Half-Year Report

H1 | 2024

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Group Key Performance Indicators

		1st HY 2024	1st HY 2023	Change in %
Brokerage key figures				
Transactions executed	number	31,366,844	29,543,631	+6.2
Customer accounts as of 30/06	number	2,879,375	2,560,406	+12.5
Customer accounts as a half-year average	number	2,789,566	2,479,404	+12.5
Transactions per customer account/year	number	23	24	-5.6
Customers assets under custody	mEUR	61,115	47,767	+27.9
thereof: Custody volume	mEUR	57,560	44,224	+30.2
thereof: Deposit volume	mEUR	3,555	3,544	+0.3
Half-year average number of employees	number	1,273	1,321	-3.6
Financials				
Revenues	kEUR	241,685	189,106	+27.8
EBITDA	kEUR	106,457	48,464	+119.7
EBITDA margin	in %	44.0	25.6	+71.7
EBT	kEUR	84,958	31,128	+172.9
EBT margin	in %	35.2	16.5	+113.5
Consolidated net profit	kEUR	60,828	20,056	+203.3
Profit margin	in %	25.2	10.6	+137.3
Cost-income ratio	in %	48.4	69.6	-30.5
Balance sheet and cash flow statement				
Equity (in comparison: 31/12/2023)	kEUR	728,707	673,624	+8.2
Total assets (in comparison: 31/12/2023)	kEUR	4,677,056	4,540,026	+3.0
Equity ratio (in comparison: 31/12/2023)	in %	15.6	14.8	+5.0
Cash flow from operating activities	kEUR	71,229	4,797	+1,384.9
Segments				
	Revenues kEUR	146,693	118,423	+23.9
flatex	EBITDA kEUR	53,382	29,285	+82.3
	Revenues kEUR	135,458	104,452	+29.7
DEGIRO	EBITDA kEUR	53,076	19,180	+176.7
	Revenues kEUR	-40,466	-33,769	-19.8
Consolidation	EBITDA kEUR	-	-	-

B | Interim Group Management Report

Basis of presentation

The Interim Group Management Report of flatexDEGIRO AG (hereinafter referred at „flatexDEGIRO“, „Group“ or „Group of companies“) has been prepared in accordance with Section 315 and 315a German Commercial Code (HGB) and the German Accounting Standards (DRS 16 Interim Financial Reporting). All report content and details are based on the reporting date as of 30 June 2024 or the half-year reporting period from 1 January 2024 to 30 June 2024.

In accordance with Section 115 (5) of the German Securities Trading Act (WpHG), the company has exercised the option to waive the voluntary audit review and the audit of the Interim Consolidated Financial Statements and the Interim Group Management Report in accordance with Section 317 of the German Commercial Code (HGB).

The personal pronouns “we“ or “us“ used in this Interim Group Management Report refer to the flatexDEGIRO AG including its subsidiaries.

Forward-looking statements

This Interim 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. 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 achieved by flatexDEGIRO AG may differ substantially from these forward-looking statements. flatexDEGIRO AG assumes no obligation to update these forward-looking statements or to correct them in the event of developments which differ from those anticipated.

1 Economic Report

1.1 Macro-economic parameters

The sentiment on the capital markets was generally positive during the first half of 2024. Many the most important equity indices reached new all-time highs. This development was especially driven by US technology companies, which were particularly boosted by topics such as the use of Artificial Intelligence and the computer power required for this. Interest rate decisions by global central banks, or the partial absence of expected interest rate moves, did not have a significant impact on the stock market sentiment in the first half of 2024. Political elections in Europe caused additional, temporary volatility on the stock markets, especially towards the end of the first half of the year.

1.2 Financial performance

The main sources of revenue for flatexDEGIRO AG are commission income as well as interest income and, to a lesser extent, other operating income from the IT service business.

Revenues in the first half of 2024 amounted to kEUR 241,685 (1st half of 2023: kEUR 189,106). After deducting raw materials and consumables of kEUR 35,528 (1st half of 2023: kEUR 29,888), net revenues amounted to kEUR 206,157 (1st half of 2023: kEUR 159,218). The cost of materials ratio fell to 14.7 % (1st half of 2023: 15.8 %) due to a positive mix effect in revenue.

In the first half of 2024, the commission income increased by kEUR 20,210 or 16.7 % to kEUR 140,892 (1st half of 2023: kEUR 120,682). After deducting commission expenses of kEUR 25,881 (1st half of 2023: kEUR 23,170) which are recognized in raw materials and consumables, the net commission income amounted to kEUR 115,011 (1st half of 2023: kEUR 97,512). Lower average customer trading activity was more than fully compensated by customer growth and higher average commission income per transaction.

Interest income amounted to kEUR 91,597 (1st half of 2023: kEUR 59,020), an increase of 55.2 %. Interest expenses in the reporting period amounted to kEUR 4,478 (1st half of 2023: kEUR 3,346), meaning that the net interest result has risen accordingly to kEUR 87,119 (1st half of 2023: kEUR 55,674). The growth resulted in particular from the year-on-year increase in the general interest rate level, the simultaneous increase in customer deposits and an increase in the use of margin loans by online brokerage customers and the adjustments to margin loan interest rates in line with the general interest rate level.

Other operating income mainly includes income from IT services and amounted to kEUR 9,196 in the first half of 2024 (1st half of 2023: kEUR 9,404) and was therefore on a par with the previous year.

Operating expenses fell by 10.0 % from kEUR 110,754 in the first half of 2023 to kEUR 99,700 in the first half of 2024.

These include personnel expenses in the amount of kEUR 52,709 (1st half of 2023: kEUR 58,085), which fell by 9.3 % overall. In the first half of 2024, the current personnel expenses amounted to kEUR 49,931, an increase of 17.0 % compared to the first half of 2023 (kEUR 42,686). Salary increases and an increase in average personnel costs due to the focus on hiring additional employees in the first half of 2023 as part of the resolution of the regulatory findings, which led to an increase in personnel expenses. Additions to provisions for long-term variable remuneration amounted to kEUR 2,778, representing a reduction of 82.0 % compared to the previous year (1st half of 2023: kEUR 15,399).

Capitalised development costs for intangible assets in accordance with IAS 38 amounted to kEUR 12,373, staying at previous year's level (1st half of 2023: kEUR 12,454).

In the first half of 2024, marketing expenses were reduced by 29.4 % to kEUR 18,020 (1st half of 2023: kEUR 25,519). The reduction had no negative impact on the customer growth, which increased further compared to previous year. As a result, the average customer acquisition costs decreased by 36.2 % from EUR 137 in the first half of 2023 to EUR 88 in the first half of 2024.

Other administrative expenses amounted to kEUR 28,971 in the first half of 2024 (1st half of 2023: kEUR 27,150). The increase is mainly driven by significantly higher legal and consulting costs, which among other things relate to projects in connection with regulatory requirements, additional costs for this year's Annual General Meeting, and costs for the search for a suitable candidate for the CEO position. These increases were partially offset by the absence of negative one-off effects incurred in the previous year, such as the payment of a fine by the Italian competition authority in the second quarter of 2023 following a complaint by a single local competitor. flatexDEGIRO is taking legal action against this fine.

Earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to kEUR 106,457 in the first half of 2024, which corresponds to an increase of 119.7 % compared to kEUR 48,464 in the first half of 2023. The EBITDA margin amounted to 44.0 % in the first six months of 2024 (1st half of 2023: 25.6 %).

Consolidated net profit for the first half of 2024 amounted to kEUR 60,828, tripling compared to the first half of 2023 kEUR 20,056 (+203.3 %). The Group profit margin rose from 10.6 % in the first half of 2023 to 25.2 % in the first half of 2024.

The financial performance indicators, in which the adjusted key performance indicators are presented for the last time in accordance with DRS 20.66 in conjunction with DRS 16.34 et seq. for the purpose of comparability are summarized as follows:

Financial performance indicators

In kEUR

	1st HY 2024	1st HY 2023
Revenues	241,685	189,106
EBITDA	106,457	48,464
+ Adjustment in personnel expenses related to long-term variable remuneration	2,778	15,399
= Adjusted EBITDA	**109,235**	**63,864**
Adjusted EBITDA margin (in %)	**45.2**	**33.8**
EBT	84,958	31,128
+ Adjustment in personnel expenses related to long-term variable remuneration	2,778	15,399
= Adjusted EBT	**87,736**	**46,527**
Adjusted EBT margin (in %)	**36.3**	**24.6**
- Income tax expenses on adjusted EBT	26,531	15,670
= Adjusted half-year consolidated net profit	**61,204**	**30,857**
Adjusted half-year consolidated net profit margin (in %)	**25.3**	**16.3**
Number of issued shares outstanding	110,032,548	109,952,548
Earnings per share (diluted) in EUR	**0.55**	**0.18**
= Adjusted earnings per share (diluted) in EUR	**0.56**	**0.28**

1.3 Liquidity

In the first half of 2024, operating cash flow amounted to kEUR 71,229 (1st half of 2023: kEUR 4,797). flatexDEGIRO AG was able to meet its financial obligations at any time in the past half year; there were no liquidity shortfalls in the first half of 2024. In addition, we foresee no liquidity shortfalls going forward.

As a result, flatexDEGIRO AG was able to generate a significant increase in cash inflows from operating activities in the current environment.

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

Liquidity

In kEUR

	1st HY 2024	1st HY 2023
Cash flow from operating activities	71,229	4,797
Cash flow from investing activities	-24,039	-22,584
Cash flow from financing activities	-2,647	192
Free cash flow prior to accounting changes to the banking business	**44,544**	**-17,595**
Cash flow from accounting changes to the banking business	-98,461	286,352
Non-cash movement in equity	-1,481	-1,057
Change in cash and cash equivalents	-55,399	267,700
Cash and cash equivalents at the beginning of the period	2,710,701	2,227,012
Cash and cash equivalents at the end of the period	**2,655,301**	**2,494,712**

1.4 Net assets

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

Condensed consolidated balance sheet

In kEUR

	30/06/2024	31/12/2023
Assets	**4,677,056**	**4,540,026**
Non-current assets	697,495	568,939
Current assets	3,979,561	3,971,088
Liabilities and shareholders' equity	**4,677,056**	**4,540,026**
Equity	728,707	673,624
Non-current liabilities	103,246	113,024
Current liabilities	3,845,103	3,753,379

The increase in total assets of kEUR 137,030 was mainly due to higher customer deposits in connection with strong customer growth and a higher deposit rate on average. The increase in non-current assets is mainly due to the investment in bonds with a maturity of more than twelve months.

1.5 Financial position

Capital

The equity components and their developments are shown below:

In kEUR

	30/06/2024	31/12/2023	Change in kEUR	Change in %
Subscribed capital	110,033	109,993	40	0.0
Additional paid-in-capital	231,070	230,972	98	0.0
Retained earnings	387,604	332,659	54,945	16.5
thereof: Legal reserve and other reserves	332,640	261,659	70,981	27.1
thereof: Consolidated net profit	60,828	71,859	-11,031	-15.4
thereof: Other comprehensive income	-1,462	-859	-603	70.2
thereof: Dividend distributions	-4,401	-	-4,401	-
Total	**728,706**	**673,624**	**55,082**	**8.2**

The capital structure of the Group is as follows:

Capital structure

In %

	30/06/2024	31/12/2023	Change in %
Equity ratio	15.6	14.8	0.8
Debt ratio	84.4	85.2	-0.8

Liabilities

flatexDEGIRO AG's total liabilities amounted to kEUR 3,948,349 as of 30 June 2024 (31 December 2023: kEUR 3,866,403). With a total of kEUR 3,845,103, the vast majority of these liabilities are short-term (31 December 2023: kEUR 3,753,379) and consisted mainly of customer deposits with flatexDEGIRO Bank AG in the amount of kEUR 3,599,185 (31 December 2023: kEUR 3,605,869).

The liabilities are structured as follows:

In kEUR

	30/06/2024	31/12/2023
Total liabilities	**3,948,349**	**3,866,403**
Current liabilities	**3,845,103**	**3,753,379**
thereof: Liabilities to customers	3,599,185	3,605,869
Non-current liabilities	**103,246**	**113,024**
Deferred Tax liabilities	51,897	50,275
Non-current liabilities to non-banks	36,048	45,508
thereof: Liabilities from leases	28,789	36,760
Pension obligations	7,720	7,847
Provisions for long-term variable remuneration components	7,581	9,394
Contingent liabilities	**150**	**153**

The change in non-current liabilities to non-banks is mainly due to a reclassification of kEUR 12,725 to current liabilities to non-banks. This relates to leases and hire purchasing.

Contingent liabilities amounted to kEUR 150 (31 December 2023: kEUR 153) and include irrevocable, unused credit commitments, which consist primarily of granted but not yet utilised credit lines in the area of receivables-based financing operations. The refinancing of a potential utilisation of loan commitments is ensured at all times by the Group's liquidity.

1.6 General statement on the Group's business performance and position

In the first half of the 2024 business year, flatexDEGIRO AG continued its growth course and won approx. 205,900 new customer accounts, an increase of 15.0 % compared to the first half of 2023 (approx. 186,000). The customer base amounted to 2.88 million at the end of the first half of 2024, an increase of 6.7 % compared to the end of 2023 (2.70 million). In the last twelve months, flatexDEGIRO customer base grew by 12.5 % (customer base in the first half of 2023: 2.56 million).

The annualized average trading activity per customer stabilised further and amounted to 22.5 in the first half of 2024, which was still slightly below the previous year (1st half of 2023: 23.8), but already showed positive trends in the second quarter of 2024. flatexDEGIRO recorded an overall increase in the number of transactions processed due to customer growth. Attributable to additional increases in average commission income per transaction, commission income increased significantly overall.

Net interest income also increased significantly. This was due to an increase in the volume of margin loans and an increase in average customer deposits, with a simultaneous rise in the interest income generated on these. As a result, flatexDEGIRO succeeded in achieving its previous all-time high in terms of revenues in the first half of 2024. As a result, flatexDEGIRO succeeded in achieving record revenues in the first half of 2024. With a stable development of operating expenses, the high scalability of the business model enables a tripling of the consolidated net profit.

1.7 Other significant events

Effective 30 April 2024, Frank Niehage, CEO of flatexDEGIRO, has resigned from his role as CEO of flatexDEGIRO AG. Dr. Benon Janos, CFO, and Stephan Simmang, CTO, were nominated Co-CEOs on an interim basis, in addition to their existing responsibilities.

On 4 June 2024, the Annual General meeting of flatexDEGIRO AG approved the distribution of the proposed dividend of EUR 0.04 per share and granted the authorization for a share buyback up to 10 % of the registered share capital.

Herbert Seuling resigned from the Supervisory Board of flatexDEGIRO AG effective from the end of the Annual General Meeting on 4 June 2024. The Annual General Meeting elected Bernd Förtsch to the Supervisory Board in his place.

1.8 Reports on events after the closing date

For information on significant events that occurred after the end of the reporting period, please refer to our comments in Note 25 of the Interim Consolidated Financial Statements.

2 Forecast and Opportunities Report

The period for business development forecasts refers to the entire financial year 2024.

Based on current developments, the Management Board is confident to achieve the most successful financial year in the Company's history. Revenues and the consolidated net profit for the financial year 2024 are expected to arrive at the upper end of the forecast corridor, that was communicated at the beginning of the year (revenue growth of 5 % to 15 % and an increase in the consolidated net profit of 25 % to 50 %).

The Management Board remains convinced that flatexDEGIRO Group's strategy of focusing on the online brokerage business and the directly related margin loan business is proving to be successful. It is the expressed goal of the Management Board to continue to adhere to the existing strategy and to implement it in a focused manner.

Forecasting performance indicators on an annual basis is generally subject to a degree of uncertainty.

Plan assumptions and forecasts for key performance indicators

After several years of strong expansion in its customer base, flatexDEGIRO anticipates further customer growth in 2024 and expects annual gross customer growth to be comparable to the previous year (2023: around 340,000 customer accounts). Customer trading activity is difficult to forecast. In a base case scenario for 2024, the Management Board assumes that trading activity by retail investors will remain at the level of 2023 as a whole (2023: average of 22 transactions per customer account). Average commission income per transaction is expected to be above the previous' year level.

flatexDEGIRO generates interest income from investing customer cash under custody. This takes place partly in the form of margin loans, which are in turn made available to its customers, as well as deposits, for example with the Deutsche Bundesbank, or the purchase of sovereign bonds with good credit ratings. In its forecast for 2024, the Management Board assumes a total volume of cash under custody of around EUR 3.5 billion on average over the year. Around EUR 1 billion is expected to be used for the fully collateralised margin loan business. The interest income generated on the remaining cash under custody depends largely on the ECB depositary rate. With regard to their change, flatexDEGIRO is guided by current market forecasts, which, following an initial reduction of interest rates in June 2024, currently assumes further interest rate cuts in late 2024.

The years 2022 and 2023 showed that rising interest rates are accompanied by rather subdued trading activity by retail investors. This suggests that a possible reduction in interest rates could inversely result in an uptick in trading activity. However, in the opinion of the management it is not currently possible to make a serious forecast of whether any such uptick will actually occur, and if so, to predict its extent and timing, and therefore, this is not included in the general forecast for 2024.

3 Risk Report

Risk management system

flatexDEGIRO AG conducts its online brokerage and banking business in a regulated market. As such, in addition to the internally driven changes in the business environment of the Group, adapting to changes in legal and regulatory frameworks is therefore also essential to the Company's success. Current developments are constantly being monitored and carefully analysed. The Management Board incorporates the emerging opportunities and potential threats into its business and risk strategy and adjusts it accordingly as necessary. Monitoring and managing the risks of the Group (the scope of the risk consolidation corresponds to the scope of consolidation companies under German Commercial Law) is a central component of the Company's management tools at flatexDEGIRO AG.

In principle flatexDEGIRO AG promotes a risk culture that ensures compliance with high ethical standards and a pronounced awareness of risks in all relevant business processes, both among management and other employees of the flatexDEGIRO Group. Beyond this, the limitation of risks is one of the key performance targets for all flatexDEGIRO Group managers within their respective areas of responsibility. In this context, each manager should develop effective, task-specific control processes and ensure their ongoing application.

In accordance with Section 2f (1) of the German Banking Act (KWG), flatexDEGIRO AG has been the superordinate institution of the Group. It is responsible for the Group-wide tasks of risk controlling in accordance with the "Minimum Requirements for Risk Management" (MaRisk) AT 4.4.1. It thereby contributes significantly to the cross-departmental and Group-wide tasks anchored in risk management and risk controlling processes i.e., identification, assessment, management, monitoring and communication of risks. A group-wide risk strategy is intended to ensure uniform risk management procedures and methods for all group companies. In this sense, the look-through procedure is applied in the risk-bearing capacity calculation in order to look through to the level of the individual companies.

The head of the Risk Controlling department is involved in all important risk policy decisions of the Management Board. In the event of a change in the leadership of the Risk Management/Controlling department, the Supervisory Board of flatexDEGIRO AG will be informed immediately.

Risk identification und risk assessment

flatexDEGIRO AG conducts a risk inventory on a regular basis and may also update it on the basis of current events. Based on the last risk inventory carried out in the fourth quarter, the following key types of risks were identified: credit risk, market price risk [including interest rate, credit spread, real estate price and FX risks], operational risk, liquidity risk and other risks.

In the risk inventory process of flatexDEGIRO AG, the risk assessments of all corporate divisions assessed as significant are carried out in a consistent manner. This involves estimates of capital, financial position and liquidity and adopting both perspectives, the normative and the economic perspective, in accordance with the guidelines for risk-bearing capacity. A materiality assessment for relevant risk types is conducted on this basis, and concentrations of risk and financial performance are included at a later stage. A materiality assessment of ESG risks has also been carried out since 2023. This entails analysing ESG risk drivers in detail along with their impact on the classic risk types. The outcome was that ESG risks exist almost exclusively in the area of non-financial risk.

To summarise, the risk inventory therefore tracks all the risk types relevant for the ICAAP and ILAAP, which are measured and managed in the downstream, overarching risk management process.

The Management and the Supervisory Board of flatexDEGIRO AG are regularly informed about the development of the main risk types as part of the ongoing risk reporting.

Risk management

As of 31 December 2023, the risk management at flatexDEGIRO follows the dual management approach comprising a normative and an economic perspective, in accordance with the BaFin guidelines for risk-bearing capacity. The normative perspective is based on the capital ratios of Pillar I and takes into account a period of at least three years on the basis of strategic business planning.

The objective of the normative risk-bearing capacity is to ensure compliance with the regulatory minimum capital requirements and regulatory structural capital / liquidity requirements of flatexDEGIRO AG to ensure the continuation of the Company ("going concern" concept), both in the consideration of a base case scenario and in deviating adverse scenarios.

The objective of the economic perspective is to ensure the economic risk-bearing capacity. flatexDEGIRO applies the economic perspective to both risk quantification and the risk-bearing capacity and also includes elements that are not or not adequately reflected in the accounting or regulatory capital requirements (Pillar I).

In accordance with AT 4.1 no 2 MaRisk, both perspectives have the objective of taking appropriate account of the procedures used to ensure risk-bearing capacity both for the continuation of flatexDEGIRO as well as to protect creditors from economic losses.

To reflect these objective, flatexDEGIRO AG carries out scenario-based risk capacity calculations (including stress tests) on a regular basis, which take into account possible concentration risks and potential extreme developments in the Group's (market) environment, and ensure its capital adequacy even under unfavourable conditions.

The findings from these risk capacity analyses are used by the Company to install risk control and risk management requirements for the Group's operating businesses by way of an adequate risk limitation system. Adjustments to the risk limitation system are made in close coordination between the Group's management and the Risk Controlling department.

Ongoing monitoring measures and a comprehensively implemented risk communication system (risk reporting) should ensure that the risks taken by flatexDEGIRO AG remain within the strategic specifications and its risk-bearing capacity. In addition, they enable a rapid reaction to emerging risk control needs. The monitoring and control instruments used in this process, in the form of sub-monthly and monthly reports, are presented in more detail below.

Risk monitoring and risk communication

Management is supplied with current figures pertaining to the risk and financial performance at flatexDEGIRO AG by means of regular reports. Such reports also ensure continuous ad-hoc reporting: as a central (risk) management instrument, the weekly risk cockpit reporting provides weekly information on the performance indicators, risk ratios and limit utilisation figures required for the management, as well as on the development of relevant early warning indicators. It also contains comments on control-relevant issues and, where appropriate, recommendations for necessary adjustments. In addition, for each business area that is significant from a risk perspective, it includes monthly and annual target achievement levels as well as comparisons with the corresponding figures from the previous year. The risk cockpit reporting can also take place more frequently (e.g., daily) as needed (e.g., in a crisis).

The cockpit described above is complemented by the Monthly Risk Report (MRR) (overall risk report as required by MaRisk), which contains a month-based detailed presentation and commentary on the Group's risk and financial performance and supplementary additional analyses of the Group's opportunity and risk situation. The MRR is also submitted to the Supervisory Board, among other parties, and discussed in detail with the management team and Supervisory Board in regular finalisation meetings.

Risk report, including risk reporting on the use of financial instruments

The following section describes the key risks that flatexDEGIRO AG is exposed to as a result of its operating activities in more detail.

Management and limiting credit risks

According to the Group's internal definition, credit risk is the risk of losses due to the default of counterparties (borrower, issuer, contracting party) and from changes in the creditworthiness of these parties.

Credit risks at flatexDEGIRO AG result in the Treasury department on the one hand from conservatively selected financial investments (including interbank investments, government and German state bonds, bank bonds, covered bonds) and on the other hand from investments in special funds, which supplement the sector diversification of the Group's overall portfolio, such as through infrastructure financing and residential real estate investments. The investment/lending strategy and the limits based on it are intended to ensure a wide diversification of individual positions, so that concentration risks remain limited. Along with risk-averse selection of business partners, risks are also limited by means of ongoing monitoring of credit ratings on the basis of publicly available data. Currently, credit risks of the treasury portfolio are monitored on a daily basis using CDS prices and rating changes and are communicated daily to the relevant decision-makers.

flatexDEGIRO AG is also exposed to credit risk from its lending business. It pursues a strategy of fully collateralised lending in this area.

By issuing security-backed loans (Lombard & flatex-flex loans) via the flatex and ViTrade brands and (margin loans) via the DEGIRO brand, flatexDEGIRO AG is exposed to credit risk. Through appropriate requirements pertaining to the security type, credit rating, volatility and liquidity of the securities accepted as security, as well as conservative collateralisation rates and ongoing monitoring of credit lines and securities, the Group ensures that the security-based loans taken up by customers are also sufficiently covered by deposited securities even when prices are falling. Scenario analysis of the collateralised security holdings are carried out monthly on the basis of a VaR simulation (99.9 % confidence level; holding period depending on the collateral terms [40 days for a flatex-flex loan] / [5 days for margin loans]) and is included in the calculation of risk-bearing capacity.

Furthermore, stress tests with significant market distortions are carried out on an ongoing basis to ensure that securities are adequately collateralised.

In the reporting year, flatexDEGIRO AG fully implemented its risk structure as part of the credit strategy that was already defined in 2022 by completely reducing non-strategic loan portfolios (football financing, factoring, other asset-based financing). Only the portfolios already in liquidation are expected to be reduced in the financial year 2024 after they are finally liquidated/realised. The credit strategy now focuses on retail credits with securities as collateral, which are generally lower-risk and are now to be further expanded.

The total amount of credit risk (calculated in the economic perspective with a 99.9 % confidence level) was kEUR 13,680 as of 30 June 2024 (31 December 2023: kEUR 11,438). The increase in credit risks compared to December 2023 is largely due to the reallocation of the bond portfolio (approx. mEUR 42 from government bonds to bank bonds) and the growth of the securities-backed loan portfolio.

The distribution of credit risks at flatexDEGIRO AG has the following structure:

In kEUR

	30/06/2024	31/12/2023
Loans secured by securities	2,286	1,199
Loans not secured by securities	5,565	5,643
Banks	3,302	3,306
Bonds	1,457	296
Funds	1,088	994
Total	**13,698**	**11,438**

For the calculation of credit risks as part of the risk-bearing capacity in the economic perspective, flatexDEGIRO uses the IRB formula, with a standard confidence level of 99.9 % for a one-year time horizon. The CVaR (credit value at risk) calculated in this way is recognised as an unexpected loss

("UL") in the economic perspective. The expected loss (EL) is calculated by multiplying the probability of default (PD) of the rating grade with the corresponding exposures at default (EAD) and a loss given default (LGD). Historical PDs and LGDs are used for all items with unsecured portions. Furthermore, no diversification effects are recognised to reduce risk.

Concentration risks are currently effectively limited by requirements for the diversification of counterparty default risk-bearing positions (primarily according to the geographic spread, publicly available ratings, and the maturity of the investments) in the investment strategy pursued.

The bank's total counterparty default risk amounted to mEUR 13.7 as of 30 June 2024. The expected loss (EL), which is also used for internal management, was recognised as a total of mEUR 0.45 for the risk provisioning (IFRS Stage 1 and 2) for the business affected by credit risks.

Managing and limiting market price risks

Market price risks are understood by flatexDEGIRO AG as loss risks due to changes in market prices (share prices, exchange rates, real estate prices, interest rates) and due to price-influencing parameters (e.g., volatilities, credit spreads).

Similarly to the credit risk, the market price risk is controlled and managed with the Value at Risk (VaR). The VaR does not represent the maximum possible loss that could occur in extreme market situations but is based on a historical period. For the economic perspective of risk-bearing capacity, a holding period of one year with a confidence level of 99.9 % is also assumed for the sake of consistency. When limits are exceeded, countermeasures are initiated immediately.

The Group only takes limited market risks, focusing in particular on generating stable earnings that contribute to a diversification of the financial performance and therefore to a reduction of earnings concentrations. None of the companies belonging to the Group operates a trading book.

The following existing sub-risk types are considered here:

Interest rate risk

flatexDEGIRO AG has stable and sizeable customer deposits over the course of time (flatexDEGIRO Bank AG). flatexDEGIRO is engaged in maturity transformation to a limited extent. Interest rate risk is generally countered with a conservative assets and liabilities management. In this context, the Treasury department only invests cash on short- to medium-term investments in the banking business. In addition, interest rates can be actively adjusted at short notice in the traditional lending business (especially for margin loans) and customer deposits generally do not earn positive interest. This creates additional earnings opportunities for flatexDEGIRO AG.

An ongoing calculation of interest rate risks on the basis of a VaR calculation (99.9 % confidence level; one-year observation horizon) ensures that negative developments in interest rate risk are recognised early on and countermeasures can be initiated. Furthermore, flatexDEGIRO AG expanded its stress tests to include additional scenarios for interest rate risk in the context of rising interest rates.

The loss estimate based on Value at Risk amounts to kEUR 16,079 (31 December 2023: kEUR 13,028). The change as of 31 December 2023 is primarily the result of the reallocation of bond maturing in the first half of the year with medium maturity bands of up to 2 years.

flatexDEGIRO Bank AG also determines possible interest rate risks for the banking book in accordance with BaFin requirements (Circular 06/2019). This is subject to the requirement that, as a result of a sudden and unexpected change in interest rates, the cumulative change in present value is less than 20 % of the Group`s liable equity capital.

The ratio as of 30 June 2024 for a parallel shift in the yield curve of:

+/- 200 basis points -/+ 3.19 %
(31 December 2023: +/- 2.85 %)

The ratio was maintained throughout the year.

Credit spread risk

In the bank's investment book, the Group is exposed to the risk of losses due to an increase in credit spreads through bonds. The investment is mainly limited to German government and federal state bonds, as well as US and CHF treasuries. The risk is accepted from a strategic point of view, especially due to the excellent credit rating and short-term duration of these investments. The Bank uses a VaR approach (99.9 % confidence level; one-year observation horizon) for measuring the credit spread risk.

The loss estimate for credit spread risk was in the order of mEUR 1.7 as of 30 June 2024 (31 December 2023: mEUR 1.58). The increasing effect is mainly due to the reallocation of parts of maturing bonds in the banking book from government bonds to bank bonds.

Real estate price risk

The Group is invested in a diversified German residential real estate portfolio through two special fund investments. The focus is on residential real estate in the medium rental price segment, with investments in economically strong, regional German cities and their respective metropolitan areas. This involves a risk of loss due to changes in real estate market prices. The Group uses a VaR approach (99.9 % confidence level; one-year observation horizon) for measuring real estate price risk.

The loss estimate for real estate price risk based on Value at Risk amounted to around mEUR 9.6 as of 30 June 2024 (31 December 2023: mEUR 9.2).

FX risk

Within the scope of the financial commission business in brokerage, FX risks arise from peak regulations (corporate actions, maturities, income) in clearing and settlement in securities processing; positions arising from peaks are closed on the following day. The Group uses a VaR approach (99.9 % confidence level; one-year observation horizon) for measuring FX risk.

The loss estimate for FX risk based on Value at Risk is in the order of mEUR 2.4 as of 30 June 2024 (31 December 2023: mEUR 0.8).

The Group cockpit is updated on a regular basis with control-relevant information concerning flatexDEGIRO AG's market price risks, meaning that the Group's management team receives this information every week. The market price risks are also reflected in the MRR of the Group, in such a way that detailed presentations and comments on the current risk situation are ensured and, if necessary, adjustments may be initiated.

Managing and limiting liquidity risks

flatexDEGIRO AG defines its liquidity risk as the risk that it cannot fully and/or in a timely manner meet its current or future payment obligations from the available financial resources. As a consequence, refinancing resources may need to be raised at higher interest rates, or existing assets may need to be liquidated at a discount to provide additional (temporary) financial resources. Additionally, flatexDEGIRO AG generally subsumes the refinancing risk and the market liquidity risk under the term liquidity risk.

Consistent with the other risk types, the liquidity risk is simulated on the basis of a liquidity VaR approach (99.9 % confidence level; one-year observation horizon) for potential outflow rates; the potential refinancing costs are recognised as liquidity risk. In liquidity risk management, more than 50 % of the assets are due daily and are immediately available. Consequently, no refinancing costs are applied. The liquidity VaR was kEUR 0 as of 30 June 2024 (31 December 2023: kEUR 0).

In order to initiate countermeasures immediately, daily liquidity forecasts are used to identify liquidity gaps at an early stage; these can arise from cash outflows on the customer side or from the securities business, among other things.

Efficient management of the liquidity reserves to be held and successive diversification of the available refinancing sources are pursued as part of liquidity planning.

To limit the remaining liquidity risk (liquidity risk in the narrower sense), flatexDEGIRO AG pursues a conservative investment strategy in which client deposits with daily maturities are reinvested predominantly in short-term instruments, and there are substantial investments in ECB-eligible securities, which may be pledge for short-term funding through the central bank as needed. This is managed by means of very conservative short-term minimum liquidity buffers/limits (daily, weekly, monthly liquidity bands).

Finally, flatexDEGIRO Bank AG carries out ongoing liquidity monitoring and appropriate financial planning / liquidity planning in the Group's financial accounting department. The measures implemented, in combination with a "liquidity business continuity plan", ensure a comfortable liquidity level with adequate reserves for the Group's payment obligations, also and particularly in the case of unforeseen events such as unfavourable market developments or payment deferrals and client defaults.

In view of the comfortable liquidity position of the reporting date (approx. 57 % of assets were due daily [31 December 2023: approx. 60 %], capital was committed for an average of 45 days [31 December 2023: 43 days]) and the risk-limiting measures taken, flatexDEGIRO AG classifies the probability of occurrence of its remaining liquidity risks (in the narrow sense) as very low and also assesses the associated extent of damage as low.

Control and limitation of operational and other risks

flatexDEGIRO AG defines operational risk as the risk of loss due to human error, the inadequacy of internal processes and systems, and external events. Legal and reputational risks are also included in this category.

flatexDEGIRO AG uses a multi-year time series of actually incurred losses for its operational risk measurement. These losses are categorised according to the type of damage, the cause of the loss, the time of occurrence, etc., and are documented in a database. The operational risks are internally managed by assigning each loss case to a risk strategy (avoidance, reduction, transfer, etc.) and implementing defined measures. In addition to the standard approach for Pillar I, an internal assessment approach from the loss history using a Monte Carlo simulation (99.9 % confidence level; one-year observation horizon) for Pillar II is used internally to determine an amount for the regulatory capital to be held from operational risks. In addition to the identification of operational risks from historical data, flatexDEGIRO AG uses expert assessments to identify potential losses as part of risk assessments with all specialist departments of flatexDEGIRO AG, in order to map quantifiable risks where a sufficient loss data history is not available. The simulated value for operational risks measured on the basis of the approach explained above amounts to kEUR 44,580 as of 30 June 2024 (31 December 2023: kEUR 44,591).

Selected operational and other risks

Dependency on software and other electronic data processing risks (ICT risks)

For flatexDEGIRO AG, operational risk arises particularly from the dependency on IT infrastructure and associated services which is typical for banking operations. This also includes dependency on the flawless provision of services which have been outsourced to external service providers. The operational risks in IT can be divided into hardware, software and process risks. There are comprehensive electronic data processing (EDP) and online systems used Group-wide, which are essential for the proper conduct of business. The Group is highly dependent on these systems working without issues. Despite comprehensive measures for data backup and the bridging of system disruptions, malfunctions and/or complete failures of EDP and online systems may not be precluded. Deficiencies in data availability, errors or functional problems in the software used and/or server failures due to hardware or software flaws, accident, sabotage, phishing or other reasons, could also have a significant negative impact on the Group's reputation or market position, or lead to possible obligations to pay damages.

The wars in Ukraine and the Middle East do not have any adverse effects on dependency on service providers or in terms of cyber-attacks; permanent monitoring in these areas ensures that countermeasures can be taken at all times.

Significant Group-wide EDP and IT investments are made to ensure, on the one hand, that the significantly larger expanded business volume can be executed accordingly and on the other hand, that sufficient safeguards against disruptions is provided. The probability of software and IT risks occurring is considered to be very low and the potential extent of damage is estimated to be low.

Legal risks

The flatexDEGIRO Group acts as a regulated provider of financial services in an environment with a rapidly changing (regulatory) legal framework. Legal violations can result in fines or litigation risks. flatexDEGIRO AG contains these legal risks by permanently monitoring the legal environment, keeping legal expertise available internally, and by consulting legal expertise externally where needed.

Outsourced processes

flatexDEGIRO AG has set up outsourcing controlling, which aims to take stock of all relevant outsourcing contracts and initiates management activities as needed. All outsourcing contracts are taken into account in the Group's risk management system. Non-material outsourcing contracts are subject to lesser control intensity requirement than material outsourcing contracts.

Service level agreements (SLAs) have been agreed as part of the concluded outsourcing contracts for all material outsourcing. Moreover, liability rules which allow a transfer of damages have also been agreed.

Reputational risk

The reputational risk for flatexDEGIRO AG is the risk of negative economic effects that arise from the Company's reputation being damaged.

In principle, the Group companies strive to ensure a high level of customer loyalty by having a good reputation, in order to gain a competitive advantage over their competitors. In addition to the immediate financial implications, many of the risks discussed above pose a risk that the Group's reputation may be damaged, and that a decline in customer loyalty may result in financially adverse consequences for the Group. flatexDEGIRO AG puts particular emphasis on reputational risk in its strategic guidelines and continually uses its risk-controlling processes to monitor the relevant environment. Associated risk estimates are made as part of the estimates for the Group's operational risks.

In order to limit its operational risks, flatexDEGIRO AG fundamentally promotes a risk culture which ensures that both the management and the other employees of flatexDEGIRO AG observe high ethical standards and a pronounced risk awareness in all relevant business processes. Beyond this, the limitation of risks is one of the key performance targets for all flatexDEGIRO AG managers within their respective areas of responsibility. In this context, each manager develops task-specific control processes and should ensure their ongoing application.

Other risks

Other risks for flatexDEGIRO AG currently include general business risks.

General business risks exist due to the dependence on technical developments and customer behaviour. General business risks arise from changes in the framework conditions. These include, for example, the market environment, customer behaviour, and technological progress.

Technological developments and changing customer behaviour can significantly influence the market conditions for financial services. They may open up opportunities for flatexDEGIRO AG's financial products, but they may also negatively impact demand for the Group's products and services and therefore reduce its financial success.

flatexDEGIRO AG pays particular attention to changes in the legal and regulatory environment, as well as to changes in customer behaviour and technological progress, and reviews the resulting strategic implications on an ongoing basis.

Pension risks refer to the risk of losses due to changes in market prices or demographic assumptions that have a negative impact on pension obligations. Changes in interest rates or discount rates can also lead to an increase in pension obligations and thus to a loss. The pension risk only results from legacy contracts, no new obligations are entered into for the main workforce. The quantitative assessment shows a risk exposure slightly above the materiality threshold, so pension risk is classified as material.

ESG risks are not an independent risk type in the definition of flatexDEGIRO, but rather consist of ESG risk factors, which impact existing or established risk types. An ESG materiality analysis was performed in this context as part of the risk inventory, with the result that the corresponding factors occur mainly for non-financial risks / operational risk. They are included as part of the original risk management process for non-financial risk / operational risk.

Overall risk position of the financial holding group

As already mentioned, flatexDEGIRO risk-bearing capacity concept is based on the dual management approach of a normative and an economic perspective. The latest ICAAP framework is designed to ensure that the Group’s capital adequacy is sufficient at all times: i.e. compliance at all times with all Pillar I regulatory capital requirements and ancillary conditions in the normative perspective from the perspective of a minimum 3-year planning horizon and ensures its risk-bearing capacity at all times in the economic, present-value perspective from the perspective of a rolling 1-year horizon.

flatexDEGIRO Bank AG assesses its economic risk-bearing capacity by comparing the risk potential of the main risk types with the economically calculated risk coverage potential.

For the bank, compliance with the requirements is a strict secondary condition for the implemented risk management processes. Compliance with the free risk coverage capital (ICAAP ratio: ratio of PR/IC < 95 %) is set as a strict secondary condition for further utilisation as part of the allocated limits for the material risk types.

The allocation of the risk coverage funds and the amount of the limits as well as the upstream early warning thresholds for the individual risk types and the ICAAP as a whole define the risk appetite of the Group. The risk appetite is determined on the basis of the business strategy, the strategic business planning and the risk inventory and is intended to ensure the consistency of the risk and income targets as well as appropriate capital and liquidity within the framework of the overall bank management.

The free risk coverage capital amounts to kEUR 130,999 as of 30 June 2024 (31 December 2023: kEUR 145,704) with an ICAAP ratio of 42.60 % (31 December 2023: 35.62 %).

No immediate risks that could jeopardise the continued existence of the Company, including with respect to potential concentration risks, were discernible at the time of preparation of this risk report. In addition, flatexDEGIRO AG has prepared a restructuring plan according to simplified specifications. This is updated at regular intervals and as required.

The total capital ratio as of 30 June 2024 is 23.69 % with liable capital of kEUR 244,450. The minimum regulatory requirements are significantly exceeded in the reporting year. The change compared to the previous year is mainly due to the renewed approval of credit risk mitigation techniques in September 2023, following the successful changes made to reporting processes.

In the internal management (economic perspective), the risk-bearing capacity was assured at all times during the financial year.

The disclosure report of flatexDEGIRO AG pursuant to Section 26a KWG in conjunction with Part 8 CRR provides detailed documentation of the risk positions of the banking group.

Management Board assessment of the overall risk situation

The Group views the assessment of the overall risk situation in the form of a consolidated analysis of all material risk categories and individual risks. The overall risk increased slightly in the first half of 2024 compared to 31 December 2023, in particular due to the reallocations made in the bond portfolio in the banking book. Even if certain risk drivers had a lesser effect on the overall risk situation in the 2024 financial year, they were replaced by other risk factors. The world economy recovered slightly after an initial shock due to the Ukraine war and corrections on global financial markets, although there is still high uncertainty about the course of the war. The terrorist attack on Israel and the escalation of the conflict in the Middle East, as well as uncertain developments in other regions, also entail further risks for financial markets. In addition to the macroeconomic and geopolitical risks mentioned, there are new risk drivers, above all relating to cyber-security, which cannot be ignored. Attacks on corporate IT systems and financial market infrastructure are increasing in all regions of the world; not only the total number, but also their severity. As a financial services business for private customers, it is particularly important for flatexDEGIRO to monitor these developments very closely.

Against this background, flatexDEGIRO AG continues to be cautious in its risk assessment, but is still convinced that neither any of the aforementioned individual risks nor the risks in the group jeopardise the going concern of the company as of the reporting date or at the time of preparation of the half-year financial statements.

Furthermore, flatexDEGIRO AG is confident that it will be able to continue to seize opportunities that arise in the future without having to expose itself to disproportionately high risks. Overall, the aim is to strike a healthy balance between risks and opportunities.

4 Responsibility statement of the legal representatives

„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 net assets, financial position and financial performance 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 financial year."

Frankfurt am Main, 15 August 2024

flatexDEGIRO AG

Dr. Benon Janos	Stephan Simmang	Christiane Strubel
Co-CEO, Chief Financial Officer	Co-CEO, Chief Technology Officer	Chief HR Officer, Member of the Management Board

Interim Consolidated Financial Statements

Half-Year IFRS Consolidated Balance Sheet

as of 30 June 2024

In kEUR

	Note	30/06/2024	31/12/2023
Assets		**4,677,056**	**4,540,026**
Non-current assets		**697,495**	**568,939**
Intangible assets	6	422,474	416,761
Goodwill		180,649	180,649
Internally generated intangible assets		103,818	94,888
Customer relationships		94,393	98,457
Other intangible assets		43,613	42,767
Property, plant and equipment	6	54,635	51,827
Financial assets and other assets		4,481	4,366
Financial assets measured at fair value through other comprehensive income (FVOCI)	7	123,517	-
Equity instruments measured at fair value through profit or loss (FVPL-EQ)	7	68,456	71,393
Financial assets measured at fair value through profit or loss (FVPL)	7	23,026	23,643
Non-current loans to customers	7	906	948
Current assets		**3,979,561**	**3,971,088**
Inventories and work in progress		361	392
Trade receivables	7	25,839	21,661
Other receivables	8	35,074	23,769
Other current financial assets	7	1,262,985	1,214,565
Financial assets measured at fair value through other comprehensive income (FVOCI)		89,205	228,818
Financial assets measured at fair value through profit or loss (FVPL)		30,405	31,909
Current loans to customers		1,130,778	939,993
Other receivables from banks		12,598	13,845
Cash and cash equivalents	7	2,655,301	2,710,701
Balances with central banks		2,244,269	2,398,380
Cash assets		18	27
Receivables from banks (payable on demand)		411,014	312,294

In kEUR

	Note	30/06/2024	31/12/2023
Liabilities and shareholders' equity		**4,677,056**	**4,540,026**
Equity		**728,707**	**673,624**
Subscribed capital		110,033	109,993
Additional paid-in-capital		231,070	230,972
Retained earnings		387,604	332,659
Shares of minority shareholders		-	-
Liabilities		**3,948,349**	**3,866,403**
Non-current liabilities		**103,246**	**113,024**
Non-current liabilities owed to non-banks	12	36,048	45,508
Pension obligations		7,720	7,847
Provisions for long-term variable remuneration components	17	7,581	9,394
Deferred tax liabilities	11	51,897	50,275
Current liabilities		**3,845,103**	**3,753,379**
Current liabilities owed to non-banks	12	12,725	-
Trade payables	7	5,190	5,719
Liabilities owed to customers	13	3,599,185	3,605,869
Liabilities owed to banks	14	126,091	67,257
Other financial liabilities	9	40,534	22,803
Tax provisions	11	37,486	28,627
Other provisions	10	23,894	23,103

Half-Year IFRS Consolidated Profit and Loss Statement

for the period from 1 January to 30 June 2024

In kEUR

	Note	1st HY 2024	1st HY 2023
Revenues	15	**241,685**	**189,106**
thereof: Commission income	15	140,892	120,682
thereof: Interest income	15	91,597	59,020
thereof: Interest income from financial instruments (amortised cost)		83,587	53,560
thereof: Other operating income	15	9,196	9,404
Raw materials and consumables	16	35,528	29,888
Net revenue		**206,157**	**159,218**
Personnel expenses	17	52,709	58,085
Current personnel expenses		49,931	42,686
Personnel expenses for long-term variable remuneration components		2,778	15,399
Marketing expenses	18	18,020	25,519
Other administrative expenses	19	28,971	27,150
EBITDA		**106,457**	**48,464**
Depreciation		20,438	16,608
thereof: Impairment losses		398	798
EBIT		**86,019**	**31,856**
Financial result		-1,062	-728
EBT		**84,958**	**31,128**
Income tax expenses		24,130	11,072
Half-year consolidated net profit		**60,828**	**20,056**
thereof: Majority shareholders' share of consolidated net profit		60,828	20,055
thereof: Minority shareholders' share of consolidated net profit		-	1
Earnings per share (undiluted) in EUR	23	**0.55**	**0.18**
Earnings per share (diluted) in EUR	23	**0.55**	**0.18**

Half-Year IFRS Consolidated Statement of Comprehensive Income

for the period from 1 January to 30 June 2024

In kEUR

	Note	1st HY 2024	1st HY 2023
Half-year consolidated net profit		**60,828**	**20,056**
Items of income and expenses recognised in equity that will not be reclassified to the profit and loss statement in future periods			
Pensions		**-**	**-**
Actuarial gains/losses		-	-
Remeasurement of plan assets		-	-
Reimbursement rights		-	-
Items of income and expenses recognised in equity that may be reclassified to the profit and loss statement in future periods (recycling)			
Securities		**-877**	**-423**
Changes in fair value of financial assets measured at fair value through other comprehensive income (FVOCI with recycling)		-877	-423
Sum of other comprehensive income before deferred taxes		**-877**	**-423**
Deferred taxes		**273**	**132**
Pensions		-	-
Securities		273	132
Sum of other comprehensive income after deferred taxes		**-603**	**-291**
Total comprehensive income		**60,225**	**19,765**
thereof: Majority shareholders' share of total comprehensive income		60,225	19,764
thereof: Minority shareholders' share of total comprehensive income		-	1

Half-Year IFRS Consolidated Cash Flow Statement

for the period from 1 January to 30 June 2024

In kEUR

	Note	1st HY 2024	1st HY 2023
Half-year consolidated net profit		**60,828**	**20,056**
Depreciation and amortisation/appreciation on property, plant and equipment and intangible assets		17,166	15,485
Increase/decrease in inventories		30	-50
Increase/decrease in trade receivables	7	-4,177	-3,948
Increase/decrease in trade payables	7	-529	-156
Increase/decrease in other receivables, financial assets and other assets	8	-11,421	-6,785
Increase/decrease in provisions, pension obligations and deferred taxes	11	11,145	-8,833
Increase/decrease in provision for long-term variable remuneration components	17	-1,813	-10,971
Cash flow from operating activities		**71,229**	**4,797**
Payments/proceeds for/from investments/disposals in/of intangible assets	6	-15,169	-14,645
Payments/proceeds for/from investments/disposals in/of property, plant and equipment	6	-5,345	-4,887
Payments/proceeds for/from investments/disposals in/of right-of-use assets		-3,525	-3,052
Cash flow from investing activities		**-24,039**	**-22,584**
Proceeds from equity contributions from shareholders of the parent company		137	192
Payments for dividends to shareholders of the parent company	24	-4,401	-
Increase/decrease liabilities to non-banks	12	1,617	-
Cash flow from financing activities		**-2,647**	**192**
Free cash flow prior to accounting changes to the banking business		**44,544**	**-17,595**
Increase/decrease in non-current loans to customers	7	43	16
Increase/decrease in financial assets measured at FVOCI	7	16,096	19,697
Increase/decrease in financial assets measured at FVPL	7	5,058	2,764
Increase/decrease in current loans to customers	7	-190,785	-48,371
Increase/decrease in other receivables from banks	7	1,248	-10,981
Increase/decrease in liabilities owed to customers	7	-6,685	302,054
Increase/decrease liabilities owed to banks	7	58,833	-7,941
Increase/decrease in other financial liabilities	9	17,731	29,113
Cash flow from accounting changes to the banking business		**-98,461**	**286,352**

	Note	1st HY 2024	1st HY 2023
Non-cash movements in equity		-1,481	-1,057
Change in cash and cash equivalents		**-55,399**	**267,700**
Cash and cash equivalents at the beginning of the period		**2,710,701**	**2,227,012**
Cash and cash equivalents at the end of the period		**2,655,301**	**2,494,712**

Half-Year IFRS Consolidated Statement of Changes in Equity

for the period from 1 January to 30 June 2024

In kEUR

	Subscribed capital	Additional paid-in capital	Retained earnings	thereof: Actuarial gains/losses	thereof: Gains/losses from financial assets measured at fair value through OCI	Total	Shares of minority shareholders	Total Equity
As of 31/12/2022 and 01/01/2023	**109,893**	**230,687**	**267,041**	**2,977**	**-2,923**	**607,621**	**653**	**608,272**
Issue of shares	60	132	-	-	-	192	-	192
Allocation to/ transfer from reserves	-	-	-104	-	-	-104	-	-104
Changes in the scope of consolidation not involving a change of control	-	-	-662	-	-	-662	-	-662
Dividend payment	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-291	-	-291	-291	-	-291
Half-year consolidated net profit	**-**	**-**	**20,055**	**-**	**-**	**20,055**	**1**	**20,056**
As of 30/06/2023	**109,953**	**230,819**	**286,037**	**2,977**	**-3,214**	**626,810**	**654**	**627,463**
As of 31/12/2023 and 01/01/2024	**109,993**	**230,972**	**332,659**	**-230**	**-629**	**673,624**	**-**	**673,624**
Issue of shares	40	88	-	-	-	128	-	128
Allocation to/ transfer from reserves	-	9	-878	-	-	-869	-	-869
Changes in the scope of consolidation not involving a change of control	-	-	-	-	-	-	-	-
Dividend payment	-	-	-4,401	-	-	-4,401	-	-4,401
Other comprehensive income	-	-	-603	-	-603	-603	-	-603
Half-year consolidated net profit	**-**	**-**	**60,828**	**-**	**-**	**60,828**	**-**	**60,828**
As of 30/06/2024	**110,033**	**231,070**	**387,604**	**-230**	**-1,232**	**728,707**	**-**	**728,707**

Notes to the Interim Consolidated Financial Statements

as of 30 June 2024

This condensed interim financial report does not include all the disclosures that are usually included in the consolidated financial statements. Therefore, this report should be read in conjunction with the consolidated financial statements for the financial year ended 31 December 2023 and all public announcements made by the Group in the interim reporting period.

Note 1
About the Group

The interim consolidated financial statements presented here are those of flatexDEGIRO AG and its subsidiaries.

flatexDEGIRO Aktiengesellschaft is headquartered in Frankfurt am Main, Germany, and is registered in the German Commercial Register at the local court of Frankfurt am Main under the company number HRB 103516. The company's business address is: Omniturm, Große Gallusstraße 16 - 18, 60312 Frankfurt am Main.

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

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

flatexDEGIRO AG is the parent company of the flatexDEGIRO Group and the parent financial holding company pursuant to Section 2f (1) KWG (German Banking Act).

These condensed interim consolidated financial statements were authorised for publication by the Management Board on 15 August 2024.

Note 2
Basis of presentation

flatexDEGIRO AG is currently obliged to prepare condensed interim consolidated financial statements in accordance with IFRS, as 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 interim consolidated financial statements are based on the International Financial Reporting Standards ("IFRS") as published by the International Accounting Standards Board ("IASB") and adopted into European law by the European Union ("EU"). The condensed interim consolidated financial statements of flatexDEGIRO AG are based on the going concern assumption and take into account the requirements of IAS 34 for interim financial 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 2023.

The presentation of the Group's net assets, financial position, and financial performance as well as the presentation of the Group's cash flows correspond to the actual circumstances.

In accordance with Section 115 (5) of the German Securities Trading Act (WpHG), the company has exercised the option to waive the voluntary audit review and the audit of the Interim Consolidated Financial Statements and the Interim Group Management Report in accordance with Section 317 of the German Commercial Code (HGB).

flatexDEGIRO AG presents information in thousands or millions of the currency units. The presentation in thousands and millions is rounded up and down in accordance with standard commercial practice. Minor differences may therefore occur when calculating with 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 2024. The company flatexDEGIRO UK Ltd., London was not consolidated due to immateriality.

Note 4
Estimates and assumptions

The preparation of the half-year consolidated financial statements in accordance 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 income and expenses. All available information has been taken into consideration in this regard. The estimates and assumptions 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 cash-generating units, and the recognition and measurement of provisions.

High inflation and the associated tense current interest rate situation on the financial markets are also of particular importance, resulting in increased estimation uncertainty. These relate to the measurement of assets and liabilities reported, estimates of future cash flows, the determination of impairment indicators and the performance of impairment tests.

The effects of the war in Ukraine and the Middle East are also of particular significance. The resulting estimation uncertainties relate to the valuation of credit commitments and the recognition of risk provisions. The actual values may therefore differ from the estimates. New information is taken into account as soon as it becomes available.

With the exception of the changes in accounting policies described in the following note, the preparation of the interim 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 amendments to the following IFRS accounting standards are to be applied by flatexDEGIRO AG for the first time effective from 1 January 2024 for the financial year 2024. In comparison to the consolidated financial statements for the previous financial year 2023, changes arise, where relevant, for the presentation of disclosures in this half-year report 2024. The new additional disclosures in connection with the amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements" are not yet mandatory in the half-year report 2024 and are not included voluntarily. The general changes to the accounting standards are summarised below:

Amendments to IAS 1 “Non-current Liabilities with Covenants”

IAS 1 clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.

Classification is unaffected by the entity’s expectations or events after the reporting date.

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current that are contingent on fulfilment of conditions within 12 months of the reporting date, information must be disclosed in the notes that enables users of the financial statements to understand the risk, that the liabilities could become repayable with 12 months of the reporting date. The disclosures include:

— the carrying amount of the liability.
— information about the covenants.
— facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains.

This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

The amendments to IAS 7 and IFRS 7 are aimed at the disclosure requirements for supplier finance arrangements "reverse factoring arrangements".

Reverse factoring arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the related invoice payment due date.

The amendments respond to investors that said that they urgently needed more information to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk. To meet investors' needs, the new disclosures will provide information about:

— The terms and conditions of supplier finance arrangements.
— The carrying amount of financial liabilities that are part of supplier finance arrangements, and the line items in which those liabilities are presented.
— The carrying amount of the financial liabilities, for which the suppliers have already received payment from the finance providers.
— The range of payment due dates for both the financial liabilities that are part of supplier finance arrangements, and comparable trade payables that are not part of such arrangements.
— Non-cash changes in the carrying amounts of financial liabilities.
— Access to supplier finance arrangements facilities and concentration of liquidity risk with the finance providers according to IFRS 7.

Note 6
Intangible assets & Property, plant and equipment

As of 30 June 2024, intangible assets amounted to kEUR 422,474 (31 December 2023: kEUR 416,761) and includes mainly goodwill, internally generated intangible assets from development activities as well as customer relationships and trademarks. The increase results primarily from the capitalisation of ongoing development costs in the amount of kEUR 12,373.

Property, plant and equipment amounted to kEUR 54,635 as of 30 June 2024 (31 December 2023: kEUR 51,827). The increase is mainly due to additions to IT hardware.

Note 7
Financial instruments

The following table presents the carrying amounts and fair values (see Note 6 “Accounting policies” in the Consolidated Financial Statements 2023) of the individual financial assets and liabilities depending on the nature of the business model and measurement category:

In kEUR

	30/06/2024	31/12/2023
Business model "hold to collect"		
Amortised cost		
Non-current loans to customers	906	948
Trade receivables	25,839	21,661
Other receivables	35,074	23,769
Current loans to customers	1,130,778	939,993
Other receivables from banks	12,598	13,845
Cash and cash equivalents	2,655,301	2,710,701
Financial assets measured at fair value through profit or loss (FVPL)	30,405	31,909
Business model "hold to collect and sell"		
Financial assets measured at fair value through other comprehensive income (FVOCI)	212,722	228,818
Financial assets measured at fair value through profit or loss (FVPL)	23,026	23,643
Equity instruments not held for trading		
Equity instruments measured at fair value through profit or loss (FVPL-EQ)	68,456	71,393
Financial liabilities		
Financial liabilities measured at amortised cost (including trade payables)	3,819,721	3,747,157

The majority of the receivables and liabilities have a term of less than one year, so there is no material difference between the carrying amount and the fair value.

Significant changes in financial instruments

Loans to customers increased in total to kEUR 1,131,684 (31 December 2023: kEUR 940,942). The increase relates to the portfolios of securities-backed loans, which increased by kEUR 204,832 to kEUR 1,100,488 (31 December 2023: kEUR 895,666).

Due to the strategic focus in the lending business segment, the share of asset-based financing decreased by kEUR 34,284 to kEUR 0.

Cash and cash equivalents decreased by kEUR 55,400 to kEUR 2,655,301 (31 December 2023: kEUR 2,710,701). As of 30 June 2024, there are still no significant restrictions on the disposal of cash and cash equivalents.

The financial assets measured at fair value through other comprehensive income include bonds from public issuers and non-public issuers in the amount of kEUR 212,722 (31 December 2023: kEUR 228,818). The decrease is due to the final maturity of bonds.

The equity instruments measured at fair value through profit or loss in the amount of kEUR 68,456 (31 December 2023: kEUR 71,393) relate to shares in residential investment and infrastructure funds in the legal form of a SICAV. The change in the residential investment funds results from the reduction of the market value in the amount of kEUR 2,617. The change in the infrastructure fund results from the redemption of shares totalling kEUR 322 and from increases in market value of kEUR 2.

The financial assets measured at fair value through profit or loss in the amount of kEUR 53,431 (31 December 2023: kEUR 55,552) mainly relate to a credit engagement in the amount of kEUR 30,405 (31 December 2023: kEUR 31,909) and shares in a real estate fund in the amount of kEUR 21,140 (31 December 2023: kEUR 21,627) as well as a football fund in the amount of kEUR 1,697 (31 December 2023: kEUR 1,827).

The following table summarises the financial instruments measured at amortised cost and at fair value according to their measurement hierarchy levels:

In kEUR

	Level 1		Level 2		Level 3	
	30/06/2024	31/12/2023	**30/06/2024**	31/12/2023	**30/06/2024**	31/12/2023
Business model "hold to collect"[1]						
Amortised cost						
Non-current loans to customers	-	-	-	-	906	948
Trade receivables	-	-	-	-	25,839	21,661
Other receivables	-	-	-	-	35,074	23,769
Current loans to customers	-	-	-	-	1,130,778	939,993
Other receivables from banks	-	-	-	-	12,598	13,845
Cash and cash equivalents	2,655,301	2,710,701	-	-	-	-
Financial assets measured at fair value through profit or loss (FVPL)	-	-	-	-	30,405	31,909
Business model "hold to collect and sell"						
Financial assets measured at fair value through other comprehensive income (FVOCI)	212,722	228,818	-	-	-	-
Financial assets measured at fair value through profit or loss (FVPL)		-	-	-	23,026	23,643
Equity instruments not held for trading						
Equity instruments measured at fair value through profit or loss (FVPL-EQ)	-	-	-	-	68,456	71,393
Financial liabilities						
Financial liabilities measured at amortised cost (including trade payables)	-	-	-	-	3,819,721	3,747,157

[1]The carrying amount represents a reasonable approximation of the fair value for the following predominantly current financial instruments.

Financial instruments of level 2 of the valuation hierarchy did not exist as of the reporting date.

Financial instruments measured at fair value

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

The fair value of financial instruments assigned to one of the categories is measured based on quoted prices in active markets to which the entity has access on the measurement date (Level 1 of the fair value hierarchy defined in IFRS 13). This concerns fixed-income securities and shares.

The fair value of financial instruments listed in active markets accessible to the Group is measured based on observable quoted market prices to the extent that these represent prices used in regular and current transactions (Level 2 of the fair value hierarchy) and is to be used preferentially as the fair value on the measurement date (market to market).

The fair value disclosed here for information purposes is allocated to Level 3 of the fair value hierarchy. The input factors for the fair value of receivables and financial liabilities are the prices agreed between flatexDEGIRO AG and its contractual partners for the individual transactions.

The assets at fair value through profit or loss comprise shares in SICAV funds, a football fund, and the FG Wohnen Deutschland fund, as well as one credit engagement. The assets are not traded on an active market. Neither are there any relevant measurement inputs that can be derived from market parameters. Measurement is based on Level 3 input factors as defined in IFRS 13. The interests in the SICAV funds and the football fund are measured using a net asset value method. The net asset value is used to determine the purchase or redemption amounts.

The fair value of the credit engagement is measured using a present value method in accordance with IFRS 13. Various scenarios were used to estimate future cash flows, which were discounted at different redemption dates. The measurement assumptions for future returns, potential discounts, cash flows in each scenario and the respective probability of occurrence were determined as per the reporting date. As of the balance sheet date, the weighted fair value resulting from this was kEUR 30,405 and was compared with the carrying amount of kEUR 33,067, which led to an impairment of the credit engagement in the amount of kEUR 2,662.

Collateral held

flatexDEGIRO AG does not hold any financial or non-financial collateral as defined in IFRS 7.15.

Collateral granted

The Group has granted collateral that has been deposited with the clearing and depositary agents utilised for the purpose of settling financial commission transactions of flatexDEGIRO Bank AG. This collateral is mainly provided in the form of cash and deposited securities. As of 30 June 2024, the amount of collateral granted was kEUR 185,089 (31 December 2023: kEUR 205,814).

Net gains/losses from financial instruments

In kEUR

	Net gains 30/06/2024	Net losses 30/06/2024
Financial assets measured at fair value through profit or loss	**2,562**	**6,118**
Financial assets (FVPL)	2,248	3,190
Equity instruments (FVPL-EQ)	314	2,928
Financial assets measured at amortised cost	**243**	**759**
Financial assets	229	759
Financial liabilities	14	-
Financial instruments measured at fair value through other comprehensive income	**1,951**	**1,856**
Financial assets (FVOCI)	1,951	1,856
Total	**4,756**	**8,733**

The increase in net losses is primarily the result of measurement effects for financial instruments recognised at fair value through profit or loss. In particular, market value and price losses in the area of real estate funds and accumulated write-downs on a loan commitment are responsible for the increase.

Development of risk provisions

The development of risk provisions in the first half of 2024 was as follows:

In kEUR

	ECL within the next 12 months	ECL over the lifetime for non-impaired financial instruments	ECL over the lifetime for impaired financial instruments	Total
Risk provision as of 01/01/2024	**87**	**377**	**8,472**	**8,937**
Changes in impairment losses on financial assets, including newly issued or acquired financial assets	6	-19	415	402
Changes due to disposals of financial instruments (including repayments, disposals)	-	-	-	-
Changes due to modifications without derecognition of assets	-	-	-	-
Reclassifications due to changes in credit quality				
for ECL within the next 12 months	-	-	-	-
for total ECL over the lifetime - non-impaired loans	-	-	-	-
for total ECL over the lifetime - impaired loans	-	-	-	-
Changes in impairment for irrevocable loan commitments	-	-	-	-
Risk provision as of 30/06/2024	**92**	**359**	**8,888**	**9,339**

The increase in risk provisions of kEUR 402 in the first half of 2024 is primarily a result of the addition to stage 3 of individual credit engagements.

In kEUR

	ECL within the next 12 months	ECL over the lifetime for non-impaired financial instruments	ECL over the lifetime for impaired financial instruments	Total
Risk provision as of 01/01/2023	**149**	**42**	**15,491**	**15,682**
Changes in impairment losses on financial assets, including newly issued or acquired financial assets	-40	330	-6,206	-5,916
Changes due to disposals of financial instruments (including repayments, disposals)	-	-	-	-
Changes due to modifications without derecognition of assets	-	-	-	-
Reclassifications due to changes in credit quality				-
for ECL within the next 12 months	-	-	-	-
for total ECL over the lifetime - non-impaired loans	-	-	-	-
for total ECL over the lifetime - impaired loans	-	-	-	-
Changes in impairment for irrevocable loan commitments	-	-	-	-
Risk provision as of 30/06/2023	**110**	**372**	**9,285**	**9,766**

Note 8
Other receivables

As of 30 June 2024, other receivables amounted to kEUR 35,074 (31 December 2023: kEUR 23,769). The change of kEUR 11,305 is mainly the result of increased receivables from the tax office from advance payments made in the amount of kEUR 10,975, of which kEUR 6,266 relates to corporate income tax and kEUR 4,709 to trade tax. For the purposes of the interim consolidated financial statements, in contrast to the presentation at the end of the financial year on 31 December 2023, advance tax payments made and tax provisions are not offset during the year.

Note 9
Other financial liabilities

Other financial liabilities comprise the following:

In kEUR

	30/06/2024	31/12/2023
Tax liabilities	38,196	20,065
Accruals and deferrals	1,717	2,287
Other financial liabilities	621	452
Total	**40,534**	**22,803**

As of 30 June 2024, other financial liabilities amounted to kEUR 40,534 (31 December 2023: kEUR 22,803). Tax liabilities mainly include liabilities owed to the local tax office from transaction taxes arising from customer transactions in the amount of kEUR 33,788 (31 December 2023: kEUR 13,183) and from wage and church tax in the amount of kEUR 2,517 (31 December 2023: kEUR 3,458).

Note 10
Other provisions

Other provisions amount to kEUR 23,894 as of 30 June 2024 (31 December 2023: kEUR 23,103) and mainly comprise provisions for outstanding invoices of kEUR 11,085 (31 December 2023: kEUR 10,466), for personnel costs in the amount of kEUR 6,733 (31 December 2023: kEUR 7,381), for legal and consulting costs in the amount of kEUR 3,636 (31 December 2023: kEUR 3,574) and for audit and financial statements costs of kEUR 2,439 (31 December 2023: kEUR 1,682).

Note 11
Tax provisions

Provisions for taxes mainly consist of corporate income tax and trade tax. As of 30 June 2024, tax provisions increased by kEUR 8,859 to kEUR 37,486 (31 December 2023: kEUR 28,627). As of 30 June 2024, the increase results from the higher taxable income. In addition, there is no netting between the tax provisions and the tax prepayments made during this year.

Income taxes (current and deferred taxes) were calculated over the interim reporting period on the basis of the actual result of the period and taking into account one-off effects of the interim reporting period. The tax rate determined in this way was checked for plausibility both with regard to the interim reporting period and with regard to the year as a whole. The procedure chosen for the reporting period to determine income taxes was based on the processes used in the preparation of the Group`s annual financial statements.

Deferred tax liabilities

Deferred tax liabilities increased by kEUR 1,622 to kEUR 51,897 (31 December 2023: kEUR 50,275). This increase is mainly due to the capitalization of internally generated intangible assets at Group level (see also Note 17).

Note 12
Liabilities owed to non-banks

Financial liabilities owed to non-banks comprise the following:

In kEUR

	30/06/2024	31/12/2023
Liabilities owed to non-banks		
Liabilities from leasing agreements	38,408	36,760
Liabilities from hire purchase agreements	10,365	8,747
Total	**48,772**	**45,508**

Liabilities owed to non-banks include liabilities from leases in accordance with IFRS 16:

In kEUR

	30/06/2024	31/12/2023
Liabilities from leasing agreements	38,408	36,760
Total	**38,408**	**36,760**

Note 13
Liabilities owed to customers

Liabilities owed to customers amount to kEUR 3,599,185 as of 30 June 2024 (31 December 2023: kEUR 3,605,869). The liabilities to customers are predominantly customer deposits with flatexDEGIRO Bank AG, which are essentially attributable to customer cash account balances held by flatex, DEGIRO and ViTrade brands. The decline in customer deposits in mainly due to a lower average deposit ratio.

Note 14
Liabilities owed to banks

As of the end of the first half of 2024, the financial liabilities owed to banks were kEUR 126,091 (31 December 2023: kEUR 67,257) and included kEUR 122,357 (31 December 2023: kEUR 46,007) in liabilities from securities settlement processing from customer transactions and foreign exchange holdings from customer transactions in the amount of kEUR 3,733 (31 December 2023: kEUR 21,250). No financing liabilities owed to banks exist.

Note 15
Revenues

Revenues for the first half of 2024 and 2023 break down as follows:

In kEUR

	1st HY 2024	1st HY 2023
Commission income	140,892	120,682
Interest income	91,597	59,020
Other operating income	9,196	9,404
thereof: Income from providing IT services	4,759	5,391
Total	**241,685**	**189,106**
Timeline of revenue recognition		
at a specific point in time	241,685	189,106
over a period of time	-	-

Overall, revenues increased by kEUR 52,579 to kEUR 241,685 in the reporting period (1st half of 2023: kEUR 189,106). The main drivers of this increase were both interest income and commission income.

In the reporting period, commission income of kEUR 140,892 (1st half of 2023: kEUR 120,682) was generated primarily from the settlement of securities transactions under the flatex, DEGIRO and ViTrade brands and the B2B services provided by flatexDEGIRO Bank AG. The increase is the result of a higher number of transactions and a general improvement in monetisation per transaction.

flatexDEGIRO AG fulfils its performance obligations as part of its online brokerage services by executing the respective orders. The corresponding payments are due at the time of fulfilment of the performance obligation.

Interest income totalling kEUR 91,597 (1st half of 2023: kEUR 59,020) is the result of several increases in interest rates for the deposit facility by the ECB compared to the previous year's interim period, with a simultaneous increase in customer deposits held in custody.

Other operating income mainly includes income from the providing IT services in the amount of kEUR 4,759 (1st half of 2023: kEUR 5,391). The main items here are the IT services of the B2B customer business in connection with FTX:CBS.

Note 16
Raw materials and consumables

Raw materials and consumables for the first half of 2024 and 2023 break down as follows:

In kEUR

	1st HY 2024	1st HY 2023
Commission expense	25,881	23,170
Interest expense	4,478	3,346
Other operating expense	5,170	3,372
thereof: IT costs	1,290	1,292
thereof: IT business expense	692	833
Total	**35,528**	**29,888**

The raw materials and consumables totalled kEUR 35,528 in the reporting period and increased by kEUR 5,640 compared to last year's interim period (1st half of 2023: kEUR 29,888). The increase resulted mainly from higher commission and other operating expenses.

In the reporting period, commission expense in the amount of kEUR 25,881 (1st half of 2023: kEUR 23,170) was recognised. 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 previous year's interim period is mainly due to an increase in the number of transactions executed.

Interest expense of kEUR 4,478 (1st half of 2023: kEUR 3,346) increased compared to previous year's interim period, in particular due to price declines in the funds.

Other operating expense in the amount of kEUR 5,170 (1st half of 2023: kEUR 3,372) primarily include IT costs of kEUR 1,290 (1st half of 2023: kEUR 1,292) and expenses in connection with the provision of IT services of kEUR 692 (1st half of 2023: kEUR 833).

Note 17
Personnel expenses

The personnel expenses recognised can be broken down as follows:

In kEUR

	1st HY 2024	1st HY 2023
Wages and salaries	41,998	34,461
Social security contributions and discretionary benefits	7,763	8,539
Income/expenses for pension obligations and employee benefits	170	-314
Personnel expenses for long-term variable remuneration	2,778	15,399
Total	**52,709**	**58,085**
Capitalised development expenses	12,373	12,454

In the first half of 2024, wages and salaries totalled kEUR 41,998 (1st half of 2023: kEUR 34,461). The increase is mainly due to higher expenses for salaries and for the provisions for bonuses.

Capitalised development costs for intangible assets in accordance with IAS 38 remained at the previous year's level at kEUR 12,373 (1st half of 2023: kEUR 12,454). The focus of the development was in particular on the further development of the FTX:CBS core banking system and L.O.X., the development of internal applications (collaboration tools), and the preparations for the plan to connect partners in the field of crypto trading.

In the first half of 2024, personnel expenses for long-term variable remuneration were recognised of kEUR 2,778 (1st half of 2023: kEUR 15,399). This effect results from provisions for stock appreciation rights.

Expenses resulting from the 2014 and 2015 stock option plans

The exercise of options under the 2015 stock option plans resulted in an increase in subscribed capital of kEUR 40 and in additional paid-in-capital of kEUR 88. Expenses of kEUR 9 were recognised in the first half of 2024 (first half of 2023: kEUR 0).

In the reporting period, 40,000 share options were exercised.

Development of Stock Appreciation Rights 2020 (SARs plan 2020)

In the first half of 2024, the provision for long-term variable remuneration was utilised in the amount of kEUR 4,583 (1st half of 2023: kEUR 26,370) due to the exercise of SARs share options. In addition, there was an addition to the provision due to valuation effects of kEUR 2,769 to kEUR 7,581 (31 December 2023: kEUR 9,394).

As of 30 June 2024, the intrinsic value of SARs already vested amounts to kEUR 1,210 (31 December 2023: kEUR 11,634).

For detailed information on the valuation of the stock option plans and the SARs, please refer to Note 35 in the Consolidated Financial Statements 2023.

Note 18
Marketing expenses

Marketing expenses developed as follows in the reporting period:

In kEUR

	1st HY 2024	1st HY 2023
Marketing expenses	18,020	25,519
Total	**18,020**	**25,519**

Marketing activities are focused in particular on acquiring new customers with an increased focus on raising brand awareness of flatex in the German and Austrian markets and of DEGIRO in the international markets. The reduction in marketing expenses by kEUR 7,499 was mainly a direct response to the change in the market environment and a stronger focus on acquiring new customers.

Note 19
Other administrative expenses

Other administrative expenses for the reporting period break down as follows:

In kEUR

	1st HY 2024	1st HY 2023
IT expenses	9,545	7,277
Legal and consulting fees	9,255	4,642
Bank-specific contributions	4,504	3,843
Rental expenses	2,017	1,812
Insurance, contributions, and official fees	994	657
Travel expenses	919	921
Other expenses	790	6,707
Vehicle expenses	356	342
Postage and office supplies	330	310
Representation	259	637
Total	**28,971**	**27,150**

The increase of kEUR 2,268 by IT costs includes primarily expenses for licences, maintenance, consulting, and support services.

The significant increase in expenses for legal and consulting fees by kEUR 4,613 is mainly due to higher expenses for external consulting and auditing services in connection with the processing of audit findings and topics connected with general corporate governance.

The increase in bank-specific contributions by kEUR 661 is primarily the result of higher contributions, higher ancillary costs for cash transactions, and the increase in business volume compared to the same period of the previous year.

The increase of kEUR 337 in expenses for insurance, contributions, and official fees is mainly due to higher insurance expenses.

The significant decrease in other expenses of kEUR 5,917 is due in particular to the fines from the Italian competition authority AGCM (kEUR 3,500) and BaFin (kEUR 1,050) included in the previous year's period.

Note 20
Additional disclosures in accordance with IAS 7

Income tax payments

In kEUR

	1st HY 2024	1st HY 2023
Income tax payments	21,519	20,891
Total	**21,519**	**20,891**

The cash flow from operating activities includes income tax payments in the amount of kEUR 21,519 (1st half of 2023: kEUR 20,891).

Note 21
Segment reporting in accordance with IFRS 8

As in the Consolidated Financial Statements for the financial year 2023, flatexDEGIRO AG splits its activities into the two operating segments “flatex” and “DEGIRO”:

Segment report for continuing operations for the first half of 2024

In kEUR

	flatex	DEGIRO	Consolidation	Total
Revenues	146,693	135,458	-40,466	241,685
Raw materials and consumables	34,971	19,002	-18,445	35,528
Personnel expenses	28,018	34,361	-9,671	52,709
Marketing expenses	10,275	11,284	-3,539	18,020
Other administrative expenses	20,048	17,735	-8,812	28,971
EBITDA	**53,381**	**53,076**	**-**	**106,457**
Depreciation				20,438
EBIT				**86,019**
Financial result				-1,062
EBT				**84,958**
Income tax expenses				24,130
Half-year consolidated net profit				**60,828**

Segment report for continuing operations for the first half of 2023

In kEUR

	flatex	DEGIRO	Consolidation	Total
Revenues	118,423	104,452	-33,769	189,106
Raw materials and consumables	32,230	14,238	-16,580	29,888
Personnel expenses	27,614	36,096	-5,625	58,085
Marketing expenses	13,919	16,548	-4,948	25,519
Other administrative expenses	15,375	18,391	-6,617	27,150
EBITDA	**29,285**	**19,180**	**-**	**48,464**
Depreciation				16,608
EBIT				**31,856**
Financial result				-728
EBT				**31,128**
Income tax expenses				11,072
Half-year consolidated net profit				**20,056**

Note 22
Related party relationships and transactions

In accordance with IAS 24, related parties include the members of the governing bodies of the parent company and their families, as well as the members of the Management Board and Supervisory Board of other essential subsidiaries and subsidiaries and legal entities related to related parties.

Legal transactions and other transactions with related parties

In the reporting period, Group companies of flatexDEGIRO AG conducted legal transactions with related parties or companies with a total volume of kEUR 391 (31 December 2023: kEUR 423), primarily concerning contractual services.

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

Note 23
Earnings per share

In the first half of 2024, earnings per share totalled EUR 0.55 (undiluted) and EUR 0.55 (diluted). In the reporting period, the average number of shares that were issued and outstanding was 110,016,000 (undiluted) and 110,193,734 (diluted). As of 30 June 2024, the number of shares issued and outstanding was 110,032,548 (30 June 2023: 109,952,548).

Note 24
Dividends

In the reporting period, a dividend of EUR 0.04 per dividend-bearing share was distributed for the first time, resulting in a total dividend payout of kEUR 4,401 by flatexDEGIRO AG to its shareholders in June 2024.

Note 25
Events after the balance sheet date

flatexDEGIRO applies for approval of share buyback program

In agreement with the Supervisory Board, the Management Board of flatexDEGIRO AG applied on 22 July 2024 for approval of a share buyback program with the German Federal Financial Supervisory Authority (BaFin) in order to make use of the authorization to acquire treasury shares granted by the Annual General Meeting on 4 June 2024. The implementation of the share buyback program is subject to the approval to be granted by the BaFin. The Company intends to use a significant portion part of the balance sheet net profit from the 2023 financial year (mEUR 71.9) for the share buyback program.

Filing of an action for annulment and positive declaratory judgement against a resolution of the Annual General Meeting on 4 June 2024

One of the Company’s shareholders, GfBk Gesellschaft für Börsenkommunikation mbH, has filed an action for annulment and positive declaratory judgement against the resolution adopted at the Annual General Meeting of flatexDEGIRO AG on 4 June 2024 on agenda item 13, resolution on the dismissal of a member of the Supervisory Board (Mr Martin Korbmacher) pursuant to Section 103 AktG. The action was served to the Company on 6 August 2024. It is pending at the Regional Court of Frankfurt am Main and is registered under file number 3-05 O 70/ 24. The Company intends to defend itself against the lawsuit. Pursuant to Section 246 (4) sentence 1 Stock Corporation Act (AktG), the Management Board immediately announced the filing of the action on the website https://flatexdegiro.com/en/investor-relations/news of flatexDEGIRO AG and in the Federal Gazette (Bundesanzeiger). The other resolutions of the Company's Annual General Meeting on 4 June 2024 are not affected by this action, regardless of a possible outcome of the lawsuit. This action for annulment and positive declaratory judgement has no impact on the Company's operating business.

Opening of insolvency proceedings in the context of a credit engagement

On 9 August 2024, flatexDEGIRO Bank AG was informed of the opening of insolvency proceedings in the context of a credit engagement. As this matter has already been taken into account in the present value calculation in accordance with IFRS 13, the Company does not expect any material negative effects on its net assets, financial position and financial performance.

Frankfurt am Main, 15 August 2024

flatexDEGIRO AG

Dr. Benon Janos	Stephan Simmang	Christiane Strubel
Co-CEO, Chief Financial Officer	Co-CEO, Chief Technology Officer	Chief HR Officer, Member of the Management Board