



XTB S.A.

(joint stock company with its registered office in Warsaw and address at Prosta 67, 00-838 Warszawa,
entered into the Register of Business Entities of the National Court Register under No. 0000217580)

DISCLAIMER

This English language translation of the Polish version of Current Report No. 23 dated 29 April 2024 has been prepared solely for the convenience of English speaking readers. Despite all the efforts devoted to this translation, certain discrepancies, omissions or approximations may exist. In case of any differences between the Polish and the English versions, the Polish version shall prevail. XTB, its representatives and employees decline all responsibility in this regard.

CURRENT REPORT NO. 28/2024

Warsaw, 2 August 2024

Preliminary financial and operating results for the first half of 2024

The Management Board of the XTB S.A. (the "Issuer", the "Company", "XTB") hereby announces that the process of aggregating of financial data for the purpose of preparing the condensed consolidated financial statements of the Issuer's Group for the first half of 2024 was completed on 2 August 2024. Therefore, it has been decided to publish the preliminary consolidated selected financial and operating data for the aforementioned period, which the Issuer submits as an attachment to the aforementioned current report.

The Issuer also announces that the final financial and operating results for the first half of 2024 will be presented in the extended consolidated report of the Issuer's Group for the first half of 2024, the publication of which was scheduled for 20 August 2024.

Legal basis:

Article 17 paragraph 1 MAR – inside information.



xtb

**APPENDIX
TO THE CURRENT REPORT**

NO. 28/2024 OF 2 AUGUST 2024

PRELIMINARY FINANCIAL
AND OPERATING RESULTS FOR THE FIRST HALF OF 2024

XTB

KEY PERFORMANCE INDICATORS

H1 2024

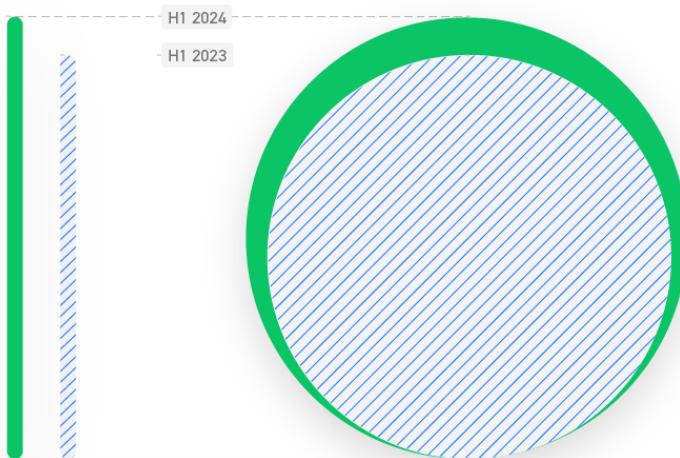


NET PROFIT

463.0

MM
PLN

▲ +10.0% y/y



OPERATING INCOME

938.1

MM
PLN

▲ +12.9% y/y



EBIT

527.7

MM
PLN

▲ +7.9% y/y



NUMBER OF ACTIVE CLIENTS

462 771

▲ +50.5% y/y

H1 2024



NEW CLIENTS

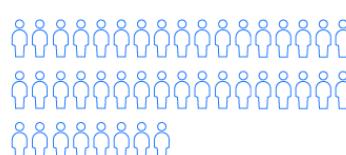
232 316

▲ +38.9% y/y

H1 2024



H1 2023

CFD PROFITABILITY
PER LOT

239

PLN

▲ +3.9% y/y

CFD VOLUME

3 931 049

▲ +8.7% y/y



SELECTED CONSOLIDATED FINANCIAL INFORMATION

(in PLN'000)	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	30.06.2024	31.03.2024	30.06.2024	30.06.2023
Total operating income	382 119	555 948	938 067	830 687
Total operating expenses	(205 408)	(204 965)	(410 373)	(341 596)
Profit on operating activities (EBIT)	176 711	350 983	527 694	489 091
Finance income	19 475	17 928	37 403	41 995
Finance costs	(243)	(270)	(513)	(19 036)
Profit before tax	195 943	368 641	564 584	512 050
Income tax	(35 643)	(65 895)	(101 538)	(91 053)
Net profit	160 300	302 746	463 046	420 997

(in PLN'000)	AS AT			
	30.06.2024	31.03.2024	31.12.2023	30.06.2023
Own cash	1 249 587	1 332 284	1 409 897	1 651 053
Own cash + bonds	1 675 224	2 128 406	1 805 705	2 030 935
Equity	1 605 110	2 038 746	1 734 663	1 352 880

SELECTED CONSOLIDATED OPERATING DATA (KPI)

	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	30.06.2024	31.03.2024	30.06.2024	30.06.2023
New clients ¹	102 569	129 747	232 316	167 200
Clients in total	1 113 554	1 018 899	1 113 554	762 624
Number of active clients ²	425 190	378 476	462 771	307 511
Average number of active clients ³	425 190	378 476	401 834	259 707
Net deposits (in PLN'000) ⁴	1 908 189	1 896 812	3 805 001	1 801 268
Average operating income per active client (in PLN'000) ⁵	0,9	1,5	2,3	3,2
Transaction volume in CFD instruments in lots ⁶	1 966 159	1 964 890	3 931 049	3 615 545
Profitability per lot (in PLN) ⁷	194	283	239	230
Transaction volume in CFD instruments in nominal value (in USD'000000)	621 544	581 865	1 203 409	1 143 732
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ⁸	154	239	195	170
Turnover of shares in nominal value (in USD'000000)	2 175	1 873	4 048	2 125

¹) The number of new Group's clients in the individual periods.

²) The number of clients who executed at least one transaction and/or had an open position during the period.

³) The quarterly average number of clients who executed at least one transaction and/or had an open position during the three-month period.

⁴) Net deposits comprise deposits placed by clients less amounts withdrawn by the clients in a given period.

⁵) The Group's operating income in a given period divided by the average quarterly number of active clients.

⁶) Lot is a unit of trading in financial instruments; in the case of foreign currency transactions, a lot corresponds to 100,000 units of the underlying currency; in the case of instruments other than CFDs based on currencies, the amount is specified in the instruments table and varies for various instruments. Presented value does not include CFD turnover on shares and ETFs, where 1 lot equals 1 share.

⁷) Total operating income divided by the transaction volume in CFDs in lots.

⁸) Total operating income converted into USD by the arithmetic average of exchange rates published by the National Bank of Poland on the last day of each month of the reporting period, divided by turnover of CFD in nominal value (in USD'000000).

Management Board's commentary on the preliminary results

For XTB, the first half of 2024 was a consecutive period of dynamic business development and client base building. As a result, the Group acquired a record 232,3 thousand new clients (an increase of 38,9% y/y), while the number of active clients increased by 50,5% y/y from 307,5 thousand to 462,8 thousand.

XTB's dynamic operational growth, combined with favourable market conditions, resulted in record financial results in the first half of 2024. The consolidated net profit amounted to PLN 463,0 million compared to PLN 421,0 million in the previous year. Consolidated revenues amounted to PLN 938,1 million (H1 2023: PLN 830,7 million), with operating expenses of PLN 410,4 million (H1 2023: PLN 341,6 million).

Revenues

In the first half of 2024, XTB's revenues reached a record level of PLN 938,1 million (increase by 12,9% y/y). Important factors determining its level were the high volatility on financial and commodity markets in Q1 2024, understood as the occurrence of long and clear trends on stock and commodity markets, a higher number of corrections and trend reversals in Q2 2024, and the constantly growing number of active clients (increase by 50,5% y/y), connected with their high transaction activity, expressed, among other things, in the number of CFD contracts concluded in lots (increase by 8,7% y/y). As a result, the volume of transactions in CFD instruments amounted to 3 931,0 thousand lots (H1 2023: 3 615,5 thousand lots), profitability per lot amounted to PLN 239 (H1 2023: PLN 230).

THREE-MONTH PERIOD ENDED									
	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022	
Total operating income (in PLN'000)	382 119	555 948	506 740	280 988	293 134	537 553	221 924	393 659	
Transaction volume in CFD instruments in lots ¹	1 966 159	1 964 890	1 789 481	2 011 452	1 770 385	1 845 160	1 720 381	1 594 606	
Profitability per lot (in PLN) ²	194	283	283	140	166	291	129	247	
Transaction volume in CFD instruments in nominal value (in USD'000000)	621 544	581 865	548 927	593 232	547 088	596 645	548 781	539 879	
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ³	154	239	229	114	128	207	89	153	

¹) A lot is a unit of trading in financial instruments; in the case of foreign currency transactions, a lot corresponds to 100,000 units of the underlying currency; in the case of instruments other than CFDs based on currencies, the amount is specified in the instruments table and varies for various instruments. Presented value does not include CFD turnover on shares and ETFs, where 1 lot equals 1 share.

²) Total operating income divided by the transaction volume in CFDs in lots.

³) Total operating income converted into USD by the arithmetic average of exchange rates published by the National Bank of Poland on the last day of each month of the reporting period, divided by turnover of CFD in nominal value (in USD'000000).

		PERIOD ENDED							
		SIX-MONTH		TWELVE-MONTH					
		30.06.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Total operating income (in PLN'000)		938 067	1 618 415	1 451 954	625 595	797 750	239 304	288 301	273 767
Transaction volume in CFD instruments in lots ¹		3 931 049	7 416 479	6 365 643	4 104 566	3 175 166	1 597 218	2 095 412	2 196 558
Profitability per lot (in PLN) ²		239	218	228	152	251	150	138	125
Transaction volume in CFD instruments in nominal value (in USD'000000)		1 203 409	2 285 891	2 259 588	1 737 351	1 021 835	541 510	773 899	653 373
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ³		195	169	144	93	200	115	103	111

¹) A lot is a unit of trading in financial instruments; in the case of foreign currency transactions, a lot corresponds to 100,000 units of the underlying currency; in the case of instruments other than CFDs based on currencies, the amount is specified in the instruments table and varies for various instruments. Presented value does not include CFD turnover on shares and ETFs, where 1 lot equals 1 share.

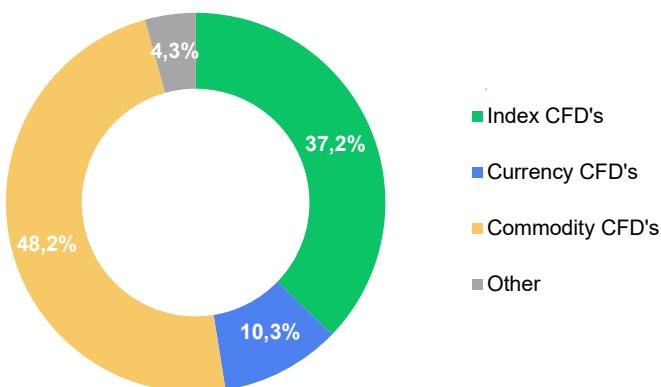
²) Total operating income divided by the transaction volume in CFDs in lots.

³) Total operating income converted into USD by the arithmetic average of exchange rates published by the National Bank of Poland on the last day of each month of the reporting period, divided by turnover of CFD in nominal value (in USD'000000).

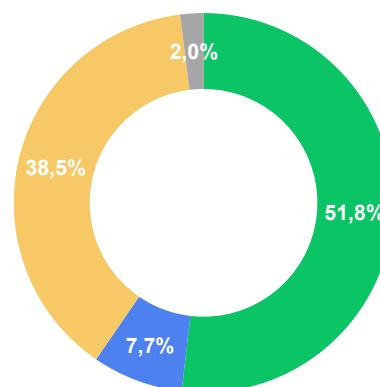
Looking at XTB's revenues in terms of the instruments classes responsible for their creation, it can be seen that in the first half of 2024 CFDs based on commodities lead. Their share of the revenue structure in the first half of 2024 was 48,2% (H1 2023: 38,5%). This is partly due to the high profitability of CFD instruments based on gold, natural gas and cocoa prices. The second most profitable asset class was CFD based on index. Their share of the financial instruments revenue structure reached 37,2%, compared to 51,8% a year earlier. This is a consequence of the high returns on CFDs based on the US 100 index, the German DAX (DE40) stock index or the US 500 index. Revenues from currency-based CFD instruments accounted for 10,3% of total revenues, compared to 7,7% in the previous year. The most profitable financial instruments in this class were CFDs based on cryptocurrency Bitcoin, the USDJPY currency pair and the cryptocurrency Ethereum.

THE STRUCTURE OF REVENUE BY ASSET CLASS (IN%)

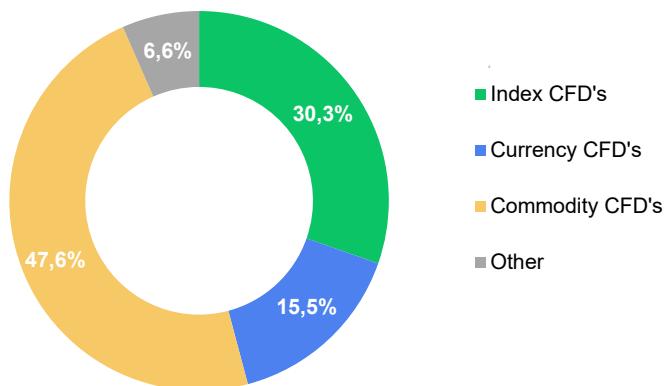
H1 2024



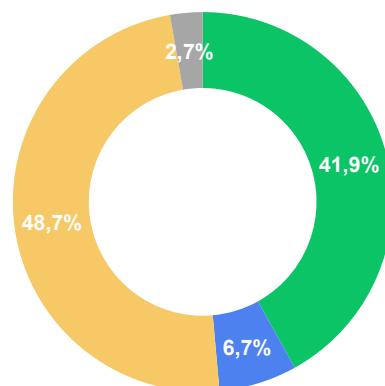
H1 2023



Q2 2024



Q1 2024



(in PLN'000)	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	30.06.2024	31.03.2024	30.06.2024	30.06.2023
Commodity CFDs	180 087	269 432	449 519	323 622
Index CFDs	114 953	232 166	347 119	436 279
Currency CFDs	58 702	36 853	95 555	65 076
Stock CFDs and ETFs	14 052	6 881	20 933	9 365
Bond CFDs	170	258	428	693
Total CFDs	367 964	545 590	913 554	835 035
Shares and ETFs	10 697	8 127	18 824	6 545
Gross gain on transactions in financial instruments	378 661	553 717	932 378	841 580
Bonuses and discounts paid to clients	(2 053)	(1 589)	(3 642)	(5 943)
Commission paid to cooperating brokers	(13 288)	(12 530)	(25 818)	(22 954)
Net gain on transactions in financial instruments	363 320	539 598	902 918	812 683

The Group's operating income is generated from: (i) spreads (the differences between the "offer" price and the "bid" price); (ii) fees and commissions charged by the Group to its clients; (iii) swap points charged (being the amounts resulting from the difference between the notional forward rate and the spot rate of a given financial instrument) and (iv) net results (gains offset by losses) from Group's market making activities.

The business model used by XTB combines the features of the agency model and the market maker model, in which the Company is a party to transactions concluded and initiated by clients. XTB does not engage, in the strict sense, in transactions carried out on its own account in anticipation of changes in prices or values of underlying instruments – proprietary trading).

The hybrid business model used by XTB also uses the agency model. For example, on most CFD instruments based on cryptocurrencies, XTB secures these transactions with external partners, practically is not to be the other party to the transaction (of course, from a legal point of view, it is still XTB). The fully automated risk management process adopted by the Company limits exposure to market changes and forces the Group to hedge its positions in order to maintain appropriate levels of capital requirements. In addition, XTB executes all transactions on shares and ETFs as well as on CFD instruments based on these assets directly on regulated markets or in alternative trading systems. XTB is not a market maker for this class of instruments.

XTB's business model includes high volatility of revenues from period to period. Operating results are mainly affected by: (i) volatility on financial and commodity markets; (ii) the number of active clients; (iii) volume of concluded transactions on

financial instruments; (iv) general market, geopolitical and economic conditions; (v) competition on the FX/CFD market and (vi) regulatory environment.

As a rule, the Group's revenues are positively affected by higher activity of financial markets due to the fact that in such periods, a higher level of turnover is realized by the Group's clients and higher profitability per lot. The periods of clear and long market trends are favourable for the Company and at such times it achieves the highest revenues. Therefore, high activity of financial and commodities markets generally leads to an increased volume of trading on the Group's trading platforms. On the other hand, the decrease in this activity and the related decrease in the transaction activity of the Group's clients leads, as a rule, to a decrease in the Group's operating income. Due to the above, operating income and the Group's profitability may decrease in periods of low activity of financial and commodity markets. In addition, there may be a more predictable trend in which the market moves within a limited price range. This leads to market trends that can be predicted with a higher probability than in the case of larger directional movements on the markets, which creates favourable conditions for transactions concluded in a narrow range trading. In this case, a greater number of transactions that bring profits to clients is observed, which leads to a decrease in the Group's result on market making.

Market volatility and activity is driven by a number of external factors, some of which are specific to the market and some of which may be related to general macroeconomic conditions. It can have a significantly impact on the Group's revenues in subsequent quarters. This is characteristic of the Group's business model.

Expenses

Operating expenses in the first half of 2024 amounted to PLN 410,4 million, PLN 68,8 million higher than in the same period of the previous year (H1 2023: PLN 341,6 million). The most significant changes were in:

- salaries and employee benefits, an increase of PLN 23,5 million, mainly due to an increase in the number of employees;
- marketing costs, an increase of PLN 20,1 million, mainly due to higher expenses for online marketing campaigns;
- commission costs, an increase of PLN 14,9 million, as a result of higher amounts paid to payment service providers through which clients deposit their funds on transaction accounts;
- other external services, an increase of PLN 5,6 million, mainly due to higher expenses for IT systems and licenses (an increase of PLN 5,2 million y/y).

(in PLN'000)	THREE-MONTH PERIOD ENDED		SIX-MONTH PERIOD ENDED	
	30.06.2024	31.03.2024	30.06.2024	30.06.2023
Marketing	75 234	81 106	156 340	136 258
Salaries and employee benefits	75 434	72 845	148 279	124 780
Commission expenses	22 596	21 324	43 920	28 985
Other external services	18 636	16 961	35 597	30 007
Amortization and depreciation	4 968	4 748	9 716	7 730
Taxes and fees	4 829	3 841	8 670	5 889
Costs of maintenance and lease of buildings	1 699	2 205	3 904	3 775
Other costs	2 012	1 935	3 947	4 172
Total operating expenses	205 408	204 965	410 373	341 596

On a q/q basis, operating costs were slightly higher than in the first quarter of 2024.

THREE-MONTH PERIOD ENDED								
	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
Total operating expenses including: (in PLN'000)	205 408	204 965	187 669	164 966	157 377	184 219	158 235	132 546
- Marketing	75 234	81 106	69 081	58 585	54 823	81 435	68 478	48 579
New clients ¹	102 569	129 747	77 267	67 505	62 994	104 206	51 038	44 796
Clients in total ²	1 113 554	1 018 899	897 573	826 042	762 624	703 928	614 934	567 387
Average client acquisition cost ³	0,7	0,6	0,9	0,9	0,9	0,8	1,3	1,1

¹) Number of new Group clients by quarter.²) Number of clients at the end of each quarter.³) The average cost of client acquisition is defined as the marketing spend in a quarter divided by the number of clients acquired in the same quarter.

	PERIOD ENDED							
	SIX-MONTH	TWELVE-MONTH						
		30.06.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Total operating expenses including: (in PLN'000)	410 373	694 231	558 567	348 772	282 004	173 892	172 492	145 497
- Marketing	156 340	263 924	222 369	120 101	87 731	37 716	33 322	24 841
New clients ¹	232 316	311 971	196 864	189 187	112 025	36 555	20 672	18 913
Clients in total ²	1 113 554	897 573	614 934	429 157	255 791	149 304	116 517	105 662
Average client acquisition cost ³	0,7	0,8	1,1	0,6	0,8	1,0	1,6	1,3

¹) Number of new Group clients by quarter.²) Number of clients at the end of each quarter.³) The average cost of client acquisition is defined as the marketing spend in a quarter divided by the number of clients acquired in the same quarter.

Due to the dynamic development of XTB, the Management Board estimates that the total costs of operations in 2024 could increase by around a one-fourth to the level observed in 2023. The priority of the Management Board is to continue to grow the client base and build a global brand. As a result of the activities implemented, marketing expenses may increase by about one-third compared to the previous year.

The final level of operating costs will depend on the rate of employment growth and the level of variable remuneration components paid to employees, the level of marketing expenditure, the dynamics of geographical expansion into new markets and the impact of possible new regulations and other external factors on the level of revenues generated by the Group.

The level of marketing expenditure will depend on its impact on the Group's results and profitability, the rate of international expansion and the degree of client responsiveness to the actions taken. Employment growth in the Group is driven by its dynamic development in both on the existing and new markets. The level of variable remuneration components is influenced by the Group's results.

Clients

XTB has a solid foundation in the form of constantly growing client base and the number of active clients. In the first half of 2024 Group reported another record in this area, acquiring 232 316 new clients compared to 167 200 a year earlier, which means an increase of 38,9%. Similarly to the number of new clients, the number of active clients was also record high. It increased from 307 511 to 462 771, i.e. by 50,5% y/y.

THREE-MONTH PERIOD ENDED								
	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022
New clients ¹	102 569	129 747	77 267	67 505	62 994	104 206	51 038	44 796
Clients in total ²	1 113 554	1 018 899	897 573	826 042	762 624	703 928	614 934	567 387
Number of active clients ³	462 771	378 476	408 528	355 461	307 511	260 095	270 560	237 527
Average number of active clients ⁴	425 190	378 476	310 220	281 101	259 318	260 095	203 410	190 210

¹) The number of new Group's clients in the individual periods.

²) Number of clients at the end of individual quarters.

³) Number of active clients in 6 and 3 months of 2024 and 12, 9, 6 and 3 months of 2023 and 12 and 9 of 2022, respectively. An active client, is a client who conducted at least one transaction and/or had an open position during the period.

⁴) The quarterly average number of clients who conducted at least one transaction and/or had an open position during the three-month period.

	SIX-MONTH	PERIOD ENDED						
		30.06.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
New clients ¹	232 316	311 971	196 864	189 187	112 025	36 555	20 672	18 913
Clients in total ²	1 113 554	897 573	826 042	762 624	703 928	614 934	567 387	525 287
Number of active clients ³	462 771	408 528	270 560	193 180	108 312	46 642	38 135	33 369
Average number of active clients ⁴	401 834	277 684	186 053	125 463	61 527	30 250	23 461	20 171

¹) The number of new Group's clients in the individual periods.

²) Number of clients at the end of individual quarters.

³) Number of active clients in 6 months of 2024 and 12 months of each year, respectively. An active client, is a client who conducted at least one transaction and/or had an open position during the period.

⁴) The quarterly average number of clients who conducted at least one transaction and/or had an open position during the three-month period.

The Board's priority is to continue to grow the client base, which will strengthen XTB's position in the global marketplace by reaching the mass client with its product offering. These activities are and will be supported by a number of initiatives, including the introduction of new products or promotional campaigns. The Management Board's target for 2024 is to acquire an average of at least 65-90 thousand new clients per quarter. As a result of the activities implemented, the Group acquired a total of 129,7 thousand new clients in the first quarter of 2024, and 102,6 thousand new clients in the second quarter of this year. In turn, 36,2 thousand new clients were acquired in July 2024.

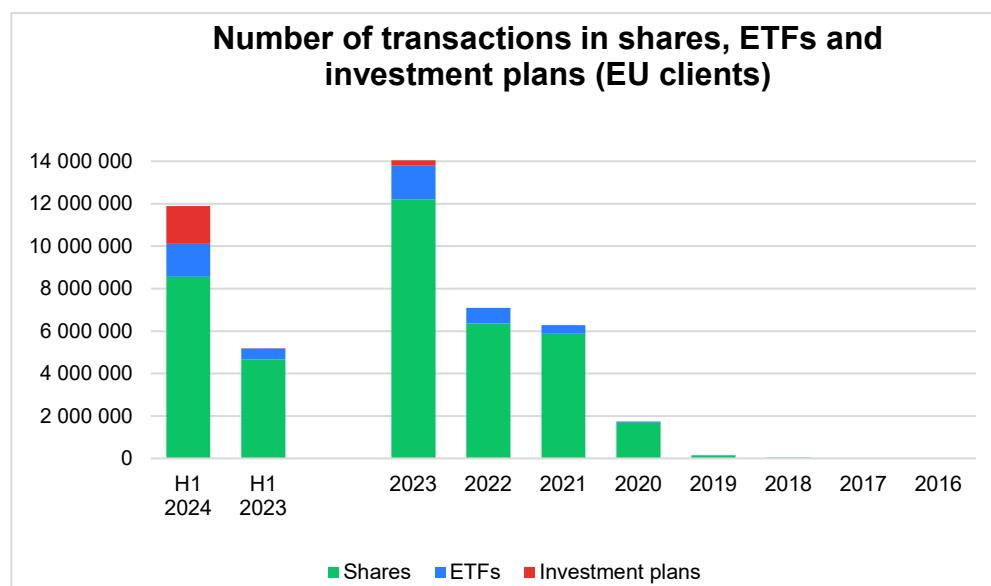
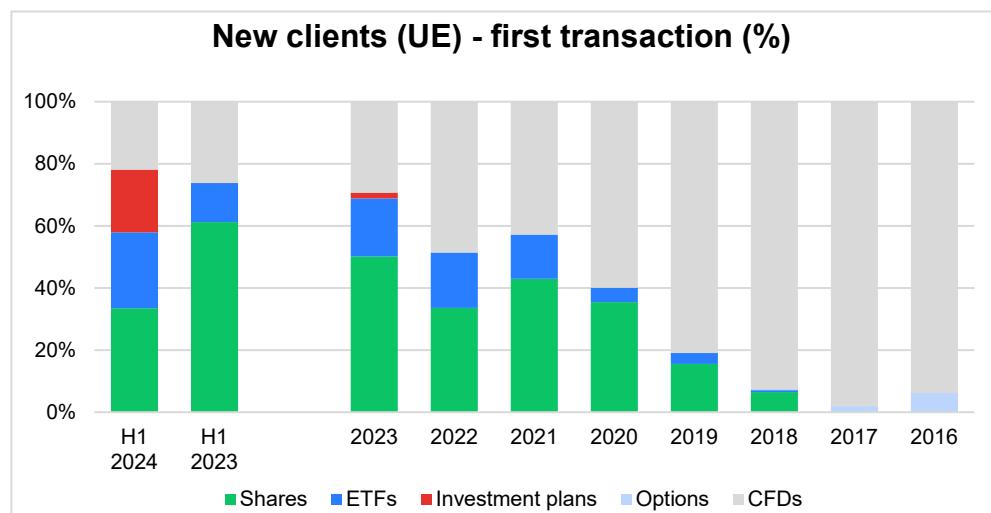
XTB's marketing activities are essential for driving the company's growth. By collaborating with athletes who serve as XTB ambassadors, the Group enhances its market position and boosts brand recognition in key global markets. In the first half of 2024, Conor McGregor and Iker Casillas starred in XTB advertising campaigns (though Casillas' ambassadorial role ended on June 30, 2024).

Furthermore, in the second quarter, XTB signed an agreement with a new ambassador who will feature in XTB advertisements later this year. Once again, XTB aims to collaborate with a globally renowned athlete who commands a social media following of over 120 million people worldwide.

All-in-One Investment App

The Management Board's ambition is for XTB to become the leading all-in-one investment application in Europe, providing clients with easy, smart and efficient ways to trade, invest and save, while giving them instant access to their money.

XTB's transformation from a CFD broker to an All-in-One investment application has progressed over the past few years. This will continue into 2024 and beyond.



Product pipeline

As in previous years, XTB's focus for 2024 is on acquiring new clients and expanding this group to include those interested not only in investing, but also in widely understood financial products.

To achieve this, XTB plans to strengthen its product offering and implement enhancements aimed at improving the client experience on both – the desktop platform and the mobile app. All these changes and improvements have been carefully planned, which is reflected in the continuous growth of the Product and Technology department and the ongoing work and developments in the research & development area, including those related to the implementation of AI-driven solutions.

PRODUCT PLAN FOR 2024



The first half of 2024 was marked by the expansion of the passive product range. Investment Plans, the ETF-based product allowing to invest in 350 ETFs, was enhanced with the autoinvest feature enabling clients to decide how often and how much money they want to invest regularly in their individual portfolios. As a result, the product has become even more attractive for clients looking for mid- and long-term investment opportunities when compared to solutions provided by XTB competitors.

In addition, at the end of March 2024, the company launched a new social service, XTB Social, which allows users in selected markets to receive alerts on transactions of selected traders. Clients also receive insights into their portfolios and key statistics on the trades of those they observe. Within XTB Social, client data is completely anonymised and classified based solely on the basis of the investment return achieved or the level of risk taken. In June 2024, the Company decided to suspend this service in the European Union due to the position issued by the Financial Supervision Commission on 29 May this year regarding the conditions for the provision of social trading services by investment firms. In the coming months, following a thorough review of this position, XTB will take a decision on the continuation of the XTB Social service and its future form.

At the end of September 2024, bonds will be added to the passive investment offering. XTB clients will gain access to another asset class: government bonds (i.e. issued by Poland, the US or Germany) and corporate bonds issued by renowned, global companies with a relatively stable ratings (from AAA to BBB-). By using the same mechanism as fractional shares, it will be possible to invest in bonds with a small amount of money.

At the turn of the third and fourth quarters of 2024, a product long awaited by clients should appear on the Polish market – IKE accounts. Currently, only a fraction of adults in Poland use them, but the interest is growing every year. As XTB sees potential in the further growth of long-term investment products, this offer will also be implemented also in other global markets, including the UK, where the company plans to act as an ISA Manager.

By the end of 2024, XTB plans to launch a product that will accelerate its transformation into the everyday platform for managing personal finances. A virtual wallet and a multi-currency card will allow XTB clients to make instant local payments, transfers, card transactions and currency exchanges. Thanks to this product, clients will be able to make instant payments between their XTB accounts instantly. Real-time alerts will support financial control and expense management.

In 2025 and beyond, XTB plans to add other new products to its offering.

The above product roadmap is based on the current knowledge and resources. It is therefore subject to change and modification, including as a result of XTB's collaboration with third parties.

Basically FinTech

XTB as a technology entity operating in the financial sector, conducts continuous work involving the design and development of highly innovative, comprehensive solutions in the field of transactions and online investments in financial instruments ("research and development"). This makes the Company a FinTech organization. The purpose of the aforementioned work is to develop innovative technologies and solutions to further develop the product offering in particular. XTB owns of a number of proprietary technological solutions, including the modern xStation trading platform.



The work realised in H1 2024 was aimed at developing the tools necessary for the efficient functioning of XTB's trading systems, effective execution of orders, efficient onboarding of new clients and further development of tools to support the company's internal processes as a result of identified development needs. The research areas focused on functionalities and operational security of systems, processes and databases. There was also research and development work focused on the development of new electronic trading systems.

In view of the business strategy adopted, which is based on the development of new technologies, an IT Development Department has been separated within the structure of XTB, in which a significant part of the staff is made up of people performing research and development work. The work has a significant, almost strategic impact on the business activities conducted by XTB. This not only translates into the level of revenue generated by XTB but is also crucial in the process of building and maintaining a highly competitive position of the Company on the global capital market.

The table below presents the number of people employed in the IT Development Department and the costs incurred by the department:

	PERIOD ENDED						
	SIX-MONTH		TWELVE MONTH				
	30.06.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Costs of the IT Development Department (PLN '000)	77 234	94 770	58 381	36 616	27 159	21 151	18 974
Number of employees in technology departments*	464	429	282	176	129	116	106

* Persons employed based on an employment contract, mandate contract and those providing services based on a B2B contract.

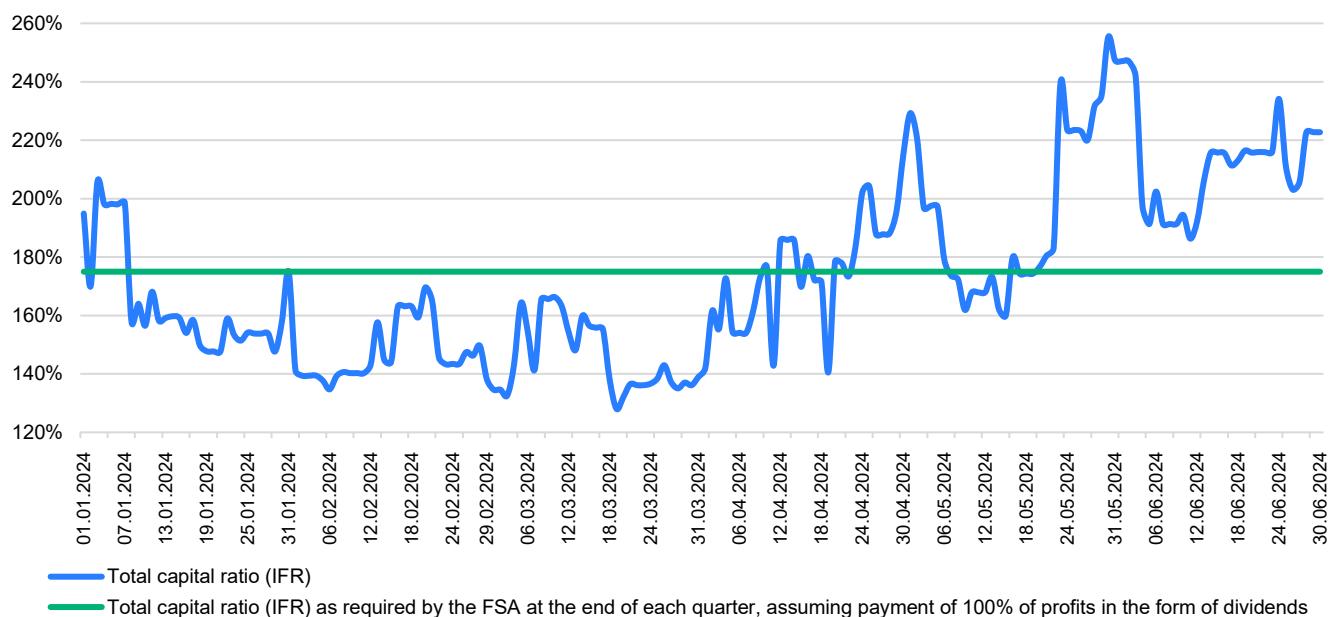
Dividend

XTB's dividend policy assumes that the Management Board recommends to the General Meeting of Shareholders the payment of dividend in the amount which takes into account the level of net profit presented in the Company's standalone annual financial statements and a number of various factors concerning to the Company, including the prospects for further operations, future profits, cash requirements, financial situation, the level of capital adequacy ratios, expansion plans, legal requirements in this respect as well as FSA guidelines. In particular, the Management Board will be guided by the need to ensure an adequate level of the Company's capital adequacy ratios and the capital required for the Group's growth when making its dividends payment proposals.

The Management Board maintains that its intention is to recommend to the General Meeting in the future to adopt resolutions on the payment of dividends, taking into account the factors indicated above, in the amount ranging from 50% to 100% of the Company's standalone net profit for a given financial year. The unit net profit for the first half of 2024 amounted to PLN 457,5 million.

The levels of the total capital ratio (IFR) of XTB on individual days in H1 2024 are presented in the chart below.

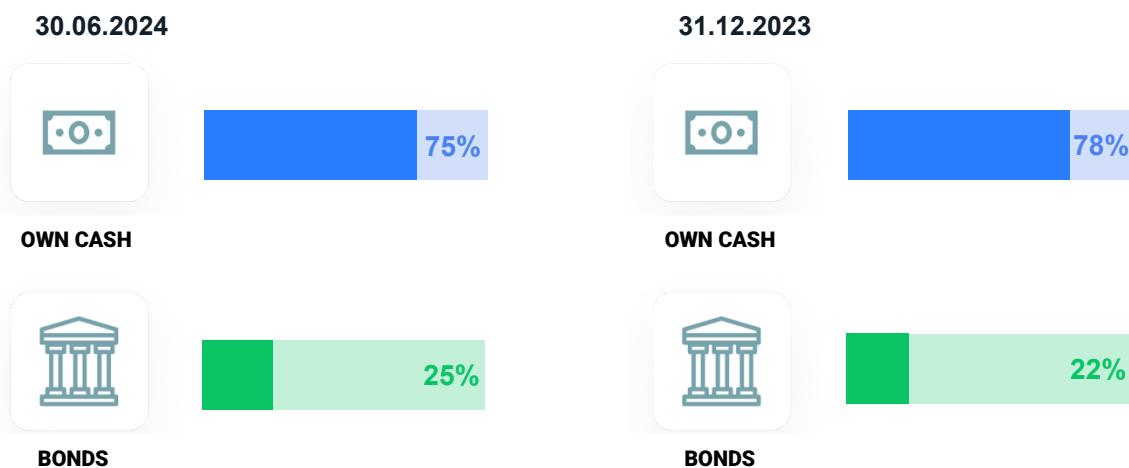
Total capital ratio (IFR) of the Company in H1 2024



The total capital ratio informs about the ratio of own funds to risk-weighted assets, in other words, it shows whether the brokerage house is able to cover the minimum capital requirement for market, credit, operational and other risks with its own funds. At the end of the first half of 2024 the total capital ratio in the Company was 222,7%.

Cash and cash equivalents

XTB invests part of its cash in bank deposits and financial instruments, i.e. government bonds, bonds guaranteed by the State Treasury and corporate bonds guaranteed by the banks. As of 30 June 2024, the XTB Group's total own cash and bonds amounted to PLN 1 675,2 million, which represents 32,2% of the total balance sheet, of which 1 249,6 million was in cash and PLN 425,6 million was bonds.



Foreign expansion

With a strong market position and a dynamically growing client base, XTB is increasingly boldly expanding its presence in non-European markets, consistently pursuing the strategy of creating a global brand. The Management Board of XTB is focusing on organic growth by increasing its penetration of the European markets and gradually building its presence in Latin America, Asia and Africa. As a result of these actions, the composition of the capital group may be extended with new subsidiaries. It should be noted that XTB's geographical expansion is a continuous process, the effects of which are spread over time. In 2024, the Management Board's efforts are focused on obtaining the necessary licences and permits and preparing the necessary infrastructure to launch operations in Brazil and Indonesia. The Company expects to be able to start operations in Indonesia in early 2025. As for Brazil, XTB is currently in the process of obtaining licences in this market, which is expected to take until 2025.

XTB's growth is also possible through mergers and acquisitions, especially with companies that would allow the Group to achieve geographical synergies (complementary markets). The Management Board intends to pursue such transactions only if they bring tangible benefits to the company and its shareholders.