



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

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CURRENT REPORT NO. 3/2023

Warsaw, 1 February 2023

Preliminary financial and operating results for the year 2022

The Management Board of the XTB S.A (the „Issuer”, “Company”, “XTB”) hereby announces that on 1 February 2023 the aggregation process of financial data for the purpose of the preparation of the reports for the year 2022 – of the Company and of the Issuer’s Capital Group, respectively – was completed. Therefore the decision was made to publish the preliminary consolidated selected financial and operating data for the above period, which the Issuer submits as an attachment to the foregoing current report.

The Issuer informs also that the final financial and operating results for the year 2022 will be submitted in the yearly reports – of the Company and of the Issuer’s Capital Group, respectively – publication of which was planned for 23 March 2023.

Legal basis:

Article 17 paragraph 1 MAR – inside information.



Appendix to the current report

No. 3/2023 dated 1 February 2023

Preliminary financial and operating results
for the year 2022

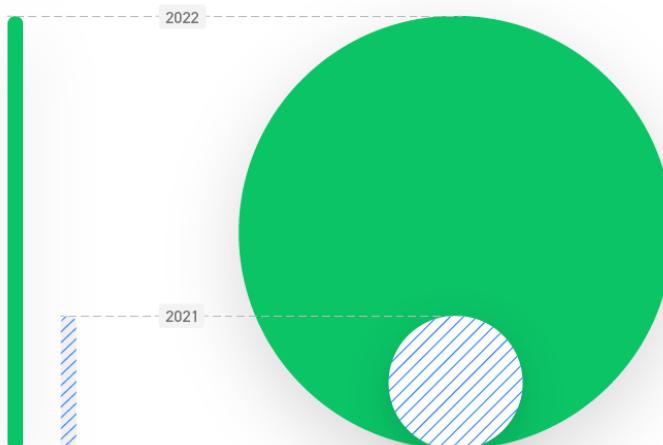


XTB KEY PERFORMANCE INDICATORS 2022

NET PROFIT

765.7 MM PLN

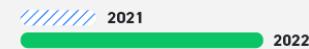
▲ +222.0% y/y



OPERATING INCOME

1 444.2 MM PLN

▲ +130.9% y/y



EBIT

885.7 MM PLN

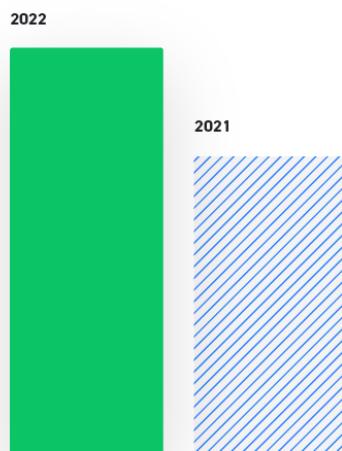
▲ +219.9% y/y



NUMBER OF ACTIVE CLIENTS

258 799

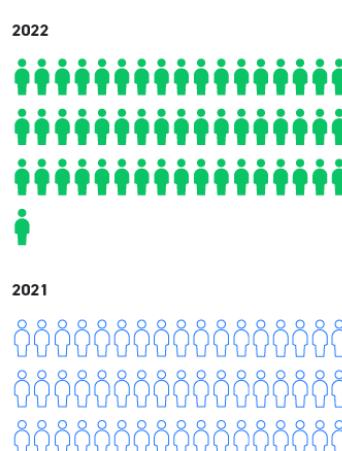
▲ +35.9% y/y



NEW CLIENTS

196 864

▲ +4.1% y/y



CFD PROFITABILITY PER LOT

227 PLN

▲ +48.9% y/y



CFD VOLUME

6 365 643

▲ +55.1% y/y



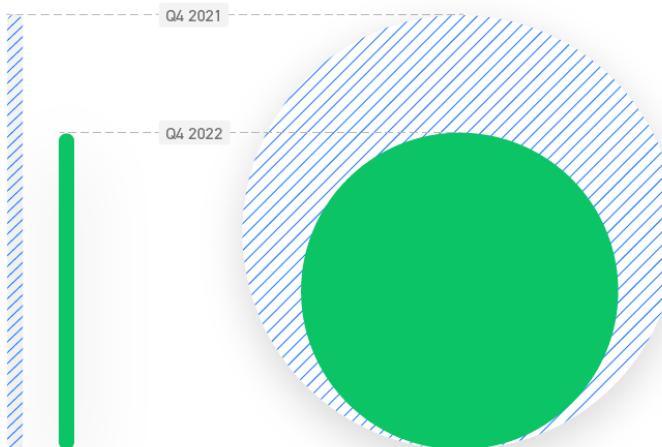


XTB KEY PERFORMANCE INDICATORS Q4 2022

NET PROFIT

50.0 MM
PLN

▼ -27.1% y/y



OPERATING INCOME

216.7 MM
PLN

▲ +18.1% y/y

QK 2021 (blue hatched bar)
QK 2022 (green bar)

EBIT

58.5 MM
PLN

▼ -29.4% y/y



NUMBER OF ACTIVE CLIENTS

160 995

▲ +26.6% y/y

QK 2022

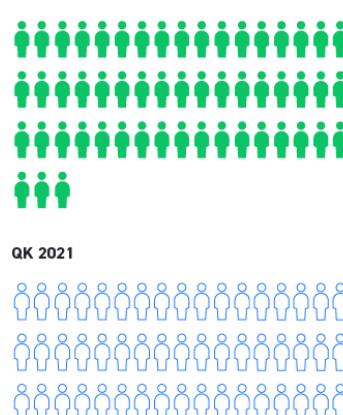


NEW CLIENTS

51 038

▲ +19.4% y/y

QK 2022



CFD PROFITABILITY
PER LOT

126 PLN

▼ -26.3% y/y

CFD VOLUME

1 720 381

▲ +60.3% y/y

QK 2021 (blue hatched bar)
QK 2022 (green bar)



Selected consolidated financial data

(w tys. PLN)	THREE-MONTH PERIOD ENDED		TWELVE-MONTH PERIOD ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Total operating income	216 746	183 567	1 444 249	625 595
Total operating expenses	(158 235)	(100 715)	(558 567)	(348 772)
Profit on operating activities (EBIT)	58 511	82 852	885 682	276 823
Finance income	761	4 167	50 573	17 891
Finance costs	(208)	(2 774)	(997)	(4 258)
Profit before tax	59 064	84 245	935 258	290 456
Income tax	(9 104)	(15 726)	(169 509)	(52 626)
Net profit	49 960	68 519	765 749	237 830

(in PLN'000)	AS AT	
	31.12.2022	31.12.2021
Own cash	1 214 702	589 392
Own cash + bonds	1 576 775	921 318
Equity	1 505 722	915 560

Selected consolidated operating data (KPI)

	THREE-MONTH PERIOD ENDED		TWELVE-MONTH PERIOD ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
New clients ¹	51 038	42 760	196 864	189 187
Clients in total	614 934	429 157	614 934	429 157
Number of active clients ²	160 995	127 174	258 799	190 452
Average number of active clients ³	160 995	127 174	153 082	112 015
Net deposits (in PLN'000) ⁴	676 737	772 117	3 423 224	2 933 422
Average operating income per active client (in PLN'000) ⁵	1,3	1,4	9,4	5,6
Transaction volume in CFD instruments in lots ⁶	1 720 381	1 073 549	6 365 643	4 104 566
Profitability per lot (in PLN) ⁷	126	171	227	152
Transaction volume in CFD instruments in nominal value (in USD'000000)	548 781	482 097	2 259 588	1 737 351
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ⁸	87	94	143	93
Turnover of shares in nominal value (in USD'000000)	721	1 085	3 336	4 437

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

²) The number of clients who at least one transaction has been concluded over the individual periods.

³) The average quarterly number of clients who at least one transaction has been concluded over the last three months.

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 clients who at least one transaction has been concluded over the last three months.

⁶) 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.

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

The year 2022 was a further period of dynamic business development and building a client base for XTB. High volatility in the financial and commodity markets as well as the environment of negative real interest rates have made trading on financial instruments very attractive for many investors. As a result, the Group acquired a record 196,9 thousand new clients and the number of active clients increased by 35,9% y/y from 190,5 thousand to 258,8 thousand. This translated into a significant increase in the volume of clients' trading on CFD instruments expressed in lots – an increase from 4,1 million to 6,4 million lots, i.e. by 55,1% y/y.

XTB's dynamic operational growth, coupled with favourable market conditions, translated into record-breaking financial results in 2022. Consolidated net profit amounted to PLN 765,7 million compared to PLN 237,8 million a year earlier. Consolidated revenues amounted to PLN 1 444,2 million (2021: PLN 625,6 million) with operating expenses of PLN 558,6 million (2021: 348,8 million).

Revenues

In 2022, XTB reported record increase in revenue from PLN 625,6 million to PLN 1 444,2 million, i.e. by 130,9% y/y. Significant factors determining their level were high volatility in the financial and commodity markets and the constantly growing number of active clients (increase by 35,9% y/y), connected with their high transaction activity expressed in the number of CFD contracts concluded in lots (increase by 55,1% y/y). As a consequence the transaction volume in CFD instruments amounted to 6 365,6 thousand lots (2021: 4 104,6 thousand lots), and a profitability per lot amounted to PLN 227 (2021: PLN 152).

In the fourth quarter of 2022, which was characterized by noticeably lower volatility in the financial and commodity markets compared to the preceding quarters, especially in terms of the occurrence of long and clear trends, revenues increased by 18,1% y/y, i.e. PLN 33,2 million from PLN 183,6 million to PLN 216,7 million. This change was influenced by: (i) lower per-lot profitability – a decrease by PLN 45 (from PLN 171 to PLN 126); (ii) higher clients turnover in financial instruments expressed in the number of transactions concluded in lots – increase by 646,8 thousand lots (from 1 073,5 thousand to 1 720,4 thousand lots).

	TWELVE-MONTH PERIOD ENDED						
	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Total operating income (in PLN'000)	1 444 249	625 595	797 750	239 304	288 301	273 767	250 576
Transaction volume in CFD instruments in lots ¹	6 365 643	4 104 566	3 175 166	1 597 218	2 095 412	2 196 558	2 015 655
Profitability per lot (in PLN) ²	227	152	251	150	138	125	124
Transaction volume in CFD instruments in nominal value (in USD'000000)	2 259 588	1 737 351	1 021 835	541 510	773 899	653 373	565 420
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ³	143	93	200	115	103	111	112

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).



	THREE-MONTH PERIOD ENDED							
	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021
Total operating income (in PLN'000)	216 746	391 289	396 410	439 804	183 567	200 029	55 302	186 697
Transaction volume in CFD instruments in lots ¹	1 720 381	1 594 606	1 489 917	1 560 739	1 073 549	1 044 329	871 300	1 115 389
Profitability per lot (in PLN) ²	126	245	266	282	171	192	63	167
Transaction volume in CFD instruments in nominal value (in USD'000000)	548 781	539 879	539 673	631 255	482 097	502 650	366 257	386 347
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ³	87	152	168	167	94	102	40	127

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.

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XTB has a solid foundation in the form of constantly growing client base and the number of active clients. In 2022 the Group reported another record in this area, acquiring 196 864 new clients compared to 189 187 a year earlier, which means an increase of 4,1%. Similarly to the number of new clients, the number of active clients was also record high. It increased from 190 452 to 258 799, i.e. by 35,9% y/y.

	PERIOD ENDED							
	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021
New clients ¹	51 038	44 796	45 697	55 333	42 760	38 573	40 623	67 231
Clients in total ²	614 934	567 387	525 287	481 931	429 157	388 973	352 946	316 658
Number of active clients ³	258 799	224 339	190 088	149 726	190 452	160 608	133 415	103 446
Average number of active clients ⁴	153 082	150 444	149 824	149 726	112 015	106 961	105 005	103 446

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 respectively in the 12, 9, 6 and 3 months of 2022 and 12, 9, 6 and 3 months of 2021 respectively. An active client is a client who carried out at least one transaction in a period.

⁴) The average quarterly number of clients respectively for 12, 9, 6 and 3 months of 2022 and 12, 9, 6 and 3 months of 2021.

The priority of the Management Board is to further increase the client base leading to the strengthening of XTB's market position in the world by reaching the mass client with its product offer. These activities are and will be supported by a number of initiatives, including the introduction of new products or promotional campaigns. The ambition of the Management Board in 2023 is to acquire, on average, at least 40-60 thousand new clients quarterly. In January 2023, the Group acquired a total of 42,3 thousand new clients.

For example, on January 9, 2023, XTB launched a new promotion "Free share for a good start" consisting in receiving a free share worth up to USD 30 for opening an account with XTB and making a deposit of any amount.





In order to strengthen its market position and worldwide recognition, XTB cooperates with titled athletes who are the ambassadors of the XTB brand. In February 2022, an advertising campaign was launched with the participation of the titled martial arts competitor, the first Polish woman in the UFC organization and the champion of this organization, as well as the three-time world champion in Thai boxing – Joanna Jędrzejczyk.



In September 2022, promotional activities were launched with the participation of Conor McGregor, another XTB brand ambassador – an Irish mixed martial arts (MMA) and the UFC fighter. Conor McGregor is the biggest martial arts star in the world and the best rewarded athlete according to Forbes list. Conor is not only a fighter, but also a successful person in business as an investor in many interesting projects.



The face of the XTB brand is also Jiří Procházka, a Czech fighter, one of the leading MMA fighters, UFC champion. Thanks to this cooperation, XTB plans to continue its intense promotional activities.



The team of XTB ambassadors was also joined in 2022 by Iker Casillas, a former Real Madrid footballer, considered one of the best goalkeepers of all time. He is currently the Deputy Director General of the Real Madrid Foundation.

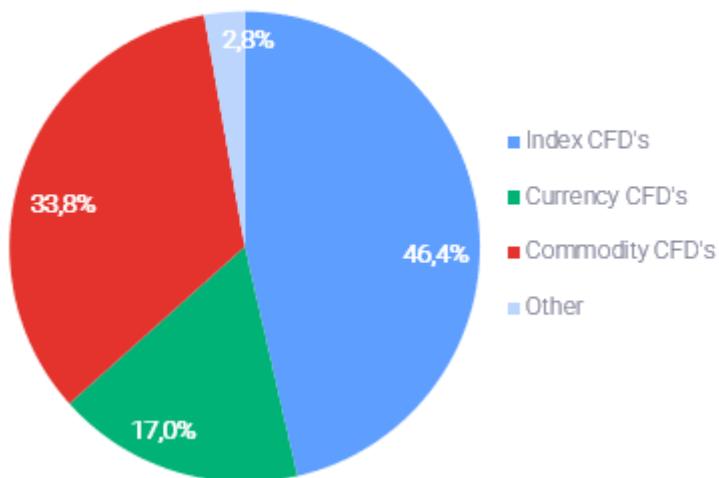


Thanks to the cooperation with such personalities as Joanna Jędrzejczyk, Conor McGregor, Jiří Procházka or Iker Casillas, XTB started promoting the offered investment solutions, in particular, convincing that investing in various types of assets is available to everyone, using the tools provided that facilitate entry into the world of investments: through daily market analysis, as well as numerous educational materials.

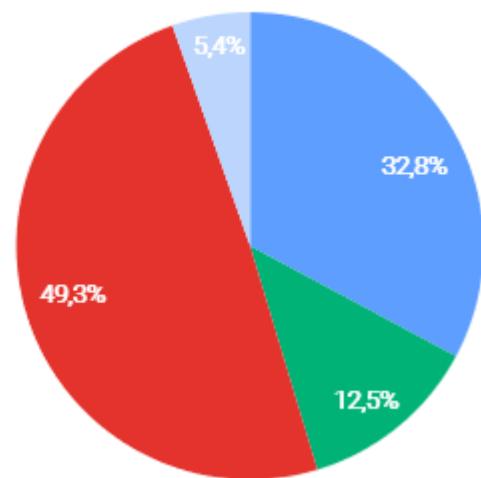
Looking at XTB's revenues in terms of the classes of instruments responsible for their creation, it can be seen that in 2022 CFDs based on index were in the lead. Their share in the structure of revenues on financial instruments reached 46,4% compared 32,8% year earlier. This is a consequence of high profitability on CFD instruments based on the US 100 index, the German DAX index (DE30) or the US 500 index. The second most profitable asset class was CFD based on commodities. Their share in the revenue structure in 2022 was 33,8% (2021: 49,3%). This is a consequence of high profitability on CFD instruments based on quotations of natural gas, gold and oil prices. Revenues on CFDs based on currencies accounted for 17,0% of all revenues, compared 12,5% year earlier, where the most profitable financial instruments in this class were CFD based on currency pairs EURUSD and GBPUSD.

The structure of revenue by asset class (in %)

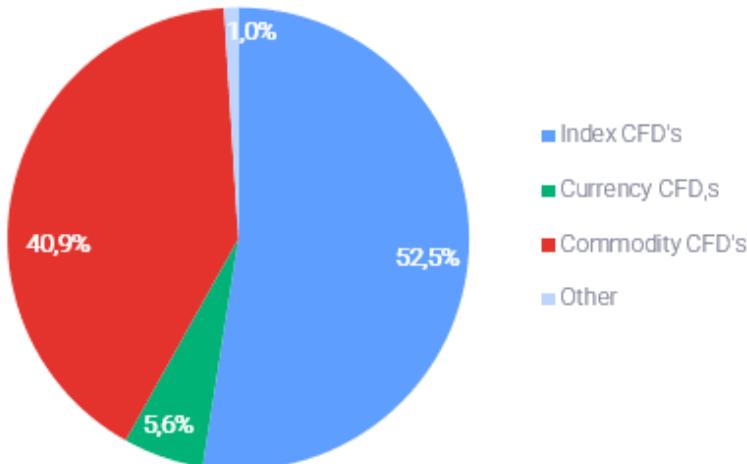
2022



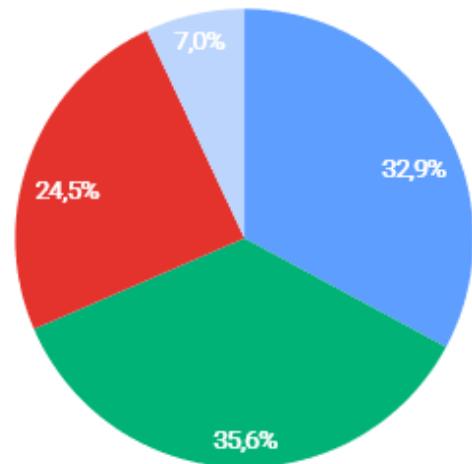
2021



Q4 2022



Q4 2021





(in PLN'000)	THREE-MONTH PERIOD ENDED		TWELVE-MONTH PERIOD ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Index CFDs	118 636	61 899	687 424	209 304
Commodity CFDs	92 403	46 124	501 314	313 948
Currency CFDs	12 739	67 108	251 429	79 761
Stock CFDs and ETFs	1 117	11 501	36 816	34 885
Bond CFDs	248	86	796	223
Total CFDs	225 143	186 718	1 477 779	638 121
Shares and ETFs	902	1 574	3 494	(689)
Gross gain on transactions in financial instruments	226 045	188 292	1 481 273	637 432
Bonuses and discounts paid to clients	(1 487)	(1 131)	(5 653)	(2 700)
Commission paid to cooperating brokers	(10 082)	(6 612)	(38 460)	(16 279)
Net gain on transactions in financial instruments	214 476	180 549	1 437 160	618 453

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 no 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. Additionally, XTB realize directly on regulated markets or in alternative trading systems, all transactions on shares and ETFs as well as on CFD instruments based on these assets. XTB is not a market maker for this class of instruments.

The Group's operating incomes 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 table below presents percentage share of income categories in gross gain on transactions in financial instruments.

	TWELVE-MONTH PERIOD ENDED	TWELVE-MONTH PERIOD ENDED	TWELVE-MONTH PERIOD ENDED	TWELVE-MONTH PERIOD ENDED
	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Spread	54%	83%	54%	62%
Swap, fees and commissions	26%	40%	16%	15%
Market Making	20%	(23%)	30%	23%
Gross gain on transactions in financial instruments	100%	100%	100%	100%

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*.

The volatility and activity of markets results from a number of external factors, some of which are characteristic for the market, and some may be related to general macroeconomic conditions. It can significantly affect the revenues generated by the Group in the subsequent quarters. This is characteristic for the Group's business model.

Expenses

The operating costs in 2022 amounted to PLN 558,6 million and were PLN 209,8 million higher than in the previous year (2021: PLN 348,8 million). The most important changes occurred in:

- marketing costs, an increase by PLN 102,3 million resulting mainly from higher expenditure on online and offline marketing campaigns;
- costs of remuneration and employee benefits, an increase by PLN 60,8 million, mainly due to an increase in employment and higher provisions for variable remuneration components (bonuses);
- commission costs, an increase by PLN 18,2 million resulting from higher amounts paid to payment service providers through which clients deposit their funds in transaction accounts;
- other external services, an increase by PLN 11,5 million as a result of mainly higher expenditure on: (i) support database systems (increase by PLN 4,2 million y/y); (ii) market data delivery services (increase by PLN 2,8 million y/y); (iii) legal and advisory services (increase by PLN 2,8 million y/y) and (iv) recruitment costs (increase by PLN 2,0 million y/y).

(in PLN'000)	THREE-MONTH PERIOD ENDED		TWELVE-MONTH PERIOD ENDED	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Marketing	68 478	37 201	222 369	120 101
Salaries and employee benefits	50 013	35 404	192 027	131 262
Commission expenses	13 780	9 776	54 365	36 187
Other external services	14 865	11 300	49 967	38 434
Amortization and depreciation	3 262	2 324	11 997	8 921
Other costs	5 123	1 958	11 560	4 087
Taxes and fees	969	1 315	8 614	5 373
Costs of maintenance and lease of buildings	1 745	1 437	7 668	4 407
Total operating expenses	158 235	100 715	558 567	348 772

In q/q terms, operating costs increased by PLN 25,7 million, mainly due to higher marketing expenditure by PLN 19,9 million, higher by PLN 3,9 million other costs related mainly to created write-downs of receivables and higher by PLN 2,1 million higher other external services.



	THREE-MONTH PERIOD ENDED							
	31.12.2022	30.09.2022	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021
Total operating expenses including: (in PLN'000)	158 235	132 546	136 750	131 036	100 715	84 771	76 384	86 902
- Marketing	68 478	48 579	54 662	50 650	37 201	24 772	25 078	33 050
New clients	51 038	44 796	45 697	55 333	42 760	38 573	40 623	67 231
Clients in total ¹	614 934	567 387	525 287	481 931	429 157	388 973	352 946	316 658
Number of active clients ²	258 799	224 339	190 088	149 726	190 452	160 608	133 415	103 446
Average number of active clients ³	160 995	151 685	149 922	149 726	127 174	110 875	106 563	103 446

¹⁾ The total number of the Group's clients at the end of individual periods.

²⁾ Number of active clients respectively in the 12, 9, 6 and 3 months of 2022 and 12, 9, 6 i 3 months of 2021, respectively. An active client is a client who carried out at least one transaction in a period.

³⁾ The average quarterly number of clients who at least one transaction has been concluded over the last three months.

Due to the dynamic development of XTB, the Management Board estimates that in 2023 the total costs of operating activities may be even higher by about a one-fourth to the level we observed in 2022. The priority of the Management Board is to further increase the client base and build a global brand. As a consequence of the implemented activities, expenditures on marketing may increase by about one-fifth compared to the previous year.

The final level of operating costs will depend on the level of variable remuneration components paid to employees, the level of marketing expenditures, the dynamics of geographical expansion into new markets and the impact of potential product interventions and other external factors on the level of revenues generated by the Group.

The level of marketing expenditures depends on their impact on the Group's results and profitability, the rate of foreign expansion and on clients responsiveness to the actions taken. The employment growth in the Group will be driven by its dynamic development, both on the existing and new markets. The amount of variable remuneration components is influenced by the Group's results.

Dividend

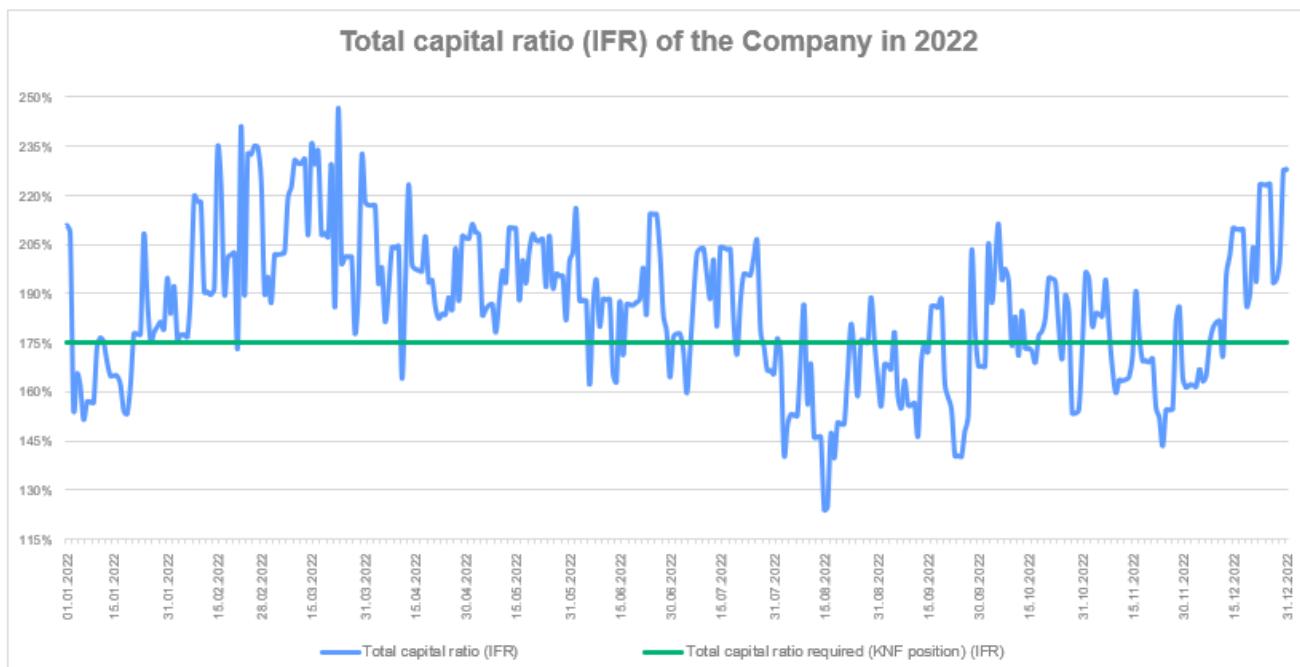
The XTB dividend policy assumes recommendation by the Management Board to the General Meeting a dividend payment in the amount taking into account the level of net profit presented in the standalone annual financial report of the Company and a variety of factors relating to the Company, including prospects for further operations, future net profits, demand for cash, financial situation, the level of capital adequacy ratios, expansion plans, legal requirements in this area and KNF guidelines. In particular, the Management Board, when submitting proposals for dividend payment, will be guided by the need to ensure an appropriate level of the Company's capital adequacy ratios and the capital necessary for the development of the Group.

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 2022 amounted to PLN 761,6 million. Taking into account the criteria set out by the Polish Financial Supervision Authority in the position published on 6 December 2022, in particular with regard to the level of the total capital ratio and the BION assessment in 2023, it is possible for XTB to pay out a dividend of up to 75% of the profit for 2022.

On December 30, 2022, the Company received a supervisory rating (BION) of 2 [2.56] from the Department of Investment Firms of the Polish Financial Supervision Authority. The rating was assigned as of June 30, 2022. The rating at level 2 means a low level of threat to the stability of the brokerage house and thus meets the criteria recommended by the Polish Financial Supervision Authority, which should allow the Company to pay dividends for 2022 in accordance with this criterion.



The chart below presents the value of the total capital ratio (IFR) in 2022.



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 2022 the total capital ratio in the Company was 227,8%.

Cash and cash equivalents

XTB invests part of its cash in bank deposits and in financial instruments with a 0% risk weight, i.e. in treasury bonds and bonds guaranteed by the State Treasury. As at December 31, 2022 the total value of own cash and bonds in the XTB Group was PLN 1 576,8 million, which PLN 1 214,7 million was cash and PLN 362,1 million for bonds.

OWN CASH AS AT

31.12.2022



77%

OWN CASH

31.12.2021



64%

OWN CASH



23%

TREASURY BONDS



36%

TREASURY BONDS



Foreign expansion

XTB with its strong market position and dynamically growing client base builds its presence in the non-European markets, consequently implementing a strategy on building a global brand. The XTB Management Board puts the main emphasis on organic development, on the one hand increasing the penetration of European markets, on the other hand successively building its presence in Latin America, Asia and Africa. Following these activities, the composition of the capital group may be expanded by new subsidiaries. It is worth mentioning that geographic expansion is a process carried out by XTB on a continuous basis, the effects of which are spread over time. Therefore, one should not expect sudden, abrupt changes in the group results on this action.

The development of XTB is also possible through mergers and acquisitions, especially with entities that would allow the Group to achieve geographic synergy (complementary markets). Such transactions will be carried out, only when they will bring measurable benefits for the Company and its shareholders.

Currently, the Management Board's efforts are focused on reaching mass clients with the offer. This is crucial for further dynamic development of XTB and building a global brand. This goal is to be served by new products added to the offer in 2023 and in the consecutive years. The Management Board estimates that the effects of these works will give a much higher output than if the available resources were invested in launching operations in South Africa. For this reason, the start of operations of XTB Africa (PTY) Ltd. has been postponed at least until 2024.