

# Q1 / 2025

## INTERIM MANAGEMENT REPORT



## Executive Summary - flatexDEGIRO starts 2025 with record quarter

Exceptionally volatile stock markets in the first months of 2025 have led to a significant increase in trading activity by retail investors and a significant inflow of additional funds on flatexDEGIRO's trading platforms.

Revenues increased by EUR 23 million or 19 % to EUR 146 million compared to the same quarter of the previous year (Q1 2024: EUR 123 million). This development was driven by a 31 % increase in Commission Income, which is attributable to both an increase in the number of transactions processed and higher average commission income per transaction. Interest Income remained almost constant despite a declining interest rate environment.

Operating expenses rose only moderately year-on-year due to higher personnel expenses, while other administrative expenses were reduced. Constant marketing expenses coupled with a simultaneous acceleration in customer growth led to a 9 % improvement in customer acquisition costs.

Due to the high scalability of flatexDEGIRO's business model, Net Income Increased by EUR 12 million or 40 percent to EUR 42 million in the first quarter of 2025 (Q1 2024: EUR 30 million).

Due to considerable uncertainty regarding further market developments over the course of the year, the company's Management Board is sticking to the forecast for the full year 2025 issued in February 2025 despite the strong start to the year. This forecast envisages a change in Revenues of between -5 % and +5 % compared to the previous year's record figures, as well as a change in Net Income of between -5 % and +10 %.

## Operational development

The increase in customer accounts (gross) in Q1 2025 amounted to around 139,100 and was therefore 14.8 % higher than in the same quarter of the previous year (Q1 2024: around 121,200). The customer base amounted to 3.20 million at the end of the first quarter of 2025, an increase of 4.2 % compared to the end of 2024 (3.07 million). Compared to the end of the first quarter of 2024 (March 2024: 2.81 million), the increase amounted to 14.0 %.

The annualized customer retention rate was 99 % in the first quarter of 2025 (Q1 2024: 98 %).

In the first quarter of 2025, flatexDEGIRO processed 19.5 million transactions, an increase of 20.8 % compared to the first quarter of 2024 (16.1 million).

Net cash inflows on flatexDEGIRO's platforms amounted to EUR 3.03 billion in Q1 2025, an increase of 69 % compared to the same quarter of the previous year (Q1 2024: EUR 1.80 billion). In the first three months of 2025, flatexDEGIRO customers invested a net amount of EUR 2.79 billion in securities. Due to the simultaneous slight increase in the use of margin loans by customers, customers' cash deposits at the end of the first quarter of 2025 were EUR 4.63 billion, 8.5 % or EUR 0.36 billion higher than at the end of 2024 (December 2024: EUR 4.27 billion).

Customer assets under custody increased by 6.0 % to EUR 75.8 billion at the end of the first quarter of 2025 (December 2024: EUR 71.5 billion). In addition to the above cash deposits, this includes securities held in custody in the amount of EUR 71.1 billion (+5.8 % compared to EUR 67.2 billion as at December 2024).

flatexDEGIRO continues to pursue its conservative treasury strategy, investing customers' cash held in custody in very short-term investments. These mainly comprise fully collateralized margin loans of around EUR 1.2 billion made available to flatexDEGIRO brokerage customers and approximately EUR 3.4 billion of customers' cash under custody, the majority of which are held directly with Deutsche Bundesbank with overnight maturity.

Following the cuts in the deposit interest rate by the European Central Bank (ECB), flatexDEGIRO has reduced the interest rates for margin loans at flatex and DEGIRO by around 50 basis points with effect from January 1, 2025. The interest rates for margin loans amounted to 6.9 % at flatex in the first quarter of 2025 (Q1 2024: 7.5 %) and between 5.0 % and 6.5 % at DEGIRO (Q1 2024: between 5.25 % and 6.9 %).

The ECB deposit rate of 2.5 % at the end of March 2025 (March 31, 2024: 4.0 %) has a direct impact on flatexDEGIRO's net interest income due to the short maturity of the remaining cash deposits. However, this negative effect on Interest Income was almost completely offset by an increase in customers' cash under custody of EUR 1.02 billion or 28.4 % over the last twelve months.

## Development in the "flatex" and "DEGIRO" segments

In the "flatex" segment, around 42,000 new customer accounts (gross) were acquired in the first three months of 2025, expanding the customer base to 0.80 million (+5.0 % compared to the end of 2024). At 7.8 million, the number of transactions processed in the "flatex" segment in the first quarter of 2025 was 37.2 % higher than in the previous year (Q1 2024: 5.7 million).

In the "DEGIRO" segment, around 97,100 new customer accounts (gross) were acquired in the first three months of 2025, expanding the customer base to 2.40 million (+ 3.9 % compared to the end of 2024). At 11.7 million, the number of transactions processed in the "DEGIRO" segment in the first quarter of 2025 was 11.9 % higher than in the previous year (Q1 2024: 10.4 million).

## Financial position and results of operations

**Revenues** in the first quarter of 2025 amounted to EUR 146.3 million, an increase of 19.0 % compared to the same quarter of the previous year (Q1 2024: EUR 123.0 million).

**Commission Income** increased by 30.5 % to EUR 97.7 million in the first three months of 2025 (Q1 2024: EUR 74.8 million) due to continued customer growth, increased average trading activity per customer and improved monetization. The average commission per transaction amounted to EUR 5.02 in the first quarter of 2025. This corresponds to an increase of 8.0 % compared to EUR 4.64 in the first quarter of 2024. Revenue from crypto trading at flatex in Germany, which was introduced in December 2024, did not yet have a significant impact on the development of commission income in the Group in the first quarter.

**Interest Income** in the first quarter of 2025 amounted to EUR 43.5 million, a decrease of 0.9 % compared to the first quarter of 2024 (EUR 43.8 million). The decline compared to the first quarter of 2024 is due to lower interest rates on deposits with the ECB and lower interest rates for securities loans at flatex and DEGIRO, which were almost completely offset by an increase in the utilization of securities loans and higher cash deposits from customers.

**Other Operating Income** amounted to EUR 5.1 million in the first quarter of 2025, up 20.3 % on the previous year (Q1 2024: EUR 4.3 million).

The **Raw materials and consumables** amounted to EUR 21.4 million or 14.6 % of revenue in the first three months of 2025 (Q1 2024: EUR 18.9 million or 15.3 %).

**Operating expenses** rose by 10.3 % to EUR 55.7 million in the first quarter of 2025 (Q1 2024: EUR 50.5 million).

The **personnel expenses** included in this figure amounted to EUR 32.0 million in the first quarter of 2025 (Q1 2024: EUR 26.2 million) and included expenses for the recognition of provisions in connection with variable, long-term remuneration of EUR 5.1 million (Q1 2024: EUR 1.4 million), driven among other things by the significant increase in the value of the flatexDEGIRO share. Current personnel expenses (Q1 2025: EUR 26.9 million) increased by 8.3 % (Q1 2024: EUR 24.9 million). This reflects salary increases and higher social security contributions.

**Marketing expenses** rose only slightly to EUR 12.0 million in the first quarter of 2025 (Q1 2024: EUR 11.5 million), despite accelerated new customer growth compared to the same period of the previous year. At around EUR 86, customer acquisition costs were 9.4 % lower than in the same quarter of the previous year (Q1 2024: around EUR 95).

**Other administrative expenses** fell by 8.5 % to EUR 11.7 million (Q1 2024: EUR 12.8 million). Among other things, this was due to general cost discipline and, in particular, lower legal and consulting costs

**Earnings before interest, taxes, depreciation and amortization (EBITDA)** amounted to EUR 69.2 million in the first quarter of 2025, an increase of 29.1 % compared to the EUR 53.6 million achieved in the first quarter of 2024. The EBITDA margin thus increased by 3.7 percentage points, reaching 47.3 % in the first quarter of 2025 (Q1 2024: 43.6 %).

**Net income** in the first quarter of 2025 rose by 40.1 % to EUR 42.0 million (Q1 2024: EUR 30.0 million). The net income margin amounted to 28.7 % in the first quarter of 2025 (Q1 2024: 24.4 %).

## Forecast

The better-than-expected development of the Commission Income in the first quarter of 2025 is largely due to the increase in market volatility following the US election. According to management expectations, the cash deposits held by customers on the platform were also positively influenced by this. From today's perspective, it is not possible to predict whether and for how long these positive influencing factors will continue or whether they could even turn negative in the coming months. Due to this uncertainty, the Management Board continues to assume that Revenues in 2025 as a whole will be within a corridor of minus 5 % to plus 5 % compared to the previous year. For the development of the Group result, the Management Board continues to expect a range between minus 5 % and plus 10 % compared to the previous year.

		Q1 2025	Q1 2024	Change in %
<b>Key financial figures</b>				
<b>Revenues</b>	<b>m EUR</b>	<b>146.3</b>	<b>123.0</b>	<b>+19.0</b>
Commission Income	m EUR	97.7	74.8	+30.5
<i>Commissions per transaction</i>	<i>EUR</i>	<i>5.02</i>	<i>4.64</i>	<i>+8.0</i>
Interest Income	m EUR	43.5	43.8	-0.9
Other Operating Income	m EUR	5.1	4.3	+20.3
<b>Raw materials and consumables</b>	<b>m EUR</b>	<b>21.4</b>	<b>18.9</b>	<b>+13.3</b>
Gross margin	%	85.4	84.7	+4.8
<b>Operating expenses</b>	<b>m EUR</b>	<b>55.7</b>	<b>50.5</b>	<b>+10.3</b>
Current personnel expenses	m EUR	26.9	24.9	+8.3
Personnel expenses for long-term variable remuneration	m EUR	5.1	1.4	+275.3
Marketing expenses	m EUR	12.0	11.5	+4.0
<i>Average customer acquisition costs</i>	<i>EUR</i>	<i>85.95</i>	<i>94.89</i>	<i>-9.4</i>
Other administrative expenses	m EUR	11.7	12.8	-8.5
<b>EBITDA</b>	<b>m EUR</b>	<b>69.2</b>	<b>53.6</b>	<b>+29.1</b>
EBITDA margin	%	47.3	43.6	+8.6
<b>Net Income</b>	<b>m EUR</b>	<b>42.0</b>	<b>30.0</b>	<b>+40.1</b>
Net Income margin	%	28.7	24.4	+17.8

## Commercial KPIs

Customer accounts at the end of the reporting period	m
New customer accounts (gross)	k
Transactions settled	k
Customer Assets under Custody	bn EUR
- of which: Securities	bn EUR
- of which: Deposits	bn EUR

Q1 2025	Q1 2024	Change in %
3.20	2.81	+14.0
139.1	121.2	+14.8
19.5	16.1	+20.8
Mar 2025	Mar 2024	Change in %
75.8	58.0	+30.5
71.1	54.4	+30.7
4.6	3.6	+28.4

## Segments - Customer accounts

flatexDEGIRO	m
- of which: flatex	m
- of which: DEGIRO	m

Q1 2025	Q1 2024	Change in %
3.20	2.81	+14.0
0.80	0.69	+15.5
2.40	2.11	+13.5

## Segments – Transactions settled

flatexDEGIRO	m
- of which: flatex	m
- of which: DEGIRO	m

Q1 2025	Q1 2024	Change in %
19.5	16.1	+20.8
7.8	5.7	+37.2
11.7	10.4	+11.9



## Disclaimer

### Preliminary, unaudited information

This release contains preliminary, unaudited information that is subject to change and does not purport to be complete.

### Non-IFRS key figures (APMs)

This presentation contains non-IFRS measures. These measures are alternative performance measures as defined by the European Securities and Markets Authority ("ESMA"). flatexDEGIRO presents these non-IFRS measures because (i) they are used by management to measure performance, including in presentations to the Management Board and members of the Supervisory Board and as a basis for strategic planning and forecasting; and (ii) they represent measures that flatexDEGIRO believes are widely used by certain investors, securities analysts and other parties as supplemental measures of operating and financial performance. These non-IFRS measures may not be comparable to similarly titled measures of other companies and have limitations as analytical tools and should not be considered a substitute for analysis of flatexDEGIRO's results of operations as reported under IFRS. Non-IFRS measures are not a measure of flatexDEGIRO's performance or liquidity under IFRS and should not be considered as an alternative to net income or other performance measures derived in accordance with IFRS or other generally accepted accounting principles or as an alternative to cash flows from operating, investing or financing activities.

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