Annual General Meeting of flatexDEGIRO AG on 29 June 2021

Re Item 8, resolution subsection 8.6 of the agenda: Report of the Management Board to the Annual General Meeting pursuant to Sections 186 para. 4 Sentence 2, 203 paras. 1 and 2 AktG on the creation of a new Authorized Capital 2021/II, partly with the possibility of excluding subscription rights

The Management Board has submitted a written report on the reasons for the exclusion of the subscription right with regard to item 8, resolution sub-item 8.6 of the agenda in accordance with Sections 186 para. 4 sentence 2 and 203 paras.1 and 2 AktG. This report is available from the time the Annual General Meeting is convened and throughout the entire Annual General Meeting on the Company’s website at https://www.flatexdegiro.com under „Investor Relations“ in the subsection „Annual General Meeting & Prospectus“, there under „Annual General Meeting 2021“. The report is announced as follows:

Under agenda item 8, resolution subsection 8.6, the Management Board and the Supervisory Board propose that new Authorized Capital 2021/II be created.

Article 4 para. 8 of the Company's Articles of Association contains authorized capital (Authorized Capital 2020/II) which authorizes the Management Board, with the approval of the Supervisory Board, to increase the Company's share capital on one or more occasions on or before 19 October 2025 by up to a total of EUR 2,700,000.00 by issuing on one or more occasions a total of up to 2,700,000 new registered no-par value shares against cash and/or non-cash contributions. No use has yet been made of this authorization, so that the authorization to increase the share capital is still valid in full.

The Authorized Capital 2020/II remains unaffected by the capital increase from company funds proposed under agenda item 8, resolution subsection 8.1. Rather, it remains at the existing (absolute) level. In relation to the increased share capital, however, this authorization does thus become less important. For this reason, its volume is to be adjusted to the changed capital ratios in a value-preserving manner in order to enable the Company to continue to obtain appropriate and flexible equity financing in the future. Although it would be legally possible to resolve on a new term of the authorizations until 28 June 2026, this term is intended to extend until 19 October 2025, as currently regulated, due to the adjustment intended solely to maintain proportionality.

Due to the aforementioned circumstances and in order to enable the Company to continue to be able to react as flexibly as possible to opportunities arising on the markets, the Authorized Capital 2020/II described above shall be cancelled and a new Authorized Capital (Authorized Capital 2021/II) shall be created.

By virtue of the resolutions under agenda item 8, resolution subsection 8.6, the existing authorization to increase the share capital, to the extent not yet utilized at the time of cancellation, is cancelled and replaced by a new five-year authorization. The proposed authorization for Authorized Capital 2021/II generally intended to enable the Company to raise equity quickly and flexibly on favorable terms, if required.

If the Authorized Capital 2021/II utilized, shareholders are generally granted subscription rights. However, the subscription right may be excluded by the Management Board with the approval of the Supervisory Board in the following cases:

The subscription right may be excluded for fractional amounts that cannot be distributed equally among all shareholders. Without the exclusion of the subscription right with regard to the fractional amount, the technical implementation of the capital increase and the exercise of the subscription right would be considerably more difficult, in particular in the case of the capital increase by round amounts. The new shares excluded from the shareholders' subscription rights as free fractions will be utilized in the best possible way for the Company. However, the Management Board will attempt to avoid the creation of fractional amounts in the subscription rights.

In addition, in the case of cash capital increases, subscription rights may be excluded for a pro rata amount of the share capital of up to 10%, based both on the share capital existing at the time of the resolution on Authorized Capital 2021/II and on the share capital existing at the time of the issue of the new shares, if the new shares are issued at an amount that is not significantly lower than the stock exchange price of the shares already included in trading, whereby not significantly lower is a price that is up to 5% lower than the average closing price on the last ten trading days. This authorization, which is based on Section 186 para. 3 sentence 4 of the AktG, allows the rapid implementation of a cash capital increase at an issue price that is as close as possible to current market conditions. When exercising the authorization, the Management Board will set the discount on the stock market price as low as possible in accordance with the market conditions prevailing at the time of the placement. By issuing the shares in close alignment with the stock market price, the interests of the shareholders are also safeguarded. This is because the fact that the placement can take place immediately after the issue amount has been fixed without a statutory subscription period means that the price change risk for the period of a subscription period does not have to be taken into account when fixing the issue amount. The limitation to a pro rata amount of the share capital of a maximum of 10% enables the shareholders to maintain their previous shareholding quota, if necessary, through subsequent purchases on the stock exchange.

Furthermore, the subscription right may be excluded by the Management Board in the event of a capital increase against contributions in kind, in particular for the purpose of acquiring companies, parts of companies or equity interests in companies. In the event of the acquisition of companies, parts of companies or participations in companies, these must be within the scope of the Company's business purpose. This authorization is intended in particular to enable the Management Board to have treasury shares of the Company available without having to use the stock exchange in order to be able to acquire companies, parts of companies, equity interests in companies or other assets in return for shares in the Company in suitable individual cases. The acquisition of a company or an interest in a company usually requires a quick decision. The proposed authorization will enable the Management Board to respond quickly and flexibly to advantageous offers as opportunities for acquisitions arise. The same applies with regard to the contribution of receivables or other assets. The exclusion of subscription rights does lead to a reduction in the relative shareholding and the relative share of voting rights of the existing shareholders. If subscription rights were granted, however, it would not be possible to acquire companies, parts of companies, equity interests in companies or other assets in return for the granting of shares, and the associated benefits for the Company and the shareholders would not be achievable. There are currently no concrete acquisition projects for which this option is to be used.

The authorization to exclude subscription rights in favor of the holders or creditors of bonds with option or conversion rights or obligations issued by the Company or its Group companies serves the purpose of not having to reduce the option or conversion price in accordance with the so-called dilution clauses of the option or conversion conditions in the event that this authorization is exercised. Rather, it should also be possible to grant the holders or creditors of the bonds with option or conversion rights or obligations a subscription right to the extent to which they would be entitled after exercising the option or conversion right or after fulfilling the option or conversion obligation. The authorization gives the Management Board the opportunity to choose between the two alternatives when utilizing Authorized Capital 2021/II, carefully weighing the interests involved.

Having considered all of the aforementioned circumstances, the Management Board and the Supervisory Board consider the exclusion of the shareholders' subscription rights in the aforementioned cases to be objectively justified and reasonable for the reasons set forth above, also taking into account the dilutive effect to the detriment of the shareholders.

The Management Board will examine with particular care in each individual case whether the use of the authorization to exclude subscription rights is necessary and beneficial to the Company before obtaining the approval of the Supervisory Board for this purpose.

The Management Board will report to the General Meeting of Shareholders on each utilization of the Authorized Capital 2021/II.