



## **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. 35 dated 30 October 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. 35/2024**

Warsaw, 30 October 2024

# **Preliminary financial and operating results for the III quarter of 2024**

The Management Board of the XTB S.A. (the "Issuer") 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 III quarter of 2024 was completed on 30 October 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 III quarter of 2024 will be presented in the extended consolidated report of the Issuer's Group for the III quarter of 2024, the publication of which was scheduled for 8 November 2024.

### Legal basis:

Article 17 paragraph 1 MAR – inside information.



# **APPENDIX TO THE CURENT REPORT**

NO. 35/2024 DATED 30 OCTOBER 2024

PRELIMINARY FINANCIAL  
AND OPERATING RESULTS FOR THE III QUARTER OF 2024

# XTB

## KEY PERFORMANCE INDICATORS

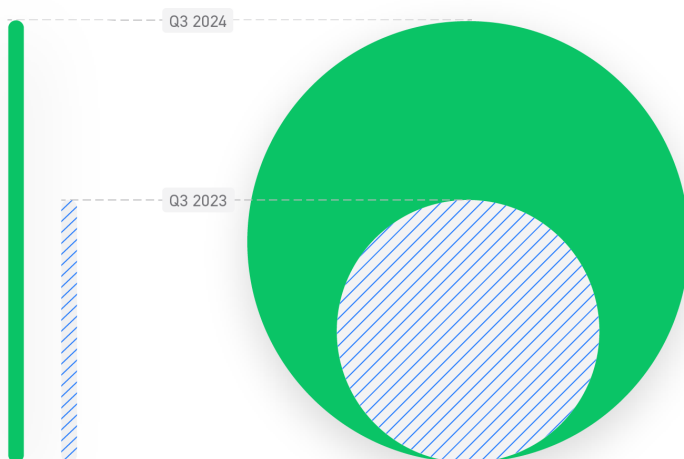
### Q3 2024



NET PROFIT

**203.8** MM  
PLN

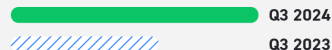
▲ +68.3% y/y



OPERATING INCOME

**470.2** MM  
PLN

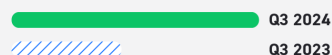
▲ +67.3% y/y



EBIT

**261.7** MM  
PLN

▲ +125.6% y/y

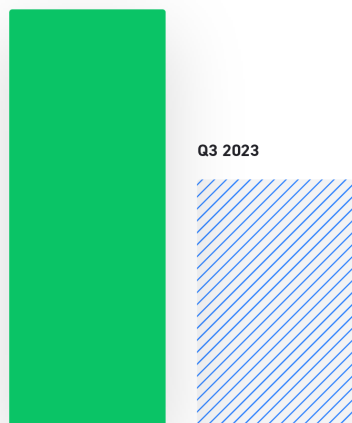


NUMBER OF ACTIVE CLIENTS

**474 117**

▲ +68.7% y/y

Q3 2024

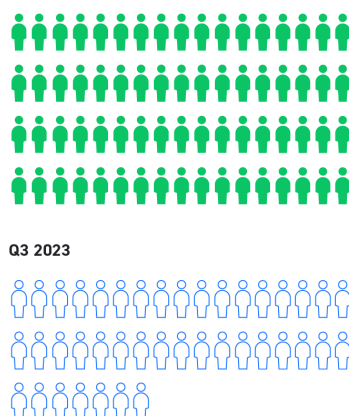


NEW CLIENTS

**108 104**

▲ +60.1% y/y

Q3 2024

CFD PROFITABILITY  
PER LOT

▲ +76.0% y/y

CFD VOLUME

**1 912 391**

▼ -4.9% y/y



## SELECTED CONSOLIDATED FINANCIAL DATA

(in PLN'000)	THREE-MONTH PERIOD ENDED		NINE-MONTH PERIOD ENDED	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Total operating income	470 188	280 988	1 407 974	1 111 675
Total operating expenses	(208 480)	(164 966)	(618 853)	(506 562)
<b>Profit on operating activities (EBIT)</b>	<b>261 708</b>	<b>116 022</b>	<b>789 121</b>	<b>605 113</b>
Finance income	8 448	14 024	46 132	56 019
Finance costs	(18 244)	14 484	(18 757)	(4 552)
<b>Profit before tax</b>	<b>251 912</b>	<b>144 530</b>	<b>816 496</b>	<b>656 580</b>
Income tax	(48 086)	(23 403)	(149 624)	(114 456)
<b>Net profit</b>	<b>203 826</b>	<b>121 127</b>	<b>666 872</b>	<b>542 124</b>

(in PLN'000)	AS AT		
	30.09.2024	31.12.2023	30.09.2023
Own cash	1 250 034	1 409 897	1 236 445
Own cash + bonds	1 789 327	1 805 705	1 623 431
Equity	1 808 502	1 734 663	1 477 085

## SELECTED CONSOLIDATED OPERATING DATA (KPI)

	THREE-MONTH PERIOD ENDED		NINE-MONTH PERIOD ENDED	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
New clients <sup>1</sup>	108 104	67 505	340 420	234 704
Clients in total	1 213 554	826 042	1 213 554	826 042
Number of active clients <sup>2</sup>	474 117	281 101	546 191	355 461
Average number of active clients <sup>3</sup>	474 117	281 101	425 928	266 838
Net deposits (in PLN'000) <sup>4</sup>	2 266 397	827 012	6 071 398	2 632 051
Average operating income per active client (in PLN'000) <sup>5</sup>	1,0	1,0	3,3	4,2
Transaction volume in CFD instruments in lots <sup>6</sup>	1 912 391	2 011 452	5 843 440	5 626 997
Profitability per lot (in PLN) <sup>7</sup>	246	140	241	198
Transaction volume in CFD instruments in nominal value (in USD'000000)	695 315	593 232	1 898 724	1 736 964
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) <sup>8</sup>	174	114	187	151
Turnover of shares and ETPs in nominal value (in USD'000000)	2 401	1 077	6 449	3 203

<sup>1)</sup> The number of new Group's clients in the individual periods.

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

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

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

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

<sup>6)</sup> 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 ETPs, where 1 lot equals 1 share.

<sup>7)</sup> Total operating income divided by the transaction volume in CFDs in lots.

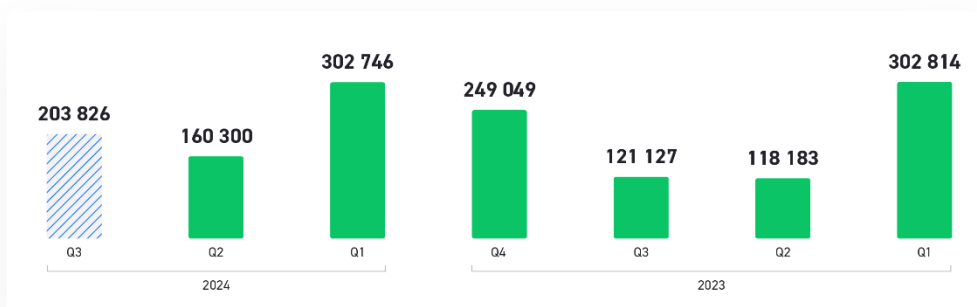
<sup>8)</sup> Total operating income converted into USD by the arithmetic average of exchange rates published by the National Bank of Poland on the last day of each month of the reporting period, divided by turnover of CFD in nominal value (in USD'000000).



## Management Board's commentary on the preliminary results

The third quarter of 2024 was a consecutive period of dynamic business development and building a client base for XTB. As a result, the Group acquired 108,1 thousand new clients (an increase of 60,1% y/y), while the number of active clients increased by 68,7% y/y from 281,1 thousand to 474,1 thousand. Consolidated net profit amounted to PLN 203,8 million compared to PLN 121,1 million a year earlier. Consolidated revenues amounted to PLN 470,2 million (Q3 2023: 281,0 million) with operating expenses of PLN 208,5 million (Q3 2023: PLN 165,0 million).

### NET PROFIT PER QUARTER



## Revenues

In the third quarter of 2024, Group revenues amounted to PLN 470,2 million (increase by 67,3% y/y). Important factors determining its level were high volatility on financial and commodity markets in July and August, understood as the occurrence of long and clear trends on stock and commodity markets, and the constantly growing number of active clients (increase of 68,7% y/y), connected with their high transaction activity expressed, among other things, in the number of CFD contracts concluded in lots (decrease of 4,9% y/y). As a result, the volume of transactions in CFD instruments amounted to 1 912,4 thousand lots (Q3 2023: 2 011,5 thousand lots), profitability per lot amounted to PLN 246 (Q3 2023: PLN 140).

THREE-MONTH PERIOD ENDED								
	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
Total operating income (in PLN'000)	470 188	382 119	555 948	506 740	280 988	293 134	537 553	221 924
Transaction volume in CFD instruments in lots <sup>1</sup>	1 912 391	1 966 159	1 964 890	1 789 481	2 011 452	1 770 385	1 845 160	1 720 381
Profitability per lot (in PLN) <sup>2</sup>	246	194	283	283	140	166	291	129
Transaction volume in CFD instruments in nominal value (in USD'000000)	695 315	621 544	581 865	548 927	593 232	547 088	596 645	548 781
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) <sup>3</sup>	174	154	239	229	114	128	207	89

<sup>1</sup>) 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.

<sup>2</sup>) Total operating income divided by the transaction volume in CFDs in lots.

<sup>3</sup>) 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								
	NINE-MONTH	TWELVE-MONTH						
	30.09.2024	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)	1 407 974	1 618 415	1 451 954	625 595	797 750	239 304	288 301	273 767
Transaction volume in CFD instruments in lots <sup>1</sup>	5 843 440	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) <sup>2</sup>	241	218	228	152	251	150	138	125
Transaction volume in CFD instruments in nominal value (in USD'000000)	1 898 724	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) <sup>3</sup>	187	169	144	93	200	115	103	111

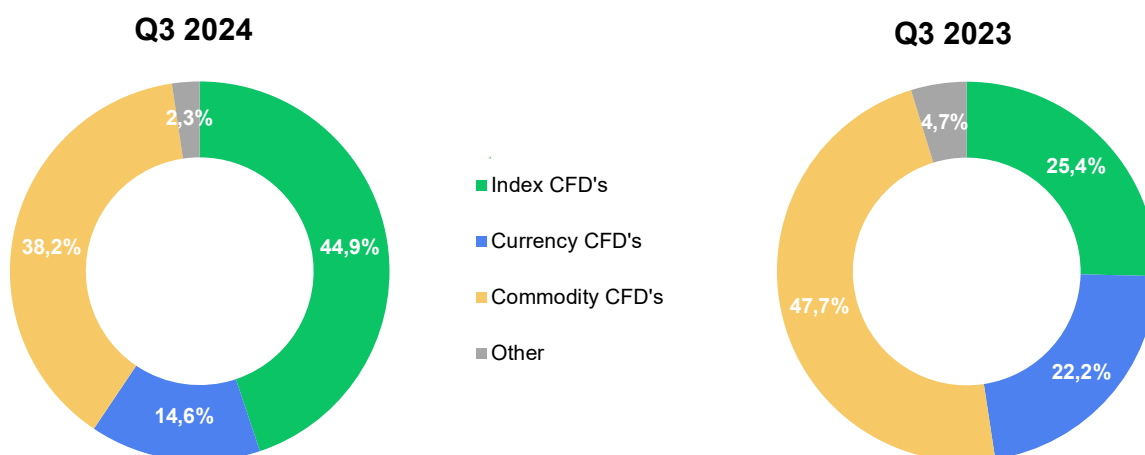
<sup>1)</sup> A lot is a unit of trading in financial instruments; in the case of foreign currency transactions, a lot corresponds to 100,000 units of the underlying currency; in the case of instruments other than CFDs based on currencies, the amount is specified in the instruments table and varies for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

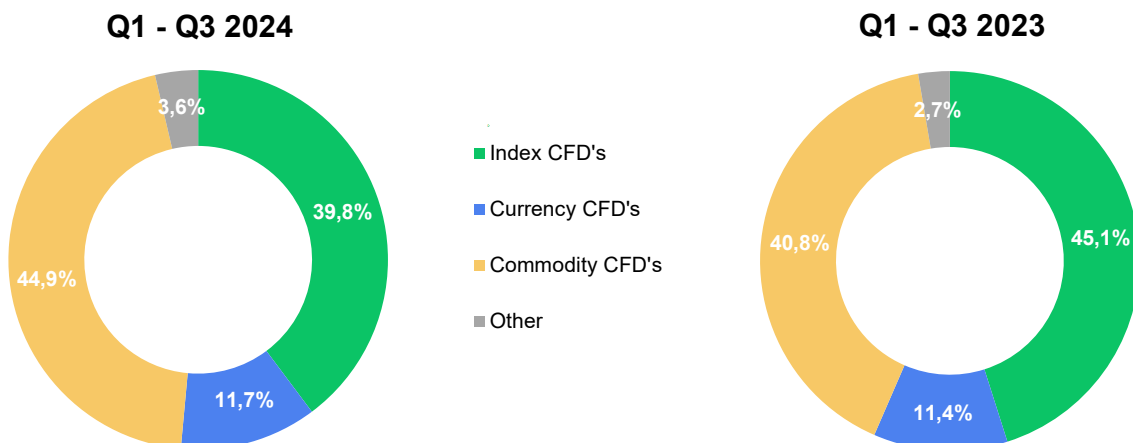
<sup>2)</sup> Total operating income divided by the transaction volume in CFDs in lots.

<sup>3)</sup> 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 third quarter of 2024 CFDs based on indexes led. Their share in the revenue structure in the period analysed was 44,9% (Q3 2023: 25,4%). This is a consequence of the high profitability on CFD instruments based on the US 100 index, the German DAX index of stocks (DE40) or the US 500 index. The second most profitable asset class was CFD based on commodities. Their share of the financial instruments revenue structure reached 38,2% compared to 47,7% a year earlier. This is a consequence of the high returns on CFDs based on gold, natural gas and oil prices are quoted. Revenues from currency-based CFD instruments accounted for 14,6% of total revenues, compared to 22,2% in the previous year. The most profitable financial instruments in this class were CFDs based on cryptocurrency Bitcoin, the EURUSD currency pair and the cryptocurrency Ethereum.

## THE STRUCTURE OF REVENUE BY ASSET CLASS (IN%)





(in PLN'000)	THREE-MONTH PERIOD ENDED		NINE-MONTH PERIOD ENDED	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Index CFDs	209 517	73 133	556 636	509 412
Commodity CFDs	178 586	137 259	628 105	460 881
Currency CFDs	68 005	63 968	163 560	129 044
Stock CFDs and ETP	8 700	12 219	29 633	21 584
Bond CFDs	(158)	480	270	1 173
<b>Total CFDs</b>	<b>464 650</b>	<b>287 059</b>	<b>1 378 204</b>	<b>1 122 094</b>
Shares and ETP	2 439	961	21 263	7 506
<b>Gross gain on transactions in financial instruments</b>	<b>467 089</b>	<b>288 020</b>	<b>1 399 467</b>	<b>1 129 600</b>
Bonuses and discounts paid to clients	(2 650)	(1 175)	(6 292)	(7 118)
Commission paid to cooperating brokers	(11 286)	(13 902)	(37 104)	(36 856)
<b>Net gain on transactions in financial instruments</b>	<b>453 153</b>	<b>272 943</b>	<b>1 356 071</b>	<b>1 085 626</b>

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 ETP 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 third quarter of 2024 amounted to PLN 208,5 million, PLN 43,5 million higher than in the same period of the previous year (Q3 2023: 165,0 million). The most significant changes were in:

- salaries and employee benefits, an increase of PLN 16,1 million, mainly due to an increase in the number of employees;
- marketing costs, an increase of PLN 13,0 million, mainly due to higher expenses for online marketing campaigns;
- commission costs, an increase of PLN 10,1 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 4,3 million, mainly due to higher expenses for IT systems and licenses (an increase of PLN 4,2 million y/y).

(in PLN'000)	THREE-MONTH PERIOD ENDED		NINE-MONTH PERIOD ENDED	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Salaries and employee benefits	79 830	63 767	228 109	188 547
Marketing	71 613	58 585	227 953	194 843
Commission expenses	24 722	14 576	68 642	43 561
Other external services	19 769	15 489	55 366	45 496
Amortization and depreciation	5 066	4 196	14 782	11 926
Other costs	3 975	3 208	7 922	7 380
Costs of maintenance and lease of buildings	1 836	2 198	5 740	5 973
Taxes and fees	1 669	2 947	10 339	8 836
<b>Total operating expenses</b>	<b>208 480</b>	<b>164 966</b>	<b>618 853</b>	<b>506 562</b>

On a q/q basis, operating expenses increased by PLN 3,1 million, primarily due to PLN 4,4 million higher costs of salaries and employee benefits, mainly resulting from an increase in employment, as well as PLN 2,1 million higher commission expenses



resulting from higher amounts paid to payment service providers through which clients deposit their funds on transaction accounts, offset by PLN 3,6 million decrease in online marketing expenses.

THREE-MONTH PERIOD ENDED								
	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
Total operating expenses including: (in PLN'000)	<b>208 480</b>	205 408	204 965	187 669	164 966	157 377	184 219	158 235
- Marketing	<b>71 613</b>	75 234	81 106	69 081	58 585	54 823	81 435	68 478
New clients <sup>1</sup>	<b>108 104</b>	102 569	129 747	77 267	67 505	62 994	104 206	51 038
Clients in total <sup>2</sup>	<b>1 213 554</b>	1 113 554	1 018 899	897 573	826 042	762 624	703 928	614 934
Average client acquisition cost <sup>3</sup>	<b>0,7</b>	0,7	0,6	0,9	0,9	0,9	0,8	1,3

<sup>1)</sup> Number of new Group clients by quarter.

<sup>2)</sup> Number of clients at the end of each quarter.

<sup>3)</sup> 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								
	NINE-MONTH	TWELVE-MONTH						
	30.09.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Total operating expenses including: (in PLN'000)	<b>618 853</b>	694 231	558 567	348 772	282 004	173 892	172 492	145 497
- Marketing	<b>227 953</b>	263 924	222 369	120 101	87 731	37 716	33 322	24 841
New clients <sup>1</sup>	<b>340 420</b>	311 971	196 864	189 187	112 025	36 555	20 672	18 913
Clients in total <sup>2</sup>	<b>1 213 554</b>	897 573	614 934	429 157	255 791	149 304	116 517	105 662
Average client acquisition cost <sup>3</sup>	<b>0,7</b>	0,8	1,1	0,6	0,8	1,0	1,6	1,3

<sup>1)</sup> Number of new Group clients by quarter.

<sup>2)</sup> Number of clients at the end of each quarter.

<sup>3)</sup> 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-fifth 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-fifth 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 third quarter of 2024 Group acquired 108 104 new clients compared to 67 505 a year earlier, which means an increase of 60,1%. The number of active clients was at a record high during the period analysed, increasing from 281 101 to 474 117, an increase of 68,7% y/y.

THREE-MONTH PERIOD ENDED								
	30.09.2024	30.06.2024	31.03.2024	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022
New clients <sup>1</sup>	108 104	102 569	129 747	77 267	67 505	62 994	104 206	51 038
Clients in total <sup>2</sup>	1 213 554	1 113 554	1 018 899	897 573	826 042	762 624	703 928	614 934
Number of active clients <sup>3</sup>	546 191	462 771	378 476	408 528	355 461	307 511	260 095	270 560
Average number of active clients <sup>4</sup>	474 117	425 190	378 476	310 220	281 101	259 318	260 095	203 410

<sup>1</sup>) The number of new Group's clients in the individual periods.

<sup>2</sup>) Number of clients at the end of individual quarters.

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

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

PERIOD ENDED								
	NINE-MONTH	TWELVE-MONTH						
	30.09.2024	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018	31.12.2017
New clients <sup>1</sup>	340 420	311 971	196 864	189 187	112 025	36 555	20 672	18 913
Clients in total <sup>2</sup>	1 213 554	897 573	826 042	762 624	703 928	614 934	567 387	525 287
Number of active clients <sup>3</sup>	546 191	408 528	270 560	193 180	108 312	46 642	38 135	33 369
Average number of active clients <sup>4</sup>	425 928	277 684	186 053	125 463	61 527	30 250	23 461	20 171

<sup>1</sup>) The number of new Group's clients in the individual periods.

<sup>2</sup>) Number of clients at the end of individual quarters.

<sup>3</sup>) Number of active clients in 9 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.

<sup>4</sup>) 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, 102,6 thousand new clients in the second quarter of this year and more than 108,1 thousand new clients in the third quarter of this year. Consequently, 44,0 thousand new clients were acquired in the first 29 days of October 2024.

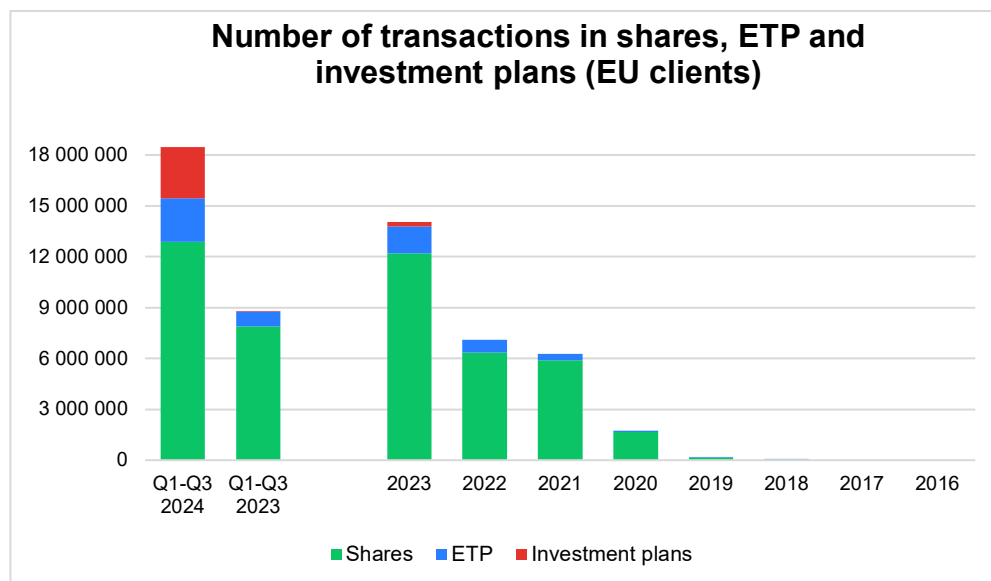
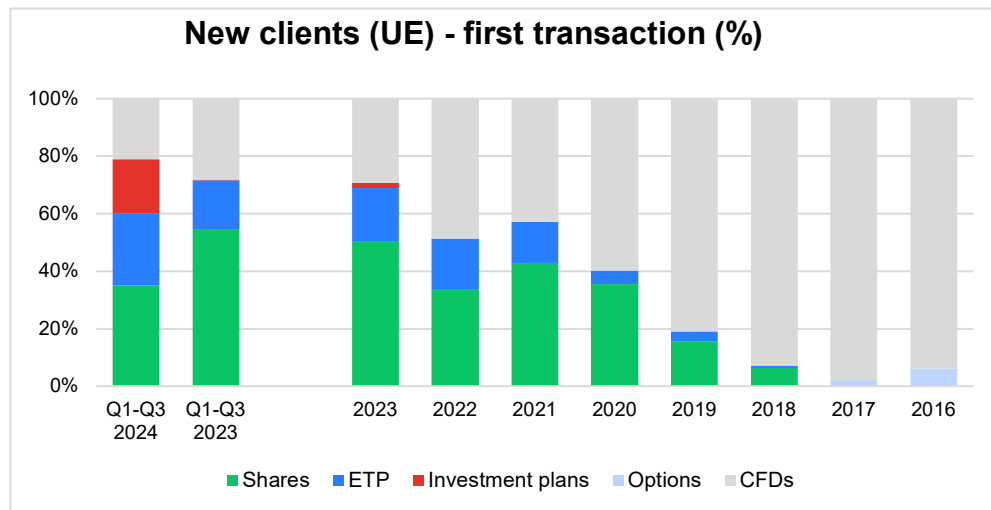


XTB's marketing activities are essential for driving the company's growth. By collaborating with athletes who serve as XTB ambassadors, the Group enhances its market position and boosts brand recognition in key global markets. In the second quarter of 2024, an agreement was signed with a new global ambassador, former footballer Zlatan Ibrahimovic, who is considered one of the most renowned athletes in the world. The first advertising spot with his participation, was released on 22 September 2024. Once again, XTB has decided to collaborate with a renowned world-class athlete, whose social media profiles are followed by more than 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.

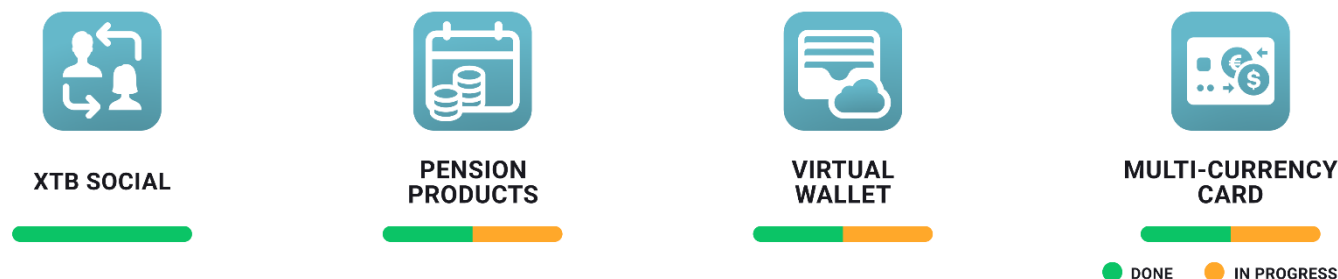


## Product pipeline

In 2024, XTB will continue to focus on acquiring new clients and expanding it by those interested not only in investing but also in widely understood financial products.

As such, the Company is not only enriching its offering, but also introducing changes aimed at enhancing the user experience of the investment platform and mobile application. All those changes and improvements have been carefully planned, which is reflected in the continuous growth of the Product and Technology department and the ongoing works and developments in the research & development area, including those related to the implementation of AI-driven solutions.

## PRODUCT PLAN FOR 2024



At the turn of the third and fourth quarters, on 2 October 2024, XTB introduced a long-awaited individual retirement account (IKE) to its offering, allowing clients from Poland to invest under a tax shelter. As XTB sees potential in the further growth of long-term investment products, this offer will also be implemented in other global markets, including the UK, where the company plans to act as an ISA Manager.

At the beginning of October, a virtual wallet with a multi-currency card debuted on the Czech and Portuguese markets. Thanks to this product, XTB clients in these markets can now effectively manage their finances - both active and passive investments, as well as payments. The multi-currency card supports cashless payments in stores, mobile transactions, and contactless cash withdrawals from ATMs worldwide. The card, issued under a Mastercard license by DiPocket UAB (an electronic money institution registered by the Bank of Lithuania), can be added to Apple Pay and Google Pay wallets, making everyday payments even more intuitive.

Thanks to this product, clients will be able to make payments between their XTB accounts instantly. Real-time alerts will support financial control and expense management.

The introduction of a virtual wallet with a multi-currency card is another step that illustrates the evolution that XTB has experienced. From an investment platform, well-known among active market participants, to an investment super-application for people who want to manage their finances effectively, both in the short and long term.

In other markets, the product will be introduced gradually over the coming weeks.

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.

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 results 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 carried out in the nine-month period of 2024 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						
	NINE-MONTH	TWELVE MONTH					
	30.09.2024	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)	120 104	94 770	58 381	36 616	27 159	21 151	18 974
Number of employees in technology departments*	470	429	282	176	129	116	106

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



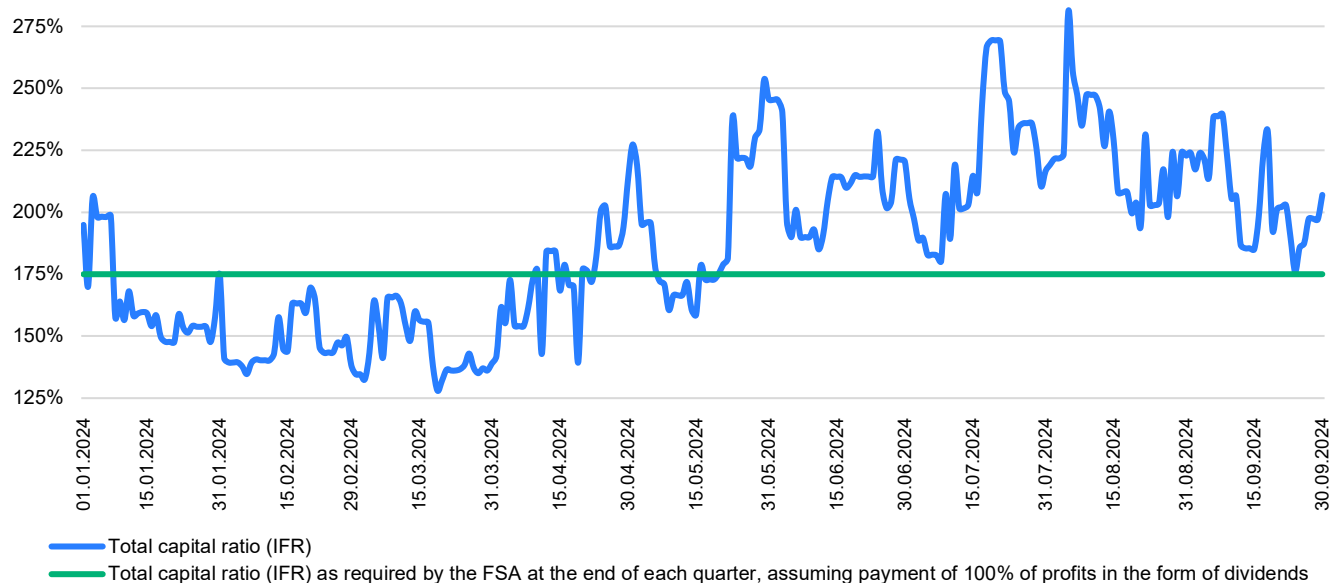
## Dividend

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 nine months of 2024 amounted to PLN 673,0 million.

The levels of XTB's total capital ratio (IFR) by date in Q1-Q3 2024 are presented in the chart below.

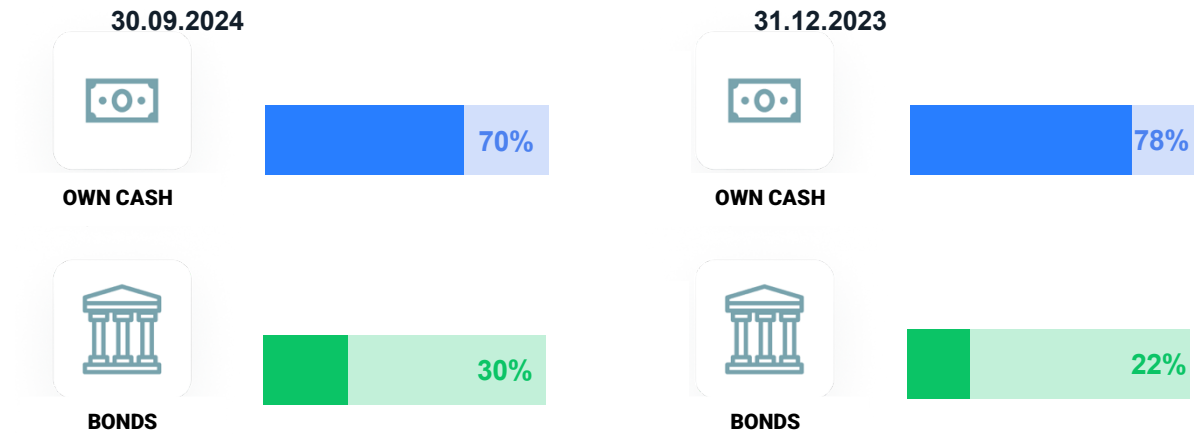
**Total capital ratio (IFR) of the Company in Q1 - Q3 2024**



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 third quarter of 2024 the total capital ratio in the Company was 207,0%.

## 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 September 2024, the XTB Group's total own cash and bonds amounted to PLN 1 789,3 million, which represents 31,2% of the total balance sheet, of which 1 250,0 million was in cash and PLN 539,3 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 results 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.