Flatex AG to buy 100% of DeGiro B.V.

Frankfurt am Main / Amsterdam
16.12.2019
flatex and DeGiro - Overview

flatex

- Founded in 2005 in Germany
- Exchange listed in Germany (ISIN DE000FTG1111)
- Since 2006: flatex retail brokerage
- Since 2014: new management team
- 2014: Acquisition of IT provider and bank
- German bank with EU passport
- Proprietary IT bank system, highly vertically integrated

DeGiro

- Founded in 2007 in Netherlands as fund management company
- Private, non-listed Dutch company
- Since 2011: DeGiro brokerage to professional clients
- Since 2013: DeGiro retail brokerage
- Asset-light model, no banking license
- Proprietary IT and trading engine

2019E

flatex

- 306k clients
- 11.5m transactions
- 3 countries
- >500 employees

DeGiro

- 470k clients
- 18.6m transactions
- 18 countries
- >200 employees
flatex and DeGiro - Unique combination

**flatex**
- Strong regulatory experience
- Full German banking license with EU passport
- Strong expertise in IT (proprietary IT banking system)
- Independent of external IT service providers
- Outstanding product portfolio
- Extensive network of exchange and product partners (esp. ETP)
- Experienced management team

**DEGIRO**
- Presence in 18 countries with one central infrastructure & market intelligence
- Rapidly expanding client base in Europe
- Access to nearly 50 foreign exchanges
- Proprietary trading engine
- Efficient execution, clearing and settlement of the trading flow
- Options and Futures product lines
- Streamlined operations (low-cost service center in Sofia)
flatex and DeGiro - Unique combination

Largest pan-European retail broker

- Full value chain in-house
- Cost and innovation leadership
- Highly comprehensive product/exchange portfolio

- Germany: >20% market share
- Austria: >40% market share
- Netherlands: >35% market share

Further countries with a leading and rapidly growing market position

Joint client growth rate of over 200,000 clients in 2019E (both DeGiro and flatex each with strong organic client growth rate of greater 30%)

Full product range with access to ~50 foreign exchanges: stocks, bonds, ETPs, ETFs, funds, options & futures, CFDs, FX

...and presence in further 11 European countries
**flatex and DeGiro - Synergies at a glance**

<table>
<thead>
<tr>
<th>Synergies: €15-20m</th>
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<tbody>
<tr>
<td><strong>One flow</strong></td>
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<tr>
<td>Trading flow</td>
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<tr>
<td>EUR 200b annually</td>
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<td>&gt;EUR 750m daily</td>
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<table>
<thead>
<tr>
<th>Synergies: €3-5m</th>
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<tbody>
<tr>
<td><strong>One bank</strong></td>
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<tr>
<td>One banking license</td>
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<tr>
<td>and one corporate</td>
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<tr>
<td>infrastructure</td>
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<td>Two brands</td>
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<table>
<thead>
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<th>Synergies: €10-15m</th>
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<tr>
<td><strong>One IT</strong></td>
</tr>
<tr>
<td>Central architecture</td>
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<tr>
<td>(based on Java /C++)</td>
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<tr>
<td>Combined data center</td>
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<table>
<thead>
<tr>
<th>Synergies: €3-5m</th>
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</thead>
<tbody>
<tr>
<td><strong>One firm</strong></td>
</tr>
<tr>
<td>Access to 1m</td>
</tr>
<tr>
<td>customers</td>
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<tr>
<td>Combined marketing/</td>
</tr>
<tr>
<td>bargaining power</td>
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**Annual synergies of EUR >30m**
Deal structure and timeframe

Deal Structure

Acquisition price: **EUR 250m** (on a cash and debt free basis)

- thereof **EUR 60m** paid in cash
- thereof **EUR 190m** in flatex shares issued to existing DeGiro shareholders
  - Financing through a capital increase against a contribution in kind (“Sachkapitalerhöhung”) with exclusion of subscription rights to existing flatex shareholders
  - 7.5m new shares issued at reference price of EUR 25.33/share from flatex authorized capital 2017 & 2018

Indicative timeframe

- Acquisition of 9.4% stake in DeGiro B.V. with signing
- Acquisition of remainder 90.6% after regulatory approval at closing
- Expected completion of 100% at the beginning of Q2 of 2020
Shareholder structure

As of November 2019
- 19.6m shares outstanding
- 4.3% flatex management
- 9.9% heliad
- 23.6% GFBK (entity of flatex founder)
- 62.2% free float

Post transaction
- 27.1m shares outstanding
- 27.7% newly issued shares
  - De Giro founders team and employees
  - 15 beneficiaries
- 3.1% flatex management
- 7.2% heliad
- 17.1% GFBK (entity of flatex founder)
- 45.0% free float
### flatex and DeGiro combined - Key metrics

<table>
<thead>
<tr>
<th>Standalone 2019E</th>
<th>combined</th>
<th>2019E illustrative, pro forma</th>
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<tbody>
<tr>
<td><strong>DEGIRO</strong></td>
<td><strong>flatex</strong></td>
<td></td>
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<tr>
<td>EUR 60m</td>
<td>EUR 133m</td>
<td>EUR 193m</td>
</tr>
<tr>
<td>EUR 13.7m</td>
<td>EUR 40.3m</td>
<td>EUR 54m</td>
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<tr>
<td>EUR 10m</td>
<td>EUR 18m</td>
<td>EUR 28m</td>
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<tr>
<td>EUR 26m</td>
<td>EUR 186m</td>
<td>EUR 212m</td>
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<tr>
<td>470k</td>
<td>306k</td>
<td>776k</td>
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<tr>
<td>18.6m</td>
<td>11.5m</td>
<td>30.1m</td>
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Two strong partners combine forces

Mid Term Ambition

Revenue
EUR 300m

EBITDA
EUR 150m

EPS
EUR 3.00
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