PrimeStone

flatexDEGIRO SE
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Germany

To: Stefan Müller, Bernd Förtsch, Prof. Dr. Katrin Löhr, Sarna Röser
To: Oliver Behrens, Dr. Benon Janos, Dr. Thomas Lindner, Christiane Strubel, Jens Möbitz, Evgeni Kaplun

24 November 2026

Dear Chairman and Members of the Supervisory and Management Boards,

PrimeStone Capital LLP ("PrimeStone" or "we"), through the funds we advise, own c.1.5% of the share capital of flatexDEGIRO SE ("flatexDEGIRO" or "the Company"). PrimeStone is a long-term investor in European listed companies, founded in 2014 by three former Partners from The Carlyle Group. We take minority stakes in high-quality companies where we identify significant potential for value creation.

Since becoming shareholders, we have had the opportunity to meet with Mr Behrens and Dr Janos on several occasions to discuss flatexDEGIRO's strategy and execution. Through these discussions and based on our own work, we have come to share your conviction in the attractiveness of its business model and franchise as well as in the significant growth opportunity ahead of it.

The purpose of this letter is to (i) recognise the remarkable transformation achieved by the Company, (ii) set it against a share price which, amid renewed governance changes and uncertainty, no longer reflects it – and which, by raising the Company's cost of capital, risks constraining its ambitions at a pivotal moment – and (iii) ask the Supervisory Board to immediately launch a formal strategic review and mandate a leading independent financial adviser to assess interest from potential strategic and financial partners, in order to secure the best possible ownership structure to support flatexDEGIRO's long-term growth. We believe this is in the interest of the Company, its customers and employees, and all its shareholders.

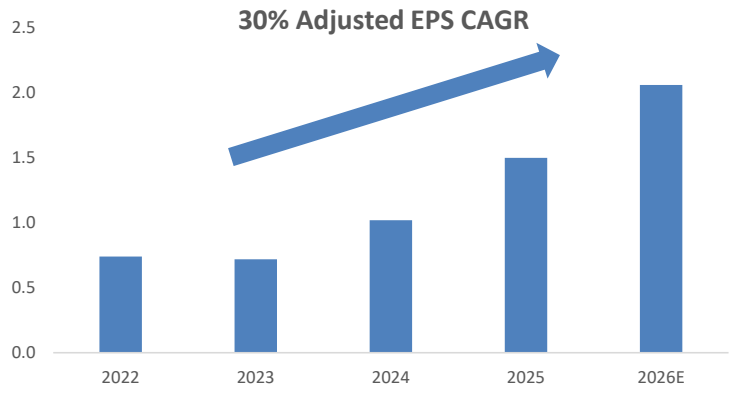
Our request is made with full appreciation of the quality of flatexDEGIRO's franchise, the work of its management team and the vision of its founder and anchor shareholder, Bernd Förtsch, whose entrepreneurship and long-term commitment have made the Company what it is today. The issue is not execution. It is the growing disconnect between the value of the Company, in our view in excess of €40 per share, and the value the market currently ascribes to it, with a share price around €23.

1. A high-quality franchise and strong execution

Under Mr Förtsch's impulse and that of successive management teams, flatexDEGIRO has grown from a German online broker into one of Europe's leading investment platforms, with c.3.7 million customer accounts and over €100bn of assets under custody. It notably enjoys:

- **A highly profitable, cash-generative model with significant growth potential.** With a return on equity above 20%, a customer acquisition cost payback below 18 months and major market tailwinds from rising retail investment, demographics and pension reform, the Company combines strong capital generation with long-term growth opportunities.
- **A unique, vertically integrated platform.** Owning its banking licence and its full IT value chain gives flatexDEGIRO one of the lowest production costs in the market – a structural advantage, notably in the new German pension product.
- **A strong and growing client franchise.** The client base that has grown at c.12% CAGR since 2022 and is expected to reach c.3.8m customer accounts at the end of 2026.
- **Record results and targets reached a year early.** The Company reported record revenues and earnings in H1 2026 and over the first nine months of the year, raised its FY26 net profit guidance, and now expects to meet or exceed its original FY27 targets one year ahead of plan.

This execution is clearly reflected in the Company's earnings. Over the last 10 years, flatexDEGIRO has grown earnings per share at an impressive 27% per annum, and at c.30% since 2022, while completing its regulatory remediation and continuing to invest in its platform.



Source: Company reports; 2026E based on the mid-point of Company guidance

Importantly, we believe the most exciting period still lies ahead. Many factors point to a long runway of profitable growth: the structural shift of European savers towards self-directed investing still being in its early innings, the launch of the Altersvorsorgedepot and of DEGIRO savings plans, the completion of the platform migration by end-2027, the strengthening of the organisation with the appointment of a Chief Growth Officer and the implementation of a more performance-oriented marketing approach, etc. Consensus expects double-digit annual earnings growth over the coming years. This seems prudent given the above backdrop and the Company's track record.

Of course, there are natural challenges for such a growth business but none, in our view, justifies the valuation at which the Company's shares now trade.

2. Renewed governance changes / uncertainty have overshadowed the Company's execution

In fact, despite the progress highlighted above, and consensus 2026 EPS moving up by 17% since the start of the year, the share price has moved sharply in the opposite direction, now down c.37% year to date, and from a 52-week high of €43 in February to around €23, erasing c.€2.2bn of market value.

This dislocation has not been driven by operations, but by governance – and not for the first time. Over 2024 and 2025, while still completing its remediation, the Company changed its Chief Executive, went through a contested Annual General Meeting and saw four of the five seats on its Supervisory Board change hands. The arrival of a new Chief Executive and the election of a largely renewed Supervisory Board at the 2025 Annual General Meeting were intended to draw a line under that period. Together with strong delivery, they allowed the Company to begin rebuilding investor confidence, and its shares re-rated to multiples in line with its peers in early 2026.

The events of September have unfortunately left investors experiencing a "here we go again" frustration where strong operational numbers are once again being overshadowed by boardroom uncertainty. On 10 September, the Chairman and a second member of the Supervisory Board, both elected in 2025, unexpectedly resigned, citing differing views on the Company's future strategic direction; two weeks later, the Management Board was reorganised. Since then, the share price has fallen by around a third. With limited visibility on the nature of these differences, investors have been left to speculate on the stability of the Company's governance and on whether a change of strategy could come at the expense of earnings. In a matter of weeks, these departures have set the Company back by some two years in its efforts to rebuild investor confidence.

At the current level, the Company trades at c.9.6x 2027E earnings: a discount of nearly 50% to its peers, c.30% below its own long-term average of c.14x, and back to the levels of 2023-24, at the height of its remediation and leadership changes. This is all the more striking as future earnings expectations have barely moved. One broker recently cut its earnings estimates by only 4–6% while lowering its price target by over 40%, explicitly citing a higher risk premium; another observed that the forward multiple fell by four turns in September alone, with no deterioration in fundamentals[1]. Analysts' price targets now average €39, c.70% above the current price. They range from c.€25 to €50 – a dispersion which illustrates how difficult public investors find it to value the Company.

In other words, the market is not questioning flatexDEGIRO's earnings power, it is applying an ever-higher discount to it.

This is not merely a share price issue. A depressed valuation translates directly into a higher cost of capital, at precisely the time the Company needs to invest – in marketing to grow its customer base, in new products and in European expansion – against well-funded private competitors that are not judged quarter by quarter. Today, every euro of growth investment is met with scepticism rather than credit, limiting its strategic flexibility. It also narrows the Company's options in a consolidating market – its shares are a weak acquisition currency and it is exposed to opportunistic approaches. Further, it erodes the value of equity incentives just as it seeks to attract talent.

Most importantly, we do not expect this disconnect to correct itself in a reasonable timeframe. The uncertainty created by the governance changes is unlikely to be dispelled by sensible share buybacks,

[1] Morgan Stanley note published 10 November 2026, UBS note published 29 September 2026.

new medium-term targets or new world-class independent appointments alone. Investors have been there before, they have believed the situation resolved and they have been burnt. Without a different and decisive initiative from the Board, we fear that even clear, ambitious targets and strong delivery will continue to go unrewarded.

3. A review of strategic alternatives is the best way forward

The question of flatexDEGIRO's strategic direction is already on the table. We believe the best way to resolve it – in the interest of all shareholders, but also of the Company's employees and customers – is through a structured, transparent and independent process. The strategy update planned for February is welcome, but it is not a substitute for a review of ownership options. Far from adding to the uncertainty, a strategic review would replace it with a clear path forward and turn today's overhang into a catalyst.

flatexDEGIRO is a scarce asset: one of very few scaled, profitable and vertically integrated pan-European investment platforms, with a full banking licence, proprietary technology and leading positions in Germany, Austria and the Netherlands. At a time of consolidation across European wealth and investment platforms, we are convinced that such a franchise would attract strong interest from a broad range of strategic and financial parties, domestic and international. Applying a sector multiple to consensus 2027 earnings, we estimate the intrinsic value of flatexDEGIRO to be in excess of €40 per share – c.75% above the current share price, in line with analysts' average price target.

This is not a theoretical proposition. flatexDEGIRO has attracted interest from both financial and strategic parties in the past. In 2019, a review of strategic options conducted with Lazard reportedly drew significant interest, before the Company chose instead to acquire DEGIRO. In 2022, private equity firms were reported to be studying a take-private of the Company and, in 2023, its then Chief Executive publicly expressed openness to a combination with a partner[2]. Since 2022, flatexDEGIRO has grown its customer base by more than 50%, completed its remediation and reached record profitability, making it a considerably more attractive asset than when this interest was first expressed.

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In light of the above, we respectfully ask the Supervisory Board to:

a) Immediately launch a formal strategic review and mandate a leading independent financial adviser to assess interest from potential strategic and financial partners;
b) Alongside the review – rather than as an alternative to it – complete and strengthen the Supervisory Board with independent members with relevant banking, capital markets and M&A experience, including a permanent Chairman; and
c) Give fair consideration to any credible expression of interest, within a structured process that safeguards the interests of all shareholders.

[2] Sources: press reports (August 2019), Börsen-Zeitung (December 2019), Bloomberg (23 February 2022), Reuters (19 October 2023).

We are convinced that such a process, conducted from a position of strength, is in the best interest of every shareholder, including the Company's founder and anchor shareholder, whose vision and long-term commitment have been central to building the franchise.

CONCLUSION

Operationally, flatexDEGIRO has delivered on virtually every front: it has built one of Europe's most attractive investment platforms, delivered record results, completed its remediation, and earned the regulator's confidence; it is on track to reach its medium-term targets a year early, with an exciting period of growth ahead. Yet, since the governance changes of September, its share price has fallen by a third, undoing years of progress in rebuilding investor confidence, raising the Company's cost of capital, and leaving it exposed to an opportunistic bid. It now trades at a steep discount to its intrinsic value. New Board appointments alone will not close this gap. Nor will half-measures. Larger buybacks, new medium-term targets in February or the deployment of excess capital into acquisitions would each leave the fundamental disconnect between price and value unaddressed. It is this disconnect that makes a strategic review, in our view, both necessary and timely.

Today, all shareholders bear a governance discount; a strategic review would give them the prospect of a control premium instead, if it led to a sale of the Company.

We would welcome the opportunity to discuss the recommendations in this letter with you. Given the importance of these matters for all shareholders, we are publishing this letter so that you are also free to engage openly with other shareholders on its recommendations. We have recently exchanged with several of them, some of whom have been investors for many years, and believe this approach would garner significant support.

Yours sincerely,

PrimeStone