted to kEUR 27,759 (1st half of 2020: kEUR 10,738). Interest expenses amounted to kEUR 3,999 during the reporting period (1st half of 2020: kEUR 507), resulting in an increase in **net interest income to kEUR 23,760** (1st half of 2020: kEUR 10,231). This growth resulted mainly from the expansion of the loan book, which consists predominantly of fully collateralised loan products, especially margin loans. Both the full incorporation of DEGIRO and the organic expansion of the online brokerage business contributed to the growth of the loan portfolio.

Other operating income included, in particular, revenue from IT services business in the amount of kEUR 5,862 (1st half of 2020: kEUR 9,122). The decrease is the result of the successful completion of the project for the client Vall Banc in the first half of 2020 as well as a strategic focus on internal Group IT projects, such as the connection of the DEGIRO systems to the Group's core banking system (FTX:CBS) and the further development of the B2C brokerage platform. Expenses for IT services amounted to kEUR 717 (1st half of 2020: kEUR 1,143).

Personnel expenses amounted to kEUR 94,953 (1st half of 2020: kEUR 20,327). The majority of the increase is due to non-cash provisions for the Stock Appreciation Rights plan introduced in June 2020 (see Note 13). As a result of the positive development of the valuation parameters (share price and expected earnings per share), the provision was amended as per 30 June 2021. The related expenses amounted to kEUR 48,995 in the first half of 2021 (1st half of 2020: kEUR 2,705). The other increase is mainly due to the full inclusion of DEGIRO compared to the previous year and the corresponding increase in the number of employees.

The increase in marketing and advertising expenses to kEUR 17,881 (1st half of 2020: kEUR 8,445) was mainly due to the full inclusion of DEGIRO, the sponsorship of Bundesliga football club Borussia Mönchengladbach as well as various promotions and campaigns to attract new customers. The efficiency of the marketing and advertising expenses used is reflected in a significant decrease in customer acquisition costs, which were less than EUR 35 per customer in the reporting period (1st half of 2020: around EUR 120 per customer).

Other administrative expenses increased to kEUR 19,456 in the reporting period (1st half of 2020: kEUR 8,862). The increase was due mainly to the full inclusion of DEGIRO, as well as expenses related to the higher business volume and the associated increase in the size of the company. For a detailed presentation of other administrative expenditure, please see Note 15 "Other administrative expenses".

All revenues of the Group were realised with customers and products from Europe, mainly in euros. Inflation and exchange rate effects did not have a significant impact on the earnings situation.

In the reporting period from 1 January 2021 to 30 June, 2021, EBITDA of kEUR 53,190 was generated (1st half of 2020: kEUR 42,701). The half-year net profit amounted to kEUR 28,054 (1st half of 2020: kEUR 22,374). Excluding provisions for long-term variable remuneration and one-off personnel expenses in connection with the merger of DeGiro B.V., adjusted EBITDA amounted to kEUR 107,677 (1st half of 2020: kEUR 45,406). Adjusted half-year net profit amounted to kEUR 65,748 in 2021 (1st half of 2020: kEUR 26,267).

The financial performance indicators are summarized as follows:

In kEUR	1st HY 2021	1st HY 2020
EBITDA	53,190	42,701
+ Adjustment from personnel expenses for long-term variable remuneration	48,995	2,705
+ Adjustment from one-off expenses in connection with the DeGiro B.V. merger	5,492	-
<b>= Adjusted EBITDA</b>	<b>107,677</b>	<b>45,406</b>
EBIT	37,475	35,773
+ Adjustment from personnel expenses for long-term variable remuneration	48,995	2,705
+ Adjustment from one-off expenses in connection with the DeGiro B.V. merger	5,492	-
<b>= Adjusted EBIT</b>	<b>91,962</b>	<b>38,478</b>
EBT	34,557	34,072
+ Adjustment from personnel expenses for long-term variable remuneration	48,995	2,705
+ Adjustment from one-off expenses in connection with the DeGiro B.V. merger	5,492	-
<b>= Adjusted EBT</b>	<b>89,044</b>	<b>36,777</b>
- Tax expenditure of adjusted EBT	23,296	10,510
<b>= Adjusted half-year net profit</b>	<b>65,748</b>	<b>26,267</b>
<b>Adjusted earnings per share (undiluted) in EUR</b>	<b>2.40</b>	<b>1.34</b>

## 1.2 Liquidity

The operating cash flow was characterised by the significantly improved development of the online brokerage business. The non-trapped bank balances totalled kEUR 177,568 as of 30 June 2021 (30 June 2020: kEUR 66,489). The flatexDEGIRO AG is completely net debt-free as of the end of the first half of 2021.

In order to increase the informative value of the cash flow statement, the accounting changes to the banking business are shown below the free cash flow. These accounting changes relate to customer deposits and investment decisions derived from them.

In kEUR	1st HY 2021	1st HY 2020
Cash flow from operating activities	83,400	37,999
Cash flow from investment activities	-7,781	-5,297
Cash flow from financing activities	478	-4,411
Free cash flow before banking operations	76,097	28,291
Cash flow from banking operations	28,606	435,526
Non-cash movements in equity	-1,574	-82
Cash and cash equivalents at the beginning of the period	1,255,124	468,616
<b>Cash and cash equivalents at the end of the period</b>	<b>1,358,254</b>	<b>932,352</b>

flatEXDEGIRO AG was able to meet its financial obligations at all times in the reporting period. Liquidity shortages did not occur in the first half-year of 2021 and are not expected in the foreseeable future.

### 1.3 Financial Position

The following table shows the consolidated balance sheet in condensed form:

In kEUR	06/30/2021	12/31/2020
<b>Assets</b>	<b>3,237,069</b>	<b>2,818,178</b>
Non-current assets	557,853	561,332
Current assets	2,679,216	2,256,846
<b>Liabilities and shareholders' equity</b>	<b>3,237,069</b>	<b>2,818,178</b>
Equity	474,528	445,834
Non-current liabilities	124,535	91,435
Current liabilities	2,638,006	2,280,910

The increase in total assets by kEUR 418,891 was due mainly to higher customer deposits in connection with strong customer growth.

## 1.4 Asset Position

### CAPITAL

The capital structure of the Group is as follows:

In %	06/30/2021	12/31/2020	Change in %-points
Equity ratio	14.7	15.8	-1.1
Debt ratio	85.3	84.2	1.1

### LIABILITIES

flatexDEGIRO AG's total liabilities amounted to mEUR 2,763 as of 30 June 2021 (31 December 2020: mEUR 2,372). With a total mEUR 2,638, the vast majority of these liabilities are short-term, (31 December 2020: mEUR 2,281) and consisted mainly of customer deposits at flatexDEGIRO Bank AG in the amount of mEUR 2,342 (31 December 2020: mEUR 2,089).

The structure of the liabilities is as follows:

In kEUR	06/30/2021	12/31/2020
<b>Total liabilities</b>	<b>2,762,541</b>	<b>2,372,344</b>
<b>Current liabilities</b>	<b>2,638,006</b>	<b>2,280,910</b>
Customer deposits	2,341,648	2,089,213
<b>Non-current liabilities</b>	<b>124,535</b>	<b>91,435</b>
Provisions for long-term variable remuneration components	64,310	15,387
Non-current liabilities to non-banks	27,561	28,656
thereof: Liabilities from leases	22,294	23,572
Deferred tax liabilities	18,381	32,849
Pension obligations	14,283	14,543
<b>Contingent liabilities</b>	<b>41,276</b>	<b>22,761</b>

Contingent liabilities amounted to kEUR 41,276 (31 December 2020: kEUR 22,761) and include, among other things, irrevocable, unused credit commitments, which consist primarily of granted but not yet utilised credit lines in the area of receivables-based financing operations, and outstanding capital calls from fund companies. The refinancing of a potential utilisation of loan commitments is ensured at all times by the Group's liquidity.

## 1.5 General Statement on Business Development and the Situation of the Group

In the first half of the 2021 financial year, flatexDEGIRO AG continued the above-average growth experienced in the previous year. The operating business developed significantly better than expected at the beginning of 2021. Group revenues more than doubled to kEUR 226,113 (1st half of 2020: kEUR 99,778), while the adjusted EBITDA margin increased to 47.6% (1st half of 2020: 45.5%). The adjusted half-year net profit amounted to kEUR 65,748 (1st half of 2020: kEUR 26,267).

Since the acquisition of DeGiro B.V., Amsterdam in July 2020, the Group views itself as the largest retail online broker in Europe. A material part of the core synergy measures was implemented as planned by the end of the first half of 2021. The completion of all planned synergy measures is scheduled for the second half-year, so that all efficiencies can be fully leveraged in 2022. All major markets in the brokerage business showed significant growth, especially in terms of new customer acquisition. The original growth targets for 2021 were raised several times in the reporting period.

Overall, the Management Board of flatexDEGIRO AG considers the Company's business development to be extraordinarily successful. Due to the strong customer growth and the investments in the medium- and long-term success of the company, a quarterly comparison is of limited value only. There is a tendency to underestimate earnings power in the short term if market parameters (average number of transactions per customer, revenue per transaction) are expected to remain constant.

## 1.6 Report on events after the closing date

For events of particular importance that occurred after the end of the reporting period, please refer to our comments in Note 22.

## 2 Forecast and Opportunities Report

The forecast period for the business performance refers to the second half of fiscal 2021.

The expected development of activities in 2021 continues to be dominated by the COVID-19 pandemic and the resulting economic and socio-political consequences. Increasing vaccination rates and relatively low incidence rates in many European countries are fuelling hopes of a gradual improvement in the overall economic and social situation. At the same time, mutations of the virus and sometimes rapidly increasing incidence rates in individual countries continue to cause uncertainty. The uncertainty in the capital markets has decreased over the reporting period. The volatility of the markets was significantly below peak values of the previous year. For the second half-year, the Management Board expects a further normalisation of market volatility.

In the first six months of the reporting period, flatEXDEGIRO continued to expand its range of products and services in many locations and implemented a number of organisational measures aimed at further increasing the growth and profitability of the Group. Further important developmental steps are planned for the coming months.

Overall, the positive development of the previous fiscal year can be expected to continue. It shows that the adopted strategy of flatEXDEGIRO AG with a primary focus on the B2C brokerage business and the credit business is successful. The Management Board is very confident that this positive development of the operating result will continue in 2021. It is the explicit goal of the Management Board to continue pursuing the existing strategy and implementing it in a focused manner.

In terms of business development, the Management Board expects an increase in the number of customers to between 2.0 million and 2.2 million by the end of 2021. Transactions executed are expected to range between 90 million and 110 million for 2021. By utilizing implemented synergy measures in connection with the acquisition of DeGiro B.V., Amsterdam, a significant double-digit EBITDA improvement in EUR is expected in fiscal year 2021 compared to fiscal year 2020. On the basis of these assumptions, the Management Board expects both the revenue and the operating result of the Group to rise significantly in 2021.

The forecast of performance indicators is generally subject to a certain degree of uncertainty on an annual basis. This is all the more true for the potential impact of the COVID-19 pandemic.

### Financial Services Segment

Within the online brokerage market, there is a broad spectrum of customers, some of whom pursue different investment objectives. On the one hand, customers use the online brokerage service to invest in savings plans that serve as long-term investments. On the other hand, there are customers who use the brokerage service for active trading, resulting in portfolios with a more short-term orientation.

The launch of flatEX-next at the end of 2020 introduced an innovative, user-friendly and easy to understand user interface which is intended to help drive access to the capital market for private investors under the "flatEX" brand.

In addition to the existing services for actively trading customers, flatEX-next gives a broad section of the population the opportunity to buy securities with just a few clicks and thus make a contribution to their personal retirement provision. In addition to traditional investment products, flatEX customers will for the first time also be able to easily search for products that are ESG compliant, i.e. which take into account the criteria of environment, social issues and responsible governance.

With the continuous expansion of its product and service offering, the Group intends to further extend its leading European position in the retail online brokerage business and to gain or expand market leadership in a large number of high-growth core markets. To this end, all DEGIRO customers will be enabled during the second half of 2021 to trade from 8:00 a.m. to 10:00 p.m. via the connection to Tradegate Exchange, Europe's largest stock exchange for retail

investors. Furthermore, the roll-out of European partnerships in the ETP segment is expected in the second half of the year.

In addition, an efficient marketing strategy is being pursued with the aim of expanding awareness of the Group brands in Europe. Brand awareness continues to be positively influenced by the sponsorship of the internationally successful Bundesliga football team Borussia Mönchengladbach.

## Technologies Segment

The successful integration of DEGIRO into the business processes of flatexDEGIRO AG is – in addition to organic growth on both sides – the primary strategy of the business customer segment of flatexDEGIRO AG. The FTX:CBS will be expanded to include additional, country-specific regulatory, accounting and tax requirements (national GAAP, taxation, regulatory reporting, etc.). Furthermore, the core banking system is designed for the completion of all transactions for the flatexDEGIRO Group. This will result in a sustainable increase in business activities with increasing use of economies of scale.

Another focus will be on the continuous development of the trading platforms for the DEGIRO and flatex brands. Among other things, the establishment of a community around the topics of securities, financial knowledge, and the product universe is planned. The development of flatex next 3.0, which has already begun, is expected to be completed in the second half-year of 2021, and will be available for the customers of flatex and the customers of DEGIRO. In addition, an even more direct customer approach and the provision of customers with relevant personalised information will be the focus of activities.

As part of the implementation of synergy measures in connection with the acquisition of DeGiro B.V., Amsterdam, considerable cost improvements in the IT area are also being targeted in the medium term.

## Plan assumptions and forecasts for key performance indicators

The expected development of the Company is based on the assumption that the customer base as of 31 December 2021 can be extrapolated on the basis of historic values and the management's current market appraisal. Specifically, the forecast is based on the assumption that the number of transactions and the customer base will continue to increase compared to the previous year through the continuation and expansion of the existing marketing strategy.

Based on these assumptions, the Management Board expects the number of online brokerage customers to increase by 750,000 to 950,000 new customers in 2021 and a total number of executed transactions between 90 million and 110 million.

In the Technologies segment, all contractually agreed revenues as well as expected new business, as of the time of budgeting, are taken into account on the basis of historical values and in consideration of the development of prices and economic trends.

## Opportunities and Risks Report

As a matter of principle, the Company's opportunities and risks are analysed at regular intervals and reported to the Management Board. At flatexDEGIRO, opportunity and risk management is an integral part of the group-wide system of corporate governance. For a detailed presentation of our risk management system as well as the opportunity and risk situation, please refer to the chapters "Forecast and Opportunity Report" and "Risk Report" in the Group Management Report of the Annual Report 2020.

### Changes to the opportunities situation

With the merger of DeGiro B.V., Amsterdam, into flatexDEGIRO Bank AG, DEGIRO has become a branch of flatexDEGIRO Bank AG under the supervision of the German Federal Financial Supervisory Authority (BaFin). This leads to a significant reduction in regulatory complexity and the number of internal committees. At the same time, the new structures should harmonise our corporate governance and enable better management and internal monitoring. Management expects further cost reductions and a general improvement in the risk profile along with increased efficiency and a stronger performance. As a result flatexDEGIRO AG considers itself very well positioned to achieve the synergy expectations, possibly exceeding them in the medium term.

The Management Board believes that the increasing interest in online brokerage in underdeveloped continental European markets based on secular trends, will lead to a continuation of growth momentum in the foreseeable future, and that flatexDEGIRO AG will particularly benefit from this. In view of this, the Management Board has significantly raised its growth expectations (Vision 2026) and now expects to serve around 7 million to 8 million customers in 2026 and to execute at least 250 million to 350 million transactions annually. (previous Vision 2025: at least 3 million customers, at least 100 million transactions per year).

### Changes to the risk situation

The Management Board is of the opinion that there have been no significant changes in the risk situation with respect to the Annual Report 2020.

From the Company's perspective, there are no risks that could jeopardize the Company's continued existence and no such risks are currently discernible for the future.

### 3 Collateralisation of the legal representatives (responsibility statement)

‘We hereby affirm that, in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.’

Frankfurt am Main, 16 August 2021

flatEXDEGIRO AG



Frank Niehage

CEO, Chairman of the Management Board



Muhamad Said Chahrour

CFO, Member of the Management Board



# Half-Year Consolidated Financial Statements

# Half-Year IFRS Consolidated Balance Sheet

as of 30 June 2021

In kEUR	Note	06/30/2021	12/31/2020
<b>Assets</b>		<b>3,237,069</b>	<b>2,818,178</b>
<b>Non-current assets</b>		<b>557,853</b>	<b>561,332</b>
Intangible assets		384,154	389,432
Goodwill		183,361	183,361
Internally generated intangible assets		46,783	46,935
Customer relationships		118,990	123,068
Other intangible assets		35,019	36,068
Property, plant and equipment		31,816	32,858
Financial assets and other assets		1,585	1,486
Equity instruments measured at fair value through profit or loss (FVPL-EK)	6	77,753	74,660
Non-current loans due to customers	6	62,545	62,896
<b>Current assets</b>		<b>2,679,216</b>	<b>2,256,846</b>
Inventories and work in progress		7	8
Trade receivables		19,107	14,041
Other receivables		5,647	2,074
Other current financial assets	6	1,296,201	985,599
Financial assets measured at fair value through other comprehensive income (FVOCI)	6	79,617	89,802
Financial assets measured at fair value through profit or loss (FVPL)	6	189	189
Cash loans due to local authorities	6	351	370
Current loans due to customers	6	1,183,428	843,337
Equity instruments measured at fair value through other comprehensive income (FVOCI-EK)	6	-	19,565
Other receivables due to banks	6	32,616	32,336
Cash and cash equivalents	6	1,358,254	1,255,124
Bank balances (non-trapped)	6	177,568	95,290
Balances with central banks	6	993,815	1,015,434
Receivables due to banks (on demand)*	6	186,870	144,400*

\*The item cash on hand has been reclassified under the receivables with respect to banks due daily compared to the 2020 consolidated financial statement.

In KEUR	Note	06/30/2021	12/31/2020
<b>Liabilities and shareholders' equity</b>		<b>3,237,069</b>	<b>2,818,178</b>
<b>Equity</b>		<b>474,528</b>	<b>445,834</b>
Subscribed capital		27,426	27,273
Additional paid-in capital		312,336	310,916
Retained earnings		134,221	107,117
Shares of minority shareholders		544	528
<b>Liabilities</b>		<b>2,762,541</b>	<b>2,372,344</b>
<b>Non-current liabilities</b>		<b>124,535</b>	<b>91,435</b>
Non-current liabilities to non-banks	10	27,561	28,656
Pension obligations		14,283	14,543
Provisions for long-term variable remuneration components	13	64,310	15,387
Deferred tax liabilities	9	18,381	32,849
<b>Current liabilities</b>		<b>2,638,006</b>	<b>2,280,910</b>
Trade payables		6,375	10,473
Liabilities to customers		2,341,648	2,089,213
Liabilities to banks		181,948	97,117
Other financial liabilities	7	49,052	45,010
Tax provisions	9	36,652	24,369
Other provisions	8	22,331	14,728

# Half-Year IFRS Consolidated Statement of Income

as of 1 January to 30 June 2021

In kEUR	Note	1st HY 2021	1st HY 2020
<b>Revenues</b>	11	<b>226,113</b>	<b>99,778</b>
thereof commission income	11	191,162	76,915
thereof interest income	11	27,759	10,738
thereof interest income from financial instruments measured at amortised cost		24,660	10,494
thereof other operating income	11	7,192	12,125
Raw materials and consumables	12	40,633	19,442
thereof impairment losses		-	2,869
<b>Net revenues</b>		<b>185,480</b>	<b>80,336</b>
Personnel expenses	13	94,953	20,327
Current personnel expenses	13	40,466	17,622
One-off expenses in connection with DeGiro B.V., Amsterdam merger	13	5,492	-
Personnel expenses for long-term variable remuneration components	13	48,995	2,705
Marketing and advertising expenses	14	17,881	8,445
Other administrative expenses	15	19,456	8,862
<b>EBITDA<sup>1</sup></b>		<b>53,190</b>	<b>42,701</b>
Depreciation	16	15,714	6,928
<b>EBIT<sup>1</sup></b>		<b>37,475</b>	<b>35,773</b>
Financial result		-2,919	-1,701
<b>EBT<sup>1</sup></b>		<b>34,557</b>	<b>34,072</b>
Income tax expenses		6,502	11,698
<b>Half-Year consolidated net profit</b>		<b>28,054</b>	<b>22,374</b>
<b>thereof: majority shareholders' share of income</b>		<b>28,038</b>	<b>22,361</b>
<b>thereof: minority shareholders' share of income</b>		<b>16</b>	<b>13</b>
<b>Earnings per share (undiluted) in EUR</b>	20	<b>1.03</b>	<b>1.14</b>
<b>Earnings per share (diluted) in EUR</b>	20	<b>1.02</b>	<b>1.13</b>

<sup>1</sup>For a better comparability of the key figures for the period using the adjusted EBITDA / EBIT / EBT, we refer to the 2021 Half-Year Group Management Report, Section 1.1 Earnings Position.

# Half-Year IFRS Consolidated Statement of other Comprehensive Income

as of 1 January to 30 June 2021

In kEUR	Note	1st HY 2021	1st HY 2020
<b>Half-Year consolidated net profit</b>		<b>28,054</b>	<b>22,374</b>
Income and expense items recognised directly in equity			
<b>Pensions</b>		-	-
Actuarial gains/losses		-	-
Remeasurement of plan assets		-	-
Reimbursement rights		-	-
<b>Securities</b>		<b>641</b>	<b>-1,398</b>
Change in value reported in equity		641	-1,398
<b>Deferred tax</b>		-	<b>234</b>
Pensions		-	-
Securities		-	234
<b>Total other comprehensive income</b>		<b>641</b>	<b>-1,164</b>
<b>Comprehensive income</b>		<b>28,695</b>	<b>21,210</b>

# Half-Year IFRS Consolidated Cash Flow Statement

as of 30 June 2021

In kEUR	Note	1st HY 2021	1st HY 2020
<b>Half-Year consolidated net profit</b>		<b>28,054</b>	<b>22,374</b>
Depreciation and amortisation/appreciation on property, plant and equipment and intangible assets		14,100	6,525
Increase/decrease in inventories		2	-8
Increase/decrease in trade receivables		-5,066	365
Increase/decrease in trade payables	6	-4,098	-748
Increase/decrease in other receivables, financial investments and other assets		-3,672	-6,252
Increase/decrease in provisions, pension obligations and deferred taxes	8, 9	5,158	13,073
Increase/decrease in provision for long-term variable remuneration components	13	48,923	2,670
<b>Cash flow from operations</b>		<b>83,400</b>	<b>37,999</b>
Cash outflow/inflow for the investment/disposal in/from intangible assets		-3,366	-4,607
Cash outflow/inflow for investment/disposal in/from property, plant and equipment		-4,415	-690
<b>Cash flow from investments</b>		<b>-7,781</b>	<b>-5,297</b>
Inflow from equity injections by shareholders of the parent company		1,573	1,053
Increase/decrease in non-current liabilities to banks (loans)		-	-3,090
Increase/decrease in leases and non-current liabilities to non-banks	10	-1,095	-2,374
<b>Cash flow from financing activities</b>		<b>478</b>	<b>-4,411</b>
<b>Free cash flow prior to accounting changes to the banking business</b>		<b>76,097</b>	<b>28,291</b>
Increase/decrease in long-term loans to customers	6	351	11,421
Increase/decrease in financial assets measured at FVOCI	6	29,750	-13,694
Increase/decrease in financial assets measured at FVPL	6	-3,094	303
Increase/decrease in cash loans to municipalities	6	18	13,668
Increase/decrease in short-term loans to customers	6	-340,091	-60,070
Increase/decrease in other receivables due from banks	6	-280	6,984
Increase/decrease in liabilities to customers	6	252,436	478,471
Increase/decrease of liabilities to banks	6	84,831	-14,467
Increase/decrease in other financial liabilities	7	4,042	14,074
Other non-cash transactions		641	-1,164
<b>Cash flow from accounting changes to the banking business</b>		<b>28,606</b>	<b>435,526</b>
Non-cash movements in equity		-1,574	-82
<b>Change in cash and cash equivalents</b>		<b>103,130</b>	<b>463,736</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>1,255,124</b>	<b>468,616</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1,358,254</b>	<b>932,352</b>

# Half-Year IFRS Consolidated Statement of Changes in Equity

as of 30 June 2021

In kEUR	Subscribed capital	Additional paid-in capital	Retained earnings	Actuarial gains/losses	Unrealized gains/losses from financial instruments measured at fair value through other comprehensive income	Total	Minority interests	Total equity
<b>As of 12/31/2019 and 01/01/2020</b>	<b>19,596</b>	<b>106,894</b>	<b>53,681</b>	<b>1,554</b>	<b>-35</b>	<b>181,689</b>	<b>512</b>	<b>182,202</b>
Issue of new shares	108	945	-	-	-	1,053	-	1,053
Contributions to / withdrawals from reserves	-	-	796	-	-	796	-	796
Changes in the scope of consolidation not involving a change of control	-	-	-878	-	-	-878	-	-878
Dividend payment	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-1,164	-1,164	-	-1,164
<b>Half-Year consolidated net profit</b>	<b>-</b>	<b>-</b>	<b>22,361</b>	<b>-</b>	<b>-</b>	<b>22,361</b>	<b>13</b>	<b>22,374</b>
<b>As of 06/30/2020</b>	<b>19,703</b>	<b>107,839</b>	<b>75,960</b>	<b>1,554</b>	<b>-1,199</b>	<b>203,857</b>	<b>525</b>	<b>204,383</b>
<b>As of 12/31/2020 and 01/01/2021</b>	<b>27,273</b>	<b>310,916</b>	<b>112,707</b>	<b>-4,318</b>	<b>-1,273</b>	<b>445,305</b>	<b>528</b>	<b>445,834</b>
Issue of new shares	153	1,348	-	-	-	1,501	-	1,501
Contributions to / withdrawals from reserves	-	72	-	-	-	72	-	72
Changes in the scope of consolidation not involving a change of control	-	-	-1,574	-	-	-1,574	-	-1,574
Dividend payment	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	641	641	-	641
<b>Half-Year consolidated net profit</b>	<b>-</b>	<b>-</b>	<b>28,038</b>	<b>-</b>	<b>-</b>	<b>28,038</b>	<b>16</b>	<b>28,054</b>
<b>As of 06/30/2021</b>	<b>27,426</b>	<b>312,336</b>	<b>139,171</b>	<b>-4,318</b>	<b>-632</b>	<b>473,983</b>	<b>544</b>	<b>474,528</b>

# Notes to the Half-Year Consolidated Financial Statement as of 30 June 2021

This interim report does not include all the disclosures in the notes that are usually included in the consolidated financial statements. Therefore, this report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2020 and all public pronouncements made by the Group during the interim period.

## NOTE 1 About the Group

The half-year consolidated financial statements presented here are those of flatEXDEGIRO AG and its subsidiaries.

flatEXDEGIRO AG is headquartered in Frankfurt am Main, Germany, and is registered in the trade register at Frankfurt am Main under the company number HRB 103516. The registered business address is: Rotfeder-Ring 7, 60327 Frankfurt am Main, Germany.

The registered no-par value (registered) shares are traded in the SDAX index (prime standard, ISIN DE000FTG1111/WKN FTG111).

The Group's business activities include the provision of innovative technologies in the financial sector in general and in the online brokerage market in particular, as well as the provision of financial services and IT services.

flatEXDEGIRO AG is the group holding company and the parent company of the flatEXDEGIRO Group.

The consolidated interim financial statements were authorised for publication by the Management Board on 16 August 2021.

## NOTE 2 Basis of Presentation

flatEXDEGIRO AG is currently obliged to prepare consolidated interim financial statements because it is listed on an organised market (prime segment) and is therefore a capital-market-oriented parent company and must apply the rules set out in Section 115 of the German Securities Trading Act (WphG).

These consolidated interim financial statements are in full compliance with the International Financial Reporting Standards required to be applied in the European Union as of 1 January 2021 and the supplementary provisions of German commercial law pursuant to Section 315e of the German Commercial Code (HGB). The condensed half-year consolidated financial statements of flatEXDEGIRO AG are based on the going concern assumption and in particular also take into account the requirements of IAS 34 for interim reporting. With the exception of the changes listed in Note 5, the same accounting policies and calculation methods were applied as in the consolidated financial statements of flatEXDEGIRO AG as of 31 December 2020.

Neither a review nor an audit by the auditor was performed for these half-year consolidated financial statements.

flatEXDEGIRO AG presents information in thousands or millions of currency units. The information is generally expressed in thousands of units. As information presented in thousands and millions of units is commercially rounded up or down, slight differences may arise in calculations using rounded figures.

The presentation currency is the Euro.

**NOTE 3 Scope of Consolidation**

There were no changes in the scope of consolidation in the first half of 2021. Within the scope of consolidation, the companies included in the consolidated financial statements underwent the following changes in the first half of 2021:

DeGiro B.V., Amsterdam, was merged with flatexDEGIRO Bank AG with retroactive effect from 1 January 2021 upon entry in the commercial register on 7 May 2021.

**NOTE 4 Estimates and Assumptions**

The preparation of the half-year consolidated financial statements in compliance with IFRS implies the adoption of assumptions and the use of estimates which have an impact on the amounts and disclosures of the assets and liabilities and/or revenues and expenses. All available information has been taken into account in this regard. The assumptions and estimates relate mostly to the stipulation of useful lives in a consistent manner throughout the Group, the determination of the recoverable amounts for impairment testing of individual CGUs, and the recognition and measurement of provisions. The currently tense interest rate environment in the financial markets provides a particular example for uncertainty in estimates, specifically as it relates to the valuation of pension provision reported. The impact of the current global COVID-19 pandemic are also of extraordinary importance. The resulting estimation uncertainties relate in particular to the measurement of credit exposures and the recognition of risk provisions. Thus, the actual values may differ from the estimates. New information is taken into account as soon as it becomes available. At the time of preparation of the half-year consolidated financial statements, it is not assumed that there have been any significant changes to the assumptions and estimates other than those mentioned above.

With the exception of the changes in accounting policies described in the following note, the preparation of the half-year consolidated financial statements is based on the same assumptions and estimates as the preceding consolidated financial statements.

**NOTE 5 Significant changes in accounting and valuation methods**

The following changes of standards became mandatory for flatexDEGIRO AG during the first half of 2021 and were adopted by flatexDEGIRO AG:

*Adjustments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 with respect to the effects of the IBOR reform (Phase 2)*

Adjustments were made to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 as part of the reform of reference rates. Phase 2 of the IBOR reform addresses issues connected with and arising from the replacement of reference rates. This may impact the financial reporting of financial assets, financial liabilities, leasing liabilities and hedging accounting if agreed reference rates are replaced. flatexDEGIRO AG has not recorded any significant effects of the IBOR reform compared to the previous consolidated financial statements and also continues not to make use of the option of hedge accounting.

**NOTE 6 Financial instruments**

The following table presents the carrying amounts and the fair values (see Note 4 Accounting Policies in the 2020 consolidated financial statements) of each financial assets and liabilities depending on the type of the business model and measurement category:

In kEUR	Carrying amount 06/30/2021	Carrying amount 12/31/2020
<b>Business Model 'hold until maturity'</b>		
Amortised cost		
Non-current loans due to customers	62,545	62,896
Cash loans due to local authorities	351	370
Current loans due to customers	1,183,428	843,337
Other receivables due to banks	32,616	32,336
Cash and cash equivalents	1,358,254	1,255,124
<b>Business Model 'hold to collect and sell'</b>		
Financial assets measured at fair value through other comprehensive income (FVOCI)	79,617	89,802
<b>Business model 'hold to sell'</b>		
Financial assets measured at fair value through profit or loss (FVPL)	189	189
<b>Equity instruments without trading intent</b>		
Equity instruments measured at fair value through other comprehensive income (FVOCI-EK)	-	19,565
Equity instruments measured at fair value through profit or loss (FVPL-EK)	77,753	74,660
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost (including trade payables)	2,606,585	2,270,468

The majority of the receivables have a term of less than one year, so there is no material difference between the carrying amount and the fair value for these receivables. The long-term loans to customers have a maximum term of up to six years and were issued in the second half of 2020. As a result, the carrying amount still represents an appropriate fair value and has not led to any significant events relevant to the measurement since allocation.

### *Significant changes in the area of financial instruments*

With the further expansion of the loan book, loans to customers increased in total to kEUR 1,245,973 (31 December 2020: kEUR 906,234). This increase resulted in particular from the expansion of securities-backed margin loans by kEUR 336,981 to kEUR 940,446 (31 December 2020: kEUR 603,466). In the same period, asset-based financing decreased by kEUR 13,820 to kEUR 73,811 (31 December 2020: kEUR 87,631), resulting from a reduction in real estate financing.

Cash and cash equivalents rose by kEUR 103,130 to kEUR 1,358,254 (31 December 2020: kEUR 1,255,124). As of 30 June 2021, there are still no significant restrictions on the disposal of cash and cash equivalents.

The shares in the NORDIX BASIS UI AK I fund recognised at the previous reporting date as equity instruments measured at fair value through other comprehensive income (FVOCI-EK) were sold in the first half of 2021.

The financial assets measured at fair value through other comprehensive income include bonds of public issuers in the amount of kEUR 66,254 (31 December 2020: kEUR 76,226) and bonds of non-public issuers in the amount of kEUR 13,362 (31 December 2020: kEUR 13,576).

The following table summarises the financial instruments measured at fair value in accordance to their measurement hierarchy levels:

In kEUR	Level 1		Level 2		Level 3	
	06/30/2021	12/31/2020	06/30/2021	12/31/2020	06/30/2021	12/31/2020
<b>Business Model 'hold until maturity'</b>						
Amortised cost						
Non-current loans due to customers	-	-	-	-	62,545	62,896
Cash loans due to local authorities	-	-	-	-	351	370
Current loans due to customers	-	-	-	-	1,183,428	843,337
Other receivables due to banks	-	-	-	-	32,616	32,336
Cash and cash equivalents	1,358,254	1,255,124	-	-	-	-
<b>Business Model 'hold to collect and sell'</b>						
Financial assets measured at fair value through other comprehensive income (FVOCI)	79,617	89,802	-	-	-	-
<b>Business model 'hold to sell'</b>						
Financial assets measured at fair value through profit or loss (FVPL)	189	189	-	-	-	-
<b>Equity instruments without trading intent</b>						
Equity instruments measured at fair value through other comprehensive income (FVOCI-EK)	-	19,565	-	-	-	-
Equity instruments measured at fair value through profit or loss (FVPL-EK)	-	-	-	-	77,753	74,660
<b>Financial liabilities</b>						
Financial liabilities measured at amortised cost (including trade payables)	-	-	-	-	2,606,585	2,270,468

Level 2 financial instruments did not exist as at of the reporting date, since no investments were made either during the previous or current reporting date.

### *Financial instruments that are recognised at fair value*

Regular or recurring fair value measurements are carried out at flatEXDEGIRO AG for selected financial instruments.

The fair values of financial instruments allocated to one of these categories is determined on the basis of quoted prices in active markets that are accessible to the company at the end of the reporting period (level 1 valuation technique for the valuation hierarchy according to IFRS 13). This includes fixed income securities, mutual funds, and shares.

The fair value of financial instruments listed in active markets accessible to the Group is determined on the basis of observable market price quotations, insofar as these represent prices used in regular and current transactions (level 2 of the fair value hierarchy), and is primarily to be recognised as a fair value on the valuation date (market to market).

The fair value disclosed for these instruments is to be categorised as level 3 input within the fair value hierarchy. The input factors for the fair value measurement of loans and receivables as well as financial liabilities are the prices that were agreed between flatEXDEGIRO AG and its contractual partners for individual transactions.

The shares of the SICAV companies measured at fair value through profit and loss are not traded in an active market. There are also no input factors that can be derived from market parameters and are relevant for the measurement. Measurement is based on input factors classified as level 3 under IFRS 13. The shares of SICAVs are determined using the net asset value method. The “net asset value” is used to determine the purchase or redemption values.

The Group did not measure any financial liabilities at fair value as at 30 June 2021.

### *Held collateral*

flatEXDEGIRO AG does not hold any financial or non-financial collateral according to IFRS 7.15.

### *Provided collateral*

The Group has provided collateral with the clearing and depository agents of flatEXDEGIRO Bank AG for the processing of the bank’s financial commission business. This collateral is largely provided in the form of cash and securities. As of 30 June 2021, the carrying amount of the collateral provided is kEUR 102,884 (31 December 2020: kEUR 94,581).

As a result of the sale of a business property in the federal state of North Rhine-Westphalia in the reporting period, the security granted for the financing in the form of a land charge on the business property in the nominal amount of kEUR 1,500 was cancelled in favour of the lender and the loan liability was repaid.

Development of risk provisions

The development of loan loss provisions in the first half of 2021 were as follows:

In kEUR	12-month ECL	Total ECL maturity - unimpaired financial instruments	Total ECL maturity - impaired financial instruments	Total
<b>Risk provision as at 01/01/2021</b>	<b>693</b>	<b>389</b>	<b>14,486</b>	<b>15,568</b>
Changes in the provision for losses of financial assets including newly issued or acquired financial assets	-136	-25	-	-161
Changes due to disposals of financial instruments (including repayments, disposals)	-	-	-688	-688
Changes due to modifications without derecognition of assets	-	-	-	-
Reclassifications due to changes in credit quality				
at 12-month ECL	-	-	-	-
at total maturity ECL - non-impaired loans	-	-	-	-
at total maturity ECL - impaired loans	-41	-	41	-
Changes in impairment for irrevocable loan commitments	-2	-	-	-2
<b>Risk provision as at 06/30/2021</b>	<b>514</b>	<b>364</b>	<b>13,838</b>	<b>14,716</b>

Due to the high collateralisation of the loan portfolio, no additions to loan loss provisions were necessary as at the reporting date in view of the effects of the COVID 19 pandemic. Overall, there was no significant change in loan loss provisions in the first half of 2021. Furthermore, new findings relating to individual exposures were taken into account in the calculation of loan loss provisions and the assignment to the levels.

NOTE 7 Other financial liabilities

Other financial liabilities break down as follows:

In kEUR	06/30/2021	12/31/2020
Tax liabilities	30,272	25,408
Accruals and deferrals	178	119
Other financial liabilities	18,602	19,483
<b>Total</b>	<b>49,052</b>	<b>45,010</b>

Other financial liabilities amount to kEUR 49,052 as of 30 June 2021 (31 December 2020: kEUR 45,010). Tax liabilities mainly include liabilities to the tax authorities arising from transaction taxes for customer transactions in the amount of kEUR 16,047 (31 December 2020: kEUR 18,282), from capital gains tax kEUR 8,966 (31 December 2020: kEUR 4,986), and from income tax kEUR 5,266 (31 December 2020: kEUR 1,586).

The other financial liabilities mainly comprise contractually agreed purchase price components still to be paid to the former shareholders of DeGiro B.V., Amsterdam, in the amount of kEUR 13,000, which become due during the 2021 financial year.

**NOTE 8 Other provisions**

Other provisions amount to kEUR 22,331 as of 30 June 2021 (31 December 2020: kEUR 14,728) and mainly comprise contribution costs, audit and year-end closing costs, outstanding invoices and personnel costs.

The increase of kEUR 7,603 results mainly from provisions for one-off personnel costs in the amount of kEUR 2,069 (31 December 2020: kEUR 0) in connection with the merger of DeGiro B.V., Amsterdam, into flatEXDEGIRO Bank AG in 2021 as well as increased provisions for year-end closing, consulting and audit costs in the amount of kEUR 3,103 (31 December 2020: kEUR 1,589).

**NOTE 9 Tax provisions**

Provisions for taxes mainly comprise corporate income tax and trade tax. As of the reporting date, tax provisions increased by kEUR 12,283 to kEUR 36,652 (31 December 2020: kEUR 24,369). This increase is mainly due to the increase by kEUR 3,268 in the provision for corporate income tax to kEUR 20,825 (31 December 2020: kEUR 17,557) as well as the rise by kEUR 6,087 in the provision for trade tax provisions to kEUR 12,718 (31 December 2020: kEUR 6,631).

*Deferred tax liabilities*

Due to the expenses for the Stock Appreciation Rights Plan, deferred tax liabilities decreased accordingly (see Note 13).

**NOTE 10 Non-current liabilities to non-banks (leases)**

Non-current financial liabilities to non-banks comprise the following:

In kEUR	06/30/2021	12/31/2020
Liabilities from leases	22,294	23,572
Liabilities from hire purchasing	5,267	5,084
<b>Total</b>	<b>27,561</b>	<b>28,656</b>

NOTE 11 Revenues

Revenues for the first half of 2021 and the first half of 2020 are as follows:

In kEUR	1st HY 2021	1st HY 2020
Comission income	191,162	76,915
Interest income	27,759	10,738
Other operating income	7,192	12,125
thereof: provision of IT services	5,862	9,122
<b>Total</b>	<b>226,113</b>	<b>99,778</b>
<b>Timeline of revenue recognition</b>		
at a specific point in time	226,113	99,778
over a period of time	-	-

Overall, revenues increased by kEUR 126,335 to kEUR 226,113 in the reporting period (1st half of 2020: kEUR 99,778). The main reason for this increase was the full inclusion of the income achieved under the DEGIRO brand compared to the same period of the previous year.

Commission income of kEUR 191,162 (1st half of 2020: kEUR 76,915) was generated primarily from the settlement of securities transactions under the flatex, DEGIRO and ViTrade brands as well as B2B services provided by flatexDEGIRO Bank AG. This increase results from the full inclusion of commissions generated under the DEGIRO brand compared to the previous-year period and organic customer and transaction growth.

Within the scope of online brokerage, flatexDEGIRO AG fulfils its performance obligations with the execution of the respective order. The corresponding payments are due at the time of fulfilment of the performance obligation.

Interest income of kEUR 27,759 (H1 2020: kEUR 10,738) increased compared to the same period last year, in particular due to the growth of the predominantly fully collateralised loan book in the area of securities-backed loans of the flatex and DEGIRO brands.

Other operating income includes, in particular, income from the provision of IT services in the amount of kEUR 5,862 (1st half of 2020: kEUR 9,122). The major component here is IT services in connection with the FTX:CBS, flanked by further IT services for customers in the Technologies segment. The decrease in external revenues from IT services is the result in particular of the successful completion of the project for the client Vall Banc in the first half of 2020, as well as strategic focussing on internal Group IT projects, such as the connection of the DEGIRO systems to the FTX:CBS and the further development of the B2C brokerage platform.

Revenues from commission and interest income are attributable to the Financial Services segment. Revenues for the provision of IT services relate exclusively to the Technologies segment.

NOTE 12 Raw materials and consumables

Raw materials and consumables for the first half of 2021 and the first half of 2020 are as follows:

In kEUR	1st HY 2021	1st HY 2020
Comission expense	33,889	13,595
Interest expense	3,999	507
Other operating expense	2,746	5,341
thereof: IT business expenses	717	1,143
<b>Total</b>	<b>40,633</b>	<b>19,442</b>

Commission expenses of kEUR 33,889 (1st half of 2020: kEUR 13,595) were recognized in the reporting period. They mainly consist of external costs incurred in connection with the settlement of securities transactions with counterparties (stock exchange fees, custody fees, etc.). The increase compared to the same period for the previous year, analogous to the commission income, results mainly from the full inclusion of the DEGIRO brand in the first half of 2021 as well as organic customer and transaction growth.

The increase in interest expenses to kEUR 3,999 (1st half of 2020: kEUR 507) is due in particular to the full inclusion of DEGIRO compared to the previous year and the related interest expenses.

The other operating expenses in the amount of kEUR 2,746 (1st half of 2020: kEUR 5,341) consist primarily of expenses for the provision of IT services in the amount of kEUR 717 (1st half of 2020: kEUR 1,143).

Furthermore, the expenses for IT business were integrated into the other operating expenses.

NOTE 13 Personnel expenses

The personnel expenses incurred break down as follows:

In kEUR	1st HY 2021	1st HY 2020
Wages and salaries	35,751	15,374
Social security contributions and discretionary benefits	5,053	2,626
Income/expenses for pension obligations and employee benefits	-338	-378
Personnel expenses for long-term variable remuneration components	48,995	2,705
One-off expenses in connection with the DeGiro B.V. merger	5,492	-
<b>Total</b>	<b>94,953</b>	<b>20,327</b>
Activation of development services	4,757	4,075

Wages and salaries for the first half of 2021 amount to kEUR 35,751 (1st half of 2020: kEUR 15,374). The increase compared to the previous year results in particular from the full inclusion of DEGIRO and the related increase in the number of employees as well as a slight increase in gross personnel costs per capita.

Capitalised development costs for intangible assets in accordance with IAS 38 increased slightly to kEUR 4,757 (1st half of 2020: kEUR 4,075) due to the strategic focus on internal IT projects.

During the first half of 2021, expenditure on the Stock Appreciation Rights plan first introduced in the previous year, and expenditure for the stock options plans (2014 and 2015) amounted to kEUR 48,995 (1st half of 2020: kEUR 2,705). This increase is due mainly to the positive development of the valuation parameters (share price and expected earnings per share) for the Stock Appreciation Rights.

Furthermore, one-off expenses in connection with the DeGiro B.V., Amsterdam merger with flatexDEGIRO Bank AG in the amount of kEUR 5,492 incurred during the first half of 2021.

### *Expenses arising from the 2014 and 2015 stock option plans*

During the first half of 2021, a pro rata expense of kEUR 72 (1st half of 2020: kEUR 35) was recognised in the income statement from stock option programs and added to the capital reserve. In this context, it was assumed that around 82% of the options granted would be exercised by the employees.

In the reporting period, 153,000 stock options were exercised.

### *Development of Stock Appreciation Rights 2020 (SARs Plan 2020)*

In the first half of 2021, a total of 203,428 SARs were granted to members of the Management Board and employees of flatexDEGIRO Group. As of 30 June 2021, the provision for long-term variable remuneration was adjusted to kEUR 64,310 (31 December 2020: kEUR 15,387) due to the positive development of the valuation parameters and corresponding expenditure of kEUR 48,923 (31 December 2020: kEUR 2,670) was recognised.

The intrinsic value of SARs already vested amounts to kEUR 18,378 as of June 30, 2021.

For detailed information on the valuation of stock option plans, please refer to Note 33 in the 2020 consolidated financial statements.

## NOTE 14 Marketing and advertising expenses

Marketing and advertising expenses for the first half of 2021 and the first half of 2020 are as follows:

In kEUR	1st HY 2021	1st HY 2020
Marketing and advertising expenses	17,881	8,445
<b>Total</b>	<b>17,881</b>	<b>8,445</b>

The increase in marketing and advertising expenses by kEUR 9,436 is mainly due to the full inclusion of DEGIRO compared to the previous year as well as the sponsorship partnership entered into with Bundesliga football team Borussia Mönchengladbach. In addition, there were various offers and campaigns aimed at attracting new customers for the flatex and DEGIRO brands.

NOTE 15 Other administrative expenses

Other administrative expenses for the reporting period are as follows:

In kEUR	1st HY 2021	1st HY 2020
Bank-specific contributions	5,289	1,810
IT	4,683	1,290
Legal and consulting fees	3,808	1,466
Other expenses	1,887	876
Insurance, contributions and official fees	1,626	1,103
Rent expenses	1,356	1,311
Postage and office supplies	424	538
Vehicle expenses	211	217
Travel	109	186
Entertainment	63	64
<b>Total</b>	<b>19,456</b>	<b>8,862</b>

The increase in other administrative expenses is due mainly to the full incorporation of the DEGIRO brand compared to the same period of the previous year. Other key drivers are outlined below.

The increase of kEUR 3,479 in bank-specific contributions is due to the higher number of accounts and deposits opened compared to the same period the previous year, as well as a general increase in business volume. In addition, there are fees for newly connected payment transaction service providers.

The kEUR 3,393 increase in IT includes expenses for licenses required to operate the international business.

The increase in legal and consulting fees of kEUR 2,342 includes expenses connected with the merger of DeGiro B.V., Amsterdam, into flatEXDEGIRO Bank AG, which are of one-off nature. In addition, there are higher year-end closing and auditing costs, also due to the acquisition and merger of DeGiro B.V., Amsterdam, and the resulting increase in the scope of the audit.

One main driver for the increase in other expenses by kEUR 1,011 is a new formation of a provision due to a ruling by the Federal Court of Justice concerning possible claims by customers for refunds in connection with the validity of amended General Terms and Conditions. Furthermore, this item also includes, among other things, remuneration to the Supervisory Board in the amount of kEUR 245 (1st half of 2020: kEUR 257) and other taxes in the amount of kEUR 93 (1st half of 2020: kEUR 293).

The rise in expenses for insurance, contributions and official fees by kEUR 523 results in particular to the expansion of the Group and the resulting increase of the scope of insurance as well as higher assessment bases.

The ongoing situation in relation to the COVID-19 pandemic has resulted in a decline in both vehicle and travel expenses.

Compared to the half-year report for the previous year, marketing and advertising expenses were reclassified from other administrative expenses to a separate item "Marketing expenses". The figures for the previous year were adjusted accordingly.

NOTE 16 Depreciation

Depreciation for the first half of 2021 and the first half of 2020 are as follows:

In kEUR	1st HY 2021	1st HY 2020
Exceptional expenditure and amortisations	2,798	403
thereof: for scrapping or disposal of assets	1,183	-
Ordinary amortisation of intangible assets and property, plant and equipment	12,917	6,525
<b>Total</b>	<b>15,714</b>	<b>6,927</b>

The increase in depreciation of kEUR 8,786 compared to the first half of 2020 is mainly due to the full inclusion of DEGIRO and the related increase in regular depreciation of intangible assets and tangible assets, based on the preliminary purchase price allocation from 2020. In addition, extraordinary expenses and depreciation of kEUR 2,798 were necessary during the reporting period, which are of a non-recurring nature. These include, amongs other things, one-time extraordinary depreciation from developments no longer in use and from the sale of an operating property.

NOTE 17 Additional disclosure in accordance with IAS 7

Income tax payments

In kEUR	1st HY 2021	1st HY 2020
Income tax payments	8,538	1,386
<b>Total</b>	<b>8,538</b>	<b>1,386</b>

The operating cash flow includes income tax payments of kEUR 8,538 (1st half of 2020: kEUR 1,386).

NOTE 18 Segment reporting in accordance with IFRS 8

As in the 2020 consolidated financial statements, flatEXDEGIRO AG divides its activities into the two segments FIN and TECH:

Segment report for continuing activities in the first half 2021

In kEUR	FIN	TECH	Consolidation	Total
Revenues	220,803	23,919	-18,609	226,113
Raw materials and consumables	41,928	1,281	-2,576	40,633
Personnel expenses	34,884	9,649	-4,067	40,466
Marketing and advertising expenses	17,722	4,153	-3,994	17,881
Other administrative expenses	23,536	3,893	-7,973	19,456
<b>EBITDA (adjusted)</b>	<b>102,733</b>	<b>4,944</b>	<b>-</b>	<b>107,677</b>
Personnel expenses for long-term variable remuneration components				48,995
One-off personnel expenses in connection with the DeGiro B.V., Amsterdam, merger				5,492
<b>EBITDA</b>				<b>53,190</b>
Depreciation				15,714
<b>EBIT</b>				<b>37,475</b>
Financial result				-2,919
<b>EBT</b>				<b>34,557</b>
Income tax expense				6,502
<b>Half-Year Consolidated net profit</b>				<b>28,054</b>

Segment report for continuing activities in the first half 2020

In kEUR	FIN	TECH	Consolidation	Total
Revenues	90,500	18,137	-8,859	99,778
Raw materials and consumables	23,299	1,707	-5,564	19,442
Personnel expenses	12,843	10,093	-2,609	20,327
Other administrative expenses	14,536	3,457	-686	17,307
<b>EBITDA</b>	<b>39,821</b>	<b>2,880</b>	<b>-</b>	<b>42,701</b>
Depreciation				6,928
<b>EBIT</b>				<b>35,773</b>
Financial result				-1,701
<b>EBT</b>				<b>34,072</b>
Income tax expense				11,698
<b>Half-Year Consolidated net profit</b>				<b>22,374</b>

**NOTE 19 Related party relationships and transactions**

In accordance with IAS 24, the members of the governing boards of the parent company flatexDEGIRO AG and their families, as well as members of the management/Management Boards and Supervisory Boards of other essential subsidiaries, are considered to be related parties.

During the reporting period, Muhamad Said Chahrour and Dr Benon Janos were appointed as members of the Management Board of the principal subsidiary flatexDEGIRO Bank AG, as entered in the commercial register on 17 June 2021.

*Legal transactions and other transactions with related parties*

The companies of the flatexDEGIRO AG Group did not conduct in any legal transactions with related parties during the reporting period.

In addition, some related persons or companies maintain accounts and securities accounts with flatexDEGIRO Bank AG. All transactions (securities transactions and lending/deposits business) are conducted at standard market conditions for customers.

**NOTE 20 Earnings per share**

The earnings per share were EUR 1.03 (undiluted) and EUR 1.02 (diluted) during the first half of 2021. The adjusted earnings per share (undiluted) amounted to EUR 2.40 in the first half year of 2021. For a detailed information on the adjusted half-year group result please refer to chapter 1.1. Earnings Position of the Half-Year Management Report.

During the reporting period, the average number of shares outstanding was 27,348,793 (undiluted) and 27,489,742 (diluted).

**NOTE 21 Dividends**

No dividends were paid to shareholders by flatexDEGIRO AG during the reporting period.

## NOTE 22 Events after the balance sheet date

*Execution of corporate actions*

The Annual General Meeting of flatexDEGIRO AG on 29 June 2021 resolved a capital increase from company funds (§§ 207 et seq. AktG) with the issue of three new shares for each existing share to the shareholders (4-for-1 share split). The capital increase was entered in the Commercial Register on 20 August 2021, and follow-up measures under the securities law in relation to the capital increase were being implemented at the reporting date.

*Letter from the Dutch Authority for the Financial Markets (AFM)*

At the beginning of August 2021, flatexDEGIRO Bank AG, Frankfurt am Main, as legal successor of DeGiro B.V., Amsterdam, was informed that the Autoriteit Financiële Markten (AFM) was considering issuing a fine in connection with late reports and disclosures of transactions to the Financial Intelligence Unit - Nederland (FIU). flatexDEGIRO Bank AG was given the opportunity to comment until mid-September 2021, which was being prepared at the time of reporting.

After initial legal assessment of the facts and the existing indemnification and guarantee clauses in the purchase agreement of DeGiro B.V., Amsterdam, no material effects on the net assets, financial position, and results of operations of the flatexDEGIRO Group are expected at the reporting date.

Frankfurt am Main, 16 August 2021

flatexDEGIRO AG



Frank Niehage

CEO, Chairman of the Management Board



Muhamad Said Chahrour

CFO, Member of the Management Board