Corporate Presentation

Financial Services Technologies

The leading European infrastructure provider and operator

May 2016
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1. About us
2. Organisation & corporate strategy
3. Strategic partnerships
### 1. About us: key facts and operational figures

<table>
<thead>
<tr>
<th>Key Fact</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer cash deposits</td>
<td>approx. EUR 1bn</td>
</tr>
<tr>
<td>Number of own B2C Customers</td>
<td>approx. 200k</td>
</tr>
<tr>
<td>Number of inst. B2B Clients</td>
<td>approx. 250</td>
</tr>
<tr>
<td>Assets under Admin. (biw AG)</td>
<td>approx. EUR 5.5bn</td>
</tr>
<tr>
<td>Trades executed p.a.</td>
<td>approx. 10m (forecast based on H1 2015 figures)</td>
</tr>
<tr>
<td>Tier 1 Capital</td>
<td>approx. EUR 60m</td>
</tr>
<tr>
<td>CRR indicator</td>
<td>&gt; 16</td>
</tr>
<tr>
<td>Headquarters</td>
<td>Frankfurt, Germany</td>
</tr>
<tr>
<td>Other locations</td>
<td>Berlin, Düsseldorf, Kulmbach, Willich, Andernach, Zwickau</td>
</tr>
<tr>
<td>Employees</td>
<td>approx. 500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investors (two of them listed)</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>GfBk Gesellschaft für Börsenkommunikation mbH</td>
<td>(40.10%)</td>
</tr>
<tr>
<td>Heliad Equity Partners</td>
<td>(listed on the Frankfurt Stock Exchange) (17.75%)</td>
</tr>
<tr>
<td>Others (incl. free float)</td>
<td>(42.15%)</td>
</tr>
</tbody>
</table>
1. About us: key facts and operational figures

Shares outstanding: 16.8m

Options outstanding: max. 1.7m

Market Cap: EUR 290m
(29/04/2016 share price EUR 17.16)

ISIN: DE0005249601

Bloomberg: FLA GY Equity

Reasonable daily trading volume
- Approx. EUR 250k/day

Stock covered by
- Latest price target range of 27.00 EUR

Stockprice development

Share Price (EUR)
1. About us: our business model at a glance

**B2B Business**
Technology and white-label banking business for third parties

- Leading provider of software and technology solutions for banks and financial services companies in Europe with more than 250 clients

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**B2C Business**
Business models operated by FinTech Group AG under own brands

- Renowned, third largest online broker in Germany with flat fee trading model
- Approx. 150,000 customers
- Strong brand in Germany
- European expansion in progress
- Continuous product development

- Professional trading for highly active investors

- kesh: mobile payment system
- benk: B2C online bank with a large portfolio of products
1. About us: B2B service portfolio

**XCOM AG**
Leading provider of software and technology solutions for banks and financial services companies in Europe with more than 250 clients

**biw**
German BaFin licensed bank with full range of white label banking services (EU Passport)

**Trading**
- Trading system
- Market maker system
- Trading platforms
- Market and price data supply

**Payment**
- Payment services (physical and electronic)
- Mobile payment "kesh"
- Card processing
- ATM operations (incl. mobile payment)

**E-Banking**
- Payment platform
- SEPA platform incl. mandate management
- Online banking
- Secure transactions

**Banking**
- Business process outsourcing (white-labeling)
- Core banking
- Reporting systems (client, regulatory, etc.)
1. About us: leading flatex brokerage business

- Steady and organic B2C growth
- Increasing share of wallet, e.g. flatex flex credit line and international expansion
- 40+ flatex trades per customer in average per annum

A growing number of flatex customers (in k)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>YTD 04/16</th>
<th>FY 2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>118.2</td>
<td>126.1</td>
<td>134.4</td>
<td>149.6</td>
<td>158.1</td>
<td>172.3</td>
</tr>
</tbody>
</table>

+15%

Number of flatex transactions (in m)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>YTD 04/16</th>
<th>FY 2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.6</td>
<td>5.5</td>
<td>5.8</td>
<td>7.1</td>
<td>2.6</td>
<td>8.1</td>
</tr>
</tbody>
</table>

+14%

Source: FinTech Group
1. About us: strengthening transaction processing business

- **Strategic focus on further expansion of B2B transaction banking business**
- **Diversifying transaction business by strengthening position as Europe’s leading transaction processor**
- **Steady growth in number of transactions and corporate stock actions**

### Growing number of total transactions (in m)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2012</th>
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<th>FY 2014</th>
<th>FY 2015</th>
<th>YTD 04/16</th>
<th>FY 2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,5</td>
<td>6,3</td>
<td>6,8</td>
<td>10,1</td>
<td>3,7</td>
<td>11,8</td>
</tr>
</tbody>
</table>

- **+17%**

### Positioned as corporate stock action processor (in k)

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>YTD 04/16</th>
<th>FY 2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>77,0</td>
<td>82,0</td>
<td>91,0</td>
<td>104,0</td>
<td>34,0</td>
<td>115,0</td>
</tr>
</tbody>
</table>

- **+11%**

*Source: FinTech Group*
1. About us: focus on banking customer base

- Clear strategy to become Europe’s number one in transaction processing
- Steady growth in expansion of client base and custody services
- Cooperation with Equatex - a global plan administrator for numerous blue chips with > EUR 2 bn AuC and more than 180k managed accounts - boosts 2016 figures

**Strong increase in number of managed accounts**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>YTD 04/16</th>
<th>FY 2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts</td>
<td>181,0</td>
<td>198,0</td>
<td>196,0</td>
<td>218,0</td>
<td>283,2</td>
<td>429,8</td>
</tr>
<tr>
<td>+197%</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**Development of assets under administration**

(billion EUR)

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>YTD 04/16</th>
<th>FY 2016e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>2,8</td>
<td>3,5</td>
<td>4,0</td>
<td>5,7</td>
<td>6,8</td>
<td>8,1</td>
</tr>
<tr>
<td>+42%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: FinTech Group
1. About us: leveraging treasury portfolio

- biw AG holds **approx. EUR 1bn in deposits** haven’t been used actively

- parking large deposits with ECB caused EUR 7-digit interest expenses

- reallocation of ECB deposits into profitable and diversified treasury portfolio (soverign and federal state bonds, corporate bond, factoring) @ approx. 1% → turn around of approx. EUR 5-7 mn
1. About us: setting up consumer lending portfolio

- Setting-up a consumer lending credit portfolio, diversified over risk, maturity and amount.
- Aimed portfolio size of EUR 200mn @ average interest rate of 4-5%.
- Successful introduction of first product: fully collateralized “flatex flex credit line” with EUR 25mn credit lines drawn after 20 working days.

**Graph:**
- **01.04.2016:** Roll-out of new consumer credit product „flatex flex“ @ 3.9% p.a.
- **Today:** > 25mn € of total new fully collateralized credit facilities drawn by 4,000 clients.
- Consumer lending EUR 100mn @ 5% = EUR +5mn p.a.
- Flatex flex credit EUR 100mn @ 3.9% = EUR +4mn p.a.
2. Organisation and corporate strategy
2. Organisation and corporate strategy: company history

- **1988**: Incorporation of PRE.IPO AG in Kulmbach
- **1999**: Start of CFD Trading
- **2003**: Incorporation of PRE.IPO AG
- **2005**: Change of name to flatex AG
- **2006**: IPO flatex AG
- **2008**: Aktionärskrankbank GmbH obtains banking license
- **2009**: Acquisition of CorPex (100%)
- **2010**: flatex Holding AG → FinTech Group AG
- **2012**: Full take-over of Bank biw AG (100%)
- **2013**: New Senior Management
- **2014**: Take-over of strategic majority in XCOM AG
- **2015**: Significant acceleration

Additional notes:
- **1999**: Merger of 12 group companies → XCOM AG
- **2008**: Incorporation of Bank biw AG (minority stake in the beginning)
- **2013**: New owner FinTech Group AG
- **2015**: Investment in ViTrade AG
- **2015**: New Senior Management
2. Organisation and corporate strategy: organisational chart

As of April 2016

Via XCOM Finanz GmbH (100%)

100%

100%

67%

2,25%

0,75%

As of April 2016
2. Organisation and corporate strategy: aimed structure

**Peers of FinTech Group**

- Sino.comdirect
- Consors bank!
- mvb
- DiBa
- ING
- Plus500
- Swissquote
- TEMENOS
- KORDOBA
- CANCOM
- cordoba
- FIDUCIA GAD
- Fidor
- D+H
- Lending Club
- Ferratum
- wirecard
- SutorBank
2. Organisation and corporate strategy: roadmap and guidance

- Improved tech expertise by Xcom acquisition
- Strengthened capital base
- Implemented high class management team and subsequent restructuring actions
- Closed CFD deal with Commerzbank (strategic partnership)

- Group wide IFRS Reporting (incl. segment reports)
- Boost of organic growth of existing B2C business
- Sale of loss making AKTIONÄRSBANK, improve annual earnings and pool banking activities in biw AG

- Implement technology based lending and redeveloping treasury with the potential to generate an additional EUR 10+ million (do-it-yourself and / or partner with existing players)
- Enter Prime Standard of Frankfurt Stock Exchange to increase transparency and trading volume
- Further strategic acquisitions & partnerships

FY 2014 -35%
FY 2015 24%
FY 2016E 37%

- Net Sales EUR m
- EBITDA EUR m
- EBITDA Margin
2. Organisation and corporate strategy: full-year results¹ 2015

FinTech Group AG underpins growth strategy with strong indicative FY15 results

- Indicative EBITDA under German IFRS of EUR 19m in FY 2015

- **XCOM AG fully consolidated** for the first time following integration in second quarter

- Number of executed **transactions sets record high**
  (The number of trades executed rose to 10.1 million in FY 2015)

- **biw AG develops** lending business following bolstering of capital

- The innovative credit line “flatex flex”, an alternative to usually expensive overdraft facilities of other German banks, meets high demand

- Strategic partnership between **flatex** and Morgan Stanley allows for significantly higher profit stake in the ETP business

¹ pre-audit results
2. Organisation and corporate strategy: senior management

Frank Niehage
CEO
(since 15.08.2014)

Vast experience across all segments of retail and commercial banking. Previously a Managing Director at Goldman Sachs. He was also instrumental in the growth of Bank Sarasin AG as CEO in Germany.

Martin Korbmacher
Chairman of the Supervisory Board
(since 30.10.2014)

Extensive expertise in both traditional banking and financial services technologies. Previously Global Head of Equities at Dresdner Kleinwort and Investment Banking Head of Germany and Austria for Credit Suisse (2005-2011)
2. Organisation and corporate strategy: executive committee
2. Organisation and corporate strategy: flatex as „Bank 4.0“

Flatex is the current market leader in the areas of usability, transparency and transaction costs. Our goal is to shift flatex’s online brokerage business model to a modern, state of the art and mobile “fully fledged online bank” business model and to roll out new products (ETPs, flatex-flex credit) – “vertical integration” to gain a larger “share of wallet” (a recent survey proved that more than 60% of our customers are willing to increase their business activities with flatex).

Through the acquisition of XCOM AG/biw AG, we are uniquely placed to achieve vertical integration at an extremely low cost as the systems and products are already in place.

We have greatly increased our number of customers in Austria (by more than 8 times since Jul 2015) and will continue to build on this success.

We seek to expand into other European countries in 2016/17 and are currently targeting a number of Central and Eastern European markets – “horizontal integration”.

...
2. Organisation and corporate strategy: fostering own FinTech ideas

We developed our own multichannel mobile payment system which has been rolled out in Germany in 2016.

- **payment in ecommerce**:
  - transfer of address data
  - payment approval in kesh

- **payment at POS**:
  - smartphone / tablet
  - monitor with internet access
  - integration in cash register system

- **social banking**:
  - collect contacts
  - collect favorite dealers

- **value added services**:
  - voucher code
  - browser-access

- **interaction with cash machines**:
  - withdraw money from kesh-account
  - load money into kesh with EC/credit card

- **payments among individuals**:
  - transfer money
  - demand money

- **backend integration**:
  - connection to third systems via API
2. Organisation and corporate strategy: FinTech campuses

Frankfurt and Berlin one-stop-shop FinTech labs - offering Fin, Tech and Cap
2. Organisation and corporate strategy: FinTech campuses - impressions
2. Organisation and corporate strategy: FinTech campuses - impressions
3. Strategic partnership
In February 2016, Flatex entered into a strategic Joint Venture with Morgan Stanley

- Morgan Stanley starts issuing Flatex-labeled structured products and warrants in Germany
- Significantly higher profit stake through MS joint venture than through standard product distribution
- Larger number of structured Flatex-products clients can trade at zero costs
- Joint Venture basis for future internationalization and verticalization strategy

In June 2015, Flatex closed a strategic long-term CFD partnership with Commerzbank

- Key commercial points of the deal are:
  - Cooperation began in Q4 2015 and will run for seven years (until 2022)
  - Commerzbank takes over FinTech Group AG’s entire CFD orderflow execution (as market maker)
  - FinTech Group AG received a double digit million amount upfront and will receive 40% of profits each year

- Key business impacts for FinTech Group AG are:
  - FinTech Group AG significantly reduces its cost base and avoids investments in IT infrastructure
  - Wind-down of CeFDex frees up regulatory capital and reduces overall risk exposure

"U.S. bank announces strategic partnership with online broker Flatex"

"Morgan Stanley Pushes Into German Note Market With Partnership"
Thank you

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