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# **CONSOLIDATED ANNUAL REPORT OF XTB S.A. GROUP**

2023

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## **PRESIDENT'S LETTER**

## President's Letter



Dear Ladies and Gentlemen

On behalf of the entire Management Board, I am pleased to present to you the report summarising the activities of XTB S.A. Capital Group in the year under review. We will remember the past year as a period full of challenges and seized opportunities, which allowed us to share such good results with you today, both operationally and financially.

We acquired a record 312 thousand new clients in the year under review. The number of active clients increased by 51% y/y to almost 409 thousand. Last year's financial results were also record breaking, with consolidated revenues increasing by 10% y/y to almost PLN 1.6 billion. We also recorded an increase in consolidated net profit, which rose to PLN 791 million, compared to PLN 766 million in the previous year. We see the increase in operating expenses to PLN 694 million, compared to PLN 559 million in the corresponding period of the previous year, as a natural consequence of such a dynamic growth of our business. In the coming years, our priority remains to further expand our client base and strengthen XTB's position as a global brand.

Our aim is to gain the trust of all our shareholders and to meet the needs of clients looking for a comprehensive investment solution. To achieve this, last year we expanded our offer with investment plans that allow you to intelligently invest your funds from as little as PLN 50. From April 2023, we will allow our clients to invest in company shares and ETFs in selected European and non-European markets at a fraction of the price, giving them more flexibility and control over their investments. But this is only part of our ambitious plan, which we are implementing in stages. As we expand our portfolio, we are also looking at the fundamentals of our organisation – working to improve the quality of client service and

optimise internal processes, ultimately resulting in increased efficiency and shareholder value for XTB.

I would like to take this opportunity to draw your attention to a number of important developments that took place in 2023. One of them is the establishment of a strategic cooperation with the Association of Individual Investors in order to jointly raise the standards of the financial market in Poland. This cooperation should lead to the appointment of an ombudsman responsible for protecting investors' rights. The past year has also brought many awards and distinctions. I am pleased to recall our success in the Invest Cuffs competition, where we received two commendations and four awards in various categories. In turn, the decision of the chapter of the "Bulls and Bears" competition organised by Gazeta Giełdy i Inwestytorów Parkiet, we were awarded the title of "Company of the Year mWIG40". Last year also brought us the title of "Hero of the Capital Market" in the "Brokerage House of the Year 2022" category, and we were highly rated by investors in the annual survey conducted by the Association of Individual Investors – we were the only brokerage house to receive a set of top marks in the "Investment Opportunities" category.

One of the cornerstones of our activities has always been financial education. In 2023, we were honoured to be a partner of the 1st edition of the National Stock Exchange Competition "Young Investor". The initiative brought together almost 600 secondary school students from all over Poland. For the eighth time, we organised the XTB Investing Masterclass – the largest free online conference for investors. The event featured seven lectures and six debates with 22 experts on investing, geopolitics and artificial intelligence (AI). Around 10 000 users participated in the conference.

However, none of this would be possible without the commitment of our employees. Our aim is to make the XTB Group a pleasant and stimulating place to work for them for many years to come. One of the ways in which we try to attract new talent is through the 6th edition of the IT Academy internship programme, which was very well received and gave participants the opportunity to develop their skills in various technologies. I was all the more pleased to learn that we were ranked 4th in the category of financial companies and 26th overall in the "50 Best Employers in Poland" ranking by the Wprost newspaper. Once again, our efforts to create a good working environment in a culture of mutual respect and support for diversity have been recognised. This is also confirmed by the results of our internal satisfaction

survey, in which 87% of our employees considered XTB to be a place worth recommending to their families and loved ones.

We have also established a dedicated ESG team within our organisational structure to address sustainability issues at XTB. One of the most important initiatives in this area last year was the planting of more than 2 000 trees, thanks to the commitment of our employees. Thanks to the work of XTB's volunteers, we have given back to nature 1,2 hectares of biodiverse deciduous forest, a self-regulating complex ecosystem. We will describe this and many other projects in more detail in our next Sustainability Report, which will cover environmental, social and governance issues. I encourage you to read this document, which summarises our activities to date. In the coming years, we plan to implement sustainable development projects that we will report on in future reporting periods.

I encourage you to read the Annual Report. I would also like to express my sincere thanks to our shareholders and clients for the trust they have placed in us, and to our employees for their dedication and contribution to our collective success.

Yours sincerely,

Omar Arnaout

President of the Management Board of XTB S.A.



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## **CONSOLIDATED FINANCIAL HIGHLIGHTS**

## CONSOLIDATED FINANCIAL HIGHLIGHTS

	IN PLN'000 12 MONTH PERIOD ENDED		IN EUR'000 12 MONTH PERIOD ENDED	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Consolidated comprehensive income statement:</b>				
<b>Total operating income</b>				
Total operating income	1 588 306	1 444 249	350 743	308 054
Profit on operating activities	894 075	885 682	197 437	188 913
Profit before tax	960 244	935 258	212 049	199 488
Net profit	791 173	766 096	174 714	163 406
Net profit and diluted net profit per share attributable to shareholders of the Parent Company (in PLN/EUR per share)	6,73	6,53	1,349	1,39
<b>Consolidated cash flow statement:</b>				
Net cash from operating activities	479 253	1 149 105	105 833	245 101
Net cash from investing activities	280 873	(328 702)	62 025	(70 111)
Net cash from financing activities	(568 456)	(181 932)	(125 531)	(38 806)
Increase/(Decrease) in net cash and cash equivalents	191 670	638 471	42 326	136 184

	IN PLN'000 31.12.2023 31.12.2022		IN EUR'000 31.12.2023 31.12.2022	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
<b>Consolidated statement of financial position:</b>				
<b>Total assets</b>				
Total assets	4 688 658	4 114 323	1 078 348	877 273
Total liabilities	2 953 995	2 608 254	679 392	556 143
Share capital	5 878	5 869	1 352	1 251
Equity	1 734 663	1 506 069	398 957	321 130
Number of shares	117 569 251	117 383 635	117 569 251	117 383 635
Carrying amount and diluted carrying amount per share attributable to shareholders of the Parent Company (in PLN/EUR per share)	14,75	12,83	3,39	2,74

The above data was translated into EUR as follows:

- items in the consolidated comprehensive income statement and consolidated cash flow statement – by the arithmetic average of exchange rates published by the National bank of Poland as of the last day of the month during the reporting period:
  - for the current period: 4,5284;
  - for the comparative period: 4,6883;
- items of consolidated statement of financial position – by the average exchange rate published by the National Bank of Poland as of the end of the reporting period:
  - for the current period: 4,3480;
  - for the comparative period: 4,6899.



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# **CONSOLIDATED FINANCIAL STATEMENTS**

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(IN PLN'000)	NOTE	TWELVE-MONTH PERIOD ENDED	
		31.12.2023	31.12.2022
Result of operations on financial instruments	5.1	1 574 491	1 437 160
Income from fees and charges	5.2	11 730	7 020
Other income		2 085	69
<b>Total operating income</b>	<b>5</b>	<b>1 588 306</b>	<b>1 444 249</b>
Marketing	7	(263 924)	(222 369)
Salaries and employee benefits	6	(259 140)	(192 027)
Other external services	9	(64 141)	(49 967)
Commission expenses	10	(61 816)	(54 365)
Amortisation and depreciation	18, 19	(17 197)	(11 997)
Taxes and fees		(9 712)	(8 614)
Costs of maintenance and lease of buildings	8	(7 528)	(7 668)
Other costs	11	(10 773)	(11 560)
<b>Total operating expenses</b>		<b>(694 231)</b>	<b>(558 567)</b>
<b>Profit on operating activities</b>		<b>894 075</b>	<b>885 682</b>
Finance income, including:	12	106 049	50 573
- <i>interest income on financial instruments at amortized cost</i>	12	73 919	23 444
Finance costs	12	(39 880)	(997)
<b>Profit before tax</b>		<b>960 244</b>	<b>935 258</b>
Income tax	28	(169 071)	(169 162)
<b>Net profit</b>		<b>791 173</b>	<b>766 096</b>
<b>Other comprehensive income</b>		<b>(6 635)</b>	<b>489</b>
Items which will be reclassified to profit (loss) after meeting specific conditions		(7 234)	646
Currency translation differences:		(7 234)	646
- <i>positions that will be reclassified to profit on valuation of foreign companies</i>		(4 079)	(182)
- <i>positions that will be reclassified to profit on valuation of separated equity</i>		(3 155)	828
Deferred income tax		599	(157)
<b>Total comprehensive income</b>		<b>784 538</b>	<b>766 585</b>
<b>Net profit attributable to shareholders of the Parent Company</b>		<b>791 173</b>	<b>766 096</b>
<b>Total comprehensive income attributable to shareholders of the Parent Company</b>		<b>784 538</b>	<b>766 585</b>
<b>Earnings per share:</b>			
- basic profit per year attributable to shareholders of the Parent Company (in PLN)	27	6,73	6,53
- basic profit from continued operations per year attributable to shareholders of the Parent Company (in PLN)	27	6,73	6,53
- diluted profit of the year attributable to shareholders of the Parent Company (in PLN)	27	6,73	6,53
- diluted profit from continued operations of the year attributable to shareholders of the Parent Company (in PLN)	27	6,73	6,53

The consolidated comprehensive income statement should be read together with the supplementary notes to the consolidated financial statements, which are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN PLN'000)	NOTE	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>Cash and cash equivalents</b>			
Cash and cash equivalents	14	3 676 756	3 161 002
Financial assets at fair value through P&L	15	903 255	842 509
Income tax receivables		129	-
Financial assets at amortised cost	16	31 407	41 675
Prepayments and deferred costs	17	15 486	14 524
Intangible assets	18	1 167	1 441
Property, plant and equipment	19	50 386	45 303
Deferred income tax assets	28	10 072	7 869
<b>Total assets</b>		<b>4 688 658</b>	<b>4 114 323</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Liabilities</b>			
Amounts due to customers	20	2 638 122	2 327 728
Financial liabilities held for trading	21	110 358	105 552
Income tax liabilities		22 991	1 827
Liabilities due to lease	22	29 603	30 450
Other liabilities	23	86 080	79 705
Provisions for liabilities	24	3 892	4 256
Deferred income tax provision	28	62 949	58 736
<b>Total liabilities</b>		<b>2 953 995</b>	<b>2 608 254</b>
<b>Equity</b>			
Share capital	25	5 878	5 869
Supplementary capital	25	71 608	71 608
Other reserves	25	863 166	657 555
Foreign exchange differences on translation	25	(6 595)	40
Retained earnings		800 606	770 997
<b>Equity attributable to the owners of the Parent Company</b>		<b>1 734 663</b>	<b>1 506 069</b>
<b>Total equity</b>		<b>1 734 663</b>	<b>1 506 069</b>
<b>Total equity and liabilities</b>		<b>4 688 658</b>	<b>4 114 323</b>

The consolidated statement of financial position should be read together with the supplementary notes to the consolidated financial statements, which are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity for the period from 1 January 2023 to 31 December 2023

(IN PLN'000)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	OTHER RESERVES	FOREIGN EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS AND SEPARATE FUNDS	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	TOTAL EQUITY
<b>NOTE</b>	<b>25</b>	<b>25</b>	<b>25, 26</b>	<b>25</b>	<b>26</b>		
<b>As at 1 January 2023</b>	<b>5 869</b>	<b>71 608</b>	<b>657 555</b>	<b>40</b>	<b>770 997</b>	<b>1 506 069</b>	<b>1 506 069</b>
<b>Total comprehensive income for the financial year</b>							
Net profit	-	-	-	-	791 173	791 173	<b>791 173</b>
Other comprehensive income	-	-	-	(6 635)	-	(6 635)	<b>(6 635)</b>
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6 635)</b>	<b>791 173</b>	<b>784 538</b>	<b>784 538</b>
<b>Transactions with Parent Company's owners recognized directly in equity</b>							
Appropriation of profit/offset of loss							
- dividend payment	-	-	-	-	(570 484)	(570 484)	<b>(570 484)</b>
- transfer to other reserves	-	-	191 080	-	(191 080)	-	-
Issue of Equity	9	-	-	-	-	9	<b>9</b>
Inclusion of share based incentive scheme	-	-	14 531	-	-	14 531	<b>14 531</b>
<b>Increase (decrease) in equity</b>	<b>9</b>	<b>-</b>	<b>205 611</b>	<b>(6 635)</b>	<b>29 609</b>	<b>228 594</b>	<b>228 594</b>
<b>As at 31 December 2023</b>	<b>5 878</b>	<b>71 608</b>	<b>863 166</b>	<b>(6 595)</b>	<b>800 606</b>	<b>1 734 663</b>	<b>1 734 663</b>

The consolidated statement of changes in equity should be read together with the supplementary notes to the consolidated financial statements, which are an integral part of these consolidated financial statements.

**Consolidated statement of changes in equity for the period from 1 January 2022 to 31 December 2022**

(IN PLN'000)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	OTHER RESERVES	FOREIGN EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS AND SEPARATE FUNDS	RETAINED EARNINGS	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY	TOTAL EQUITY
<b>NOTE</b>	<b>25</b>	<b>25</b>	<b>25, 26</b>	<b>25</b>	<b>26</b>		
<b>As at 1 January 2022</b>	<b>5 869</b>	<b>71 608</b>	<b>598 789</b>	<b>(449)</b>	<b>239 743</b>	<b>915 560</b>	<b>915 560</b>
<b>Total comprehensive income for the financial year</b>							
Net profit	-	-	-	-	766 096	766 096	<b>766 096</b>
Other comprehensive income	-	-	-	489	-	489	<b>489</b>
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>489</b>	<b>766 096</b>	<b>766 585</b>	<b>766 585</b>
<b>Transactions with Parent Company's owners recognized directly in equity</b>							
Appropriation of profit/offset of loss							
- dividend payment	-	-	-	-	(176 076)	(176 076)	<b>(176 076)</b>
- transfer to other reserves	-	-	58 766	-	(58 766)	-	-
Issue of Equity	-	-	-	-	-	-	-
Inclusion of share based incentive scheme	-	-	-	-	-	-	-
<b>Increase (decrease) in equity</b>	<b>-</b>	<b>-</b>	<b>58 766</b>	<b>489</b>	<b>531 254</b>	<b>590 509</b>	<b>590 509</b>
<b>As at 31 December 2022</b>	<b>5 869</b>	<b>71 608</b>	<b>657 555</b>	<b>40</b>	<b>770 997</b>	<b>1 506 069</b>	<b>1 506 069</b>

The consolidated statement of changes in equity should be read together with the supplementary notes to the consolidated financial statements, which are an integral part of these consolidated financial statements.

## CONSOLIDATED CASH FLOW STATEMENT

(IN PLN'000)	NOTE	TWELVE-MONTH PERIOD ENDED	
		31.12.2023	31.12.2022
<b>Cash flows from operating activities</b>			
Profit before tax		960 244	935 258
<b>Adjustments:</b>		<b>(333 410)</b>	<b>346 736</b>
(Profit) Loss on investment activity	32.3	(29 734)	(14 972)
Proceeds / Expenses on cash deposits with maturity over 3M		(300 000)	300 000
Amortization and depreciation	18, 19	17 197	11 997
Foreign exchange (gains) losses from translation of own cash		4 272	5 365
Other adjustments	32.1	(5 751)	92
<b>Changes</b>			
Change in provisions		(364)	(709)
Change in balance of financial assets at fair value through P&L and financial liabilities held for trading		(16 749)	(130 975)
Change in balance of restricted cash		(328 356)	(151 634)
Change in financial assets at amortised cost		10 268	(15 107)
Change in balance of prepayments and accruals		(962)	(5 887)
Change in balance of amounts due to customers		310 394	317 238
Change in balance of other liabilities	32.2	6 375	31 328
<b>Cash from operating activities</b>		<b>626 834</b>	<b>1 281 994</b>
Income tax paid		(146 026)	(133 730)
Interest received		-	841
Interest paid		(1 555)	-
<b>Net cash from operating activities</b>		<b>479 253</b>	<b>1 149 105</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of items of property, plant and equipment		3	10
Expenses relating to payments for property, plant and equipment	19	(14 462)	(12 625)
Expenses relating to payments for intangible assets	18	(106)	(1 117)
Expenses relating purchase of bonds		(553 946)	(857 657)
Expenses relating opened deposits		-	(300 000)
Proceeds from closed deposits		300 000	-
Interest received on deposits		2 667	-
Proceeds from sale of bonds		523 843	832 876
Interests on bonds		22 874	9 811
<b>Net cash from investing activities</b>		<b>280 873</b>	<b>(328 702)</b>
<b>Cash flow from financing activities</b>			
Payments of liabilities under finance lease agreements		(11 400)	(5 016)
Interest paid under lease		(1 112)	(841)
Dividend paid to owners		(570 484)	(176 075)
Issue of Equity		9	-
Inclusion of share based incentive scheme		14 531	-
<b>Net cash from financing activities</b>		<b>(568 456)</b>	<b>(181 932)</b>
<b>Increase (Decrease) in net cash and cash equivalents</b>		<b>191 670</b>	<b>638 471</b>
<b>Cash and cash equivalents – opening balance</b>		<b>1 222 499</b>	<b>589 392</b>
<b>Increase (Decrease) in net cash and cash equivalents</b>		<b>191 670</b>	<b>638 471</b>
<b>Effect of FX rates fluctuations on balance of cash in foreign currencies</b>		<b>(4 272)</b>	<b>(5 364)</b>
<b>Cash and cash equivalents – closing balance</b>	14	<b>1 409 897</b>	<b>1 222 499</b>

The consolidated cash flow statement should be read together with the supplementary notes to the consolidated financial statements, which are an integral part of these consolidated financial statements.

## ADDITIONAL EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Information about the Parent Company and composition of the Group

The Parent Company in the XTB S.A Group (the "Group") is XTB S.A. (hereinafter: the "Parent Entity", "Parent Company", "Brokerage") with its headquarters located in Warsaw at Prosta street 67, 00-838 Warszawa, Polska. On January 1, 2022, the address of the registered office of XTB S.A. from Ogrodowa street 58, 00-876 Warsaw at Prosta street 67, 00-838 Warsaw, Poland.

On 5 January 2022, the District Court for the Capital City of Warsaw in Warsaw, 12th Commercial Division of the National Court Register, registered a change of the company's name in the current wording "X-Trade Brokers Dom Maklerski Spółka Akcyjna" to "XTB Spółka Akcyjna" (hereinafter also as "XTB S.A.").

XTB S.A. is entered in the Commercial Register of the National Court Register by the District Court for the Capital City of Warsaw, Poland, XII Commercial Division of the National Court Register, under No. KRS 0000217580. The Parent Company was granted a statistical REGON number and a tax identification (NIP) number 5272443955.

The Parent Company's operations consist of conducting brokerage activities on the stock exchange (stocks, ETF) and OTC markets (currency derivatives, commodities, indices, stocks and bonds). The Parent Company is supervised by the Polish Financial Supervision Authority and conducts regulated activities pursuant to a permit dated 8 November 2005, No.DDM-M-4021-57-1/2005.

#### 1.1 Information on the reporting entities in the Parent Company's organisational structure

The consolidated financial statements cover the following foreign branches which form the Parent Company:

- XTB S.A. organizační složka (formerly: X-Trade Brokers Dom Maklerski Spółka Akcyjna, organizační složka) – a branch established on 7 March 2007 in the Czech Republic. The branch was registered in the commercial register maintained by the City Court in Prague under No. 56720 and was granted the following tax identification number: CZK 27867102. The new branch name was registered in the local registry on 6 April 2022.
- XTB S.A. Sucursal en Espana (formerly: X-Trade Brokers Dom Maklerski Spółka Akcyjna, Sucursal en Espana) – a branch established on 19 December 2007 in Spain. On 16 January 2008, the branch was registered by the Spanish authorities and was granted the tax identification number ES W0601162A. The new branch name was registered in the local registry on 22 July 2022.
- XTB S.A. organizačná zložka (formerly: X-Trade Brokers Dom Maklerski Spółka Akcyjna, organizačná zložka) - a branch established on 1 July 2008 in the Slovak Republic. On 6 August 2008, the branch was registered in the commercial register maintained by the City Court in Bratislava under No. 36859699 and was granted the following tax identification number: SK4020230324. The new branch name was registered in the local registry on 9 April 2022.
- XTB S.A. Varsovia Sucursala Bucuresti (formerly: X-Trade Brokers Dom Maklerski S.A. Sucursala Bucuresti Romania) – a branch established on 31 July 2008 in Romania. On 4 August 2008, the branch was registered in the Commercial Register under No. 402030 and was granted the following tax identification number: RO27187343. The new branch name was registered in the local registry on 22 April 2022.
- XTB S.A. German Branch (formerly: X-Trade Brokers Dom Maklerski S.A., German Branch) - a branch established on 5 September 2008 in the Federal Republic of Germany. On 24 October 2008, the branch was registered in the Commercial Register under No. HRB 84148 and was granted the following tax identification number: DE266307947. The new branch name was registered in the local registry on 19 December 2022.
- XTB S.A. Succursale Française (formerly: X-Trade Brokers Dom Maklerski Spółka Akcyjna branch in France) – a branch established on 21 April 2010 in the Republic of France. On 31 May 2010, the branch was registered in the Commercial Register under No 522758689 and was granted the following tax identification number: FR61522758689. The new branch name was registered in the local registry on 27 May 2022.
- XTB S.A. – Sucursal em Portugal (formerly: X-Trade Brokers Dom Maklerski S.A., Sucursal Portuguesa) – a branch established on 7 July 2010 in Portugal. On 7 July 2010, the branch was registered in the Commercial Register and was granted the following tax identification number: PT980436613. The new branch name was registered in the local registry on 17 May 2022.

## 1.2 Composition of the Group

The XTB S.A. Group is composed by XTB S.A. as the Parent Company and the following subsidiaries:

NAME OF SUBSIDIARY	CONSOLIDATION METHOD	COUNTRY OF REGISTERED OFFICE	ACTIVITIES OF THE SUBSIDIARIES	PERCENTAGE SHARE IN THE CAPITAL	PERCENTAGE SHARE IN THE CAPITAL
				31.12.2023	31.12.2022
XTB Limited (UK)	Full	Great Britain	Brokerage activity	100%	100%
X Open Hub Sp. z o.o.	Full	Poland	Applications and electronic trading technology offering	100%	100%
XTB Limited (CY)	Full	Cyprus	Brokerage activity	100%	100%
Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.	Full	Turkey	The company does not conduct its operations, is in the process of liquidation	100%	100%
XTB International Limited	Full	Belize	Brokerage activity	100%	100%
XTB Agente de Valores SpA	Full	Chile	The activity of acquiring clients	100%	100%
XTB Services Limited	Full	Cyprus	Marketing, marketing and sales activities (sales support)	100%	100%
XTB Africa (PTY) Ltd.	Full	South Africa	The Company has not yet conducted operations	100%	100%
XTB MENA Limited	Full	UAE	Brokerage activity	100%	100%
XTB Digital Ltd.	Full	Cyprus	The Company has not yet conducted operations	100%	-
XTB S.C. Limited	Full	Seychelles	The Company has not yet conducted operations	100%	-
Lirsar S.A. en liquidacion	Full	Uruguay	The company has no operations, is in the process of liquidation	-	-

On 15 September 2020, the liquidation process of the company in Turkey Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş. has begun.

As at the 31 December 2023, amount of negative foreign exchange differences on translation of balances in foreign currencies of Turkish company amounted PLN (3 655), at the 31 December 2022, amount of negative foreign exchange differences on translation of balances in foreign currencies of Turkish company amounted PLN (3 767) thousand. Exchange differences will be recognized in consolidated financial statement at the date of liquidation of the company.

On 22 March 2022, the Parent Company acquired 1,000 ordinary shares in the increased capital of the subsidiary XTB MENA Limited. On 9 March 2023, the parent company allocated USD 1 million for another share capital increase in its subsidiary XTB MENA Limited, maintaining a 100% share in its capital.

On 6 October 2022, XTB S.C. Limited with its seat in Republic of Seychelles was registered in the local register of entrepreneurs. On 21 April 2023 XTB S.C. Limited was granted license No. SD148 by the Financial Services Authority (FSA) to operate in the Republic of Seychelles. The company will provide brokerage services. The parent company has acquired 99,9% of the shares in the subsidiary. The remaining 0,1% stake is held by another subsidiary, XTB Services Limited. On 16 November 2023, the shares in XTB S.C. Limited with its seat in the Seychelles, were paid up. The contributed capital amounted to USD 50 thousand. As at the date of these financial statements the company did not conduct its operations.

On 5 December 2022, XTB Digital Ltd. with its seat in Cyprus was registered in the local register of entrepreneurs. The parent company acquired 100% of the shares in the subsidiary. On 3 April 2023, the shares in Digital Ltd. With its seat in Cyprus were paid up. The contributed capital amounted to EUR 300 thousand. As at the date of these financial statements the company did not conduct its operations.

On 27 July 2023, the subsidiary XTB Chile SpA changed its name to XTB Agente de Valores SpA.

## 1.3 Composition of the Management Board

In the period covered by the consolidated financial statements and in the comparative period, the Management Board was composed of the following persons:

NAME AND SURNAME	FUNCTION	DATE OF FIRST APPOINTMENT	TERM OF OFFICE
Omar Arnaout	Chairman of the Management Board	23.03.2017	From the 1 July 2022 appointed for the new 3-years term of office ending 1 July 2025
Paweł Szejko	Board Member	28.01.2015	From the 1 July 2022 appointed for the new 3-years term of office ending 1 July 2025
Filip Kaczmarzyk	Board Member	10.01.2017	From the 1 July 2022 appointed for the new 3-years term of office ending 1 July 2025
Jakub Kubacki	Board Member	10.07.2018	From the 1 July 2022 appointed for the new 3-years term of office ending 1 July 2025
Andrzej Przybylski	Board Member	01.05.2019	From the 1 July 2022 appointed for the new 3-years term of office ending 1 July 2025

## 2. Basis for drafting the financial statements

### 2.1 Compliance statement

These consolidated financial statements were prepared based on International Financial Reporting Standards (IFRS).

The consolidated financial statements of the XTB S.A. Group prepared for the period from 1 January 2023 to 31 December 2023 with comparative data for the year ended 31 December 2022 cover the Parent Company's financial data and financial data of the subsidiaries comprising the "Group".

These consolidated financial statements have been prepared on the historical cost basis, with the exception of financial assets at fair value and other assets and liabilities which valuation methods are described in the accounting policy. The Group's assets are presented in the statement of financial position according to their liquidity, and its liabilities according to their maturities. Adopted material accounting policies are consistent with those of the previous financial year, except for the new standards effective 1 January 2023.

The Group companies maintain their accounting records in accordance with the accounting principles generally accepted in the countries in which these companies are established. The consolidated financial statements include adjustments made in order to reconcile their financial statements with the IFRS.

The consolidated financial statements were approved by the Management Board of the Parent Company on 27 March 2024.

Drafting this consolidated financial statements, the Parent Company decided that none of the Standards would be applied retrospectively.

The IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

### 2.2 Functional currency and reporting currency

The functional currency and the presentation currency of these consolidated financial statements is the Polish zloty ("PLN"), and unless stated otherwise, all amounts are shown in thousands of zloty (PLN'000).

## 2.3 Going concern

The consolidated financial statements were prepared based on the assumption that the Group would continue as a going concern in the foreseeable future. At the date of preparation of these consolidated financial statements, the Management Board of XTB S.A. does not state any circumstances that would threaten the Group companies' continued operations in the 12 months from the date of acceptance of these financial statements, with the exception of subsidiary Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş. in Turkey and Lirsar S.A. en liquidacion in Uruguay described in note 1.2.

## 2.4 Comparability of data and consistency of the policies applied

Data presented in the consolidated financial statements is comparable and prepared under the same principles for all periods covered by the consolidated financial statements.

## 2.5 The impact of Russia's invasion of Ukraine on the Group's results

On 24 February 2022, Russian troops crossed the eastern, southern and northern borders of Ukraine, attacking the territory of Ukraine. In connection with hostilities by Russia, representatives of the European Union and many other countries have introduced severe sanctions against Russia, which mainly affect strategic sectors of the Russian economy by blocking access to technology and markets. This situation currently has no significant impact on the Group, however, it caused high volatility in the financial and commodity markets around the world, which affected the transaction activity of XTB clients and the Group's results in 2022.

## 2.6 Changes in the accounting policies

The accounting policies applied in the preparation of the consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements of the Group for the year ended 31 December 2022, except for the application of new or amended standards and interpretations applicable to annual periods beginning on or after 1 January 2023.

- Amendments to IFRS 17 "Insurance contracts" and amendments to IFRS 17,
- Amendments to IFRS 17 "Insurance Contracts" - initial application of IFRS 17 and IFRS 9,
- Amendments to IAS 1 "Presentation of financial statements" and IFRS Board Guidelines on disclosures regarding accounting policies in practice - the issue of materiality in relation to accounting policy,
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" - definition of estimated values,
- Amendments to IAS 12 "Income Taxes" - deferred tax related to assets and liabilities arising from a single transaction,
- Amendments to IAS 12 "Income Taxes" - global minimum income tax.

The Group has not decided to apply earlier any Standard, Interpretation or Amendment that has been issued, but has not yet become effective in light of the EU regulations. New or amended standards and interpretations that are applicable for the first time in 2023 did not have a significant impact on the Group's annual consolidated financial statements. Due to changes related to IAS 1, the Group conducted an analysis of accounting policies and some disclosures were removed

## 2.7 New standards and interpretations which have been published but are not yet binding

The following standards and interpretations have been published by the International Accounting Standards Board but are not yet binding:

- Amendments to IFRS 16 "Leases" - lease liabilities in sale and leaseback transactions – effective for financial years beginning on or after 1 January 2024,
- Amendments to IAS 1 "Presentation of Financial Statements" - classification of liabilities as current or non-current – effective for financial years beginning on or after 1 January 2024,

- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - financing agreements for liabilities to suppliers – not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2024,
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - lack of interchangeability - not yet endorsed by EU at the date of approval of these financial statements – effective for financial years beginning on or after 1 January 2025,
- Amendments to IFRS 14 "Regulatory Deferral Accounts" – the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB,
- Amendments to IFRS 10 "Consolidated financial statements" and IAS 28 "Investments in Associates and Joint Ventures" - sale or contribution of Assets Between an Investor and its Associate or Joint Venture – the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB.

Above new standards and interpretations which have been published but are not yet binding do not have a significant impact on the Group's consolidated financial statements.

### 3. Professional judgement

In the process of applying the accounting principles (policy), the Management Board of the Parent Company made the following judgements that have the greatest impact on the reported carrying amounts of assets and liabilities.

#### *Revenue recognition*

Transaction price is determined at fair value which is described in details in notes 4.11 and 4.12. Variable remuneration, liabilities due to reimbursements and other in the case of the Group do not occur.

### 3.1 Material estimates and valuations

In order to prepare its financial statements in accordance with the IFRS, the Group has to make certain estimates and assumptions that affect the amounts disclosed in the financial statements. Estimates and assumptions subject to day-to-day evaluation by the Group's management are based on experience and other factors, including expectations as to future events that seem justified in the given situation. The results are a basis for estimates of carrying amounts of assets and liabilities.

Although the estimates are based on best knowledge regarding the current conditions and actions taken by the Group, actual results may differ from the estimates. Adjustments to estimates are recognised during the reporting period in which the adjustment was made provided that such adjustment refers only to the given period or in subsequent periods if the adjustment affects both the current period and subsequent periods. The most important areas for which the Group makes estimates are presented below.

### 3.2 Impairment of assets

As at each balance sheet date, the Group determines whether there are any indications of impairment of a given financial asset or group of financial assets. In particular, the Group tests its past due receivables for impairment and writes down the estimated amount of doubtful and uncollectible receivables.

At each balance sheet date, the Group assesses whether there are objective indications of impairment of other assets, including intangible assets. Impairment is recognised when it is highly likely that all or a significant part of the respective assets will not bring about the expected economic benefits, e.g. as a result of expiry of licences or decommissioning.

#### *Deferred income tax assets*

At each balance sheet date, the Parent Company assesses the likelihood of settlement of unused tax credits with the estimated future taxable profit, and recognises the deferred tax asset only to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized, which is described in note 28.2.2.

*Period for settlement of the deferred tax asset*

The Group recognises a deferred tax asset based on the assumption that a tax profit will be generated in the future enabling its utilisation. Deterioration in tax results in the future might result in the assumption becoming unjustified.

The deferred tax asset relates mainly to the losses generated by foreign operations and subsidiaries in the initial period of their operation recognised in the balance sheet. The Group analyses the possibility of recognising such assets, taking into consideration local tax regulations, and analyses future tax budgets assessing the possibility of recovering these assets.

### 3.3 Fair value measurement

Information on estimates relative to fair value measurement is presented in note 36 – Risk management. The fair value measurement framework uses valuation techniques that are appropriate to the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The methodology developed by the Group for determining fair value involves adjusting the fair value model to the characteristics of the financial asset being valued.

### 3.4 Other estimates

Provisions for liabilities connected with retirement, pension and death benefits are calculated using the actuarial method by an independent actuary as the current value of the Group's future amounts due to employees, based on their employment and salaries as at the balance sheet date. The calculation of the provision amount is based on a number of assumptions, regarding both macroeconomic conditions and employee turnover, risk of death, and others.

Provision for unused holidays is calculated on the basis of the estimated payment of holiday benefits, based on the number of unused holidays, and remuneration as at the balance sheet date.

Provisions for legal risk are determined individually based on the circumstances of a given case. The Company assesses the chance of winning particular case and consequently assesses the need of establishment of provision in case of a loss in relations to all court cases.

## 4. Adopted material accounting principles

### 4.1 Rules of consolidation

The consolidated financial statements contain the financial information of the Parent Company and subsidiaries as at 31 December 2023 and 31 December 2022. The financial statements of subsidiaries, after adjustments made to ensure compliance with the IFRS, are prepared for the same reporting period as the financial statements of their parent companies, with the application of consistent accounting principles, based on uniform accounting policies applied to transactions and economic events of a similar nature. Adjustments are made in order to eliminate any discrepancies in the accounting methods.

#### 4.1.1 Business combinations

Acquisitions of entities and organised parts of the business are recognised under the acquisition method. Each payment made as a result of a business combination is measured at the aggregate fair value (as at the date of payment) of transferred assets, liabilities incurred or acquired and capital investments issued in exchange for taking over the target. Costs directly related to the business combination are recognised in profit or loss at the time they were incurred.

Identifiable assets, liabilities and contingent liabilities of the target that meet the criteria for disclosure under IFRS 3 Business combinations are recognised at fair value as at the acquisition date, taking into account the exceptions set out in IFRS 3.

In settling transactions under joint control, the Group applies the acquisition method.

Where control is acquired as a consequence of several subsequent transactions, interests held as at the date of takeover are measured at fair value and their results are recognised in income or expenses for the period. Amounts accrued under shares in that entity, previously recognised under comprehensive income, are carried over to income or expenses for the period.

## 4.1.2 Investments in subsidiaries

Subsidiaries are understood as entities controlled by the Parent Company (inclusive of special purpose entities). It is assumed that the Group controls another entity in which the investment was made, when due to its involvement in this unit it is exposed to changing financial results, or when it has rights to variable financial results and the ability to affect the amount of these financial results through the exercise of power over the entity.

Financial results of subsidiaries acquired or sold in the course of the year are recognised in the consolidated financial statements from/until the time of their effective acquisition or disposal.

Any transactions, balances, income and expenses between the entities consolidated within the Group are subject to full consolidation elimination.

## 4.2 Functional currency and reporting currency

Transactions executed in currencies other than the functional currency are entered on the basis of the exchange rate as at the transaction date. As at the balance sheet date, the monetary assets and liabilities in foreign currencies are translated using the average NBP rate as at that date. Non-cash items are carried based on historical cost.

The Parent Company's functional currency is the Polish zloty, which is also the functional currency of these consolidated financial statements.

Foreign exchange differences are reported under revenue or expenses of the period in which they occur.

The following exchange rates were adopted for the purpose of measuring assets and liabilities as at the balance sheet date and for converting items of the comprehensive income statement:

CURRENCY	CONSOLIDATED STATEMENT OF FINANCIAL POSITION		CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
USD	3,9350	4,4018	4,1823	4,4679
EUR	4,3480	4,6899	4,5284	4,6883
CZK	0,1759	0,1942	0,1889	0,1910
RON	0,8742	0,9475	0,9145	0,9501
HUF	0,0113	0,0117	-	-
GBP	4,9997	5,2957	5,2080	5,4900
TRY	0,1337	0,2349	0,1791	0,2700
CLP	0,0044	0,0051	0,0050	0,0051

## 4.3 Cash and cash equivalents

Cash and cash equivalents comprise bank deposits on demand. The Group classifies as cash equivalent investments which are readily convertible to a specific amount of cash, are subject to an insignificant risk of changes in value, and with payment terms of up to three months as of the date of acquisition.

The Group reports cash flows using the indirect method.

Income from interest received on cash and other monetary assets and expenses from interest paid to customers are classified under operating activities, while expenses from interest paid under finance lease are classified under financing activities.

Cash comprises the Group's own cash and customers' cash. Customers' cash is deposited in bank accounts separately from the Group's cash. Customers' cash and cash equivalents are not analysed in the consolidated cash flow statements.

## 4.4 Financial assets and liabilities

Investments are entered as at the date of purchase and derecognised from the financial statements as at the date of sale (transactions are recognised as on the date of conclusion) if the agreement requires their delivery on a specific date set forth by the market, and their initial value is measured at fair value. Transaction costs of the acquisition of financial assets and liabilities at fair value through profit or loss are entered under costs for the period, while the transaction costs of other types of assets and liabilities are recognised at the initial value of these assets and liabilities.

Financial assets are classified as

- financial assets at amortised cost,
- financial assets at fair value through profit and loss (including financial assets held for trading),
- financial assets at fair value through other comprehensive income.

Financial liabilities are classified as:

- financial liabilities at amortised cost,
- financial liabilities at fair value through profit and loss (including financial liabilities held for trading).

The Group classifies a financial asset based on the entity's business model for the management of financial assets and characteristics of the cash flows arising from the contract for a financial asset (the so-called "SPPI criterion"). The entity reclassifies investments in debt instruments if, and only if, the management model for those assets changes.

#### **4.4.1 Financial assets at amortised cost**

Financial asset is measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest revenue is calculated by using the effective interest method and recognized in profit or loss in position "Finance income".

#### **4.4.2 Financial assets at fair value through profit or loss**

Financial assets items which do not meet the criteria of measurement at amortised cost are measured at fair value through profit or loss.

Profit or loss from measurement of debt investments at fair value is recognized in profit or loss.

Dividends are recognized in profit or loss when the entity's right to receive payment of the dividend is established.

The Group falls into this category mainly OTC derivatives and stocks.

#### **4.4.3 Fair value measurement**

Fair value is the price that can be obtained at the date of valuation from the sale of an asset or can be paid for the transfer of liability in an ordinary transaction between market participants.

For financial instruments available on an active market, the fair value is measured based on quoted market prices. A market is considered to be active if the quoted prices are generally and directly available and represent current and actual transactions concluded between unrelated parties.

For instruments for which there is no active market, the fair value is determined on the basis of valuation models.

The fair value of a financial instrument at initial recognition is the transaction price, i.e. fair value of the price paid or received.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs, namely:

1. valuation based on the data fully observable (active market quotations);
2. valuation models using information which does not constitute the data from Level 1, but observable, either directly or indirectly (quotations for similar assets and liabilities from active or inactive markets);
3. valuation models using unobservable data (not derived from an active market).

Valuation techniques used to determine fair value are applied consistently.

#### 4.4.4 Impairment of financial assets

Financial assets, aside from those carried at fair value through profit or loss, are tested for impairment at every balance sheet date. Financial assets are impaired when there is objective evidence that the events which occurred after initial recognition of the asset have an adverse impact on the estimated future cash flows of the given financial assets.

The Group uses a simplified impairment model for its financial assets. In this model, the Group estimates the expected credit loss over the horizon to maturity of the financial instrument.

The expected credit loss is calculated at the time the receivable is recognized in the statements and is updated at each subsequent date ending the reporting period, depending on the number of days the receivable is past due.

The expected credit loss calculated at the time of initial recognition of a financial asset and any subsequent increase in the expected credit loss is recognized in profit or loss.

#### 4.4.5 Financial liabilities at amortised cost

Financial liabilities measured at amortised cost, including bank loans and borrowings, are initially carried at fair value less transaction costs.

Later on, they are measured at amortised cost using the effective interest rate method.

#### 4.4.6 Financial liabilities at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading if:

- it was incurred primarily for repurchase over a short period of time;
- it is part of a specific financial instrument portfolio managed jointly by the Group in accordance with the current and actual model for generating short-term profits; or
- it is a derivative instrument not classified and not operating as collateral.

An entity may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when doing so results in more relevant information., because either:

Financial liabilities at fair value through profit or loss are disclosed at fair value and the resulting financial profits or losses are entered under income or expenses for the period, and the resulting financial profit or loss is recognised as the income or expenses for the period, taking into account interest paid on a given financial liability.

### 4.5 Intangible assets

Intangible assets include the Group's assets which do not exist physically, which are identifiable and can be reliably measured, and which will give the Group economic benefits in the future.

Intangible assets are disclosed initially at cost of acquisition or production. As at the balance sheet date, intangible assets are carried at cost less accumulated amortisation and impairment write-offs, if any.

Amortisation of intangible assets is carried out on the basis of rates reflecting their estimated useful lives. The Group has no intangible assets with an indefinite useful life. The straight-line method is applied to depreciate intangible assets with a definite useful life. The useful life of the respective intangible assets is as follows:

TYPE	DEPRECIATION PERIOD
Software licences	5 years
Intangible assets manufactured internally	5 years
Other intangible assets	10 years

### 4.6 Property, plant and equipment

Property, plant and equipment include items of property, plant and equipment as well as expenses for property, plant and equipment under construction which the Group intends to use in connection with its operations and for administration purposes, in a period of over 1 year, and which will bring economic benefits in the future.

Expenditures on property, plant and equipment include actual capital expenditures, as well as expenditures for future supplies of equipment and services connected with the development of items of property, plant and equipment (prepayments made).

Property, plant and equipment and expenses for property, plant and equipment under construction are initially disclosed at cost of acquisition or production. Significant components are also treated as separate items of property, plant and equipment. As at the balance sheet date, property, plant and equipment is carried at cost less depreciation and impairment write-offs, if any.

Depreciation of property, plant and equipment, including their components, is carried out on the basis of rates reflecting their estimated useful lives, and starts in the month following the month they are accepted for use. Useful life estimates are reviewed on an annual basis. The straight-line method is applied to depreciate property, plant and equipment. The useful life of the respective items of property, plant and equipment is as follows:

TYPE	DEPRECIATION PERIOD
Mobile phones	2 years
Computers	From 3 to 5 years
Vehicles	5 years
Office furniture and equipment	from 5 to 12 years

## 4.7 Lease

### Identifying a lease

At new contract inception, the Group assesses whether the contract is a lease or whether it contains a lease. An agreement is a lease or contains a lease if it transfers the right to control the use of an identified asset for a given period in exchange for remuneration.

Group have the right to control the use of an identified asset for part of the duration of an agreement only, the agreement contains a lease in respect of this part of the period.

Rights resulting from lease, rental, hire or other agreements which meet the definition of a lease are recognised as right of use underlying assets within the framework of non-current assets with a corresponding lease liabilities.

### Initial recognition and measurement

The Group recognises the right of use asset as well as the lease liability on the date of commencement of the lease. On the date of commencement the Group measured the right of use asset at cost. The lease liability on the commencement date shall be calculated on the basis of the current lease payments that are payable by that date and discounted by the marginal interest rates of the lease.

### Depreciation

The right of use asset is depreciated linearly over the shorter of the following two periods: the period of lease or the useful life of the underlying asset. However in cases where the Group can be reasonably sure that it will regain ownership of the asset prior to the end of the lease term, right of use shall be depreciated from the day of commencement of the lease until the end of the useful life of the asset.

### Impairment

Right-of-use assets are amortised on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset, unless the Group is reasonably certain that it will obtain title before the end of the lease term, in which case the right-of-use is amortized from the lease commencement date to the end of the asset's useful life.

### Short-term lease

The Group applies a practical solution to short-term lease contracts, which are characterised by contract term to 12 months. Simplifications regarding these contracts involve the settlement of lease payments as costs on a straight-line basis, for the duration of the lease agreement.

### Leases of low-value assets

Low-value assets are considered to be those which have a value when new not higher than PLN 43 thousand translated at the exchange rate of the first day of application, i.e. 1 January 2019 (representing EUR 10 thousand) or the equivalent value in another currency as per the average closing rate of exchange of the National Bank of Poland at the moment of initial recognition of a contract. Simplifications in respect of such contracts are due to the settlement of costs on a straight-line basis for the term of the lease contract.

## **4.8 Provisions for liabilities**

Provisions for liabilities are established when the Group has an existing legal or constructive obligation connected with past events and it is probable that the performance of this obligation will result in an outflow of funds representing economic benefits, and the amount of the liability can be reliably assessed, although the amount or maturity of the liability are not certain.

The amount of the provision recognised reflects the most accurate estimates possible of the amount required to settle the current liability as at the balance sheet date, taking into account risk and uncertainty connected with this liability. In the event of measuring a provision using the estimated cash flow method necessary to settle the current liability, its carrying amount reflects the current value of such cash flows.

If it is probable that some or all of the economic benefits required to settle a provision can be recovered from a third party, such receivable will be recognised as an asset, provided that the probability of recovery is sufficiently high and can be reliably assessed.

## **4.9 Equity**

Equity includes capitals and funds established in compliance with the mandatory legal regulations, i.e. applicable laws and the statute. Retained profit is also disclosed under equity. Share capital is disclosed in the amount set out in the Parent Company's Statute. Unregistered payments to the share capital are disclosed under the Parent Company's equity and reported in the nominal amount of the payment received.

## **4.10 Customers' financial instruments and nominal values of transactions on derivatives (off-balance sheet items)**

Off-balance sheet items include: the nominal values of derivatives in transactions executed with customers and brokers in the OTC market, and the values of financial instruments of the Group's customers, acquired on the regulated stock exchange market and deposited in the accounts of the Group's customers.

## **4.11 The result of operations on financial instruments**

The result of operations on financial instruments covers all realised and unrealised income and expenses connected with trading in financial instruments, including dividend, interest and FX rate differences. The result of operations on financial instruments is calculated as the difference between the value of the instrument at the sale price and the purchase price.

The result of operations on financial instruments is composed of the following items:

- Result on financial assets held for trading: result on financial instruments on transactions with customers and brokers;
- The net income/(costs) on financial assets held to maturity: result on debt securities (interest result calculated using the effective interest rate method);
- Discounts for customers and commissions for introducing brokers depend on the actual volume of trading in the financial instruments. This item decreases the result on transactions in financial instruments.

## **4.12 Fee and commission income and expenses**

Fee and commission income includes brokerage fees and other charges against financial services charged to customers and is disclosed at the date when the customer enters into a given transaction.

Fee and commission expenses are connected with financial brokerage services acquired by the Group and disclosed at the date when the services were provided.

## 4.13 Cost of employee benefits

Short-term employee benefits, including specific contributions to benefit schemes, are disclosed in the period when the Group received a given benefit from an employee, and in the case of profit distribution or bonus payments, when the following conditions are met:

- the entity has a present legal or constructive obligation to make such payments as a result of past events; and
- a reliable estimate of the obligation can be made.

For paid leave benefits, employee benefits are recognised to the extent of accumulated paid leave, at the time of performance of work that increases the entitlement to future paid absences (provision for unused holidays). Non-accumulating paid absences are recognised when the absences occur.

Starting from 2012, the Parent Company applies the policy of variable remuneration elements for the persons occupying key positions. Until 2022, benefits granted to the employees within the framework of the Program of variable remuneration elements were granted in 50 per cent in cash and in 50 per cent in the form of the financial instruments whose value was related to the Parent Company's financial standing. The part of benefits granted in the form of financial instruments whose value was related to the Parent Company's financial standing, was paid in cash within 3 years after the date of being granted. The provision for employee benefits due to variable remuneration elements was recognised in the comprehensive income statement in "Employee benefits and remuneration".

In 2023, the Program of variable remuneration elements for employees whose professional activities have a significant impact on the Parent Company's risk profile has changed. Under this Program, XTB will offer its participants 100% variable share-based compensation. For share-based payment transactions settled in equity instruments, the entity measures the goods received and the increase in equity at the fair value of the goods received. The costs associated with share-based payments are recognized directly in equity.

## 4.14 Finance income and costs

Finance income includes interest income on funds invested by the Group. Finance costs consist of interest expense paid to customers, interest on finance lease paid and other interest on liabilities other than relating to result of operations on financial instruments.

Interest income and expenses are disclosed in profits or losses of the current period, using the effective interest rate method.

Dividend income is disclosed at the time when the shareholders' right to obtain such dividend is established.

Finance income and costs also include gains and losses arising from foreign exchange rate differences, disclosed in net amounts.

## 4.15 Tax

The entity's income tax comprises current tax due and deferred tax.

### 4.15.1 Current tax

Current tax liability is calculated on the basis of the tax result (taxable base) for a given financial year. The tax profit (loss) is different from the accounting net profit (loss) because it does not include non-taxable income and non-deductible expenses. Tax expenses are calculated on the basis of tax rates in force in a given financial year and pursuant to the tax regulations of the countries in which the branches of the Parent Company and its subsidiaries are located.

### 4.15.2 Deferred income tax

Deferred tax is calculated using the balance sheet method, based on differences between the carrying amounts of assets and liabilities and corresponding tax values used to calculate the tax basis.

Deferred tax liability is established on all taxable positive temporary differences, while deferred tax assets are recognised up to the probable amount of a reduction in future taxable profit by recognised deductible temporary differences and tax losses or credits that the Group may use.

The value of deferred tax assets is assessed as on each balance sheet date and if the expected future taxable profits are not sufficient to realise an asset or its portion, a write-down will be performed.

Deferred tax is calculated based on tax rates that will be applicable when the asset is realised or the liability becomes due. In the statement of financial position, deferred tax is disclosed upon off-set to the extent that it applies to the same tax residency.

## 5. Operating income

### 5.1 Result of operations in financial instruments

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
<b>Financial instruments (CFD)</b>		
Index CFDs	781 285	687 424
Commodity CFDs	650 847	501 314
Currency CFDs	165 161	251 429
Stock and ETF CFDs	24 261	36 816
Bond CFDs	1 079	796
<b>Total CFDs</b>	<b>1 622 633</b>	<b>1 477 779</b>
<b>Stocks and ETFs</b>		
	<b>11 050</b>	<b>3 494</b>
<b>Gross gain on transactions in financial instruments</b>		
	<b>1 633 683</b>	<b>1 481 273</b>
Bonuses and discounts paid to customers	(9 428)	(5 653)
Commission paid to cooperating brokers	(49 764)	(38 460)
<b>Net gain on transactions in financial instruments</b>	<b>1 574 491</b>	<b>1 437 160</b>

Bonuses paid to clients are strictly related to trading in financial instruments by the customer with Group.

The Group concludes cooperation agreements with introducing brokers who receive commissions which depend on the trade generated under the cooperation agreements. The income generated and the costs incurred between the Group and particular brokers relate to the trade between the broker and customers that are not his customers.

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 and swap points charged (being the amounts resulting from the difference between the notional forward rate and the spot rate of a given financial instrument); (iii) 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 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Spread	46%	54%
Swap, fees and commissions	41%	26%
Market Making	13%	20%
<b>Gross gain on transactions in financial instruments</b>	<b>100%</b>	<b>100%</b>

### 5.2 Income from fees and charges

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Fees and charges from institutional clients	6 308	3 716
Fees and charges from retail clients	5 422	3 304
<b>Total income from fees and charges</b>	<b>11 730</b>	<b>7 020</b>

## 5.3 Geographical areas

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
<b>Operating income</b>		
Central and Eastern Europe	956 115	842 167
- <i>including Poland</i>	732 129	598 006
Western Europe	366 737	356 196
Latin America *	147 695	197 251
Middle East**	117 759	48 635
<b>Total operating income</b>	<b>1 588 306</b>	<b>1 444 249</b>

\* The subsidiary XTB International Ltd., with its seat in Belize, acquires clients from Latin America and the rest of the world (without Europe). The item excludes revenues of clients acquired by this company from the Middle East region.

\*\* Revenue from clients from the Middle East, acquired by XTB International Ltd. With its seat in Belize and XTB MENA Limited with its seat in the United Arab Emirates.

The country from which the Group derives each time 20% and over of its revenue is Poland with a share of 46,1% (in 2022: 41,4%). Due to the overall share in the Group's revenue Poland was set apart for presentation purposes within the geographical area. The share of other countries in the structure of the Group's revenue by geographical area does not in any case exceed 20%.

The Group breaks its revenue down into geographical area by country in which a given customer was acquired. The exception is the Middle East region, which also presents revenues from clients from this market acquired by the subsidiary XTB International Ltd. based in Belize.

## 6. Salaries and employee benefits

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Salaries	(223 530)	(162 675)
Social insurance and other benefits	(26 688)	(22 239)
Employee benefits	(8 922)	(7 113)
<b>Total salaries and employee benefits</b>	<b>(259 140)</b>	<b>(192 027)</b>

## 7. Marketing

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Marketing online	(215 704)	(169 860)
Marketing offline	(48 162)	(52 437)
Competitions for clients	(58)	(72)
<b>Total marketing</b>	<b>(263 924)</b>	<b>(222 369)</b>

Marketing activities carried out by the Group are mainly focused on Internet marketing, which is also supported by other marketing activities.

## 8. Costs of maintenance and lease of buildings

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Maintenance costs	(2 918)	(2 260)
Costs for renting low-value or short-term tangible assets	(1 896)	(3 730)
Other costs	(2 714)	(1 678)
<b>Total costs of maintenance and lease of buildings</b>	<b>(7 528)</b>	<b>(7 668)</b>

## 9. Other external services

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Support database systems	(26 467)	(18 658)
Legal and advisory services	(13 094)	(9 690)
Market data delivery	(11 258)	(10 188)
Internet and telecommunications	(3 891)	(3 666)
IT support services	(2 961)	(946)
Accounting and audit services	(2 472)	(2 176)
Recruitment	(1 883)	(3 054)
Translation	(196)	(149)
Postal and courier services	(160)	(142)
Other external services	(1 759)	(1 298)
<b>Total other external services</b>	<b>(64 141)</b>	<b>(49 967)</b>

## 10. Commission expenses

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Bank commissions	(50 548)	(46 568)
Stock exchange fees and charges	(10 792)	(7 457)
Commissions of foreign brokers	(476)	(340)
<b>Total commission expenses</b>	<b>(61 816)</b>	<b>(54 365)</b>

## 11. Other expenses

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Business trips	(2 467)	(1 979)
Receivables impairment write-downs	(2 247)	(4 261)
Materials	(1 940)	(1 664)
Representation	(676)	(570)
Costs relating to legal risk	(440)	(632)
Insurance	(378)	(352)
Membership fees	(150)	(60)
Liquidation of fixed assets	(137)	(184)
Other	(2 338)	(1 858)
<b>Total other expenses</b>	<b>(10 773)</b>	<b>(11 560)</b>

Write-downs of receivables are the result of the debit balances which arose in customers' accounts in that period.

## 12. Finance income and costs

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Interest income on financial instruments at amortized cost	73 919	23 444
Income on bonds	31 962	15 179
Foreign exchange gains	-	11 741
Other finance income	168	209
<b>Total finance income</b>	<b>106 049</b>	<b>50 573</b>

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Foreign exchange losses	(34 329)	-
Interest paid to clients	(3 982)	-
Interest paid under lease agreements	(1 112)	(841)
Other interest	(71)	(143)
Other finance costs	(386)	(13)
<b>Total finance costs</b>	<b>(39 880)</b>	<b>(997)</b>

Foreign exchange differences relate to unrealised differences on the measurement of balance sheet items denominated in a currency other than the functional currency.

### 13. Segment information

For management reporting purposes, the Group's operations are divided into the following two business segments:

1. Retail operations, which include the provision of trading in financial instruments for individual customers.
2. Institutional activity, which includes the provision of trading in financial instruments and offering trade infrastructure to entities (institutions), which in turn provide services of trading in financial instruments for their own customers under their own brand.

These segments do not aggregate other lower-level segments. The management monitors the results of the operating segments separately, in order to decide on the implementation of strategies, allocation of resources and performance assessment. Operations in segment are assessed on the basis of segment profitability and its impact on the overall profitability reported in the financial statements.

Transfer prices between operating segments are based on market prices, according to the principles similar to those applied in settlements with unrelated parties.

The Group concludes transactions only with external clients. Transactions between operating segments are not concluded.

Valuation of assets and liabilities, incomes and expenses of segments is based on the accounting policies applied by the Company.

The Group does not allocate financial activity and corporate income tax burden on business segments.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR TWELVE-MONTH PERIOD ENDED 31.12.2023 (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
Net result on transactions in financial instruments	1 472 430	102 061	1 574 491	1 574 491
<b>CFDs</b>				
Index CFDs	712 932	68 353	781 285	781 285
Commodity CFDs	619 517	31 330	650 847	650 847
Currency CFDs	162 835	2 326	165 161	165 161
Stock and ETF CFDs	24 261	-	24 261	24 261
Bond CFDs	1 027	52	1 079	1 079
Stocks and ETFs	11 050	-	11 050	11 050
Bonuses and discounts paid to customers	(9 428)	-	(9 428)	(9 428)
Commission paid to cooperating brokers	(49 764)	-	(49 764)	(49 764)
Fee and commission income	5 422	6 308	11 730	11 730
Other income	2 085	-	2 085	2 085
<b>Total operating income</b>	<b>1 479 937</b>	<b>108 369</b>	<b>1 588 306</b>	<b>1 588 306</b>
Marketing	(262 256)	(1 668)	(263 924)	(263 924)
Salaries and employee benefits	(256 430)	(2 710)	(259 140)	(259 140)
Other external services	(61 455)	(2 686)	(64 141)	(64 141)
Commission expense	(61 797)	(19)	(61 816)	(61 816)
Amortization and depreciation	(17 160)	(37)	(17 197)	(17 197)
Taxes and fees	(9 687)	(25)	(9 712)	(9 712)
Cost of maintenance and lease of buildings	(7 528)	-	(7 528)	(7 528)
Other expenses	(10 472)	(301)	(10 773)	(10 773)
<b>Total operating expenses</b>	<b>(686 785)</b>	<b>(7 446)</b>	<b>(694 231)</b>	<b>(694 231)</b>
<b>Operating profit</b>	<b>793 152</b>	<b>100 923</b>	<b>894 075</b>	<b>894 075</b>
Finance income				106 049
Finance costs				(39 880)
<b>Profit before tax</b>				<b>960 244</b>
Income tax				(169 071)
<b>Net profit</b>				<b>791 173</b>

ASSETS AND LIABILITIES AS AT 31.12.2023 (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Customers' cash and cash equivalents	2 166 322	100 537	2 266 859	2 266 859
Financial assets at fair value through P&L	890 356	12 899	903 255	903 255
Other assets	1 518 073	471	1 518 544	1 518 544
<b>Total assets</b>	<b>4 574 751</b>	<b>113 907</b>	<b>4 688 658</b>	<b>4 688 658</b>
Amounts due to customers	2 528 811	109 311	2 638 122	2 638 122
Financial liabilities held for trading	106 243	4 115	110 358	110 358
Other liabilities	205 508	7	205 515	205 515
<b>Total liabilities</b>	<b>2 840 562</b>	<b>113 433</b>	<b>2 953 995</b>	<b>2 953 995</b>

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR TWELVE-MONTH PERIOD ENDED 31.12.2022 (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED COMPREHENSIVE INCOME STATEMENT
Net result on transactions in financial instruments	1 421 396	15 764	1 437 160	1 437 160
<b>CFDs</b>				
Index CFDs	687 744	(320)	687 424	687 424
Commodity CFDs	487 843	13 471	501 314	501 314
Currency CFDs	248 654	2 775	251 429	251 429
Stock and ETF CFDs	36 816	-	36 816	36 816
Bond CFDs	958	(162)	796	796
Stocks and ETFs	3 494	-	3 494	3 494
Bonuses and discounts paid to customers	(5 653)	-	(5 653)	(5 653)
Commission paid to cooperating brokers	(38 460)	-	(38 460)	(38 460)
Fee and commission income	3 304	3 716	7 020	7 020
Other income	69	-	69	69
<b>Total operating income</b>	<b>1 424 769</b>	<b>19 480</b>	<b>1 444 249</b>	<b>1 444 249</b>
Marketing	(221 587)	(782)	(222 369)	(222 369)
Salaries and employee benefits	(190 106)	(1 921)	(192 027)	(192 027)
Commission expense	(54 352)	(13)	(54 365)	(54 365)
Other external services	(48 961)	(1 006)	(49 967)	(49 967)
Amortization and depreciation	(11 971)	(26)	(11 997)	(11 997)
Taxes and fees	(8 597)	(17)	(8 614)	(8 614)
Cost of maintenance and lease of buildings	(7 668)	-	(7 668)	(7 668)
Other expenses	(11 355)	(205)	(11 560)	(11 560)
<b>Total operating expenses</b>	<b>(554 597)</b>	<b>(3 970)</b>	<b>(558 567)</b>	<b>(558 567)</b>
<b>Operating profit</b>	<b>870 172</b>	<b>15 510</b>	<b>885 682</b>	<b>885 682</b>
Finance income	-	-	-	50 573
Finance costs	-	-	-	(997)
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>935 258</b>
Income tax	-	-	-	(169 162)
<b>Net profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>766 096</b>

ASSETS AND LIABILITIES AS AT 31.12.2022 (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Customers' cash and cash equivalents	1 852 516	85 987	1 938 503	1 938 503
Financial assets at fair value through P&L	823 687	18 822	842 509	842 509
Other assets	1 332 037	1 274	1 333 311	1 333 311
<b>Total assets</b>	<b>4 008 240</b>	<b>106 083</b>	<b>4 114 323</b>	<b>4 114 323</b>
Amounts due to customers	2 215 470	112 258	2 327 728	2 327 728
Financial liabilities held for trading	115 321	(9 769)	105 552	105 552
Other liabilities	174 974	-	174 974	174 974
<b>Total liabilities</b>	<b>2 505 765</b>	<b>102 489</b>	<b>2 608 254</b>	<b>2 608 254</b>

## 14. Cash and cash equivalents

### Broken down by type:

(IN PLN'000)	31.12.2023	31.12.2022
Cash in current accounts in bank and their equivalents	3 676 756	2 853 883
Short-term deposits in bank	-	307 119
<b>Cash and cash equivalents in total</b>	<b>3 676 756</b>	<b>3 161 002</b>

The Group classifies as cash equivalents short-term deposits with maturities of less than 3 months and accrued interest thereon. Other deposits, i.e., with maturity over 3 months, together with interest, are presented in the item "Short-term deposits in bank".

### Own cash and restricted cash – customers' cash:

(IN PLN'000)	31.12.2023	31.12.2022
Customers' cash and cash equivalents	2 266 859	1 938 503
Own cash and cash equivalents	1 409 897	1 222 499
<b>Cash and cash equivalents in total</b>	<b>3 676 756</b>	<b>3 161 002</b>

Customers' cash and cash equivalents include the value of clients' open transactions.

## 15. Financial assets at fair value through P&L

(IN PLN'000)	31.12.2023	31.12.2022
<b>CFDs</b>		
Index CFDs	186 949	157 533
Commodity CFDs	130 397	120 387
Currency CFDs	90 150	98 145
Stock and ETF CFDs	77 665	91 867
Bond CFDs	142	2 219
<b>Debt instruments (bonds)</b>	<b>401 265</b>	<b>362 074</b>
<b>Stocks and ETFs</b>	<b>16 687</b>	<b>10 284</b>
<b>Total financial assets at fair value through P&amp;L</b>	<b>903 255</b>	<b>842 509</b>

Detailed information on the estimated fair value of the instrument is presented in note 36.1.1.

## 16. Financial assets at amortised cost

(IN PLN'000)	31.12.2023	31.12.2022
Amounts due from the Central Securities Depository of Poland	14 162	13 650
Trade receivables	11 364	21 058
Receivables due from clients	8 795	5 990
Deposits	5 053	5 640
Statutory receivables	876	1 648
<b>Gross other receivables</b>	<b>40 250</b>	<b>47 986</b>
Impairment write-downs of receivables	(997)	(843)
Impairment write-downs of receivables due from clients	(7 846)	(5 468)
<b>Total net other receivables</b>	<b>31 407</b>	<b>41 675</b>

### Movements in impairment write-downs of receivables

(IN PLN'000)	31.12.2023	31.12.2022
<b>Impairment write-downs of receivables – at the beginning of the reporting period</b>	<b>(6 311)</b>	<b>(5 181)</b>
Write-downs recorded	(3 749)	(1 645)
Write-downs reversed	1 502	193
Write-downs utilized	(285)	322
<b>Impairment write-downs of receivables – at the end of the reporting period</b>	<b>(8 843)</b>	<b>(6 311)</b>

Write-downs of receivables in 2023 and 2022 resulted from the debit balances which arose in customers' accounts in those periods.

### 17. Prepayments and deferred costs

(IN PLN'000)	31.12.2023	31.12.2022
CRM - customer service and sales	6 060	4 330
Licenses and news services	5 035	2 620
Database application	1 359	555
Advertising	912	4 556
Prepaid rent	554	489
Insurance	452	393
Other	1 114	1 581
<b>Total prepayments and deferred costs</b>	<b>15 486</b>	<b>14 524</b>

## 18. Intangible assets

### Intangible assets in the period from 1 January 2023 to 31 December 2023

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	OTHER INTANGIBLE ASSETS	TOTAL
<b>Gross value as at 1 January 2023</b>	<b>6 405</b>	<b>10 792</b>	<b>4 814</b>	<b>22 011</b>
Additions	106	-	-	106
Sale and scrapping	-	-	-	-
Net foreign exchange differences	(24)	-	-	(24)
<b>Gross value as at 31 December 2023</b>	<b>6 487</b>	<b>10 792</b>	<b>4 814</b>	<b>22 093</b>
 <b>Accumulated amortization as at 1 January 2023</b>	 <b>(5 069)</b>	 <b>(10 792)</b>	 <b>(4 709)</b>	 <b>(20 570)</b>
Amortization for the current period	(353)	-	(26)	(379)
Sale and scrapping	-	-	-	-
Net foreign exchange differences	23	-	-	23
<b>Accumulated amortization as at 31 December 2023</b>	<b>(5 399)</b>	<b>(10 792)</b>	<b>(4 735)</b>	<b>(20 926)</b>
 <b>Net book value as at 1 January 2023</b>	 <b>1 336</b>	 -	 <b>105</b>	 <b>1 441</b>
 <b>Net book value as at 31 December 2023</b>	 <b>1 088</b>	 -	 <b>79</b>	 <b>1 167</b>

Intangible assets manufactured internally relate to a financial instrument trading platform and applications compatible with this platform. Other intangible assets relate to the separated licence value under the acquisition of the subsidiary described in note 1.2 and client base purchased by XTB International. Client base was purchased on 18 April 2017 from company in Chile for the amount of USD 540 thousand.

## Intangible assets in the period from 1 January 2022 to 31 December 2022

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	OTHER INTANGIBLE ASSETS	TOTAL
<b>Gross value as at 1 January 2022</b>	<b>5 422</b>	<b>10 792</b>	<b>4 814</b>	<b>21 028</b>
Additions	1 117	-	-	1 117
Sale and scrapping	(132)	-	-	(132)
Net foreign exchange differences	(2)	-	-	(2)
<b>Gross value as at 31 December 2022</b>	<b>6 405</b>	<b>10 792</b>	<b>4 814</b>	<b>22 011</b>
<b>Accumulated amortization as at 1 January 2022</b>	<b>(4 968)</b>	<b>(10 792)</b>	<b>(4 683)</b>	<b>(20 443)</b>
Amortization for the current period	(235)	-	(26)	(261)
Sale and scrapping	132	-	-	132
Net foreign exchange differences	2	-	-	2
<b>Accumulated amortization as at 31 December 2022</b>	<b>(5 069)</b>	<b>(10 792)</b>	<b>(4 709)</b>	<b>(20 570)</b>
<b>Net book value as at 1 January 2022</b>	<b>454</b>	<b>-</b>	<b>131</b>	<b>585</b>
<b>Net book value as at 31 December 2022</b>	<b>1 336</b>	<b>-</b>	<b>105</b>	<b>1 441</b>

Intangible assets manufactured internally relate to a financial instrument trading platform and applications compatible with this platform. Other intangible assets relate to the separated licence value under the acquisition of the subsidiary described in note 1.2 and client base purchased by XTB International. Client base was purchased on 18 April 2017 from company in Chile for the amount of USD 540 thousand.

## 19. Property, plant and equipment

Property, plant and equipment in the period from 1 January 2023 to 31 December 2023

(IN PLN'000)	COMPUTER SYSTEMS	OTHER PROPERTY, PLANT AND EQUIPMENT	RIGHT TO USE OFFICE	RIGHT TO USE CAR	TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	TOTAL
<b>Gross value as at 1 January 2023</b>	<b>28 428</b>	<b>9 305</b>	<b>38 980</b>	<b>620</b>	<b>1 187</b>	<b>78 520</b>
Additions	7 824	6 607	-	-	31	14 462
Lease	-	-	10 553	2	-	10 555
Sale and scrapping	(579)	(793)	(4 239)	-	(848)	(6 459)
Net foreign exchange differences	(291)	(262)	(1 699)	(52)	(72)	(2 376)
<b>Gross value as at 31 December 2023</b>	<b>35 382</b>	<b>14 857</b>	<b>43 595</b>	<b>570</b>	<b>298</b>	<b>94 702</b>
<b>Accumulated amortization as at 1 January 2023</b>	<b>(17 188)</b>	<b>(4 431)</b>	<b>(11 353)</b>	<b>(245)</b>	-	<b>(33 217)</b>
Amortization for the current period	(5 386)	(1 833)	(9 482)	(117)	-	(16 818)
Sale and scrapping	577	655	3 000	(2)	-	4 230
Net foreign exchange differences	234	244	984	27	-	1 490
<b>Accumulated amortization as at 31 December 2023</b>	<b>(21 763)</b>	<b>(5 365)</b>	<b>(16 851)</b>	<b>(337)</b>	-	<b>(44 316)</b>
<b>Net book value as at 1 January 2023</b>	<b>11 240</b>	<b>4 874</b>	<b>27 627</b>	<b>375</b>	<b>1 187</b>	<b>45 303</b>
<b>Net book value as at 31 December 2023</b>	<b>13 619</b>	<b>9 492</b>	<b>26 744</b>	<b>233</b>	<b>298</b>	<b>50 386</b>

**Property, plant and equipment in the period from 1 January 2022 to 31 December 2022**

(IN PLN'000)	COMPUTER SYSTEMS	OTHER PROPERTY, PLANT AND EQUIPMENT	RIGHT TO USE OFFICE	RIGHT TO USE CAR	TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	TOTAL
<b>Gross value as at 1 January 2022</b>	<b>19 436</b>	<b>8 385</b>	<b>12 347</b>	<b>413</b>	<b>336</b>	<b>40 917</b>
Additions	9 702	2 072	-	-	851	12 625
Lease	-	-	27 731	297	-	28 028
Sale and scrapping	(758)	(1 243)	(1 622)	(102)	-	(3 725)
Net foreign exchange differences	48	91	524	12	-	675
<b>Gross value as at 31 December 2022</b>	<b>28 428</b>	<b>9 305</b>	<b>38 980</b>	<b>620</b>	<b>1 187</b>	<b>78 520</b>
<b>Accumulated amortization as at 1 January 2022</b>	<b>(14 626)</b>	<b>(4 489)</b>	<b>(5 373)</b>	<b>(223)</b>	-	<b>(24 711)</b>
Amortization for the current period	(3 293)	(941)	(7 387)	(115)	-	(11 736)
Sale and scrapping	752	1 055	1 600	101	-	3 508
Net foreign exchange differences	(21)	(56)	(193)	(8)	-	(278)
<b>Accumulated amortization as at 31 December 2022</b>	<b>(17 188)</b>	<b>(4 431)</b>	<b>(11 353)</b>	<b>(245)</b>	-	<b>(33 217)</b>
<b>Net book value as at 1 January 2022</b>	<b>4 810</b>	<b>3 896</b>	<b>6 974</b>	<b>190</b>	<b>336</b>	<b>16 206</b>
<b>Net book value as at 31 December 2022</b>	<b>11 240</b>	<b>4 874</b>	<b>27 627</b>	<b>375</b>	<b>1 187</b>	<b>45 303</b>

### Non-current assets by geographical area

(IN PLN'000)	31.12.2023	31.12.2022
<b>Non-current assets</b>		
Central and Eastern Europe	37 405	31 773
- <i>including Poland</i>	30 569	31 013
Western Europe	12 687	13 911
Latin America and Turkey	1 461	1 060
<b>Total non-current assets</b>	<b>51 553</b>	<b>46 744</b>

### 20. Amounts due to customers

(IN PLN'000)	31.12.2023	31.12.2022
Amounts due to retail customers	2 528 811	2 215 470
Amounts due to institutional customers	109 311	112 258
<b>Total amounts due to customers</b>	<b>2 638 122</b>	<b>2 327 728</b>

Amounts due to customers are connected with transactions concluded by the customers (including cash deposited in the customers' accounts).

### 21. Financial liabilities held for trading

(IN PLN'000)	31.12.2023	31.12.2022
<b>Financial instruments (CFD)</b>		
Stock and ETF CFDs	33 982	32 030
Currency CFDs	32 033	20 507
Index CFDs	28 615	35 118
Commodity CFDs	15 654	17 791
Bond CFDs	74	106
<b>Total financial liabilities held for trading</b>	<b>110 358</b>	<b>105 552</b>

### 22. Liabilities due to lease

(IN PLN'000)	31.12.2023	31.12.2022
Short- term	8 963	6 600
Long- term	20 640	23 850
<b>Total liabilities due to lease</b>	<b>29 603</b>	<b>30 450</b>

Liabilities due to lease do not include short-term leasing contracts and lease of low-value assets.

In the period from 1 January to 31 December 2023 the cost related to short-term leasing included in the statement of comprehensive income amounted to PLN 586 thousand, the cost related to lease of low-value assets included in the statement of comprehensive income amounted to PLN 15 thousand.

In the period from 1 January to 31 December 2022 the cost related to short-term leasing included in the statement of comprehensive income amounted to PLN 1 128 thousand, the cost related to lease of low-value assets included in the statement of comprehensive income amounted to PLN 7 thousand.

The Groupy is a lessee in the case of lease agreements for office space and cars. The value of the leased item is presented in Note 19.

## 23. Other liabilities

(IN PLN'000)	31.12.2023	31.12.2022
Trade liabilities	33 711	30 035
Provisions for other employee benefits	31 888	37 959
Liabilities due to brokers	8 908	2 550
Statutory liabilities	8 038	7 452
Amounts due to the Central Securities Depository of Poland	2 673	256
Liabilities due to employees	862	1 453
<b>Total other liabilities</b>	<b>86 080</b>	<b>79 705</b>

Liabilities under employee benefits include estimates, as at the balance sheet date, of bonuses for the reporting period, including from the Program of variable remuneration elements, as well as the provision for unused holiday leave.

### Program of variable remuneration elements

Pursuant to the Variable Remuneration Elements policy applied by the Parent Company, the employees of the Parent Company in the top management positions receive annually variable remuneration paid in cash and in financial instruments.

The value of provisions for employee benefits includes variable remuneration granted in cash and based on financial instruments, deferred for payment in three consecutive years.

On 31 July 2023, XTB established an Incentive Program for individuals whose professional activities have a significant impact on the parent company's risk profile. Under this program, XTB will offer its participants 100% variable compensation payable in the form of shares. The shares will be offered as part of the Variable Remuneration Elements awarded for the financial results achieved by XTB in the financial year for which the Actual Bonus is awarded. Actual Bonus means the actual value of the bonus that was awarded to the Incentive Program participants for a given financial year. Part of the benefits granted in the form of equity instruments which value is related to the financial situation of the parent company, will be paid within 3 years from the date of grant.

As at 31 December 2023, provision for variable remuneration elements settled in financial instruments acquired by members of the board for the previous reporting periods is in the amount of PLN 474 thousand and as at 31 December 2022 in the amount of PLN 6 604 thousand.

Due to the introduction of the Incentive Program at XTB S.A., the costs associated with share-based payments at the end of 2023 were included in the Group's equity. As at the end of 2022, the costs related to the payment of variable remuneration elements were recognized in Other liabilities of the Group.

## 24. Provisions for liabilities and contingent liabilities

### 24.1 Provisions for liabilities

(IN PLN'000)	31.12.2023	31.12.2022
Provisions for retirement benefits	338	215
Provisions for legal risk	3 554	4 041
<b>Total provisions</b>	<b>3 892</b>	<b>4 256</b>

Provisions for retirement benefits are established on the basis of an actuarial valuation carried out in accordance with the applicable regulations and agreements connected with obligatory retirement benefits to be covered by the employer.

Provisions for legal risk include expected amounts of payments to be made in connection with disputes to which the Group is a party. As at the date of preparation of these financial statements, the Company is not able to specify when the above liabilities will be repaid. The information on the significant court proceedings, arbitration authority or public administration authority was described in point 5.2 of the Management Board report on the operations of the Group and Company. To the best of our knowledge and belief, the procedures described therein and the future resolution of these proceedings in the context of a possible impact on other clients of the Group do not have a material impact on these consolidated financial statements.

**Movements in provisions in the period from 1 January 2023 to 31 December 2023**

(IN PLN'000)	VALUE AS AT 01.01.2023	INCREASES	DECREASES USE	REVERSAL	VALUE AS AT 31.12.2023
Provisions for retirement benefits	215	125	-	2	338
Provisions for legal risk	4 041	1 288	848	927	3 554
<b>Total provisions</b>	<b>4 256</b>	<b>1 413</b>	<b>848</b>	<b>929</b>	<b>3 892</b>

**Movements in provisions in the period from 1 January 2022 to 31 December 2022**

(IN PLN'000)	VALUE AS AT 01.01.2022	INCREASES	DECREASES USE	REVERSAL	VALUE AS AT 31.12.2022
Provisions for retirement benefits	177	38	-	-	215
Provisions for legal risk	4 788	694	1 380	61	4 041
<b>Total provisions</b>	<b>4 965</b>	<b>732</b>	<b>1 380</b>	<b>61</b>	<b>4 256</b>

## 24.2 Contingent liabilities

The Group is party to a number of court proceedings associated with the Group's operations. The proceedings in which the Group acts as defendant relate mainly to employees' and customers' claims.

As at 31 December 2023 the total value of claims brought against the Group amounted to approx. PLN 19 697 thousand (as at 31 December 2022: PLN 16 282 thousand). Company has not created provisions for the above proceedings. In the assessment of the Group there is low probability of loss in these proceedings.

On 9 May 2014, the Parent Company issued a guarantee in the amount of PLN 59 thousand to secure an agreement concluded by a subsidiary XTB Limited, based in the UK and PayPal (Europe) Sarl & Cie, SCA based in Luxembourg. The guarantee was granted for the duration of the main contract, which was concluded for an indefinite period.

On 7 July 2017, the Parent Company issued a guarantee in the amount of PLN 5 500 thousand to secure the agreement concluded between subsidiary XTB Limited based in UK and Worldpay (UK) Limited, Worldpay Limited and Worldpay AP LTD based in UK. The guarantee was issued for the period of the agreement which was concluded for three years with the possibility of further extension.

## 25. Equity

### Share capital structure as at 31 December 2023 and 31 December 2022

SERIES/ISSUE	NUMBER OF SHARES	NOMINAL VALUE OF SHARES (IN PLN)	NOMINAL VALUE OF ISSUE (IN PLN'000)
Series A	117 383 635	0,05	5 869
Series B	185 616	0,05	9

### Share capital structure as at 31 December 2022

SERIES/ISSUE	NUMBER OF SHARES	NOMINAL VALUE OF SHARES (IN PLN)	NOMINAL VALUE OF ISSUE (IN PLN'000)
Series A	117 383 635	0,05	5 869

All shares in the Company have the same nominal value, are fully paid for, and carry the same voting and profit-sharing rights. No preference is attached to any share series. The shares are A and B-series ordinary registered shares.

### Shareholding structure of the Parent Company

To the best Parent Company's knowledge, the shareholding structure of the Parent Company as at 31 December 2023 was as follows:

	NUMBER OF SHARES	NOMINAL VALUE OF SHARES (IN PLN'000)	SHARE
XXZW Investment Group S.A.	71 629 794	3 581	60,93%
Other shareholders	45 939 457	2 297	39,07%
<b>Total</b>	<b>117 569 251</b>	<b>5 878</b>	<b>100,00%</b>

To the best Parent Company's knowledge, the shareholding structure of the Parent Company as at 31 December 2022 was as follows:

	NUMBER OF SHARES	NOMINAL VALUE OF SHARES (IN PLN'000)	SHARE
XXZW Investment Group S.A.	78 629 794	3 932	66,99%
Other shareholders	38 753 841	1 937	33,01%
<b>Total</b>	<b>117 383 635</b>	<b>5 869</b>	<b>100,00%</b>

### Other capitals

Other capitals consist of:

- supplementary capital in the total amount of PLN 71 608 thousand, mandatorily established from annual profit distribution to be used to cover potential losses that may occur in connection with the Company's operations, up to the amount of at least one third of the share capital, amounting to PLN 1 957 thousand and from surplus of the issue price over the nominal price in the amount of PLN 69 651 thousand, resulting from the capital increase in 2012 with a nominal value of PLN 348 thousand for the price of PLN 69 999 thousand,
- reserve capital, in the amount of PLN 863 166 thousand established from annual distribution of profit as resolved by the General Meeting of Shareholders to be used for financing of further operations of the Company or payment of dividend increased by the cost of the incentive program for persons whose professional activities have a significant impact on the risk profile of the Parent company,
- foreign exchange differences on translation, including foreign exchange of branches and foreign operations in the amount of PLN (6 595) thousand. A detailed presentation of exchange differences resulting from translation is presented in the table below.

(IN PLN'000)	31.12.2023	31.12.2022
XTB Spółka Akcyjna branch in Germany	365	907
XTB Spółka Akcyjna branch in Romania	204	290
XTB Spółka Akcyjna	80	201
XTB Limited CY	61	632
XTB Spółka Akcyjna branch in France	2	343
XTB S.C. Limited	(6)	-
XTB Services Limited	(29)	39
XTB Spółka Akcyjna branch in Portugal	(54)	7
XTB Spółka Akcyjna branch in Slovakia	(65)	19
XTB Digital Ltd.	(91)	-
XTB Spółka Akcyjna branch in Czech Republic	(136)	103
XTB Spółka Akcyjna branch in Spain	(156)	46
XTB Africa (PTY) Ltd.	(301)	5
XTB Limited UK	(467)	361
XTB International	(605)	322
XTB MENA Limited	(862)	654
XTB Agente de Valores SpA	(880)	(122)
Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.	(3 655)	(3 767)
<b>Total foreign exchange differences on translation</b>	<b>(6 595)</b>	<b>40</b>

## 26. Profit distribution and dividend

Pursuant to the decision of the General Shareholders' Meeting of the Parent Company, the net profit for 2022 in the amount of PLN 761 564 thousand was partially earmarked for the payment of a dividend in the amount of PLN 570 484 thousand, the remaining amount was transferred to reserve capital.

The amount of dividend per share paid for 2022 was equal to PLN 4,86. The dividend was paid on the 21 July 2023.

Pursuant to the decision of the General Shareholders' Meeting of the Parent Company, the net profit for 2021 in the amount of PLN 234 841 thousand was partially earmarked for the payment of a dividend in the amount of PLN 176 075 thousand, the remaining amount was transferred to reserve capital.

The amount of dividend per share paid for 2021 was equal to PLN 1,50. The dividend was paid on the 16 May 2021.

DIVIDENDS RECOGNIZED AS PAYMENTS TO OWNERS PER SHARE (IN PLN)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Dividends paid to owners	4,86	1,50

## 27. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period. When calculating both basic and diluted earnings per share, the Group uses the amount of net profit attributable to shareholders of the Parent Company as the numerator, i.e., there is no dilutive effect influencing the amount of profit (loss). The calculation of basic and diluted earnings per share, together with a reconciliation of the weighted average diluted number of shares is presented below.

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Profit from continuing operations attributable to shareholders of the Parent Company	791 173	766 096
Weighted average number of ordinary shares	117 569 251	117 383 635
Weighted average number of shares including dilution effect	117 569 251	117 383 635
Basic net profit per share from continuing operations for the year attributable to shareholders of the Parent Company	6,73	6,53
Diluted net profit per share from continuing operations for the year attributable to shareholders of the Parent Company	6,73	6,53

## 28. Current income tax and deferred income tax

### 28.1 Current income tax

#### Income tax disclosed in the current period's profit and loss

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
<b>Income tax - current portion</b>		
Income tax for the reporting period	(166 456)	(142 183)
<b>Income tax - deferred portion</b>		
Occurrence / reversal of temporary differences	(2 615)	(26 979)
<b>Income tax disclosed in profit and loss</b>	<b>(169 071)</b>	<b>(169 162)</b>

### Reconciliation of the actual tax burden

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
<b>Profit before tax</b>	<b>960 244</b>	<b>935 258</b>
<b>Income tax based in the applicable tax rate of 19%</b>	<b>(182 446)</b>	<b>(177 699)</b>
Difference resulting from application of tax rates applicable in other countries	1 193	773
Non-taxable revenue	714	361
Non-deductible expenses	(3 551)	(3 481)
Tax losses for the reporting period not included in deferred tax	-	135
Writing off tax losses activated in previous years	-	46
Other items affecting the tax burden amount	15 019	10 703
<b>Income tax disclosed in profit or loss</b>	<b>(169 071)</b>	<b>(169 162)</b>

On the basis of art 18d of Act on corporate income tax dated 15 February 1992 with further amendments the Group benefited in 2023 from the tax burden for research and development in total amounted to PLN 16 923 thousand. In 2022 benefits from the tax burden amounted to PLN 10 790 thousand.

The effective tax rate for the period from 1 January 2023 to 31 December 2023 was close to the statutory rate and amounted to 17,61%. In the analogical period of 2022, the rate was 18,09%.

## 28.2 Deferred income tax

### 28.2.1 Unrecognized deferred income tax asset

Taking into account the risks connected with further business development in foreign markets, the Company's management has doubts relative to certain tax credits of foreign operations and whether their respective profits will make it possible to settle the tax losses. Therefore, no deferred tax assets connected with such tax loss in the amount of PLN 409 thousand as at 31 December 2023 and in the amount of PLN 441 thousand as at 31 December 2022.

The company did not recognize deferred tax assets on tax loss arising in France.

UNRECOGNIZED TAX LOSSES AVAILABLE FOR USE (IN PLN'000)	31.12.2023	31.12.2022
no limit	409	441
<b>Total unrecognized tax losses available for use</b>	<b>409</b>	<b>441</b>

### 28.2.2 Recognized deferred tax asset relating to tax losses

Balance of deferred tax asset relating to tax losses

RECOGNIZED TAX LOSSES TO BE UTILIZED (IN PLN'000)	31.12.2023	31.12.2022
Deferred tax on tax losses	7 108	7 619

As at 31 December 2023 the Company established deferred tax assets with regard to tax losses to be settled in future periods in the total amount of PLN 7 108 thousand (as at 31 December 2022: PLN 7 619 thousand). The management believes that due to dynamic development of business and growth of sales in foreign markets, the Company may generate taxable income in future periods, and tax losses will be settled accordingly.

Deferred tax losses may be utilised over an unlimited period in Germany, France and Great Britain. Forecasted results of these branches and subsidiary, their margins and development plans assume an effective settlement of losses in the future.

## 28.2.3 Deferred income tax assets and deferred income tax provision

### Change in the balance of deferred tax for the period from 1 January to 31 December 2023

(IN PLN'000)	AS AT 01.01.2023	PROFIT OR (LOSS)	AS AT 31.12.2023
<b>Deferred income tax assets:</b>			
Cash and cash equivalents	70	(70)	-
Property, plant and equipment	451	(388)	63
Liabilities due to lease	-	2 885	2 885
Financial liabilities held for trading	13 805	(458)	13 347
Provisions for liabilities	549	430	979
Prepayments and deferred costs	4 994	1 102	6 096
Other liabilities	6 877	(1 810)	5 067
Tax losses of previous periods to be settled in future periods	7 619	(510)	7 109
<b>Total deferred income tax assets</b>	<b>34 365</b>	<b>1 181</b>	<b>35 546</b>

(IN PLN'000)	AS AT 01.01.2023	PROFIT OR (LOSS)	AS AT 31.12.2023
<b>Deferred income tax provision:</b>			
Cash and cash equivalents	19	82	101
Financial assets at fair value through P&L	81 549	2 019	83 568
Other liabilities	638	503	1 141
Financial assets at amortised cost	1 853	(1 260)	593
Property, plant and equipment	335	2 453	2 788
<b>Total deferred income tax provision</b>	<b>84 394</b>	<b>3 797</b>	<b>88 191</b>
<b>Deferred tax disclosed in profit or (loss)</b>	<b>-</b>	<b>(2 616)</b>	<b>-</b>

(IN PLN'000)	AS AT 01.01.2023	INCLUDED IN EQUITY	AS AT 31.12.2023
<b>Deferred income tax assets included directly in the equity:</b>			
Separate equity of branches	838	(606)	232
<b>Total deferred income tax assets included directly in the equity</b>	<b>838</b>	<b>(606)</b>	<b>232</b>

### Change in the balance of deferred tax for the period from 1 January to 31 December 2022

(IN PLN'000)	AS AT 01.01.2022	PROFIT OR (LOSS)	AS AT 31.12.2022
<b>Deferred income tax assets:</b>			
Cash and cash equivalents	23	47	70
Property, plant and equipment	24	427	451
Financial liabilities held for trading	18 969	(5 164)	13 805
Provisions for liabilities	468	81	549
Prepayments and deferred costs	2 521	2 473	4 994
Other liabilities	6 909	(32)	6 877
Tax losses of previous periods to be settled in future periods	8 525	(906)	7 619
<b>Total deferred income tax assets</b>	<b>37 439</b>	<b>(3 074)</b>	<b>34 365</b>

(IN PLN'000)	AS AT 01.01.2022	PROFIT OR (LOSS)	AS AT 31.12.2022
<b>Deferred income tax provision:</b>			
Cash and cash equivalents	25	(6)	19
Financial assets at fair value through P&L	59 249	22 300	81 549
Other liabilities	246	392	638
Prepayments and deferred costs	670	1 183	1 853
Financial assets at amortised cost	-	-	-
Property, plant and equipment	299	36	335
<b>Total deferred income tax provision</b>	<b>60 489</b>	<b>23 905</b>	<b>84 394</b>
<b>Deferred tax disclosed in profit or (loss)</b>	<b>-</b>	<b>(26 979)</b>	<b>-</b>

(IN PLN'000)	AS AT 01.01.2022	INCLUDED IN EQUITY	AS AT 31.12.2022
<b>Deferred income tax assets included directly in the equity:</b>			
Separate equity of branches	674	164	838
<b>Total deferred income tax assets included directly in the equity</b>	<b>674</b>	<b>164</b>	<b>838</b>

**Data concerning the presentation of deferred income tax by country of origin and reconciliation of presentation in the statement of financial position as at 31 December 2023:**

(IN PLN'000)	DATA ACCORDING TO THE NATURE OF ORIGIN		DATA PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	
	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION
Poland	28 074	87 075	2 782	61 783
Czech Republic	86	8	78	-
Slovakia	75	93	-	18
Germany	2 120	100	2 120	100
France	3 050	-	3 050	-
Great Britain	2 042	-	2 042	-
Chile	99	322	-	223
Belize	-	825	-	825
<b>Total</b>	<b>35 546</b>	<b>88 423</b>	<b>10 072</b>	<b>62 949</b>

**Data concerning the presentation of deferred income tax by country of origin and reconciliation of presentation in the statement of financial position as at 31 December 2022:**

(IN PLN'000)	DATA ACCORDING TO THE NATURE OF ORIGIN		DATA PRESENTED IN THE STATEMENT OF FINANCIAL POSITION	
	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION
Poland	26 364	84 202	-	57 838
Czech Republic	92	19	73	-
Slovakia	160	-	160	-
Germany	2 420	-	2 420	-
France	3 549	-	3 549	-
Great Britain	1 667	-	1 667	-
Chile	113	372	-	259
Belize	-	639	-	639
<b>Total</b>	<b>34 365</b>	<b>85 232</b>	<b>7 869</b>	<b>58 736</b>

## 29. Related party transactions

### 29.1 Parent Company

As at 31 December 2023 XXZW Investment Group S.A. with its registered office in Luxembourg is the key shareholder of the Company, it holds 60,93% of shares and votes in the General Meeting as per Company's best knowledge. XXZW Investment Group S.A. prepares consolidated financial statements.

Mr. Jakub Zabłocki is the ultimate parent company for the Company and XXZW Investment Group S.A.

### 29.2 Figures concerning related party transactions

As at 31 December 2023 Group has liabilities to Mr Jakub Zabłocki in the amount of PLN 74 thousand due to his investment account (as at 31 December 2022 PLN 24 thousand). In the period from 1 January to 31 December 2023 Group has noted loss from transactions with Mr Jakub Zabłocki in the amount PLN 3 thousand (in the analogical period of 2022 there was no profit or loss from transactions with Mr Jakub Zabłocki). Moreover Mr Jakub Zabłocki is employed on the basis of work contract in subsidiary in Great Britain. In the period from 1 January to 31 December 2023 the paid gross salary and bonuses amounted to PLN 2 708 thousand and in the analogical period of 2022 amounted to PLN 1 831 thousand.

Mr Hubert Walentynowicz receives salary on the basis of work contract. In the period from 1 January to 31 December 2023 the paid gross salary and bonuses amounted to PLN 624 thousand and in the analogical period of 2022 amounted to PLN 535 thousand.

As at 31 December 2023 Group has liabilities to Mr Filip Kaczmarzyk in the amount of PLN 20 thousand due to his investment account. As at 31 December 2022 the Company has liabilities to Mr Filip Kaczmarzyk in the amount of PLN 72 thousand due to his investment account.

As at 31 December 2023 Group has no liabilities to Mr Paweł Szejko due to his investment account. As at 31 December 2022 the Company has liabilities to Mr Paweł Szejko in the amount of PLN 4 thousand due to his investment account.

As at 31 December 2023 Group has liabilities to Mr Jakub Kubacki in the amount of PLN 2 thousand due to his investment account. As at 31 December 2022 the Company has liabilities to Mr Jakub Kubacki in the amount of PLN 15 thousand due to his investment account.

The table below presents the total number and nominal value of the Parent Company's shares held directly by the persons managing and supervising Group, as at the date of submitting this report:

NAME AND SURNAME	FUNCTION	NUMBER OF SHARES HELD	TOTAL NOMINAL VALUE OF SHARES (in PLN)
Omar Arnaout	Chairman of the Management Board	30 261	1 513
Filip Kaczmarzyk	Board Member	21 182	1 059
Paweł Szejko	Board Member	19 130	957
Jakub Kubacki	Board Member	13 495	675
Andrzej Przybylski	Board Member	2 441	122

During the reporting period and until the date of submission of this report, the following changes in the ownership of the Company's shares by managing and supervising persons took place:

- on the 2 October 2023 Omar Arnaout acquired jointly 30 261 shares of series B;
- on the 2 October 2023 Filip Kaczmarzyk acquired jointly 21 182 shares of series B;
- on the 2 October 2023 Paweł Szejko acquired jointly 15 130 shares of series B;
- on the 2 October 2023 Jakub Kubacki acquired jointly 11 095 shares of series B;
- on the 2 October 2023 Andrzej Przybylski acquired jointly 5 547 shares of series B;
- on the 8 November 2023 Andrzej Przybylski sold 6 shares of series B;
- on the 13 November 2023 Andrzej Przybylski sold 3 100 shares of series B.

At the end of the reporting period and as at the date of submitting this report, the supervising persons did not have any shares or rights to the Parent Company's shares.

## 29.3 Benefits to Management Board and Supervisory Board

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Benefits to the Management Board members	(6 459)	(6 356)
Benefits to the Supervisory Board members	(303)	(252)
<b>Total benefits to the Management Board and Supervisory Board</b>	<b>(6 762)</b>	<b>(6 608)</b>

These benefits include base salaries, bonuses, contributions to social security paid for by the employer and supplementary benefits (money bills, healthcare, holiday allowances).

Members of the Management Board of the Company are included in the scheme of variable remuneration elements specified in note 23 of the financial statements.

## 29.4 Loans granted to the Management and Supervisory Board members

As at 31 December 2023 and 31 December 2022 there are no loans granted to the Management and Supervisory Board members.

## 30. Remuneration of the audit companies

REMUNERATION OF THE AUDIT COMPANIES DUE FOR THE FINANCIAL YEAR (IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Statutory audit of standalone and consolidated financial statements	470	450
Review of half-year standalone and consolidated financial statements	125	120
Statutory audit of annual financial statements of branch offices	72	90
Other certifying services	209	135
Statutory audit of annual financial statements of subsidiaries	301	325
<b>Total remuneration of the audit companies</b>	<b>1 177</b>	<b>1 120</b>

Above remuneration due to audit companies are net amounts.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k was the main auditor for the Company in 2023 and 2022.

In 2023 total remuneration due to PwC companies amounted to PLN 709 thousand (in 2022: PLN 667 thousand), including 47 thousand PLN relates to other attestation services and 125 thousand semi-annual financial reviews.

## 31. Employment

Total employment in the Group as at 31 December 2023 was 1 054 people. As at 31 December 2022, the employment was 860 people. The list does not include persons on maternity leave, parental leave and benefits (dismissals for more than 33 days).

## 32. Supplementary information and explanations to the cash flow statement

### 32.1 Other adjustments

The "other adjustments" item includes the following adjustments:

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Change in the balance of differences from the conversion of branches and subsidiaries	(6 635)	489
Foreign exchange differences on translation of movements in property, plant and equipment, and intangible assets	884	(397)
<b>Change in other adjustments</b>	<b>(5 751)</b>	<b>92</b>

Foreign exchange differences on translation of movements in tangible and intangible assets include the difference between the rates as at the opening balance and as at the closing balance adopted for valuation of the gross value of tangible and intangible assets in the Group's foreign entities and the difference between the rate applied to value amortization and depreciation cost of fixed assets and intangible assets in the Group's foreign entities and the rate of translation of amortization and depreciation amounts on such assets. This value results from the chart of movements in tangible and intangible assets.

## 32.2 Change in balance of other liabilities

The "Change in balance of other liabilities" item includes the following adjustments:

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Balance sheet change in other liabilities	6 375	31 328
<b>Change in balance of other liabilities</b>	<b>6 375</b>	<b>31 328</b>

## 32.3 Details of (Profit) Loss from investing activity

The "(Profit) Loss on investment activity" item includes the following adjustments:

(IN PLN'000)	TWELVE-MONTH PERIOD ENDED 31.12.2023	TWELVE-MONTH PERIOD ENDED 31.12.2022
Loss on liquidation and sale of fixed assets	2 231	216
Profit from the liquidation and sale of fixed assets	(3)	(10)
Result of Bonds	(31 962)	(15 178)
<b>(Profit) Loss on investment activity</b>	<b>(29 734)</b>	<b>(14 972)</b>

## 33. Off-balance sheet items

### 33.1 Nominal value of financial instruments

(IN PLN'000)	31.12.2023	31.12.2022
Index CFDs	5 030 892	3 575 327
Currency CFDs	2 809 502	2 165 605
Commodity CFDs	1 918 148	1 377 290
Stock and ETF CFDs	747 990	565 898
Bond CFDs	7 344	23 264
<b>Total financial instruments</b>	<b>10 513 876</b>	<b>7 707 384</b>

The nominal value of instruments presented in the chart above includes transactions with customers and brokers. As at 31 December 2023 transactions with brokers represent 15% of the total nominal value of instruments (as at 31 December 2022: 5% of the total nominal value of instruments).

### 33.2 Customers' financial instruments

Presented below is a list of customers' instruments deposited in the accounts of the brokerage house:

(IN PLN'000)	31.12.2023	31.12.2022
Listed stocks, ETF and rights to stocks registered in customers' securities accounts	6 147 388	3 445 190
Other securities registered in customers' securities accounts	207	207
<b>Total customers' financial instruments</b>	<b>6 147 595</b>	<b>3 445 397</b>

### 33.3 Transaction limits

The amount of unused transaction limits granted to related entities was as at 31 December 2023 PLN 12 728 thousand and as at 31 December 2022 was PLN 14 178 thousand.

### 34. Items regarding the compensation scheme

(IN PLN'000)	31.12.2023	31.12.2022
<b>1. Contributions made to the compensation scheme</b>		
a) opening balance	10 569	7 412
- <i>increases</i>	3 417	3 157
b) closing balance	13 986	10 569
<b>2. XTB's share in the profits from the compensation scheme</b>	<b>1 170</b>	<b>626</b>

### 35. Capital management

The Group's principles of capital management are established in the "Capital management policy at XTB S.A.". The document is approved by the Parent Company's Supervisory Board. The policy defines the basic concepts, objectives and rules which constitute the Parent Company's capital strategy. It specifies, in particular, long-term capital objectives, the current and preferred capital structure, contingency plans and basic elements of the internal capital estimation process. The policy is updated as appropriate so as to reflect the development in the Group and its business environment.

The objective of the capital management policy is to ensure balanced long-term growth for the shareholders and to maintain sufficient capital to enable the Group to operate in a prudent and efficient manner. This objective is attained by maintaining an appropriate capital base, taking into account the Group's risk profile and prudential regulations, as well as risk-based capital management in view of the operating goals.

Determination of capital-related goals is essential for equity management and serves as a basic reference in the context of capital planning, allocation and contingency plans. The Company establishes capital-related objectives which ensure a stable capital base, achievement of its capital strategy goals (in accordance with its general principles), and also match the Company's risk appetite. To establish its capital-related goals, the Company takes into consideration its strategic plans and expected growth of operations as well as external conditions, including the macroeconomic situation and other business environment factors. The capital-related goals are set for a horizon similar to that of the business strategy and are approved by the Management Board.

Capital planning is focused on an assessment of the Group's current and future capital requirements (both regulatory and internal), and on comparing them with the current and projected levels of available capital. The Group has prepared contingency plans to be launched in the event of a capital liquidity shortage, described in detail in the "Capital management policy at XTB S.A.".

As part of ICARAP, the Group assesses its internal capital in order to define the overall capital requirement to cover all significant risks in the Group's operations and evaluates its quality. The Group estimates internal capital necessary to cover identified significant risks in compliance with procedures adopted by the Group and taking into account stress test results.

The Parent Company is obligated to maintain the capitals (equity) to cover the higher of the following values:

- capital requirements calculated in accordance with Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (IFR)
- internal capital estimated in accordance with the Regulation of the Minister of Development and Finance of 8 December 2021 on the assessment of internal capital and liquid assets, risk management system, supervisory audit and evaluation, as well as remuneration policy in a brokerage house and a small brokerage house.

The capital requirement calculated in accordance with the IFR regulation is the higher of:

- fixed overheads requirement
- permanent minimum initial capital requirement
- K-factor capital requirement

At date of preparation of the financial statement the highest of the above values for the Parent Company is the K-factor capital requirement.

The parent company calculates own funds in accordance with Part Two of the European Parliament and of the Council (EU) 2019/2033 of 27 November 2019 on prudential requirements for investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575 / 2013, (EU) No 600/2014 and (EU) No 806/2014 ("IFR").

The principles for calculation of own funds are established in the CRR and IFR Regulations, "Procedure for calculating capital adequacy ratios of XTB S.A." the Parent company and are not regulated by IFRS.

The Group currently has only own funds of the best category - Tier I.

Prudential consolidation in accordance with IFR covers subsidiaries that are investment firms, financial institutions, ancillary services undertakings or tied agents. When applied to the Group, the Parent Company includes the following subsidiaries in prudential consolidation:

- since 31st Nov 2015 XTB Limited (UK),
- since 30th April 2017 XTB International,
- since 31st July 2018 XTB Limited (CY),
- since 31st July 2022 XTB MENA Limited,
- since 31st August 2022 XTB Africa (PTY) Ltd,
- since 31st December 2023 XTB S.C. Limited.

Pursuant to the Act of 5 August 2015 on macroprudential supervision of the financial system and crisis management, from 1st Jan 2016 the Group was obliged to hold capital buffers requirement. In the period covered by this financial statement the Group was obliged to hold a capital conservation buffer and a countercyclical capital buffer. Due to entry into force of IFR from 26<sup>th</sup> June 2022 the capital buffers requirement ceased to exist for the Group.

#### **Key values in capital management:**

(IN PLN'000)	31.12.2023	31.12.2022
<b>The Group's own funds</b>	<b>912 482</b>	<b>718 887</b>
Tier I Capital	912 482	718 887
Common Equity Tier I capital	912 482	718 887
<b>Total capital requirement IFR</b>	<b>483 590</b>	<b>329 563</b>
<b>Total capital ratio IFR</b>	<b>188.7%</b>	<b>218,1%</b>
<b>Minimal required total capital ratio including buffers (article 9 section1 letter c) of IFR</b>	<b>100%</b>	<b>100%</b>

The mandatory capital adequacy was not breached in the periods covered by the condensed consolidated financial statements.

The table below presents data on the level of capitals and on the total capital requirement divided into requirements due to specific types of risks calculated in accordance with separate regulations together with average monthly values. Average monthly values were calculated as an estimation of the average values calculated based on statuses at the end of specific days.

(IN PLN'000)	AS AT 31.12.2023	AVERAGE MONTHLY VALUE IN THE PERIOD	AS AT 31.12.2022
1. Own funds	912 482	818 354	718 887
1.1. Base capital Tier I without deductions	925 510	830 929	731 647
1.2. Supplementary capital Tier I	-	-	-
1.3. Items decreasing share capitals	(13 028)	(12 575)	(12 760)
<b>I. Own funds</b>	<b>912 482</b>	<b>818 354</b>	<b>718 887</b>
1. Risk to Client, including:	11 995	11 218	10 388
1.1. K-AUM	-	-	-
1.2. K-CMH	9 935	9 532	8 974
1.3. K-ASA	2 060	1 686	1 414
1.4. K-COH	-	-	-
2. Risk to Market, including:	313 039	351 851	181 812
2.1. K-NPR	313 039	351 851	181 812
2.2. K-CMG	-	-	-
3. Risk to Firm, including:	158 556	171 450	137 363
3.1. K-TCD	155 731	168 603	134 592
3.2. K-DTF	2 825	2 847	2 771
3.3. K-CON	-	-	-
<b>II. Total K-factor capital requirement (IFR)</b>	<b>483 590</b>	<b>534 519</b>	<b>329 563</b>

The parent company calculates the requirement for fixed indirect costs. However, it is significantly lower than the capital requirement for the K-factor.

## 36. Risk management

The Group is exposed to a variety of risks connected with its current operations. The purpose of risk management is to make sure that the Group takes risk in a conscious and controlled manner. Risk management policies are formulated in order to identify and measure the risks taken, as well as to establish appropriate limits to mitigate such risk on a regular basis.

At the strategy level, the Management Board is responsible for establishing and monitoring the risk management policy. All risks are monitored and controlled with regard to profitability of the operations as well as the level of capital necessary to ensure safety of operations from the capital requirement perspective.

A Risk Management Committee composed of members of the Supervisory Board has been established in the Parent Company. The tasks of the Committee include the development of a document on risk appetite, giving opinions on the risk management strategy, supporting the Supervisory Board in supervising the implementation of the risk management strategy by the Management Board, verifying the remuneration policy and its implementation rules in terms of adjusting the remuneration system to the risk faced by the Management Board. exposed brokerage house, to its capital, liquidity, and the probability and timing of earning income.

The Risk Control Department supports the Management Board in shaping, reviewing and updating the ICAAP rules in the event of the emergence of new types of risk, significant changes in the strategy and action plans. This department also monitors suitability and effectiveness of the implemented risk management system, identifies, monitors and controls the risks of the Group's own investments, determines the total capital requirements and estimates internal capital.

The Risk Control Department is managed by the Member of the Management Board responsible for the supervision of the risk management system.

The Parent Company's Supervisory Board approves risk management system.

### 36.1 Fair value

#### 36.1.1 Carrying amount and fair value

The fair value of cash and cash equivalents is estimated as being close to their carrying amount.

The fair value of loans granted and other receivables, amounts due to clients and other liabilities is estimated as being close to their carrying amount in view of the short-term maturities of these balance sheet items.

### 36.1.2 Fair value hierarchy

The Group discloses fair value measurement of financial instruments carried at fair value, applying the following fair value hierarchy which reflects the significance of input data used to establish the fair value:

- **Level 1:** quoted prices (unadjusted) in active markets for the assets or liabilities;
- **Level 2:** input data other than quoted prices classified in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. based on prices). This category includes financial assets and liabilities measured using prices quoted in active markets for identical assets, prices quoted in active markets for identical assets considered less active or other valuation methods where all significant inputs originate directly or indirectly from the markets;
- **Level 3:** input data for valuation of a given asset or liability is not based on observable market data (unobservable inputs).

(IN PLN'000)	31.12.2023			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>Financial assets</b>				
Financial assets at fair value through P&L	417 952	485 303	-	<b>903 255</b>
<b>Total financial assets</b>	<b>417 952</b>	<b>485 303</b>	-	<b>903 255</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading	-	110 358	-	<b>110 358</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>110 358</b>	-	<b>110 358</b>

31.12.2022 (IN PLN'000)	31.12.2022			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>Financial assets</b>				
Financial assets at fair value through P&L	372 358	470 151	-	<b>842 509</b>
<b>Total financial assets</b>	<b>372 358</b>	<b>470 151</b>	-	<b>842 509</b>
<b>Financial liabilities</b>				
Financial liabilities held for trading	-	105 552	-	<b>105 552</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>105 552</b>	-	<b>105 552</b>

In the periods covered by the condensed consolidated financial statements, there were no transfers of items between the levels of the fair value hierarchy.

The fair value of contracts for differences (CFDs) is determined based on the market prices of underlying instruments, derived from independent sources, i.e. from reliable liquidity suppliers and reputable news, adjusted for the spread specified by the Group. The valuation is performed using closing prices or the last bid and ask prices. CFDs are measured as the difference between the current price and the opening price, taking account of accrued commissions and swap points.

The impact of adjustments due to credit risk of the contractor, estimated by the Group, was insignificant from the point of view of the general estimation of derivative transactions concluded by the Group. Therefore, the Group does not recognise the impact of unobservable input data used for the estimation of derivative transactions as significant and, pursuant to IFRS 13.73, does not classify such transactions as level 3 of the fair value hierarchy.

### 36.2 Market risk

In the period covered by these condensed consolidated financial statements, the Group entered into OTC contracts for differences (CFDs). The Group may also acquire securities and enter into forward contracts on its own account on regulated stock markets.

The following risks are specified, depending on the risk factor:

- Currency risk connected with fluctuations of exchange rates
- Interest rate risk
- Commodity price risk
- Equity investment price risk

The Group's key market risk management objective is to mitigate the impact of such risk on the profitability of its operations. The Company's practice in this area is consistent with the following principles.

As part of the internal procedures, the Group applies limits to mitigate market risk connected with maintaining open positions on financial instruments. These are, in particular: a maximum open position on a given instrument, currency exposure limits, maximum value of a single instruction. The Trading Department monitors open positions subject to limits on a current basis, and in case of excesses, enters into appropriate hedging transactions. The Risk Control Department reviews the limit usage on a regular basis, and controls the hedges entered into.

### **36.2.1 Currency risk**

The Group enters into transactions principally in instruments bearing currency risk. Aside from transactions where the FX rate is an underlying instrument, the Group also offers instruments whose price is denominated in foreign currencies. Also, the Group has assets in foreign currencies, i.e. the so-called currency positions. Currency positions include the brokerage's own funds denominated in foreign currencies held for the purpose of settling transactions in foreign markets and connected with foreign operations.

The carrying amount of the Group's assets and liabilities in foreign currencies as at the balance sheet date is presented below. The values for all base currencies are expressed in PLN'000:

**Assets and liabilities denominated in foreign currencies as at 31 December 2023 (value in foreign currencies converted to PLN)**

(IN PLN'000)	USD	EUR	GBP	CZK	HUF	RON	OTHER CURRENCIES	TOTAL	CARRYING AMOUNT
<b>Assets</b>									
Cash and cash equivalents	781 505	1 115 241	35 721	181 169	8 122	27 362	36 779	2 185 899	3 676 756
Financial assets held for trading	117 685	139 679	7 908	39 728	2 494	7 310	17 065	331 869	903 255
Income tax receivables	-	129	-	-	-	-	-	129	129
Financial assets at amortised cost	5 638	5 434	208	933	15	322	1 397	13 947	31 407
Prepayments and deferred costs	628	506	355	102	-	6	14	1 611	15 486
Intangible assets	-	2	-	-	-	-	1	3	1 167
Property, plant and equipment	548	13 931	767	4 093	-	181	1 380	20 900	50 386
Deferred income tax assets	-	5 170	2 042	78	-	-	-	7 290	10 072
<b>Total assets</b>	<b>906 004</b>	<b>1 280 092</b>	<b>47 001</b>	<b>226 103</b>	<b>10 631</b>	<b>35 181</b>	<b>56 636</b>	<b>2 561 648</b>	<b>4 688 658</b>
<b>Liabilities</b>									
Amounts due to customers	435 722	1 038 727	20 342	185 441	8 249	29 724	20 235	1 738 440	2 638 122
Financial liabilities held for trading	51 774	22 594	1 881	4 807	546	895	7 473	89 970	110 358
Income tax liabilities	-	153	149	80	-	15	182	579	22 991
Lease liabilities	-	24 814	772	2 494	-	-	1 523	29 603	29 603
Other liabilities	10 035	22 389	4 223	2 635	6	1 038	2 527	42 853	86 080
Provisions for liabilities	-	3 434	-	-	-	-	161	3 595	3 892
Deferred income tax provision	825	117	-	-	-	-	223	1 165	62 949
<b>Total liabilities</b>	<b>498 356</b>	<b>1 112 228</b>	<b>27 367</b>	<b>195 457</b>	<b>8 801</b>	<b>31 672</b>	<b>32 324</b>	<b>1 906 205</b>	<b>2 953 995</b>

**Assets and liabilities denominated in foreign currencies as at 31 December 2022 (value in foreign currencies converted to PLN)**

(IN PLN'000)	USD	EUR	GBP	CZK	HUF	RON	OTHER CURRENCIES	TOTAL	CARRYING AMOUNT
<b>Assets</b>									
Cash and cash equivalents	515 807	989 036	42 145	201 199	8 066	20 580	31 595	1 808 428	3 161 002
Financial assets held for trading	96 484	164 530	6 916	57 135	2 242	8 024	14 399	349 730	842 509
Income tax receivables	-	-	-	-	-	-	-	-	-
Financial assets at amortised cost	6 440	13 534	274	1 646	67	232	1 659	23 852	41 675
Prepayments and deferred costs	1 446	1 473	378	135	-	7	11	3 450	14 524
Intangible assets	-	4	-	4	-	-	2	10	1 441
Property, plant and equipment	1 447	12 488	93	530	-	103	952	15 613	45 303
Deferred income tax assets	-	6 129	1 667	73	-	-	-	7 869	7 869
<b>Total assets</b>	<b>621 624</b>	<b>1 187 194</b>	<b>51 473</b>	<b>260 722</b>	<b>10 375</b>	<b>28 946</b>	<b>48 618</b>	<b>2 208 952</b>	<b>4 114 323</b>
<b>Liabilities</b>									
Amounts due to customers	314 053	958 251	19 983	221 498	8 627	23 492	24 937	1 570 841	2 327 728
Financial liabilities held for trading	48 251	22 139	1 883	3 615	1 068	460	8 543	85 959	105 552
Income tax liabilities	-	318	-	138	-	33	502	991	1 827
Lease liabilities	-	27 095	1 169	186	-	-	2 000	30 450	30 450
Other liabilities	10 109	16 416	4 641	3 556	-	640	1 908	37 270	79 705
Provisions for liabilities	-	3 662	68	-	-	-	254	3 984	4 256
Deferred income tax provision	-	-	-	-	-	-	898	898	58 736
<b>Total liabilities</b>	<b>372 413</b>	<b>1 027 881</b>	<b>27 744</b>	<b>228 993</b>	<b>9 695</b>	<b>24 625</b>	<b>39 042</b>	<b>1 730 393</b>	<b>2 608 254</b>

A change in exchange rates, in particular, the PLN exchange rate, affects the balance sheet valuation of the Group's financial instruments and the result on translation of foreign currency balances of other balance sheet items. Sensitivity to exchange rate fluctuations was calculated with the assumption that all foreign currency rates change by ±5% to PLN. The carrying amount of financial instruments was revalued.

The sensitivity of the Group's equity and profit before tax to a 5% increase or decrease of the PLN exchange rate is presented below:

(IN PLN'000)	31.12.2023		31.12.2022	
	INCREASE IN EXCHANGE RATES BY 5%	DECREASE IN EXCHANGE RATES BY 5%	INCREASE IN EXCHANGE RATES BY 5%	DECREASE IN EXCHANGE RATES BY 5%
Income (expenses) of the period	29 623	(29 623)	20 888	(20 888)
Equity, of which:	3 744	(3 744)	3 392	(3 392)
Foreign exchange differences on translation	3 744	(3 744)	3 392	(3 392)

The sensitivity of equity is connected with foreign exchange differences in the translation of value in functional currencies of the foreign operations.

### 36.2.2 Interest rate risk

Interest rate risk is the risk of exposure of the current and future financial result and equity of the Group to the adverse impact of exchange rate fluctuations. Such risk may result from the contracts entered into by the Group, where receivables or liabilities are dependent upon exchange rates as well as from holding assets or liabilities dependent on exchange rates.

The basic interest rate risk for the Group is the mismatch of interest rates on bank accounts and bank deposits in which the Group invests its own cash, the mismatch in the interest rates the Group pays its customers for holding free funds in their cash accounts, and the impact of interest rate volatility on the valuation of the Group's treasury and government-guaranteed bonds.

In addition, the source of the Group's profit variability associated with the level of market interest rates, are amounts paid and received in connection with the occurrence of the difference in interest rates for different currencies (swap points) as well as potential debt instruments.

Since the Group maintains a low duration of assets and liabilities and minimises the duration gap, sensitivity of the market value of assets and liabilities to calculations of market interest rates is very low. However, due to the significant involvement of XTB in Treasury bonds and government-guaranteed bonds, the interest rate risk was considered significant in the Group's operations.

#### Sensitivity analysis of financial assets and liabilities where cash flows are exposed to interest rate risk

The structure of financial assets and liabilities where cash flows are exposed to interest rate risk is as follows:

(IN PLN'000)	31.12.2023	31.12.2022
<b>Financial assets</b>		
Cash – in current bank accounts	3 676 756	2 853 883
Cash – short-term deposits in bank	-	307 119
Debt instruments	401 265	362 074
<b>Total financial assets</b>	<b>4 078 021</b>	<b>3 523 076</b>
<b>Financial liabilities</b>		
Amounts due to clients	1 505 702-	-
Other liabilities	29 603	25 597
<b>Total financial liabilities</b>	<b>1 535 305</b>	<b>25 597</b>

Impact of a change in interest rates by 50 base points (BP) on profit before tax is presented below. The analysis below relies on the assumption that other variables, in particular exchange rates, will remain constant. The analysis was carried out basis of average cash balances during the periods covered by these consolidated financial statements.

(IN PLN'000)	31.12.2023		31.12.2022	
	INCREASE BY 50 PB	DECREASE BY 50 PB	INCREASE BY 50 PB	DECREASE BY 50 PB
Profit/(loss) before tax	13 628	(13 628)	13 769	(13 769)
Short-term deposits	656	(656)	714	(714)

### Sensitivity analysis of financial assets and liabilities whose fair value is exposed to interest rate risk

In the period covered by these condensed consolidated financial statements and in the comparative period, the Group hold financial assets which fair value would be exposed to the risk of changes in interest rates as a Treasury bonds. Sensitivity analysis exposed to interest rate risk by 50 base points (BP) - shift of yield curves- on profit before tax is presented below.

(IN PLN'000)	31.12.2023		31.12.2022	
	INCREASE BY 50 PB	DECREASE BY 50 PB	INCREASE BY 50 PB	DECREASE BY 50 PB
Profit/(loss) before tax	(2 370)	2 435	(1 126)	1 138

### 36.2.3 Other price risk

Other price risk is exposure of the Group's financial position to unfavorable changes in the prices of commodities, equity investments (equity, indices) and debt instruments (in a scope not resulting from interest rates).

The carrying amount of financial instruments exposed to other price risk is presented below:

(IN PLN'000)	31.12.2023	31.12.2022
<b>Financial assets at fair value through P&amp;L</b>		
<b>Commodity</b>		
Precious metals	20 476	20 157
Base metals	1 868	1 482
Other	98 843	90 323
<b>Total commodity</b>	<b>121 187</b>	<b>111 962</b>
<b>Equity instruments</b>		
Stocks and ETF	85 118	91 208
Indices	171 713	148 348
<b>Total equity instruments</b>	<b>256 831</b>	<b>239 556</b>
<b>Debt instruments</b>		
	<b>119</b>	<b>2 171</b>
<b>Total financial assets at fair value through P&amp;L</b>	<b>378 137</b>	<b>353 689</b>
<b>Financial liabilities held for trading</b>		
<b>Commodity</b>		
Precious metals	1 857	2 829
Base metals	63	155
Other	4 522	6 383
<b>Total commodity</b>	<b>6 442</b>	<b>9 367</b>
<b>Equity instruments</b>		
Stocks and ETF	26 002	21 124
Indices	12 180	25 934
<b>Total equity instruments</b>	<b>38 182</b>	<b>47 058</b>
<b>Debt instruments</b>		
	<b>51</b>	<b>58</b>
<b>Total financial liabilities held for trading</b>	<b>44 675</b>	<b>56 483</b>

The Group's sensitivity to fluctuations in the prices of specific commodities and equity investments by ±5 per cent with regard to equity and profit before tax is presented below.

(IN PLN'000)	31.12.2023		31.12.2022	
	INCREASE BY 5%	DECREASE BY 5%	INCREASE BY 5%	DECREASE BY 5%
<b>Income/(expenses) for the period</b>				
<b>Commodity</b>				
Precious metals	12 127	(12 127)	2 615	(2 615)
Base metals	(493)	493	171	(171)
Other	(19 632)	19 632	(10 518)	10 518
<b>Total commodity</b>	<b>(7 998)</b>	<b>7 998</b>	<b>(7 732)</b>	<b>7 732</b>
<b>Equity instruments</b>				
Stocks and ETFs	163	(163)	67	(67)
Indices	68 911	(68 911)	16 668	(16 668)
<b>Total equity instruments</b>	<b>69 074</b>	<b>(69 074)</b>	<b>16 735</b>	<b>(16 735)</b>
<b>Debt instruments</b>	<b>(290)</b>	<b>290</b>	<b>(912)</b>	<b>912</b>
<b>Total income/(expenses) for the period</b>	<b>60 786</b>	<b>(60 786)</b>	<b>8 091</b>	<b>(8 091)</b>

### 36.3 Liquidity risk

For the Group, liquidity risk is the risk of losing its payment liquidity, i.e. the risk of losing capacity to finance its assets and to perform its obligations in a timely manner in the course of normal operations or in other predictable circumstances with no risk of loss. In its liquidity analysis, the Group takes into consideration current possibility of generation of liquid assets, future needs, alternative scenarios and payment liquidity contingency plans.

The objective of liquidity management in XTB is to maintain the amount of cash on the appropriate bank accounts that will cover all the operations necessary to be carried on such accounts. For this purpose, the Company has implemented, among others, limits for the concentration of cash in banks by forming one banking group in order to limit excessive liquidity concentration in related parties. In order to manage liquidity in relation to certain bank accounts associated with the operations of financial instruments, the Company uses the liquidity model of which the essence is to determine the safe area of the state of free cash flow that does not require corrective action. Where the upper limit is achieved, the Company makes a transfer to the appropriate current account corresponding to the surplus above the optimum level. Similarly, if the cash in the account falls to the lower limit, the Company makes a transfer of funds from the current account to the appropriate account in order to bring cash to the optimum level.

The procedure also provides for the possibility of deviating from its application, and such procedure requires the consent of at least two members of the Parent Company's Management. Information on deviations is transmitted to the Risk Control Department of the Parent Company.

The Parent Company has also implemented liquidity contingency plans, which were not used in the period covered by the financial statements and in the comparative period, due to the fact that the amount of the most liquid assets (own cash and cash equivalents and Treasury bonds and bonds guaranteed by the Treasury) greatly exceeds the amount of liabilities.

As part of ongoing business and the tasks related to liquidity risk management, the managers of appropriate organisational units of the Parent Company monitor the balance of funds deposited in the account in the context of planned liquidity needs related to the Parent Company's operating activities. In its liquidity analysis, the existing possibility of generation of liquid assets, future needs, alternative scenarios and payment liquidity contingency plans are taken into consideration. Supervision and control activities over the balance of cash accounts are also carried out by the Risk Control Department on a daily basis.

In accordance with the IFR regulation, from 26 June 2021, the Parent Company maintains an amount of liquid assets equivalent to at least one third of the requirement for fixed indirect costs. The parent company's liquid assets for the purposes of IFR include, inter alia, unencumbered own funds deposited in bank accounts and Treasury bonds or bonds guaranteed by the Treasury denominated in PLN. As of the date of these financial statements, the Parent Company had a much higher level of liquid assets than required by the IFR regulation.

The contractual payment periods of financial assets and liabilities are presented below. The marginal and cumulative contractual liquidity gap, calculated as the difference between total assets and total liabilities for each maturity bucket, is presented for specific payment periods.

**Contractual payment periods of financial assets and liabilities as at 31 December 2023**

(IN PLN'000)	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	WITH NO SPECIFIED MATURITY
<b>Financial assets</b>							
Cash and cash equivalents	3 676 756	3 676 756	3 676 756	-	-	-	-
Financial assets at fair value through P&L							
Listed stocks and ETFs	16 687	16 687	16 687	-	-	-	-
Bonds	401 265	401 265	401 265	-	-	-	-
CFDs	485 303	485 303	485 303	-	-	-	-
Total financial assets at fair value through P&L	903 255	903 255	903 255	-	-	-	-
Financial assets at amortised cost	31 407	31 407	12 192	-	5 053	-	14 162
<b>Total financial assets</b>	<b>4 611 418</b>	<b>4 611 418</b>	<b>4 592 203</b>	<b>-</b>	<b>5 053</b>	<b>-</b>	<b>14 162</b>
<b>Financial liabilities</b>							
Amounts due to clients	2 638 122	2 638 122	2 638 122	-	-	-	-
Financial liabilities held for trading							
CFDs	110 358	110 358	110 358	-	-	-	-
Total financial liabilities held for trading	110 358	110 358	110 358	-	-	-	-
Liabilities due to lease	29 603	29 603	2 680	9 170	17 653	100	-
Other liabilities	86 080	86 080	51 518	24 765	-	-	9 797
<b>Total financial liabilities</b>	<b>2 864 163</b>	<b>2 864 163</b>	<b>2 802 678</b>	<b>33 935</b>	<b>17 653</b>	<b>100</b>	<b>9 797</b>
Contractual liquidity gap in maturities (payment dates)			1 789 525	(33 935)	(12 600)	(100)	4 365
Contractual cumulative liquidity gap			1 789 525	1 755 590	1 742 990	1 742 890	1 747 255

**Contractual payment periods of financial assets and liabilities as at 31 December 2022**

(IN PLN'000)	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 - 5 YEARS	OVER 5 YEARS	WITH NO SPECIFIED MATURITY
<b>Financial assets</b>							
Cash and cash equivalents	3 161 002	3 161 002	2 853 883	307 119	-	-	-
Financial assets at fair value through P&L							
Listed stocks and ETFs	10 285	10 285	10 285	-	-	-	-
Bonds	362 074	362 074	362 074				
CFDs	470 150	470 150	470 150	-	-	-	-
Total financial assets at fair value through P&L	842 509	842 509	842 509	-	-	-	-
Financial assets at amortised cost	41 675	41 675	22 385	-	5 640	-	13 650
<b>Total financial assets</b>	<b>4 045 186</b>	<b>4 045 186</b>	<b>3 718 777</b>	<b>307 119</b>	<b>5 640</b>	<b>-</b>	<b>13 650</b>
<b>Financial liabilities</b>							
Amounts due to clients	2 327 728	2 327 728	2 327 728	-	-	-	-
Financial liabilities held for trading							
CFDs	105 552	105 552	105 552	-	-	-	-
Total financial liabilities held for trading	105 552	105 552	105 552	-	-	-	-
Liabilities due to lease	30 450	30 450	1 579	5 188	23 683	-	-
Other liabilities	79 705	79 705	41 491	31 663	-	-	6 551
<b>Total financial liabilities</b>	<b>2 543 435</b>	<b>2 543 435</b>	<b>2 476 350</b>	<b>36 851</b>	<b>23 683</b>	<b>-</b>	<b>6 551</b>
Contractual liquidity gap in maturities (payment dates)			1 242 427	270 268	(18 043)	-	7 099
Contractual cumulative liquidity gap			1 242 427	1 512 695	1 494 652	1 494 652	1 501 751

The Group does not expect the cash flows presented in the maturity analysis to occur significantly earlier or in significantly different amounts.

## 36.4 Credit risk

The chart below shows the carrying amounts of financial assets corresponding to the Group's exposure to credit risk:

(IN PLN'000)	31.12.2023		31.12.2022	
	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK
<b>Financial assets</b>				
Cash and cash equivalents	3 676 756	3 676 756	3 161 002	3 161 002
Financial assets at fair value through P&L *	903 255	24 672	842 509	15 414
Financial assets at amortised cost	31 407	31 407	49 472	49 472
<b>Total financial assets</b>	<b>4 611 418</b>	<b>3 732 835</b>	<b>4 052 983</b>	<b>3 225 888</b>

\* As at 31 December 2023 the maximum exposure to credit risk for financial assets held for trading, not including the collateral received, was PLN 444 180 thousand (31 December 2022: PLN 434 125 thousand). This exposure was collateralized with clients' cash, which, as at 31 December 2023, covered the amount of PLN 419 508 thousand (31 December 2022: PLN 418 710 thousand). Exposures to credit risk connected with transactions with brokers as well as exposures to the Warsaw Stock Exchange were not collateralized.

The credit quality of the Group's financial assets is assessed based on external credit quality assessments, risk weights assigned based on the CRR, taking account of the mechanisms used to mitigate credit risk, the number of days past due, and the probability of counterparty insolvency.

The Group's assets fall within the following credit rating brackets:

- Fitch Ratings – from F1+ to B
- Standard & Poor's Ratings Services – from A-1 to B
- Moody's – from P-1 to N/A

### Cash and cash equivalents

Credit risk connected with cash and cash equivalents is related to the fact that own cash and clients' cash is held in bank accounts. Credit risk involving cash is mitigated by selecting banks with a high credit rating granted by international rating agencies and through diversification of banks with which accounts are opened. As at 31 December 2023, the Group had deposit accounts in 50 banks and institutions (31 December 2022: in 49 banks and institutions). The ten largest exposures are presented in the table below (numbering of banks and institutions determined individually for each period):

ENTITY	31.12.2023 (IN PLN'000)	ENTITY	31.12.2022 (IN PLN'000)
Bank 1	1 664 850	Bank 1	1 126 049
Bank 2	1 227 809	Bank 2	378 856
Institution 1	120 562	Bank 3	374 474
Bank 3	92 926	Bank 4	301 106
Institution 2	91 778	Bank 5	200 833
Bank 4	42 060	Bank 6	118 167
Bank 5	36 840	Bank 7	109 502
Bank 6	31 112	Institution 1	85 165
Bank 7	29 106	Bank 8	75 590
Institution 3	26 923	Bank 9	66 696
Other	312 790	Other	324 564
<b>Total</b>	<b>3 676 756</b>	<b>Total</b>	<b>3 161 002</b>

The table below presents a short-term assessment of the credit quality of the Group's cash and cash equivalents according to credit quality steps determined based on external credit quality assessments (where step 1 means the best credit quality and step 6 – the worst) and the risk weights assigned based on the CRR. Long-term assessment of the credit quality were used in case of exposures without short-term assessment of the credit quality or maturity longer than 3 months.

CREDIT QUALITY STEPS	CARRYING AMOUNT (IN PLN'000)	
	31.12.2023	31.12.2022
<b>Cash and cash equivalent</b>		
Step 1	2 677 410	2 345 959
Step 2	61 905	71 381
Step 3	936 108	741 787
Step 4	1 333	1 875
<b>Total</b>	<b>3 676 756</b>	<b>3 161 002</b>

### Financial assets at fair value through P&L

Financial assets at fair value through P&L result from transactions in financial instruments entered into with the Group's customers and the related hedging transactions.

Credit risk involving financial assets at fair value through P&L is connected with the risk of customer or counterparty insolvency. With regard to OTC transactions with customers, the Group's policy is to mitigate the counterparty credit risk through the so-called "stop out" mechanism. Customer funds deposited in the brokerage serve as a security. If a customer's current balance is 50 per cent or less of the security paid in and blocked by the transaction system, the position that generates the highest losses is automatically closed at the current market price. The initial margin amount is established depending on the type of financial instrument, customer account, account currency and the balance of the cash account in the transaction system, as a percent of the transaction's nominal value. A detailed mechanism is set forth in the rules binding on the customers. In addition, in order to mitigate counterparty credit risk, the Group includes special clauses in agreements with selected customers, in particular, requirements regarding minimum balances in cash accounts.

Due to the mechanisms in place, used to mitigate credit risk, the credit quality of financial assets at fair value through P&L is high and does not show significant diversity.

The Group's top 10 exposures to counterparty credit risk taking into account collateral (net exposure) are presented in the table below (numbering of counterparties determined individually for each period):

ENTITY	31.12.2023		31.12.2022 NET EXPOSURE (IN PLN'000)
	NET EXPOSURE (IN PLN'000)	ENTITY	
Entity 1	10 087	Entity 1	5 917
Entity 2	6 567	Entity 2	4 166
Entity 3	1 788	Entity 3	2 740
Entity 4	1 669	Entity 4	357
Entity 5	1 421	Entity 5	215
Entity 6	666	Entity 6	166
Entity 7	491	Entity 7	110
Entity 8	128	Entity 8	96
Entity 9	80	Entity 9	89
Entity 10	66	Entity 10	88
<b>Total</b>	<b>22 963</b>	<b>Total</b>	<b>13 944</b>

### Other receivables

Other receivables do not show a significant concentration, and they arose in the normal course of the Group's business. Non-overdue other receivables are collected on a regular basis and, from the perspective of credit quality, they do not pose a material risk to the Group.

### 37. Post balance sheet events

On 17 January 2024 the Parent Company acquired 90% shares in the Company PT Rajawali Kapital Berjangka with the seat in the Republic of Indonesia which is a derivatives broker regulated by the Commodity Futures Trading Supervisory Agency (in short BAPPEBTI).

On 8 February 2024 Company's main shareholder, XX ZW Investment Group S.A., sold 11 756 925 shares of the series A.

#### Shareholding structure of the Parent Company as at 8 February 2024:

	NUMBER OF SHARES	NOMINAL VALUE OF SHARES (IN PLN'000)	SHARE
XXZW Investment Group S.A.	59 872 869	2 993	50,93%
Other shareholders	57 696 382	2 885	49,07%
<b>Total</b>	<b>117 569 251</b>	<b>5 878</b>	<b>100,00%</b>

Warsaw, 27 March 2024

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Omar Arnaout

President of the  
Management Board

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Filip Kaczmarzyk

Member of the  
Management Board

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Jakub Kubacki

Member of the  
Management Board

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Paweł Szejko

Member of the  
Management Board

---

Andrzej Przybylski

Member of the  
Management Board

---

Urszula Tanajewska

The person responsible for  
keeping the accounts



**xtb**

**MANAGEMENT BOARD REPORT  
ON THE OPERATIONS OF THE  
GROUP AND COMPANY**

# XTB KEY PERFORMANCE INDICATORS 2023

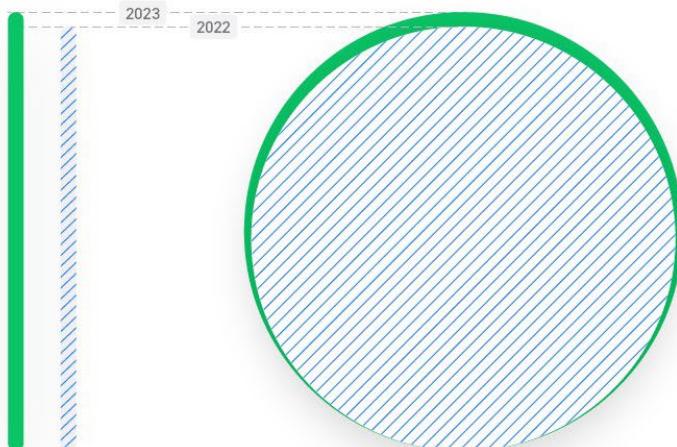


XTB.COM

NET PROFIT

## 791.2 MM PLN

▲ +3.3% y/y



OPERATING INCOME

## 1588.3 MM PLN

▲ +10.0% y/y



EBIT

## 894.1 MM PLN

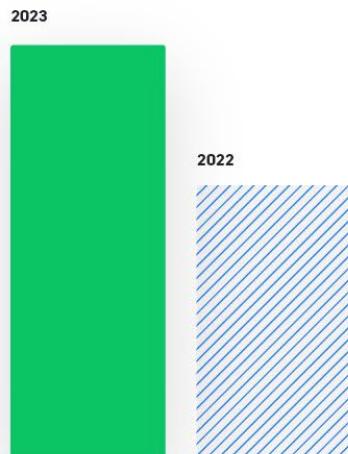
▲ +0.9% y/y



NUMBER OF ACTIVE CLIENTS

## 408 528

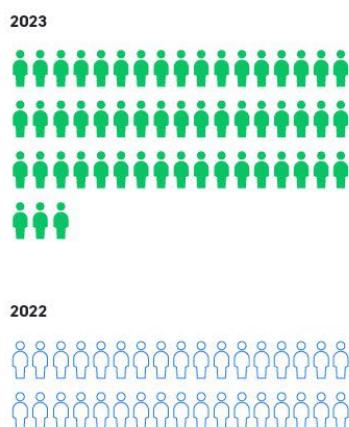
▲ +51.0% y/y



NEW CLIENTS

## 311 971

▲ +58.5% y/y



CFD PROFITABILITY PER LOT

## 214 PLN

▼ -5.6% y/y



CFD VOLUME

## 7 416 479

▲ +16.5% y/y



## 1. Key financial and operational data

### 1.1 Synthetic summary of data concerning the Company and the Capital Group for the year 2017-2023

The following table presents selected consolidated and standalone financial and operating data and ratios that provide a picture of the overall financial condition of both XTB S.A. and the XTB S.A. Capital Group as a whole. A detailed financial analysis from both perspectives is presented in section *4.2 Basic economic and financial figures* of this report.

		2023	2022	2021	2020	2019	2018	2017	Change y/y (23/22)
<b>Selected consolidated financial data</b>									
Total operating income	mm PLN	1 588,3	1 444,2	625,6	797,8	239,3	288,3	273,8	10,0%
Net profit	mm PLN	791,2	766,1	237,8	402,1	57,7	101,5	93,0	3,3%
Balance sheet total	mm PLN	4 685,8	4 114,3	3 147,7	2 283,5	1 138,9	970,1	897,7	13,9%
Own cash + treasury bonds	mm PLN	1 805,7	1 584,6	921,3	940,8	499,3	468,0	367,1	14,0%
Equity	mm PLN	1 734,7	1 506,1	915,6	888,3	490,7	455,2	400,3	15,2%
Earnings per share (EPS) <sup>1</sup>	PLN	6,7	6,5	2,0	3,4	0,5	0,9	0,8	0,2
The market value of the Company <sup>2</sup>	PLN	37,8	31,0	16,8	17,9	4,0	4,4	4,5	6,8
Total capital ratio (IFR) <sup>3</sup>	%	188,7	218,1	200,1	200,1	165,8	238,5	133,7	(29,4) p.p.
<b>Selected standalone financial data</b>									
Total operating income	mm PLN	1 462,3	1 334,4	562,4	748,3	210,6	267,3	251,7	9,6%
Net profit	mm PLN	787,1	761,6	234,8	418,2	54,1	90,9	87,4	3,4%
Balance sheet total	mm PLN	4 495,3	3 913,3	2 971,6	2 155,6	1 083,9	928,0	853,4	14,9%
Own cash + treasury bonds	mm PLN	1 667,2	1 486,9	882,8	893,4	449,9	413,0	323,0	12,1%
Equity	mm PLN	1 727,3	1 498,4	912,4	889,0	497,3	463,2	412,8	15,3%
Earnings per share (EPS) <sup>1</sup>	PLN	6,7	6,5	2,0	3,6	0,5	0,8	0,7	0,2
Standalone capital ratio (IFR) <sup>3</sup>	%	195,5	228,0	211,5	213,5	182,3	250,4	136,8	(32,5) p.p.
<b>Selected Group indicators<sup>4</sup></b>									
EBITDA	mm PLN	911,3	897,7	285,7	523,5	72,2	119,7	134,3	1,5%
EBITDA margin	%	57,4	62,2	45,7	65,6	30,2	41,5	49,1	(4,8) p.p.
Net profit margin	%	49,8	53,0	38,0	50,4	24,1	35,2	34,0	(3,2) p.p.
Return on equity - ROE	%	48,8	63,3	26,4	58,3	12,2	23,7	24,6	(14,4) p.p.
Return on assets - ROA	%	18,0	21,1	8,8	23,5	5,5	10,9	11,0	(3,1) p.p.
<b>Selected operational data<sup>4</sup></b>									
New clients	k	312,0	196,9	189,2	112,0	36,6	20,7	18,9	115,1
Clients in total	k	897,6	614,9	429,2	255,8	149,3	116,5	105,7	282,7
Number of active clients	k	408,5	270,6	193,2	108,3	49,6	40,7	34,1	137,9
Net deposits	mm PLN	3 793,7	3 423,2	2 933,4	1 961,2	409,4	332,9	357,7	10,8%
Average operating income per active client	KPLN	5,7	7,8	5,0	13,0	7,9	12,3	13,6	(2,0)
Transaction volume in CFD instruments	mm lots	7 416,5	6 365,6	4 104,6	3 175,2	1 597,2	2 095,4	2 196,6	16,5%
Profitability per lot	PLN	214	227	152	251	150	138	125	(13)

<sup>1</sup>) Attributable to shareholders of the Parent Company.

<sup>2</sup>) At the end of the period.

<sup>3</sup>) For the comparability of the presentation in the period until June 25, 2021 the IFR capital ratio was calculated as the capital ratio CRR including buffers \* 12,5.

<sup>4</sup>) The definitions of the indicators and selected operational data contained in the table above are presented in section *3.2.5 Selected financial and operating ratios of the Group*.

The foregoing Management Board report on the operations of the Group and Company for 2023 includes disclosure requirements for the report on the operations of the Company XTB S.A. pursuant to § 71 item 8 of the ordinance of Minister of Finance dated 29 March, 2018 on current and periodic information published by issuers of securities and the conditions for recognition as equivalent the information required by the laws of a non-member state.

### Significant non-financial information

The company prepared the Non-financial Statement of XTB S.A. Capital Group on non-financial information for 2023, which will be posted on the XTB website in accordance with Article 49b paragraph 9 and Article 55 paragraph 2c of the Accounting Act.

## 2. Basic information

### 2.1 General information



XTB International Group S.A. (hereinafter: "Group", "XTB Group", "Capital Group") with almost 20 years of experience in the market and at the same time one of the world's largest Forex & CFD brokers listed on the main market of the Warsaw Stock Exchange Warsaw. Its innovative solutions provide individual investors with instant access to financial markets from all over the world.

The Group consists of the parent company XTB S.A., headquartered in Poland (hereinafter: "Company" "Parent Company", "Parent", "Brokerage", "XTB"), 12 subsidiaries and 7 foreign branches.

<b>Company's country of origin:</b>	Poland
<b>Company name:</b>	XTB S.A. <sup>1</sup>
<b>Headquarters Address:</b>	Prosta street 67, 00-838 Warsaw <sup>2</sup>
<b>Date of registration in the NCR:</b>	22.09.2004
<b>NCR:</b>	0000217580
<b>Tax ID:</b>	5272443955
<b>REGON NO:</b>	015803782
<b>Main activity according to the Company's PKD:</b>	66, 12, Z, Securities and commodities brokerage activities
<b>The Company's business activities:</b>	The object of the Company's business is to provide brokerage services on the exchange and OTC markets (derivatives on currencies, commodities, indices, stocks and bonds). The Company is subject to the supervision of the Financial Supervision Commission and performs regulated activities on the basis of a license dated November 8, 2005, No. DDM-M-4021-57-1/2005
<b>Company website:</b>	<a href="https://www.xtb.com/pl">https://www.xtb.com/pl</a>
<b>The duration for which the Company was established:</b>	indefinite

<sup>1</sup>) On January 5, 2022, in the District Court for the Capital City of Warsaw XII Commercial Division of the National Court Register, the change of the name of the company in the current wording "X-Trade Brokers Dom Maklerski Spółka Akcyjna" to "XTB Spółka Akcyjna" (hereinafter also referred to as "XTB S.A.") was registered.

<sup>2</sup>) On January 1, 2022, the registered office of the Parent Company changed from Ogrodowa street 58, 00-876 Warsaw to the following address: Prosta street 67, 00-838 Warsaw.

## 2.1.1 Management Board of XTB S.A.

The parent company of XTB S.A. is headed by a Board of Directors appointed and dismissed on the basis of the Company's Articles of Association. As of December 31, 2023 and as of the date of publication of this Report, the Management Board was as follows:

NAME AND SURNAME	FUNCTION	DATE OF FIRST APPOINTMENT	EXPIRATION DATE OF THE CURRENT TERM
Omar Arnaout	President of the Management Board	01.07.2022	01.07.2025
Filip Kaczmarzyk	Board Member	01.07.2022	01.07.2025
Paweł Szejko	Board Member	01.07.2022	01.07.2025
Jakub Kubacki	Board Member	01.07.2022	01.07.2025
Andrzej Przybylski	Board Member	01.07.2022	01.07.2025

Detailed information on the Company's Management Board is presented in section *5.6 Management of XTB S.A.* of this Report.

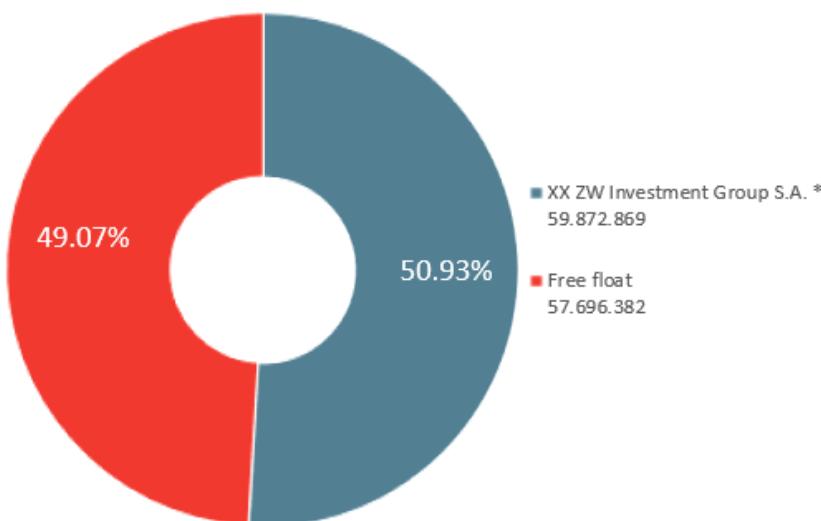
## 2.1.2 Supervisory Board of XTB S.A.

As at 31 December 2023 and as at the date of submission of this report, the composition of the Supervisory Board was as follows:

NAME AND SURNAME	FUNCTION	STARTING DATE OF THE CURRENT TERM OF OFFICE	EXPIRATION DATE OF THE CURRENT TERM OF OFFICE
Jan Byrski	Chairman of the Supervisory Board	22.11.2021	19.11.2024
Jakub Leonkiewicz	Vice-Chairman of the Supervisory Board	19.11.2021	19.11.2024
Łukasz Baszczyński	Member of the Supervisory Board	19.11.2021	19.11.2024
Bartosz Zabłocki	Member of the Supervisory Board	19.11.2021	19.11.2024
Grzegorz Grabowicz	Member of the Supervisory Board	19.11.2021	19.11.2024

Detailed information on the Company's and the Group's Supervisory Board is presented in section *5.7 Supervisory Board of XTB S.A.* of this Report.

## 2.1.3 Shareholding structure of XTB S.A. as of the date of the report:



XXZW Investment Group S.A. with its registered office in Luxembourg is the key shareholder of the Company. It holds, as at 31 December 2023, 50,93% of shares and votes in the General Meeting. Mr. Jakub Zabłocki is the ultimate parent of the Company and XXZW Investment Group S.A.

## 2.2 Business Profile

The XTB Group is an international provider of trading and investment products, services and solutions, specialising in:

- **OTC** (over-the-counter) market – where transactions are made directly between market participants, without commission. There is no regulator. Trading on the OTC market takes place in all time zones, i.e. 24 hours a day except weekends, in particular in **CFDs** (contracts for differences), which are investment products whose return depends on changes in the price and value of the underlying instruments and assets - contracts for differences, which are investment products whose return depends on changes in the price and value of the underlying instruments and assets. The seller of the contract agrees to pay the difference between the value of the assets on the date the contract is terminated and the value of the assets on the date the contract is entered into;
- investments in **stocks** and exchange-traded fund (**ETF**) instruments on the same trading platform. An ETF is an index fund that is listed on an exchange and traded like a stock. This allows quick and easy investment in a broad basket of financial instruments according to the index that the fund reflects.

The Group operates in two segments:

- **retail segment** – operated for retail clients online trading in asset-based and underlying derivatives traded on financial and commodity markets, as well as activities related to trading in stocks from selected exchanges from around the world and ETF-type instruments;
- **institutional segment** – where the Group offers institutional clients the provision of liquidity and technology, thanks to which they can offer their clients the opportunity to trade financial instruments under their own brand.

The Group offers two trading platforms to both retail clients and institutional clients:

- xStation and
- MetaTrader 4 (MT4) – the platform offered to new clients until 18 January 2021,

which are supported by the Group's advanced, proprietary technology infrastructure.

XTB is constantly actively expanding the functionalities of the xStation platform to meet requirements of both CFD clients and the new group of shares clients. The Management Board believes that the platform is currently one of the most developed trading platform on the CFD and stock market. The company is constantly trying to develop the platform with elements supporting transactions on OTC markets.

As at the end of 2023, the Group offered a total of almost 6 400 financial instruments from all over the world, including: 2 400 leveraged CFD derivatives, including approximately 70 based on currency pairs, nearly 30 based on commodities, more than 30 based on indices, and 40 based on cryptocurrencies, approximately 2 000 based on shares listed on exchanges in 16 countries, and more than 160 based on US and European ETFs.

The other arm of XTB's offering consists of more than 3 800 cash instruments (more than 3 400 equity instruments and approximately 370 ETF instruments from European markets).

For details of XTB Group's product offerings, see section *3.1 Products and Services and Plans* of this Report.

## 2.3 Strategy and business model

### 2.3.1 Business strategy

The goal of the XTB Group is to develop and provide solutions that allow anyone interested in investing to achieve their goals, regardless of their experience in the field. To support investor awareness and education, XTB offers access to free professional courses and conferences - XTB Investing Masterclass, daily market analysis, InvestResponsibly.com platform. As a Polish FinTech Company, XTB is constantly developing its own technologies by employing only experts.

The strategy of XTB Group S.A. is based on the following areas of development:

- **The development of operations on the markets where the Group is present in Central and Eastern Europe and Western Europe**

Key element of the Group's strategy is the use of its competitive advantages in the markets in which it is present, i.e. in the countries of Central and Eastern Europe and Western Europe, in order to increase its market share and take advantage of the growing demand for online investment services.

In Central and Eastern Europe, where XTB has a leading position (Poland, Romania, Czech Republic and Slovakia), the Group intends to continue expanding its customer base through sales and marketing activities aimed at increasing market share and taking advantage of high demand for CFD derivatives.

In Western Europe, where XTB is successfully operating in Spain, Portugal, Germany and France, the Group also intends to increase market share and satisfy demand using a combination of online marketing and educational programs for investors, which will enable to direct the Group's offer to clients with a specific profile.

The Group also expects its activities in online marketing will result in an increase in the number of international active accounts obtained through XTB Limited in the United Kingdom, which come from outside the markets constituting the main area of the Group's operations.

- **Expanding the Group's international presence by expanding into new markets, including markets in Latin America, Africa and Asia**

The Group intends to develop its operations by expanding into new markets in Latin America, Africa and Asia. The Management believes that both Latin America, Africa and Asia are attractive regions for the FX/CFD market, with high growth potential. Developing operations in these markets, the Group will often be able to take advantage of the first mover advantage. Where it is necessary to conduct business, XTB will apply for the required licenses.

The Group's objective is to expand its operations to new markets by building local sales teams responsible for individual regions, which will enable XTB to adapt marketing campaigns to the specific culture of a given country/region. The Group has the necessary experience in terms of regulatory requirements and practices, it also has a solid capital base and access to advanced technology, which allows it to effectively expand its operations in these markets.

The Group plans to use its presence in Belize as a starting point for expansion and business development in other Latin American countries. Thanks to its presence in Belize, the Group can offer Latin American clients the benefits of a region-specific approach and build their reputation as a trusted institution using sales, marketing and educational methods adapted to local cultural conditions.

The Group also expects its activities in online marketing will result in an increase in the number of international active accounts obtained through XTB International Limited in Belize, which come from outside the markets constituting the main area of the Group's operations.

- **Development of the institutional segment of operations (X Open Hub)**

The Management Board plans to further develop cooperation with institutional clients under X Open Hub offering them two categories of products and services: liquidity and transaction technology or both together. The technologies provided by the Group enable its institutional clients to build a transaction environment to offer the same or similar products and services that are available in the Group's portfolio of products and services, and therefore potentially compete with XTB.

The importance of the Group's institutional business segment is systematically increasing, creating the potential for ensuring stable revenues and cash flows due to the growing size of this segment. A more

diversified business profile enables the Group to more easily use new business opportunities in the institutional business segment.

The development of the institutional operations segment depends to a large extent on the acquisition of new clients. Contrary to the segment of retail operations, the acquisition of a potential institutional client is a relatively long process, usually lasting up to one year.

- **Expanding the Group's product and services offer and developing new technologies**

The Group intends to develop its operations by offering new products and services to its customers. For this purpose, the Group will introduce financial products and services that will enable its clients to implement various investment strategies using one integrated transaction platform.

The technologies developed by the Group on its own are designed to ensure its competitive advantage over other suppliers of transaction systems in the field of system quality, as well as to enable to offer to customers more competitive products and services.

- **Development through mergers and acquisitions of other entities attractive for the Group, as well as joint ventures**

The Group allows investments in attractive companies offering products and services similar to the Group's products and services, which may complement its product, service and geographical offer. It is however assumed, that the main growth of XTB will be organic growth.

In view of the business strategy adopted based on the development of new technologies, the IT Development Department has been separated within the XTB structure. The research and development work in question has a significant, almost strategic impact on XTB's business activities. They are not only reflected in the level of revenues generated by XTB, but they are also crucial in the process of building and maintaining the company's highly competitive position on the global capital market. After all, it should be emphasized that XTB is one of the largest FX & CFD brokers in the world conducting its business on the OTC (over-the-counter) market and on the stock market.

### 2.3.2 Values

Our daily work is guided by the following values:

#### Technology

Today, technology is one of the most important elements of investing and finance. We are well aware of this, which is why we are constantly improve our trading application in line with the latest trends and solutions. We want xStation to be one of the most reliable and functional investment applications on the market.

#### Confidence

In more than a dozen years of activity in the financial markets, we have earned the trust of nearly 900 000 clients around the world. Your investments are safe with us – we are regulated by the world's largest regulatory authorities: KNF, FCA, CySEC and FSC.

#### Support

We are here to help our clients become better investors. That's why our experienced client service team works 24 hours a day, 5 days a week, and our comprehensive investor library includes videos, online training and educational courses suitable for both novice and experienced investors.

### 2.3.3 ESG strategy

In 2021, an ESG strategy has been developed to further develop the XTB Group towards sustainable growth. The adopted strategy is based on three pillars:

Environment	Social responsibility	Corporate Management
<p>We take care of the natural environment in the workplace. We have implemented a series of solutions aiming at more efficient management of natural resources.</p> <p>We aim to reduce the organization's carbon footprint.</p> <p>We build environmental and climate awareness of our Employee and Co-workers.</p>	<p>Thanks to advanced and reliable technology, we ensure immediate access to financial markets around the world.</p> <p>Our main goal is economic education of society. We continue expanding our open base of educational materials, offering a plethora of articles, videos and market commentaries.</p> <p>We share our knowledge and experience willingly, cooperating with universities and other institutions.</p> <p>Our qualified Team are ambitious people whom we support in continuous development and accomplishment of goals.</p>	<p>We are one of the largest Forex &amp; CFD brokers in the world listed on the stock exchange, and our business is subject to supervision in the international financial markets. We aim to build the trust of our Shareholders through responsible business practices and operations that comply with applicable laws.</p> <p>Our business is subject to financial supervision on international financial markets: FCA, BaFin, ACPR, CySEC, IFSC.</p>

The full content of the document is available on the Investor Relations subpage of XTB S.A. at: <https://ir.xtb.com/esg/>

In 2024, work began on updating the ESG Strategy of the XTB S.A. Capital Group and on adapting the sustainability reporting system under the CSRD directive and new ESRS reporting standards.

### 2.3.4 Business model

The business model used by the Group combines the features of the agency model and the market making principal model in which the Group is a party to a transaction concluded and initiated by the client. The Group does not engage in proprietary trading awaiting changes in prices or values of the underlying instruments.

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.

It is in XTB's business model to have high revenue volatility from period to period. Operating results are affected primarily by:

- volatility in financial and commodity markets;
- number of active clients;
- volume of concluded transactions on financial instruments;
- general market, geopolitical and economic conditions;
- competition in the FX/CFD market, and
- the regulatory environment.

The business model used by XTB aims to:

- to get through to the mass client:
  - an intuitive and user-friendly All-in-One platform;
  - adding value beyond investing;
  - effective marketing and branding.
- "Supermarket" approach to profitability – offering a variety of products, accepting potentially low profitability on some services in exchange for overall client value and increased cross-selling opportunities.

XTB Group's revenues are mostly from retail operations and include income:

- spreads (the difference between the offer price and the bid price);
- fees and commissions charged by the Group to its clients;
- swap points charged by the Group (as a cost of maintaining the position over time and
- net result (gains/losses on transactions that were not netted or hedged at the time of conclusion) from the Group's market making activities.

The following table presents the percentage contribution of each category of income to the gross result from operations on financial instruments:

CATEGORY	2023	2022	2021	2020	2019	2018
Spread	46%	54%	83%	54%	62%	64%
Swap, commission and fees	30%	26%	40%	16%	15%	12%
Market making	24%	20%	(23%)	30%	23%	24%
<b>Gross result of operations on financial instruments</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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 it is at such times that it achieves the highest revenues. Therefore, high activity of financial markets and commodities 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.

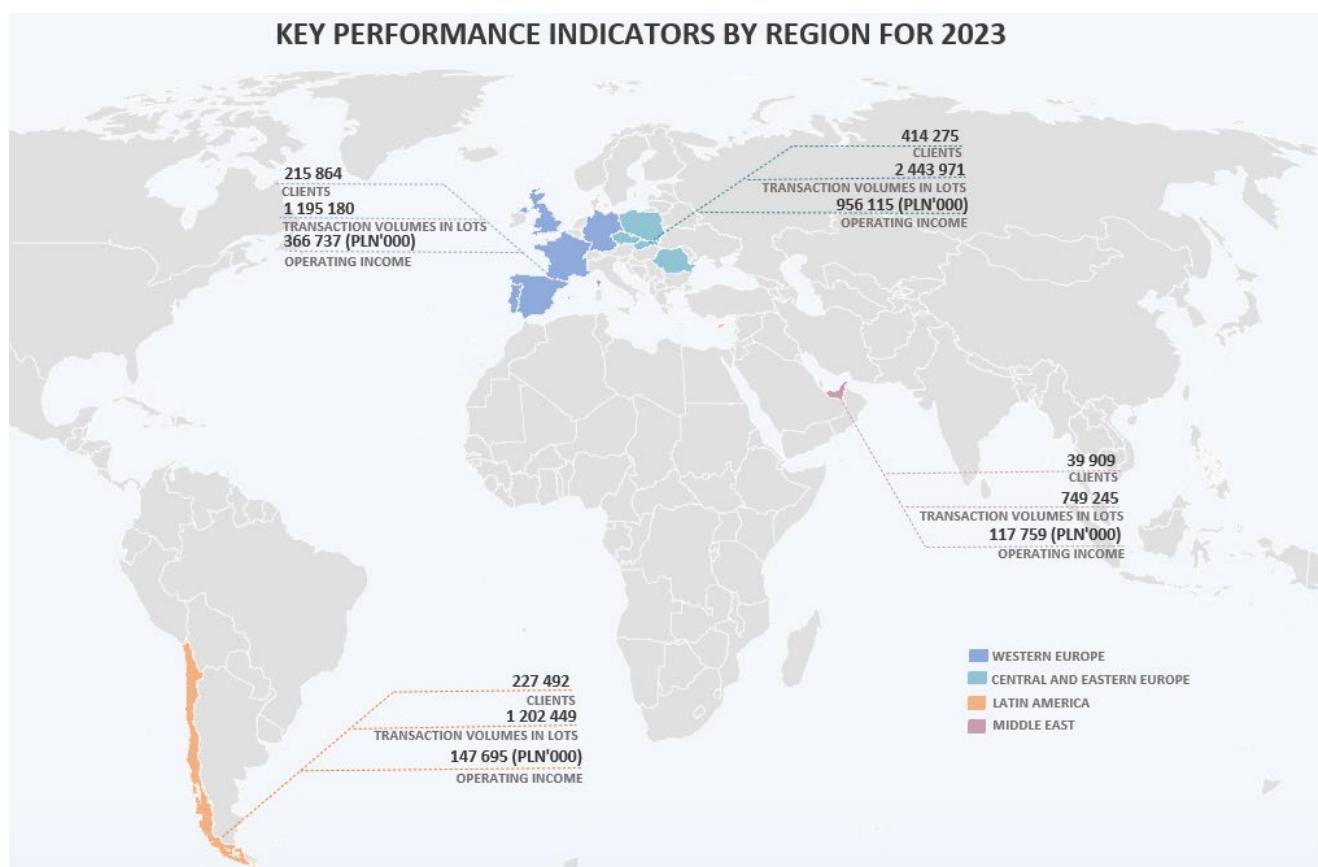
The volatility and activity of markets results from a number of external factors, some of which are characteristic for the market, and some may be related to general macroeconomic conditions. It can significantly affect the revenues generated by the Group in the subsequent quarters. This is characteristic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

## 2.4 Revenues, segments and clients

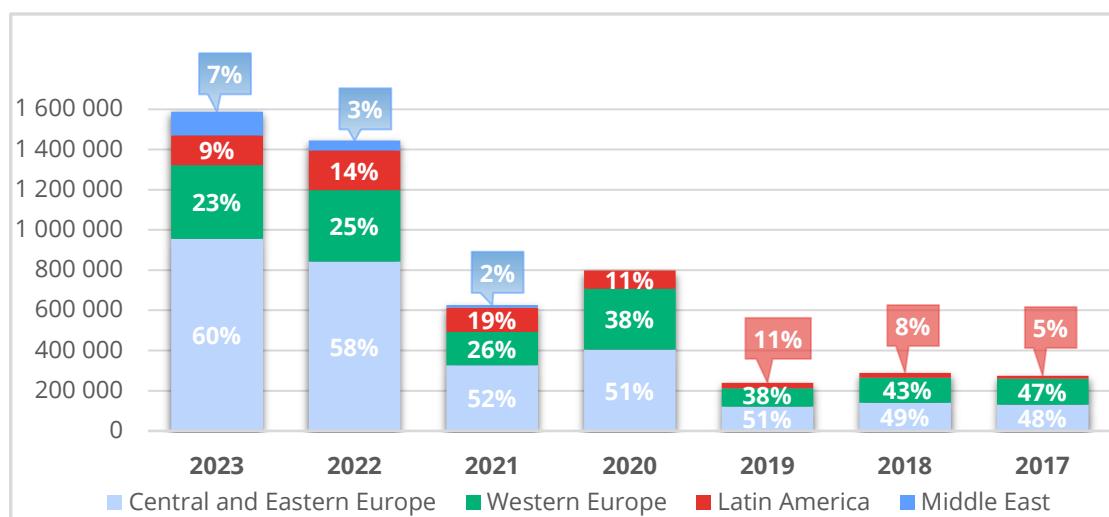
### 2.4.1 Revenues by regions and segments

XTB places great emphasis on the geographical diversification of its revenues, consistently pursuing its strategy of building a global brand. The country from which the Group always derives more than 20% of its revenues is Poland with a share of 46,1% (2022: 41,4%). Reference to business segments and diversification of revenues by location is made in section 3.2 *Main operating markets* of this Report.

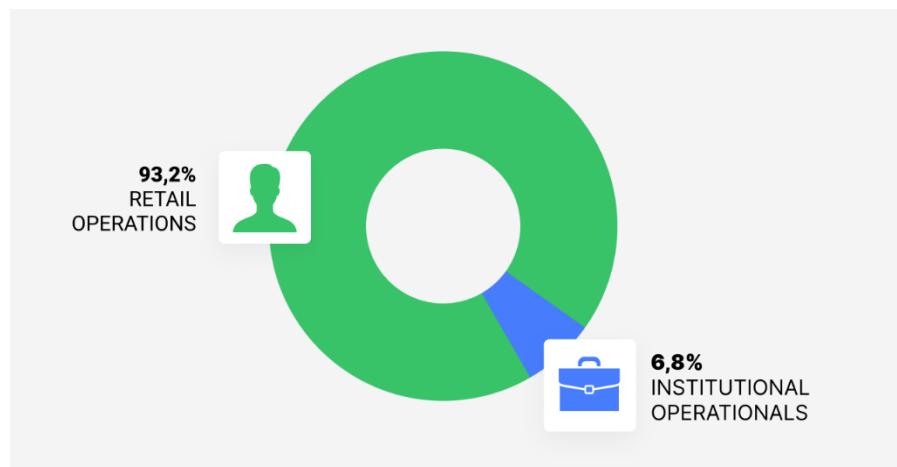
The map chart below shows revenue, number of clients and turnover in lots by geography:



Each region's share of operating income by year is presented in the chart below:

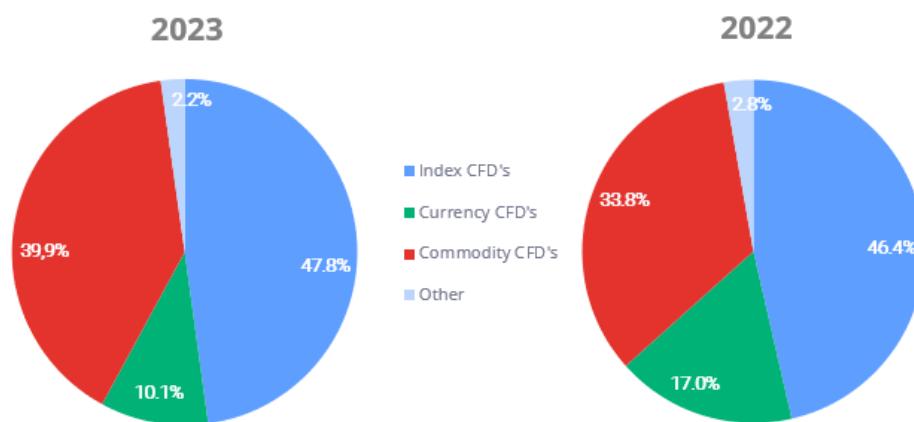


In 2023, the retail business segment generated about 93% of the Group's total operating income, and the institutional business segment generated about 7%.



Looking at XTB's revenues in terms of the classes of instruments responsible for their generation, it can be seen that in 2023 CFDs based on index were in the lead. Their share in the structure of revenues on financial instruments reached 47,8% compared to 46,4% in the previous year. This is due to the high profitability of 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 2023 was 39,9% (2022: 33,8%). This is due to the high profitability of CFD instruments based on natural gas, gold and oil prices. Revenues from CFDs based on currencies accounted for 10,1% of total revenues, compared to 17,0% in the previous year, with the most profitable financial instruments in this class being CFDs based on the EURUSD and USDJPY currency pairs.

**The structure of revenue by assets class (in %)**



The above issues and detailed financial data are described in detail in section *4.2.1 Basic consolidated economic and financial figures* of this Report.

## 2.4.2 Clients

XTB has a solid foundation in the form of constantly growing client base and the number of active clients. In 2023, the Group recorded a further record in this area, acquiring 311 971 new clients compared to 196 864 a year earlier, an increase of 58,5%. Similar to the number of new clients, the number of active clients was also a record. It increased from 270 560 to 408 528, i.e. by 51,0% y/y.

	PERIOD ENDED							
	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022
New clients <sup>1</sup>	77 267	67 505	62 994	104 206	51 038	44 796	45 697	55 333
Clients in total <sup>2</sup>	897 573	826 042	762 624	703 928	614 934	567 387	525 287	481 931
Number of active clients <sup>3</sup>	408 528	355 461	307 511	260 095	270 560	237 527	205 778	170 859
Average number of active clients <sup>4</sup>	277 684	266 838	259 707	260 095	186 053	180 267	175 295	170 859

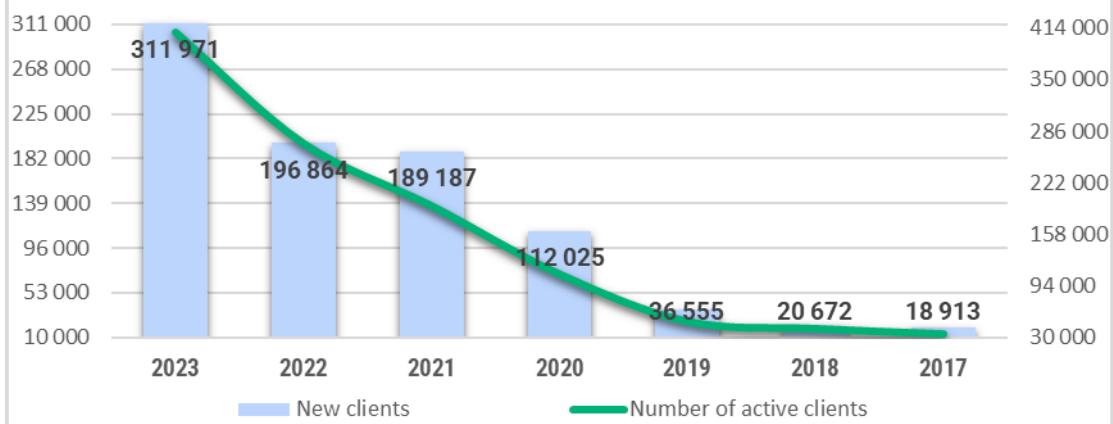
<sup>1</sup>) Number of new Group's clients in the individual periods.

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

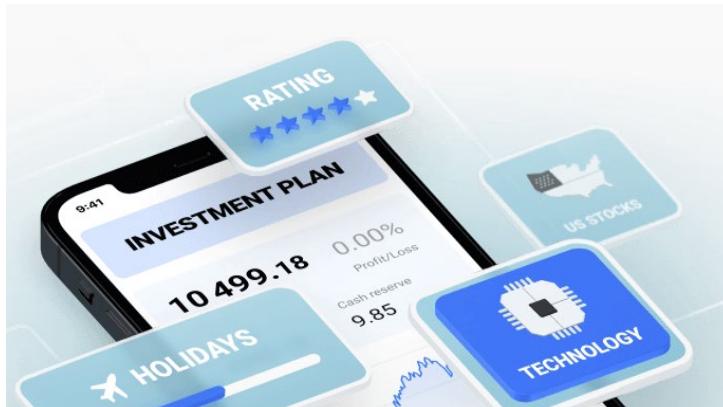
<sup>3</sup>) Number of active clients respectively in the 12, 9, 6 and 3 months of 2023 and 12, 9, 6 and 3 months of 2022. An active client is a client who has made at least one transaction and/or had an open position during the period.

<sup>4</sup>) The average quarterly number of clients respectively for 12, 9, 6 and 3 months of 2023 and 12, 9, 6 and 3 months of 2022.

### New clients vs. number of active clients



These activities are supported by a number of initiatives, including the Investment Plans that have been introduced, which allow savings to be invested intelligently. Thanks to the new product, clients can easily set up their Plan and invest specific funds – starting from the amount of PLN 50. It is possible to launch up to 10 Investment Plans at the same time. Setting up and running Investment Plans at XTB is completely free of charge, as long as the monthly turnover does not exceed EUR 100 00, in which case the commission is 0,2%, minimum EUR 10.



In addition, from April 2023, XTB allows investment in selected European and non-European markets in company shares and ETFs at a fraction of their price. Fractional shares offer greater flexibility and control over investments. This makes it easier for clients to tailor their investment portfolio to their individual financial goals and risk tolerance.



In November 2023, XTB introduced another new feature, i.e. interest on free funds in client accounts. The interest is calculated daily and paid to the account at the end of the month. Interest is offered for the following currencies: PLN, EUR, USD, GBP, CZK and RON.

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 objective for 2024 is to acquire an average of at least 65-90 thousand new clients per quarter. In January 2024, the Group acquired a total of 41,6 thousand new clients, in February 2024: 41,2 thousand new clients, and in the first 25 days of March 2024: 39,1 thousand new clients. Consequently, in March 2024, the total number of XTB Group clients exceeded 1 million.



Marketing is XTB's second engine. To strengthen its market position and global visibility, the Group works with successful athletes who are XTB brand ambassadors, such as Conor McGregor and Iker Casillas. A new brand ambassador is planned for 2024.

## 2.5 Organizational structure of the XTB S.A. Capital Group

### 2.5.1 Subsidiaries of the XTB S.A. Capital Group

As of 31 December 2023, the XTB S.A. Group consisted of the parent company XTB S.A. and 12 subsidiaries, as shown in the scheme below.



\* The parent company XTB S.A. acquired 99,9% of the shares in the subsidiary XTB S.C. Limited, the remaining 0,1% being held by another subsidiary XTB Services Limited.

All subsidiaries results are fully consolidated since the date of foundation/acquisition. In the reporting periods all subsidiaries have been subject to consolidation.

Neither the Parent Company nor any Group company holds shares in other companies that may have a material impact on its assets and liabilities, financial position and profit or loss.

#### Information about XTB Group subsidiaries

The following is basic information on the Group companies, i.e. the companies that are directly or indirectly dependent on the Company.

##### XTB Limited, Great Britain

The company provides brokerage services based on the obtained permission issued by the FCA (Financial Conduct Authority), license no FRN 522157.

##### X Open Hub Sp. z o.o., Poland

Main scope of business of the company is offering electronic applications and trading technology.

##### XTB Limited, Cyprus

The company provides brokerage services based on the obtained permission issued by the CySEC (Cyprus Securities and Exchange Commission), license no 169/12. On May 3 2018, DUB Investments Limited changed its name to XTB Limited. On June 6 2018, the parent company acquired 1 165 shares in the increased share capital of the subsidiary, maintaining a 100% share in its capital.

##### XTB Agente de Valores SpA, Chile

On February 17, 2017, the Parent Company established a subsidiary, XTB Chile SpA. The Company holds 100% of the shares in the subsidiary. XTB Chile SpA provides services to acquire clients from the territory of Chile.

##### XTB International Limited, Belize

On 23 February 2017 the Parent Company acquired 100% of shares in CFDs Prime based in Belize. On 20 March 2017 the company changed its name from CFDs Prime Limited to XTB International Limited. On 26 September 2019 the Parent Company acquired 500 000 shares in the increased share capital of the subsidiary while maintaining a 100% share in its capital. The company provides brokerage services based on the obtained permission issued by the International Financial Service Commission.

**XTB Services Limited, Cyprus**

On 27 July 2017 the Parent Company acquired 100% shares in Jupette Limited with its registered office in Cyprus. On 5 August 2017 the subsidiary changed its name to XTB Services Limited. The company provides marketing and marketing-sales services (sales support).

**XTB Africa (PTY) Ltd., Republika Południowej Afryki**

On 10 July of 2018 the Parent Company established a subsidiary of XTB Africa (PTY) Ltd with its seat in South Africa. The company hold 100% shares in a subsidiary. On 14 October 2019 the Parent Company acquired 100 shares in the increased capital of the subsidiary, maintaining 100% share in its capital.

On August 10, 2021, XTB Africa (PTY) Ltd. received a license from the (ang. Financial Sector Conduct Authority) to operate in South Africa.

As at the date of publishing this report, the Company did not conduct any operating activities.

**XTB MENA Limited, United Arab Emirates**

On January 9, 2021, the company XTB MENA Limited based in the United Arab Emirates was registered in the local register of entrepreneurs. The parent company acquired 100% of shares in the subsidiary. On April 13, 2021, the shares in XTB MENA Limited based in the United Arab Emirates (UAE) were paid for. The contributed capital amounted to USD 1 million.

On July 11, 2021, XTB MENA Limited received a notification from DFSA (Dubai Financial Services Authority) on granting the company a license to operate in the UAE with its effective date on July 8, 2021. The company provides brokerage services.

**XTB Digital Ltd., Cyprus**

On December 5, 2022, the XTB Digital Ltd. based in Cyprus was registered in the local entrepreneurs' registry. On April 3, 2023, the shares in Digital Ltd. of Cyprus were paid up. The capital contributed amounted to EUR 300 thousand.

As of the date of submitting this report, the company had no operating activities.

**XTB S.C. Limited, Republic of Seychelles**

On 6 October 2022, XTB S.C. Limited with its registered office in the Republic of Seychelles was registered in the local register of entrepreneurs. On April 21, 2023, the company received from the FSA (Financial Services Authority) license No. SD148 to operate in the Republic of Seychelles.

The company will provide brokerage services. The parent company acquired 99.9% of the shares in the subsidiary. The remaining 0.1% stake is held by another subsidiary, XTB Services Limited. On 16 November 2023, the shares in XTB S.C. Limited, based in the Seychelles, were paid up. The contributed capital amounted to \$50,000.

As of the date of submission of these consolidated financial statements, the company had no operations.

**Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş., Turkey**

In 2023, Tasfiye Halinde XTB Yönetim Danışmanlığı Anonim Şirketi had no operations.

On September 15, 2020 the liquidation process of the company in Turkey began.

**Lirsar S.A en liquidacion, Uruguay**

On May 21, 2014, the Parent acquired 100% of the shares in Lirsar S.A., an entity based in Uruguay. The capital from the subsidiary, together with accumulated profits, was returned to the Parent Company on December 14, 2017. As of the date of this report, the entity had not been formally liquidated.

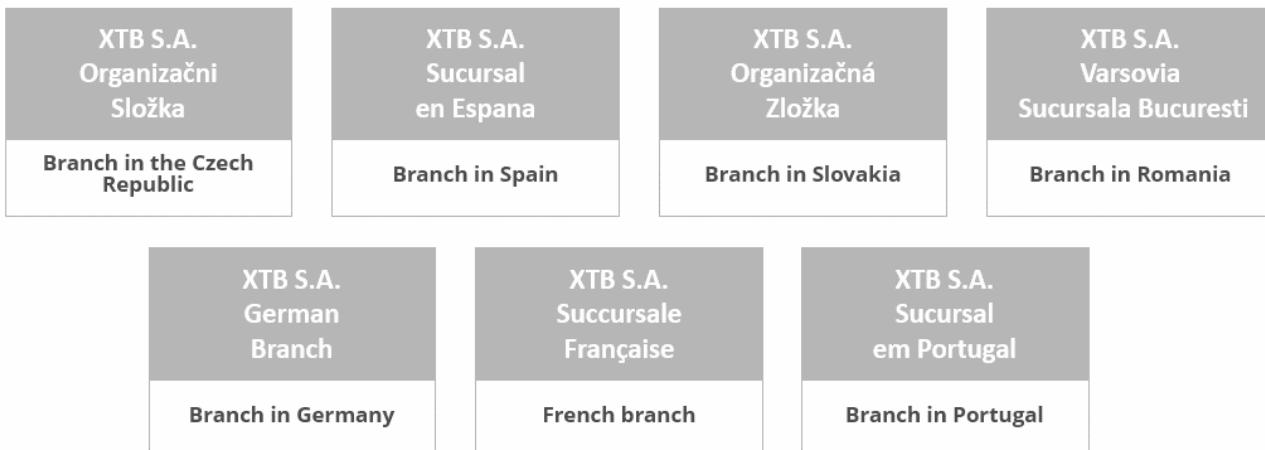
On January 17, 2024, the parent company acquired a 90% share in PT Rajawali Kapital Berjangka, a company based in Indonesia.

During the reporting period, i.e. from 1 January to 31 December 2023, and until the date of this report, there were no changes, other than those described above, in the structure of the XTB S.A. Group.

## 2.5.2 Foreign branches of XTB S.A.

XTB S.A. also operates through 7 foreign branches located in Europe, as shown in the scheme below.

### Foreign branches of XTB S.A.



Foreign branches of XTB S.A.:

- **XTB S.A. organizační složka** – a branch established on 7 March 2007 in the Czech Republic. The branch was registered in the commercial register maintained by the City Court in Prague under No. 56720 and was granted the following tax identification number: CZK 27867102. Date of registration of the new name in the local register: 6 April 2022;
- **XTB S.A. Sucursal en Espana** – a branch established on 19 December 2007 in Spain. On 16 January 2008, the branch was registered by the Spanish authorities and was granted the tax identification number ES W0601162A. Date of registration of the new name in the local registry: 22 July 2022;
- **XTB S.A. organizačná zložka** – a branch established on 1 July 2008 in the Slovak Republic. On 6 August 2008, the branch was registered in the commercial register maintained by the City Court in Bratislava under No. 36859699 and was granted the following tax identification number: SK4020230324. Date of registration of the new name in the local registry: 9 April 2022;
- **XTB S.A. Varsovia Sucursala Bucuresti** – branch established on 31 July 2008 in Romania. On 4 August 2008, the branch was registered in the Commercial Register under No. 402030 and was granted the following tax identification number: RO27187343. Date of registration of the new name in the local registry: 22 April 2022;
- **XTB S.A. German Branch** – a branch established on 5 September 2008 in the Federal Republic of Germany. On 24 October 2008, the branch was registered in the Commercial Register under No. HRB 84148 and was granted the following tax identification number: DE266307947. Date of registration of the new name in the local registry: 19 December 2022;
- **XTB S.A. Succursale Française** – a branch established on 21 April 2010 in the Republic of France. On 31 May 2010, the branch was registered in the Commercial Register under No. 522758689, and was granted the following tax identification number: FR61522758689. Date of registration of the new name in the local registry: 27 May 2022;
- **XTB S.A. Sucursal em Portugal** – branch established on 7 July 2010 in Portugal. On 7 July 2010, the branch was registered in the Commercial Register under and was granted the following tax identification number PT980436613. Date of registration of the new name in the local registry: 17 May 2022.

## 2.5.3 XTB Foundation

In 2020, on the initiative of the Board of Directors of XTB S.A., the XTB Foundation was established. As of 31 December 2023, the President of the Foundation was Małgorzata Nita, Head of Customer Communications XTB S.A. who also served as ESG Manager in the year under review. By Resolution of the XTB Foundation Board No. U/02 of 13 February 2024, Sylwia Kozon was appointed to serve as President of the XTB Foundation Board. The term of office of the new President of the Board of Directors of the XTB Foundation began on 14 February 2024.

<b>Foundation Name:</b>	<b>XTB Foundation</b>
<b>Registered Address:</b>	67 Prosta Street, 00-838 Warsaw
<b>Date of NCR registration:</b>	23.12.2020
<b>NCR:</b>	0000861567
<b>REGON:</b>	38778254000000
<b>TAX ID:</b>	5272945208

The Foundation was established to support and organize all initiatives related to the promotion of financial institutions and new technologies, thereby influencing the growth of trust and respect for these institutions. In its activities, it works to raise financial and technological awareness, while realizing activities in the area of corporate social responsibility and sustainable development.

According to its statutory objectives, the Foundation's object is:

- increasing entrepreneurship and innovation, particularly in the area of new technologies and the financial market;
- raising awareness and knowledge of economic, financial and new technology-related issues, as well as increasing trust and respect for financial institutions;
- scientific and research activities and promotion of solutions developed within the XTB capital group's operations, particularly in the field of new technologies and the financial market;
- supporting and organizing all initiatives related to the promotion of financial institutions and new technologies;
- financial support, transfer of knowledge or business consulting for the benefit of selected entrepreneurs;
- acting in the fields of corporate social responsibility, sustainable development, and animal and nature conservation;
- promotion of employment and education and equalization of development opportunities;
- initiating and supporting activities of XTB Capital Group employees related to the statutory objectives of the Foundation, employee volunteering and all social, educational and sports activities;
- charitable and social activities.

The Foundation's activities in 2023 are included in subsection *5.10.7 Sponsorship, charity or other similar activities* of this report.

## 3. Business and Development of the Parent Company and its Capital Group

### 3.1 Products and services and product plans

The Group is an international provider of trading and investment products, services and solutions, specializing in OTC markets with a particular focus on CFDs, which are investment products with returns linked to the changes in the prices and values of underlying instruments and assets. The group also offers investments in shares and ETF instruments on the same trading platform.

In the year 2023, the Group offered the following products to its clients.

## Product portfolio of the XTB Group in 2023

### Investing



### Shares

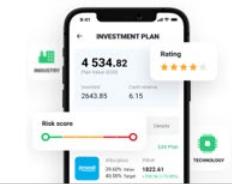


### ETFs



### Passive investing/ Saving

#### Investment plans



#### Interest on free funds



During the 12 months of 2023, the Group continued to expand its product offering. The goal of these activities was to meet client expectations in order to cover their expectations regarding the availability of particular financial instruments. In 2023, the range of equities and ETFs was constantly expanded to include new instruments requested by clients. 2023 was marked by the introduction of new products such as fractional shares and investment plans. Fractional shares allow clients to invest any amount, even small amounts, in securities listed on internationally regulated markets. This solution is still offered by a very small group of investment companies. In the fall of 2023, XTB launched Investment Plans, a product that allows investors to build their own ETF portfolios. The goal is to attract clients who are interested in long-term investing and saving. At the same time, the company is constantly expanding the range of existing products (stocks, CFDs on crypto).

XTB continues to actively expand the functionality of the xStation platform to meet the requirements of both CFD clients and a new group of stock clients. The Management Board believes that the xStation platform is currently one of the most advanced CFD and stock trading platforms available today. The company is constantly trying to develop the platform with elements that support trading on OTC and stock markets. In 2023 alone, XTB launched trading with fractional shares, an application supporting long-term investing (Investment Plans) or interest on client funds.

The functionality of the Group's offering allows clients to open accounts, deposit funds into them, place orders and transfer funds between accounts, and order statements online. The Group's core technology uses software designed to provide functionality and scalability.

## Product plan

As in previous years, XTB's focus in 2024 will be on attracting new clients and expanding this group to include those interested not only in investing, but also in broadly defined financial products.

In order to achieve it, XTB plans to strengthen its product offer and implement enhancements aimed at improving customer experience of both – the desktop platform as well as the mobile app. 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.



The beginning of 2024 was marked with broadening of the passive product portfolio. Investment Plans, the ETF-based product allowing to invest in 300 ETFs, was enhanced with the auto-invest 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 the upcoming quarters, passive investment offering will be supplemented by bonds. 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 rating (from AAA to BBB-). Thanks to leveraging the same mechanism as in the case of fractional shares, investing in bonds will be possible with only a small amount of money.

At the same time, social trading will be launched. It will enable XTB clients to follow the transactions made by other users, whose investment strategy they find interesting or eye-catching. As part of this product, client data will be anonymized and classified based on the return on investment achieved as well as their risk accepted.

Third quarter of 2024 will mark the debut of the product that was long awaited by Polish clients - namely IKE and IKZE accounts. Currently, only a fraction of adults in Poland use it but the interest is growing year on year. As XTB sees potential in the further growth of long-term investment products, this offer will be implemented also in other global markets, including the UK, where the company plans to act as ISA Manager.

At the end of 2024, XTB plans to launch a product that will accelerate its transformation towards the everyday platform for managing personal finance. Virtual wallet and a multi-currency card will enable XTB clients to make instant local payments, transfers, card transactions and currency exchange. Thanks to this product, clients will be able to make payments between their XTB accounts instantly. Real-time notifications will support finance control and expense management.

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

The above product plan is based on the current knowledge and resources. Therefore, it can be modified and changed, including due to the reasons resulting from XTB's cooperation with third parties.

### 3.2 Main operating markets

The XTB Group operates on the basis of licenses granted by regulators in Poland, the UK, Cyprus, Belize and in the United Arab Emirates (UAE). The Group's business is regulated and supervised by competent authorities on the markets on which the Group operates, including EU countries, where it operates on the basis of a single European passport. Currently The Group is focusing on growing its business in 12 key countries.

XTB, with its strong market position and dynamically growing client base, is increasingly boldly building its presence in non-European markets, consistently pursuing the strategy of creating a global brand. The Management Board of XTB puts the main emphasis on organic growth, on the one hand increasing the penetration of European markets, and on the other successively building its presence in Latin America, Asia and Africa. Following these actions, the composition of the capital group may expand with new subsidiaries. It is worth mentioning that geographical expansion is a process carried out by XTB on a continuous basis, the effects of which are spread over time. Therefore, one should rather not expect sudden, abrupt changes in the Group's results on this account. In 2024, the Management Board's efforts will focus on obtaining the necessary licenses and starting operations in Brazil and Indonesia.



XTB's growth is also possible through mergers and acquisitions, especially with companies that would allow the Group to achieve geographical synergies (complementary markets). Transactions of this type are realized by the Management Board only if they are associated with tangible benefits for the Company and its shareholders.

### 3.3 External and internal factors relevant to the development of the Company and its Group

#### 3.3.1 Number of active clients, volume of transactions and amount of deposits

The Group's revenue and its results of operations are directly mostly dependent on the volume of transactions concluded by the Group's clients and the amount of deposits placed by them. The transaction volumes and deposit amounts depend, in turn, on the number of new active clients.

Net deposits placed by retail clients comprise deposits less the amounts withdrawn by the Group's clients in a given period. The level of net deposits defines the ability of the Group's clients to execute transactions in derivatives offered by the Group, which affects the level of the Group's transaction volumes.

#### 3.3.2 Company revenues and financial and commodity market conditions

The Group's revenue depends directly on the volume of transactions concluded by the Group's clients and profitability per lot which in turn is correlated with the general level of transaction activity on the FX/CFD market.

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 it is at such times that it achieves the highest revenues. Therefore, high activity of financial markets and commodities 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 of the Group's business model, which is described in detail in subsection 2.3 Business Strategy and Business Model of this Report.

### 3.3.3 General market, geopolitical and economic conditions

Changes in the general market and economic situation in the regions, in which the Group operates, to some extent affect the general buying power of the Group's clients, as well as their readiness to spend or save, which in turn to some extent affects the demand for the Group's products and services.

Unfavourable trends in the global economy may limit the level of disposable income of the Group's clients and induce them to limit their activity on the FX/CFD market, which may, in turn, reduce the volume of transactions in financial instruments offered by the Group and result in a drop in the Group's operating income. The instability of geopolitical and economic conditions may affect the volatility of the financial and commodity markets, which may translate into clients transaction activity and, consequently, may also translate into the Group's revenues and client base.

### 3.3.4 Competition on the FX/CFD

The FX/CFD market, both globally and in Poland, is characterized by high competitiveness. The Group competes with local entities (mainly brokerage houses being a part of or owned by commercial banks), local or Western European licensed institutions (such as Saxo Bank and IG Group) and other entities, both licensed and non-licensed which gain clients through the Internet (Such as Plus500, eToro or Robinhood).

These entities compete with one another in terms of product and service prices, advanced technological solutions and brand strength. Activities undertaken by the Group and its competition affect the Group's competitive position and its share in the FX/CFD market. To maintain and expand its position in the markets in which it operates, the Group is investing in marketing activities.

In addition, the Group's ability to strengthen the current competitive position in the markets in which it operates, depends on many factors beyond the control of the Group, including in particular the recognition of the brand and the Group's reputation, attractiveness and quality of products and services offered by the Group as well as the functionality and quality of its technological infrastructure.

Moreover, results of operations depend to some extent on the level of spreads in the derivatives CFD. Increased competition in the market FX / CFD leads to a reduction in spreads in derivative transactions CFD. Smaller spreads and increased competition may reduce the revenues and profitability of the market making business model.

### 3.3.5 Regulatory environment

The Group operates in a strictly regulated environment that places specific significant obligations on the Group within the scope of a number of international and local regulations and provisions of applicable law.

Among others, the Group is subject to regulations relating to:

- sales practices, including gaining of clients and marketing activities;
- maintaining capital at a specified level;
- anti-money laundering and preventing the financing of terrorism practices and "know your client" procedures (KYC);
- reporting obligations towards regulators;
- personal data protection and professional confidentiality obligations;
- obligations concerning investor protection and providing them with the relevant data on risks related to the brokerage services provided;
- supervision over the Group's operations;
- confidential data and its use, prevention of illegal disclosure of confidential data and prevention of market manipulation;
- providing information to the public as issuer.

XTB Capital Group S.A. is subject to supervision by specific regulatory authorities and public administration authorities in jurisdictions in which the Group operates. In Poland, the conduct of brokerage activities requires a license from the PFSA and is subject to a number of regulatory requirements. The Company is a brokerage house operating based on a license for the conduct of brokerage activities and is subject to regulatory supervision by the PFSA.

Thanks to the "single passport" rule arising from the MiFID II Directive, the Company operates as a branch based on and as part of the license granted by the PFSA in the following member states of the EU: the Czech Republic, Spain, Slovakia, Romania, Germany, France and Portugal.

In addition, XTB S.A. and its subsidiaries are authorized to:

- conduct cross-border brokerage activities without opening a branch in the territory of many jurisdictions, focusing mainly on the Italian and Hungarian markets;
- conduct cross-border operations in the territories of Austria, Belgium, Bulgaria, Greece, the Netherlands, Sweden, Hungary and Italy.

Additionally, the Company has a 100% interest in the following entities operating based on separate licenses for the conduct of brokerage activities issued by the supervision authorities in foreign jurisdictions:

- XTB Limited – a brokerage house registered in Great Britain and subject to FCA supervision;
- XTB Limited – an investment firm conducting brokerage activities registered in Cyprus and subject to supervision by the CySEC;
- XTB International Limited – the company with its seats in Belize provides brokerage services based on the obtained permission issued by the International Financial Service Commission;
- XTB MENA Limited – the company with its seats in Dubai, in the United Arab Emirates, licensed to arrange and perform transactions on a matching principle in OTC products, issued by the Dubai Financial Services Authority;
- XTB Africa (Pty) Ltd. – the company with its seats in South Africa, licensed to provide financial services in the field of derivatives issued by the Financial Sector Conduct Authority. As at the date of submitting this report, the Company did not conduct any operating activities;
- XTB S.C Limited – a company based in the Republic of Seychelles, licensed to provide brokerage services based on a permit issued by the Financial Services Authority Seychelles. As at the date of submitting this report, the Company did not conduct any operational activities.

In addition, after the balance sheet date, on 17 January 2024, the Parent Company acquired 90% of the shares of in PT Rajawali Kapital Berjangka, a company based in Indonesia, which is a derivatives broker regulated by the Commodity Futures Trading Supervisory Agency (BAPPEBTI).

The Group has created a compliance (compliance in law) function for each Group Company to ensure compliance with the regulatory and regulatory requirements to which the Group is subject.

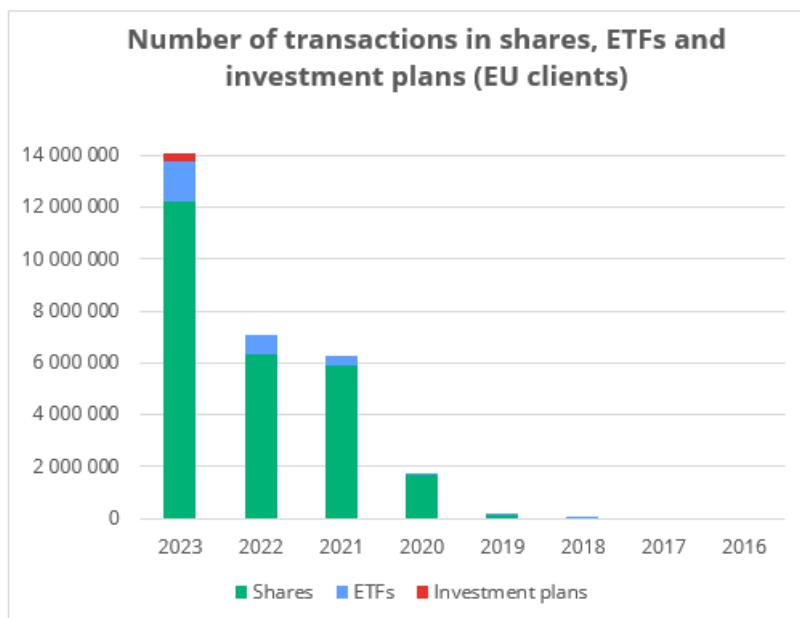
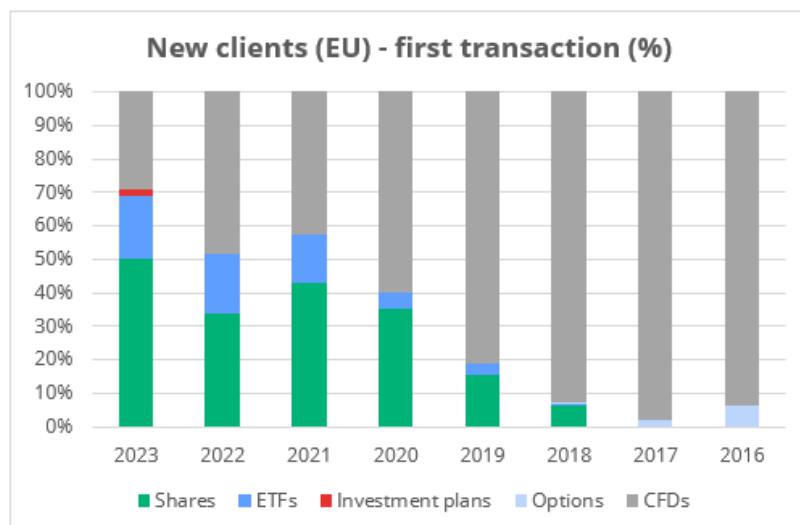
The regulatory environment in which the Group operates is constantly evolving. In recent years, the financial services industry has been subject to increasingly comprehensive regulatory oversight. The supervisory and public administration authorities regulating and supervising the Group's activities introduced a number of changes in the regulatory requirements to which the Group is subject and may undertake additional initiatives in this area in the future.

### 3.4 The Group's activities in 2023 and development outlook

Observing the development of the Group, analysing its financial and operational results, the Management Board of XTB S.A. is of the opinion that the Group has built a solid foundation to ensure that it is well positioned to generate stable growth in the future. In accordance with line with the strategic direction set, XTB actively strengthened its position as an international provider of technologically advanced products, services and solutions for trading financial instruments in 2023. This was achieved by continuing to build brand awareness, attracting new clients and building a long-term investment profile and client loyalty.

The Management Board's ambition is for XTB to become the leading All-in-One investment application in Europe, offering clients 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 a universal investment application has progressed over the past few years. This will continue into 2024 and beyond.



XTB, with its strong market position and dynamically growing client base, is increasingly boldly building its presence in non-European markets, consistently pursuing the strategy of creating a global brand. The Management Board of XTB puts the main emphasis on organic growth, on the one hand increasing the penetration of European markets, and on the other successively building its presence in Latin America, Asia and Africa. Following these actions, the composition of the capital group may expand with new subsidiaries. It is worth mentioning that geographical expansion is a process carried out by XTB on a continuous basis, the effects of which are spread over time. Therefore, one should rather not expect sudden, abrupt changes in the Group's results on this account. In 2024, the Management Board's efforts will focus on obtaining the necessary licenses and starting operations in Brazil and Indonesia.

XTB's growth is also possible through mergers and acquisitions, especially with companies that would allow the Group to achieve geographical synergies (complementary markets). Transactions of this type are realized by the Management Board only if they are associated with tangible benefits for the Company and its shareholders.

### **The impact of COVID-19 on the Company's result**

In March 2020 the World Health Organization determined that COVID disease can be treated as a pandemic. During the reporting period under review, there was no significant increase in new infections threatening the continuity of the Company's operations. The Management Board of XTB S.A. continuously monitors the situation in the country and around the world. As of the date of publication of this Report, no impact of the COVID-19 pandemic on the Group's operations is identified.

### **The impact of Russia's invasion of Ukraine on the Company's results**

On 24 February 2022, Russian troops crossed the eastern, southern and northern borders of Ukraine, attacking the territory of Ukraine. In connection with hostilities by Russia, representatives of the European Union and many other countries have introduced severe sanctions against Russia, which mainly affect strategic sectors of the Russian economy by blocking access to technology and markets. This situation does not have a significant direct impact on the Company, however, it caused high volatility in the financial and commodity markets around the world, which had an impact on the trading activity of XTB clients and the Group's results.

### **3.5 Major achievements in research and development – 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 a number of proprietary technological solutions, including the modern xStation trading platform.

#### **Original platform xStation**



The research and development work carried out in 2023 was aimed at developing the tools necessary for the efficient operation of XTB's trading systems, effective execution of orders, efficient process of acquiring new customers (so-called onboarding) 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 in related to the design and development of highly innovative, comprehensive solutions in the field of transactions and online investment solutions:

	TWELVE-MONTH PERIOD ENDED					
	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Costs related to the development and development of technologies (in PLN'000)	94 770	58 381	36 616	27 159	21 151	18 974
Number of employees in technology departments*, including:	429	282	176	129	116	106
- IT Development department	395	266	161	118	103	93

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

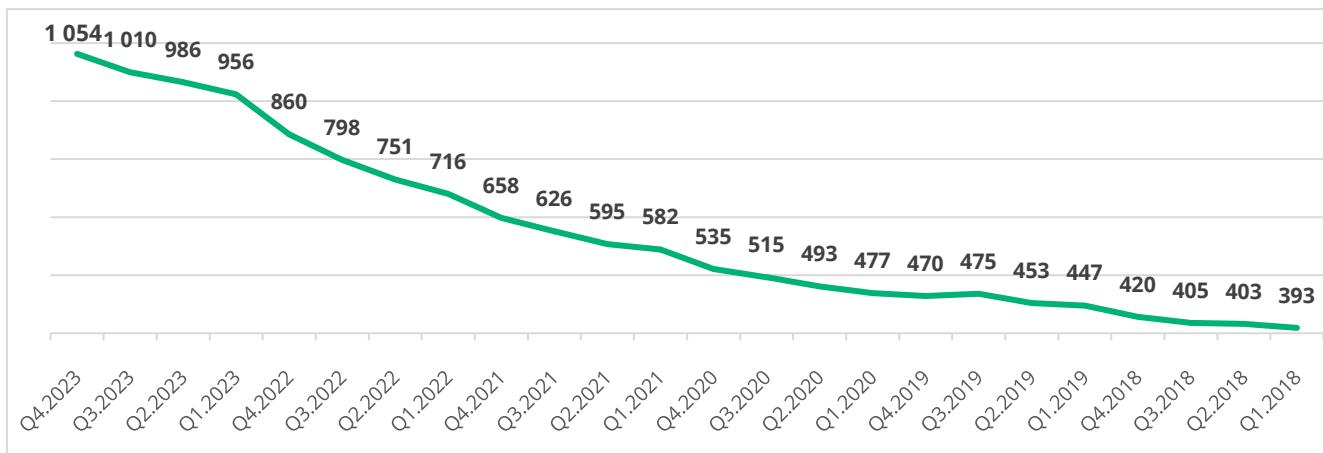
### 3.6 Employment at XTB Group

As of 31 December 2023, XTB S.A. Group employed 1 054 people (an increase of 22,5% y/y), including 749 people employed by the Company. The employment structure is dominated by employees working in technology departments, whose share at the end of 2023 accounted for 40,7% of the total number of employees.

The table below provides information on the number of employees of the Parent Company, its foreign subsidiaries and Group Companies as of the dates indicated therein (persons employed under employment contracts, contract of mandate and providing services under B2B agreements):

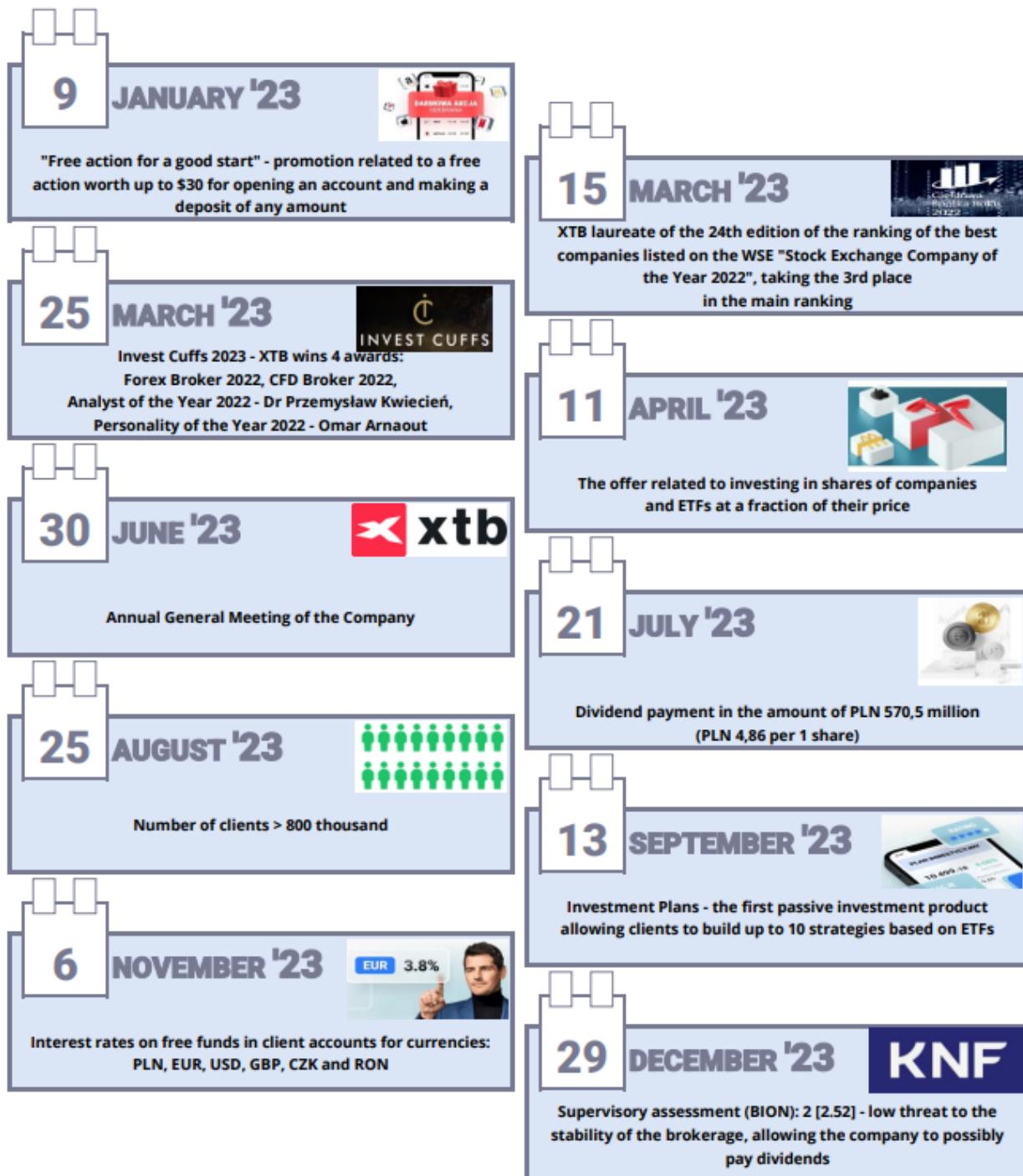
	AS AT		
	31.12.2023	31.12.2022	Change y/y
XTB S.A. Company	749	580	+29,1%
Foreign branches	136	127	+7,1%
Group Companies	169	153	+10,1%
<b>Total</b>	<b>1 054</b>	<b>860</b>	<b>+22,5%</b>

Historically, the Group's employment by quarter is presented in the chart below\*:



\* The number of employees includes those employed under employment, mandate and B2B contracts.

### 3.7 Significant selected events in 2023 and up to the date of the report



Information on events and circumstances affecting the Company's and the Group's operations in 2023 is presented in the following sections of this report, in particular, it is discussed in subsection 3.1 *Products and services and product plans*, and in section 4.2 *Key economic and financial figures*. Other than the events described in this report, there were no other events significantly affecting the Company's and the Group's operations in 2023.

### 3.8 Post balance sheet events

On 17 January 2024 The Parent Company acquired a 90% share in PT Rajawali Kapital Berjangka, a company based in Indonesia.

On 8 February 2024, the company's main shareholder, XX ZW Investment Group S.A., disposed of 11 756 925 A shares.

The current shareholding structure after the above transaction is presented in section *2.1.3 Shareholding structure of XTB S.A.* as of the date of this Report.

### 3.9 Material contracts

In 2023, the Company and the Group companies did not enter into agreements material for XTB operations, different than described in this report, also the Company has no knowledge about contracts concluded between shareholders material for XTB operations.

### 3.10 Transactions with related companies

In the 12 months period ended 31 December 2022 and 31 December 2021 there were no related parties' transactions concluded on other than arm's length basis.

Transactions and the balances of settlements with related parties were presented in detail in *note 30* to the Separate Financial Statements.

### 3.11 Credit and loans

In the reporting period, the Company and the Group Companies did not conclude or terminate any agreements regarding credits or loans.

In 2023, the Company and the Group companies did not grant any loans.

### 3.12 Sureties and guarantees

On 9 May 2014 the Company issued a guarantee in the amount of PLN 59 thousand to secure an agreement concluded by a subsidiary XTB Limited, based in the UK and PayPal (Europe) Sarl & Cie, SCA based in Luxembourg. The guarantee was granted for the duration of the main contract, which was concluded for an indefinite period.

On 7 July 2017, the Parent Company granted a surety of PLN 5 500 thousand to secure the agreement concluded by the subsidiary XTB Limited with its registered office in the United Kingdom and Worldpay (UK) Limited, Worldpay Limited and Worldpay AP LTD based in the United Kingdom. The guarantee was granted for the duration of the main contract, which was concluded for a period of 3 years with the possibility of further extension.

Apart from described above, in 2023 XTB did not grant and did not receive other sureties and guarantees.

## 4. Operating and financial situation

### 4.1 Principle of preparation of annual financial statements

Consolidated and separate financial statements were prepared based on International Financial Reporting Standards (IFRS), which were endorsed by the European Union.

The consolidated financial statements of the XTB S.A. Group prepared for the period from 1 January 2023 to 31 December 2023 with comparative data for the year ended 31 December 2022 cover the Parent Company's financial data and financial data of the subsidiaries comprising "The Group".

The separate financial statements of the XTB S.A. prepared for the period from 1 January 2023 to 31 December 2023 with comparative data for the year ended 31 December 2022 cover the Company's financial data and financial data of the foreign branch offices.

The consolidated and separate financial statements have been prepared on the historical cost basis, with the exception of financial assets at fair value through P&L and financial liabilities held for trading which are measured at fair value. The Group's assets are presented in the statement of financial position according to their liquidity, and its liabilities according to their maturities.

The Group companies maintain their accounting records in accordance with the accounting principles generally accepted in the countries in which these companies are established. The consolidated financial statements include adjustments not recognized in the Group companies' accounting records, made in order to reconcile their financial statements with the IFRS.

Drafting these consolidated financial statements, the Parent Company decided that none of the Standards would be applied retrospectively.

The IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

## 4.2 Basic economic and financial information

### 4.2.1 Basic consolidated economic and financial information

As mentioned in section *2.3.4 Business Model of this Report*, the Group's operating and financial results are primarily influenced by:

- the number of active accounts, transaction volumes and deposit amounts;
- volatility on financial and commodity markets;
- general market, geopolitical and economic conditions;
- competition on the FX/CFD market;
- regulatory environment.

The key factors affecting the Group's financial and operating results in the 12 months period ended 31 December 2023 are discussed below. The Management Board believes that these factors had and may continue to have an effect on the business activities, operating and financial results, financial condition and development perspectives of the Group.

**Description of the Group results in 2023**

The table below shows selected items of the consolidated statement of comprehensive income for the periods indicated.

(IN PLN'000)	12 MONTHS PERIOD ENDED		CHANGE %
	31.12.2023	31.12.2022	
Result of operations on financial instruments	1 574 491	1 437 160	9,6
Income from fees and charges	11 730	7 020	67,1
Other income	2 085	69	2 921,7
<b>Total operating income</b>	<b>1 588 306</b>	<b>1 444 249</b>	<b>10,0</b>
Marketing	(263 924)	(222 369)	18,7
Salaries and employee benefits	(259 140)	(192 027)	34,9
Other external services	(64 141)	(49 967)	28,4
Commission expenses	(61 816)	(54 365)	13,7
Amortisation	(17 197)	(11 997)	43,3
Other expenses	(10 773)	(11 560)	(6,8)
Taxes and fees	(9 712)	(8 614)	12,7
Costs of maintenance and lease of buildings	(7 528)	(7 668)	(1,8)
<b>Total operating expenses</b>	<b>(694 231)</b>	<b>(558 567)</b>	<b>24,3</b>
<b>Operating profit (EBIT)</b>	<b>894 075</b>	<b>885 682</b>	<b>0,9</b>
Finance income	106 049	50 573	109,7
Finance costs	(39 880)	(997)	3 900,0
<b>Profit before tax</b>	<b>960 244</b>	<b>935 258</b>	<b>2,7</b>
Income tax	(169 071)	(169 162)	(0,1)
<b>Net profit</b>	<b>791 173</b>	<b>766 096</b>	<b>3,3</b>

XTB's dynamic operational growth, combined with favourable market conditions, resulted in record financial results for 2023 year. Consolidated net profit amounted to PLN 791,2 million compared to PLN 766,1 million a year earlier. Consolidated revenues amounted to PLN 1 588,3 million (2022 r.: PLN 1 444,2 million) with operating expenses of PLN 694,2 million (2022 r.: PLN 558,6 million).

**Revenues**

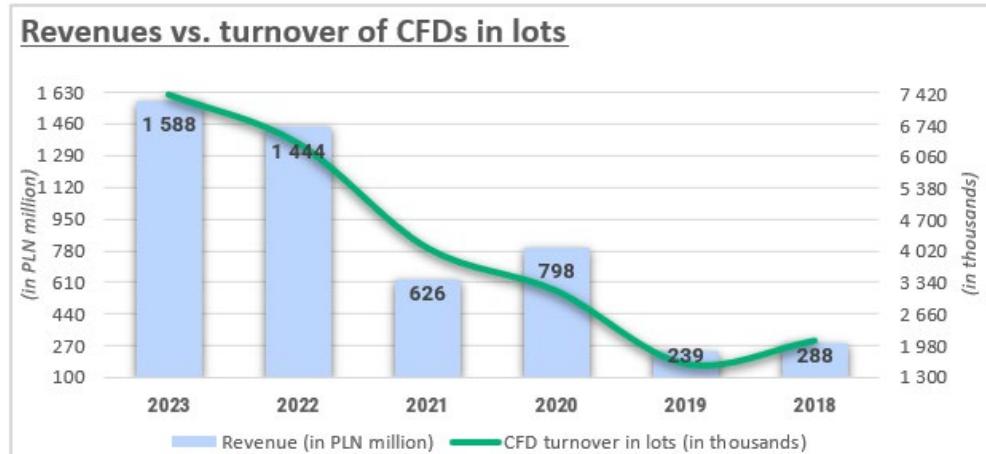
In 2023, XTB reported record increase in revenue from PLN 1 444,2 million to PLN 1 588,3 million, i.e. by 10,0% y/y. Significant factors determining their level were high volatility in the financial and commodity markets and the constantly growing number of active clients (increase by 51,0% y/y), connected with their high transaction activity expressed in the number of CFD contracts concluded in lots (increase by 16,5% y/y). As a consequence, the transaction volume in CFD instruments amounted to 7 416,5 thousand lots (2022: 6 365,6 thousand lots), and a profitability per lot amounted to PLN 214 (2022: PLN 227).

	TWELVE-MONTH PERIOD ENDED					
	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Total operating income (in PLN'000)	1 588 306	1 444 249	625 595	797 750	239 304	288 301
Transaction volume in CFD instruments in lots <sup>1</sup>	7 416 479	6 365 643	4 104 566	3 175 166	1 597 218	2 095 412
Profitability per lot (in PLN) <sup>2</sup>	214	227	152	251	150	138
Transaction volume in CFD instruments in nominal value (in USD'000000)	2 285 891	2 259 588	1 737 351	1 021 835	541 510	773 899
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) <sup>3</sup>	166	143	93	200	115	103

<sup>1</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 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).



In the fourth quarter of 2023, which was characterised by noticeably higher 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 127,8% y/y, i.e. by PLN 277,0 million from PLN 216,7 million to PLN 493,7 million. This change was influenced by:

- higher profitability per lot – an increase of PLN 150 (from PLN 126 to PLN 276);
- significantly higher client turnover in financial instruments expressed in the number of concluded transactions concluded in lots – an increase of 69,1 thousand lots (from 1 720,4 thousand to 1 789,5 thousand lots).

	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022	THREE-MONTH PERIOD ENDED
Total operating income (in PLN'000)	493 733	275 721	287 245	531 607	216 746	391 289	396 410	439 804	
Transaction volume in CFD instruments in lots <sup>1</sup>	1 789 481	2 011 452	1 770 385	1 845 160	1 720 381	1 594 606	1 489 917	1 560 739	
Profitability per lot (in PLN) <sup>2</sup>	276	137	162	288	126	245	266	282	
Transaction volume in CFD instruments in nominal value (in USD'000000)	548 927	593 232	547 088	596 645	548 781	539 879	539 673	631 255	
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) <sup>3</sup>	223	112	126	204	87	152	168	167	

<sup>1</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 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).

Revenues vs. turnover of CFDs in lots (quarterly)



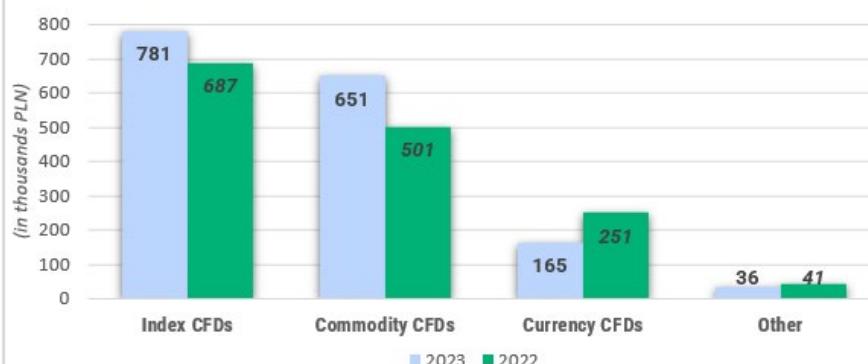
Revenues vs. profitability (quarterly)



## Result from operations on financial instruments

(in PLN'000)	TWELVE-MONTH PERIOD ENDED		CHANGE %
	31.12.2023	31.12.2022	
Index CFDs	781 285	687 424	13,7
Commodity CFDs	650 847	501 314	29,8
Currency CFDs	165 161	251 429	(34,3)
Stock CFDs and ETFs	24 261	36 816	(34,1)
Bond CFDs	1 079	796	35,6
<b>Total CFDs</b>	<b>1 622 633</b>	<b>1 477 779</b>	<b>9,8</b>
Shares and ETFs	11 050	3 494	216,3
<b>Gross gain on transactions in financial instruments</b>	<b>1 633 683</b>	<b>1 481 273</b>	<b>10,3</b>
Bonuses and discounts paid to clients	(9 428)	(5 653)	66,8
Commission paid to cooperating brokers	(49 764)	(38 460)	29,4
<b>Net gain on transactions in financial instruments</b>	<b>1 574 491</b>	<b>1 437 160</b>	<b>9,6</b>

### Gross result on financial instruments



The Group breaks down its revenues by geographic area according to the country of the XTB office in which the client was acquired. The exception is the Middle East region, which also presents revenues from clients from this market acquired by the subsidiary XTB International Ltd. based in Belize.

(in PLN'000)	TWELVE-MONTH PERIOD ENDED		CHANGE %
	31.12.2023	31.12.2022	
Central and Eastern Europe	956 115	842 167	13,5
- <i>including Poland</i>	732 129	598 006	22,4
Western Europe	366 737	356 196	3,0
Latin America <sup>1</sup>	147 695	197 251	(25,1)
Middle East <sup>2</sup>	117 759	48 635	142,1
<b>Total operating income</b>	<b>1 588 306</b>	<b>1 444 249</b>	<b>10,0</b>

<sup>1</sup>) The subsidiary XTB International Ltd., with its seat in Belize, acquires clients from Latin America and the rest of the world (without Europe). The item excludes revenues from clients acquired by this company from the Middle East region.

<sup>2</sup>) Revenue from clients from the Middle East, acquired by XTB International Ltd. with its seat in Belize and XTB MENA Limited with its seat in the United Arab Emirates.

XTB puts also strong emphasis on diversification of segment revenues. Therefore, the Group develops institutional activities under X Open Hub brand, under which it provides liquidity and technology to other financial institutions, including brokerage houses. Revenues from this segment are subject to significant fluctuations from period to period, analogically to the retail segment, which is typical for the business model adopted by the Group.

(in PLN'000)	TWELVE-MONTH PERIOD ENDED		CHANGE %
	31.12.2023	31.12.2022	
Retail segment	1 479 937	1 424 769	3,9
Institutional segment (X Open Hub)	108 369	19 480	456,3
<b>Total operating income</b>	<b>1 588 306</b>	<b>1 444 249</b>	<b>10,0</b>

### Operating expenses

Operating costs in 2023 amounted to PLN 694 231 thousand and were PLN 135 664 thousand higher than in the previous year (2022: PLN 558 567 thousand). The most significant changes were in:

- costs of remuneration and employee benefits, an increase by PLN 67 113 thousand, mainly due to an increase in the number of employees and higher provisions for variable remuneration components (bonuses);
- marketing costs, an increase of PLN 41 555 thousand resulting mainly due to higher expenses for online marketing campaigns;
- other external services, an increase by PLN 14 174 thousand, mainly as a result of higher expenses for: (i) IT systems and licenses (up by PLN 7 809 thousand y/y); (ii) legal and consulting services (up by PLN 3 404 thousand y/y) and (iii) IT support services (up by PLN 2 015 thousand y/y).

- commission costs, which increased by PLN 7 451 thousand as a result of higher amounts paid to payment service providers through which clients deposit their funds on transaction accounts.

(in PLN'000)	TWELVE-MONTH PERIOD ENDED		CHANGE %
	31.12.2023	31.12.2022	
Marketing	263 924	222 369	18,7
Salaries and employee benefits	259 140	192 027	34,9
Other external services	64 141	49 967	28,4
Commission expenses	61 816	54 365	13,7
Amortization and depreciation	17 197	11 997	43,3
Other costs	10 773	11 560	(6,8)
Taxes and fees	9 712	8 614	12,7
Costs of maintenance and lease of buildings	7 528	7 668	(1,8)
<b>Total operating expenses</b>	<b>694 231</b>	<b>558 567</b>	<b>24,3</b>

On a quarter-on-quarter basis, operating expenses increased by PLN 22 703 thousand mainly due to PLN 10 496 higher online marketing expenses, PLN 6 826 thousand higher salary and employee benefits expenses, mainly as a result of an increase in the number of employees, and PLN 3 679 thousand higher commission expenses, as a result of higher amounts paid to payment service providers through which clients deposit their funds on transaction accounts.

	THREE-MONTH PERIOD ENDED							
	31.12.2023	30.09.2023	30.06.2023	31.03.2023	31.12.2022	30.09.2022	30.06.2022	31.03.2022
Total operating expenses including: (in PLN'000)	187 669	164 966	157 377	184 219	158 235	132 546	136 750	131 036
- Marketing	69 081	58 585	54 823	81 435	68 478	48 579	54 662	50 650
New clients <sup>1</sup>	77 267	67 505	62 994	104 206	51 038	44 796	45 697	55 333
Clients in total <sup>2</sup>	897 573	826 042	762 624	703 928	614 934	567 387	525 287	481 931
Number of active clients <sup>3</sup>	408 528	355 461	307 511	260 095	270 560	237 527	205 778	170 859
Average number of active clients <sup>4</sup>	310 220	281 101	259 318	260 095	203 410	190 210	179 731	170 859
Average cost of acquiring a client <sup>5</sup>	0,9	0,9	0,9	0,8	1,3	1,1	1,2	0,9

<sup>1</sup>) Number of new Group's clients in each period.

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

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

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

<sup>5</sup>) Average client acquisition cost is defined as marketing expenses in a period divided by the number of new clients over the same period.

As a result of XTB's growth, the Board estimates that total operating expenses in 2024 could be up to a quarter higher than what we saw in 2023. The Board's priority is to continue to grow its client base and build a global brand. As a result of ongoing activities, marketing expenses could increase by around a third compared to last year.

The final level of operating expenses will depend, in particular, on the rate of employment growth and the level of variable remuneration paid to employees, the level of marketing expenditure, the rate 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 an assessment of its impact on the Group's performance and profitability, the pace of overseas expansion and the degree of customer responsiveness to the activities undertaken. Employment growth in the Group will be contributed by its dynamic growth, both in existing and new markets. In turn, variable remuneration components will be influenced by the Group's performance.

## 4.2.2 Public support

In 2023, XTB was a beneficiary of funds granted by the National Training Fund (KFS) for the training of employees within the scope of de minimis aid. The amount of funding for training from the KFS amounted to PLN 14 872, which represented 80% of the cost of training, 20% of the cost of training was borne by XTB as its own contribution.

The Company has not received financial support from public funds in 2022.

## 4.2.3 Rate of return on assets

The rate of return on assets, calculated as the quotient of net profit and total assets, as of 31 December 2023 amounted to 16,9%, and as of 31 December 2022 amounted to 18,6%.

## 4.2.4 Activities of the brokerage house outside the territory of the Republic of Poland

XTB, as a brokerage house, has the following branches and subsidiaries, which are financial institutions within the meaning of Article 4 paragraphs 1 point 26 of Regulation 575/2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 64/2012:

- branches:
  - XTB S.A. organizační složka in Czech Republic. The branch provides support services for the sale of financial instruments;
  - XTB S.A. Sucursal en Espana in Spain. The branch provides support services for the sale of financial instruments;
  - XTB S.A. organizačná zložka in the Slovak Republic. The branch provides support services for the sale of financial instruments;
  - XTB S.A. Varsovia Sucursala Bucuresti in Romania. The branch provides support services for the sale of financial instruments;
  - XTB S.A. German Branch in the Federal Republic of Germany. The branch provides support services for the sale of financial instruments;
  - XTB S.A. Succursale Française in the Republic of France. The branch provides support services for the sale of financial instruments;
  - XTB S.A. – Sucursal em Portugal in Portugal. The branch provides support services for the sale of financial instruments;
- subsidiaries:
  - XTB Limited in Cyprus. The company provides brokerage services based on the obtained permission;
  - XTB Limited in Great Britain. The company provides brokerage services based on the obtained permission;
  - XTB International Limited in Belize. The company provides brokerage services based on the obtained permission;
  - XTB MENA Limited in the United Arab Emirates. The company provides brokerage services based on the obtained permission;
  - XTB Africa (PTY) Ltd. in South Africa. The Company received a brokerage license. As of the date of this report, the Company had no operations, and;
  - XTB S.C. Limited in the Seychelles. The Company received a brokerage license. As of the date of this report, the Company had no operations.

The table below presents additional data on the above branches and subsidiaries in 2023 and 2022:

NAME	AREAS OF ACTIVITIES	REVENUE FOR 2023 (in thousands PLN)	NUMBER OF EMPLOYEES AT THE END OF 2023	PROFIT BEFORE TAX FOR 2023 (in thousands PLN)	INCOME TAX FOR 2023 (in thousands PLN)
Branches	UE	124 452	136	5 692	(1 489)
Subsidiaries	UE	3 636	12	132	(45)
Subsidiaries	outside the UE	189 864	92	10 796	62

NAME	AREAS OF ACTIVITIES	REVENUE FOR 2022 (in thousands PLN)	NUMBER OF EMPLOYEES AT THE END OF 2022	PROFIT BEFORE TAX FOR 2022 (in thousands PLN)	INCOME TAX FOR 2022 (in thousands PLN)
Branches	UE	114 248	127	5 215	(1 730)
Subsidiaries	UE	3 734	10	141	(18)
Subsidiaries	outside the UE	157 525	81	8 947	(524)

#### 4.2.5 Selected financial and operating ratios of the Group

The financial ratios presented in the following table are not a measure of the financial results in accordance with the IFRS nor should they be treated as a measure of the financial results or cash flows from operating activities or considered an alternative to a profit. These indicators are not uniformly defined and may not be comparable to ratios presented by other companies, including companies operating in the same sector as the Group.

	12 MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
EBITDA (in PLN'000) <sup>1</sup>	911 272	897 679
EBITDA margin (%) <sup>2</sup>	57,4	62,2
Net profit margin (%) <sup>3</sup>	49,8	53,0
Return on equity -ROE (%) <sup>4</sup>	48,8	63,3
Return on assets - ROA (%) <sup>5</sup>	18,0	21,1
Aggregate capital adequacy ratio (IFR) (%)	188,7	218,1

<sup>1</sup>) EBITDA calculated as operating profit, including amortisation and depreciation.

<sup>2</sup>) Calculated as the quotient of operating profit, including amortisation and depreciation, and operating income.

<sup>3</sup>) Calculated as the quotient of net profit and operating income.

<sup>4</sup>) Calculated as the quotient of net profit and average balance of equity (calculated as the arithmetic mean of the total equity as at the end of the prior period and as at the end of the current reporting period).

<sup>5</sup>) Calculated as the quotient of net profit and average balance of total assets (calculated as the arithmetic mean of the total assets as at the end of the prior period and as at the end of the current reporting period).

The table below presents:

- the number of new clients in individual periods;
- the aggregate number of clients;
- The number of clients who have made at least one transaction and/or had at least one open position during the individual periods
- the average quarterly number of clients who have made at least one transaction and/or had at least one open position during the individual periods;
- the amount of net deposits in the individual periods;
- average operating income per one active client;
- the transaction volume in lots;
- profitability per lot;
- transaction volume of CFD derivatives at nominal value (in USD million);
- Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) and;
- the volume of share transactions at nominal value (in USD million).

The information presented in the table below is related to the aggregate operations in the retail and institutional operations segments.

	TWELVE-MONTH PERIOD ENDED	
	31.12.2023	31.12.2022
New clients <sup>1</sup>	311 971	196 864
Clients in total	897 573	614 934
Number of active clients <sup>2</sup>	408 528	270 560
Average number of active clients <sup>3</sup>	277 684	186 053
Net deposits (in PLN'000) <sup>4</sup>	3 793 729	3 423 224
Average operating income per active client (in PLN'000) <sup>5</sup>	5,7	7,8
Transaction volume in CFD instruments in lots <sup>6</sup>	7 416 479	6 365 643
Profitability per lot (in PLN) <sup>7</sup>	214	227
Transaction volume in CFD instruments in nominal value (in USD'000000)	2 285 891	2 259 588
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) <sup>8</sup>	166	143
Turnover of shares in nominal value (in USD'000000)	4 513	3 336

<sup>1</sup>) The number of new Group's clients in the individual periods.<sup>2</sup>) The number of clients who have made at least one transaction and/or had at least one open position during the individual periods.<sup>3</sup>) The average quarterly number of clients who have made at least one transaction and/or had at least one open position during the individual periods.<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 clients who at least one transaction has been concluded over the last three months.<sup>6</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>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).

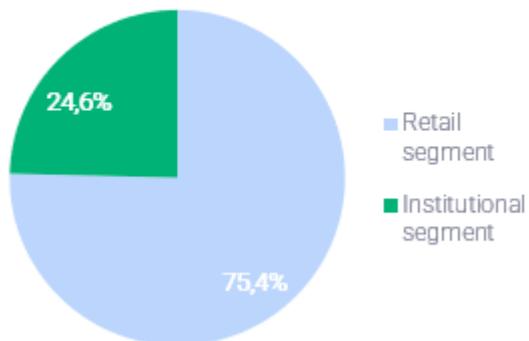
The table below shows data on the Group's transaction volumes (in lots) by geographical area for the periods indicated.

	12 MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
<b>Retail operations segment</b>	<b>5 590 845</b>	<b>5 561 112</b>
Central and Eastern Europe	2 443 971	2 762 057
Western Europe	1 195 180	1 204 963
Latin America <sup>1</sup>	1 202 449	1 258 226
Middle East <sup>2</sup>	749 245	335 866
<b>Institutional operations segment</b>	<b>1 825 634</b>	<b>804 530</b>
<b>Total</b>	<b>7 416 479</b>	<b>6 365 643</b>

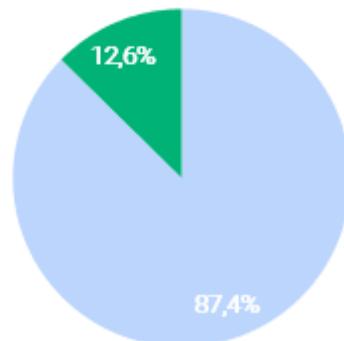
<sup>1</sup>) The subsidiary XTB International Ltd., with its seat in Belize, acquires clients from Latin America and the rest of the world (without Europe). The item excludes lots from clients acquired by this company from the Middle East region.<sup>2</sup>) Lots from clients from the Middle East, acquired by XTB International Ltd. with its seat in Belize and XTB MENA Limited with its seat in the United Arab Emirates.

## Group turnover in lots by segments

2023



2022



The table below shows data on the Group's revenue by geographical area for the periods indicated. The Group shares its revenues by geographic area according to the country of the XTB office in which the client was acquired. The exception is the Middle East region, which also presents clients from this market who were acquired by the subsidiary XTB International Ltd. in Belize.

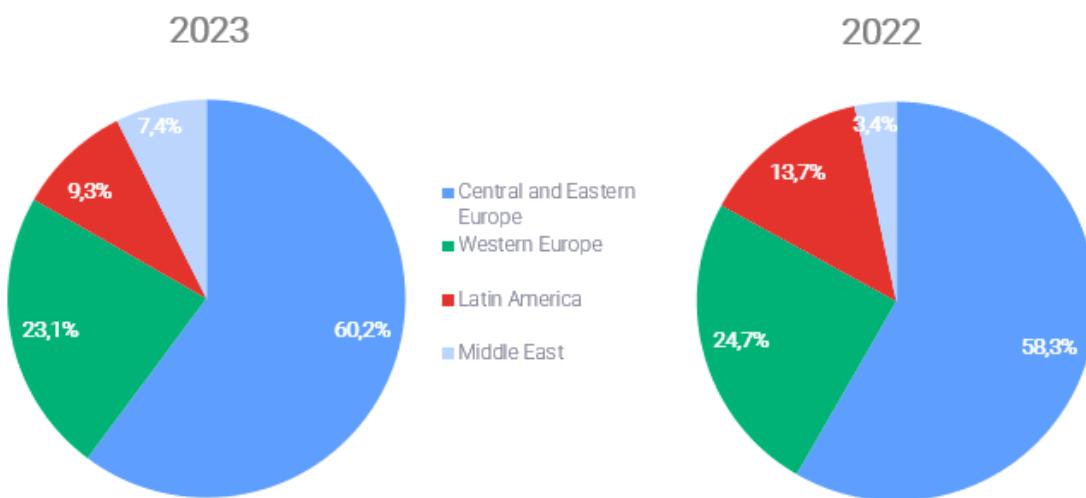
(IN PLN'000)	TWELVE MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
<b>Result from operations on financial instrument:</b>		
Central and Eastern Europe	944 581	836 683
Western Europe	365 618	355 237
Latin America <sup>1</sup>	146 534	196 605
Middle East <sup>2</sup>	117 758	48 635
<b>Income from fees and charges:</b>	<b>11 730</b>	<b>7 020</b>
Central and Eastern Europe	9 449	5 415
Western Europe	1 118	959
Latin America <sup>1</sup>	1 162	646
Middle East <sup>2</sup>	1	0
<b>Other income:</b>	<b>2 085</b>	<b>69</b>
Central and Eastern Europe	2 085	69
<b>Total operating income</b>	<b>1 588 306</b>	<b>1 444 249</b>
Central and Eastern Europe	956 115	842 167
- <i>including Poland<sup>3</sup></i>	732 129	598 006
Western Europe	366 737	356 196
Latin America <sup>1</sup>	147 695	197 251
Middle East <sup>2</sup>	117 759	48 635

<sup>1)</sup> The subsidiary XTB International Ltd., with its seat in Belize, acquires clients from Latin America and the rest of the world (without Europe). The item excludes revenues from clients acquired by this company from the Middle East region.

<sup>2)</sup> Revenue from clients from the Middle East, acquired by XTB International Ltd. with its seat in Belize and XTB MENA Limited with its seat in the United Arab Emirates.

<sup>3)</sup> The country from which the Group derives more than 20% of its revenue each time is Poland with a share of 46,1% (2022: 41,4%). Due to the overall share in the Group's revenues, Poland was presented as the largest market in the Group in terms of revenue.

## Group revenues by geographical area



## Retail operations segment

The table below presents key operational data in the retail operations segment of the Group for the respective periods indicated.

	TWELVE MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
New clients <sup>1</sup>	311 966	196 859
Clients in total	897 540	614 902
Number of active clients <sup>2</sup>	408 501	270 531
Average number of active clients <sup>3</sup>	277 664	186 031
Number of transactions <sup>4</sup>	142 056 400	135 661 515
Transaction volume in CFD instruments in lots <sup>5</sup>	5 590 845	5 561 113
Net deposits (in PLN'000) <sup>6</sup>	3 670 943	3 377 709
Average operating income per active client (in PLN'000) <sup>7</sup>	5,3	9,3
Average client acquisition cost (in PLN'000) <sup>8</sup>	0,8	1,1
Profitability per lot (in PLN) <sup>9</sup>	265	256
Transaction volume in CFD instruments in nominal value (in USD million)	2 120 851	2 120 851
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) <sup>10</sup>	167	153
Turnover of shares in nominal value (in USD million)	4 513	3 336

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

<sup>2</sup>) The number of clients who have made at least one transaction and/or had at least one open position during the individual periods.

<sup>3</sup>) The average quarterly number of clients who have made at least one transaction and/or had at least one open position during the individual periods.

<sup>4</sup>) Total number of open and closed transactions in a given period.

<sup>5</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>6</sup>) Net deposits comprise deposits placed by clients less amounts withdrawn by the clients in a given period.

<sup>7</sup>) The Group's operating income in a given period divided by the average quarterly number of clients via which at least one transaction has been concluded over the last three months.

<sup>8</sup>) Average cost of obtaining a client comprise total marketing costs of the Group divided by the number of new clients in given period.

<sup>9</sup>) Total operating income in retail segment divided by the transaction volume in CFDs in lots.

<sup>10</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).

The following table presents data by geography on the average quarterly number of the Group's retail clients who conducted at least one transaction or held an open position in a three-month period. The locations of active clients have been determined based on the location of the Group's office (that maintains the client). The exception is the Middle East region, which also presents revenues from clients from this market acquired by the subsidiary XTB International Ltd. based in Belize.

	TWELVE MONTHS PERIOD ENDED			
	31.12.2023	31.12.2022		
Central and Eastern Europe	177 403	64%	115 906	62%
Western Europe	62 923	23%	39 871	21%
Latin America <sup>1</sup>	28 361	10%	27 047	15%
Middle East <sup>2</sup>	8 978	3%	3 207	2%
<b>Total</b>	<b>277 664</b>	<b>100%</b>	<b>186 031</b>	<b>100%</b>

<sup>1</sup>) The subsidiary XTB International Ltd., with its seat in Belize, acquires clients from Latin America and the rest of the world (without Europe). The item excludes clients acquired by this company from the Middle East region.

<sup>2</sup>) Clients from the Middle East, acquired by XTB International Ltd. with its seat in Belize and XTB MENA Limited with its seat in the United Arab Emirates.

## Institutional operations segment

The Group also provides services to institutional clients under the X Open Hub (XOH) brand, under which it provides liquidity and technology to other financial institutions as part of the institutional business segment.

The table below presents information regarding the number of clients in the Group's institutional operations segment in the periods indicated.

	TWELVE MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
Average number of active clients	20	22
Clients in total	33	32

The table below presents the Group's turnover (in lots) in the institutional operations segment in the periods indicated.

	TWELVE MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
Transaction volume in CFD instruments in lots	1 825 634	804 530

## 4.2.6 Basic separate economic financial information

### Discussion of the Company's results in 2023

The table below shows selected items of the separate statement of comprehensive income for the periods indicated.

(IN PLN'000)	TWELVE MONTHS ENDED		CHANGE %
	31.12.2023	31.12.2022	
Result of operations on financial instruments	1 450 072	1 328 564	9,1
Income from fees and charges	10 158	5 764	76,2
Other income	2 085	69	2 921,7
<b>Total operating income</b>	<b>1 462 315</b>	<b>1 334 397</b>	<b>9,6</b>
Marketing	(204 851)	(171 317)	19,6
Salaries and employee benefits	(204 843)	(148 627)	37,8
Other external services	(89 219)	(79 130)	12,7
Commission expenses	(37 708)	(31 102)	21,2
Amortisation	(14 497)	(9 872)	46,8
Taxes and fees	(8 996)	(6 988)	28,7
Other costs	(6 424)	(7 932)	(19,0)
Costs of maintenance and lease of buildings	(5 807)	(4 189)	38,6
<b>Total operating expenses</b>	<b>(572 345)</b>	<b>(459 157)</b>	<b>24,7</b>
<b>Profit on operating activities</b>	<b>889 970</b>	<b>875 240</b>	<b>1,7</b>
<b>Impairment of investments in subsidiaries</b>	<b>(125)</b>	<b>(737)</b>	<b>(83,0)</b>
Finance income	104 585	56 208	86,1
Finance costs	(38 614)	(834)	4 530,0
<b>Profit before tax</b>	<b>955 816</b>	<b>929 877</b>	<b>2,8</b>
Income tax	(168 680)	(168 313)	0,2
<b>Net profit</b>	<b>787 136</b>	<b>761 564</b>	<b>3,4</b>

### Operating income

The Company's income is primarily derived from its retail activities and consists of:

- spreads (the difference between the offer price and the bid price);
- fees and commissions charged by the Company to its clients;
- swap points charged by the Group (as a cost of maintaining the position over time) and;
- net result (profits offset by losses) from the Group's market-making activities.

The table below presents the percentage share of each revenue category in the gross result of operations of financial instruments (except dividends from subsidiaries).

	TWELVE MONTHS PERIOD ENDED	
	31.12.2022	31.12.2022
Spread	46%	54%
Swaps, commissions and fees	41%	26%
Market Making	13%	20%
<b>Gross result of operations on financial instruments (expect dividends from subsidiaries)</b>	<b>100%</b>	<b>100%</b>

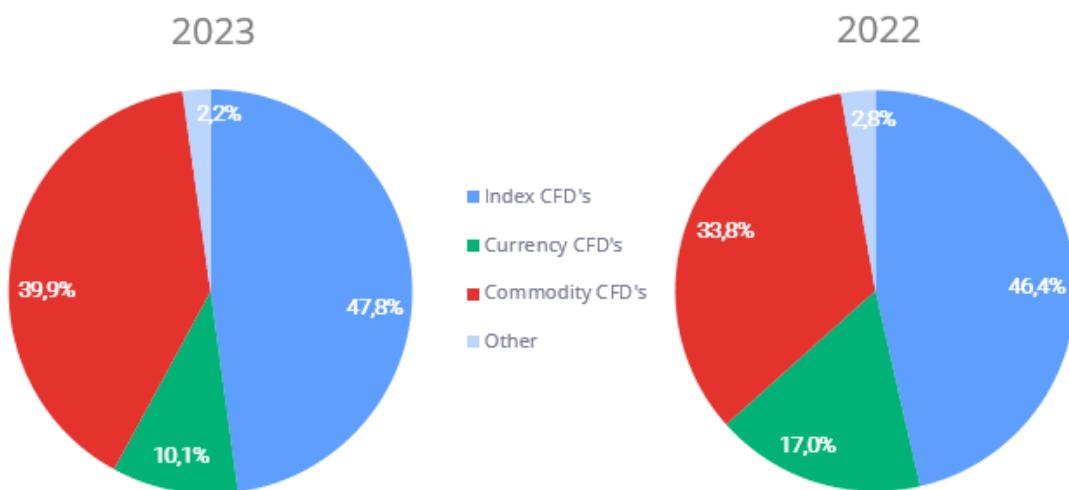
The table below shows information on the Company's operating income for the periods indicated.

	TWELVE MONTHS PERIOD ENDED			
	31.12.2023		31.12.2022	
	(in PLN'000)	(%)	(in PLN'000)	(%)
Result of operations on financial instruments	1 450 072	99,2	1 328 564	99,6
Income from fees and charges	10 158	0,7	5 764	0,4
Other income	2 085	0,1	69	0,0
<b>Total operating income</b>	<b>1 462 315</b>	<b>100,0</b>	<b>1 334 397</b>	<b>100,0</b>

The largest source of the Company's operating income is the result from operations on financial instruments, which accounted for 99,2% and 99,6% of total operating revenues, in 2023 and 2022, respectively. The largest share in the result on transactions in gross financial instruments have three product classes: index CFDs, commodity CFDs and currency CFDs, that generated in 2023, respectively 47,6%, 39,6% and 10,1% (in 2022, respectively: 46,1%, 33,7% and 16,9%). Other products, such as CFD based on shares and ETFs, CFD based on bonds and shares and ETFs in the analysed periods accounted for a total of 2,2% and 2,8% of the result on operations in gross financial instruments in 2023 and in 2022 respectively.

#### The result of operations on financial instruments

(IN PLN'000)	12 MONTHS PERIOD ENDED		CHANGE %
	31.12.2023	31.12.2022	
Index CFDs	781 285	687 424	13,7
Commodity CFDs	650 847	501 314	29,8
Currency CFDs	165 161	251 429	(34,3)
Stock and ETF CFDs	24 261	36 816	(34,1)
Bond CFDs	1 079	796	35,6
<b>Total CFDs</b>	<b>1 622 633</b>	<b>1 477 779</b>	<b>9,8</b>
Stocks and ETFs	11 050	3 494	216,3
<b>Dividends from subsidiaries</b>	<b>7 835</b>	<b>8 401</b>	<b>(6,7)</b>
<b>Gross gain on transactions in financial instruments</b>	<b>1 641 518</b>	<b>1 489 674</b>	<b>10,2</b>
Bonuses and discounts paid to customers	(81)	-	-
Financial intermediation services	(191 365)	(160 203)	19,5
Commissions paid to cooperating brokers	-	(907)	-
<b>Net result from operations on financial instruments</b>	<b>1 450 072</b>	<b>1 328 564</b>	<b>9,1</b>

**The share of instruments in the result on operations financial instruments****Total operating expenses**

Operating costs in 2023 amounted to PLN 572 345 thousand and were PLN 113 188 thousand higher than in the previous year (2022: PLN 459 157 thousand). The most significant changes were in:

- costs of remuneration and employee benefits, an increase by PLN 56 216 thousand, mainly due to an increase in the number of employees and higher provisions for variable remuneration components (bonuses);
- marketing costs, an increase of PLN 33 534 thousand resulting mainly due to higher expenses for online marketing campaigns;
- other external services, an increase by PLN 10 089 thousand, mainly as a result of higher expenses for: (i) IT systems and licenses (up by PLN 7 807 thousand y/y); (ii) legal and consulting services (up by PLN 1 583 thousand y/y) and (iii) market data delivery services (up by PLN 1 070 thousand y/y);
- commission costs, which increased by PLN 6 606 thousand as a result of higher amounts paid to payment service providers through which clients deposit their funds on transaction accounts;
- depreciation and amortization expenses, an increase of PLN 4 625 thousand mainly related to the relocation of three of the Company's branches.

**4.2.7 Selected financial and operation ratios of the Company**

The financial ratios presented in the following table are not a measure of the financial results in accordance with the IFRS nor should they be treated as a measure of the financial results or cash flows from operating activities or considered an alternative to a profit. These ratios are not defined in a harmonized manner and may not be comparable with the ratios presented by other companies, including companies operating in the same sector as the Company.

	TWELVE MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
EBITDA (in PLN'000) <sup>1</sup>	904 467	885 112
EBITDA margin (%) <sup>2</sup>	61,9	66,3
Net profit margin (%) <sup>3</sup>	53,8	57,1
Return on equity -ROE (%) <sup>4</sup>	48,8	63,2
Return on assets - ROA (%) <sup>5</sup>	18,7	22,1
Aggregate capital adequacy (IFR) (%)	195,5	228,0

<sup>1</sup>) EBITDA calculated as operating profit, including amortisation and depreciation.

<sup>2</sup>) Calculated as the quotient of operating profit, including amortisation and depreciation, and operating income.

<sup>3</sup>) Calculated as the quotient of net profit and operating income.

<sup>4</sup>) Calculated as the quotient of net profit and average balance of equity (calculated as the arithmetic mean of the total equity as at the end of the prior period and as at the end of the current reporting period).

<sup>5</sup>) Calculated as the quotient of net profit and average balance of total assets (calculated as the arithmetic mean of the total assets as at the end of the prior period and as at the end of the current reporting period).

Due to the fact that operating KPIs data concerning number of clients, number of active clients, deposits, volume turnover in lots and average operating income per active client are analysed by the Company's Management Board on the Group level, and not in the separate view, this data was presented only in the consolidated view. In the Company's opinion this gives a complete view of the Group's situation. Therefore, in the Company's opinion analysis of the above mentioned KPIs on the consolidated level is reliable.

The table below shows data on the Company's revenue by geographical area for the periods indicated.

(IN PLN'000)	TWELVE MONTHS PERIOD ENDED	
	31.12.2023	31.12.2022
<b>Result of the operations on financial instrument:</b>	<b>1 450 072</b>	<b>1 328 564</b>
Central and Eastern Europe	952 414	845 083
Western Europe	338 156	330 897
Latin America <sup>1</sup>	67 602	121 655
Middle East <sup>2</sup>	91 900	30 929
<b>Income from fees and charges:</b>	<b>10 158</b>	<b>5 764</b>
Central and Eastern Europe	9 432	5 083
Western Europe	726	681
<b>Other income:</b>	<b>2 085</b>	<b>69</b>
Central and Eastern Europe	2 085	69
<b>Total operating income</b>	<b>1 462 315</b>	<b>1 334 397</b>
Central and Eastern Europe	963 932	850 235
- including Poland <sup>3</sup>	745 397	608 931
Western Europe	338 881	331 578
Latin America <sup>1</sup>	67 602	121 655
Middle East <sup>2</sup>	91 900	30 929

<sup>1</sup>) The subsidiary XTB International Ltd., with its seat in Belize, acquires clients from Latin America and the rest of the world (without Europe). The item excludes revenues from clients acquired by this company from the Middle East region.

<sup>2</sup>) Revenue from clients from the Middle East, acquired by XTB International Ltd. with its seat in Belize and XTB MENA Limited with its seat in the United Arab Emirates.

<sup>3</sup>) The country from which the Group derives more than 20% of its revenue each time is Poland with a share of 45,6% (2022 r.: 38,2%). Due to the overall share in the Group's revenues, Poland was presented as the largest market in the Group in terms of revenue.

### 4.3 Current and projected financial situation

Current and projected financial situation of XTB S.A. and the Capital Group shows no significant risks. The Company is the parent company of the Capital Group. The Company's financial situation should be evaluated by the results of the entire Capital Group. The company maintains and intends to maintain the financial liquidity at an adequate level to the scale of its operations.

## 4.4 Structure of assets and liabilities

### 4.4.1 Structure of assets and liabilities in the consolidated statement of financial position

IN PLN'000))	31.12.2023	% balance sheet total	31.12.2022	% balance sheet total
<b>ASSETS</b>				
Own cash	1 409 897	30,1	1 222 499	29,7
Clients' cash	2 266 859	48,4	1 938 503	47,1
Financial assets at fair value through P&L	903 255	19,3	842 509	20,5
Income tax receivables	129	0,0	-	-
Financial assets at amortized cost	31 407	0,7	41 675	1,0
Prepayments and deferred costs	15 486	0,3	14 524	0,4
Intangible assets	1 167	0,0	1 441	0,0
Property, plant and equipment	50 386	1,1	45 303	1,1
Deferred income tax assets	10 072	0,2	7 869	0,2
<b>Total assets</b>	<b>4 688 658</b>	<b>100,0</b>	<b>4 114 323</b>	<b>100,0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
Amounts due to clients	2 638 122	56,3	2 327 728	56,6
Financial liabilities held for trading	110 358	2,4	105 552	2,6
Income tax liabilities	22 991	0,5	1 827	0,0
Liabilities due to lease	29 603	0,6	30 450	0,7
Other liabilities	86 080	1,8	79 705	1,9
Provisions for liabilities	3 892	0,1	4 256	0,1
Deferred income tax provision	62 949	1,3	58 736	1,4
<b>Total liabilities</b>	<b>2 953 995</b>	<b>63,0</b>	<b>2 608 254</b>	<b>63,4</b>
<b>Equity</b>				
Share capital	5 878	0,1	5 869	0,1
Supplementary capital	71 608	1,5	71 608	1,7
Other reserves	863 166	18,4	657 555	16,0
Foreign exchange differences on transaction	(6 595)	(0,1)	40	0,0
Retained earnings	800 606	17,1	770 997	18,7
<b>Equity attributable to the owners of the Parent Company</b>	<b>1 734 663</b>	<b>37,0</b>	<b>1 506 069</b>	<b>36,6</b>
<b>Total equity</b>	<b>1 734 663</b>	<b>37,0</b>	<b>1 506 069</b>	<b>36,6</b>
<b>Total equity and liabilities</b>	<b>4 688 658</b>	<b>100,0</b>	<b>4 114 323</b>	<b>100,0</b>

As at 31 December 2023 the balance sheet total amounted to PLN 4 688 658 thousand. In comparison to 31 December 2022 there was an increase by PLN 574 335 thousand i.e. 14,0%.

The most important asset item, both at the end of 2023 and 2022, are cash plus treasury bonds (presented in financial assets at fair value through P&L), which accounted for respectively in 2023 and 2022, 86,9% and 85,6% of assets. Cash comprises the Group's own cash and clients' cash. Clients' cash is deposited in bank accounts separately from the Group's cash. XTB place part of its cash in financial instruments with a 0% risk weight, i.e. in treasury bonds and bonds guaranteed by the State Treasury. As at 31 December 2023 the total amount of treasury bonds in the Group amounted to PLN 395 808 thousand (as at 31 December 2022: PLN 362 074 thousand). At the end of 2023, own cash plus treasury bonds increased by 14,0% y/y, while clients' cash increased by 16,9% y/y.

The most significant increase in terms of value, i.e. by PLN 328 356 thousand in assets occurred in clients' cash.

With regards to the structure of liabilities, the most significant item as at 31 December 2023 were amounts due to clients (56,3% of liabilities in 2023 and 56,6% in 2022, respectively). Amounts due to clients result from transactions made by clients (including cash deposited on clients' accounts).

#### 4.4.2 Structure of assets and liabilities in the separate statement of financial position

(in PLN'000)	31.12.2023	% balance sheet total	31.12.2022	% balance sheet total
<b>ASSETS</b>				
Own cash	1 271 437	28,3	1 124 822	28,7
Clients' cash	2 142 905	47,6	1 803 101	46,1
Financial assets at fair value through P&L	852 787	19,0	796 117	20,3
Investments in subsidiaries	49 429	1,1	43 487	1,1
Income tax receivables	129	0,0	-	-
Financial assets at amortised cost	110 347	2,5	83 218	2,1
Prepayments and deferred costs	14 454	0,3	12 541	0,3
Intangible assets	1 086	0,0	1 333	0,0
Property, plant and equipment	47 563	1,1	42 455	1,1
Deferred income tax assets	8 030	0,2	6 203	0,2
<b>Total assets</b>	<b>4 498 167</b>	<b>100,0</b>	<b>3 913 277</b>	<b>100,0</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Liabilities</b>				
Amounts due to clients	2 500 414	55,6	2 176 863	55,6
Financial liabilities held for trading	68 017	1,5	68 196	1,7
Income tax liabilities	22 641	0,5	1 304	0,0
Liabilities due to lease	27 201	0,6	28 108	0,7
Other liabilities	86 331	1,9	78 603	2,0
Provisions for liabilities	3 732	0,1	4 002	0,1
Deferred income tax provision	61 901	1,4	57 838	1,5
<b>Total liabilities</b>	<b>2 770 237</b>	<b>61,6</b>	<b>2 414 914</b>	<b>61,7</b>
<b>Equity</b>				
Share capital	5 878	0,1	5 869	0,1
Supplementary capital	71 608	1,6	71 608	1,8
Other reserves	863 028	19,2	657 417	16,8
Foreign exchange differences on translation	280	0,0	1 905	0,0
Retained earnings	787 136	17,5	761 564	19,5
<b>Total equity</b>	<b>1 727 930</b>	<b>38,4</b>	<b>1 498 363</b>	<b>38,3</b>
<b>Total equity and liabilities</b>	<b>4 498 167</b>	<b>100,0</b>	<b>3 913 277</b>	<b>100,0</b>

As at 31 December 2023 balance sheet total amounted to PLN 4 498 167 thousand. Compared to 31 December 2022 there was an increase by PLN 584 890 thousand i.e. 14,9%.

The most important asset item, both at the end of 2023 and 2022, are cash plus treasury bonds (presented in financial assets at fair value through P&L), which accounted for respectively in 2023 and 2022, 84,7% and 84,1% of assets. Cash includes the Company's own cash and clients' cash. Clients' cash is deposited in bank accounts separately from the Company's cash. XTB place part of its cash in financial instruments with a 0% risk weight, i.e. in treasury bonds and bonds guaranteed by the State Treasury. As at December 31 2023 the total value of bonds in the Company was PLN 395 808 thousand (as at December 31 2022: PLN 362 074 thousand). At the end of 2023, own cash plus treasury bonds increased by 12,1% y/y, with client cash increased by 18,8% y/y.

The most significant increase in terms of value, i.e. by PLN 339 804 thousand in assets occurred in clients' cash.

As regards the structure of liabilities, the most significant item as at 31 December 2023 were amounts due to clients (55,6% of liabilities in 2023 and 55,6% in 2022). Amounts due to clients result from transactions made by clients (including cash deposited on clients' accounts).

## 4.5 Factors which in the Management's Board belief may impact the Group's operations and perspectives

The Management Board believes that the following trends have impact and will maintain and continue to impact the Group's operations in 2024 and in some cases also longer:

- The business model used by XTB Group (described in detail in section *2.3 Strategy and business model* of this Report).
- Continue to grow XTB's client base and reach the mass client with product offerings. This is key to XTB's continued dynamic growth and global brand building, which is directly related to the further expansion of XTB Group's product portfolio with new products and technology solutions, including offering clients an All-in-One investment application that provides easy, smart and efficient ways for clients to invest and save, while giving them instant access to their money.
- The Group provides services for institutional clients within the institutional activity segment (X Open Hub). The products and services offered by the Group as part of the X Open Hub differ from those offered as part of the retail segment, which entails different risks and challenges. As a result, the Group's revenues from this segment are exposed to large fluctuations from period to period. The table below illustrates the percentage share of the institutional business segment in total operating income.

	2023	2022	2021	2020	2019	2018
% share of operating income from institutional operations in total operating income	6,8%	1,3%	0,3%	13,2%	8,7%	6,5%

The level of volatility in financial and commodity markets in 2024, regulatory changes as well as other factors (if they occur) may affect the condition of XTB's institutional partners, transaction volume in lots, as well as XTB revenues from these clients.

- Due to the dynamic development of XTB, the Management Board estimates that in 2024 the total operating costs may even be about a quarter higher than that observed in 2023. 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, marketing expenditure 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. To increase employment in the Group will be driven by its dynamic development, both on existing and new markets. In turn, the amount of variable remuneration components will be influenced by the Group's results.

- 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 will 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 results on this action. In 2024, the Management Board's efforts will focus on obtaining the necessary licenses and starting operations in Brazil and Indonesia.

- 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.

Due to the uncertainty regarding future economic conditions, the expectations and forecasts of the Management Board are subject to a particularly high level of uncertainty.

## 4.6 Risk factors

### 4.6.1 Risk management

XTB Group's operations are associated with the occurrence of various types of risks that are characteristic of the operating model adopted, which is characterized by the occurrence of significant open positions resulting from market-maker activities, a significant degree of complexity of the ICT infrastructure, a very large number of operations and a large number of legal regulations in force in many different geographical areas in which the Group operates. These risks may pose a threat to the Group itself, to clients and to the financial market as a whole.

In order to control risks, the Group has a risk management system, which consists of policies, procedures, mechanisms and tools to support the processes for managing specific types of risks according to their materiality. The main objectives of the risk management system are to:

- identification and determination of the materiality of individual risks,
- proper measurement or estimation of the level of risks (for risks that are difficult to measure),
- control the level of risk by monitoring limits and taking appropriate action when limits or alert levels are exceeded;
- support the achievement of established business objectives by control of the level of risks and ensuring compliance with the risk appetite.

The risk management system is organized along three lines of defence:

- the first line of defence is formed by the organizational units whose operational activities give rise to risks, in particular the Trading Department (risks associated with open positions) and the IT Development Department (operational risks associated with the development of systems and their operation),
- the second line of defence consists of units that are independent of the business unit and are responsible for measuring, monitoring and reporting risks, including the Risk Control Department,
- the third line of defence is the Audit Department, which independently monitors and evaluates the effectiveness of the activities of the first and second lines of defence.

At the strategic level, the Management Board is responsible for establishing and monitoring the risk management policy.

The Risk Management Committee, composed of members of the Supervisory Board, was appointed in the Parent Company. The Committee's tasks include: preparation of a draft document regarding risk appetite of the brokerage house, issuing opinions on management strategy developed by the Management Board, supporting the Supervisory Board in supervising the strategy of the brokerage house in risk management by the Management Board, verification of remuneration policy and principles of its implementation in terms of adjusting the remuneration system to the risk the brokerage house is exposed to, its capital, liquidity and probabilities and dates of obtaining income.

The Risk Control Department supports the Management Board in formulating, reviewing and updating ICAAP rules in the event of the occurrence of new types of risk, significant changes in strategy and operating plans. The Department also monitors the appropriateness and efficiency of the implemented risk management system, identifies, monitors and controls the market risk of the Group's own investments, defines the overall capital requirement and estimates internal capital. The Risk Control Department reports directly to the Member of the Management Board responsible for the operation of the Company's internal control system.

The Parent Company's Supervisory Board approves procedures for internal capital estimation, capital management and planning.

The management system, including XTB's risk management system, is evaluated annually by the Financial Supervisory Commission as part of the Supervisory Examination and Evaluation (BION) process. The assessment obtained in 2023 shows that:

- in terms of the business model - the business model and strategies adopted indicate a low level of risk to the stability of the brokerage house,
- in terms of governance - imperfections in governance mechanisms indicate a low level of threat to the stability of the brokerage house,
- in terms of adequacy of liquidity and funding resources - the liquidity position and funding profile indicate a low level of threat to the stability of the brokerage house, taking into account the management and control mechanisms of liquidity risk and funding risk,
- in terms of capital adequacy - the level of own funds indicates a low level of threat to the stability of the brokerage house, taking into account the level, management and control mechanisms of the various risks to which the brokerage house is exposed.

The Group is required to maintain capital resources adequate to its risks (capital adequacy) and maintains at an appropriate level:

- own funds resulting from the IFR Regulations,
- internal capital.

Adequate capital resources are intended to safeguard the Group's ability to operate in the event of the materialization of particular risks.

An important element of the risk management system is risk appetite, which defines the level of risk measures that should not be exceeded and determines risk appetite. Risk appetite, like other elements of the risk management system, is subject to periodic review and possible adjustment to changing business conditions.

#### 4.6.2 Risk factors and threats

The Group within its operations monitors and assesses risks and undertakes activities in order to minimize their impact on the financial situation.

As at 31 December 2023 and as at the date of this report, the Group identifies the following risks associated with the Group's operations and with the regulatory environment.

##### Risks associated with the Group's operations:

- Group's revenue and profitability are influenced by trading volume and volatility in financial and commodity markets that are impacted by factors that are beyond the Group's control;
- economic, political and market factors beyond the Group's control may adversely affect the Group's operations and profitability, including, in particular, restrictions on the ability to offer certain financial instruments in certain markets, such as product intervention in 2017-2018;
- the Group's operations based on the market making model may cause the Group to incur significant financial losses, but the mitigation measure is a system of limits and risk measurement;
- the Group's risk management policies and procedures may not be effective, but they are subject to periodic review and possible adjustment to changing conditions;
- the Group is exposed to the risk of disruption or damage to the infrastructure necessary for the Group's operations, but the technical solutions implemented by XTB reduce the level of this risk;
- the Group's business depends to a large extent on its ability to maintain its reputation and the general perception of the financial instruments markets, XTB monitors its reputation on an ongoing basis and takes measures to maintain a positive perception of the Company and its products;
- the Company may not pay dividends in the future or pay dividends at a lower rate than specified in the Group's dividend policy;
- while the Group may not execute its strategy, it is subject to review and possible revision;
- the implementation of the Group's strategies in different regions of the world is subject to various region-specific risks, including political instability;
- the Group may find it difficult to attract new retail clients and retain its base of active retail clients, which may be related to restrictions on the advertising and marketing of certain products, such as restrictions on CFDs

in Spain in 2023; however, XTB is changing client perceptions, not only as an investment company related to contracts for difference, so the impact of this regulation is limited;

- the Group may be unable to effectively manage its growth;
- the Group is exposed to counterparty credit risk, but the risk is mitigated by careful selection of partners and monitoring of their situation;
- the Group is exposed to client credit risk;
- the Group is exposed to the risk of losing its liquidity;
- the Group may lose access to market liquidity;
- the decline in interest rates may have an adverse impact on the Group's revenue;
- the Group operates in highly competitive markets;
- the Group may not be able to maintain technological competitiveness and respond to dynamically changing client demands;
- the Group may be unable to effectively protect or to ensure the continued use of its current intellectual property rights;
- the development of the Group's product and services portfolio and expansion of the Group's operations to include new lines of business may involve increased risks;
- the Group may not be able to hire or retain qualified staff;
- risks related to the Group's cost structure;
- the Group's insurance coverage relating to its operations may be insufficient or not available;
- within its operations the Group is significantly dependent on third parties;
- the Group may not be able to prevent potential conflicts between its interest connected with its activities and the interests of the clients;
- other factors beyond the Group's control could have negative impact on its operating activities.

#### **Risks associated with the regulatory environment:**

- the Group operates in a heavily regulated environment and may fail to comply with the rapidly changing laws and regulations. Additional information regarding the Group's regulatory environment were presented in section 5.2.;
- the Group is required to adapt its business to the new PFSA Guidelines and other supervisory authorities (including ESMA), which may force the Group to incur significant financial expenditures and to implement material organisational changes, and may adversely affect the Group's competitive position;
- the Company is required to maintain minimum levels of capital, which could restrict the Company's and as a consequence Group's growth and subject it to regulatory sanctions;
- the Company may be required to maintain higher capital ratios or buffers;
- maximum leverage ratios may be further reduced by regulators;
- the interpretation of the applicable laws may be unclear, and the laws may be subject to change;
- the Group may be exposed to increased administrative burdens and compliance costs as a respect of entering new markets;
- the procedures utilised by the Group, including in respect of anti-money laundering, preventing the financing of terrorism and 'know your client', may not be sufficient to prevent money laundering, the financing of terrorism, market manipulation or to identify other prohibited trades; however, the technical and organizational solutions introduced significantly reduce this risk;
- the Group may be exposed to risks related to personal data and other sensitive data processed by the Group;
- a breach of consumer protection regulations may result in adverse consequences for the Group;
- advertising regulations and other regulations may impact the Group's ability to advertise;
- changes in tax law regulations specific for the Group's business, their interpretation or changes to the individual interpretations of tax law regulations could adversely affect the Group;
- the related-party transactions carried out by the Company and the Group Companies could be subject to inspection by the tax or fiscal authorities;
- court, administrative or other proceedings may have an unfavourable impact on the Group's operations, and the Group is exposed, in particular, to the risk of proceedings relating to client complaints and litigation, and regulatory investigation;

- as a brokerage house, XTB may be required to bear additional financial burdens under Polish law, including contributions to the investment compensation scheme established by the NDS and contributions for the purpose of financing the PFSA's supervision of capital markets, as well as fees related to the costs of the Financial Ombudsman and his office;
- risk related to increased reporting obligations due to the applicability of FATCA and the automatic exchange of information on tax matters;
- the Group will be required to observe and to adjust its business to the MiFID II/MiFIR Package after it enters into force, which may be expensive and time-consuming and may result in significant restrictions in terms of the manner and scope in which the Group may offer its products and services;
- the risk related to the application of EU law on the implementation of remedial actions and the resolution of financial institutions.

### 4.6.3 Market risk

In the period covered by these report, the Group entered into OTC contracts for differences (CFDs). The Group also acquire securities and may enter into forward contracts on its own account on regulated stock markets.

The following risks are specified, depending on the risk factor:

- Currency risk connected with fluctuations of exchange rates,
- Interest rate risk,
- Commodity price risk,
- Equity investment price risk.

The Group's key market risk management objective is to mitigate the impact of such risk on the profitability of its operations. The Group's practice in this area is consistent with the following principles:

As part of the internal procedures, the Group applies limits to mitigate market risk connected with maintaining open positions on financial instruments. These are, in particular: a maximum open position on a given financial instrument, currency exposure limits, maximum value of a single instruction. The Trading Department monitors open positions subject to limits on a current basis, and in case of excesses, enters into appropriate hedging transactions. The Risk Control Department reviews the limit usage on a regular basis, and controls the hedges entered into.

### 4.6.4 Currency risk

The Group enters into transactions on the foreign exchange derivative contracts. In addition to transactions whose underlying is the exchange rate, the Group has instruments which price or value is denominated in foreign currency.

Brokerage house also manages the market risk generated by the assets held in foreign currencies, the so-called currency positions. Currency position consists of own resources of Brokerage house denominated in foreign currencies in order to settle transactions on foreign markets and related to the conduct of foreign branches.

Accounting Department supervises the state of own funds on bank accounts. Risk Control Department is actively involved in setting limits related to market risk, monitors the effectiveness of the control systems of market risk, monitors adherence to internal limits.

Quantitative information on foreign currency risk is presented in note *36.2.1 Foreign currency risk* and note *37.2.1 Foreign currency risk* to the consolidated and individual financial statements, respectively.

### 4.6.5 Credit risk

Credit risk is mainly affected by the risks associated with maintaining cash both own and clients' on bank accounts, as well as maintaining a portfolio of debt instruments. The credit risk related to cash is limited by the choice of banks with high credit ratings awarded by international rating agencies and through diversification of banks in which accounts are opened. With regard to the portfolio of debt instruments, credit risk is limited by the choice of instruments issued or guaranteed by the State Treasury. Risk Control Department continuously monitors the probability of default and credit ratings of banks, undertaking where appropriate the actions described in internal procedures. The concentration of exposures is monitored daily in order to avoid excessive negative impact on the Company of single event in the field of credit risk.

Credit risk involving financial assets held for trading is connected with the risk of customer or counterparty insolvency. With regard to OTC transactions with customers, the Group's policy is to mitigate the counterparty credit risk through

the so-called "stop out" mechanism. Customer funds deposited in the brokerage house serve as a security. If a customer's current balance is equal or less than 50% of the security paid in and blocked by the transaction system, the position that generates the highest losses is automatically closed at the current market price. The initial margin amount is established depending on the type of financial instrument, customer account, account currency and the balance of the cash account in the transaction system, as a percent of the transaction's nominal value. A detailed mechanism is set forth in the rules binding on the customers. In addition, in order to mitigate counterparty credit risk, the Group includes special clauses in agreements with selected customers, in particular, requirements regarding minimum balances in cash accounts.

Transactions made by clients on the regulated market practically does not generate relevant credit risk, since the vast majority of clients' orders is fully covered by the cash account, while the transaction is settled by the central contractor.

Quantitative information on credit risk is presented in note *36.4 Credit risk* and note *37.4 Credit risk* to the consolidated and individual financial statements, respectively.

#### 4.6.6 Interest rate risk

Interest rate risk is the risk of exposure of the Company's current and future financial result and equity to the adverse impact of interest rate fluctuations. Such risk may result from the contracts entered into by the Company, where receivables or liabilities are dependent upon interest rates as well as from holding assets or liabilities dependent on interest rates.

As a rule, the change in bank interest rates does not significantly affect the Company's financial position, since the Company determines interest rates for funds deposited in customers' cash accounts based on a variable formula, in an amount not higher than the interest received by the Group from the bank maintaining the bank account in which clients' funds are deposited.

Interest rates applicable to cash accounts are floating and related to interest rates on the interbank market. Therefore, the risk of interest rate mismatch adverse to the brokerage is very low.

Since the Group maintains a low duration of assets and liabilities and minimises the duration gap, sensitivity of the market value of assets and liabilities to fluctuations of market interest rates is very low. There is a slight sensitivity of financial result on changes of interest rates due to the Company's possession of Treasury Bond.

Additional costs may arise in the Group related to cash deposited in bank due to market negative interest rate.

Quantitative information on interest rate risk is presented in note *36.2.2 Interest rate risk* and note *37.2.2 Interest rate risk* to the consolidated and individual financial statements, respectively.

#### 4.6.7 Liquidity risk

For the Company, liquidity risk is the risk of losing its payment liquidity, i.e. the risk of losing capacity to finance its assets and to perform its obligations in a timely manner in the course of normal operations or in other predictable circumstances with no risk of loss. In its liquidity analysis, the Group takes into consideration current possibility of generation of liquid assets, future needs, alternative scenarios and payment liquidity contingency plans.

Currently at the Brokerage house the value of the most liquid assets (own cash) far exceeds the value of liabilities, hence liquidity risk is relatively low. These values are continuously monitored.

Quantitative information on liquidity risk is presented in note *36.3 Liquidity risk* and note *37.3 Liquidity risk* to the consolidated and individual financial statements, respectively.

#### 4.6.8 Operational risk

Due to the dynamic development of the Parent Company, the expansion of product offerings and IT infrastructure, the Company to a large extent is exposed to operational risk, defined as the possibility of losses due to mismatch or failed internal processes, human and systems errors or external events, while the legal risk is considered to part of the operational risk.

The Brokerage house applies a number of procedures for the operational risk management, including business continuity plans of the Company, emergency plans and personnel policy. As in the case of other risks, the Company approaches to operational risk in an active way - trying to identify risks and take action to prevent their occurrence, or

limiting their effects and an important element of this process is the analysis of the frequency of site and the type of events in the field of operational risk.

#### 4.6.9 Hedge accounting

XTB does not apply hedge accounting.

### 4.7 Assessment of financial funds management

The Group manages its financial funds through ongoing monitoring of possibility to finance its assets and to perform its obligations in a timely manner in the course of normal operations or in other predictable circumstances with no risk of loss. In its liquidity analysis, the Group takes into consideration current possibility of generation of liquid assets, future needs, alternative scenarios and payment liquidity contingency plans.

The objective of liquidity management in XTB is to maintain the amount of cash on the appropriate bank accounts that will cover all the operations necessary to be carried on such accounts.

In order to manage liquidity in relation to certain bank accounts associated with the operations of financial instruments, the Parent Company uses the liquidity model. The essence of the model is to determine the safe area of the state of free cash flow that does not require corrective action.

When the upper limit is achieved, the Parent Company makes a transfer to the appropriate current account corresponding to the surplus above the optimum level. Similarly, if the cash in the account falls to the lower limit, the Parent Company makes transfer of funds from the current account to the appropriate account in order to bring cash to the optimum level.

Operational activities related to liquidity management are also performed by the Trading Department and the Finance and Accounting Department.

The subsidiaries manage liquidity by analysing the anticipated cash flows and by matching the maturities of assets with the maturities of liabilities. The subsidiaries do not use any models for managing liquidity. Liquidity management based on the liquidity gap analysis is effective and sufficient – in subsidiaries, there were no incidents related to lack of liquidity or the lack of possibility of meeting financial obligations. In extraordinary cases, the subsidiaries' liquidity may be provided by the Parent Company.

The procedure also provides for the possibility of deviating from its application, and such procedure requires the consent of at least two members of the Parent Company's Management Board. Information on deviations is transmitted to the Risk Control Department of the Parent Company.

The Parent Company has also implemented liquidity contingency plans, which were not used in the period covered by the financial statements and in the comparative period, due to the fact that the amount of the most liquid assets (own cash and cash equivalents) greatly exceeds the amount of liabilities.

As part of ongoing business and the tasks related to liquidity risk management, the managers of appropriate organisational units of the Parent Company monitor the balance of funds deposited in the account in the context of planned liquidity needs related to the Parent Company's operating activities. In its liquidity analysis, the existing possibility of generation of liquid assets, future needs, alternative scenarios and payment liquidity contingency plans are taken into consideration.

Supervision and control operations concerning the balance of cash accounts are also performed by the Risk Control Department of Parent Company on a daily basis.

The contractual payment periods of financial assets and liabilities are presented in notes 36.3 and 37.3 to the Consolidated and Separate Financial Statements, respectively. The marginal and cumulative contractual liquidity gap, calculated as the difference between total assets and total liabilities for each maturity bucket, is presented for specific payment periods.

### 4.8 Material off-balance sheet items

Nominal value of financial instruments (off-balance sheet items) as at 31 December 2023 and as at 31 December 2022 was presented in notes 33 and 34, respectively to the consolidated and separate financial statements.

## 4.9 Financial forecasts

XTB S.A. did not publish any financial forecasts for 2023 (respectively consolidated and separate).

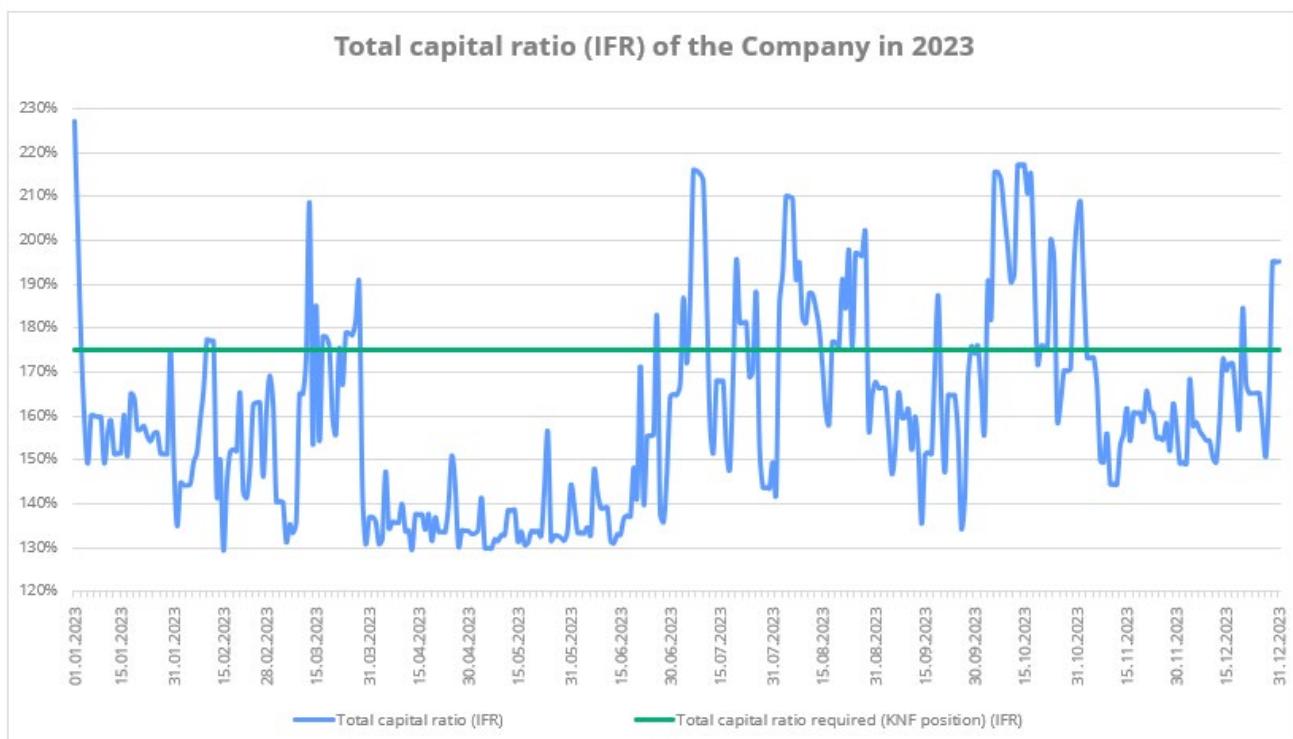
## 4.10 Dividend policy

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 2023 amounted to PLN 787 136 thousand. Taking into account the criteria set out by the Polish Financial Supervision Authority in the position published on 14 December 2023, in particular with regard to the level of the total capital ratio and the BION assessment in 2024, it is possible for XTB to pay out a dividend of up to 75% of the profit for 2023.

On December 29, 2023, the Company received a supervisory rating (BION) of 2 [2,52] from the Department of Investment Firms of the Polish Financial Supervision Authority. The rating was assigned as of June 30, 2023. 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 2023 in accordance with this criterion.

The chart below presents the value of the total capital ratio (IFR) in 2023.



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 2023 the total capital ratio in the Company was 195,5%.

The following table provides information on the Company's stand-alone net income and total dividends paid for the fiscal years indicated therein.

	FOR THE YEAR ENDED (IN PLN'000)	
	31.12.2022	31.12.2021
Net profit of the Company	761 564	234 841
Dividend	570 484	176 075

By decision of the Company's General Meeting of Shareholders, net profit for 2022 in the amount of PLN 761 564 thousand was allocated in part to the payment of dividends in the amount of PLN 570 484 thousand, the remaining part of the profit in the amount of PLN 191 080 thousand was transferred to reserve capital.

The value of the dividend per share paid for 2022 was PLN 4,86. The dividend was paid on 11 July 2023.

For information supplementing this subsection, see section *5.5.3 Dividends of this Report*.

## 5. Corporate Governance

### 5.1 Legal basis governing corporate governance of XTB S.A.

XTB S.A. follows a set of best practices for companies and continuously strives to improve the corporate governance of its operations based on the rules of transparency, accountability and a long-term approach that supports growth, stability and long-term investment.

XTB S.A.'s corporate governance finds its basis in the provisions of the applicable law (Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (Journal of Laws 2018.757, dated 2018.04.20)) and recommendations presented in the documents: Best Practices for Companies Listed on the WSE 2021 (hereinafter: "DPSN", "Best Practices") and Corporate Governance Principles for Supervised Institutions (FSC).

### 5.2 Set of rules of corporate governance applied by XTB S.A.

Acting in accordance with §70(6) (5) of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information disclosed by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state (consolidated text, Journal of Laws of 2018, item 757), the Management Board of XTB S.A. presents the following statement on the application of corporate governance rules in 2023.

#### Rules for applying derogations

##### Good Practices of Companies Listed on the WSE

In 2023, XTB S.A. complied with the corporate governance principles expressed in the document *"Good Practices of Companies Listed on the WSE 2021"* adopted by the Exchange Council by Resolution No. 13/1834/2021 of 29 March 2021.

The current content is available on the website dedicated to corporate governance principles of companies listed on the WSE at: [www.gpw.pl/dobre-praktyki](http://www.gpw.pl/dobre-praktyki).

The Investor Relations section of XTB S.A.'s website includes Information on the status of the company's application of the recommendations and rules included in the Set of Best Practices for Companies Listed on the WSE 2021.

In 2023, XTB S.A. complied with the principles expressed in the Good Practices **with the exception of the three principles described in the table below.**

Rule number	Content of the rule	Company Explanation
2.1.	<p>A company should have a diversity policy towards the management board and supervisory board, adopted respectively by the supervisory board or the general meeting. The diversity policy defines the goals and criteria of diversity, among others in such areas as gender, field of education, specialist knowledge, age and professional experience, as well as indicates the date and method of monitoring the achievement of these goals. In terms of gender diversity, the condition for ensuring the diversity of the company's bodies is the participation of a minority in a given body at a level not lower than 30%."</p>	<p>The Company implements the "Diversity Policy with regard to members of the management board of XTB S.A." approved by the Supervisory Board, however, it does not provide for a minority share in the body at a level of no less than 30%. The company does not have a diversity policy towards the supervisory board adopted by the general meeting. It is worth noting that the members of the Company's governing bodies are specialists in various areas of knowledge and have diverse industry experience corresponding to the currently performed function. The company places emphasis on employing employees based on the multitude of qualifications and competences in terms of education, professional experience and skills of the selected managerial staff in order to ensure comprehensive and reliable performance of the tasks entrusted to it.</p>
2.2.	<p>"The decision-makers on the appointment of members of the management board or supervisory board of a company should ensure the versatility of these bodies by selecting persons who ensure diversity in their composition, enabling, <i>inter alia</i>, achieving the target minimum minority participation rate set at a level of no less than 30%, in line with the objectives set out in the adopted diversity policy referred to in principle 2.1."</p>	<p>The composition of the Company's Supervisory Board is the result of decisions made by the General Meeting, and the determination of the composition of the Company's Management Board is within the competence of the Supervisory Board. When selecting members of the management board or supervisory board of the Company, the decisive persons take into account the current needs of the enterprise, applying substantive criteria and taking into account the need to ensure the versatility of these bodies by selecting people to ensure diversity to their composition. A necessary condition for all candidates is their substantive preparation to perform a given function, appropriate professional experience and selection of competences, as well as education. The individual competences of the members of the Company's governing bodies complement each other in such a way as to ensure an appropriate level of collective management in the organization.</p>
2.11.6.	<p>"2.11. In addition to the activities resulting from legal regulations, the supervisory board prepares and presents an annual report for approval to the ordinary general meeting once a year. The report referred to above shall contain at least:</p> <p>2.11.6. information on the degree of implementation of the diversity policy in relation to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1."</p>	<p>The principle is not applied due to the non-application of principle 2.1.</p>

## Corporate Governance Principles for Supervised Institution

On 22 July 2014. The Financial Supervisory Commission issued *the Principles of Corporate Governance for Supervised Institutions* (hereinafter: the "FSC Corporate Governance Principles"), which determine the internal and external relations of supervised institutions, including relations with shareholders and clients, their organization, the functioning of internal supervision as well as key internal systems and functions, the functioning of statutory bodies and the rules of their interaction.

In accordance with the PFSA Corporate Governance Principles, a supervised institution should strive to apply the principles set out in the Corporate Governance Rules of the Polish Financial Supervision Authority to the widest extent, taking into account the principle of proportionality resulting from the scale, nature of the business and the specifics of the institution. However, the withdrawal from the application of specific rules to the full extent can only occur if their comprehensive introduction would be unduly burdensome for the supervised institution.

The above-described rules are available on the Financial Supervisory Commission's website:

[https://www.knf.gov.pl/en/MARKET/Regulations\\_and\\_practice/Practice](https://www.knf.gov.pl/en/MARKET/Regulations_and_practice/Practice)

On 18 December 2014, the Management Board adopted a resolution regarding the application of the Corporate Governance Rules of the Polish Financial Supervision Authority. The application of the Corporate Governance Rules of the Polish Financial Supervision Authority was confirmed by a resolution of the Extraordinary General Meeting of Shareholders of 28 January 2015.

XTB S.A. applies the KNF Corporate Governance Principles to the extent that they define the rules for the operation of brokerage houses and do not conflict with generally applicable regulations.

The PFSA Corporate Governance Principles, as expected by the PFSA, were implemented by the Company as of 1 January 2015. In the reporting period, the Company applied the PFSA Corporate Governance Rules, **with the following reservations:**

- The principle set out in § 8 section 4 of the Corporate Governance Code of PFSA to the extent that it imposes on the supervised institution the obligation to facilitate the participation of all shareholders in the assembly of the supervisory body, *inter alia* by ensuring the possibility of electronically active participation in the meetings of the decision-making body.

Pursuant to the Articles of Association, participation in the General Meeting using electronic means of communication will be provided by the Company, if the announcement on convening the General Meeting will contain information about the possibility of shareholders participating in the General Meeting using electronic means of communication.

- The principle set out in § 21 section 2 of the Corporate Governance Code of PFSA to the extent it stipulates that the election of the chairman of the supervisory body should be made on the basis of experience and the ability to manage such body, taking into account the independence criterion.

Pursuant to the Articles of Association, Jakub Zabłocki has the right to appoint and dismiss one member of the Supervisory Board acting as the Chairman of the Supervisory Board by way of a written statement on the appointment or dismissal of the Chairman of the Supervisory Board delivered to the Company. Therefore, compliance with the above rule will depend on Jakub Zabłocki.

## 5.3 Share capital and shares of XTB S.A.

As of 31 December 2023 and as of the date of submission of this Report, the share capital of XTB S.A. consisted of 117 383 635 Series A ordinary shares and 185 616 Series B ordinary shares. The nominal value of each share of XTB S.A. is PLN 0,05.

On 31 July 2023, the Extraordinary General Meeting of XTB S.A. resolved to increase the share capital of the Parent Company by PLN 9 280,80 through the issuance of 185 616 Series B ordinary bearer shares of the Company with a nominal value of PLN 0,05 each. The New Issue Shares were issued by way of a public offering which did not require the preparation of a prospectus. The New Issue Shares were offered by private subscription.

On 2 October 2023. The District Court for the City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register registered the increased share capital through the issuance of new shares, which were offered to persons whose professional activities have a significant impact on the Company's risk profile and the exclusion of the subscription rights of existing shareholders.

Due to the above-mentioned change registered by the Court, the Company's share capital currently amounts to PLN 5 878 462,55 and is divided into:

SERIES/MISSION	NUMBER OF SHARES	NOMINAL VALUE OF SHARES (IN PLN)	NOMINAL VALUE OF THE ISSUE (IN THOUSANDS OF PLN)
A series	117 383 635	0,05	5 869
B series	185 616	0,05	9

## 5.4 XTB's share price

On 4 May 2016, the Warsaw Stock Exchange (WSE) Management Board adopted a resolution to admit the Company's shares to trading on the regulated market with the same day. Subsequently, on 5 May 2016, the WSE Management Board adopted a resolution to introduce, as of 6 May 2016, all Company shares for stock exchange trading.

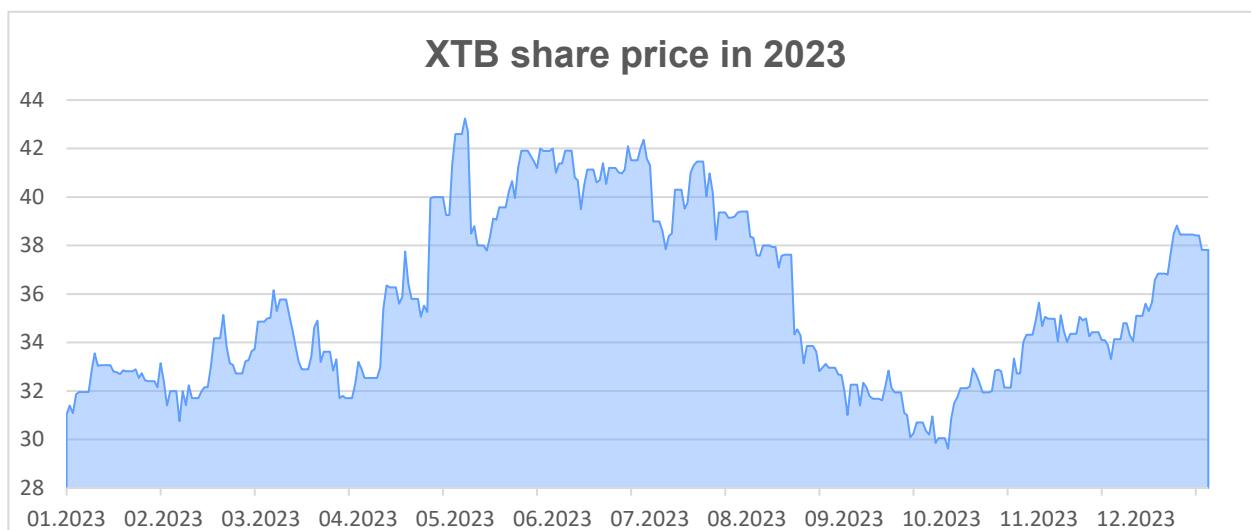
XTB S.A. made its debut on the Warsaw Stock Exchange on May 6, 2016. The company is listed on the main market.

On September 3, 2020 XTB joined the mWIG40 index.

Historical quotations of XTB's shares against the quotations of the mWIG40 stock index in the period from the IPO date to the balance sheet date are shown in the chart below:



At the turn of the first two quarters of 2023, we observed the continuation of the upward trend in the price of XTB S.A. shares, which on May 8, 2023 reached its historically highest value both in the year under review and since the beginning of the Company's listing on the WSE's main market, reaching PLN 43,24 per share. At the end of the third and the beginning of the fourth quarter, we could observe a reduction in the value of the share price to around PLN 30/share. It led at the beginning of the last quarter of the year to reach the lowest value of the analysed period, i.e. PLN 29,62/share (as of October 9, 2023), which was still a high note when relating it to the Company's historical quotations since the beginning of its presence on the Exchange. The last quarter of 2023 was characterized by a resumption of the upward trend in the price, which continued and reached PLN 37,82/share at the end of the analysed period.



## 5.5 Shares and shareholding structure

### 5.5.1 Shareholding structure at the end of the reporting period

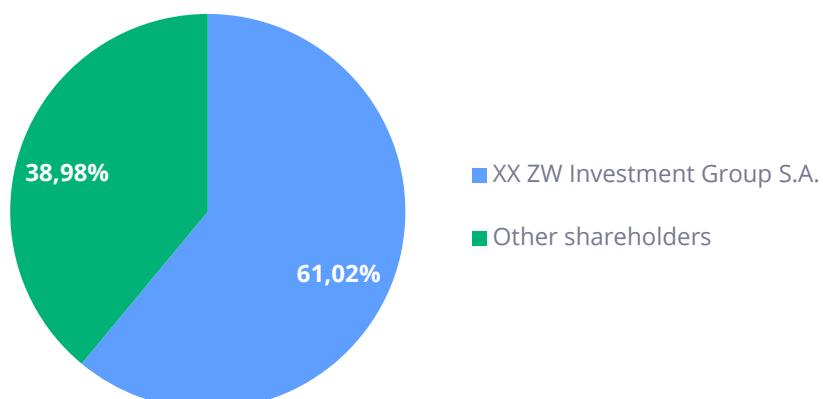
To the best knowledge of the Management Board of the Company as at 31 December 2023, the status of shareholders holding directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Parent Entity, was as follows:

	NUMBER OF SHARES/ VOTES	NOMINAL SHARE VALUE (in PLN'000)	SHARE IN CAPITAL/ IN TOTAL VOTES
XX ZW Investment Group S.A. <sup>1</sup>	71 629 794	3 581	60,93%
Other shareholders	45 939 457	2 297	39,07%
<b>Total</b>	<b>117 569 251</b>	<b>5 878</b>	<b>100,00%</b>

<sup>1</sup>) XXZW Investment Group S.A. with its registered office in Luxembourg is directly controlled by Jakub Zabłocki, who holds shares representing 81,97% of the share capital authorising the exercise of 81,97% of the votes at the general meeting of the shareholders of XXZW.

The percentage share in the share capital of the Parent Company of the abovementioned shareholders is in line with the percentage shares in the number of votes at the General Meeting.

The shareholding structure as at 31 December 2023 is presented in the following chart:



## 5.5.2 Changes in the shareholding structure after the balance sheet date

To the best knowledge of the Company's Management Board (in accordance with current report No. 6/2024 dated 8 February 2024), as of the date of submission of this periodic report, the status of shareholders holding directly or through subsidiaries at least 5% of the total number of votes was as follows:

	NUMBER OF SHARES/ VOTES	NOMINAL SHARE VALUE (in PLN'000)	SHARE IN CAPITAL/ IN TOTAL VOTES
XX ZW Investment Group S.A. <sup>1</sup>	59 872 869	2 994	50,93%
Other shareholders	57 696 382	2 885	49,07%
<b>Total</b>	<b>117 569 251</b>	<b>5 878</b>	<b>100,00%</b>

<sup>1</sup>) XXZW Investment Group S.A. with its registered office in Luxembourg is directly controlled by Jakub Zablocki, who holds shares representing 81,97% of the share capital authorising the exercise of 81,97% of the votes at the general meeting of the shareholders of XXZW.

The current shareholding structure is graphically presented in section *2.1.3 Shareholding structure of XTB S.A.* as of the date of this Report.

## 5.5.3 Dividend

The Ordinary General Meeting is the body authorized to make decisions on the distribution of the Company's profit and dividend payment. The Ordinary General Meeting of Shareholders adopts a resolution on whether and what part of the Company's profit shown in the financial statements, audited by the statutory auditor, should be used to pay dividends. It also determines the dividend day and the dividend payment date.

The right to dividend is payable to persons on accounts of which dematerialized shares (bearer shares) are kept on the dividend day and to entities authorized to sell dematerialized Shares on a collective account.

The conditions for the receipt of dividends by the shareholders of the Company correspond to the rules adopted for public companies. The resolution on dividend payment should indicate the date of determining the right to dividend (dividend day) and the dividend payment date.

Detailed information on the Dividend Policy will be found in section *4.10 Dividend Policy* of this Report.

The following table presents historical information on dividends paid by the Company in each year:

DIVIDEND FROM PROFIT FOR THE YEAR	DIVIDEND AMOUNT IN PLN'000	DIVIDEND DATE	DIVIDEND PAYMENT DATE	DIVIDEND PER SHARE IN PLN	DIVIDEND RATE <sup>1</sup>
2022	570 484	10.07.2023	21.07.2023	4,86	11,8%
2021	176 075	05.05.2022	16.05.2022	1,50	7,2%
2020	210 117	21.04.2021	30.04.2021	1,79	9,9%
2019	28 172	30.04.2020	15.05.2020	0,24	2,7%
2018	19 955	25.04.2019	10.05.2019	0,17	4,2%
2018 <sup>2</sup>	41 084	11.12.2018	18.12.2018	0,35	7,1%
2017	-	-	-	-	-
2016	37 564	05.05.2017	23.05.2017	0,32	3,9%

<sup>1</sup>) Calculated as the dividend value per share divided by the market price of the shares on the last day on which shares with dividend rights could be purchased.

<sup>2</sup>) On 18 December 2018, an advance payment was made on account of the expected dividend for the 2018 financial year in the amount of PLN 41 084 thousand, the remaining amount, i.e. PLN 19 955 thousand paid on 10 May 2019.

## 5.5.4 Acquisition of own shares

In the financial year 2023, the Company and its subsidiaries did not acquire the shares of XTB S.A.

### 5.5.5 Holders of securities with special control rights

In the 2023 financial year and as at the date of publication of this report, there were no securities that would give special control rights to the Company.

### 5.5.6 Restrictions on exercising the voting right

In the 2023 financial year and as at the date of publication of this report, there were no limitations to the exercise of voting rights attached to the Company's securities.

### 5.5.7 Restrictions on the transfer of ownership of shares

As at the balance sheet date and the publication date of this report, there were no restrictions on the transfer of ownership of securities.

### 5.5.8 Agreements as a result of which changes may occur in the future in the proportions of shares held by the current shareholder

As at the date of publication of this annual report, the Company is not aware of any events that may result in future changes in the proportions of shares held by existing shareholders.

## 5.6 Management of XTB S.A.

The governing body of the Company is the Management Board acting on the basis of the Regulations of the Board of Directors. Meetings of the Management Board are held at least once a month at the Company's headquarters or, if all members of the Management Board agree, at another location in Poland.

#### Rules of appointment and dismissal of the Board of Directors

The rules for appointing and removing members of the Board of Directors and their powers are set forth in the Company's Articles of Association, which are available on the Company's website [ir.xtb.com](http://ir.xtb.com) in the Investor Relations section. The Board of Directors may consist of three to six members, including the Chairman and two Vice Chairmen.

In accordance with its Articles of Association, at least two members of the Management Board need to have:

- higher education,
- at least three years of experience of working for financial market institutions, and
- a good opinion in connection with the positions held thereby.

Members of the Management Board are appointed and dismissed by the Supervisory Board. The number of members of the Management Board is determined by the Supervisory Board in the resolution on appointing members of the Management Board. A member of the Management Board may also be dismissed or suspended from office by resolution of the General Meeting.

The Management Board is appointed for a joint three-year term.

The mandates of members of the Supervisory Board shall expire on the date of the General Meeting which approves the financial statements of the Company for the last full year of their term of office and in other cases specified in the Code of Commercial Companies.

## Composition of the Management Board during the reporting period

As at 31 December 2023 and as at the date of publication of this interim report, the composition of the Management Board was as follows:

NAME AND SURNAME	FUNCTION	DATE OF FIRST APPOINTMENT	EXPIRATION DATE OF THE CURRENT TERM
Omar Arnaout*	President of the Management Board	10.01.2017	01.07.2025
Filip Kaczmarzyk	Board Member	10.01.2017	01.07.2025
Paweł Szejko	Board Member	28.01.2015	01.07.2025
Jakub Kubacki	Board Member	10.07.2018	01.07.2025
Andrzej Przybylski	Board Member	01.05.2019	01.07.2025

\* Omar Arnaout on 10.01.2017 was appointed as a member of the Management Board for Sales in the rank of Vice Chairman of the Board. On 23.03.2017 he was appointed the Chairman of the Management Board.

On 2 June 2022, the Supervisory Board of the Company adopted a resolution on the appointment of the existing five-person composition of the Company's Management Board for a new joint term of office of three years, i.e. from 1 July 2022 to the end of 1 July 2025.

### 5.6.1 Competencies of the Management Board

The Management Board is authorized to conduct the affairs of the Company, represent the Company and any meters not reserved by law or the Articles of Association of the Company to the General Meeting or the Supervisory Board. The Management Board conducting the Company's affairs, makes decisions in the interest of the Company, shall draft the Company's development strategy and identifies the main goals of the Company.

President of the Management Board shall convene meetings of the Management Board and chair. Chairman of the Management Board may authorize other members of the Management Board to convene and preside over meetings of the Management Board. In the absence of the President Management, the meeting of the Management Board shall be convened by the oldest member of the Management Board.

In particular, the Management Board shall have the power and shall be required to:

- act on behalf of the Company and represent the Company in dealings with third parties,
- prepare periodic reports and statements of the Company within timeframes allowing for their publication in accordance with relevant laws,
- submit financial statements to a statutory auditor for the purpose of their audit or review,
- submit reports of the Management Board on the activities of the Company and the financial statements, including an opinion and report of the statutory auditor (if required by law), to the Supervisory Board for the purpose of evaluation,
- convene General Meetings, submit proposals to be considered by the General Meeting and prepare draft resolutions of the General Meeting in a timely manner,
- submit reports of the Management Board on the activities of the Company and the financial statements, including an opinion and report of the statutory auditor, for the last financial year, to the General Meeting for the purpose of consideration and approval,
- develop and adopt regulations related to the operations of the Company, unless such authority has been reserved for any other body of the Company,
- prepare draft annual budgets, including the budget of the Company, budgets of Subsidiaries and the consolidated budget of the capital group of the Company, to be presented for approval to the Supervisory Board,
- fulfil reporting obligations imposed on brokerage houses,
- any other matters not reserved for other bodies of the Company.

The Management Board does not have a special competence in the issue and redemption of XTB shares.

### Description of competencies and professional experience of XTB S.A. Management Board Members

The main information on the education, qualifications and previously held positions of the members of the Management Board are presented below:

**Omar Arnaout**

CEO of XTB S.A.

CEO and President of the Management Board. Mr. Omar Arnaout graduated in 2005 with a master's degree from the Warsaw School of Economics – Banking and Finance. He is associated with the Company since January 2007. In 2007-2009 he held the position of the Sales Dealer. In 2009-2010 he worked as the deputy director of the Romanian branch of XTB and in 2010-2012 as deputy director of the Italian branch of XTB. In 2012-2014 Mr. Omar Arnaout worked as the director of the foreign branches office at Noble Securities Dom Maklerski S.A. and in 2014, he also worked as Sales Director and Chairman of the Management Board of xStore sp. z o.o. In 2014-2016 he held the position of the Retail Sales Director in XTB Limited in the UK and in 2016 Mr. Omar Arnaout became the regional director of XTB for Poland, Hungary, Germany and Romania. Since 10 January 2017 he has been the Chairman of the Board of Directors of XTB S.A. without interruption.

**Filip Kaczmarzyk**

Member of the Management Board responsible for Trading.

Mr. Filip Kaczmarzyk is a graduate of the Warsaw School of Economics majoring in Quantitative Methods in Economics and Information Systems. He started his professional career at XTB S.A. in 2007 in the Trading Department on the position of Junior Trader. Since April 2009 he held the position of Deputy Chief Trader. In November 2010 he began working in the CFH Markets in London in the Customer Support Department. From May 2011 to May 2015 he worked at Noble Securities SA, initially as the Director of the OTC Instruments Trading Office, and from November 2012 as the Director of the Foreign Markets Department. Mr. Filip Kaczmarzyk returned to XTB in May 2015 for the position of the Director of Trading Department.

Since 10 January 2017, he has served continuously as a member of the Board of Directors of XTB S.A.

**Paweł Szejko**

Chief Financial Officer and Member of the Management Board at XTB.

Mr. Paweł Szejko graduated from the Economy Academy and the Higher School of Banking in Poznań. Mr. Paweł Szejko also studied at the Aarhus University in Denmark. He has the qualifications of a Polish statutory auditor and an ACCA certificate in international finance reporting. Mr. Paweł Szejko commenced his professional career in 2003 in the audit companies (BDO and PwC), auditing among others, financial institutions, including banks and investment funds. In 2008-2014 he held the position of finance director and also a member of the Management Board of P.R.E.S.C.O. GROUP S.A., managing the area of finance in the capital group, both at the national and international level. In October 2014 Mr. Paweł Szejko joined XTB and he took the position of CFO. Mr. Paweł Szejko is responsible for financial matters in XTB group. Since 28 January 2015, he has served continuously as a member of the Board of Directors of XTB S.A.

**Jakub Kubacki**

Member of the Management Board responsible for Legal.

Mr. Jakub Kubacki graduated in 2009 as a Master of Law from Koźmiński University, then he completed his training advocate and in 2013 passed the Bar exam at the District Warsaw Bar Association he was admitted to the Bar. In 2010 he started his professional career at XTB in the Legal and Compliance Department, where since 2012 he has been the Compliance Officer. From 25 April 2018 he became the Director of the Legal Department. He specializes in capital market law. Mr. Jakub Kubacki is responsible for legal affairs and internal control in the XTB Group.

Since 10 July 2018, he has served continuously as a member of the Board of Directors of XTB S.A.

**Andrzej Przybylski**

Member of the Management Board responsible for Risk Management.

Mr. Przybylski graduated in 1994 with a master's degree on Wrocław University of Technology and completed doctoral studies in economics at the Warsaw School of Economics in 2011. Since 1995, Mr. Przybylski has a stockbroker license. Professionally connected with brokerage houses and offices since 1995 until 1997 with DDM S.A. in Wrocław, then CBM WBK S.A., and until 1998 with Dom Maklerski BMT S.A. From 1998 he worked as a stockbroker specialist at CDM Pekao S.A. and then since 2002 as a risk management specialist. From 2007 to 2010 he worked at UniCredit CAIB Poland S.A. as a risk and compliance manager. From 2010 to 2013 he worked at ING TFI S.S. and ING Investment Management (Poland) S.A. as a senior specialist in risk management and performance measurement. From 2013 to 2014 he was the Director of business project part of launching a brokerage house and an expert on risk management at PGE Dom Maklerski S.A. From 2014 Mr. Przybylski became the Director of the Risk Management Department at XTB and from 1 May 2019 he became a Member of the Management Board at XTB.

Since 1 May, 2019, he has served continuously as a member of the Board of Directors of XTB S.A.

In the reporting period and until the date of submission of this report, there were no changes in the composition of the Management Board.

### **5.6.2 The operation of the Management Board**

The Management Board operates on the basis of the Regulations of the Management Board.

Meetings of the Management Board shall be held not less than once a month at the headquarters of the Company or if all members agree, elsewhere on Polish territory. The Management Board may hold a meeting without being formally convened if all members are present at the meeting and no one objects to holding the meeting or any of the proposed items on the agenda. Management Board resolutions are passed by an absolute majority of votes cast, and in the case of an equal number of votes "for" and "against" the vote of the Chairman of the Board decides.

Board members may participate in adopting resolutions of the Board by casting their votes in writing through another member of the Management Board. Casting a vote in writing may not concern matters introduced to the agenda during the meeting of the Board. Resolutions may be passed in writing or using means of direct remote communication. The resolution is valid if all the members of the Board have been notified of the draft resolution.

In accordance with the Articles of Association, the President of the Management Board supervises the activities of the Management Board and determines the internal division of tasks and powers among particular members of the Management Board, specifically, the President of the Management Board may entrust the management of specific departments to particular members of the Management Board. Furthermore, the President of the Management Board calls and chairs meetings of the Management Board. The President of the Management Board may authorise other members of the Management Board to convene and chair meetings of the Management Board. In the absence of the President of the Management Board or if the position of the President of the Management Board is vacant, the meetings of the Management Board are convened by the oldest member of the Management Board. Additionally, special rights of the President of the Management Board in terms of managing the work of the Management Board may be determined in the Regulations of the Management Board.

Two members of the Management Board acting jointly are authorised to make representations on behalf of the Company.

### 5.6.3 Shares of the Company and related entities held by the Members of the Management Board

The table below presents the total number and nominal value of the Company's shares held directly by the Company's managing and supervising persons, as at the date of this report:

NAME AND SURNAME	FUNCTION	OWNED THE NUMBER OF ACTIONS	TOTAL VALUE NOMINAL SHARE (IN PLN)
Omar Arnaout	President of the Management Board	30 261	1 513
Filip Kaczmarzyk	Board Member	21 182	1 059
Paweł Szejko	Board Member	19 130	957
Jakub Kubacki	Board Member	13 495	675
Andrzej Przybylski	Board Member	2 441	122

During the reporting period and up to the date of this report, there were the following changes in the ownership of the Company's shares by management and supervisory personnel:

- on October 2, 2023, Omar Arnaout subscribed for 30 261 series B shares of the Company (share subscription agreement signed on September 4, 2023);
- on October 2, 2023, Filip Kaczmarzyk subscribed for 21 182 series B shares of the Company (share subscription agreement signed on September 4, 2023);
- on October 2, 2023, Paweł Szejko took up 15 130 series B shares in the Company (share subscription agreement signed September 4, 2023);
- on October 2, 2023, Jakub Kubacki subscribed for 11 095 series B shares in the Company (share subscription agreement signed on September 4, 2023);
- on October 2, 2023, Andrzej Przybylski subscribed for 5 547 series B shares in the Company (share subscription agreement signed on September 5, 2023);
- on November 8, 2023, Andrzej Przybylski disposed of 6 of the Company's B shares;
- on November 13, 2023, Andrzej Przybylski disposed of 3 100 series B shares of the Company.

Supervisors did not hold any shares or entitlements to shares in the Company as of the end of the reporting period and as of the date of this report.

### 5.6.4 Positions held by the Management Board Members of the issuer in the Group companies

Below is information on the functions performed by members of the Management Board of the parent company in the authorities of subordinated entities as at December 31, 2023 and as at the date of submission of this report:

NAME AND SURNAME	COMPANY	FUNCTION
Omar Arnaout	XTB Mena Limited	Board Member
Jakub Kubacki	XTB Mena Limited	Board Member
Filip Kaczmarzyk	XTB Limited, United Kingdom	Executive Director of Trading
Andrzej Przybylski	XTB Limited, United Kingdom	Executive Director of SMF3
Andrzej Przybylski	XTB Mena Limited	Senior Manager

Members of the Parent Company's Management Board did not receive remuneration in 2023 and 2022 for their functions in the authorities of subordinate units.

## 5.7 Supervisory XTB S.A.

Supervisory Board shall supervise the operations of the Company in all areas of its operations.

Pursuant to § 15 of the Articles of Association of the Company, the Supervisory Board consists of five to nine members. The Supervisory Board members are appointed for a joint three year term of office. The detailed procedures of the Supervisory Board and its organization are set forth in the Regulations of the Supervisory Board.

### Rules of appointment and dismissal of the Supervisory Board

Members of the Supervisory Board were appointed and dismissed as follows:

- Jakub Zabłocki has the right to appoint and dismiss one member of the Supervisory Board acting as Chairman of the Supervisory Board by means of a written statement on the appointment or dismissal of the Chairman of the Supervisory Board delivered to the Company; the aforementioned right constituting another way of appointing a member of the Supervisory Board within the meaning of Art. 385 § 2 of the Commercial Companies Code shall be vested in Mr. Jakub Zabłocki until such time as, through entities controlled by him within the meaning of the Accounting Act or jointly with such entities or personally, he holds shares in the Company representing at least 33% of the total number of votes at the General Meeting;
- the other members of the Supervisory Board will be appointed and dismissed by the General Meeting.

The number of members of the Supervisory Board in a given term is determined by the General Meeting, and if the General Meeting does not reach other decision, the number of members of the Supervisory Board will be five. In the case of the election of the Supervisory Board by way of separate group voting in compliance with Article 385 of the Commercial Companies Code, the number of Supervisory Board members will be five.

The members of the Supervisory Board may elect from among themselves a Deputy Chairman of the Supervisory Board and a secretary of the Supervisory Board. Once Jakub Zabłocki loses his personal right referred to above, the members of the Supervisory Board will elect a Chairman of the Supervisory Board from amongst themselves.

The mandates of the Supervisory Board members shall expire on the date of the General Meeting approving financial statements for the last full year as a member of the Supervisory Board and in other cases specified in the Code of Commercial Companies.

### Composition of the Supervisory Board during the reporting periods

As at 31 December 2023 and as at the date of submission of this report, the composition of the Supervisory Board was as follows:

NAME AND SURNAME	FUNCTION	STARTING DATE OF THE CURRENT TERM OF OFFICE	EXPIRATION DATE OF THE CURRENT TERM OF OFFICE	MET THE CRITERION OF INDEPENDENCE*
Jan Byrski	Chairman of the Supervisory Board	22.11.2021	19.11.2024	YES
Jakub Leonkiewicz	Vice- Chairman of the Supervisory Board	19.11.2021	19.11.2024	YES
Łukasz Baszczyński	Member of the Supervisory Board	19.11.2021	19.11.2024	NO
Bartosz Zabłocki	Member of the Supervisory Board	19.11.2021	19.11.2024	NO
Grzegorz Grabowicz	Member of the Supervisory Board	19.11.2021	19.11.2024	YES

\*§20(1) of the Articles of Association of XTB S.A. dated 31.07.2023 stipulates that at least two members of the Supervisory Board should meet the independence criteria.

During the reporting period and until the date of this report, there were no changes in the composition of the Supervisory Board.

## 5.7.1 Authority of the Supervisory Board

The Supervisory Board exercises constant supervision over the Company's activities in all areas of its operations.

In addition to the matters reserved by the provisions of the Commercial Companies Code, the powers of the Supervisory Board include in particular:

- evaluation of the financial statements for the previous financial year and evaluation of the Management Board's report on the Company's operations for the previous financial year as to their conformity with the books and documents as well as with the facts, and the Management Board's motions regarding profit distribution or loss coverage;
- submission to the General Meeting of Shareholders of an annual written report on the results of the evaluation referred to in the paragraph above;
- suspending members of the Management Board for important reasons;
- determining the terms and conditions of remuneration and employment of members of the Management Board;
- appointing the committees referred to in § 18 of the Supervisory Board Regulations;
- approving the payment of advances on anticipated dividends;
- approval of annual budgets, which will include the budgets of the Company, Subsidiaries and the consolidated budget of the Company's capital group;
- appointing an independent external auditor for the Company and Subsidiaries;
- approval of the granting of sureties, guarantees and other forms of assumption of obligations of third parties excluding events directly and strictly related to the Company's operating activities, understood as all activities directly related to the Company's and the Subsidiaries' brokerage activities carried out at a given time, in particular those related to trading in foreign exchange contracts, contracts for differences and other OTC market instruments, including marketing activities ("Company's Operating Activities");
- consenting to the establishment of pledges, mortgages, transfers by way of security and other encumbrances on the assets of the Company or Subsidiaries not provided for in the budget;
- consenting to the acquisition, acquisition or disposal by the Company or Subsidiaries of shares in other companies or of assets or an organized part of the enterprise of another company or companies, as well as to the accession to (or withdrawal from) other entrepreneurs or companies by the Company or Subsidiaries, with the exception of agreements entered into within the framework of the Company's Operations, if the acquisition, purchase or disposal does not exceed 5% of the share capital of another company;
- approval of the sale, encumbrance, leasing or other disposition of real estate of the Company and Subsidiaries not provided for in the budget approved by the Supervisory Board;
- giving consent to the execution of agreements between the Company or Subsidiaries and members of the Management Board, members of the Supervisory Board and shareholders of the Company or entities affiliated with any of the members of the Management Board, the Supervisory Board or the Company's shareholders, with the exception of agreements concluded within the framework of the Company's Operating Activities;
- expressing an opinion regarding changes in the Company's investment policy if the change would increase the Company's maximum exposure to market risk by more than 50%, unless the Company's revenues planned in the budget approved by the Supervisory Board are to increase by more than 50%, in which case it is assumed that the Supervisory Board's opinion is required to increase the exposure by a percentage greater than the percentage increase in revenues planned in the budget;
- granting consent to members of the Management Board to engage in competitive interests within the meaning of Article 380 of the Commercial Companies Code;
- granting consent for the Company to dispose of a right or incur an obligation by the Company with a value exceeding EUR 1 000 000 (one million) that are not provided for in the Company's budget approved by the Supervisory Board, including ordinances and obligations for recurring or continuous services, if the value of the benefits resulting therefrom exceeds EUR 1 000 000 (one million) per year. In the event that the total value of any ordinances and obligations incurred by the Company that are not provided for in the Company's budget or that exceed the value established in the Company's budget, will exceed EUR 3 000 000 (three million) in a calendar year, the Management Board is required to seek the approval of the Supervisory Board for any disposition of a right or incurring of a liability not provided for in the Company's budget, regardless of its value;
- approval for members of the Management Board to sit on the boards of directors or supervisory boards of companies outside the Company's capital group;
- consenting to the appointment and dismissal of persons heading the internal audit and compliance departments;
- consideration and opinion of matters to be the subject of resolutions of the General Meeting.

## 5.7.2 Functioning of the Supervisory Board

The Chairman of the Supervisory Board directs the work of the Supervisory Board and represents the Supervisory Board before other bodies of the Company. In the event of the absence of the Chairman of the Supervisory Board or a vacancy in that position, the powers of the Chairman of the Supervisory Board referred to above shall be exercised by a member of the Supervisory Board authorized by him or, in the absence of such authorization, by the oldest member of the Supervisory Board.

The Chairman of the Supervisory Board or a member of the Supervisory Board authorized by him convenes and chairs meetings of the Supervisory Board, and in the absence of such authorization granted by the Chairman of the Supervisory Board, the right to convene and chair meetings is vested in the oldest member of the Supervisory Board in terms of age. The Supervisory Board may also be convened by two members of the Supervisory Board acting jointly.

The convening of a meeting of the Supervisory Board may be requested by the Management Board or a member of the Supervisory Board, stating the proposed agenda. A meeting of the Supervisory Board should be convened for a date no later than 14 days from the date of the request, with the proviso that if there are justified circumstances which make it impossible for at least half of the members of the Supervisory Board to be present at the meeting on the aforementioned date, a meeting of the Supervisory Board may be convened no later than 30 days from the date of the request.

Resolutions of the Supervisory Board may also be adopted by written circulation or by means of direct remote communication.

Members of the Supervisory Board may participate in the adoption of resolutions of the Supervisory Board by casting their vote in writing through another member of the Supervisory Board. The casting of a vote in writing may not relate to matters placed on the agenda at a meeting of the Supervisory Board.

The detailed procedure of the Supervisory Board and its organization is set forth in the Regulations of the Supervisory Board.

The validity of the Supervisory Board's resolutions requires the invitation of all and the presence of at least half of its members, including the Chairman or Vice Chairman of the Supervisory Board.

Resolutions of the Supervisory Board are adopted by a simple majority of votes. In the event of an equal number of votes, the vote of the Chairman of the Supervisory Board is decisive.

### Members of the Supervisory Board serving on committees of the Supervisory Board

As of December 31, 2023, and as of the date of this report, Supervisory Board members served on Supervisory Board committees as follows:

NAME AND SURNAME	FUNCTION	AUDIT COMMITTEE FUNCTION	FUNCTION OF THE REMUNERATION COMMITTEE	FUNCTION OF THE RISK MANAGEMENT COMMITTEE
Jan Byrski	Chairman of the Supervisory Board	NO	YES	YES
Jakub Leonkiewicz	Vice- Chairman of the Supervisory Board	YES	YES	YES
Łukasz Baszczyński	Member of the Supervisory Board	NO	YES	YES
Bartosz Zabłocki	Member of the Supervisory Board	YES	YES	YES
Grzegorz Grabowicz	Member of the Supervisory Board	YES	YES	YES

### Activities of the Supervisory Board in 2023

In 2023, the Supervisory Board of XTB S.A. held eleven meetings.

In the year under review, 64 resolutions were adopted at Supervisory Board meetings and by circulation. The average attendance of Members of the Company's supervisory body was 93%.

Individual attendance of Members of the Company's supervisory body was respectively:

- Jan Byrski – 91%;
- Jakub Leonkiewicz – 100%;
- Łukasz Baszczyński – 91%;
- Bartosz Zabłocki – 91%; and;

- Grzegorz Grabowicz – 91%.

### Description of competencies and professional experience of Members of the Supervisory Board of XTB S.A.

The following is the main information on the education, qualifications and previously held positions of the persons comprising the Company's supervisory body:

**Jan Byrski,  
Chairman of the  
Supervisory Board**

He specializes in the law of financial innovation (FinTech), including in the payment, banking and insurance markets, in legal aspects of information protection (personal data, professional secrets, business secrets), IT and TMT, as well as conducting proceedings before the President of the National Bank of Poland, the Chairman of the Polish Financial Supervision Authority (KNF) and the President of UODO and cases before administrative courts. He advises companies and financial institutions from the Polish market, as well as international markets. He is a legal expert of the Polish Insurance Association (PIU) and the Foundation for the Development of Non-Cash Transactions (FROB). He is a member of IAPP and the SABI-IOD association. Vice-chairman of the FinTech Committee of PIIT. Member of working teams at the UKNF for the development of financial innovation (FinTech) and MC working groups, including distributed registries and blockchain. Participant in parliamentary work on adjusting Polish law to the PSD 2 Directive, the Interchange Fee Regulation (IF Reg), RODO and numerous amendments to the Personal Data Protection Act and the Payment Services Act. Speaker at conferences, seminars and trainings in Poland and abroad. Member of the Advisory Board of the monthly magazine IT in Administration. Author and co-author of numerous scientific and popular science items, including: the monograph "Legally protected secrecy in banking activities" (C.H. Beck 2010), which won the I prize of the National Bank of Poland in the Scientiae Legis Excellentia competition for the best doctoral dissertations in business law, as well as the dissertation "Outsourcing in the activities of payment service providers" (C.H. Beck 2018). Individual recommendations in Chambers & Partners Europe 2020 2021 Banking & Finance: Regulatory Poland, FinTech Legal Poland 2020 and 2021 and Legal 500 EMEA Poland 2020 and 2021 in the category: Data privacy and data protection. University professor at the Institute of Law of the Cracow University of Economics. Graduate I degrees at the Faculty of Law of the Jagiellonian University. Participant of the Jagiellonian University School of German Law and the Universities of Heidelberg and Mainz, as well as the Jagiellonian University School of Austrian Law and the University of Vienna. Scholarship holder of the Foundation for Polish-German Cooperation at Ruhr-Universität Bochum. Scholarships at Ernst-Moritz-Arndt Universität Greifswald, Johann Gutenberg Universität Mainz and at Max-Planck-Institut für Immaterialgüter-und Wettbewerbsrecht. A member of the Supervisory Board meets the independence criteria set forth in § 20 Section 2 of the Articles of Association.

**Jakub  
Leonkiewicz, Vice-  
Chairman of the  
Supervisory Board**

Jakub Leonkiewicz started his professional career in 2001 in the business development department at Interhyp.de in Germany. In 2001-2002 he worked at Roland Berger Strategy Consultants in Germany. In the years 2002-2015 Jakub Leonkiewicz was associated with J.P. Morgan – first as an analyst in the merger and acquisition team in London and since 2012 as a director of J.P. Morgan in Warsaw, where he was responsible for J.P. Morgan's practice in Poland and the Baltic countries. From November 2015 to January 2017 and once again from May 2017 he is the Chairman of the XTB Supervisory Board. Currently, Mr. Jakub Leonkiewicz acts as a partner in Avia Capital private equity fund.

Jakub Leonkiewicz graduated in 2002 with a master's degree from the Warsaw School of Economics with a degree in finance and banking. Jakub Leonkiewicz participated in the CEMS Master Program (Community of European Management Schools) at the London School of Economics and was a scholarship holder at the Christian-Albrecht Universität zu Kiel.

Member of the Supervisory Board satisfies the independence criteria provided for in § 20, section 2 of the Articles of Association.

**Łukasz  
Baszczynski,**

Łukasz Baszczyński commenced his professional career in 1999 as a clerk in the District Court in Zgierz. From 2002 to 2006 he cooperated as an attorney with the law office of Kancelaria Radców Prawnych P. Stopczyk & R. Mikulski and as an assistant to the management board of

**Member of the Supervisory Board** Sarton Management sp. z o.o. He is a partner at the law office of Kancelaria Prawna P. Grzelka & Wspólnicy sp. k. and a partner in Baszczyński & Dąbrowska Intellectual Property Law and a member of the supervisory board of Novama Cloud S.A.

Łukasz Baszczyński graduated from the Faculty of Law and Administration at the University of Łódź. In 2008, he was registered in the register of legal advisors and in 2010 in the register of advocates at the District Chamber of Advocates in Warsaw. Łukasz Baszczyński is entered in the list of candidates for members of supervisory boards of companies with the shareholding of the State Treasury.

**Bartosz Zabłocki, Członek Rady Nadzorczej** Bartosz Zabłocki started his professional career in 2002 at Contract Administration sp. z o.o. where until 2007 he was the specialist for brand protection. Since 2005 to June 2022 he was a partner in the law office of Kancelaria Prawna P. Grzelka & Wspólnicy sp. k. Since 2006, Bartosz Zabłocki has been running his own business: "Globetroter Bartosz Zabłocki". Since March 2021, he is a Member of the Management Board of Kamienica sp. z o.o. Bartosz Zabłocki graduated from the Department of Law and Administration at the University of Łódź. Member of the Supervisory Board does not meet the independence criteria specified in § 20, section 2 of the Articles of Association.

**Grzegorz Grabowicz, Member of the Supervisory Board** Grzegorz Grabowicz has been a Member of the Management Board and Financial Director at Mabion S.A. since January 2019. Grzegorz Grabowicz gained knowledge and experience in management while working: over the period 1998 – 2003 in the Audit Department at Deloitte, in 2003 as Financial Controller at BFF Polska S.A. (formerly: Magellan S.A.), over the period 2004 – 2017 as Financial Director at BFF Polska S.A. and Vice President of the Management Board at BFF Polska S.A. Between 2010 and 2013 he worked as President of the Management Board of MEDFinance S.A. In the years 2007 – 2017 was a Member of the Supervisory Board of Magellan Czech Republic and Magellan Slovakia. Over the period 2013 – 2017 he was a Chairman of the Supervisory Board of MEDFinance S.A. From 2014 to October 2018 Mr Grzegorz Grabowicz was a Member of the Supervisory Board of Skarbiec Holding S.A. From October 2017 to August 2020 he was a Member of the Supervisory Board of Develia S.A. (formerly: LC Corp S.A.) and from June 2018 to May 2019 he was a Member of the Supervisory Board of Medicalgorithmics S.A. From May 2020, he is a member of the Supervisory Board of PRAGMAGO S.A. In 1998 he graduated from the University of Łódź, Faculty of Management and Marketing, specialisation in Accounting, and received a Master's degree in Management and Marketing. In 2010 he completed a programme organised by the Nottingham Trent University and the WSB at the University in Poznań and receive the EMBA (Executive Master of Business Administration) degree. Grzegorz Grabowicz is also a Statutory Auditor. Member of the Supervisory Board satisfies the independence criteria provided for in § 20, section 2 of the Articles of Association

In 2023, the members of the Company's Supervisory Board invested an appropriate amount of time in performing their responsibilities.

### 5.7.3 Shares of the Company and related entities held by the Supervisory Board Members

Supervising persons did not hold shares of the Company.

The supervising persons did not own shares in related entities.

### 5.7.4 Functions held by members of the Issuer's Supervisory Board in Group companies

Members of the Supervisory Board of the parent company did not hold any positions in the governing bodies of subordinated entities during the reporting period.

**Committees of the Supervisory Board**

The following committees operate within the Supervisory Board:

- Audit Committee;
- Remuneration Committee;
- Risk Management Committee.

The Supervisory Board performs the tasks of the Remuneration Committee, the Risk Management Committee and the Nominating Committee collegially by virtue of a resolution adopted by it. Since October 13, 2017, the Audit Committee has functioned as a separate committee, whereas prior to that date, the tasks of the Audit Committee were performed collegially by the Supervisory Board.

The Supervisory Board may also appoint other committees. Detailed tasks and rules for the appointment and operation of committees are defined in the Supervisory Board Regulations.

**5.7.5 Audit Committee**

In the period from January 1, 2023 to December 31, 2023, the Audit Committee met in the following composition:

NAME AND SURNAME	FUNCTION	INDEPENDENCE CRITERIA	CRITERIA OF FINANCIAL KNOWLEDGE	THE CRITERION OF PROFESSIONAL KNOWLEDGE
Grzegorz Grabowicz	Chairman of the Audit Committee	YES	YES	NO
Jakub Leonkiewicz	Member of the Audit Committee	YES	YES	YES
Bartosz Zabłocki	Member of the Audit Committee	NO	YES	YES

**Number of meetings held by the Audit Committee or meetings of the Supervisory Board or other supervisory or controlling body dedicated to the performance of the Audit Committee's duties**

In 2023, 12 meetings of the Company's Audit Committee were held. In 2023, 21 resolutions were adopted at meetings of the Audit Committee and by circulation, 21 resolutions were adopted. The average attendance rate of the Company's Audit Committee Members was 94%. Individual attendance of the Company's Supervisory Body Members was respectively: Grzegorz Grabowicz – 92%, Jakub Leonkiewicz – 100%, and Bartosz Zabłocki – 92%.

**Responsibilities of the Audit Committee**

The Audit Committee's responsibilities include, in particular:

- monitoring the financial reporting process;
- monitoring the effectiveness of the systems of legal compliance supervision (SLC), internal control (SIC), internal audit (SIA) including financial reporting and risk management (SRM), including taking note of reports on the effectiveness of the systems' operation and evaluating them;
- monitoring the performance of audit activities, in particular the audit firm's performance of the audit, taking into account any conclusions and findings arising from the audit of the audit firm;
- controlling and monitoring the independence of the statutory auditor and the audit firm, in particular where services other than the audit are provided to the Company by the audit firm;
- presenting offers of audit firms to the Supervisory Board and recommending the selection of a firm to carry out the audit of the financial statements;
- informing the Supervisory Board of the results of the audit and explaining how the audit has contributed to the integrity of the Company's financial reporting and the role of the Audit Committee in the audit process;
- assessing the auditor's independence and approving the auditor's provision of permitted non-audit services to the Company;
- developing a policy for the selection of the audit firm to conduct the audit and reviewing the said document on a regular basis;
- developing a policy on the provision of permitted non-audit services by the audit firm, by affiliates of the audit firm and by a member of the audit firm's network and reviewing it regularly;
- defining the procedure for the selection of the audit firm by the Company and reviewing it regularly;
- making a recommendation to the Supervisory Board on the appointment of statutory auditors or audit firms;

- making recommendations to ensure the integrity of the financial reporting process in the Company;
- adopting the report on the activities of the Audit Committee for the previous financial year.

### **Independence criteria and process for XTB Audit Committee Members:**

#### **Independent members of the Audit Committee**

In the year 2023 in the Audit Committee of XTB, the independent members meeting the prerequisites of independence listed in Article 129(3) of the Act on Statutory Auditors, Audit Firms and Public Supervision of 11 May 2017 (Journal of Laws of 2017, item 1089) (the "Act on Auditors") were:

- Grzegorz Grabowicz – Chairman of the Audit Committee;
- Jakub Leonkiewicz – Member of the Audit Committee.

#### **Members with knowledge and skills in accounting or auditing financial statements, with an indication of how they were acquired**

The persons listed below, members of the Audit Committee, acquired knowledge and skills in the field of accounting or auditing financial statements as a result of the education and professional experience described:

- Grzegorz Grabowicz – In 1998 he graduated from the University of Łódź, Faculty of Management and Marketing, specialising in Accounting, obtaining a Master's degree in Management and Marketing. In 2010, he completed a programme organised by Nottingham Trent University and the WSB at the University of Poznań, obtaining the title of EMBA (Executive Master of Business Administration). He is qualified as a Chartered Accountant. In addition, in 1998-2003 he worked in the Audit Department at Deloitte, in 2003 he held the position of Financial Controller at BFF Polska S.A. (formerly Magellan S.A.), and from 2004 to 2017 he was Chief Financial Officer at BFF Polska S.A.;
- Jakub Leonkiewicz – Graduated in 2002 with a Master's degree in Finance and Banking from the Warsaw School of Economics. In 2000, he participated in the CEMS Master Programme (Community of European Management Schools) at the London School of Economics and was a scholarship holder at the economics department of Christian-Albrecht Universität zu Kiel. He has gained professional experience at, among others, Roland Berger Strategy Consultants in Germany and J.P. Morgan;
- Bartosz Zabłocki – Graduated from the Faculty of Law and Administration of the University of Łódź. From 2005 to June 2022, he was a partner in the law firm P. Grzelka & Wspólnicy sp. k. Since 2006 Bartosz Zabłocki also runs his own business: "Globetroter Bartosz Zabłocki". Since March 2021, he has served as a Member of the Management Board of Kamienica sp. z o.o. He has served as a member of the Company's Supervisory Board for over six years.

#### **Members with knowledge and skills in the industry in which the Issuer operates, indicating how they were acquired**

- Jakub Leonkiewicz – has been a member of XTB's Supervisory Board for more than 6 years, which has allowed him to gain a detailed understanding of the financial industry and the specifications of the stock and OTC brokerage business (derivatives on currencies, commodities, indices, stocks and bonds) conducted by XTB. In addition, he worked at Roland Berger Strategy Consultants in Germany from 2001 to 2002. From 2002 to 2015, he was associated with J.P. Morgan - first as an analyst in the mergers and acquisitions team in London and, from 2012, as a director of J.P. Morgan in Warsaw, where he was responsible for J.P. Morgan's practice for Poland and the Baltic States. He currently serves as a partner in the private equity fund Avia Capital;
- Bartosz Zabłocki – has been a member of the Supervisory Board of XTB for more than 6 years, which has allowed him to acquire relevant knowledge of the industry. From 2005 until June 2022, he was a partner in the law firm P. Grzelka & Wspólnicy sp. k.

#### **Information on the provision of permitted non-audit services by the audit firm auditing the financial statements and on the assessment of the audit firm's independence and consent to the provision of these services**

For 2023, the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. performed the following permitted non-audit services:

- the audit of the separate financial statements and the consolidated financial statements for 2023;
- review of the condensed interim financial statements and condensed interim consolidated financial statements for the period from 1 January 2023 to 30 June 2023;

- a review of the Company's client asset custody process as at 31 December 2023;
- an assurance service on compliance with the applicable requirements of the remuneration report prepared by the Company's Supervisory Board for the year ended 31 December 2023;
- performing a verification of the tagging of the annual consolidated financial statements for 2023 with XBRL tags, in accordance with the ESEF regulation.

The above-mentioned services were performed on the basis of the Supervisory Board's approval after reviewing the Audit Committee's recommendation of 4 May 2021.

The Audit Committee approved the engagement of the audit firm (i.e. PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.) to perform the above permitted non-audit services. The independence of the auditor's services in the audit process was positively verified before the relevant recommendations were submitted to the Audit Committee.

### 5.7.6 Cooperation with the auditor

On 13 October 2017, the Supervisory Board approved three documents governing cooperation with the auditor.

The main features of the Audit Firm Selection Procedure, the Audit Firm Selection Policy and the Policy for the provision of permitted non-audit services by the audit firm performing the audit (including by affiliates of the audit firm and by a member of the audit firm's network of permitted non-audit services) are set out in the table below:

Procedure for selecting the audit firm	The purpose of the Procedure is to describe the process of selecting an audit firm. The Procedure contains elements, i.e.: request for proposals, evaluation of the proposals, selection of the proposal, conclusion of the contract or re-selection.
Audit firm selection policy	<p>The purpose of the Policy is to set out the principles and criteria for the selection of the audit firm that will carry out the Company's audit. It describes the criteria for the selection of entities authorised to carry out the audit; the criteria for the evaluation of the offers received; the criteria for the independence assessment carried out by the Audit Committee; and the rules for the submission and selection of offers.</p> <p>Audit firm selection criteria included in the in the Policy:</p> <ol style="list-style-type: none"> <li>1. The company will each time send requests for proposals to the following audit companies: EY, PwC, KPMG and Deloitte.</li> <li>2. The Company's Board of Directors is entitled to make enquiries of other audit firms than those mentioned in point 1, provided that they are reputable international audit firms.</li> <li>3. In order to ensure the independence of the auditor and the audit firm, the selection of the audit firm is made taking into account the rotation rules for the audit firm and the key auditor under the Act on Statutory Auditors and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements for the statutory audit of public-interest entities, repealing Commission Decision 2005/909/EC, in particular: <ol style="list-style-type: none"> <li>a) the maximum period of uninterrupted duration of the statutory audit engagements referred to, inter alia, in the second subparagraph of Article 17(1) of the Regulation, carried out by the same audit firm or by an audit firm affiliated to that audit firm or any member of the network operating in the countries of the European Union</li> </ol> </li> </ol>

	<p>to which those audit firms belong, shall not exceed 10 years;</p> <p>b) the key auditor may not carry out a statutory audit in the Company for more than 5 years;</p> <p>c) the key auditor may re-perform the statutory audit of the Company after a period of at least 3 years has elapsed since the completion of the last statutory audit.</p> <p>4. No enquiries are sent to the audit firm that carried out the Audits for the previous 10 financial years.</p> <p>5. The re-submission of a request for proposal to the audit firm referred to in point 3 may take place 4 years after the completion of the last Audit carried out by that firm.</p>
Policy for the provision by the audit firm of permitted non-audit services.	The purpose of the Policy is to set out the general principles under which the audit firm performing the audit may provide services to the Company or to related parties of the Company. The Policy contains a catalogue of permitted services.

#### **Recommendation on the selection of the audit firm to carry out the audit**

In 2021, the Company's Supervisory Board selected the audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k to audit the Company's financial statements for 2021-2023, i.e. to review the Company's separate and consolidated interim financial statements for the six months ended 30 June 2021; 30 June 2022; 30 June 2023 and to audit the Company's annual separate and consolidated financial statements prepared for the year ended 31 December 2021; 31 December 2022; 31 December 2023. The selection of the new auditor was carried out on the basis of the Company's Audit Firm Selection Policy and the Procedure for the Selection of an Audit Firm to Audit XTB's Financial Statements. The essence of the procedure in question was that the Audit Committee analysed the offers collected in terms of the requirements under the Act on Auditors and the criteria and guidelines specified in the aforementioned Policy. As a result of analysing and comparing the offers, the Audit Committee recommended two audit firms to the Supervisory Board, at the same time indicating the offer of PricewaterhouseCoopers Polska Sp. z o.o Audyt sp.k. as the preferred one.

The Supervisory Board, after reviewing the recommendation, selected the entity preferred by the Audit Committee.

#### **5.7.7 Remuneration Committee**

In 2023, the Remuneration Committee of XTB S.A. held four meetings. During the year under review, 5 resolutions were adopted at the Remuneration Committee meetings. The average attendance of the members of the body was 96%. The individual attendance of the Company's Remuneration Committee Members was respectively: Jan Byrski – 80%, Jakub Leonkiewicz – 100%, Łukasz Baszczyński – 100%, Bartosz Zabłocki – 100% and Grzegorz Grabowicz – 100%.

In the Company, the function of the Remuneration Committee is performed by the entire Supervisory Board. The tasks of the Remuneration Committee are:

- to assist the Board in the preparation of remuneration arrangements in accordance with the variable remuneration policy ("Remuneration Policy");
- providing an opinion on the Remuneration Policy, including the amount and components of remuneration;
- reviewing the Remuneration Policy;
- overseeing the payment of variable components of remuneration to individuals in positions with a material impact on the risk profile of the investment firm;
- determining the variable components of the remuneration of the members of the Board of Directors, taking into account the principles described in the Remuneration Policy.

## 5.7.8 Risk Management Committee

In 2023, the Risk Management Committee of XTB S.A. held two meetings. During the year under review, 5 resolutions were adopted at Risk Management Committee meetings. The average attendance rate of the Company's Risk Management Committee members was 100%.

The function of the Risk Management Committee is performed in the Company by the entire Supervisory Board. Its main tasks include:

- drafting a document on the brokerage house's risk appetite;
- giving an opinion on the risk management strategy of the brokerage house developed by the Management Board;
- supporting the Supervisory Board in overseeing the implementation of the brokerage house's risk management strategy by the Management Board;
- reviewing the remuneration policy and rules for its implementation with a view to aligning the remuneration system with the risks to which the brokerage house is exposed, its capital, liquidity and the likelihood and timing of its income;
- discussing and approving the Statement of Acceptable Level of Risk;
- discussing and approving the ICAAP report.

## 5.8 General Meeting

The manner of functioning of the Company's General Meeting and its powers are contained in the Company's Articles of Association and in the Regulations of the General Meeting of XTB S.A., Warsaw, which are available on the Company's website [ir.xtb.com](http://ir.xtb.com) in the Corporate Governance section.

### 5.8.1 Operation of the General Meeting

General Meetings are convened by the Management Board as ordinary or extraordinary.

Ordinary General Meetings are held annually, not later than within six months after the end of the financial year.

Extraordinary General Meetings are convened in the circumstances specified in the Commercial Companies Code or in the Articles of Association and also if the authorities or persons authorised to convene General Meetings believe such to be necessary.

Ordinary General Meeting may be convened by the Supervisory Board, if the Management Board fails to convene it on time. The Supervisory Board may also convene the extraordinary General Meeting if it deems it necessary. The right to convene an extraordinary General Meeting is also vested with the Company's shareholders representing at least one-half of the Company's share capital or at least one-half of the total number of votes in the Company. In such case, the Company's shareholders will appoint the chairman of such General Meeting.

Furthermore, a shareholder or shareholders of the Company representing at least one-twentieth of the Company's share capital may request that an extraordinary General Meeting be convened and that certain matters be placed on the agenda of such General Meeting. The request to convene the extraordinary General Meeting must be submitted to the Management Board in writing or in electronic form. If within two weeks from the submission of such request to the Management Board the extraordinary General Meeting is not convened, the registry court may authorise the Company's shareholders submitting such request to convene an extraordinary General Meeting. In such case, the chairman of the General Meeting is appointed by the court.

## 5.8.2 Competences of the General Meeting

According to the Commercial Code of Companies, tasks of the General Meeting include in particular:

- the consideration and approval of the Management Board's report on the Company's Operations and the financial statements for the previous financial year,
- the granting of a vote of approval to the members of the Management Board and the Supervisory Board with respect to the performance of their duties,
- decisions regarding claims for the redress of damage caused while establishing the Company or exercising management or supervision over the Company,
- the sale or lease of the Company's enterprise or an organised part thereof and the establishment of a limited property right thereon,
- making a distribution of profit or covering of losses,
- issue of convertible bonds or bonds with priority rights and subscription warrants, referred to in art. 453 § 2 of the CCC,
- liquidation of the Company,
- the acquisition of own shares for redemption, redemption and reduction of share capital of the Company,
- the merger, transformation or split of the Company,
- amending the Articles of Association of the Company.

According to the Articles of Association, the competences of the General Meetings include also:

- the approval of the Regulations of the Management Board,
- the adoption of the Regulations of the Supervisory Board,
- the determination of the rules and amount of the remuneration of the members of the Supervisory Board,
- the creation, drawing upon and liquidation of reserve capitals and other special-purpose funds and the drawing upon the supplementary capital.

The resolutions of the General Meeting passed by an absolute majority of votes, unless the law or the Articles of Association provide for stricter requirements for the adoption of the resolution.

As of the Dematerialisation Date, the General Meeting will be deemed to have been validly convened regardless of the number of shares represented thereat, provided that the General Meeting will be able to adopt a resolution regarding the amendment to § 15, sections 3 and 4 of the Articles of Association only in the presence of shareholders representing at least 2/3 (two-thirds) of the overall number of votes at the General Meeting.

## 5.8.3 Rights and obligations related to the Shares

Certain rights and obligations related to the Shares are presented below. The issues regarding the rights and obligations related to the shares are specifically regulated under the Polish Commercial Companies Code, the Act on Public Offering, the Act on Trading in Financial Instruments and the Articles of Association.

The Articles of Association do not contain provisions regarding the threshold amount of shares owned, beyond which it is necessary to state the shareholding of the Company shareholder or contain provisions imposing stricter conditions governing changes in capital than specified by the applicable law.

### Right to dispose of the Shares

The shareholders of the Company have the right to dispose of shares. Disposal of shares consists of their disposal (transfer of ownership) and other forms of the ordinance, including pledging, establishing rights of use and their lease.

### Dividend

The shareholders of the Company have the right to participate in the profit, which will be shown in the annual financial statement audited by the statutory auditor, designated by the resolution of the General Meeting for payment to the shareholders of the Company (right to dividend).

The Ordinary General Meeting is the body authorized to make decisions on the distribution of the Company's profit and dividend payment. The Ordinary General Meeting of Shareholders adopts a resolution on whether and what part of the Company's profit shown in the financial statements, audited by the statutory auditor, should be used to pay dividends. The Ordinary General Meeting should take place within six months after the end of each financial year (the financial year corresponds to the calendar year), i.e. by the end of June.

The Ordinary General Meeting also sets the date of the dividend and the date of dividend payment. The dividend day may be designated as at the date of adoption of the resolution on the distribution of profit or within the next three months, counting from that day.

The amount to be distributed among the shareholders of the Company may not exceed the profit for the last financial year, increased by undistributed profits from previous years, and amounts transferred from the supplementary and reserve capital created from profit, which may be allocated for the payment of dividends. However, this amount should be reduced by uncovered losses, own shares and amounts that, according to the Commercial Companies Code or the Articles of Association, should be allocated from the profit for the last financial year to supplementary or reserve capital.

The Management Board may pay shareholders an advance on the anticipated dividend at the end of the financial year if the Company has sufficient funds to pay. The advance payment requires the consent of the Supervisory Board. The company may pay an advance if its approved financial statements for the previous financial year show profit. The advance may amount to at most half of the profit earned from the end of the previous financial year, shown in the financial statements audited by the statutory auditor, increased by reserve capital created from profit, which the Management Board may use to distribute advances and reduced by uncovered losses and own shares.

The right to dividend is payable to persons on accounts of which dematerialized shares (bearer shares) are kept on the dividend day and to entities authorized to sell dematerialized Shares on a collective account.

A shareholder's claim against the Company for payment of a dividend may be made within 10 years, starting from the date of adoption by the ordinary General Meeting of a resolution to allocate all or part of the Company's profit to be paid to shareholders. After this date, the Company may evade payment of the dividend, raising the plea of limitation.

### **Terms of payment of dividend**

The conditions for the receipt of dividends by the shareholders of the Company correspond to the rules adopted for public companies. The resolution on dividend payment should indicate the date of determining the right to dividend (dividend day) and the dividend payment date. Subject to the provisions of the Rules and Regulations of the NDS, the dividend day may be designated as at the date of adoption of the resolution or within the next three months, counting from that day. The dividend is paid on the day specified in the resolution of the General Meeting, and if the resolution of the General Meeting does not specify such a day, the dividend is paid on the day determined by the Supervisory Board.

### **Subscription right**

The shareholders of the Company have the right to subscribe for the new shares of the Company in relation to the number of Shares held (pre-emptive right). The Company's shareholders have the right of priority to acquire new shares of the Company in relation to the number of Shares held, with the pre-emptive right also for issuing securities convertible into shares of the Company or incorporating the right to subscribe for shares of the Company.

The resolution on increasing the share capital of the Company should indicate the day according to which the shareholders of the Company are designated who have the right to collect new shares (day of subscription right). The subscription right can't be determined later than within six months from the day the resolution was passed.

The agenda of the General Meeting at which a resolution to increase the share capital of the Company is to be adopted should specify the proposed day of subscription right. Depriving the Company's shareholders of the right to acquire the shares of the new issue of the Company may take place only in the interest of the Company and in the event that it was announced in the agenda of the General Meeting. The Management Board presents the General Meeting with a written opinion justifying the reasons for the deprivation of the pre-emptive right and the proposed issue price of new shares of the Company or the method of its determination. A majority of at least four fifths of votes is required to pass a resolution regarding the deprivation of the Company's shareholders rights.

The above-mentioned requirements regarding the adoption of a resolution regarding the deprivation of the current shareholders of the Company's pre-emptive rights are not applicable if:

- the resolution on capital increase states that the new shares of the Company are to be fully covered by the financial institution (underwriter), with the obligation to offer them to the shareholders of the Company in order to enable them to exercise the pre-emptive right on the terms specified in the resolution;
- the resolution states that the new shares of the Company are to be taken up by the underwriter in the event that the shareholders of the Company, with whom the pre-emptive right is used, will not take part or all of the shares offered to them.

## Right to a share in the assets in the case of the liquidation of the Company

If the Company is liquidated, the assets remaining after the satisfaction or securing of the creditors of the Company are divided between the shareholders of the Company on a pro rata basis to their contributions to the share capital.

## The right to participate in the General Meeting and voting rights

The shareholder exercises the right to vote at General Meetings. Pursuant to the Code of Commercial Companies, General Meetings may be ordinary (ordinary General Meetings) or extraordinary (Extraordinary General Meetings).

Each Action gives the right to one vote at the General Meeting.

A shareholder of the Company may participate in the General Meeting and exercise the right to vote in person or through a proxy. A shareholder of the Company intending to participate in the General Meeting through a proxy must give the proxy proxies in writing or in electronic form. The Company takes appropriate actions to identify the Company's shareholder and proxy in order to verify the validity of the power of attorney granted in electronic form.

A detailed description of the manner of verifying the validity of the power of attorney granted in electronic form includes an announcement on convening the General Meeting.

Pursuant to the Articles of Association, participation in the General Meeting by means of electronic communication is allowed, subject to the following. In the event that the announcement on convening the General Meeting contains information about the possibility of shareholders participating in the General Meeting using electronic means of communication, the Company is obliged to provide shareholders with the opportunity to participate in the General Meeting using electronic means of communication.

The detailed rules for conducting the General Meeting using electronic means of communication are determined by the Management Board, taking into account the provisions of the Regulations of the General Meeting. The Management Board announces the rules on the Company's website along with the announcement on convening the General Meeting.

A shareholder of the Company holding shares registered on more than one securities account may appoint separate proxies to exercise the rights attached to shares registered on each account.

If a representative of a shareholder of the Company at the General Meeting is a member of the Management Board, a member of the Supervisory Board, liquidator, employee of the Company or a member of the bodies or employee of a subsidiary or a subsidiary of the Company, the power of attorney may authorize to represent only one General Meeting.

The proxy is obliged to disclose to the shareholder of the Company circumstances indicating the existence or the possibility of a conflict of interests. In this case, granting a further power of attorney is unacceptable. The proxy referred to above votes in accordance with the instructions provided by the shareholder of the Company.

Each share gives the right to one vote at the General Meeting. The Articles of Association do not provide for voting preference. A shareholder may vote differently from each of the shares held. A proxy may represent more than one shareholder of the Company and vote differently from the shares of each shareholder of the Company.

A shareholder of the Company may not, either personally or by proxy, vote on adopting resolutions regarding his liability towards the Company for any reason, including granting a vote of acceptance, exemption from obligations towards the Company and a dispute between him and the Company. The above limitation does not apply to voting by a shareholder of the Company as a proxy of another shareholder when adopting resolutions regarding the person referred to above.

Only persons who are shareholders of the Company sixteen days before the date of the General Meeting (day of registration of participation in the General Meeting) have the right to participate in the General Meeting. In order to participate in the General Meeting, those entitled from the dematerialized Bearer Stocks of the Company should request the entity maintaining their securities account to issue a personal certificate on the right to participate in the General Meeting. The demand should be presented not earlier than after the announcement of convening the General Meeting and no later than the first weekday after the date of registration of participation in the General Meeting.

Holders of registered shares and temporary certificates, as well as pledgees and users who have the right to vote, have the right to participate in the General Meeting, if they are entered into the book of shares on the day of registration of participation in the General Meeting.

The list of persons entitled to participate in the General Meeting is determined on the basis of the list prepared by the entity keeping the securities deposit in accordance with the Act on Trading in Financial Instruments and on the basis disclosed in the Company's share register on the day of registration of participation in the General Meeting. The above list is displayed at the Company's office for three days preceding the day of the General Meeting. The Company's

shareholder may request that the list of shareholders entitled to participate in the General Meeting be sent to him free of charge via e-mail, providing his own e-mail address to which the list should be sent.

In relation to shares registered on a collective account, a certificate confirming the right to participate in the General Meeting shall be a document with appropriate content issued by the holder of the said account. If the omnibus account is maintained by NDS (or an entity employed by NDS to perform duties related to the maintenance of securities), information on the holder of such an account should be disclosed to NDS (or an entity employed by NDS to perform duties related to the operation of the securities depository) by the entity conducting a collective account for it before the first issue of such a document.

On the basis of the above-mentioned documents, the omnibus account holder will prepare a list of persons authorized to participate in the General Meeting. If the omnibus account holder is not a NDS participant (or a bank employed by NDS in order to perform duties related to the securities depository), the list of persons authorized to participate in the General Meeting is delivered through a NDS participant (or a bank that NDS has employed to perform its duties associated with keeping a securities depository).

The Company's shareholder may transfer the Shares in the period between the date of registration of participation in the General Meeting and the date of closing the General Meeting.

### **Right to place particular matters on the agenda**

A shareholder or shareholders of the Company representing at least one twentieth of the Company's share capital may request that specific matters be placed on the agenda of the next General Meeting. The request should be submitted to the Management Board no later than twenty one days before the set date of the General Meeting. The request may be submitted in electronic form. The Management Board is obliged to announce immediately, but no later than eighteen days before the set date of the General Meeting, changes to the agenda introduced at the request of the Company's shareholders. The announcement is made in a manner appropriate for convening the General Meeting.

### **Manner in which the General Meeting is convened**

The General Meeting is convened through an announcement made on the Company's website and in a manner specified for the provision of current information in accordance with the Act on Public Offering. The announcement should be made at least twenty-six days before the date of the General Meeting. The announcement about the General Meeting should include in particular:

- the date, time and place of the General Meeting and the detailed agenda,
- a precise description of the procedures for participation in the General Meeting and the exercise of voting rights,
- day of registering participation in the General Meeting,
- information that only persons who are shareholders of the Company on the registration date of participation in the General Meeting have the right to participate in the General Meeting,
- an indication of where and how a person entitled to participate in the General Meeting may obtain the full text of documentation to be presented to the General Meeting and draft resolutions or, if no resolutions are envisaged, comments of the Management Board or Supervisory Board regarding matters introduced into the agenda the General Meeting or issues that are to be included in the agenda before the date of the General Meeting,
- indication of the address of the website on which information on the General Meeting will be made available.

Pursuant to the Regulation on Reports, the Company will be required to submit in the form of a current report, among others the date, time and place of the General Meeting together with its detailed agenda.

In addition, in the event of a planned amendment to the Statute, the current provisions, the content of the proposed amendments and if, due to a large scope of intended changes, the Company makes a decision to prepare a new uniform text, the new uniform text of the Articles of Association together with the calculation of its new provisions. The content of draft resolutions and attachments to the projects to be discussed at the General Meeting that are relevant to the resolutions adopted shall also be announced in the form of a current report.

### **Venue of the General Meeting**

General Meetings are held in the Company's registered office.

### **Right to propose draft resolutions to the Company**

A shareholder or shareholders of the Company representing at least one-twentieth of the share capital may submit to the Company in writing or using electronic communication means draft resolutions regarding matters included in the

agenda of the General Meeting or issues to be included in the agenda prior to the date of the General Meeting. The company immediately publishes draft resolutions on its website.

#### **Right to demand the issuance of duplicates of motions**

Each shareholder of the Company has the right to demand copies of motions regarding issues included in the agenda of the next General Meeting. Such a request should be submitted to the Management Board, no later than one week before the General Meeting.

#### **Right to demand that the list of participants of the General Meeting be verified**

Immediately after the election of the chairman of the General Meeting, an attendance list containing a list of participants of the General Meeting should be drawn up, specifying the number of shares of the Company that each of them presents and their votes. The attendance list should be signed by the chairman of the General Meeting and presented during the meeting. At the request of shareholders holding one-tenth of the share capital represented at the General Meeting, the attendance list should be checked by a committee elected for this purpose, composed of at least three persons. Applicants have the right to choose one member of the commission.

#### **Right to information**

The Management Board is obliged to provide the Company's shareholder, during the General Meeting, upon request with information regarding the Company, if it is justified for the assessment of a matter covered by the agenda of the General Meeting. If there are important reasons to do so, the Management Board may provide information in writing outside the General Meeting. In such a case, the Management Board is obliged to provide information not later than within two weeks from the day the shareholder filed a request at the General Meeting.

The Management Board refuses to provide information if it could cause damage to the Company, a company associated with the Company or a company or a cooperative subsidiary of the Company, in particular by disclosing technical, commercial or organizational secrets of the company. A member of the Management Board may refuse to provide information if the provision of information could be the basis of his criminal, civil or administrative liability.

The information provided to the Company shareholder should be made available to the public in the form of a current report.

A shareholder who was refused to disclose the information requested during the General Meeting and who filed an objection to the Minutes may submit an application to the registry court to oblige the Management Board to provide information. Such a request should be submitted within one week from the end of the General Meeting at which information was refused. A shareholder may also submit an application to the registry court for obliging the Company to publish information provided to another shareholder outside the General Meeting. Pursuant to the Regulation on Reports, the Company will be obliged to provide in the form of a current report information provided to a shareholder following the Management Board's obligation by the registry court in the cases referred to above.

#### **Right to demand the issuance of duplicates of the annual financial statements**

Each shareholder of the Company has the right to request copies of the Management Board's report on the Company's operations and financial statements along with a copy of the Supervisory Board's report and the auditor's opinion no later than fifteen days before the General Meeting.

#### **Right to request the election of the Supervisory Board by separate groups**

At the request of the Company's shareholders representing at least one fifth of the Company's share capital, the Supervisory Board should be elected by the next General Meeting by voting in separate groups. In this case, the mode provided for in the Statute will not be applicable and the shareholders will apply the procedure provided for in the Code of Commercial Companies. The mechanism of such selection is as follows: the total number of Company shares is divided by the total number of members of the Company's Supervisory Board. Shareholders who represent such a number of shares may form a separate group to elect one member of the Supervisory Board and may not vote in the selection of other members. If, after a vote in the voting mode, separate groups in the Supervisory Board remain vacancies, shareholders who have not participated in the creation of any group will be entitled to elect other members of the Supervisory Board. If the election of the Supervisory Board is made by way of voting in separate groups, the limitation of the preference for voting rights does not apply, and each Action gives the right to one vote, excluding restrictions on shares that do not entitle to exercise voting rights.

#### **Right to appeal against the resolutions of the General Meeting**

The Company's shareholders are entitled to appeal against resolutions adopted by the General Meeting by way of an action to repeal a resolution or an action for annulment of a resolution.

## Action for the revocation of a resolution

A resolution of the General Meeting that is contrary to the Statute or decency and which harms the interest of the Company or intended to harm a shareholder of the Company may be appealed against by way of action against the Company for repealing the resolution.

An action to cancel a resolution of the General Meeting should be brought within one month from the date of receipt of information about the resolution, however not later than within three months from the date of adopting the resolution.

## Action to have a resolution declared invalid

A resolution of the General Meeting contrary to the Act may be challenged by an action brought against the Company for the annulment of a resolution.

An action for annulment of a resolution of the General Meeting should be brought within thirty days from the date of its announcement, but no later than one year from the date of adoption of the resolution.

## Entities authorised to challenge resolutions of the General Meeting

The following persons have the right to file an action seeking to have a resolution of the General Meeting declared invalid or an action for the revocation of a resolution of the General Meeting:

- the Management Board, the Supervisory Board and the individual members thereof;
- a shareholder of the Company who voted against the resolution and who upon the adoption thereof requested that his objection be recorded in the minutes of the General Meeting;
- a shareholder of the Company who was refused participation in the General Meeting without providing a good reason;
- the shareholders of the Company who were not present at the General Meeting – only if the General Meeting was improperly convened or in the case of a resolution on a matter which was not included on the agenda.

## Change to the Rights Entrusted with the Company's Shareholders

A change in the rights of shareholders in the form of amending the provisions of the Statute requires a resolution of the General Meeting adopted by a three-fourths majority of votes and an entry in the Register of Entrepreneurs of the National Court Register. In addition, a resolution to amend the Articles of Association, increasing the benefits of the Company's shareholders or reducing the rights granted personally to the Company's shareholders, requires the consent of all shareholders of the Company to whom it applies.

## Redemption of Shares

Shares may be redeemed by way of a decrease in the share capital of the Company, however, the redemption requires the consent of the shareholder of the Company. The Statute does not contain a provision regarding the compulsory retirement of the Shares.

The conditions, legal basis and procedure for redemption of shares and the amount of remuneration for redeemed shares or justification for redemption without remuneration shall be determined each time by the General Meeting in the form of a resolution

## Right to Request the Appointment of a Special-Purpose Auditor

According to art. 84 of the Act on Public Offer, at the request of a shareholder or shareholders of the Company, holding at least 5% of the total number of votes, the General Meeting may adopt a resolution regarding the examination by a court expert of a specific issue related to the creation of the Company or conducting its affairs. These shareholders may, for this purpose, request that an extraordinary General Meeting be convened or that the matter of adopting this resolution be placed on the agenda of the next General Meeting. If the shareholders decide to take advantage of the first option and within two weeks from the date of requesting convening such a General Meeting, the Extraordinary General Meeting will not be convened, the registry court may authorize the shareholders of the Company to submit the request to convene an extraordinary General Meeting. The court appoints the chairman of this General Meeting. If shareholders decide to use the second option and request that the resolution be placed on the agenda of the next General Meeting, such request must be delivered to the Management Board in writing no later than twenty one days before the planned date of the General Meeting.

The resolution of the General Meeting on the selection of the auditor for special matters should specify in particular:

- the data of the special-purpose auditor, which auditor should be approved in writing by the requesting shareholder;

- the subject and the scope of the audit, which should comply with the contents of the request, unless the requesting party consented in writing to change the subject and scope of the audit;
- the types of documents that should be made available to the auditor by the Company; and
- the start date of the audit, which should not be later than three months from the date of the adoption of the resolution.

If the General Meeting fails to adopt the resolution in accordance with the request or adopts such resolution in breach of Article 84 clause 4 of the Act on Public Offering, the requesting parties may, within 14 days of the date of the adoption of the resolution, request that the registry court appoint the identified entity as a special purpose auditor.

The auditor for special matters may only be an entity having the expertise and qualifications necessary to examine the matter specified in the resolution of the General Meeting, which will ensure the preparation of a reliable and objective audit report. The auditor for special matters may not be an entity providing services to the Company, its parent or subsidiary in the audited period, as well as its parent entity or a significant investor within the meaning of the Accounting Act. The auditor for special matters may also not be an entity that belongs to the same capital group as the entity that provided the services referred to above.

The Management Board and the Supervisory Board are required to make available to the special-purpose auditor such documents as have been specified in the resolution of the General Meeting upon the appointment of the special purpose auditor, or upon the decision of the court on the appointment of the special purpose auditor, and to provide the auditor with the explanations necessary for carrying out the audit.

The special purpose auditor is required to present to the Management Board and the Supervisory Board of the company a written report on the audit results. The Management Board is required to announce the report in the form of a current report. The report of the special purpose auditor may not disclose information that constitutes a technical, trade or organisational secret of the Company, unless it is necessary for justifying the position presented in the report.

The Management Board is required to submit a report on the consideration of the audit findings at the next General Meeting.

## 5.9 Company's Articles of Association

The current Articles of Association of XTB S.A. were adopted by the Extraordinary General Meeting of XTB S.A. on 31 July 2023. The current content of the document is available on the Company's Investor Relations sub-page at:

<https://ir.xtb.com/en/corporate-governance/articles-of-association/>

### Change in the company's Articles of Association

Amendments to the Company's Articles of Association, in accordance with the provisions of the Commercial Companies Code, fall within the competence of the General Meeting. A resolution to amend the Articles of Association is adopted by a three-quarters majority.

A resolution concerning an amendment to the Articles of Association which increases the benefits of shareholders or depletes the rights granted personally to individual shareholders pursuant to Article 354 of the Code of Commercial Companies requires the consent of all the shareholders concerned.

## 5.10 The main features of internal control and risk management in relations to the process of preparing separate and consolidated financial statements

The system of internal control and risk management in relation to the process of preparing separate financial statements and consolidated financial is directly under the Management Board of the parent company. Supervision over the process of preparation of financial statements lies with the Financial Director. Financial statements are prepared by the Finance and Accounting Department of the parent company under the supervision of the Chief Accountant. The Parent Company also controls and analyses costs in terms of financial targets.

In order to eliminate the risks associated with the preparation of financial statements, also of the Group subsidiaries are annually audited by the independent auditor. The Group constantly monitors the performance of individual areas and compares to financial targets. The annual financial statements of the Parent Company and the annual consolidated financial statements of the Group are audited by an independent auditor. While the half-year financial statements of the Parent Company and consolidated half-year financial statements of the Group are reviewed by the certified auditor. The quarterly and half-yearly condensed consolidated financial statements of the Group as well as the annual financial

statements of the Parent Company and the Group are approved prior to publication by the Management Board of the Parent Company.

## 5.11 Remuneration Policy

According to the internal system of remuneration, employees receive salary for the work corresponding to the type of work performed and the qualifications required for its performance, taking into account the quality and quantity of work performed.

### 5.11.1 Remuneration of the Management Board members

The remuneration model for XTB S.A.'s Management Board Members includes fixed remuneration, variable remuneration and non-cash benefits. The principles and amount of remuneration of the Members of the Company's Management Board are determined by the Supervisory Board. Members of the Management Board receive remuneration on the basis of employment contracts for an indefinite period.

The remuneration of the members of the Management Board is determined adequately to their function and adequate to the scale of the company's activities, and consists of:

- **fixed remuneration** – which is part of the total remuneration of the members of the Management Board, corresponds to the type of work performed by individual members of the Management Board and the qualifications necessary for its performance, as well as taking into account the quantity, evaluation and quality of the work provided. An important factor taken into account is also the extent of the organisational responsibility of the Board Member concerned. When determining the amount of fixed remuneration, the Members of the Supervisory Board take into account the situation on the local labour market in such a way that the level of remuneration does not encourage the Members of the Management Board to take excessive risks in order to obtain the variable component of remuneration;
- **variable remuneration** – represents an annual bonus dependent on the achievement of management objectives. The variable remuneration depends on the balanced and risk-adjusted performance of the individual Board Members, as well as the performance of the Company and the Group.

The members of the Management Board are informed of the objectives set and the evaluation principles on which the award and the amount of the variable remuneration components depend. The variable components of remuneration depend, *inter alia*, on the individual's performance, taking into account the Company's business risks.

The ratio of the variable remuneration components to the fixed remuneration components may not exceed 200% with respect to each Member of the Management Board and, in the case of the Member of the Management Board responsible for Risk, the ratio may not exceed 100%.

The payment of variable remuneration components is spread over tranches, taking into account the long-term interests of the Company. The entire variable components of remuneration were awarded in XTB's own shares. At least 40% of the variable components of remuneration paid in the form of financial instruments are settled and paid over a period of three to five years, the period being determined taking into account the business cycle, the nature and risks of the business and the responsibilities of the individual concerned. Where the variable remuneration does not exceed the PLN equivalent of EUR 50 000 and ¼ of the total annual remuneration of the Board Member, it shall not be deferred.

Where the amount of that person's total remuneration in the previous financial year exceeds the PLN equivalent of EUR 1 000 000 deferral applies to 60% of the variable remuneration components.

**non-monetary benefits** – the remuneration in the form of a non-monetary benefit granted to the Members of the Management Board is a remuneration that includes:

- pension and retirement plan (PPK);
- additional non-wage benefits, including min. Private medical care, Multisport card, insurance;
- the use of Company equipment, including a company car, computers, telephones, as well as access to literature and trade press;
- opportunity to participate in training;
- remuneration in the form of non-cash benefits is also available to other employees of the Company.

Compensation in the form of non-cash benefits is also available to other employees of the Company.

As non-competition agreements have been entered into with the members of the Management Board, for compliance with this non-competition agreement, the members of the Management Board are entitled to compensation upon termination of their employment, the amount of which is set out as follows:

- The member of the Management Board - Mr Paweł Szejko – is entitled to compensation equal to 50% of the gross remuneration received by the employee prior to the termination of the employment relationship for a period corresponding to the period of the non-compete, payable in 12 monthly instalments.

The tables below provide information on the total remuneration payable to the members of the Executive Board for 2023 and 2022. Fixed remuneration, consisting of base salary, pension plan (PPK), additional non-cash benefits and variable remuneration. In 2023 and 2022, the members of the Company's Management Board received remuneration on the basis of employment contracts

#### Fixed remuneration

NAME AND SURNAME	FIXED REMUNERATION RECEIVABLE FROM THE COMPANY IN THE YEAR: (PLN '000)	
	2023	2022
Omar Arnaout	1 124	986
Filip Kaczmarzyk	788	689
Paweł Szejko	566	497
Jakub Kubacki	510	450
Andrzej Przybylski	501	435

#### Variable remuneration

NAME AND SURNAME	VARIABLE REMUNERATION RECEIVABLE FROM THE COMPANY IN THE YEAR: (PLN '000)	
	2023	2022
Omar Arnaout	1 059	1 200
Filip Kaczmarzyk	741	840
Paweł Szejko	529	600
Jakub Kubacki	388	440
Andrzej Przybylski	253	220

From now on, variable remuneration is awarded in the Company's own shares. The shares granted are subject to restrictions on their disposal. The disposition of 40% of the variable remuneration is restricted for 3 consecutive years. The possibility to freely dispose of further tranches of granted shares follows the date of publication of the annual report to the WSE containing the consolidated financial statements for the subsequent financial years following the year for which the variable remuneration is granted.

A member of the Management Board to whom, as part of the variable remuneration components, property rights exercised through cash settlement (synthetic shares) have been granted may make a first cash call to the Company after the grant date, i.e. after the date on which the derivative financial instrument contract is signed. A further call may be made after 12 months and a third call after 24 months from the date of the derivative financial instrument agreement. Subsequent calls may be made 36 months after the conclusion of the derivative financial instrument contract. The value of each synthetic share shall be equal to the price of the Company's shares at the close of trading on the Warsaw Stock Exchange on the seventh day after the date of publication of the report containing the Company's consolidated financial statements for the preceding financial year or, if there is no such price on that date, equal to the first closing price published by the WSE after that date. The value of each synthetic share is invariable over time.

Non-salary benefits accruing to individual board members and key managers include health benefits, holiday benefits, recreational and sports benefits and Christmas vouchers. In addition, during the reporting period, board members Filip Kaczmarzyk, Jakub Kubacki had a company car at their disposal.

## 5.11.2 Agreements concluded with the management, including compensation in case of resignation or dismissal from the position without a material ground or their removal or dismissal is due to the Company's merger by acquisition

As at 31 December 2023, and as at the date of publication of this report in the Parent Company and the Group companies there were no agreements with management providing for compensation in case of their resignation or dismissal from the position without a material reason or if their removal or dismissal is due to merger of the Parent Company by acquisition.

## 5.11.3 Remuneration of the Supervisory Board members

The table below provides information on the remuneration due to members of the Supervisory Board. It consists of fixed remuneration components and non-cash benefits. In 2023 and 2022, the members of the Supervisory Board of the Company received remuneration by virtue of the appointment relationship. The principles and the amount of remuneration of the members of the Supervisory Board are determined by the General Meeting of Shareholders by resolution:

NAME AND SURNAME	FIXED REMUNERATION RECEIVED FROM THE COMPANY IN THE YEAR: (IN PLN'000)	
	2023	2022
Jan Byrski	65	58
Jakub Leonkiewicz	59	49
Łukasz Baszczyński	60	49
Bartosz Zabłocki	60	49
Grzegorz Grabowicz	60	49

## 5.11.4 Information on liabilities arising from pensions and similar benefits for former members of management, supervisory and administrative bodies

As at 31 December 2023 there were no liabilities arising from pensions and similar benefits for former members of management, supervisory or administrative bodies, as well as no liabilities incurred in relation with these pensions.

## 5.11.5 Changes in the remuneration policy

On 31 July 2023, the Extraordinary General Meeting of the Company adopted the Variable Remuneration Award Policy, the Fixed Remuneration Award Policy for Members of the Management Board and Members of the Supervisory Board and the Incentive Scheme Regulations for persons with significant influence on the Company's risk profile.

## 5.11.6 Assessment of the remuneration policy

The general principles of the remuneration policy are aimed to ensure the coherence of the system of remuneration and additional benefits for employees with the strategy of long-term development of the company and taking into account the costs adopted in the financial plan, while maintaining compliance of risk management and stability of the company.

Additionally, assumptions of the variable components of the remuneration for persons in key positions, which should strengthen the relationship between the amount of the variable part of the remuneration and the implementation of long-term company growth, contributes significantly to the stabilization of the company's operations and its shareholder value growth.

Evaluation of the remuneration policy is under the Supervisory Board, which exercises ongoing supervision over the adopted remuneration policy, subjects them to review and makes recommendations to the Management Board as to possible changes in order to ensure a competitive level and effectiveness of remunerations, and ensuring their transparency, compliance with legal regulations and internal justice. Additionally, the remuneration policy for Members of the Management Board and Members of the Supervisory Board is subject to adoption by a resolution of the General

Meeting adopted by a simple majority of votes. In addition, the Supervisory Board annually reviews the application of the Remuneration Policy and prepares a remuneration report.

### 5.11.7 Sponsorship, charity and similar activities

XTB makes every effort to ensure that the actions taken strengthen the organisation in the area of social responsibility, taking into account environmental and climate protection and consciously and efficiently managing natural resources. To this end, the XTB Capital Group's ESG Strategy was adopted in Q4 2021, under which the Company emphasises the implementation of commitments with an environmental and sustainability focus.

All activities in the area of social responsibility are implemented by the XTB Capital Group and the XTB Foundation, established in December 2020.

XTB's charitable activities are one of the cornerstones of its dialogue with society. Its aim is to reach the most needy places.

Accordingly, in 2023, XTB Capital Group S.A. made a donation of PLN 100,000 in cooperation with UNICEF to help victims following the earthquake in Turkey and Syria.

In addition to the donations, in 2023 the Company enabled 39 employees to use a total of 320 hours in employee volunteering. In 2023, the XTB Foundation donated a total of PLN 50 000 to charity.

In addition, in cooperation with an external agency, the Foundation carried out a survey on savings of young Poles, the results of which were published in the report "Dreams and plans of young Polish women and men". The aim of the survey was to identify the most important dreams of young citizens, the realisation of which is prevented by their financial situation. Their approach to saving and investing was also analysed, both in terms of behaviour and accompanying beliefs. Increasing economic awareness among younger generations is becoming one of the main priorities.

The most significant environmental action in 2023 was the XTB Foundation's involvement in cooperation with the Forest Forever Foundation. As a result, in October 2023, XTB employees planted more than 2 000 trees in an area of 12 000 m<sup>2</sup>, creating a biodiverse deciduous 'XTB Forest' located in Mieleszkowice Pawlowice in the Podlaskie Voivodeship. The planted forest is a self-regulating system that functions as a CO<sub>2</sub> store, soil stabiliser, water reservoir, habitat for many organisms, biodiversity refuge and oxygen producer.

In 2023, XTB Employees also once again got involved in the collection for the Noble Parcel, which allowed them to purchase products to meet the needs of a selected family. In 2023, the Company also played with the Great Orchestra of Christmas Charity during the 31st Finale. The following items were donated to charity auctions:

- Real Madrid shirt autographed by Iker Casillas;
- Kuba Przygoński's Dakar'23 gloves and Team GB sweatshirt;
- UFC gloves autographed by Joanna Jedrzejczyk.

Thanks to the above auctions, it was possible to support the campaign with a total of PLN 10 557.

XTB also finances projects related to the promotion of sports activities among employees, supporting, among others, the XTB team playing in the business football league or the XTB Running Team, which celebrated its 5th anniversary in 2023. In 2023, the XTB Running Team once again took part in the Janusz Kusociński Night Relay Run, placing 33rd out of 127 teams. Shortly afterwards, it also took part in the 32nd Warsaw Uprising Run. The event brought together almost 8 000 runners to commemorate the events of 1944. In the near future, a number of activities and events are planned to increase employee involvement in various sports and promote a healthy lifestyle.

### 5.11.8 Description of diversity policy

As part of the policy of diversity, XTB S.A. also promotes and supports charitable initiatives initiated by its employees.

Managing diversity also consists of including provisions for preventing discrimination and mobbing as well as other regulations which specify the standards for equal treatment, protection against violence, harassment or unfair dismissal in the policies and procedures in place at XTB. The principles of equal treatment in employment are described in the Company's internal documents, among others, in the Labour Regulations, and are freely available to all employees. All employees and associates are required to react if they witness the exclusion or stigmatization of associates in accordance with the applicable Anonymous Reporting Procedure.

In the scope of diversification in connection with the selection of XTB S.A. authorities the Company has implemented the Diversity Policy in relation to the Members of the Management Board of the Company. The company provides

a variety of qualifications and competences in terms of education, professional experience and the skills of the selected staff, including the managerial staff, in order to guarantee comprehensive and reliable performance of the tasks entrusted to it. In addition, as part of the Diversity Policy during recruitment to the authorities of the Company in XTB S.A. professional qualifications, reputation, professional experience, predispositions to perform duties within a given position or function, as well as gender, age, place of origin and education are taken into account.

The members of the Company's authorities are specialists in various areas of knowledge and are equipped with varied industry-specific experience which corresponds to the functions they currently perform. The individual competencies of the members of the Company's authorities complement each other in such a manner as to ensure an appropriate level of collegial management at XTB S.A.

## 6. Other information

### 6.1 Audit company authorised to audit the financial statements

On May 4, 2021, the Supervisory Board of the Company, acting pursuant to § 19 section 2 lit. h) the Articles of Association of the Company and in accordance § 8 sec. 2 lit. h) Regulations of the Supervisory Board of XTB, after getting acquainted with the recommendation of the Audit Committee, adopted a resolution and entrusted PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. based in Warsaw (hereinafter referred to as PwC) to carry out:

- audits of individual and consolidated financial statements for the years 2021-2023 and;
- reviews of condensed separate and consolidated semi-annual financial statements for the period 6 months ended June 30, 2021, June 30, 2022 and June 30, 2023 and;
- attestation service regarding the storage and protection of the assets of the Company's clients in accordance with the Regulation of the Minister of Finance of September 24, 2012 on the procedures and conditions of conduct of investment firms, banks [...] and the issuance of a report for the year ended December 31, 2021, December 31 2022 and December 31, 2023;
- attestation service regarding the remuneration report of the Supervisory Board in accordance with the Act on Public Offering of July 29, 2005 and the issue of a report for the year ended December 31, 2021, December 31, 2022 and December 31, 2023.

Selection of PwC in accordance with applicable law, i.e. in particular the Act of May 11, 2017 on statutory auditors [...], and based on internal policies and procedures.

#### Audit of financial statements

On 10 June 2021, an amendment to the original agreement of 25 January 2019 was concluded between XTB and PwC for:

- auditing the financial statements and the consolidated financial statements of the capital group for the financial periods from January 1, 2021 to December 31, 2021, from January 1, 2022 to December 31, 2022 and from January 1, 2023 to December 31, 2023 r.
- review of the condensed interim financial statements and the condensed interim consolidated financial statements of the capital group for the financial periods from January 1, 2021 to June 30, 2021, from January 1, 2022 to June 30, 2022 and from January 1, 2023 to June 30, 2023.

On 2 March 2022, an amendment to the aforementioned agreement was signed for:

- To carry out verification of the tagging of the annual consolidated financial statements for the financial period 01 January 2021 to 31 December 2021, with XBRL tags in accordance with the ESEF Regulation.

On 27 February 2023, a further annex to the aforementioned agreement was signed for:

- a change in the remuneration for the performance of services for the financial year 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023.

### Assurance procedures for the safekeeping of client assets

On 2 March 2022, an annex to the agreement of 16 February 2021 was signed for:

- to carry out an assurance service and prepare an independent auditor's report covering an assessment of compliance with the Company's client asset custody requirements during the annual period ended 31 December 2021, 31 December 2022 and 31 December 2023;

In addition, an annex to the aforementioned agreement was signed on 30 March 2023:

- a change in the performance fee for the financial year 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023.

### Attestation procedures over the remuneration report

On 2 March 2022, an annex to the agreement of 16 February 2021 was signed for:

- the implementation of all procedures for the remuneration report for the years ended 31 December 2021, 31 December 2022 and 31 December 2023.

In addition, annexes to the aforementioned agreement were signed on 30 March 2023:

- a change in the remuneration for the performance of services for the financial year 1 January 2022 to 31 December 2022 and 1 January 2023 to 31 December 2023.

The Company has, in previous years, used advisory services provided by other entities in the PwC network, mainly for tax advice. The Company considers that the services provided do not affect the assurance of the required level of impartiality and independence of the auditor.

The total amount of fees paid or payable to the audit firm for the current and previous financial year, separately for the audit of the annual financial statements, other assurance services including the review of the financial statements and other services, is disclosed in notes 30 and 31 to the separate and consolidated financial statements respectively.

## 6.2 The information on the significant court proceedings, arbitration authority or public administration authority

As of December 31, 2023 and as at the submission date of this report the Parent company and its subsidiaries were not a party to any significant proceedings pending before arbitration authority. The most important of the ongoing proceedings are indicated below.

### Court proceedings

The Company and Group companies are parties to several court proceedings related to the Group's operations. The proceedings in which the Company and Group companies appear as defendants are above all related to employees' claims and clients' claims. As at the submission date of this report the total value of the claims brought against the Company and/or the Group Companies amounted to PLN 20,8 million, which consists of one proceeding on employee claims, with a value of approximately PLN 80 thousand, eight suits brought by clients with the total value of PLN 13,1 million and moreover, one proceeding regarding the alleged failure to apply financial security measures by the Company in which, the value of the dispute is PLN 7,6 million.

In addition, there is one pending lawsuit by the Company seeking injunctive relief for violation of fair competition rules, in which the Company requested, among other things, (i) to prohibit the use of the word mark and the word and graphic mark "XTRADE" and (ii) to prohibit the use of the word mark "XTRADE" as an Internet domain name.

The most significant proceedings, in the Company's view, are:

- lawsuit dated August 2019 regarding Company's alleged illegal actions delivered to the Company in December 2019 – value of the claim is PLN 7 million. The management board finds client's claims groundless. The only reason for the loss of the customer was his wrong investment decisions. This has been clearly demonstrated, among others, during the audits of the Polish Financial Supervision Authority (PFSA) in 2016, in the subsequent correspondence of the company with the supervisor, and in the expertise of an independent consultancy company, Roland Berger, which analysed the client's transaction history. The analysis confirmed that the customer's transactions were not delayed, and the timing of his orders was even faster than the average for other clients;
- lawsuit dated July 2020, delivered to the Company in November 2020 regarding the alleged failure to apply financial security measures by the Company. Value of the proceeding is approximately PLN 7,6 million. The

damages were to consist in the Company's failure to apply financial security measures, which lead to effective appropriation of funds by an employee of the claimant, who was also a client of the Company. The Company considers the charges made in the suit to be completely unfounded. In June 2023, the court of first instance dismissed the lawsuit, finding no material violations on XTB's part. On August 22, 2023, the plaintiff filed an appeal. In September 2023, the files were transferred to the Court of Appeal in Warsaw. Currently, XTB is waiting for a copy of the appeal to be delivered.

### Administrative and control proceedings

The Company and the Group Companies are party to several control proceedings related to the Group's business. The Company believes that below are presented the most significant among them:

- on October 14, 2022, the Company received a notice from the President of the Office of Competition and Consumer Protection on the initiation of proceedings against the Company for recognizing a provision of the standard agreement as prohibited in relation to two provisions of the Regulations for the Provision of Services of the Execution of Orders for the Purchase or Sale of Property Rights and Securities, Maintenance of Property Rights Accounts and Cash Accounts by XTB S.A., which may be considered prohibited contractual provisions within the meaning of the Civil Code. As part of the proceedings, in a relationship with the Office questioning two provisions of the regulations, on December 19, 2023, a decision was imposed on the Company obliging the Company, among other things, to change these provisions, publish the content of the decision, submit appropriate declarations to the indicated group of persons and provide compensation with interest to persons whose the complaints were rejected by applying the challenged provisions of the regulations. No fine was imposed on the Company. The company does not intend to appeal against the decision. XTB is currently implementing the obligations imposed by the decision of the President of the Office of Competition and Consumer Protection.
- On September 9, 2023, an inspection of the operations of the Company's Czech branch began by the Czech National Bank (CNB). On March 6, 2024, the Company received an inspection report. As at the date of publication of the report, the Company submitted reservations to the report.
- On October 17, 2023, an inspection by the Office of the Financial Supervisory Commission began, the purpose of which is to verify that the Company's operations comply with laws, regulations, conditions set forth in permits, fair trading principles or the interests of principals. As of the time of submitting this report, the inspection is ongoing.
- On February 12, 2024, an inspection of the operations of the subsidiary XTB International Limited by the International Commission (IFSC). As at the date of publication of the report, the audit is ongoing.

## 6.3 Regulatory environment

The Group operates in a highly regulated environment imposing on its certain obligations regarding the respect of complying with many international and local regulatory and law provisions. The Group is subject to regulations concerning inter alia (i) sales practices, including customer acquisition and marketing activities, (ii) maintaining the capital at a certain level, (iii) practices applied in the scope of preventing money laundering and terrorist financing and procedures for customer identification (KYC), (iv) reporting duties to the regulatory authorities and reporting to the trade repository, (v) the obligations regarding the protection of personal data and professional secrecy, (vi) the obligations in the scope of investors protection and communicating of relevant information on the risks associated with the brokerage services, (vii) supervision over the Group's activity, (viii) inside information and insider dealing, preventing the unlawful disclosure of inside information, preventing market manipulation, and (ix) providing information to the public as the issuer.

The following are the most significant changes in the company's regulatory environment that will come into effect in the near future. The company is already doing its due diligence to prepare for and adapt to the obligations arising from the indicated regulations.

### **Draft act on the protection of whistleblowers (previously: on the protection of persons reporting violations of the law)**

On October 18, 2021, the Draft Act on the protection of persons reporting violations of the law was published on the website of the Government Legislation Center. The bill aims to implement Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting breaches of Union law.

The guarantees and legal remedies provided for in the Act will be available to the person reporting the violation, regardless of the basis and form of work (including employment contract, civil law contract, running a business by a natural person, management contract, volunteering, internship and internship), including those performing work for entities with which the employer maintains economic relations, such as contractors, subcontractors or suppliers, and

other persons reporting information about violations in the context of work, such as shareholders and partners and members of the bodies of a legal person. It will be possible to report violations of the law via internal reporting channels established by private and public entities, via external reporting channels to relevant state authorities, and via public disclosure. The proposed act will specify requirements regarding the establishment and internal organization and external channels (procedures and organizational solutions) for reporting violations and rules for public disclosure.

The obligation to establish internal reporting regulations by entities in the private sector employing at least 50 and less than 250 employees was to be implemented by December 17, 2023. On July 7 this year, another version of the draft act appeared on the website of the Government Legislation Center. On March 6, 2024, a draft act (dated February 26, 2024) on the protection of whistleblowers appeared on the website of the Government Legislation Center, which replaced the draft act on the protection of persons reporting violations of the law. As of the date of preparation of this report, the project is at the stage of the Standing Committee of the Council of Ministers. According to the draft, the act will enter into force after 3 months from the date of announcement in the context of solutions regarding internal reporting and 6 months in the context of solutions regarding external reporting. The company is already making efforts to adapt its internal procedures for reporting irregularities to the requirements of the draft act.

**Regulation of the European Parliament and of the Council on the digital operational resilience of the financial sector and amending Regulations (EC) No. 1060/2009, (EU) No. 648/2012, (EU) No. 600/2014 and (EU) No. 909/2014 (Digital Operational Resilience Act "DORA")**

On December 27, 2022, a regulation was published in the Official Journal of the EU, the provisions of which are aimed at ensuring the resilience of financial sector entities to threats related to the use of digital and information and communication technologies (ICT).

Key issues of the regulation include:

- Rules for managing ICT risks, including the use of third-party technology providers.
- Obligations to periodically conduct digital resilience testing of systems;
- Requirement for detailed classification and reporting of incidents;
- Introduction of systems for sharing information among financial entities on methods and techniques for effective defence against ICT-related threats.

The regulation came into force on January 16, 2023. The financial sector institutions must comply with its requirements no later than January 17, 2025. The Company is already exercising its due diligence to prepare and comply with its obligations under the regulation.

**Decision of the CNMV – Spanish National Securities Market Commission, dated July 11, 2023, on product intervention regarding financial contracts for difference and other leveraged products in the Spanish market (the "Decision")**

The Spanish regulator implemented restrictions on the marketing, distribution and sales activities of MiFID II-regulated instruments and services provided to retail customers in Spain.

The Decision regulates bans and restrictions on CFDs, including, in particular, marketing activities:

- the direct and indirect marketing, distribution or sale of CFDs through communications to retail clients is prohibited,
- sponsorship or organization of events, brand advertising, use of persons public figures if their purpose or effect is to directly or indirectly advertise CFDs.

The decision also regulated issues such as:

- rules for remuneration of sales personnel,
- the facilitation of partners with unverified knowledge or experience to attract clients,
- prohibition of accepting cash payments from customers by credit card,
- prohibition of providing demo accounts,
- a ban on offering CFD training to the public.

The Decision took effect on August 3, 2023. The Company complies with the Decision. The Company has assessed the impact of the new regulation on its operational activities and considers it to be insignificant or minor.

## **Act of August 16, 2023 on amending certain laws in connection with ensuring the development of the financial market and the protection of investors in this market**

The purpose of the act is primarily to organize and improve the functioning of financial market institutions, particularly in terms of eliminating barriers to access to the financial market, improving supervision of the financial market, protecting customers of financial institutions, and implementing further tasks envisaged in the government's Capital Market Development Strategy (CRD). The law is cross-cutting in nature (28 laws given amendments, about 160 pages of draft). The main changes are:

- implementation of the so-called unified banking license;
- introduction of a new form of portfolio fund (ETF), which will be able to take the form of an open-ended investment fund or a specialized open-ended investment fund;
- remodelling of the rules for the provision of services for the distribution of participation units, in particular the rules for the payment of remuneration for this service (remuneration paid only from the investment fund company's fixed remuneration for managing the fund, this remuneration may not affect the management fee and burden the fund's assets, abandonment of the monthly obligation to provide the investment fund company with a list of activities aimed at improving the quality of the services provided and documents confirming the costs incurred in this respect);
- relaxation of requirements for the duties of the issuing agent;
- abandonment of the provision presuming the invalidity of contracts for the provision of brokerage services with a retail client in a form other than on paper or another durable medium;
- allowing further entrustment of entrusted activities under "further entrustment" model;
- introducing a new type of bond, the so-called "transformation bonds" aimed at financing new investments that promote acceleration of the country's sustainable economic development.

### **Retail Investment Strategy ("RIS") draft dated May 24, 2023.**

The Retail Investment Strategy ("RIS") package introduces a number of changes to the current MiFID II regulations. They aim to increase retail customers' willingness in investing in the capital market by increasing confidence in the market, creating clear, transparent information about products and their costs.

The package includes extensive measures aimed at:

- change the way information on investment products and services is provided to retail investors to make it clearer and more standardized, by adapting disclosure regulations to the digital age and investors' growing support for sustainability;
- increasing transparency and comparability of costs by requiring standardized cost presentation and terminology;
- ensuring that all retail clients receive a clear picture of their portfolio's investment performance at least annually;
- addressing conflicts of interest in the distribution of investment products by prohibiting incentives for execution-only services (i.e., when no advice is provided) and ensuring that financial advice is aligned with the best interests of retail investors. Also introducing stricter safeguards and transparency where incentives are allowed;
- protecting retail investors from misleading marketing by ensuring that financial intermediaries (i.e., advisors) are fully accountable for the use (and misuse) of their marketing information, including where it is communicated through social media or through known individuals or other third parties who receive compensation or incentives;
- ensuring high standards of professional qualifications for financial advisors;
- empowering consumers to make better financial decisions by encouraging member states to implement national measures that can promote the financial literacy of citizens, regardless of their age and social background and education;
- reducing the administrative burden and improve the availability of products and services for sophisticated retail investors by making the eligibility criteria for becoming a professional investor more proportionate;
- strengthening supervisory cooperation to make it easier for national competent authorities and European supervisory authorities to ensure the proper and effective application of regulations in a consistent manner across the EU and to jointly combat fraud and abuse.

## 7. Statement and information of the Management Board

### **Statement of the Management Board of XTB S.A. on the reliability of preparation of the consolidated and separate financial statements**

The Management Board of XTB S.A. declares that, to the best of its knowledge, the consolidated and separate financial statements for 2023 and the comparative data have been prepared in accordance with the applicable accounting principles and reflect in a true, fair and clear manner the assets, financial position and financial result of the Group and the Company, respectively. In addition, the Management Board declares that the management report gives a true picture of the development, achievements and position of the Group and the Company, respectively, including a description of the principal risks and threats.

### **Information of the Management Board of XTB S.A. on the selection of an audit firm to audit the financial statements**

The Management Board of XTB S.A. hereby announces that, on the basis of the statement of the Supervisory Board, the auditing firm authorised to audit the financial statements performing the audit of the annual unconsolidated and consolidated financial statements for the year 2023 was selected in accordance with the regulations, including those concerning the selection and procedure for selecting the auditing firm. At the same time, the Management Board of XTB S.A. informs that this firm and the members of the team performing the audit of these statements fulfilled the conditions for the preparation of an impartial and independent report on the audit of the annual consolidated and separate financial statements, in accordance with the applicable regulations, professional standards and principles of professional ethics, and that the applicable regulations related to the rotation of the audit firm and the key statutory auditor and mandatory grace periods are observed. In addition, the Management Board of XTB S.A. announces that the Issuer has a policy on the selection of the audit firm and a policy on the provision of additional non-audit services to the Issuer by the audit firm, an affiliate of the audit firm or a member of its network, including conditionally exempt services provided by the audit firm.

Warsaw, 27 March 2024

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Omar Arnaout

President of the  
Management Board

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Filip Kaczmarzyk  
Member of the  
Management Board

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Paweł Szejko  
Member of the  
Management Board

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Jakub Kubacki  
Member of the  
Management Board

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Andrzej Przybylski  
Member of the  
Management Board



**xtb**

# **SUSTAINABILITY REPORT**

OF THE XTB S.A. CAPITAL GROUP  
2023



# ABOUT THE XTB S.A. CAPITAL GROUP



## 1. About the XTB S.A. Capital Group

### 1.1. Business profile



XTB S.A. is one of the largest listed Forex and CFD brokers, building experience in the investment industry for 20 years.

Our subsidiaries and foreign branches, together with the parent company, form XTB S.A. (hereinafter: "XTB", "Company") international capital group. Since 2016, XTB S.A. is listed on the regulated market of the Warsaw Stock Exchange. Since December 2020, XTB's stocks have been WIG-ESG index-listed.

Our ambition is to offer the best All-in-One investment application in Europe, so that XTB Clients have the opportunity to invest online in anything, at any time and in any way. We want to build solutions that will allow anyone interested in investing to achieve their investment goals, regardless of their experience and knowledge. We support our Clients through education and market analyses.

Functionality of the offer of the XTB S.A. Capital Group (hereinafter referred to as: "Group", "Capital Group", "XTB Group") provides Clients with immediate access to financial markets around the world. The basic technology of XTB Group uses software designed to ensure functionality and scalability.

We provide our Clients with the opportunity to invest online using trading platforms: **xStation 5**, which is supported by advanced technological infrastructure, and **MetaTrader4** (platform offered to new Clients until 18 January 2021).



We are an international supplier of products, services and technological solutions in the scope of trade in financial instruments. We specialise in the OTC market and, in particular, CFD (Contract for Difference) derivatives. These are investment products whose return depends on changes in the price and value of the instruments and underlying assets. We also offer investments in shares and ETF instruments on the same trading platform. Our offer includes speculative products (CFDs), investment products (securities and ETFs) as well as Investment Plans which are a set of so-called passive investing solutions.

For more information on the XTB Group's portfolio, see chapter 2.2. *Products and services* of this Report.

**XTB Group's activity segments:****BUSINESS SEGMENTS****RETAIL  
BUSINESS****INSTITUTIONAL  
BUSINESS**

In 2023, the retail activity segment generated ca. 93% of the Group's total operating revenues, while the institutional activity segment - ca. 7%. We define both segments as follows:

- The retail activity of the Group includes online trade in, securities, ETFs and derivatives based on underlying assets and instruments traded on financial and commodity markets, serving mostly retail Clients.
- The Group's institutional activities include providing liquidity to our institutional Clients and proposing technologies thanks to which they can offer their clients the possibility of trading in financial instruments under their own brand.

Information on communication with customers in relation to the above business segments can be found in chapter 4.2. *Our Clients* of this Sustainability Report.

The business of XTB Group is regulated and subject to oversight of competent authorities on the markets where the Group operates, including EU Member States, on the basis of the so-called single European passport.

**Education and support**

In addition to investment tools, we provide our Clients with professional support from XTB Experts. We constantly strive to build valuable relationships with Stakeholders based on, *inter alia*, the highest level of customer service, availability and quality of offered products and services.

We believe in the far-reaching advantages of financial education as a basis for the development of society. That is why we promote financial education among our Stakeholders, regardless of their experience in this field. We offer access to free, professional XTB Investing Masterclass courses and conferences, daily market analyses and the InvestResponsibly.com platform.

## 1.2. Strategy and business model



**[G.1.1.]** The foundation of our approach to both business and ESG aspects is taking care of relationships with Stakeholders. Thanks to this, our activities in every dimension are consistent and effective. We do not stop striving to constantly develop and improve our activities. The business strategy of the XTB Group, which assumes comprehensive development of our activities, is complemented by the assumptions of the ESG strategy giving it a sustainable direction.

### Business model

**[G.1.2.]** Our business model evolves as the organisation grows. At XTB, we place great emphasis on geographical diversification of revenues, consistently implementing the strategy of building a global brand. The Management Board's priority in the coming periods is to further develop the client base and strengthen the market position of XTB worldwide. We are more and more boldly marking our presence on non-European markets and, therefore, we anticipate further development of the capital group structure with new subsidiaries.

We want to reach individual customers with our product offer through such activities as expansion of the product offer and promotional campaigns. The Management Board's ambition in 2024 is to acquire on average at least 65-90 thousand new Clients quarterly.

Over the last few years, XTB has been transformed from a CFD broker into a provider of a universal All-in-One investment application offering clients easy, intelligent and efficient ways of executing transactions, investing and saving, while providing immediate access to accumulated funds. Our intention is to continue activities in this area.

**Our goal is to reach  
an increasingly wider group of customers by:**

an intuitive and user-friendly **All-in-One** platform for trading, investing and saving on many assets and services - shares, ETFs, bonds, CFDs, investment plans, ISA accounts\*, etc.;

added value beyond investing, i.e. an **integrated digital wallet and a multi-currency debit card** with immediate access to funds, anytime and anywhere, attractive cashbacks, interest;

effective marketing activities and **building the XTB brand**.

\*ISA – Individual Savings Account

As a FinTech<sup>1</sup>, we continuously work on developing highly innovative, comprehensive solutions in the field of transactions and online investments in financial instruments. The purpose of the above-mentioned activities is to develop innovative technologies and solutions enabling, in particular, further development of the product offer.

We are the owner of a number of proprietary technological solutions, including the modern xStation trading platform. The research and development works carried out in 2023 were aimed at developing tools necessary for the efficient functioning of XTB's trading systems, effective order execution, efficient process of acquiring new Clients (so-called onboarding) and further development of tools supporting the internal processes of the organisation adequate to the identified development needs.

For a detailed description of our research and development activity, see chapter 2.3. *Development and innovation* of this Sustainability Report.

There were no major changes in the business model of XTB Group in the analysed year.

<sup>1</sup> FinTech - a technological entity operating in the finance sector.

## Business strategy

As a Polish FinTech company, we constantly develop our own technologies, striving to expand our product portfolio. In the adopted business strategy, we have set the following directions for the development of the XTB Group's activities, both on a local and global scale:

- Strengthening XTB's position on already conquered markets.
- Further expansion of XTB into new markets.
- Development of the institutional business segment (X Open Hub).
- Expanding the offer of XTB Group products and services and developing new technologies.
- Development through beneficial mergers, acquisitions and joint ventures.

We develop through innovation and bold decisions based on the foundations of prudent and conscious management. A well-thought-out organisational and decision-making structure allows us to effectively respond to the challenges of the changing environment, including taking opportunities and mitigating threats. This entire process and its effects are the result of the synergy of effective management and the extensive competences of our employees. At XTB, nothing happens by chance, each process is covered and not neglected.

### We build our organisational culture based on values, i.e.:

#### TRUST

Over 20 years of operation, nearly 900,000 clients have trusted us, and the employment level in the XTB Group exceeded the mark of 1,000 employees and associates in the second half of last year. However, we have not said the last word, both values are still growing. We do not stop developing relationships with Stakeholders, transparent communication and improving the quality of the products and services offered. Internally, we make every effort to ensure that our employees, regardless of the office location, feel appreciated and important in the XTB Team. We support diversity, which we see as a potential for development for the entire organisation.

#### SUPPORT

XTB experts are available 24 hours a day, five days a week to support our clients when they need it most. We share our knowledge by providing educational materials for the development of Stakeholders, regardless of their level of advancement. We also support our employees, not only by providing them with the tools needed to perform their professional duties, but also by providing them with access to training, supporting their development, promoting a healthy lifestyle, sports activity and proper eating habits. We also support our employees, not only by providing them with the tools needed to perform their professional duties, but also by providing them with access to training, supporting their development, promoting a healthy lifestyle, sports activity and proper eating habits.

#### TECHNOLOGY

We fully understand technology as one of the most important elements of investing through XTB. Therefore, we constantly improve our application in line with customer expectations, adapting it to emerging industry challenges. We believe that xStation is one of the most reliable and functional applications on the market. It allows to access a variety of investment options from a wide range of devices. In order to ensure high quality of services provided, access and quality of the platform is verified continuously from several locations located in different regions around the world. In addition, the platform uses and provides analytical tools enabling investors to assess companies' performance in the field of sustainable development, adjust the strategy to their values and make informed investment choices. Technology also accompanies us every day in our organisational culture. We appreciate and support the creativity and innovation of our Team, giving it the opportunity to develop and implement its own initiatives.

## ESG strategy



In the last quarter of 2021, we adopted the ESG Strategy complementing the XTB Group's business strategy. In 2023, we continued the activities undertaken earlier, while striving for continuous development and achievement of the set goals. We believe that various initiatives in the area of sustainable development will allow us to build long-term and effective awareness among our Stakeholders. The intention of XTB is continuous increase of involvement in corporate social responsibility projects. The full content of the document is available on the investor relations subpage of XTB S.A. at: <https://ir.xtb.com/en/esg/>

Our ESG Strategy is based on three pillars:

Environment	Social Responsibility	Corporate Governance
<ul style="list-style-type: none"> <li>We take care of the natural environment at the workplace. We have implemented a number of solutions aiming at more efficient management of natural resources.</li> <li>We aim at reduction of the organisation's carbon footprint.</li> <li>We build environmental and climate awareness among Employees and Associates.</li> </ul>	<ul style="list-style-type: none"> <li>Thanks to advanced and reliable technology, we provide immediate access to financial markets from around the world.</li> <li>Our primary goal is economic education of society. We are constantly expanding our open database of educational materials, where numerous articles, videos and market commentaries can be found. We share our knowledge and experience and willingly cooperate with universities and other institutions.</li> <li>Our qualified team consists of ambitious people whom we support in constant development and achieving their goals.</li> </ul>	<ul style="list-style-type: none"> <li>We are one of the largest Forex &amp; CFD brokers in the world listed on the stock exchange, and our activities are subject to supervision on international financial markets. We want to build the trust of our Stakeholders through responsible business practices and activities consistent with the applicable law.</li> <li>Our activities are subject to financial supervision on international financial markets, including but not limited to: FCA, BaFin, ACPR, CySEC, IFSC.</li> </ul>



### Environment and counteracting climate change

As part of the area of environment and counteracting climate change, in 2023 we continued the actions we had already taken, including: waste sorting, document digitization and server virtualization in order to reduce the energy consumption of our IT infrastructure.

At the beginning of 2022, we moved the headquarters of XTB S.A. to the modern Skyliner office building with a BREEAM Certificate at the Excellent level, which affects many solutions that we can share with you today:

- ✓ In 2023, almost all of the electricity consumed by Skyliner came from renewable energy sources. Proportionally to the energy used in the entire building, the energy consumed by XTB in the rented space can also be considered as originating from renewable sources. Energy consumption is reduced by energy-saving LED lighting used in the building.
- ✓ Current water consumption is reduced thanks to the aerators installed in the taps and a system of photocells that automatically regulate the water stream depending on the need.
- ✓ The very well-connected location of the XTB headquarters encourages our employees to commute less frequently by passenger cars in favour of public transport: metro, trams, buses. Employees commuting to the XTB headquarters on bicycles have the option of leaving their bicycles in a separate area of the underground car park of the office building using the available bicycle racks.

In order to reduce the energy consumption of our IT infrastructure in the long term, despite the dynamic development of our business, we are gradually replacing older, energy-consuming servers with new, more energy-efficient servers delivered by certified suppliers from the European Union. In addition to increased energy efficiency, they are characterised by modern solutions such as intelligent adjustment of energy consumption to the load, which also translates into electricity savings.

Moreover, for the last two years we have intensified our activities regarding server virtualization, where we can embed many other virtual servers on one physically owned server. Over the last two years, we have reduced the number of physical servers by 15%, while increasing the number of virtual servers by as much as 72.34%.

In order to include climate risks in the internal risk management system, we plan to undertake a project to analyse climate opportunities and risks of the XTB S.A. Capital Group in the upcoming reporting periods, which will also constitute the basis of our future Climate Policy.



In order to counteract climate change and strive to develop social responsibility among our employees, as part of the XTB Foundation, we undertook a key initiative in 2023, which was planting an XTB forest in cooperation with "Las na Zawsze" [Forest Forever] Foundation. Together we planted over 2,000 trees, thus, giving nature back 1.2 ha of a biodiverse deciduous forest in Mieleszkowce Pawłowickie, Podlaskie Voivodeship. The campaign was met with great enthusiasm of our employees who had the opportunity to participate in the project and build their environmental awareness as part of the volunteer day.

The forest we plant is a self-regulating complex ecosystem that should be seen as:

- CO<sub>2</sub> storage;
- soil stabiliser;
- water reservoir;
- place of existence of organisms;
- biodiversity sanctuary;
- oxygen producer.

In 2023, we also continued the "Natural Investment" programme, which we describe in more detail in chapter 5.1. Environmental education programme "Natural Investment" of this Sustainability Report. Its aim is to increase the awareness of our employees regarding energy efficiency, waste sorting, digitization of documents, reasonable food management, increasing the number of plants in the office, etc.

In order to effectively monitor greenhouse gas emissions, we have been examining our emission intensity in Scope 1 and Scope 2 for three years. We also plan to expand our observations to include Scope 3, the effects of which we will want to share with our Stakeholders in the upcoming reporting periods.

### Social responsibility



As part of the area of social responsibility, in the year under review we addressed our activities to a diverse group of recipients. We have expanded our portfolio with new products in response to the needs of our clients, while ensuring immediate access to financial markets from around the world. In 2023, we entered into strategic cooperation with the Association of Individual Investors in order to raise the standards of the functioning of the financial market in Poland and appoint the Ombudsman for Individual Investors.

We also continued XTB educational programmes, including: organising the next edition of the IT Academy internship at XTB (for more information, see chapter 3.6. *Development of the employees* of this Sustainability Report) and engaging in various academic projects. In 2023, we had the honour of being a partner of the first edition of the National Stock Exchange Competition "Young Investor" of the Department of Economics and the Department of Finance of the Faculty of Economic Sciences of the Koszalin University of Technology. The competition gathered almost 600 secondary school students from all over Poland who had the opportunity to test their investment skills and expand their knowledge of the capital market.

As part of our charitable activities, we helped those affected by the earthquake in Turkey and Syria by providing funds in cooperation with UNICEF. Moreover, our employees were once again involved in the Noble Gift Campaign and we played with the Great Orchestra of Christmas Charity.

We also joined the 2 Hours for Family campaign and organised a number of internal initiatives, including an integration picnic for our Employees, Children's Day at XTB and Coffee Day. With the well-being of our Team in mind, in 2023 we started cooperation with the well-being platform provider "Helping Hand", enabling participation in webinars, events and specialist advice sessions at the Employee's discretion.

By supporting our Employees in fulfilling their various life roles, we provide them with the opportunity to flexibly start their working day between 7:00 a.m. and 10:00 a.m. They also have a number of non-wage benefits at their disposal, such as private medical care, subsidised meals, etc.

## Corporate Governance



As part of the corporate governance pillar, we continue our activities based on transparent information provided to the market, development of our product portfolio, attention to its highest quality and, as a result, trust of our Stakeholders. Our intention is to further develop the area of sustainable development at XTB. For this purpose, we have expanded our organisational structure with a dedicated ESG Team reporting directly to the Member of the Management Board and the Chief Financial Officer of XTB S.A..

We care about the quality of processes within our organisation, and on a daily basis we are guided by the principles of the applicable Code of Ethics of the XTB S.A. Capital Group. Our organisational structure has a separate internal audit unit and a division responsible for the risk management system in the XTB S.A. Capital Group and managed by the Member of the Management Board for Risk.

In addition to the above, legal and compliance issues are supervised by a legal team managed by a Member of the Management Board for Legal Affairs.

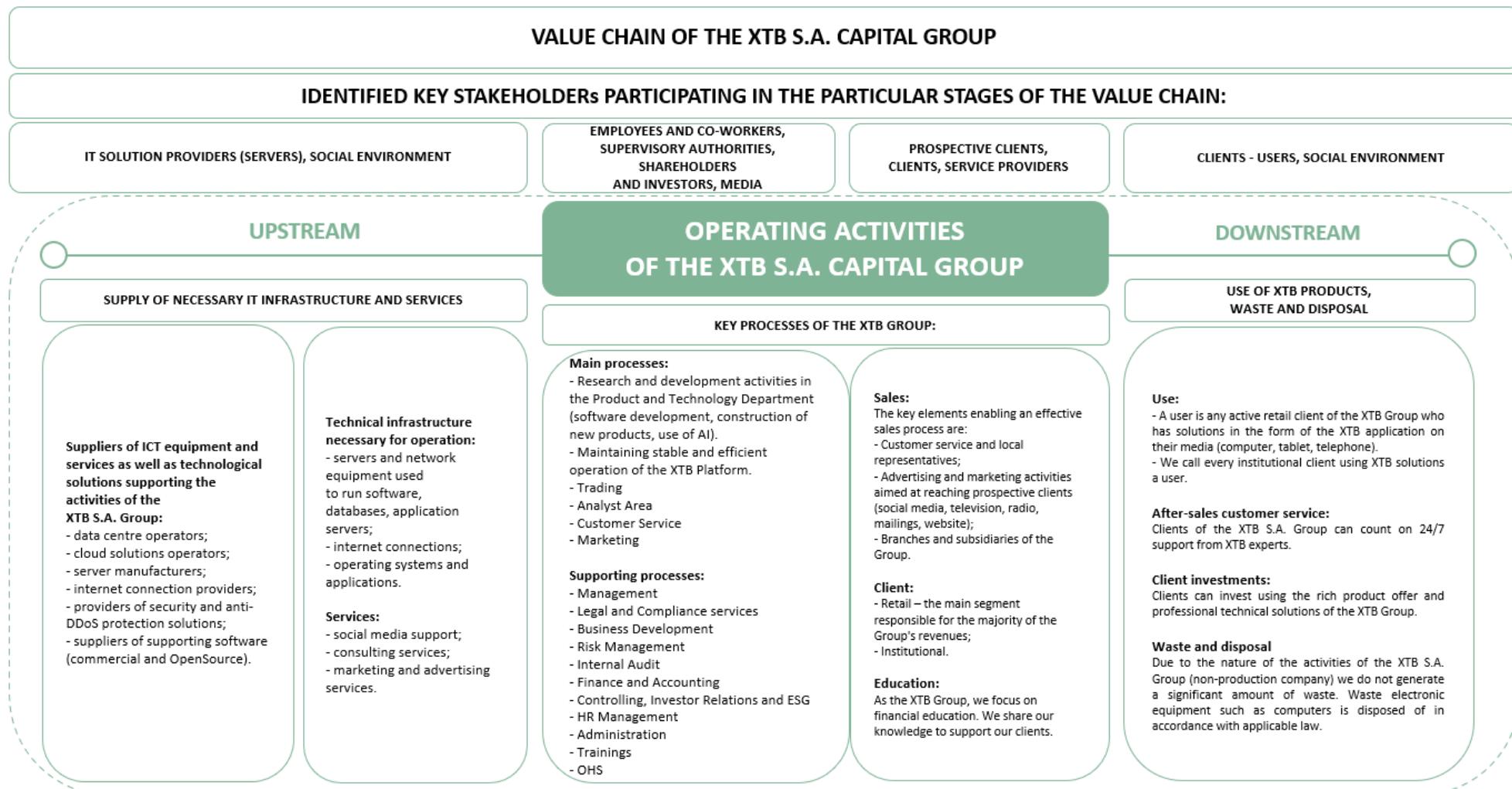
Transparent and reliable communication with our Stakeholders is crucial in the activities we carry out from many perspectives. As an issuer of securities on the Warsaw Stock Exchange, we exercise due diligence regarding confidentiality, security, transparency and equal access to information on the capital market. Moreover, as an international Capital Group employing Employees from all over the world, we are aware of the need for continuous development in the field of our multilingual and multicultural internal communication. We communicate via mailings, via the intranet platform and, as of 2023, via a modern communication platform, which can be adapted to 16 different foreign languages. All messages sent are bilingual - in Polish and English. In addition, we support our Employees with training that develops their language skills depending on their adaptation needs and the specific nature of work on the given position.

Our subsidiaries and foreign branches demonstrate a number of activities in the area of sustainable development, including:

- relocation of the office of the German branch of XTB S.A. in September 2023 to a building awarded the Gold Certificate of the DGNB GmbH *certification system* in November 2020. This system is based on three main areas of sustainability: ecology, economics and socio-cultural quality, which are equally weighted in the assessment;
- change of location of the office of the French branch of XTB S.A. to a building characterised by high environmental quality (HQE);
- introduction of the well-being programme "YEES!" in branches in Spain and Portugal, which allows employees to use podcasts and specialist advice according to their needs. These branches are also involved in charitable activities, e.g. in cooperation with foundations, and their employees share their investment knowledge during lectures and seminars.

At the beginning of 2024, we started projects in the area of sustainable development, including updating of the ESG Strategy, conducting a double materiality study, preparing for reporting based on the European Sustainability Reporting Standards (ESRS), or analysing the carbon footprint in the broadest Scope 3. For more details on the above-specified initiatives in the ESG areas, see dedicated chapters of this Report.

### 1.3. Value chain of XTB S.A. Capital Group



## 1.4. Bodies of the Company and Group

### [G.2.] Corporate Governance

As at 31.12.2023, the XTB S.A. Capital Group consisted of the parent company XTB S.A. as well as 12 subsidiaries and 7 foreign branches.

Activities of XTB S.A. are regulated by such documents as:

- Articles of Association of XTB S.A.
- Management Board Regulations
- Supervisory Board Regulations
- General Assembly Regulations

All of the above documents constituting the Company's corporate governance are publicly available on the investor relations subpage in the Corporate Governance tab at: <https://ir.xtb.com/en/>

### [G.2.1.] [G.2.3.] Management structure

#### Management Board of XTB S.A.

As at 31.12.2023 and as at the date of publication of this Report, the composition of the Company's Management Board remained unchanged:



**Omar Arnaout**  
Board President



**Filip Kaczmarzyk**  
Board Member  
for trading



**Paweł Szejko**  
Board Member  
for finance



**Jakub Kubacki**  
Board Member  
for legal affairs



**Andrzej Przybylski**  
Board Member  
for risk

**Table No. 1.** Composition of the Management Board of XTB S.A. as at 31.12.2023 and as at the day of publication of this Report.

NAME AND SURNAME	FUNCTION	COMMENCEMENT DATE OF THE FIRST TERM OF OFFICE	END DATE OF THE CURRENT TERM OF OFFICE
<b>Omar Arnaout</b>	President of the Management Board	10.01.2017	01.07.2025
<b>Filip Kaczmarzyk</b>	Member of the Management Board	10.01.2017	01.07.2025
<b>Paweł Szejko</b>	Member of the Management Board	28.01.2015	01.07.2025
<b>Jakub Kubacki</b>	Member of the Management Board	10.07.2018	01.07.2025
<b>Andrzej Przybylski</b>	Member of the Management Board	01.05.2019	01.07.2025

The current composition of the Management Board of XTB S.A. was appointed on 2 June 2022 by the resolution of the Supervisory Board of the Company on the appointment of the current five-person composition of the Management Board of XTB S.A. for the new joint three- year term of office (from 1 July 2022 to the end of 1 July 2025).

In the reviewed reporting period, in the current term of office of the Management Board of XTB S.A. men accounted for 100% of the Company's governing bodies.

## Supervisory Board of XTB S.A.

As at 31.12.2023 and as at the date of publication of this Report, the composition of the Company's Supervisory Board remained unchanged:

**Table No. 2.** Composition of the Supervisory Board as at 31.12.2023 and as at the day of publication of this Report.

NAME AND SURNAME	FUNCTION	COMMENCEMENT DATE OF THE CURRENT TERM OF OFFICE	END DATE OF THE CURRENT TERM OF OFFICE
<b>Jan Byrski</b>	Chairman of the Supervisory Board	22.11.2021	19.11.2024
<b>Jakub Leonkiewicz</b>	Member of the Supervisory Board	19.11.2021	19.11.2024
<b>Łukasz Baszczyński</b>	Member of the Supervisory Board	19.11.2021	19.11.2024
<b>Bartosz Zabłocki</b>	Member of the Supervisory Board	19.11.2021	19.11.2024
<b>Grzegorz Grabowicz</b>	Member of the Supervisory Board	19.11.2021	19.11.2024

In the reviewed reporting period, in the current term of office of the Supervisory Board of XTB S.A. men accounted for 100% of the Company's governing bodies.

## Supervisory Board Committees

The following committees operate within the Supervisory Board:

- Audit Committee;
- Remuneration Committee;
- Risk Management Committee.

The Supervisory Board, pursuant to a resolution adopted by it collectively, performs the tasks of the Remuneration Committee and the Risk Management Committee. Since 13 October 2017, the Audit Committee has operated as a separate committee. The Supervisory Board may also appoint other committees. Detailed tasks and rules for appointing and operating committees are specified in the Regulations of the Supervisory Board available on the XTB website at: <https://ir.xtb.com/> in the *Corporate Governance, Regulations* tab. Detailed information regarding the composition of the above-mentioned committees are included in the Management Board's Report on the operations of the XTB S.A. Capital Group.

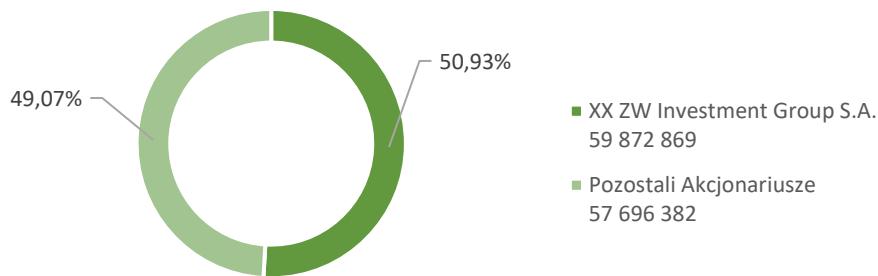
## Shareholding structure of XTB S.A.

The main shareholder of XTB S.A. is XXZW Investment Group S.A. based in Luxembourg which as at 31 December 2023 held 60.93% of shares and votes at the General Meeting.

The highest-level parent entity in relation to the Company and XXZW Investment Group S.A. is Mr Jakub Zabłocki, founder of XTB S.A.

In accordance with the notice of change in the Company's voting share received from XX ZW Investment Group S.A. of 8 February 2024 and current report No. 6/2024, as at the date of publication of this Report, the shareholder structure of XTB S.A. was as follows:

**Chart No. 1.** Shareholding structure as at the date of publication of this Report.



## Management of the sustainable development area

For the first time, the issues of XTB's sustainable development were addressed in the ESG report in 2021. We identify this area as important and take actions to further develop it.

Direct supervision over the activities of the sustainable development area within the Group is performed by the Management Board of XTB S.A., which sets goals and coordinates the non-financial reporting process in accordance with the adopted standards. Within the organisational structure of the parent company, a separate ESG Team was established in 2023, whose employees report directly to the Chief Financial Officer and Member of the Management Board for Finance of XTB S.A.

The duties of the ESG team include, without limitation:

- comprehensive coordination of the sustainable reporting process,
- monitoring social and environmental aspects of activities,
- cooperation with the Group's business areas to develop sustainable operations,
- initiating and implementing sustainable development projects of the XTB Group and the XTB Foundation,
- monitoring XTB's ESG strategy,
- adapting and developing the Company's internal regulations in the ESG area.

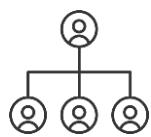
As part of the activities of XTB S.A., there is an internal audit unit verifying the Group's sustainable development reports, reporting to the highest company structures, and a risk management department coordinating the XTB S.A. Risk Management System.

In addition, sustainable development issues are the subject of work by individually selected working groups as part of specific projects within the organisation within which committed Employees share their competences.

In 2024, we launched projects in the area of sustainable development, including conducting a double materiality study of the XTB Group, preparing for reporting based on the European Sustainability Reporting Standards, or analysing the carbon footprint in relation to the value chain.

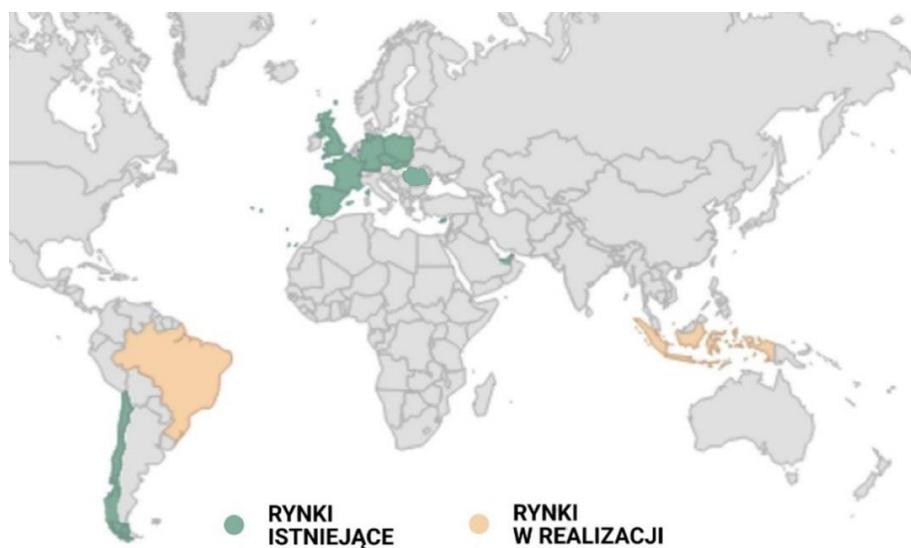
## 1.5. Organisational structure

The Capital Group is headed by XTB S.A. It is responsible for management processes and coordinates the activities of companies and branches of the Group. It sets development goals for businesses operating in individual countries, establishes budgets and financial goals, standards of conduct and supervises their achievement.



Subsidiaries and branches employ from several to several dozen persons. Thus, the vast majority of operational processes are carried out at XTB in Poland. The activity of subsidiaries and foreign branches, in principle, supports the sale and ensures compliance with local regulations required for the conducted business. Both in Poland and in other countries, the Group conducts its business in rented properties only. These include office space and IT infrastructure space.

We have offices in several countries. In the coming year, we plan to expand our operations to additional markets.



We identify the following as key to our operating activities:

- processes related to providing users with their own IT technology, for which the IT department of XTB S.A. is responsible, and
- processes related to Client acquisition and support are conducted both directly by XTB in Poland as well as through branches and subsidiaries operating on the local markets.

The most important processes in the area of sustainable development are undertaken and implemented at XTB S.A. Due to the high degree of independence of the Group's subsidiaries, creating extensive corporate solutions and dedicated policies for individual subsidiaries should be considered ineffective. Therefore, the identification of significant management areas and the risks associated with them is carried out at the level of XTB S.A. in consultation with individual organisational units operating in subsidiaries. This process is related to the continuous assessment of impact on the surrounding and the risk connected with individual areas of interaction with Stakeholders. Furthermore, the assessment takes into consideration on-going changes (including but not limited to legal, economic and social changes) in the surrounding. These aspects are identified and assessed in detail in accordance with the relevant procedures regarding identification of threats and assessment of risk for the given area.

As at 31 December 2023, the XTB S.A. Capital Group consisted of the parent company and its 12 subsidiaries.

**Diagram No. 1:** Organisational structure of the XTB S.A. Capital Group as at 31 December 2023, including the shares.

XTB S.A.						
parent company						
subsidiaries						
<b>XTB Limited</b>	<b>X OpenHub Sp. z o.o.</b>	<b>XTB Limited</b>	<b>XTB Agente de Valores SpA</b>	<b>XTB International Limited</b>	<b>XTB Services Limited</b>	
United Kingdom	Poland	Cyprus	Chile	Belize	Cyprus	
<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
<b>XTB Africa (PTY) Limited</b>	<b>XTB Mena Limited</b>	<b>XTB Digital Limited</b>	<b>XTB S.C. Limited</b>	<b>Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.</b>	<b>Lirsar S.A. en liquidacion</b>	
South Africa	United Arab Emirates	Cyprus	Republic of Seychelles	Turkey	Uruguay	
<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100% *</b>	<b>100%</b>	<b>100%</b>	

\* The parent company XTB S.A. acquired 99.9% of shares in the subsidiary XTB S.C. Limited, the remaining 0.1% of shares are held by another subsidiary: XTB Services Limited.

Until the date of publication of this Report, the following changes were noted in the structure of the XTB Group:

- On 17 January 2024, the parent company acquired 90% of shares in PT Rajawali Kapital Berjangka based in Indonesia.

Moreover, XTB S.A. also conducts its business through 7 foreign branches, as shown below in Diagram No. 2.

**Diagram No. 2:** Foreign branches of XTB S.A. as at 31 December 2023.

Foreign branches of XTB S.A.						
<b>XTB S.A. Organizační Složka</b>	<b>XTB S.A. Sucursal en Espana</b>	<b>XTB S.A. Organizačná Zložka</b>	<b>XTB S.A. Varsovia Sucursala Bucuresti</b>			
Branch in the Czech Republic	Branch in Spain	Branch in Slovakia	Branch in Romania			
<b>XTB S.A. German Branch</b>	<b>XTB S.A. Succursale Française</b>	<b>XTB S.A. Sucursal em Portugal</b>				
Branch in Germany	Branch in France	Branch in Portugal				

The subsidiaries belonging to XTB Group take individual actions to meet the requirements of local regulations. On the other hand, XTB is the addressee of information regarding effects of activities in specific ESG areas, including but not limited to situations where these effects could result in breach of effective laws and related financial liability or image-related repercussions. Therefore, according to the best knowledge, this Non-Financial Statement does not omit any information that could have a significant impact on the reliability of description of the impact of XTB Group on social issues, employment-related issues, natural environment, respect for human right, counteracting corruption or climate-related issues.



# XTB BUSINESS ACTIVITY



## 2. XTB Business activity

### 2.1. Responsibility towards the market



When providing our products and services to XTB clients, we exercise due diligence to ensure that, despite the global scale of our operations, we remain close to our Stakeholders. We want to develop in accordance with the idea of sustainable development, providing only reliable and transparent data. We are aware of our impact on the environment of the Capital Group, both in Poland and abroad.

Our intention is to build lasting relationships based on trust in the XTB brand. As a company listed on the main market of the Warsaw Stock Exchange, we are subject to a number of legal regulations. Our business activities and designated development directions are consistent with the values we represent. We listen and interpret signals from the environment and, thus, adapt our product portfolio to the changing needs of our clients.

The solid foundation of our business is a constantly growing customer base and the number of active clients. Volatility on financial and commodity markets and high inflation meant that trading in financial instruments in 2023 involved new groups of clients. As a result, in 2023, a record number of 311,971 new clients trusted us (+58.5% y/y), with the number of active clients increasing by 51.0% y/y from 270,560 to 408,528 people. Such high scores indicate the undeniable intensive development of our activities, but also a growing sense of responsibility towards our Stakeholders.

The XTB Group operates in an environment characterised by high volatility. In addition to the SARS-CoV-2 virus pandemic accompanying respective societies in recent years, since 24 February 2022, we have been observing a tense geopolitical situation related to the armed conflict in the territory of Ukraine. Due to the still ongoing war on the eastern border of Poland, the Management Board of XTB S.A. monitors its progress on an ongoing basis and analyses its possible impact on the Group's operating activities.

As at 31 December 2023 and as at the date of publication of this Report, no circumstances have been identified that could disrupt the continuity of the Company's operations.

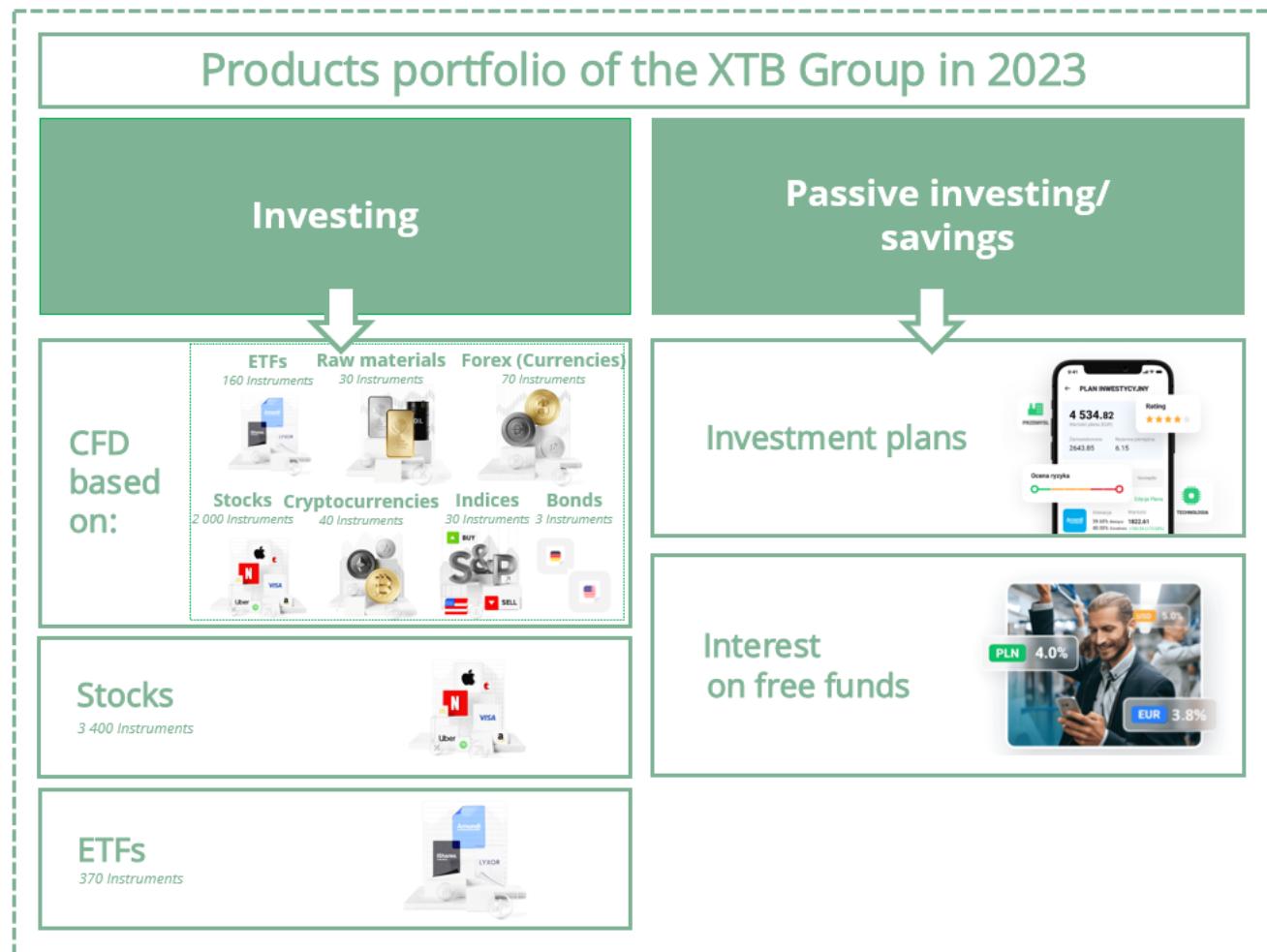
## 2.2. XTB's products and services

### Basic products and services

In 2023, we improved the processes of acquiring new clients, optimising transaction costs (both for clients and the Company) and processes leading to the start of cooperation with XTB. We are also constantly developing our trading platform, making it even more intuitive and easier to use.

Wanting to build value for our Stakeholders, we have expanded product portfolio, including but not limited to Investment Plans that allow to invest savings in an intelligent way and earn interest on free funds on clients' accounts. Additionally, as of April 2023, we enable our clients to invest on selected European and non-European markets in company shares and ETFs for a fraction of their value. Fractional shares allow for greater flexibility and control over investments. This gives you the ability to easily tailor your investment portfolio to suit one's unique financial goals and risk tolerance.

The XTB products proposed so far can be classified as follows:



**Table No. 3.** Product portfolio of the XTB Group in 2023 due to the **investment offer**:

<b>CFD</b>	<p><b>ETF</b> - ETF CFD is an instrument that reflects the price movements of an investment fund. Thanks to ETF CFD, clients can easily achieve long-term investment goals by creating a diversified investment portfolio. Additionally, they can multiply the value of the position using financial leverage.</p>
	<p><b>Raw materials</b> - the most popular raw materials on financial markets include gold, silver and oil. CFDs whose underlying instruments are raw materials allow to speculate on the prices of raw materials, betting on price increases or decreases. XTB offers selection of nearly 30 raw material-based CFD instruments.</p>
	<p><b>Forex</b> (Currencies) - (Foreign Exchange Market) is an international decentralised currency market. Trading on the Forex market takes place continuously from 11 p.m. on Sunday to 10 p.m. on Friday. XTB offers ca. 500 CFD instruments based on currency pairs.</p>
	<p><b>Stocks</b> - the stock offer at XTB is complemented by the possibility of executing CFD transactions based on stock prices. The client decides whether he/she wants to build an investment portfolio by becoming a stockholder or take advantage of the speculative nature of CFDs on shares.</p>
	<p><b>Cryptocurrencies</b> - cryptocurrencies are a form of digital currency. XTB offers a CFD instrument which means that you do not need to physically purchase the cryptocurrency, you just need to speculate on future price changes without owning the underlying instrument. XTB makes available ca. 40 cryptocurrency-based CFD instruments.</p>
	<p><b>Indices</b> - CFDs on indexes are derivatives based on the biggest stock indices. By executing a transaction, the Client does not acquire the underlying instrument (stock index), but speculates whether its price will increase or decrease. XTB offers over 30 CFD instruments based on indices from the entire world: USA, Germany, China.</p>
	<p><b>Bonds</b> - CFD instruments based on the prices of the futures contract for a 10-year bond of the United States government listed on the CBOT exchange and for a 10-year bond of the German government listed on the Eurex exchange.</p>
<b>Stocks</b>	<p><b>Stocks</b> are equity securities that give their holders certain corporate and property rights (e.g. the right to participate in the company's general meeting, dividends, participation in the division of assets in the event of liquidation of the company). The subject of organised trade are stocks without a tangible form. Stocks may be characterised with high volatility of quotes, both in short- and long-term perspectives. XTB offers clients the opportunity to invest in over 3,400 stocks of companies listed on major markets in Europe and the USA.</p>
<b>ETFs</b>	<p><b>ETFs</b> (Exchange Traded Funds) are investment funds whose units are listed on regulated markets. The essence of an ETF is to reflect the rate of return of a reference index by purchasing financial instruments included in this index (physical replication) or by using derivatives based on the index (synthetic replication). A characteristic feature</p>

of an ETF is the constant creation and redemption of units carried out by financial institutions (investment banks, brokers) authorised by the institution managing the given fund. Due to the separation of the legal personality of the fund and the institution managing it, the fund's assets are separated from the manager's assets. XTB offers Clients the opportunity to invest in over 370 ETFs listed in Europe.

**Table No. 4.** Product portfolio of the XTB Group in 2023 due to the **passive investing/saving**:

<b>Investment plans</b>	In 2023, we expanded our offer to include <b>Investment Plans</b> that allow you to invest your savings in an intelligent way. Thanks to this product, the Client can easily build his/her Plan and invest specific funds - starting from PLN 50.
<b>Interest on free funds</b>	In November 2023, we introduced another novelty to the offer, i.e. <b>interest on free funds</b> in Clients accounts. Interest is accrued daily and paid to the account after the end of the month. Interest rates are offered for the following currencies: PLN, EUR, USD, GBP, CZK and RON.

### Product plans

As in previous years, also in 2024, XTB will focus on acquiring new clients and expanding this group to include people interested not only in investing, but also in broadly understood financial products. Therefore, we plan not only to expand the offer, but also to introduce changes aimed at increasing the comfort of using the investment platform and mobile application. The Company has been preparing for all these changes and implementations for many months, as evidenced by the intensive development of the Technology and Product Department, ongoing development and research and development work, also related to the use of technologies based on artificial intelligence.



SOCIAL TRADING

BONDS

PENSION PRODUCTS

VIRTUAL WALLET

MULTI-CURRENCY CARD

The first weeks of 2024 will see further development of the product offer addressed to passive investors. Investment Plans, which enabled in the I quarter of 2024 investing in over 300 ETF funds, have been enriched with an automatic investing function thanks to which Investors can determine how often and with what amount they want to regularly top up their individual investment portfolios. Thus, compared to competitive products, Investment Plans have become even more attractive for clients looking for medium- and long-term investment products.

In the following quarters of 2024, the passive investment offer will be enriched with:

- bonds. - both treasury bonds (issued by countries such as Poland, the USA and Germany) and corporate bonds issued by reputable, global companies with a relatively stable rating (from AAA to BBB-). Thanks to the use of a mechanism analogous to that of fractional shares, investing in bonds will be available for small amounts;
- social trading, enabling Clients to track transactions executed by other investors whose strategies they consider worthy of attention. As part of social trading, Clients' data will be fully anonymised and classified solely on the basis of the achieved rate of return on investment or the accepted level of risk;

- IKE (Individual Pension Accounts) and IKZE (Individual Pension Security Accounts). As the Company sees the potential for further development in the long-term investing segment, the offer of pension products will also be developed on other global markets, including Great Britain, where XTB plans to operate as an ISA Manager (Individual Savings Accounts Manager).
- virtual wallet with a multi-currency card, which will enable Clients using the XTB mobile application to make payments and transfers, card transactions and currency exchange. The added value will be the possibility of immediate payments between all accounts in XTB. Real-time notifications will ensure full control of your expenses.

The environmental and social aspects are not the dominant factor in designing the product offer. Nevertheless, the XTB's offer includes financial instruments (e.g. ETFs) enabling investments in climate-aware entities or entities classified to indices factoring in ESG criteria. In 2023, the Company added information on the ESG rating to its investment platform for most of the securities of companies on offer and for ETF instruments.

In 2023, we recorded a large increase in interest in ESG companies among our clients. We currently offer over 10 ETFs that provide diversified exposure to stocks or bonds of companies with a high ESG rating (3 and above) in relation to a specific benchmark. The ETFs offered can be divided according to the region of exposure: France, China, Europe, United States, emerging markets, global markets. Creating a benchmark for ESG ETFs involves removing companies from a broader index (the so-called parent index) that do not meet the ESG criteria specified in the index methodology.

Additionally, XTB offers financial instruments related to CO2 emission rights (EMISS contract). Expanding the offer with instruments supporting direct management of selected aspects of climate risk, e.g. weather derivatives, is being considered.

## 2.3. Development and innovation

### Technology development

As an entity with a FinTech profile, we offer our services and investment products via the advanced xStation technological platform, available to clients in both mobile and website versions. Our operation is based on a developed strategy for the selection of IT systems, which assumes the development of an original transaction system and investment products offered by the xStation platform built on this foundation, strengthening the competitive advantage, combined with systems offered by suppliers, the implementation of which shortens the time to deliver the product to the client (time to market) and investments in Artificial Intelligence (AI) technologies in all areas of activity.

A defined and efficiently enforced strategy allows Technology Department Employees to focus on research and development (R&D) work in the form of highly innovative, comprehensive solutions in the investment domain via the xStation platform.

The R&D works carried out in 2023 were aimed at increasing the range of investment products available to clients, while ensuring the stability of solutions and improving internal operational processes with a dynamically growing number of clients and transactions.

The most important areas in which the XTB Technology team undertook innovative initiatives are:

- creating new investment solutions such as Investment Plans or introducing interest on free funds accumulated in the account,
- improving existing processes and products based on continuous Client research and observations of the activities of competitive companies on the global market conducted by the Research team, with particular emphasis on the process of new client onboarding,
- creating new analytical models based on highly advanced machine learning techniques based on public cloud solutions,
- creating processes and new solutions that increase the productivity of internal departments based on Artificial Intelligence solutions,
- improving operational processes that translate into the efficiency of handling client inquiries within the CRM system,
- implementing improvements to the order execution system in order to maintain high operational efficiency, minimise order execution delays and handle significantly increasing transaction volumes,

- implementing innovative solutions compliant with the latest standards in the field of software development and implementation (Platform Engineering),
- implementation of highly comprehensive solutions at the hardware level, including dedicated connections to key Internet traffic exchange points,
- work on improving the security of the platform, both in the field of data processing and storage security and the immediate detection of security incidents.





# EMPLOYEES



### 3. Our Employees

One of our key Stakeholders are XTB Employees. It is their commitment, competences and individual personality traits that create our organisational culture which is reflected in the identity and results of XTB's business activities.

As an employer, we are aware of our impact on the quality and balance of professional and private life of our employees. The positive and pro-employee work atmosphere that we promote, employment stability and various non-wage benefits make XTB perceived as an attractive and developmental workplace.

In 2023, we were among the 50 best Polish employers according to the Wprost Ranking. Moreover, we took 4<sup>th</sup> place in the category of financial companies, and 26<sup>th</sup> overall. We were pleased to hear that our activities aimed at creating a friendly work environment that supports the development, mutual respect and diversity of our Team have been noticed in such a clear way. However, the best confirmation of the attractiveness of XTB as a workplace is the constant increase in employment in the Group. In the second half of the year, the number of our Employees and Associates exceeded the threshold of 1,000 people.

Every day, we provide our Employees with modern office space with professional equipment. New Employees are welcomed at XTB during an introductory training and receive support from the assigned HR Department supervisor.

Building relationships and a good working atmosphere is very important to us, which is why we are happy to organise and meet at team building events. In 2023, a sports and team building picnic was held which met with great interest and enthusiasm of XTB Employees.

#### Procedures and regulations

As part of due diligence in the parent company, XTB S.A., there are regulations, policies and procedures regulating employee issues in place. These include:

- *Work Regulations of XTB S.A.*
- *Distance Work Regulations of XTB S.A.*
- *HR Policy*
- *Remuneration Policy*
- *Policy of Educational Trainings and Confirmation of Knowledge and Skills of Employees of XTB S.A.*
- *Code of Ethics of XTB S.A. Capital Group*
- *Credit Risk Management Procedure*
- *Recruitment and Selection Procedure of XTB S.A.*
- *Procedure for Non-Wage Benefits for Employees of XTB S.A.*

Within the employee area, the Capital Group's subsidiaries operate based on regulations and procedures individually adopted within the units in accordance with local law.

#### Flexibility of the working day

We give our Employees the opportunity to adapt their work mode to their needs. Many of them fulfill their role as parents, combining professional life with family responsibilities. Understanding their daily efforts, we would like work at XTB to be a positive, developmental complement to their lives, enabling equal access to work, bringing satisfaction from implemented projects, regardless of the place of work. That is why we offer our Employees a hybrid employment model. The possibility of distance work is regulated by the relevant provisions of the *Distance Work Regulations*.

As part of the flexible working hours adopted in the Work Regulations, our Employees can start their duties between 7:00 a.m. and 10:00 a.m.



## Organisational culture and work-life balance

At XTB, we care about the development of an organisational culture based on effective communication, development and cooperation. In addition to non-wage benefits and a well-thought-out HR policy, we try to organise initiatives that integrate our employees and support a good working atmosphere and work-life balance.

In 2023, as part of the implementation of the assumptions of the ESG Strategy, we organised a forest planting campaign in which 39 XTB S.A. Employees took part as part of the volunteer day. In addition to building climate awareness, our Employees had the opportunity to integrate in the sense of the rightness of their actions for the environment. The same year, we also organised a Coffee Day for our employees at the XTB headquarters, because building mutual relationships, conducting inspiring conversations and exchanging experiences in a friendly office atmosphere is of great importance to us.

We want to support the building of strong family and interpersonal relationships of our Employees, which is why on 7 June 2023, our working day ended two hours earlier. This took place as part of the 2 Hours for Family campaign, organised by the Humanites Foundation to deepen relationships with loved ones, in which we have been participating regularly since 2019. It encourages being together, not next to each other, promoting a balance between professional and private spheres. XTB branches also join the campaign every year, including the branches from Germany, Spain, Great Britain, Romania, Cyprus, Portugal, France. In 2023, XTB received a special distinction and the title of ambassador from the project organiser for promoting the campaign around the world.

The XTB office also became a meeting place on Children's Day. We invited our Employees and their children to celebrate together. In addition to refreshments, guests could enjoy attractions and games organised by the animators.

### 3.1. Dialogue with Employees



Communication is the foundation of valuable Team relationships and mutual trust between the Employee and the Employer. As an international Capital Group, over the years we have adapted our communication methods to the changes taking place, wanting to remain in contact with our Employees despite the significant size of our operations.

In addition to ongoing communication within teams and with direct superiors, the basic and most common form of communication is e-mail communication conducted bilingually. All documents, procedures and communications are created and translated with all Group Employees in mind. Moreover, important employment aspects are also communicated through a dedicated HRM platform available to Employees of the entire XTB Group. As an international organisation, we care about the quality of communication with all our Employees. Since 2023, we have been using a modern communication platform available in 16 foreign languages. In addition, depending on the needs, we support our team with language training both for adaptation and development of language competences.

Our Employees are informed about the key directions of XTB's strategic activities and are aware of the direction in which the organisation is heading. On a quarterly or semi-annual basis, the President of the Management Board of XTB S.A. communicates to the Team the results achieved by the XTB Group, the current level of strategy implementation and strategic plans for the next period.

XTB also organises regular meetings with Employee representatives during which proposals are discussed regarding changes in regulations related to changes in the Labor Code, changes in benefits, improvements in work organisation, and other suggestions and proposals from Employees are presented, which are then directed to discussion with the Management Board.

#### Employee satisfaction survey

Every year, the XTB Group conducts an anonymous Employee satisfaction survey, during which Employees can express their opinion on areas such as:

- trainings and development,
- motivation,
- communication,
- work environment,
- performance,
- management and relations.

As part of the survey, Employees have the opportunity to express their opinion about the Employer and submit their own conclusions. The results of the global satisfaction survey are sent to all XTB Employees.

The above-mentioned study was carried out both in 2023 and 2024. The 10<sup>th</sup> edition held in January this year among all Employees of the XTB S.A. Capital Group was met with interest from 556 employees (+45.5% y/y).

The overall results of the latest edition of the study showed that the highest rated areas are *cooperation* and *relationships*. In the area of communication, as many as 93% of employees stated that they had very good relationships with team members (+2.0% y/y), which makes the area of team work one of our greatest values for the ninth year in a row. 91% of respondents admitted that they are treated with respect, 82% admitted that they feel that the Company cares about them. Training was identified as an area for further improvement. Already throughout 2023, we have introduced internal improvements among others to our knowledge base, which we plan to continue to develop.

We are proud that as many as 87% of respondents would recommend XTB to their family and friends as a good place to work. We do not stop developing and searching for the best solutions for our Team.

### 3.2. Diversity

**[S.6.]** From 2021, we are a Signatory of the Diversity Charter. Our Employees differ in talents, skills, character and personality traits, experience, views and many other attributes. For us, diversity, tolerance and equal treatment of all Employees is the foundation of a healthy relationship based on mutual respect and trust. We are deeply convinced that not only is it a basic value of modern society, it also translates significantly into the development, competitiveness and innovation of the XTB Group.

 Our organisational culture is focused on achieving goals by building diverse project teams, which translates into more effective problem solving, a better working atmosphere, a higher level of creativity and a more effective flow of knowledge. We communicate with our employees bilingually, in Polish and English, wanting to reduce the communication barrier in teams and provide everyone with equal access to information within the XTB Group. We want to support and discover the potential of our employees, giving them the opportunity to fully use their skills, talents, passions and professional competences.

We employ Employees who are diverse in many respects: gender, age, education, qualifications and professional experience, nationality, ethnic origin, religion, denomination and non-denomination, political beliefs, health condition, psychosexual orientation, family status, lifestyle, place of residence, form, scope and employment basis.

**[S.6.1.]** Diversity management at XTB consists also in inclusion of provisions in applicable policies and procedures that regard counteracting discrimination, mobbing and other regulations determining the standards of equal treatment, protection against violence, sexual abuse or unjustified dismissal. The principles of equal treatment in employment are described in internal documents, including but not limited to the Work Regulations, and are available to the Employees.

According to the effective whistleblowing procedure, all Employees and co-workers are obliged to react if they witness exclusion or harassment of their colleagues.

**[S.6.2.] [S.6.3.]** In 2023, no cases of discrimination, mobbing or sexual harassment were reported or identified in the XTB Group. No cases of breach of human rights were identified in the above period either.

#### Diversity policy regarding the Members of the Company's Management Board

As regards diversity in connection with appointment of the Company's governing bodies, the *Diversity Policy for the Members of the Company's Management Board* was adopted. XTB ensures diversity of qualifications and competences in terms of education, professional experience and skills of the selected staff, including the management staff, to guarantee comprehensive and reliable performance of entrusted tasks. Furthermore, under the Diversity Policy, in the recruitment process the governing bodies take into consideration professional qualifications, reputation, professional experience, predispositions to perform obligations on the given position or in the given function as well as diversity in terms of sex, age, place of origin and education. The members of XTB's governing bodies specialise in various areas of knowledge and have diversified industry-related experience corresponding with their current function. The individual competences of the members of XTB's governing bodies are complementary in order to ensure the appropriate level of collective management in the organisation.

### 3.3. XTB's HR Policy

The HR Policy of XTB is strictly connected with the company's mission and strategy. The guidelines of the HR Policy aim at effective management of human resources through effective selection, support of development and retention of the team of Employees that will guarantee performance of the business activities planned by the Company at the highest level. The HR Policy is based on the assumption that the most important factor of the Company's success is its staff and, thus, the paramount goal is continuous striving for creation of the best work places and work conditions possible that enable development of competences.

#### **The aim of the HR Policy includes, in particular:**

- acquisition of the optimal number of employees having specific qualifications and professional potential required to ensure proper staffing of specific organisational units of XTB by means of a professional recruitment process;
- support in the process of identification of Employees with the organisation's goals and mission;
- shaping of attitudes and standards of conduct of Employees compliant with internal regulations, ordinances and procedures effective in XTB;
- ensuring professional stabilisation, counteracting turnover of employees and retaining highly qualified and valuable Employees;
- support of development of specialised qualifications required to perform tasks and accomplish set goals;
- creation of an incentive system based on proper shaping of work conditions in combination with the remuneration, promotion and bonus system as well as assessment of professionalism and performance.

#### **Areas of operation in the scope of HR Policy include:**

- employment planning;
- recruitment;
- Employee assessment;
- retention of Employees (incentivising, remunerating, promoting, granting of bonuses);
- development of Employees (individual professional development programmes, trainings).

All XTB Group entities rely on the assumptions of the HR Policy.

### 3.4. Employment conditions

#### **Remuneration system**

In order to build a sense of employment stability among our Employees, we take due care to ensure that the applicable rules are simple and transparent. The internal Remuneration Regulations lay down the principles and conditions of remuneration for work and services connected with work. According to it, Employees receive remuneration corresponding to the type, quality and quantity of work performed and the qualifications required for its performance. The general principles of the remuneration policy aim to ensure the coherence of the remuneration system and additional benefits in relation to the adopted long-term development strategy, taking into account the costs provided for in the financial plan, while respecting the principles of risk management and stability of XTB's operation.

The remuneration, rotation and promotion system of is implemented through creation of mechanisms incentivising our Employees to improve the quality and effectiveness of performed work. These activities are influenced by employment needs, planned budgets of head office departments/foreign branches, funds allocated for human resources as well as Employee qualifications and the evaluation of their work.

As part of XTB, we also develop non-wage benefits, constantly striving to strengthen Employees' identification with the company. People employed at the XTB Headquarters are covered by a package of additional benefits. The remuneration/promotion system is built in cooperation with directors of departments of the XTB Headquarters by the HR Management Department. In the branches, the remuneration system and the scope of non-wage benefits are regulated by branch directors in cooperation with regional directors.

### Gender Pay Gap Ratio

In the scope of remuneration, the Company applies market rules, i.e. it makes the value of remuneration of Employees conditional upon, in particular, possessed knowledge, professional experience and substantive contribution to the Company's development.

The organisation carries out periodical analysis of the remuneration of men and women in all Departments. If any discrepancies are detected, the head of the given organisational unit is consulted and remedial actions are taken if needed.

Information regarding the Gender Pay Gap Ratio (GPGR) for XTB Headquarters is presented below. The Company presents the ratios for XTB Headquarters considering the highest diversity of positions in XTB Headquarters in comparison to other foreign branches and subsidiaries where employees on sale positions are predominant.

**[S.2.9]** GPGR is expressed as a percentage calculated as the absolute value of difference of the product of average monthly pay of women divided by the average monthly pay of men and number 1. The ratios are presented taking into consideration the base salary as well as base salary plus extra benefits.

**Table No. 5.** Gender Pay Gap Ratio for XTB S.A. Headquarters for 2023 and for the same period of the previous year [%].

XTB S.A. Headquarters		2023	2022
GPGR (based on base salary)	Employees on managerial positions	8%	19%
	Employees on executive positions	14%	1%
	Employees on positions other than above	27%	14%
GPGR (base salary plus extra monetary benefits, awards, etc.)	Employees on managerial positions	12%	10%
	Employees on executive positions	22%	14%
	Employees on positions other than above	25%	19%

The Company explains that ca. 46% of employees of XTB Headquarters are IT Department Employees (especially software developers) whose remuneration value and predominant share of men in this category result in a gender pay gap. The high remuneration of this professional group is related to the pay pressure on the labour market and need to acquire and retain high class specialists in this area. This dependency is, however, typical for the IT industry and does not apply only to XTB.

**Table No. 6.** Gender Pay Gap Ratio for XTB S.A. Headquarters, excluding the IT Department, for 2023 and for the same period of the previous year [%].

XTB Headquarters (excluding IT Department)		2023	2022
GPGR (based on base salary)	Employees on managerial positions	3%	10%
	Employees on executive positions	5%	0%
	Employees on positions other than above	1%	0%
GPGR (base salary plus extra monetary benefits, awards, etc.)	Employees on managerial positions	9%	9%
	Employees on executive positions	14%	0%
	Employees on positions other than above	2%	9%

The difference between the rate based on base salary and the rate based on base salary plus extra benefits is related mainly with higher share of men employed in the Trading Department and Sale Department where additional benefits (i.e. including but not limited to bonuses and premiums) are higher than analogous benefits on administrative positions.

**[S.2.10]** The relation of the lowest remuneration in the Company (based on conversion into full-time equivalents) to the average remuneration of the members of the Management Board in years 2023 was ca. 0.08.

### Non-wage benefits

**[S.2.15.]** We want to take care of the well-being of our Employees in many dimensions. Depending on the form of employment, we provide the following non-wage benefits:

For Employees employed under a contract of employment and mandate contract:

- private medical care;
- MyBenefit platform and Multisport Package;
- the "Helping Hand" well-being platform, which provides psychological support focusing on psychoeducation and prevention (including online sessions with therapists, webinars, workshops, educational articles). The platform is also available to XTB contractors.

For Employees employed under a contract of employment:

- reimbursement of costs of corrective glasses;
- holiday vouchers;
- subsidies for annual leave;
- allowance for using the leave entitlement in the given calendar year;
- group life insurance;
- an additional day of paid leave on a birthday;
- an additional day of paid leave to care for young parents;
- days off for volunteering;
- co-financing of meals.

The scope and form of non-wage benefits in the subsidiaries are adjusted to the local conditions and standards in the area of remuneration of employees and include, for instance, additional healthcare services, group insurance or holiday gifts.

## Promotion of health

 Out of concern for the health and well-being of our Employees, we take long-term and ad hoc actions to support them in this respect. In 2023, we organised flue vaccinations for Employees at the XTB headquarters for the thirteenth time. People who did not take part or were unable to get vaccinated on the given date had the opportunity to get vaccinated free of charge as part of their medical subscription at a selected medical care provider's facility.

In addition to access to fresh fruit every Monday at the XTB headquarters, we primarily work to increase the awareness of our Employees in the field of health prevention. We promote such initiatives as: European Breast Cancer Day or Movember. We organise webinar meetings with specialists in health prevention and a series of internal first aid training courses for employees. In addition, our Employees willingly engage in blood donation campaigns.

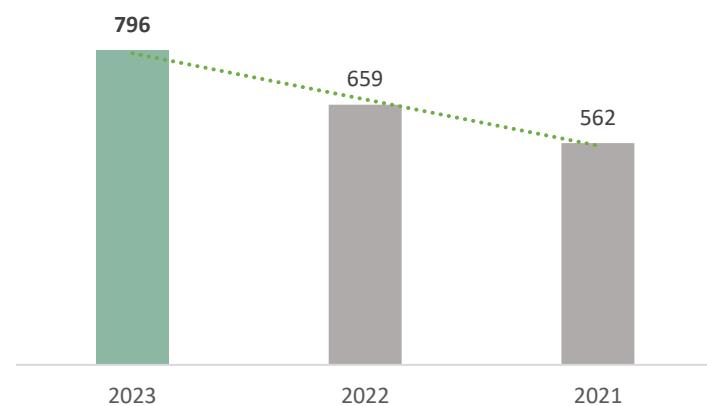
We believe that movement is health. We implement projects related to the promotion of sports activities, wanting to strengthen positive habits among our Employees. We support, among others: the XTB team playing football in the business league or the XTB Running Team, which celebrated its 5<sup>th</sup> anniversary in 2023. In the year in question, the XTB Team once again took part in the Janusz Kusociński Night Relay Run, taking 33<sup>rd</sup> place out of 127 teams. Shortly afterwards, they also took part in the 32<sup>nd</sup> Warsaw Uprising Run. The event gathered almost 8,000 runners who commemorated the events of 1944. In the coming periods, a number of activities and events are planned to increase the involvement of our Employees in practicing various sports disciplines and promoting a healthy lifestyle.

We also support activities in the field of broadly understood well-being and work-life balance. In order to increase the mental and emotional well-being of our employees, we have established cooperation with the provider of the "Helping Hand" platform, which enables participation in webinars and consultations with specialists. We believe that the balance between professional and private life is crucial in maintaining health and translates into the quality of life in every sphere on many levels. Since 2019, the Capital Group has been actively involved in the *Two Hours for Family* campaign, enabling our Employees to leave the workplace two hours earlier so that they can spend this time with their loved ones, which we write about in more detail in Chapter 3. *Our Employees* of this Report.

### 3.5. Employment structure

**[S.2] [S.2.1.] [S.2.2.] [S.2.3.]** Average annual employment in full-time equivalents in the XTB S.A. Capital Group has been growing systematically over the last 3 years. In 2023, it was 796 (+20.8% y/y).

**Chart No. 2.** Structure of average annual employment in full-time equivalents in the XTB Group in 2021-2023.



**Table No. 7.** Employment structure of the XTB S.A. Capital Group and XTB S.A. (XTB S.A. headquarters together with foreign branches of XTB S.A.) as at 31 December 2023 and as at 31 December 2022.

Criterion			XTB S.A. Capital Group			XTB S.A.		
Form of employment	Age group	Sex (F/M)	As at 31.12.2023	As at 31.12.2022	Change y/y [%]	As at 31.12.2023	As at 31.12.2022	Change y/y [%]
Contract of employment (in full-time equivalents)	below 30 y.o.	<b>Total</b>	<b>325</b>	<b>297</b>	<b>+9.4</b>	<b>275</b>	<b>267</b>	<b>+3,0</b>
		Women	104	88	+18.2	88	79	+11.4
		Men	221	209	+5.7	187	188	-0.5
	30-40 y.o.	<b>Total</b>	<b>413</b>	<b>333</b>	<b>+24.0</b>	<b>335</b>	<b>291</b>	<b>+15.1</b>
		Women	143	110	+30.0	103	89	+15.7
		Men	270	223	+21.1	232	202	+14.9
	40-50 y.o.	<b>Total</b>	<b>113</b>	<b>71</b>	<b>+59.2</b>	<b>100</b>	<b>69</b>	<b>+44.9</b>
		Women	37	22	+68.2	30	21	42.9
		Men	76	49	+55.1	70	48	45.8
	over 50 y.o.	<b>Total</b>	<b>14</b>	<b>10</b>	<b>+40.0</b>	<b>13</b>	<b>10</b>	<b>+30.0</b>
		Women	5	2	+150.0	4	2	+100.0
		Men	9	8	+12.5	9	8	+12.5
<b>Total:</b>			<b>865</b>	<b>711</b>	<b>+21.7</b>	<b>723</b>	<b>637</b>	<b>+13.5</b>

Bearing in mind the nature of activity and business model of XTB Group, the main groups of employees are specialists in the area of IT and customer support.

The highest employment diversity understood as diversity of functions and positions is recorded in the XTB S.A., i.e. the Company's Headquarters in Poland. The employees of subsidiaries and branches are mainly persons responsible for support of sale processes on the local markets.

Proportions of key categories of positions and functions are presented below for:

- XTB S.A. Headquarters, characterised with the highest employment diversity (except for foreign branches of XTB S.A.);
- XTB S.A., i.e. the Headquarters and its foreign branches;
- XTB S.A. Capital Group, including the Headquarters, foreign branches of XTB S.A. and subsidiaries of the Capital Group.

**Table No. 8.** Proportion of key categories of positions and functions in the audited year and in the corresponding period of the prior year.

Area/position*	XTB S.A. Headquarters			XTB S.A. (headquarters and foreign branches)			XTB S.A. Capital Group		
	2023	2022	Change y/y	2023	2022	Change y/y	2023	2022	Change y/y
IT area	45%	41%	+4 p.p.	37%	33%	+4 p.p.	30%	29%	+1 p.p.
Sale area	4%	4%	no change	12%	14%	-2 p.p.	19%	19%	no change
Customer service area	21%	24%	-3 p.p.	17%	19%	-2 p.p.	15%	17%	-2 p.p.
Other specialised positions	17%	15%	+2 p.p.	21%	17%	+4 p.p.	22%	18%	+4 p.p.
Managerial positions	9%	10%	-1 p.p.	9%	10%	-1 p.p.	8%	9%	-1 p.p.
Executive positions	4%	6%	-2 p.p.	4%	7%	-3 p.p.	6%	8%	-2 p.p.
<b>Total</b>	<b>100%</b>	<b>100%</b>	-	<b>100%</b>	<b>100%</b>	-	<b>100%</b>	<b>100%</b>	-

\* Number of people employed in the given area in relation to the number of people employed in individual organisational units, expressed in%.

In 2023, the largest share both within the XTB S.A. Headquarters and the parent company XTB S.A. (i.e. the headquarters and foreign branches) and the XTB S.A. Capital Group were positions in the IT area, similarly to the previous year.

The second area with the largest share was the customer service area within the Headquarters. As regards XTB S.A. and the XTB S.A. Capital Group - the second area were other specialist positions. The smallest share both within the Headquarters and XTB S.A. and the Group were executive positions, and in the case of the Headquarters - also the sales area.

**Table No. 9.** Employee turnover of the XTB S.A. Capital Group in 2023 and in the corresponding period of the prior year and the hiring and leaving of Employees at XTB S.A. in 2023.

Criterion			XTB Group			XTB S.A.		
			As at 31.12.2023	As at 31.12.2022	Change y/y [%]	As at 31.12.2023	As at 31.12.2022	Change y/y [%]
Employees hired/leaving	Age structure	Sex (F/M)						
Employees hired (number of persons)	below 30 y.o.	<b>Total</b>	<b>147</b>	<b>155</b>	<b>-5,2</b>	<b>117</b>	<b>140</b>	<b>-16.4</b>
		Women	49	42	+16.7	41	36	+13.9
		Men	98	113	-13.3	76	104	-26.9
	30-40 y.o.	<b>Total</b>	<b>84</b>	<b>76</b>	<b>+10.5</b>	<b>66</b>	<b>63</b>	<b>+4.8</b>
		Women	27	33	-18.2	18	27	-33.3
		Men	57	43	+32.6	48	36	+33.3
	40-50 y.o.	<b>Total</b>	<b>19</b>	<b>9</b>	<b>+111.1</b>	<b>14</b>	<b>9</b>	<b>+55.6</b>
		Women	4	5	-20.0	2	5	-60.0
		Men	15	4	+275.0	12	4	+200.0
	over 50 y.o.	<b>Total</b>	<b>3</b>	<b>1</b>	<b>+200.0</b>	<b>3</b>	<b>1</b>	<b>+200.0</b>
		Women	2	0	-	2	0	-
		Men	1	1	no	1	1	no
Employees leaving (number of persons)	below 30 y.o.	<b>Total</b>	<b>60</b>	<b>53</b>	<b>+13.2</b>	<b>52</b>	<b>42</b>	<b>+23.8</b>
		Women	19	16	+18.8	16	12	+33.3
		Men	41	37	+10.8	36	30	+20.0
	30-40 y.o.	<b>Total</b>	<b>69</b>	<b>47</b>	<b>+46.8</b>	<b>39</b>	<b>37</b>	<b>+5.4</b>
		Women	27	8	+237.5	12	5	+140.0
		Men	42	39	+7.7	27	32	-15.6
	40-50 y.o.	<b>Total</b>	<b>7</b>	<b>11</b>	<b>-36.4</b>	<b>5</b>	<b>10</b>	<b>-50.0</b>
		Women	1	3	-66.7	1	3	-66.7
		Men	6	8	-25.0	4	7	-42.9
	over 50 y.o.	<b>Total</b>	<b>3</b>	<b>2</b>	<b>+50.0</b>	<b>2</b>	<b>2</b>	<b>no</b>
		Women	2	0	-	1	0	-
		Men	1	2	-50.0	1	2	-50.0
	including in connection with acquisition of old- age pension or disability pension	<b>Total</b>	<b>6</b>	<b>0</b>	-	<b>6</b>	<b>0</b>	-
		Women	1	0	-	1	0	-
		Men	5	0	-	5	0	-

**Table No. 10.** Employee turnover rate within the XTB S.A. Capital Group in 2023 and in the comparative period of 2022. [%].

Employee turnover rate*	XTB Group		XTB S.A.	
	2023	2022	2023	2022
Total	17.64%	17.28%	14.41%	15.68%
Women	19.18%	13.24%	14.42%	11.90%
Men	16.87%	19.11%	14.38%	17.23%

\* The number of employees who left their job divided by the average of the sum including the initial and final number of employees in the period under review.

In 2023, the total employee turnover rate, both within the XTB S.A. Capital Group as well as the parent company XTB S.A. remained at a similar level compared to the previous year.

Analysing turnover rates on the scale of the XTB S.A. Capital Group, the largest deviation compared to the same period in 2022 was recorded among women, where the rate increased by 5.94 percentage points. y/y and amounted to 19.18%. The men's turnover rate decreased by 2.24 percentage points y/y.

With respect to the parent company XTB S.A., in the audited period the women's turnover rate reached a lower value compared to the Capital Group discussed above, i.e. 14.42% (+2.52 p.p. y/y). Men's turnover, similarly to the Group, decreased to 14.38% (-2.85 percentage points y/y).

**Table No. 11.** List of the number of civil law contracts within the XTB S.A. Capital Group in 2023 and in the comparative period of 2022 and for XTB S.A.

Criterion	XTB Group		XTB S.A.		
	2023	2022	2023	2022	
Civil law contracts	Number of civil law contracts at the end of the period	100	38	69	38
	Number of civil law contracts concluded in the period	91	54	82	54
	Number of civil law contracts terminated/expired in the period	55	31	51	31

[S.2.6] In 2023, there were 4 disabled people employed in the XTB Group.

[S.2.5.] In 2023, the XTB Group cooperated on the basis of employee outsourcing with 6 full-time positions, including 4 within XTB S.A.

There are no trade unions in any of XTB Group companies. According to the law, representatives of Employees have been appointed in the XTB S.A. Headquarters in Poland.

There were no collective disputes in 2023.

[S.2.14.] In 2023, there were three situations in the XTB Group in which a woman, after giving birth to a child and returning to work, resigned from her job within 12 months from returning to work.

We do not plan to employ employees from economically weaker countries to perform the so-called low-cost tasks. The priority at XTB is to ensure equal employment rules in similar positions. Thus, even if an employee comes from

a less economically developed country, he/she is employed on terms equal to those offered to employees from Poland, EU or other regions of the world.

### 3.6. Employees' Development

#### Managerial approach



**[S.5.]** At XTB, we pay special attention to creating favourable conditions for the long-term professional development of our Employees. This is aimed at strengthening their potential, supporting efficiency by building competences, and thus improving the quality of their work. Appropriately educated staff is the foundation of the business, ensuring professional implementation of assigned tasks and responsibilities. Career planning and development are considered both in the context of the employee's personal development, predispositions and needs as well as XTB's requirements regarding the desired competencies for a given job position.

Financial resources allocated to improving qualifications are part of the budgets of individual XTB departments. The training budget of foreign branches is determined by each branch director. The employees are delegated to trainings by their immediate superiors, according to the requirements in terms of improvement of their competence level.

Our professional staff is the highest value of XTB. We support and promote gaining specialised qualifications by our Employees, reimbursing costs of passed exams, e.g. obtaining broker, investment advisor or CFA licences, etc.

#### [S.5.2.] External trainings

The main external training categories include:

- technical trainings (IT area);
- specialised trainings (regarding improvement of professional knowledge, including post-graduate studies, CFA, ACCA, MBA, ICA, course preparing to obtain the broker's licence, etc.);
- training in the scope of soft skills;
- language courses (co-financing of education, reimbursement of language course costs, access to the eTutor foreign language e-learning platform).

**Table No. 12.** List of key external training and educational programmes at XTB S.A. in 2023:

No.	Training and educational programmes	Number of participants
1.	Studies and postgraduate studies with co-financing (maintenance of co-financing for employees continuing their studies in subsequent semesters, therefore participation in education costs is planned also in the following years).	10 persons
2.	27 theme conferences	81 persons
3.	51 technical trainings (IT area)	91 persons
4.	78 specialist training courses	178 persons
5.	12 soft skills training courses	56 persons
6.	Co-financed language courses	20 persons
7.	E-learning platform eTutor for learning foreign languages online - 339 training hours were used in 2023	43 persons

**[S.5.1]** In 2023, XTB Group held nearly 650 trainings, including IT trainings, specialised trainings, trainings connected with foreign languages as well as soft skills. In 2023, the XTB Group trained a total of over 520 people

(approx. 1/3 women and 2/3 men), with almost 6.5 thousand PLN allocated for training hours (including approximately 1/3 dedicated to women and 2/3 dedicated to men).

Moreover, in 2023, a series of 147 hours of managerial skills workshops were conducted for 40 employees holding executive, managerial and leadership positions. As a result of a previously conducted demand survey, important training topics were identified, which focused on developing competences related to team management and soft skills.

Employees also had the opportunity to participate in webinars on various topics, including: supporting mental health, development of soft skills, and health prevention. A first aid course was also conducted, attended by 74 employees.

XTB also cares about building awareness of online security. As every year, all employees received Security Awareness training and practical anti-phishing training.

**[S.5.2.]** In 2023, no XTB Employee took training leave.

### Internal training system

We also organise internal training to ensure the appropriate level of competence of our employees in relation to the scope and nature of the work they perform. This ensures the correctness of the processes carried out in accordance with the applicable laws and recommendations of the supervisory authority, in accordance with the adopted ethical standards and principles of fair trading and in the best interest of the Client/prospective Client.

The rules of functioning of the training system are described in the dedicated *Procedure for Educational Trainings and Confirmation of Knowledge and Skills of Employees*.

Within XTB, from the point of view of training criteria, the following were distinguished:

- Authorised Employees and
- Unauthorised Employees.

Authorised Employees are persons authorised to supply information on brokerage services provided by XTB and financial instruments covered by XTB's offer to the Clients or prospective Clients. Authorised employees are hired in the Global Customer Support Department, Analysis Department, Customer Service Department, Sale Department and External Partner Cooperation Department, and they are obliged to participate in the mandatory educational programme.

Authorised Employees are also obliged to:

- regular participation in additional educational trainings in the principles and mode of provision of brokerage services, held by XTB in connection with legal changes or introduction of new legal regulations applicable to XTB's business,
- regular participation in additional educational trainings provided by XTB with regard to features and characteristics of financial instruments offered by the Company or to be introduced in XTB's offer.
- take the annual knowledge and competence test by authorised Employees, and passing it with a positive result.

Failure by an Authorised Employee to review knowledge and competencies constitutes a serious breach of his or her employee duties and may result in the inability to continue working for the Employer.

Unauthorised Employees are also obliged to participate in the onboarding educational programme. In such a case, training materials are transferred automatically via the education platform on the first days of work.

Additionally, at the XTB Headquarters, the HR Department, in cooperation with the Legal Department, conducts the "First Day at XTB" training. This is an onboarding training on the first day of work for all newly employed people (including interns and employees employed under a mandate contract). In 2023, a total of 285 employees were trained.

Moreover, in 2023, an annual GDPR training was held dedicated to all Group Employees, in which 832 Employees took part.

Regardless of the training conducted using the organisation's own resources, the XTB Group incurred expenditure on training in 2023 equivalent to approx. PLN 970,000. zloty.

## Employee performance assessment system

The assessment system for our Employees is an important element of human resources management at XTB. Obtaining reliable information is an essential element of the HR Policy, enabling formulation of the assessment of Employee's performance, taking into consideration his/her competences, possibilities, motivation and contribution to performance of tasks.

The assessments are carried out for the following purposes:

- improvement of quality and effectiveness of work of XTB's employees;
- providing feedback to the Employee with regard to the assessment of his/her performance;
- recording and promoting accomplishments;
- improving employees' motivation;
- identification and analysis of potential problems, mistakes in performance of obligations;
- making sure the superior can make reasonable staff-related decisions, including planning of individual professional development of employees (delegation to trainings).

The assessments are carried out objectively, professionally and reliably, so as to reflect the actual level of performance of duties and work performed. The employees are subject to continuous assessment carried out by immediate superiors as well as periodical assessments. Continuous assessment allows employees to receive ongoing feedback on the quality of their work and the degree to which they fulfil their duties. This approach allows to effectively correct and improve areas that require more attention from the Employee, e.g. during the project. This allows to reduce the risk of error by minimising the consequences of its accumulation in subsequent stages of work, and may also have a positive impact on relations with your superior by building the basis for mutual dialogue and understanding. Periodical assessments of Employees' performance are carried out quarterly or annually, depending on the department and position. This type of Employee evaluation allows to identify his/her progress visible in the long term. The quarterly performance assessment is carried out, *inter alia*, by the superiors from the Customer Service, Trading and Sale Departments.

The annual assessment applies to employees of other departments, higher tier employees and management staff who are assessed by their immediate superiors.

## Development Review career planning programme

XTB has introduced the *Development Review* programme the purpose of which is support in planning of professional development, gaining knowledge and new competences.

After a one-year break as a result of system changes, the "Your Next Best Step" survey is planned to be resumed in 2024, the aim of which is to provide support in career development within the organisation. The results of the survey help in career planning and reaching Employees with accurate career-related proposals.

## Internship programmes

Implementing the assumptions of the *XTB Diversity Policy*, we employ students and graduates of universities with various professional profiles for internships and apprenticeships.

Wanting to connect young and ambitious IT students with business, we initiated a 3-month internship program, *IT Academy*. The 6<sup>th</sup> edition of the program began in October 2023, and is becoming more and more popular every year. As part of the latest edition of the *IT Academy*, participants had the opportunity to develop their skills in technologies such as: Java, QA, Apex, Kotlin, C++, Angular, SQL, Business Analysis. In addition, participants could build knowledge about XTB, not only as a brokerage house, but above all as a FinTech organisation where proprietary IT products are created based on various technologies.

We also conduct periodical recruitment of candidates for internships in software engineering who, having completed the onboarding period under supervision of a mentor, join selected teams using technological innovations. In addition to the IT Department, internships held by the XTB Headquarters covered the following departments: Analyses, Trading, Marketing and Risk.

Internships are organised by the XTB Headquarters all year long. During 2023, a total of 71 interns took advantage of this opportunity, most of them within the IT Department, where as many as 58 people took part in the *IT Academy*.

The internship programmes are also implemented in the foreign branches but, due to the scale of activity of specific branches, cooperation in this area regards usually one or two interns - mostly in the marketing or sale departments.

### 3.7. Career at XTB

As an international Capital Group, we are open to a variety of candidates from interested people. Thanks to the wide scale of our activities, we are looking for specialised Employees in various areas such as:

- IT,
- Trading,
- Global Customer Support,
- Sale Department,
- IBD Department,
- Risk Department,
- Marketing
- Compliance,
- Research and Development Department,
- Accounting and Finance.



We also undertake activities to recruit qualified staff. For example, in October 2023, representatives of our HR Tech, technology and business teams took part in the IT Job Fair at the Main Building of the Warsaw University of Technology, where they had the opportunity to talk about innovative XTB projects and our internship programme - IT Academy. For more information on this subject, see the previous chapter (3.6. *Employee Development*) of this Sustainability Report.

XTB job offers are published regularly on our website at: <https://www.xtb.com/pl/dlaczego-xtb/kariera>. Each of them contains a short description of our activities, the expected scope of responsibilities and requirements for the given job position, and information about what we as an organisation offer our candidates. For more information on employment conditions, see further sections of the chapter 3 *Employees* of the Sustainability Report.

### 3.8. Occupational health and safety

From 2023, XTB Employees work in distance or hybrid (partially stationary) mode, depending on the department.

Taking into account, *inter alia*, still a large share of distance work, care for the mental and physical condition of Employees, we have established cooperation within the well-being platform "Helping Hand", which provides holistic psychological support, focusing on psychoeducation and prevention, and also gives access to:

- webinars and workshops,
- didactic materials,
- podcasts,
- coaching,
- chats with experts
- online consultations and psychotherapy,
- 24 support helpline.

Using the platform, XTB Employees can also use free sessions with online therapists.

In 2023, XTB continued its information policy encouraging vaccinations and carried out an annual preventive vaccination campaign organised at the XTB S.A. office in Warsaw.

The above health-promoting activities were also implemented in previous years 2021 and 2022.

**[S.4.1] [S.4.4.]** In 2023, in the Headquarters of XTB S.A. no accidents at work were reported. There was 1 accident at work classified as minor in one of the foreign branches of XTB S.A., which resulted in a five-day sick leave for the injured person.

**[S.4]** XTB operates an Occupational Health and Safety Committee established in accordance with the applicable law.

**[S.4.7.] [S.4.8]** There are no positions for which the threshold limit values (TLV) or permissible exposure limits (PEL) are exceeded and there are no positions for which the level of assessed occupational risk is unacceptably high.

**[S.4.6]** In 2023, no cases of occupational disease were identified.



# SOCIAL RELATIONS



## 4. Social relations

### 4.1. Relations with Stakeholders

We strive to be a responsible partner for our Stakeholders. We achieve this goal through our business activities based on the highest quality products, services, customer service and reliable technology.

Within the Capital Group, we identify the following key groups of Stakeholders:

- Employees of XTB S.A. Capital Group;
- Retail and institutional Clients;
- Prospective Clients - persons interested in education regarding financial markets;
- Suppliers;
- State institutions, including local supervisory authorities;
- Media representatives;
- Shareholders, Analysts and prospective Investors.

**[S.9.3.]** As a stock exchange entity that communicates transparently with the market, we publish information about our Strategy, long-term goals and planned activities on our website. The degree of implementation of our Strategy, determined using financial and non-financial measures, is presented in current and periodic reports of XTB S.A. By ensuring equal access to information, we also organise quarterly meetings for Investors, dedicated in particular to our Shareholders, Analysts, industry experts and media representatives. As a stock exchange-listed company, XTB S.A. publishes periodical reports every quarter. Its reports for supervisory institutions are prepared at least once a month.



We also build relationships with Stakeholders through participation in industry events, job fairs and partnerships. In 2023, we became a strategic partner of the Association of Individual Investors to work together to protect the rights of individual investors. Together, we will strive to appoint an Ombudsman for Individual Investors in order to raise the standards of the financial market in Poland.

We also conduct marketing activities aimed at increasing the recognition of the XTB brand and educational activities addressed to Stakeholders regardless of their level of experience in the investment area. We also conduct extensive communication activities within available social media channels, i.e. Facebook, LinkedIn, X. The further part of this Report also includes information on activities undertaken as part of communication and education of retail clients.

When developing our business, we respect the competitive environment and other participants of the markets in which we operate. We strive for market expansion only while maintaining the principles of fair competition and within the limits and respect of legal regulations in the field of competition protection. We actively promote transparency, fair market practices and openness to cooperation and partnerships that can contribute to achieving common sustainable development goals.

At XTB, we believe in the development of financial education. We are the author of the IT Academy internship programme, which we describe in more detail in chapter 3.6. *Employee Development* of this Report. In 2023, we had the honour of being a partner of the first edition of the National Stock Exchange Competition "Young Investor". The organisers of this prestigious event were the Department of Economics and the Department of Finance of the Faculty of Economic Sciences of the Koszalin University of Technology. The competition gathered almost 600 secondary school students from all over Poland who had the opportunity to test their investment skills and expand their knowledge of the capital market. The grand finale, to which the 49 best participants qualified after the theoretical part, consisted of competing in live trading on the xStation platform.

**[S.9.1.] [S.9.2.]** In 2023, we did not identify any possible nuisances that could negatively affect the local community and we did not receive any complaints from the local community regarding the activities of the XTB Group.

## 4.2. Our Clients

Among our key Stakeholders we identify XTB clients (both retail and institutional segments) and our prospective clients.

Wanting to build value for our clients, we do not stop developing our business activities, setting ambitious goals and constantly expanding our product portfolio. One of the main communication channels is contact through our Customer Service Experts available 24/5. In order to reach as many recipients as possible, we also conduct marketing campaigns with the participation of athletes and actively inform about our activities through available social media channels. We provide educational materials for those interested in building their knowledge in the area of investing.

### Retail segment

The retail activities of the XTB Group include online trading in derivatives based on assets and underlying instruments for retail clients, which takes place on financial and commodity markets, as well as activities related to trading in shares from selected stock exchanges from around the world and ETF instruments.

We strive to increase the availability of financial instruments for individual investors. For Investors with a portfolio of instruments with a value not exceeding the equivalent of EUR 100,000, we offer gratuitous and commission-free access to foreign instruments in the form of ETFs on global indices or shares of companies listed on the largest world stock exchanges. Thanks to this, even an individual investor who does not have significant capital and organisational resources has the opportunity to diversify his/her investments using global financial instruments.

The retail Clients of the Group are granted access to the front-end type trading platform and a number of its components as well as back-office systems.

In the retail segment, the XTB Client base is characterised by the following parameters:

- new Clients,
- total number of Clients and
- average number of active Clients.

XTB has a solid foundation in the form of a constantly growing client base and the number of active clients. In 2023, we recorded another record in this area, acquiring 311,971 new customers compared to 196,864 a year earlier, which is an increase of 58.5%. Similarly to the number of new clients, the number of active clients was also record-breaking. It increased from 270,560 to 408,528, i.e. by 51.0% y/y.

### Communication with the individual Client and educational activity

From the very beginning of our existence, we pay special attention to education regarding the functioning of financial markets. The paramount goal of XTB is building investment awareness and facilitation of access to knowledge. XTB makes sure that any person interested in the functioning of financial markets has access to the necessary knowledge. Most educational materials prepared by XTB are available for free. These materials include nearly 100 hours of educational trainings in a video version, available on the xStation platform developed by XTB, and tens of articles shared on the XTB's website in the Education tab. The authors of the training are XTB Experts and external financial market experts. The variety of subjects and advancement levels makes them valuable for both beginning and advanced Investors.

Furthermore, depending on individual needs, Clients can participate in the regular conferences and webinars organised by XTB.

Since 2016, XTB has been organising the Masterclass Conference, attended by several thousand people every year.

**[S.15.5.]** In 2023, there were no situations of imposition of penalties/violation of competition regulations by companies from the XTB Group (defined in Section II of the Act on Competition and Consumer Protection), and in 2023 no penalties were imposed related to violation of regulations regarding marketing communication.

In 2023, proceedings were underway by the Office of Competition and Consumer Protection against XTB S.A. based in Warsaw regarding the recognition of a standard contract as prohibited. As part of the proceedings, due to the Office's questioning of two provisions of the regulations, a decision was imposed on the Company obliging the Company, *inter alia*, to change these provisions, publish the content of the decision, submit appropriate declarations to the indicated group of persons and provide compensation with interest to persons whose complaints were rejected by applying the challenged provisions of the regulations. No fine was imposed on the Company. The Company is currently implementing the obligations imposed by the decision of the President of the Office of Competition and Consumer Protection.

## **Institutional segment**

As regards institutional Clients, XTB is a liquidity provider. We offer as well technologies allowing such Clients to offer trading in financial instruments under their own brand to their own clients. The offered IT solutions can also be used by: CRM and Client Office providers, companies offering reporting and Business Intelligence solutions, Payment Providers and other technology providers. Institutional clients include, without limitation: brokerage houses, banks, start-ups and other financial institutions and technology companies. Institutional clients receive full access to settings and management functions, branding system, reports, front and back-office tools.

## **Reliance on recipients**

Due to the nature of the primary business activity, focused on retail Clients, there is no risk of becoming reliant on any recipient.

## **4.3. Our Suppliers**

### **Materials used and services provided to the Group**

As part of its business activity, we cooperate with providers of services supporting organisational, marketing, analytical processes, IT development as well as supporting the trading area. The activity of these entities is located mainly in Europe and USA.

In most cases, cooperation with our suppliers is of permanent nature. In certain cases, ad hoc, one-off cooperation is also established.

XTB's key suppliers are:

- service providers supporting the XTB Client service process (including those responsible for the automation of the above-mentioned processes);
- service providers for the needs of the trading area (e.g. market data providers).

As regards other supplies, these include, in particular, purchase of IT hardware, energy and office supplies.

In 2023, no cases of violation of employee rights were identified among the XTB Group's suppliers. Due to the business profile of suppliers, the XTB Group does not identify practices that may pose a threat to the right to freedom of association and the right to collective disputes or that may violate these rights.

## **Reliance on suppliers**

Due to the nature of conducted business activity, XTB Group does not rely on any suppliers.

## **4.4. Cooperation with Contractors**

**[E.7.5.]** Contracts with the contractors do not include any clauses regarding ethical, environmental or human rights-related clauses in a scope other than resulting from the locally governing law.

The XTB's business model does not provide for participation in public tenders. In 2023, the XTB Group companies did not participate in any tenders of this type.

**[E.7.6.]** The XTB Group companies did not order any audits regarding the environmental, OHS, human rights or ethical areas in 2023. XTB's Group contractors did not order any XTB audits in the above areas either.

## 4.5. XTB' charity activity



[S.9.4] XTB's charitable activities are one of the foundations of our dialogue with society. We use our support wisely to reach the places most in need.

Due to the above, in 2023 the XTB S.A. Capital Group donated the amount of PLN 100,000 in cooperation with UNICEF to help victims after the earthquake in Turkey and Syria.

[S.9.6.] In addition to donations, in 2023 we enabled 39 employees to use a total of 320 hours as part of employee volunteering.

## 4.6. XTB Foundation



Starting from 2020, the Group operates the XTB Foundation, with the help of which we implement initiatives in the ESG area.

The foundation's objects of operation include, in particular:

- increase in entrepreneurship and innovativeness, especially in the area of new technologies and financial market;
- improvement of awareness and knowledge related to the economy, finance and new technologies;
- scientific and research activities as well as promotion of solutions developed as part of the business activity of XTB Capital Group;
- supporting and organising all initiatives connected with promotion of financial institutions and new technologies;
- financial support, providing knowledge or business advising to selected entrepreneurs;
- actions in the scope of corporate social responsibility, sustainable development;
- promotion of employment and education as well as aiming at equal opportunity for development;
- initiation and support of activities of XTB Capital Group's Employees;
- charity and social activity.

[S.9.4.] In 2023, the XTB Foundation donated the total amount of PLN 50,000 for charity purposes.

Moreover, in cooperation with an external agency, the Foundation carried out a study on saving young Poles, the results of which were published in the report "Dreams and plans of young Polish women and men". The aim of the study was to identify the most important dreams of young citizens, which their financial situation prevents them from realising. Their approach to saving and investing was also analysed, both in terms of behaviour and the accompanying beliefs. Increasing economic awareness among younger generations is becoming one of our priorities.

The most important action in the field of environmental protection in 2023 was the involvement of the XTB Foundation in cooperation with the "Las na Zawsze" (Forest Forever) Foundation. As a result, in October 2023, XTB employees planted over 2,000 trees in an area of 12,000 m<sup>2</sup>, creating a biodiverse deciduous "XTB Forest" located in Mieleszkowce Pawłowickie in the Podlaskie Voivodeship. The planted forest is a self-regulating system that serves as a CO<sub>2</sub> store, a soil stabiliser, a water reservoir, a habitat for many organisms, a biodiversity sanctuary and an oxygen producer.

In 2023, our employees were once again involved in the fundraising for the Noble Gift Campaign, which allowed them to purchase products that meet the needs of a selected family. In 2023, we also played with the Great Orchestra of Christmas Charity during the 31<sup>st</sup> Final. We donated the following to charity auctions:

- a Real Madrid shirt autographed by Iker Casillas;
- Kuba Przygoński's Dakar'23 gloves and Team sweatshirt;
- UFC gloves with Joanna Jędrzejczyk's autograph.

Thanks to our auctions, we managed to support the campaign with a total amount of PLN 10,557.

The XTB Foundation is constantly developing new directions of activity and looking for opportunities to cooperate with external entities in order to implement its statutory assumptions.

The annual statements of the Foundation are available on the corporate website of XTB Group.

#### **Activities in the social area planned by the Foundation**

- gradual extension of the knowledge base for every advancement level, gradual supplementation of our video educational materials with stenographic records to facilitate their reception to persons suffering from hearing impairments;
- increasing involvement in programmes supporting development and innovativeness of Polish entrepreneurs;
- gradual increase of expenditure on charity and development of the area of partnership in social projects;
- increasing involvement in environmentally-friendly projects;
- intensified involvement in social projects through gradual increase in voluntary work;
- taking actions to prevent exclusion of children and youth, economic education programme.

Irrespective of the aforementioned, subsidiaries took, depending on their scale, individual activities in the scope of charity, addressing them mainly to local medical centres and institutions.





# IMPACT ON THE ENVIRONMENT



## 5. Impact on the environment and climate change



**[E.1.1.] [E.1.2.]** Taking into account the specificity of our activities, which are based mainly on IT and office activities, the XTB Group does not identify a significant impact of its activities on the natural environment and climate change. Due to the non-production nature of our activities, there is no demand or consumption of specific or significant volumes of raw materials and materials. At the same time, when providing our services, we use IT infrastructure, office supplies and electricity, which is necessary to maintain the continuity of our operations.

So far, we have not taken climate issues into account in the decision-making processes of the XTB Group. The impact of the primary operating activity (taking into account also the product offer and the source of revenues and costs) on climate issues can be considered immaterial in comparison to the impact of organisations with a similar scale of activity and functioning in traditional sectors of the industry or construction. Nevertheless, our intention is to reduce the impact on the natural environment (including but not limited to the climate) has become one of the basic criteria taken into consideration when making decisions in the area of business and administrative support.

Last year, we identified our impact on climate issues in the following areas:

- impact on emission of greenhouse gases originating from direct use of fuels,
- indirect impact connected with consumption of purchased electrical and heat energy,
- indirect impact connected with suppliers' activities;
- education of Employees and Associates for the purpose of increase of their climate awareness.



**[E.8]** Our offer includes ETF (Exchange Traded Fund) financial instruments enabling investments in climate-conscious entities. We plan to systematically expand this offer. At the same time, if there is wider interest in products supporting climate risk management (e.g. weather derivatives), we will conduct a thorough analysis of them.

The climate issues have or may have in the future a potential impact on the following areas:

- legislative changes imposing the obligation to incur capital expenditures limiting energy intensity of IT infrastructure;
- impact on the possessed product offer in the scope of instruments used for the purpose of climate risk management;
- possibility of intensification of local, sudden weather phenomena that could have an effect on physical destruction of office sites and IT infrastructure;
- growing prices of electricity and heat.

Over recent years, we have undertaken the following initiatives in the environmental area:

- initiatives related to energy efficiency of the infrastructure used (e.g. replacement of electronic equipment with newer and more energy-efficient ones, server virtualization),
- introduction of document digitization, which allows for reduction of paper consumption,
- reduction of waste production as well as waste sorting,
- Employee education and awareness building under the "Natural Investment" programme,
- involvement in the forest planting campaign; In 2023, we planted over 2,000 trees in an area of 1.2 ha. For more information, see other chapters of this Report.
- transfer of the seat of XTB S.A. – as of January 2022, our headquarters is located at a new site having a sustainable construction certificate, designed with the environment in mind, as confirmed by the BREEAM Certificate at the Excellent level. Nearly all of the energy consumed by the Skyliner building in 2023 originated from renewable energy sources. Proportionally to the energy used in the entire building, the energy consumed by XTB in the rented space can also be considered as originating from renewable sources.

- activities in the area of monitoring and calculation of emissions in accordance with the GHG Protocol and initiatives aimed at reducing the organization's carbon footprint (digitization of documents, control of media consumption, building employee awareness, planting a forest in 2023, etc.).
- In order to build climate and environmental awareness, we have supplemented our Business Strategy with an ESG Strategy implemented in 2021.

Over the next reporting periods, we plan to develop in the area of counteracting climate change by:

- analysing climate opportunities, risks and threats used in the next step to develop the climate policy of the XTB Group,
- inclusion of previously identified opportunities, risks and climate threats into the internal Risk Management System at the XTB Group level.
- monitoring of carbon footprint for the organisation, as a target: in three scopes;
- updating the ecological education programme "Natural Investment" and further building climate and environmental awareness in the XTB Team in subsequent initiatives;
- building the climate and environmental awareness of our business partners through the assumptions of the ESG Strategy.

## 5.1. Environmental education programme "Natural Investment"



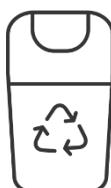
In 2023, we continued the implementation of the internal ecological education programme entitled "Natural Investment". Its goal is to increase climate and environmental awareness among XTB Employees and to build an environmentally responsible organisational culture. We wish to create a friendly workplace with respect for the natural environment and attentiveness to its well-being and effective use of natural resources.

The programme aims to encourage employees to adopt pro-ecological attitudes and reinforce them not only in the workplace, but also in their private lives. It includes a number of actions aiming at reduction of impact on the environment, including but not limited to:

- water and electricity saving;
- reducing printing and copying of documents and, thus, saving paper;
- sorting waste in common areas of the office (waste sorting bins with instructions placed in the kitchens);
- collecting plastic caps and transferring them to the collection centre or donating them to support charity actions;
- promoting environmental days, such as the day without your car;
- gradual replacement of traditional flipcharts with whiteboards;
- not using plastic kitchen accessories in favour of reusable dishes;
- increase in the number of plants in the office space.

The goal of XTB in the environmental area is continuous increase of environmental awareness of Employees. In the first phase of the programme, the priority is to implement all solutions covered by the programme at the headquarters of XTB S.A. in Warsaw. Extension of the programme to cover the branches and subseries is planned to achieve cohesion of the adopted environmental policy in work place.

## 5.2. Waste disposal



[E.6.] Providing its services, the XTB Group uses IT infrastructure, office supplies and electricity. The generated waste includes, first and foremost, IT hardware and municipal waste.

Thus, our business activity is characterised with relatively low impact on the natural environment. This activity does not cause significant emissions and does not generate significant amounts of waste.

The generated waste is classified as household waste and includes mostly packaging and typical office waste. Due to the low scale of generated waste, the XTB Group companies were not obliged to registration in the BDO (Waste Database) register.

Waste sorting is carried out in the offices, appropriate waste sorting bins are placed in XTB kitchens.

The used electronic equipment is regularly transferred to recycling. The equipment transferred to recycling includes mainly PCs, laptops, screens, telephones and printers. Employees can purchase the replaced computer equipment.

## 5.3. Consumption of utilities

### 5.3.1. Fuels and electricity

[E.2] The sources of direct fuel consumption in the XTB Group are a few company cars and power generators. However, the basic administrative and office activities of XTB and the server room are responsible for the most significant consumption of electricity and heat in the XTB S.A. Capital Group. Below is information on the direct consumption of electricity, heat and fuel in the XTB S.A. Capital Group.

**Table No. 13.** Total consumption of electricity, heat energy and fossil fuels in the XTB S.A. Capital Group and in XTB S.A. according to the main sources of its acquisition in 2023 and in the comparative period of the previous year.

Unit	XTB Group			XTB S.A.		
	2023	2022	Change y/y	2023	2022	Change y/y
<b>Fuels consumed in the use of own vehicles</b>						
Diesel oil	Mg	3.43	2.51	+36.86%	3.43	2.51
	MWh	40.98	29.94		40.98	29.94
Petrol	Mg	1.54	1.50	+2.44%	1.54	1.50
	MWh	18.97	18.52		18.97	18.52
<b>Total fuel consumption in the use of own vehicles</b>	<b>MWh</b>	<b>59.95</b>	<b>48.46</b>	<b>+23.71%</b>	<b>59.95</b>	<b>48.46</b>
<b>Purchased electricity</b>						
Electricity	MWh	1,100.08	1,016.21	+8.25%	1,011.13	994.41
<b>Heat energy purchased</b>						
Heat energy	GJ	494.64	319.10	+55.01	494.64	319.10
	MWh	137.40	88.64		137.40	88.64
<b>Total energy consumption (heat and electricity)</b>	<b>MWh</b>	<b>1,237.48</b>	<b>1,104.85</b>	<b>+12.00%</b>	<b>1,148.53</b>	<b>1,083.05</b>
<b>Total energy consumption from all sources</b>	<b>MWh</b>	<b>1,297.43</b>	<b>1,153.31</b>	<b>+12.50%</b>	<b>1,208.48</b>	<b>1,131.51</b>

The increase in the consumption of electricity and heat is related to the increase in the scale of operations in Poland, expressed by increasing the number of employees.

In 2023, almost all of the electricity consumed by Skyliner, where the headquarters of XTB S.A. is located, originated from renewable energy sources. Proportionally to the energy used in the entire building, the energy consumed by XTB in the rented space can also be considered as originating from renewable sources. Energy consumption is reduced by energy-saving LED lighting used in the building.

In order to reduce electricity consumption and greenhouse gas emissions, we have been intensifying the virtualization process of XTB servers for about 2 years. This project involves placing virtual servers on one physically functioning server. This allows to limit the space used and reduce electricity consumption. Over the last two years, we have reduced the number of physical servers by 15%, while increasing the number of virtual servers by as much as 72.34%.

In addition to the above activities, we also gradually withdraw old, energy-intensive servers from use, replacing them with new, more energy-efficient servers from certified suppliers from the European Union. In addition to increased energy efficiency, they are also characterised by modern solutions such as intelligent adjustment of energy consumption to the load, which also translates into electricity savings.

### **5.3.2. Water and sewage**

In our daily activities, we pay special attention to conscious and reasonable water management. In the Skyliner office building, where the headquarters of XTB S.A. is located, all toilets have taps with photocells and aerators to reduce water consumption as well as flush valves with two-stage adjustment. XTB kitchens have dishwashers and network water dispensers, which have replaced plastic water bottles.

**[E.3.]** Supply of water and collection of sewerage is provided by local municipal entities, according to the contracts concluded with building owners. Due to the location of the seat and offices in office buildings, the Group companies use only water from water supply systems.

**[E.3.1.]** Total water consumption in 2023 in the XTB S.A. Capital Group amounted to approximately 1,838 m<sup>3</sup>.

**[E.3.2.]** In 2023, the Group did not recover water for reuse.

### **5.4. Biodiversity**

**[E.4.1.] [E.4.2.]** As our core business is the provision of financial services (online trading in financial instruments) and the provision of technological solutions, we identify the issue of biodiversity as irrelevant.

We also do not identify any impact on particularly valuable natural areas or fauna and flora, especially those under legal protection, or on naturally valuable areas in the vicinity of the Group's impact. The leased office space is located in urban locations, mainly in business centres. Subject to the waste generated in the course of conducted business activity, the specific sites do not generate any major negative impact on the surrounding.

**[E.4.3.]** In 2023, no environmental losses resulting from the Company's operations were identified.

**[E.4.4.]** Together with the "Las na Zawsze" Foundation, we decided to plant over 2,000 trees, thus giving nature back 1.2 ha of a biodiverse deciduous forest in Mieleszkowice Pawłowickie, Podlaskie Voivodeship. A planted forest, as a self-regulating, complex ecosystem, is not only a CO<sub>2</sub> store and an oxygen producer, but also a place for organisms to live and a haven for biodiversity.

## 5.5. GHG emissions

[E.5.1.] [E.5.2.] The nature of our core business is reflected in our significantly limited impact on greenhouse gas emissions compared to high-emission industries, e.g. manufacturing, construction or energy.

**Table No. 14.** Greenhouse gas emissions into the atmosphere in the XTB S.A. Capital Group and XTB S.A. in 2023 and in the same period last year.

Type and scope of emission	Unit	XTB Group			XTB S.A.		
		2023	2022	Change y/y	2023	2022	Change y/y
<b>Scope 1</b>							
Emissions resulting from fuel	Mg CO2e	14.5	11.9	+21.8%	14.5	11.9	+21.8%
<b>Scope 2 location-based</b>							
Emissions related to energy	Mg CO2e	723.4	705.2	+2.6%	683.8	694.5	-1.5%
<b>Scope 1 + Scope 2 location-based</b>							
<b>Total GHG emissions Scope 1 + Scope 2 (location based)</b>	<b>Mg CO2e</b>	<b>737.9</b>	<b>717.1</b>	<b>+2.9%</b>	<b>698.3</b>	<b>706.4</b>	<b>-1.1%</b>

In 2023, as a result of the activities of the XTB S.A. Capital Group we emitted a total of 737.9 Mg CO2e (carbon dioxide equivalent) into the atmosphere through direct emissions (Scope 1) and indirect emissions (Scope 2 location-based), which means a slight increase (+2.9% y/y). Within the parent company XTB S.A. however, we recorded a slight decrease in the value of emissions (-1.1% y/y).

The sources of emission rates for Poland were publications of KOBIZE (National Emission Balancing and Management Centre) and the Energy Regulatory Office. The sources of emission rates for other countries included, in particular, the UK Government Conversion Factors (Defra). The Issuer presents data on emissions in Scope 2 in accordance with the location-based methodology. Currently, the process of aggregating information on the carbon intensity of electricity consumption in accordance with the market-based methodology is in progress, which will be presented in the Company's next Sustainability report. In the coming reporting periods, it is planned to expand the emission study to include the widest Scope 3.

The XTB's intention is taking actions aiming at reduction of carbon footprint and, as a target, reaching climate neutrality of the organisation, especially through:

- initiatives reducing energy consumption, including but not limiting to the possessed IT infrastructure (replacement of old, energy-intensive equipment with new, more energy-efficient equipment; server virtualization),
- use of electricity from renewable sources (almost all electricity used in 2023 by the Skyliner office building, where the headquarters of XTB S.A. is located, originated from renewable energy sources);
- effective management of resource consumption.

## 5.6. Other environmental issues

[E.7.2] In the reporting period, there were no failures that resulted in contamination or other damage to the natural environment.

[E.7.3] [E.7.4] In 2023, there were no administrative proceedings pending against the XTB Group for violations of environmental regulations and no penalties were imposed.

## 5.7. EU non-financial taxonomy

### Contextual information – ratios for non-financial undertakings

Regardless of the disclosures on the EU Non-Financial Taxonomy dedicated to investment companies, for the purposes of this Report, an analysis of the activities indicated in the EU Non-Financial Taxonomy was carried out in relation to:

- assessing the alignment of activities with the Taxonomy for Objectives 1 and 2 (excluding the so-called new climate activities, i.e. activities that have expanded the scope of activities included in the climate objectives under Regulation 2023/2485) in total turnover, capital expenditures and operating expenses, and disclosure of adequate information quality as far as it concerns the above-mentioned ratios for the financial year 2023);
- assessing the eligibility of activities for the Taxonomy for the so-called new climate activities (i.e. activities that have expanded the scope of activities included in the climate goals under Regulation 2023/2485) and other environmental goals in total turnover, capital expenditures and operating expenses as well as adequate qualitative information to the extent related to the above-mentioned ratios for the financial year 2023).

In relation to alignment, the presented rates refer concurrently to the taxonomy related to mitigation of climate changes and adaptation to climate changes. In relation to eligibility for the Taxonomy, the ratios refer jointly to the remaining 4 environmental objectives and the so-called new climate activities.

With respect to the presented ratios, no changes were made to the calculation of ratios in relation to the alignment assessment for activities included in the climate objectives presented in the 2022 report.

The Group presents data on the assessment of the eligibility of activities for the so-called new climate activities and in relation to other environmental objectives for the first time. Therefore, the Group does not have comparative data for 2022 for these activities.

So far, the Group has not implemented the plan referred to in Point 1.1.2.2. of Annex No. 1 to Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Regulation 2178). XTB Group has no investments in equity accounted in joint ventures, pursuant to IFRS 11 or IAS28. For the purposes of calculating individual ratios, double recognition of items was avoided by assigning a given item only to expenditure items or capital expenditures. For calculations related to the turnover ratio in relation to any of the analysed activities, there was no risk of double entry.

For the purposes of calculating non-financial ratios, no data disaggregation was carried out. For none of the activities included in the Taxonomy, production was carried out for the so-called own consumption.

a) Turnover ratio

**Table No. 15.** Turnover ratio - percentage of turnover aligned with the taxonomy in 2023 compared to the same period of the previous year.

	2023		2022	
	Value of revenues [PLN thousand]	Proportion of revenues [%]	Revenues [PLN thousand]	Proportion of revenues [%]
Taxonomy-aligned activity	0	0.0	0	0.0
Not taxonomy-aligned activity	1,588,305	100.0	1,444,249	100.0
<b>Total:</b>	<b>1,588,305</b>	<b>100.0</b>	<b>1,444,249</b>	<b>100.0</b>

For the turnover ratio:

- the basis were consolidated total revenues of the Group in 2023 disclosed in the consolidated financial statements, i.e. PLN 1,588,305 thousand;
- for the purposes of analysing the numerator for 2023, no revenues from the sale of products and the provision of services related to the activities of the XTB Group eligible for the Taxonomy were identified for any of the Taxonomy's objectives, i.e. both for 2 climate objectives and for 4 environmental objectives.

The XTB Group companies did not issue any green bonds or debt securities to finance specific identified types of taxonomy-aligned activities.

b) CapEx ratio

**Table No. 16.** CapEx ratio - percentage of capital expenditures aligned with the taxonomy in 2023 compared to the same period of the previous year.

	2023		2022	
	Capital expenditures [PLN thousand]	Proportion of capital expenditure [%]	Capital expenditures [PLN thousand]	Proportion of capital expenditure [%]
Taxonomy-aligned activity	PLN 0 thousand	0.0	0	0.0
Not taxonomy-aligned activity	25,121.8	100	41,771	100
<b>Total:</b>	<b>25,121.8</b>	<b>100.0</b>	<b>41,771</b>	<b>100.0</b>

For the CapEx ratio:

- the basis was the capital expenditure incurred by XTB Group in the amount of ca. PLN 25 121.8 thousand, calculated according to IAS/IFRS regulations specified in the Annex to Regulation 2178;
- for the purposes of analysing the numerator, no capital expenditures classified as activities included in the EU non-financial taxonomy for objectives 1 and 2, i.e. two climate objectives, were identified;
- in relation to the remaining 4 environmental objectives and the so-called new climate activities, no capital expenditures have been identified whose activities would be Taxonomy-eligible.

XTB Group has not adopted any investment plan regarding capital expenditure referred to in point 1.1.2 of Annex No. 1 to Regulation 2178. The Group companies did not issue any green bonds or other securities to finance specific identified taxonomy-aligned capital expenditure.

c) Operating expense ratio

**Table No. 17.** Operating expense ratio - percentage of operating expenses aligned with the taxonomy in 2023 compared to the same period of the previous year.

	2023		2022	
	Operating capital expenditure [PLN thousand]	Proportion of operating expense (%) [%]	Operating capital expenditure [PLN thousand]	Proportion of operating expense (%) [%]
Taxonomy-aligned activity	0	0.0	0	0.0
Not taxonomy-aligned activity	89,792.5	100.0	57,461	100.0
<b>Total:</b>	<b>89,792.5</b>	<b>100.0</b>	<b>57,461</b>	<b>100.0</b>

As regards the ratio of operating expenses, the analysis of components of operating expenses was carried out according to the definition of the EU non-financial taxonomy, showing that the value of the denominator for the turnover ratio is ca. PLN 89,792.5 thousand. The value specified above includes, in particular, non-capitalised costs of research and development works amounting in total to ca. PLN 89,066.00 thousand, which accounts for 99.2% of the value of identified operating expense, and expenses connected with on-going servicing of the Group's fixed assets and their maintenance in proper condition (including but not limited to costs connected with repairs, renovations or cleaning) amounting in total to ca. PLN 726.5 thousand.

Considering the business model of XTB Group consisting in supply of products, services and technological solutions in the scope of trade in financial instruments and due to the fact that the value of identified operating expenses is considered immaterial from the point of view of the scale of activity of XTB Group, for the purpose of calculation of the ratio of operating expenses, the option to assign zero as the value of the ratio numerator was used.

The performance tables for the ratios of turnover, capital expenditure and operating expenses, respectively, are included in point 7.3 of this Report.

At the same time, bearing in mind that the activities of the XTB Group are not related to energy from natural gas and nuclear energy (so the activities of the XTB Group are not eligible for the activities specified in the Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities) for all KPIs of non-financial undertakings, the presentation in tables provided in Annex III to the above-mentioned Regulation is waived.

#### Contextual information – ratios for investment companies

Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ("Taxonomy") provides for the publication by investment firms of information on how and to what extent their activities are related to and consistent with economic activities that qualify as environmentally sustainable under Article 3 and 9 of the above Regulation.

The Issuer deems it appropriate to explain that, taking into account the specific business model of the XTB Group, which includes operating on the OTC market, the key disclosure indicators related to the asset portfolio held as a result of the activity of concluding transactions on own account differ significantly from the significance of these data for other financial and investment companies.

In particular, it must be noted that while XTB has a portfolio of financial assets, the portfolio of these assets does not have the nature of a classic investment portfolio. The XTB Group does not engage in financing business activities or investment projects. However, taking into account the business model of the XTB Group, operating revenues are generated from the portfolio of financial assets held. The result on financial assets measured at fair value through profit or loss is the result on financial instruments from transactions with clients and brokers.

**Table No. 18.** Information on the portfolio of assets measured at fair value through profit or loss. The assets included in this portfolio correspond to assets invested as part of the investment company's own account activities.

	As at 31.12.2023			As at 31.12.2022		
	Value [in PLN thousand]	Share in total assets of the Group [%]	Share in financial assets measured at fair value through profit or loss	Value [in PLN thousand]	Share in total assets of the Group [%]	Share in financial assets measured at fair value through profit or loss
Derivatives contracts for difference (CFDs)	485,303	10.4%	53.7%	470,151	11.4%	55.8%
Debt instruments (Treasury bonds)	401,265	8.6%	44.4%	362,074	8.8%	43.0%
Stocks and ETFs	16,687	0.4%	1.8%	10,284	0.2%	1.2%
<b>Total assets invested as part of operation of an investment company regarding trading on own account</b>	<b>903,255</b>	<b>19.3%</b>	<b>100%</b>	<b>842,509</b>	<b>20.5%</b>	<b>100%</b>
<b>Total assets (balance sheet total)</b>	<b>4,685,092</b>	<b>100%</b>	<b>n/a</b>	<b>4,114,323</b>	<b>100.0%</b>	<b>n/a</b>

The structure of the financial asset portfolio indicated above consists of:

- derivative instruments - for which the percentage share in total assets invested as part of the activities of investment companies relating to trading on own account of the exposure referred to in Article 7(2) of Regulation 2021/2178, i.e. derivatives, is 53.7%.
- treasury bonds - for which the percentage share in total assets invested as part of the activities of investment companies related to trading on own account of the exposure referred to in Article 7(1) of Regulation 2021/2178, i.e. exposure to central governments, central banks and supranational issuers is 44.4%.

The remaining part of the XTB asset portfolio consists of shares and ETF (Exchange Traded Fund) units. Stocks and ETF units held account for approximately 1.8% of the above portfolio and 0.2% of total assets. The stocks included in the portfolio in question constitute security for the transaction of purchase by the XTB Client of the so-called synthetic action. Therefore, the composition of the stock portfolio results mainly from the structure of orders received from clients and brokers. The composition of our stock portfolio is constantly adjusted to subsequent client orders. Due to the above, the Issuer does not, at any stage of creating the portfolio in question, assess or take into account aspects that would be related to the eligibility or alignment of given assets from the point of view of the Non-Financial Taxonomy. The above significantly distinguishes the asset portfolio of the XTB Group from the loan portfolio of a credit institution or the investment portfolio of an investment fund or a similar entity. In practice, the composition of the non-financial asset portfolio within the XTB Group may undergo daily, significant and unintentional changes. The structure of the portfolio, in particular the stock portfolio, is, therefore, almost random from the point of view of the eligibility of the activities of individual issuers for the Non-Financial Taxonomy.

It must be noted that the technical process of detailed analysis of eligibility in relation to the issuers of individual stocks included in the portfolio at the end of the reporting period from the point of view of the KPI for non-financial enterprises would require a significant amount of work. This, in turn, should be assessed as an action that is inadequate

from the perspective of the XTB Group's operations and its business model in relation to the potential level of usefulness of the calculated ratios for other market participants.

Thus, for the purposes of disclosures for 2023, the Issuer assumed that the exposure (percentage share) in total assets invested as part of the activities of investment companies related to trading on their own account to:

- not taxonomy-eligible economic activity is 100%
- taxonomy-eligible economic activity is 0%.

The above applies to:

- objectives 1 and 2, i.e. climate objectives,
- other 4 environmental objectives.

Taking into account the assumption made regarding the non-eligibility of assets for the taxonomy, the Issuer also assumed that the percentage share in the total assets of the exposure referred to in Article 7(3) of Regulation 2021/2178, i.e. exposures to enterprises that are not subject to the obligation to publish non-financial information in accordance with Article 19a or 29a of Directive 2013/34/EU is 0%.

The XTB Group has not introduced any modifications regarding the presentation of the above-mentioned ratios compared to the previous financial year.

So far, compliance with Regulation 2020/852 has not been taken into account in relation to business strategy, product design process and cooperation with clients and contractors. The XTB Group does not conduct activities related to financing the activities of third parties.

Debt instruments (treasury bonds) were excluded from calculating the numerator and denominator of the KPI. In turn, derivatives were excluded from the KPI numerator. The companies of the XTB Group did not issue green bonds or green debt securities aimed at financing specific identified types of activities, and the companies of the XTB Group did not invest in green bonds and green debt securities issued by third parties. The XTB Group has not granted and does not have any special-purpose loans in its portfolio.

Taking into account the zero values in the KPI numerators, the Issuer does not present a detailed division of the KPI numerator into exposures to individual types of financial and non-financial enterprises as well as to derivative instruments.

At the same time, the Issuer indicates that it will monitor market needs regarding the aggregation and presentation mode and the usefulness of data provided for disclosures by investment companies in accordance with the target scope of disclosures provided for in Art. 10 of Regulation 2021/2178.

### Minimum safeguards

Pursuant to Article 3 of the EU Non-Financial Taxonomy Regulation<sup>2</sup>, for the purposes of determining the degree to which an investment is environmentally sustainable, an economic activity qualifies as environmentally sustainable if: (i) it contributes substantially to one or more of the environmental objectives set out in Article 9 in accordance with Articles 10 to 16 of this Regulation; (ii) it does not significantly harm any of the environmental objectives set out in Article 9 in accordance with Article 17 of this Regulation; (iii) it is carried out in compliance with the minimum safeguards laid down in Article 18; and (iv) it complies with technical screening criteria that have been established by the Commission in accordance with Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of the EU Non-Financial Taxonomy

Minimum safeguards, in turn, are the procedures used by an enterprise conducting business activities to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions indicated in the Declaration of the International Labor Organisation on fundamental principles and rights at work and the principles and rights set out in the International Charter of Human Rights. When applying the procedures referred to above, companies comply with the "do no serious harm" rule ("DNSH") referred to in Article 2(17) of the SFDR<sup>3</sup>.

The assessment of compliance with minimum safeguards was carried out by the Company, taking into account, among others: assessing the level of implementation of the six due diligence steps referred to in the *OECD Guidelines on Due Diligence for Responsible Business Conduct*. The assessment was made after analysing the risk of negative effects for individual principles, values and rights and after assessing the importance of individual issues. The analysis omits

<sup>2</sup>Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088,

<sup>3</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector,

those risks to which the XTB Group contributes on a small scale or contributes only slightly to their occurrence. The analysis also applied the conclusions presented in the Platform Report<sup>4</sup> and the TEG Report<sup>5</sup> containing conclusions and interpretations regarding the methods of implementing the guidelines and assessing compliance with minimum safeguards, taking into account, *inter alia*, the principle of prioritisation (implementing solutions first in relation to the principles and values that pose the greatest risk of violation and negative impact) and proportionality (taking into account the scale and structure of the enterprise and the so-called "position of the enterprise" in terms of the possibility of influencing cooperators). The study also took into account the requirement to respect the DNSH rule and not to violate the principles of cooperation with the National Contact Point referred to in Part II of the OECD Guidelines and the Business & Human Rights Resource Center.

Subject to the reservation made below, in the Company's opinion, in all key areas, individual activities conducted by the Company, even though they have not been identified as eligible for and aligned with the non-financial taxonomy, both in relation to XTB S.A. as well as the XTB Group, the vast majority of them meet the requirements of minimum safeguards referred to in Article 18 of the Regulation on the EU non-financial taxonomy. However, the assessment is influenced by the fact that it is subject to "final responsibility", i.e. the final finding by the Supreme Administrative Court in March 2023 that XTB was in violation of the principles and rights set out in Chapter VIII of the OECD Guidelines.

Our due diligence in the responsible conduct of business activities within the XTB Group is reflected in an extensive compliance system, based on procedures, other regulations and system solutions, the task of which is to ensure compliance with the principles, values and rights set out, *inter alia*, in the files referred to above.

Since 2019, XTB has had a Code of Ethics that lays down the basic norms, rules of conduct and values to be observed by all employees and associates. It contains provisions regarding:

- ethical principles in mutual relations;
- ethical principles regarding loyalty, integrity and conflict of interest;
- ethical principles regarding gifts and loyalty towards Contractors, Business Partners and retail Clients;

Formal references to respect for human rights within XTB Group are included in Work Regulations and in the Code of Ethics. Any doubts regarding compliance of conducted activities with aspects related to protection of human rights must be reported, in accordance with the *Code of Ethics*, as part of the whistleblowing procedure.

XTB has a whistleblowing procedure in place which determines the rules of submitting by the Employees of anonymous reports of actual or potential breaches of the law, including breaches of regulations regarding counteracting money laundering and terrorism financing, internal procedures and ethical standards. Breaches are reported using a dedicated electronic form ensuring anonymity. The reports are received by the Member of the Management Board for Legal Affairs, and if the breach regards the Management Board or is Members - by the Supervisory Board. Employees are obliged by internal regulations, including but not limited to the ethical standards provided for in the Code of Ethics, to react to any irregularities. Every person has the right and can report the above breaches in a confidential manner and will be protected against retaliation, discrimination or any other types of unfair treatment, according to the whistleblowing procedure.

XTB Group has adopted an incentives management policy and conflict of interest management regulations. Furthermore, all centralised purchases (i.e. made in Poland) are made according to the dedicated goods and services procurement procedure.

XTB is an obliged entity within the meaning of the law on counteracting money laundering and financing of terrorism. Considering the need to ensure compliance with the above regulations, XTB has adopted the AML/CFT<sup>6</sup> Procedure determining detailed solutions, including obligations of Employees of specific departments in the scope of counteracting money laundering and terrorism financing. The AML Procedure lays down, *inter alia*, the rules of conduct and obligations connected with the above area for the Employees of the Sale Department, Global Customer Support Department, Finance and Accounting Department, Legal and Compliance Department, External Partner Cooperation Department and IT Development Department. The rules for anonymously reporting violations, including violations

of anti-money laundering and anti-terrorist financing regulations, are set out in a dedicated procedure.

XTB Group operates in a strictly regulated surrounding, with major obligations imposed on it in the form of many international and local regulations and laws.

<sup>4</sup> "Final Report on Minimum Safeguards, PLATFORM ON SUSTAINABLE FINANCE, OCTOBER 2022",

<sup>5</sup> "Taxonomy: Final report of the Technical Expert Group on Sustainable Finance, March 2020".

<sup>6</sup> AML/ CFT – AML: Anti-money laundering, CFT: Counter-Terrorism Financing.

On the Group scale, we have established a compliance function for each of the XTB Group companies providing brokerage services to ensure compliance with the law and regulatory requirements it is subject to. The Legal and Compliance Department at the XTB Group level is managed by the Department Director who, at the same time, is the Member of the Management Board for Legal Affairs and reports directly to the President of the Management Board. The Legal and Compliance Department is divided into the following four teams: Internal Control Team, Compliance Supervision Team, Operating Support Team as well as Team Counteracting Money Laundering and Terrorism Financing.

Within the XTB Group, we have adopted a dedicated HR Risk Management Policy laying down the rules and mode of management of this risk as part of the operating risk management policy. HR risk identification and assessment as well as risk counteracting methods are carried out and determined by the HR Management Department on a current basis.

The main role in the field of compliance at XTB is played by the Supervision Inspector acting on the basis of the *Compliance Regulations* and the *Organisational Regulations of the Legal and Compliance Department*. The purpose of the above regulations is, *inter alia*, establishing a compliance system, i.e. supervision of compliance of activities with the law, serving to disclose and prevent violations by XTB of obligations arising from the laws regulating the conduct of brokerage activities. The goals of the compliance system implemented at XTB are achieved, *inter alia*, by:

- taking actions aimed at fulfilling the Company's obligations arising from the laws regulating the conduct of brokerage activities,
- advice and ongoing assistance to persons performing activities as part of the brokerage activities conducted by XTB in fulfilling their obligations in accordance with the laws regulating the conduct of brokerage activities,
- examining and regularly assessing the adequacy and effectiveness of the adopted compliance system as well as actions taken to fulfil XTB's obligations arising from the laws regulating the conduct of brokerage activities.

Ensuring the proper operation of the compliance system in XTB branches is the responsibility of the person indicated in the structure of a given XTB branch, who reports directly to the Supervision Inspector in this respect.

The Supervision Inspector at XTB is primarily responsible for:

- developing and implementing XTB's policy regarding the compliance function and supervising its compliance by individual XTB organisational units,
- managing the process of identifying and assessing compliance risk in various areas of XTB's operations,
- preparing and presenting to the Management Board and Supervisory Board of XTB a report on the functioning of the compliance supervision system,
- managing the verification process, analysing the evaluation of information received on violations of internal regulations in terms of compliance risk.

The compliance risk management process at XTB includes the identification of compliance risks, assessment of the probability of their occurrence, assessment of the consequences of the occurrence of a given compliance risk, assigning weights to individual risks, applying risk mitigating measures and documenting the measures used. As part of the compliance system at XTB, inspection procedures are also conducted in XTB's organizational units in accordance with generally applicable regulations.

The involvement of the Management Board is also important from the perspective of the functioning of the compliance system at XTB. As part of the compliance system, the Member of the Management Board for Legal Affairs is responsible, *inter alia*, for expressing opinions and making decisions on all legal issues related to XTB, supervising the process of identifying and assessing compliance risk in various areas of XTB's activities, preparing, implementing and settling the budget of the Legal and Compliance Department, and supporting the Supervision Inspector in supervising the compliance of XTB's activities.

At XTB S.A., we also have an effective and adequate set of identified and described processes and procedures for managing the performance of obligations arising from tax laws and ensuring their correct implementation. We have appropriate control over our tax processes, which ensures ongoing identification of risks and timely submission of tax returns containing correct data. Additionally, XTB is able to ensure the proper functioning of internal control mechanisms in the field of the tax function, has appropriate internal tax supervision procedures, and appropriate human, technical and financial resources necessary to implement them and maintain supervision over the proper fulfilment of tax obligations.

For example, we have implemented an instruction specifying the scope of responsibility for the implementation of tasks related to the Company's settlement of tax liabilities. The procedure specifies the processes for identifying economic

events giving rise to specific tax consequences, guidelines used to fulfill the obligations of XTB as a taxpayer and payer, as well as the tasks of individual Employees employed in the Company's organizational units in the process of fulfilling obligations arising from tax law. The Company also has an internal procedure for preventing failure to comply with the obligation to provide information on tax schemes. It establishes uniform rules for the application of the requirements specified in the Tax Ordinance in XTB related to the obligation to submit information on tax schemes to the Head of the National Tax Administration.

XTB's tax strategy assumes striving to create and maintain an effective, efficient and transparent tax function in the enterprise, which ultimately ensures compliance with tax regulations and certainty in tax risk control. In accordance with applicable law, we prepare and publish information on the implemented tax strategy.

Our utmost attention to tax matters is also reflected in our transparency in tax matters and openness to multi-level cooperation with tax authorities. In 2019, we submitted an application to the Head of the National Tax Administration to issue a Unilateral Prior Pricing Agreement. The subject of the application was a transaction involving the purchase of sales support services by XTB from related entities. The Company received a decision regarding the Unilateral Advance Pricing Agreement at the beginning of 2023 covering the years 2019 - 2023. In mid-2023, we submitted another application, as a result of which another decision was issued for the years 2024 - 2028.

To sum up, within the XTB Group we have implemented and are constantly developing an advanced and effective, multi-level compliance system, focused on compliance with the principles and rights expressed, *inter alia*, in the acts referred to in Article 18 of the EU Non-Financial Taxonomy Regulation. The compliance supervision system is based on such key solutions as the adoption of the Code of Ethics, the adoption and implementation of the Compliance Regulations, and the introduction of the Organisational Regulations of the Legal and Compliance Department. In addition, we have created and are developing a risk management system, which also covers legal and regulatory risks. The above activities allow us to conclude that the vast majority of the Company meets the minimum safeguards requirements referred to in Article 18 of the EU Non-Financial Taxonomy Regulation, subject to Area VIII of the OECD Guidelines. The areas in which we plan to increase our activity in the development of the compliance system based on the guidelines indicated in this provision are deepening the structured dialogue with Stakeholders and broadening the spectrum of supply chain analysis.



# CORPORATE GOVERNANCE



## 6. Corporate Governance

### 6.1. XTB's regulations and procedures



We operate in a strictly regulated surrounding, with major obligations imposed on it in the form of many international and local regulations and laws.

XTB Group is subject to regulation regarding, *inter alia*:

- sale practice, including acquisition of Clients and marketing activities;
- maintenance of capitals at a specific level;
- practice in the scope of counteracting money laundering and terrorism financing as well as know your customer (KYC) procedures;
- obligations regarding reporting to regulators;
- obligations regarding protection of personal data and professional secrecy;
- obligations in the scope of protection of investors and supplying them with information regarding the risk related to provided brokerage services; and
- supervision over the Group's business;
- confidential information and its use, preventing unlawful disclosure of confidential information, preventing manipulations on the market;
- disclosing information as an entity listed on the regulated market.

The Group is subject to supervision by competent regulatory oversight authorities and public administration authorities in the jurisdictions where it operates. Within the Capital Group, we have established a compliance function for each of the Group companies providing brokerage services to ensure compliance with the law and regulatory requirements it is subject to.

The Legal and Compliance Department at the XTB Group level is managed by the Department Director who, at the same time, is the Member of the Management Board for Legal Affairs and reports directly to the President of the Management Board. The Legal and Compliance Department is divided into the following four teams:

- Internal Control Team,
- Legal Compliance Team,
- Operating Support Team,
- Counteracting Money Laundering and Terrorism Financing Team.

For the purpose of risk management, compliance regulations and a procedure connected with management of legal and regulatory risk were adopted in the above area. Detailed information on the description and management of regulatory risk is described in the Management Board's Report on the Operations of the Group and the Company.

As part of due diligence, we have adopted regulations, policies and procedures regulating the activities of XTB S.A. in specific areas. and XTB Groups, which are described in the chapters to which they apply.

In 2023, no sanctions connected with breach of the law in the scope of environmental protection, human rights, occupational health and safety, corruption incidents, anti-competitive activities or data confidentiality were imposed on the XTB Group companies. In 2023, within the XTB S.A. Capital Group, one settlement was concluded in labour law proceedings.

Detailed information regarding significant or potentially significant court proceedings and proceedings before administrative bodies is described in the Management Board's Report on the Operations of the Group and Company.

## 6.2. Business Ethics

### Code of Ethics



**[G.4.]** We act with due diligence to ensure that the conducted activities comply with the law, internal regulations, standards recommended for the compliance management system in the scope of corruption counteracting as well as the whistleblower protection system in stock-exchange listed companies organised by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.), rules of community life, good market practice and rules of fair competition, and all decisions regarding the activity of XTB Group are made in the appropriate mode, based on reliable data and in a manner mitigating the risk of conflicts of interest.

**[S.8.]** We are committed to respecting and complying with all human rights and to implementing appropriate due diligence processes towards our business partners. We express our strong opposition to unfair market practices, unethical behaviour, forced labour and child labour. We do not accept and do not consent to any manifestations of discrimination and mobbing.

**[G.4.1.]** Since 2019, XTB has had a Code of Ethics that lays down the basic norms, rules of conduct and values to be observed by all Employees and associates.

As XTB Group's Employees, we are obliged to act in a responsible and ethical manner, observe the rules arising from the Code of Ethics as well as to act fairly in all activities and contacts with other employees and professionals.

The Code of Ethics contains provisions regarding:

- ethical principles in mutual relations;
- ethical principles regarding loyalty, integrity and conflict of interest;
- ethical principles regarding gifts and loyalty towards Contractors, Business Partners and retail Clients;

Analogous solutions are applied by subsidiaries through common use of developed rules of procedures and corporate relations within XTB Group.

**[G.4.2.] [G.4.3.] [G.4.4.] [G.4.7.] [S.7.3.]** In 2023, we did not carry out ethical audits of suppliers and did not include ethical or human rights clauses in contracts. Due to the nature of the Company's operations and many long-term cooperation with partners, we do not identify any risk related to violation of ethical standards. When establishing cooperation with contractors, we pay attention to available opinions about the entity, credibility and reputation of the potential partner. In 2023, there was no request to conduct ethical audits within the XTB Group.

**[G.4.6.]** Ethical issues are an important element of induction training for every newly employed employee. All new Employees familiarise with internal procedures and regulations, including the Code of Ethics, and undertake to comply with their provisions.

Reference to respect for human rights within XTB Group are included in Work Regulations and in the Code of Ethics. Any doubts regarding compliance of conducted activities with aspects related to protection of human rights must be reported, in accordance with the Code of Ethics, as part of the whistleblowing procedure.

**[G.4.5.]** In 2023, there were no complaints regarding potential violations of ethical standards.

XTB S.A. Group continuously monitors the activities of the Group's companies in accordance with the applicable ethical principles contained in the XTB Group Code of Ethics.

## 6.3. Counteracting corruption

[S.10.1.] XTB has not adopted an official corruption counteracting policy. Nevertheless, the nature of conducted business as well as the regulations regarding XTB Group companies as financial market entities (especially regulations regarding the area of counteracting money laundering and terrorism financing) impose various restrictions on the Employees, shaping the awareness of specific organisational units in the scope of ethics of conduct, legal restrictions in relations with partners as well as sanctions connected with breaching them.

Within the XTB Group, we have adopted an *Incentives Management Policy* and *Conflict of Interest Management Regulations*. Furthermore, all centralised purchases (i.e. in Poland) are made according to the dedicated *Goods and Services Procurement Procedure*.

[S.10.2.] [S.10.3.] There were no reported/confirmed cases of corruption within the XTB Group in 2023.

### Counteracting money laundering and terrorism financing

XTB is the so-called obliged entity within the meaning of the law on counteracting money laundering and financing of terrorism.

Considering the need to ensure compliance with the above regulations, XTB has adopted the so-called AML Procedure determining detailed solutions, including obligations of Employees of specific departments in the scope of counteracting money laundering and terrorism financing.

The AML Procedure lays down, *inter alia*, the rules of conduct and obligations connected with the area of counteracting money laundering and terrorism financing for the Employees of the Sale Department, Global Customer Support Department, Finance and Accounting Department, Legal and Compliance Department, External Partner Cooperation Department and IT Development Department.

No irregularities with participation of the employees of XTB Group were identified in 2023 in the area of counteracting money laundering and terrorism financing.

## 6.4. Whistleblowing

XTB has a whistleblowing procedure in place which determines the rules of submitting by the Employees of anonymous reports of actual or potential breaches of the law, including breaches of regulations regarding counteracting money laundering and terrorism financing, internal procedures and ethical standards. Breaches are reported using a dedicated electronic form ensuring anonymity. The reports are received by the Member of the Management Board for Legal Affairs, and if the breach regards the Management Board or is Members - by the Supervisory Board. Concurrently, if the local laws or regulations are more stringent than the rules provided for in the above procedure, the more stringent rules apply.

Employees are obliged by internal regulations, including but not limited to the ethical standards provided for in the Code of Ethics, to react to any irregularities. Every person has the right and can report the above breaches in a confidential manner and will be protected against retaliation, discrimination or any other types of unfair treatment, according to the whistleblowing procedure. All reports are considered with due diligence, reliably, fairly and with full discretion.

The reports are verified by authorised employees, which allows for reliable and impartial clarification of any objections.

## 6.5. Public aid

[S.1.1.] In 2023, XTB was the beneficiary of funds allocated for training for employees from the National Training Fund (KFS) as part of de minimis aid. In the area of improving Employee qualifications, the following courses were carried out in 2023:

- "Customer Service" for 7 people and
- "International Accounting and Financial Reporting Standards (IAS, IFRS)" for 5 people.

The amount of co-financing for training from the KFS was PLN 14,872.00, which constituted 80% of the costs of continuing education, 20% of the costs of continuing education were borne by XTB S.A. as its own contribution.

## 6.6. Data protection

For the purpose of protection of privacy and personal data, the following internal procedures have been introduced:

- *Regulations of protection of the flow of confidential information and professional secrets in XTB;*
- *XTB's personal data protection security policy;*
- *IT security policy.*

**[S.13.1.] [S.13.2.]** The Personal Data Protection Office is considering the complaint of 1 April 2023 regarding the processing of the Complainant's personal data contained in e-mail correspondence with the Company without a legal basis. On 12 June 2023, XTB provided a written response to the Personal Data Protection Office to the letter of 1 June 2023. The Company is waiting for further developments.

In 2023, singular incidents occurred in the XTB Group related to leakage, theft or loss of information about Customers/Employees/Associates. Measures have been taken appropriate to the level of risk defined. In particular, corrective measures were implemented and monitored, the Personal Data Protection Office was notified and the injured parties were informed.

**[S.13.3.]** In 2023, no financial penalties were imposed on the Company for non-compliance with laws and regulations in matters related to the protection of personal data.

## 6.7. Risk Management System



The purpose of the XTB Risk Management System is to ensure conscious and controlled risk-taking within the Capital Group. Risk management policies are developed to identify and measure the risks taken as well as to mitigate them and set appropriate limits to limit the scale of exposure to these risks.

In addition to the Risk Control Department dedicated to this area, which reports directly to the Member of the Management Board for Risk, the Internal Audit Department was also separated within the organisational structure of XTB S.A. The managing Internal Auditor reports directly to the Management Board and the Audit Committee in accordance with the principles provided for in the Internal Audit Regulations.

The tasks of the Internal Audit Department include examining and assessing the correctness and effectiveness of systems, regulations and internal procedures at XTB in its brokerage activities, in particular the internal control system. In addition to the above, it also plays an advisory role to other organisational units, including the unit responsible for ESG and reporting.

The Supervisory Board of XTB S.A. has also a Risk Management Committee composed of the Board members. Detailed information on risk management in the XTB Group can be found in the Management Board's Report on the Operations of the Group and the Company for 2023.

## 6.8. Risk regarding non-financial issues

### [G.3.1.] [G.3.2.] Risk related to non-financial issues

Taking into account the specificity of the XTB Group's operations and its business model, the key non-financial aspects from the point of view of significance for the Group's operations are the following areas: employee, human rights and ethics, and counteracting corruption.

#### Risk related to the employment area

The XTB Group has an *HR Risk Management Procedure* defining the principles and mode of employee risk management as part of the *Operating Risk Management Policy*.

Risk identification and assessment as well as risk counteracting methods are carried out and determined by the HR Management Department on a current basis.

The identified risk factors in the employee area include:

- key Employee turnover,
- psychosocial factors, i.e. stress at work, intensified by isolation caused by the pandemic and remote work,
- long-term absence caused by sickness,
- high Employee turnover,
- insufficiency of highly qualified specialists,
- fraud, embezzlement, unethical practice.

Determination of the impact of the HR risk consists in determination of the expected effects that will affect performance of tasks and accomplishment of the goals of the organisation. The detailed description of risk management is provided in the mentioned procedure.

#### **Risk in the area of respect for ethics and human rights**

In addition to potential financial consequences, any breaches of commitments, ethical standards or obligations related to human rights would result in damage to the Group's image, which could affect future relations with Clients and prospective Clients.

XTB Group identifies impact on social relations in the following areas:

- educational activities;
- respecting human rights.

XTB Group manages the above relations by means of actions in the area of reliable communication, observance of provisions of the Code of Ethics, transparent cooperation conditions and compliance.

#### **Risk related to counteracting corruption**

XTB Group's reliability and transparency in action is key for the image of XTB Group as a trusted provider of solutions in the scope of trade in financial instruments.

Any corruption incident could have a negative effect on XTB Group, potentially hindering business contacts in the future and harming the image of XTB Group as a trustworthy and reliable business partner. The activities connected with corruption risk management regard, in particular, compliance with the Code of Ethics as well as policies, procedures and regulations described earlier in this Statement.

## 7. About the report

### 7.1. Legal bases



This Sustainability Report of the XTB S.A. Capital Group (hereinafter: "XTB Capital Group", "Group", "XTB Group") was prepared in compliance with Article 55(2b)-(2c) and Article 49 of the Accounting Act of 29 September 1994. This Report includes information on companies belonging to the XTB S.A. Capital Group for 2023 and was prepared based on the Non-Financial Reporting Standard (NFRS) developed by the Reporting Standards Foundation.

The Report has not been subject to external verification. All information contained in this report applies to the XTB S.A. Capital Group and its parent company XTB S.A., unless specified otherwise.

This Non-Financial Statement complies, in principle, with NFRS, subject to incompatibility of sectors provided for in NFRS with the business conducted by XTB S.A. Capital Group as well as substantially limited operating activities of subsidiaries functioning within XTB Group, making assignment of certain NFRS indices to the business of a specific subsidiary inexpedient.

### 7.2. Significance

#### Significant issues

The following areas where relations of high significance exist are identified in the business activities and management processes. In the course of work related to the preparation of this Report, the above areas were reviewed, as a result of which no discrepancies were identified compared to the previous reporting period.

**Table No. 19.** Selected areas and examples of impact.

Area of relations	Examples of impact
Client relations	<ul style="list-style-type: none"><li>• supply of reliable software</li><li>• marketing communication</li><li>• educational and training activities</li></ul>
Relations with employees	<ul style="list-style-type: none"><li>• ensuring good work conditions</li><li>• development of employees' competences</li><li>• educational activities</li></ul>
Relations with regulators	<ul style="list-style-type: none"><li>• ensuring compliance of conducted business with local regulations</li><li>• preventing breaches of effective regulations</li><li>• prevention of unethical conduct</li></ul>
Occupational health and safety	<ul style="list-style-type: none"><li>• ensuring a safe work environment</li></ul>
Impact on the environment	<ul style="list-style-type: none"><li>• energy consumption</li><li>• environmental education</li></ul>

## Identification of Stakeholders

Considering the nature of the business activity conducted by XTB Group, the following key groups of Stakeholders are identified for the purpose of management processes:

- Employees of the XTB S.A. Capital Group
- Retail and institutional Clients
- Prospective Clients - persons interested in education regarding financial markets
- Suppliers
- State institutions, including local supervisory authorities
- Media representatives
- Shareholders, Analysts and prospective Investors.

Information about individual groups of Stakeholders of the XTB S.A. Capital Group are included in point 4.1 *Relations with Stakeholders*.

The needs and expectations of stakeholders are regularly identified, including identification of legal requirements and feedback obtained from specific groups of stakeholders.

In the course of work on the preparation of this non-financial report, the list of identified Stakeholders was analysed and no changes were made compared to the previous reporting period.

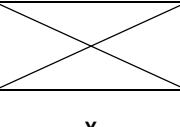
### 7.3. Performance tables - Non-financial taxonomy

**Table No. 20.** Turnover ratio.

2023	Year	Criteria pertaining to DNSH ("do not do significant harm") (h)										Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Enabling activity category (19)	Transitional activity category (20)		
		Water and marine resources (13)	Climate change adaptation (12)	Climate change mitigation (11)	Biodiversity (10)	Circular economy (9)	Pollution (8)	Water and marine resources (13)	Climate change adaptation (12)	Climate change mitigation (11)	Biodiversity (10)	Circular economy (9)	Pollution (8)	Water and marine resources (7)	Climate change adaptation (6)	Climate change mitigation (5)	Turnover on the environmentally sustainable activity (taxonomy-aligned) (A.1)	
Content	Currency	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	0%	
<b>A. TAXONOMY-ELIGIBLE ACTIVITY</b>																		
<b>A.1. Types of environmentally sustainable activity (taxonomy-aligned)</b>																		
Turnover on the environmentally sustainable activity (taxonomy-aligned) (A.1)		0	0%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	0%	
Including enabling		0	0%	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	0%	E



**Table No. 21.** CapEx ratio

Including enabling	0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	Y	0%	E	
Including transitional	0	0%	0%						N	N	N	N	N	N	Y	0%		Y

**A.2 Taxonomy-eligible but not environmentally sustainable activity (not taxonomy-aligned activity) (g)**

				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/ EL								
Capital expenditure due to taxonomy-eligible but not environmentally sustainable activity (not taxonomy-aligned activity) (A.2)		0	0%	0%	0%	0%	0%	0%	0%						0%		
A. Capital expenditure due to taxonomy-eligible activity (A.1+A.2)		0	0%	0%	0%	0%	0%	0%	0%						0%		
<b>B. NOT TAXONOMY-ELIGIBLE ACTIVITY</b>																	
A. Capital expenditure due to not taxonomy-eligible activity		25,121.8	100%														
<b>TOTAL</b>		<b>25,121.8</b>	<b>100%</b>														

**Table No. 22.** Operating expense ratio.

Including enabling	0	0%	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	Y	0%	E	X
Including transitional	0	0%	0%	X	X	X	X	X	N	N	N	N	N	N	Y	0%	X	Y
<b>A.2 Taxonomy-eligible but not environmentally sustainable activity (not taxonomy-aligned activity) (g)</b>																		
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL (f)	EL; N/EL (f)	EL; N/									
Operating expenses due to taxonomy- eligible but not environmentally sustainable activity (not taxonomy- aligned activity) (A.2)	0	0%	0%	0%	0%	0%	0%	0%							0%			
A. Operating expenses due to taxonomy-eligible activity (A.1+A.2)	0	0%	0%	0%	0%	0%	0%	0%							0%			
<b>B. NOT TAXONOMY-ELIGIBLE ACTIVITY</b>																		
Operating expenses due to not taxonomy-eligible activity		89,792.5	100%															
<b>TOTAL</b>		<b>89,792.5</b>	<b>100%</b>															

**Table No. 23.** Summary of key performance indicators to be disclosed by investment companies.

		Total environmentally sustainable assets – turnover ratio	Total environmentally sustainable assets – capital expenditures (CAPEX)	KPI – turnover ratio	KPI – capital expenditures (CAPEX)	% of coverage in total assets)
Main key performance indicator (for the purpose of trading on own account)	Green assets ratio	0	0	0%	0%	0%
		Total revenues on environmentally sustainable activities and services – turnover ratio	Total revenues on environmentally sustainable activities and services – capital expenditures (CAPEX)	KPI – turnover ratio	KPI – capital expenditures (CAPEX)	% of coverage (in total revenues)
Main key performance indicator (for the purpose of other services and activities)	Key performance indicator pertaining to income	0	0	0%	0%	0%

**Table No. 24.** Key performance indicators of investment companies: services of trading on own account.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	
		Total (EUR million)	Including covered by key performance indicators (EUR million)													
				Climate change mitigation (CCM)					Climate change adaptation					Total		
				Including assets covered by EU taxonomy (%) (taxonomy-eligible)					Including assets covered by EU taxonomy (%) (taxonomy-eligible)					Including assets covered by EU taxonomy (%) (taxonomy-eligible)		
				Including taxonomy-aligned activity (%)						Including taxonomy-aligned activity (%)					Including taxonomy-aligned activity (%)	
					Including transitional (%)	Including enabling (%)				Including transitional (%)	Including enabling (%)				Including transitional (%)	Including enabling (%)
1.	Total assets invested as part of operation of investment companies regarding trading on own account*	115.45	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2.	including: on own behalf	115.45	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3.	including: on behalf of the Clients	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

\* except for treasury bonds

**Table No. 25.** Performance table – key performance indicators of investment companies – other services

	a	b	c	d	e	f	g	h	i	j	k	l	m	n		
	Total (EUR million)	Including covered by key performance indicators (EUR million)	Climate change mitigation (CCM)				Climate change adaptation (CCA)				Total (CCM+CCA)					
			Including revenues (fees, commissions and other monetary benefits) on services and activities for the benefit of sectors covered by the EU taxonomy (%) (taxonomy-eligible)				Including revenues (fees, commissions and other monetary benefits) on services and activities for the benefit of sectors covered by the EU taxonomy (%) (taxonomy-eligible)				Including revenues (fees, commissions and other monetary benefits) on services and activities for the benefit of sectors covered by the EU taxonomy (%) (taxonomy-eligible)					
			Including due to activities and services connected with taxonomy-aligned activity (%)					Including due to activities and services connected with taxonomy-aligned activity (%)					Including due to activities and services connected with taxonomy-aligned activity (%)			
													Including transitional (%)	Including enabling (%)		
1.	Revenues (i.e. fees, commissions, and other monetary benefits) from investments and activities and services other than trading on own account	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
2.	Acceptance and transfer of orders in connection with one or more financial instruments	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		
3.	Execution of orders on behalf of the Client	2.44	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%		

4.	Portfolio management	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5.	Investment advising	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6.	Underwriting the issue of financial instruments or underwriting financial instruments with a guarantee of taking over the issue	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7.	Placing of financial instruments without a guarantee of takeover of the issue	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
8.	Operating multilateral trading facilities	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
9.	Operating organised trading facilities	0	0	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Revenues on commissions regard: fixed fees from institutional partners, regulatory commissions (e.g. for withdrawals below the threshold amount, issuing PIT, etc.), inactivity fees, for transferring client securities from/to another brokerage house, fee for storing securities of Clients.

**The tables below concern the ratio of total assets invested as part of the activities of investment companies related to trading on own account and the ratio of revenues related to the execution of orders on behalf of the Client.**

**Table No. 26.** Nuclear energy and fossil gas related activities – scope of activities.

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	no
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	no
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	no
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	no
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	no
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	no

**Table No. 27.** Nuclear energy and fossil gas related activities – taxonomy-aligned economic activity.

Row	Types of economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0%	0	0%	0	0%	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total applicable key performance indicator	0	0%	0	0%	0	0%

**Table No. 28.** Nuclear energy and fossil gas related activities – taxonomy-aligned economic activity (numerator).

Row	Types of economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)		
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0%	0	0%	0	0%	0%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	0	0%	0	0%	0	0%

**Table No. 29.** Nuclear energy and fossil gas related activities – taxonomy-eligible but not taxonomy-aligned activity.

Row	Types of economic activity	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA	Climate change mitigation (CCM)		Climate change adaptation (CCA)		
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0	0%	0	0%	0	0%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	0%	0	0%	0	0%	0%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	0	0%	0	0%	0	0%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	0	0%	0	0%	0	0%

**Table No. 30.** Taxonomy non-eligible economic activities - data for the ratio of total assets investment as part of operation of investment companies regarding trading on own account.

Row	Types of economic activity	Amount (EUR million)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	115.45	100%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	115.45	100%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	115.45	100%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	115.45	100%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	115.45	100%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	115.45	100%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	115.45	100%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	115.45	100%

**Table No. 31.** Taxonomy non-eligible economic activities - data for the performance indicator of investment companies - other services Commissions and fees regarding execution of orders on behalf of the Client.

Row	Types of economic activity	Amount (EUR million)	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.44	100%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.44	100%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.44	100%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.44	100%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.44	100%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.44	100%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	2.44	100%
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	2.44	100%

## 7.4. Compliance table

In response to the requirements of the Accounting Act regarding sustainable development reporting, we included the following information in the XTB Group Report:

**Table No. 32.** Table of compliance with the Accounting Act.

Issue	Chapter numbers
1. Business model	Chapters no.: 1.2, 2, 4.2, 4.3
2. Key performance indicators	Chapters no.: 2.1, 3.4, 3.5, 3.6, 5.3, 5.5
3. Description of risks and risk management	Chapters no.: 6.7, 6.8
4. Main policies, procedures and significant documents regulating the operation of the XTB Group	Chapters no.: 3, 6.1
5. Impact of implemented policies in non-financial areas:	
5.1. Personnel issues	Chapter no.: 3
5.2. Social issues	Chapters no.: 3, 4, 4.5, 4.6
5.3. Environmental issues	Chapter no.: 5
5.4. Respecting human rights	Chapters no.: 6.2, 6.4
5.5. Counteracting corruption	Chapter no.: 6.3

## 7.5. Approval for publication by the members of the Management Board of XTB S.A.

This Sustainability Report of XTB S.A. Capital Group for 2023 was approved for publication by the Management Board of XTB S.A. on 27 March 2024 in Warsaw.

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Omar Arnaout

President of the Management Board

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Filip Kaczmarzyk

Member of the Management Board

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Paweł Szejko

Member of the Management Board

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Jakub Kubacki

Member of the Management Board

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Andrzej Przybylski

Member of the Management Board



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**DECLARATION AND ASSESSMENT  
OF THE SUPERVISORY BOARD**

## Declaration and assessment of the Supervisory Board

### Declaration of the Supervisory Board of XTB S.A concerning the Audit Committee

The Supervisory Board hereby declares that it is in compliance with the regulations concerning appointment, composition and functioning of the audit committee, including the requirements for its members to satisfy the independence criteria and the requirements concerning knowledge and abilities from the sector in which the Company operates as well as accounting and audit of financial statements; Moreover the Supervisory Board declares that the Audit Committee performed the tasks of the audit committee as provided by the applicable laws.

### Supervisory Board assessment of the consolidated and standalone financial statements prepared jointly with the Management Board report on the operations of the Group and the Company

The Supervisory Board of XTB S.A has assessed the presented by the Management Board:

- the standalone financial statements of XTB S.A for the year 2023,
- the consolidated financial statements of Capital Group XTB S.A for the year 2023,
- the Management Board report on the operations of the Group and Company for the year 2023,
- the sustainability report of the XTB S.A. Capital Group for the year 2023,

hereinafter referred to as "Statements".

As a result of the assessment The Supervisory Board stated that Statements present truly and fairly all necessary information for assessment of financial standing of the Company and the Group and are in line with the ledgers, documents and the state of affairs.

The Supervisory Board of XTB S.A. positively assessed the financial statements on the basis of:

- the contents of the statements presented by the Company's Management,
- independent auditor's report on the audit of the consolidated and standalone financial statements for the year 2023, as well as additional report for the Audit Committee prepared in accordance with the provisions of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and the Act on auditors, audit firms and public supervision of 11 May 2017,
- meetings with the representatives of the audit firm, including the key statutory auditor,
- meeting with the Company's Management Board,
- the results of other verification activities made in selected financial and operational areas.

Warsaw, 27 March 2024

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on behalf of the  
Supervisory Board  
Grzegorz Grabowicz  
Member of the  
Supervisory Board



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## Independent Registered Auditor's Report

To the General Shareholders' Meeting and the Supervisory Board of XTB S.A.

### **Report on the audit of consolidated financial statements**

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#### **Our opinion**

In our opinion, the attached annual consolidated financial statements:

- give a true and fair view of the consolidated financial position of XTB S.A. (the "Parent Company") and its subsidiaries (together the "Group") as at 31 December 2023 and the Company's consolidated financial performance and the consolidated cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Group and the Parent Company's Articles of Association;

Our opinion is consistent with our additional report to the Audit Committee issued on the date of this report.

#### **What we have audited**

We have audited the annual consolidated financial statements of XTB S.A. Group which comprise:

- the consolidated statement of financial position as at 31 December 2023; and the following prepared for the financial year then ended 2023:
  - the consolidated statement of profit or loss and other comprehensive income;
  - the consolidated statement of changes in equity;
  - the consolidated cash flow statement; and
  - the notes comprising a description of the adopted accounting policies and other explanatory information.

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#### **Basis for opinion**

We conducted our audit in accordance with the National Standards on Auditing as adopted by the resolution of the National Council of Statutory Auditors and the resolution of the Council of the Polish Audit Supervision Agency ("NSA") and pursuant to the Law of 11 May 2017 on Registered Auditors, Registered Audit Companies and Public Oversight (the "Law on Registered Auditors") and the Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit

of public-interest entities (the “EU Regulation”). Our responsibilities under NSA are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

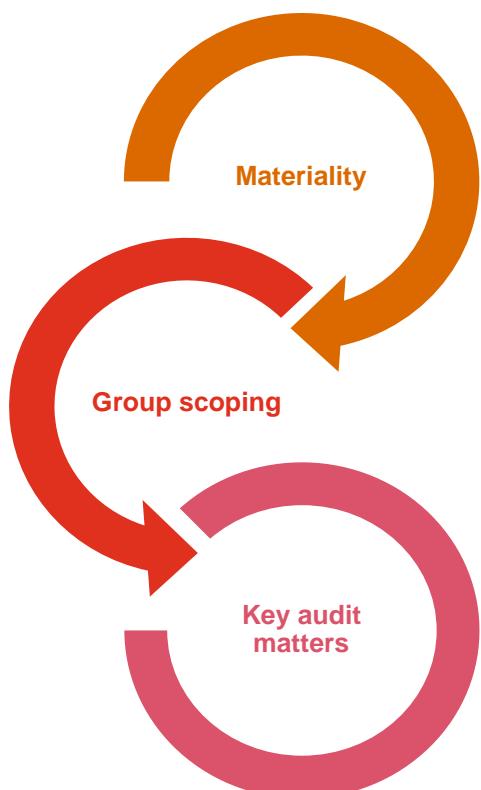
### Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by resolution of the National Council of Statutory Auditors and other ethical requirements that are relevant to our audit of the consolidated financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the key registered auditor and the registered audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Registered Auditors and in the EU Regulation

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## Our audit approach

### Overview



- The overall materiality threshold adopted for the purposes of our audit was set at PLN 47,800 thousand, which represents approximately 5% of the profit before tax.
- We have audited the annual consolidated financial statements of the Group for the period 31 December 2023.
- The scope of our audit covered 100% of the sum of total assets of all the consolidated Group companies before consolidation eliminations.
- Valuation of financial assets and liabilities and recognition of result on operations on financial instruments.

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Parent Company's Management Board made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

### **Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the consolidated financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the consolidated financial statements as a whole.

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<b>Overall Group materiality</b>	PLN 47,800 thousand (46,400 thousand PLN in 2022)
<b>How we determined it</b>	approximately 5% of profit before tax
<b>Rationale for the materiality benchmark applied</b>	<p>We adopted profit before tax as the basis for determining materiality because we believe this measure is commonly used to evaluate the Group's operations by users of financial statements and is a generally accepted benchmark.</p> <p>We applied materiality at 5% because, based on our professional judgement, it is consistent with the level of quantitative materiality used in the examination of profit-oriented entities in the brokerage industry.</p>

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We agreed with the Audit Committee of the Parent Company that we would report to them misstatements of the consolidated financial statements identified during our audit above PLN 2,390 thousand, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant identified risks of material misstatements, including the identified risks of material misstatement resulting from fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<b>Valuation of financial assets and liabilities and recognition of result on operations on financial instruments</b>	As part of our audit procedures we updated our understanding of the Group's policies and procedures for entering into transactions and valuing financial instruments and recognising the result thereof.
The result on operations on financial instruments for the year ended 31 December 2023 amounted to PLN 1,574,491 thousand and constituted the most important item in the consolidated statement of comprehensive income of the Group. The value of financial assets at fair value through profit or loss and financial liabilities held for trading at 31 December 2023, amounted to PLN 903,255 thousand and PLN 110,358 thousand respectively.	We analysed the design and verified the effectiveness of the control mechanisms implemented by the Group in this area, including the process of concluding transactions with customers, the valuation process, as well as the risk management process, including limits on open positions.
The result of operations on financial instruments of the Group consists of realised and unrealised gains or losses and costs related to trading in financial instruments.	With respect to the IT systems through which transactions are executed and financial instruments are valued, we updated our understanding and assessment of internal controls including, change management and access control to systems that process customer related transaction data.
The customer transaction process and valuation of derivative financial instruments is massive and includes large amount of market data necessary for valuation.	On selected transactions' populations, we performed independent valuation of financial instruments and verified the correctness of recognising the accounting data at the balance sheet date. Furthermore, with regard to the result on financial instruments, we performed detailed tests, including independent recalculation of the result on a sample, as well as reconciliation of selected transactions to source documentation and tests of system reports on transactions on financial instruments. In addition, we conducted an analysis of customer complaints and claims.
Given the above, this area requires significant effort and expertise in financial instruments and the use of information systems, which is why we have identified it as a key research matter.	Furthermore, we assessed the adequacy and completeness of the disclosures concerning the result
Information regarding accounting policies, as well as quantitative disclosures regarding the result on operations on financial instruments,	

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financial assets at fair value through profit and loss and financial liabilities held for trading are described in notes 4.4, 4.11, 5.1, 15 and 21 of the consolidated financial statement.

on financial instruments, financial assets at fair value through profit or loss and financial liabilities held for trading in the consolidated financial statement in accordance with the accounting standards applicable to the Group.

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## Responsibility of the Management and Supervisory Board for the consolidated financial statements

The Management Board of the Parent Company is responsible for the preparation, of the annual consolidated financial statements that give a true and fair view of the Group's financial position and results of operations, in accordance with International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the applicable laws and the Parent Company's Articles of Association, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Parent Company's Management Board and members of the Supervisory Board are obliged to ensure that the consolidated financial statements comply with the requirements specified in the Accounting Act of 29 September 1994 ("the Accounting Law"). Members of the Supervisory Board are responsible for overseeing the financial reporting process.

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## Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the NSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these consolidated financial statements.

The scope of the audit does not include an assurance on the Group's future profitability nor the efficiency and effectiveness of the Parent Company's Management Board conducting its affairs, now or in future.

As part of an audit in accordance with NSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Parent Company's Management Board;
- conclude on the appropriateness of the Parent Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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## Other information, including the report on the operations

### Other information

Other information comprises:

- Managements report on the Company's and Group's operations for the financial year ended 31 December 2023 ("the Report on the operations") and the corporate governance statement which is a separate part of the Report on the operations,
- a separate report on non-financial information;
- the Annual Report for the financial year ended 31 December 2023 ("the Annual Report").

(together "Other Information")

Other information does not include the financial statements and our auditor's report thereon.

We obtained the Annual Report before the date of this audit report, except for the Statement of the Supervisory Board:

- a) regarding the appointment, composition and functioning of the Audit Committee, referred to in Art. 70 sec. 1 point 8 of the Regulation of the Minister of Finance from 29 March 2018 in regards to current and periodic information provided by issuers of securities and the conditions for recognising as equivalent information by the law of a non-member state ("Regulation on current information")

and

- b) in the scope of assessment with justification, regarding the report on activity of the issuer and the financial statement in terms of their compliance with bookkeeping, documentation and facts referred to in Art. 70 sec. 1 point 14 of the Regulation on current information.

which will be available after this date.

### **Responsibility of the Management and Supervisory Board**

The Management Board of the Parent Company is responsible for the preparation of the Other Information in accordance with the law.

The Parent Company's Management Board and the members of the Supervisory Board are obliged to ensure that the Report on the operations of the Group including its separate parts and a separate report on non-financial information comply with the requirements of the Accounting Law.

### **Registered auditor's responsibility**

Our opinion on the consolidated financial statements does not cover the Other Information.

In connection with our audit of the consolidated financial statements, our responsibility under NSA is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the information in the consolidated financial statements, our knowledge obtained in our audit, or otherwise appears to be materially misstated. If, based on the work performed, we identified a material misstatement in the Other Information, we are obliged to inform about it in our audit report. In accordance with the requirements of the Law on the Registered Auditors, we are also obliged to issue an opinion on whether the Report on the operations has been prepared in accordance with the law and is consistent with information included in annual consolidated financial statements.

Moreover, we are obliged to issue an opinion on whether the Group provided the required information in its corporate governance statement and to inform whether the Group prepared a separate report on non-financial information.

In addition, we are required to audit the financial information included in the Report on the operations in accordance with the scope described in this audit report and the requirements of the Financial Instruments Trading Act of July 29, 2005 (the "Trading Act").

### **Statement on the Other information**

We declare, based on the knowledge of the Group and its environment obtained during our audit, that we have not identified any material misstatements in the Report on the operations of the Group and the remaining Other information which we obtained before the date of this audit report.

### **Opinion on the Report on the operations**

Based on the work we carried out during our audit, in our opinion, the Report on the operations of the Group:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and para. 71 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodical information submitted by issuers of securities and conditions for considering as equivalent the information required under the legislation of a non-Member State ("Regulation on current information") and art. 110w point 1 of the Trading Act.
- is consistent with the information in the consolidated financial statements.
- 

### **Opinion on the corporate governance statement**

In our opinion, in its corporate governance statement, the Group included information set out in para. 70.6 (5) of the Regulation on current information. In addition, in our opinion, information specified in paragraph 70.6 (5)(c)–(f), (h) and (i) of the said Regulation included in the corporate governance statement are consistent with the applicable provisions of the law and with information included in the consolidated financial statements.

### **Information on non-financial information**

In accordance with the requirements of the Act on the Registered Auditors, we confirm that the Group has prepared a separate report on non-financial information referred to in Article 55.2 of the Accounting Act as a separate section of the Report on the operations.

We have not performed any assurance work relating to the separate report on non-financial information and we do not provide any assurance with regard to it.

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### **Report on other legal and regulatory requirements**

#### **Report on the compliance of the marking up of consolidated financial statements with the requirements of the European Single Electronic Format ("ESEF")**

In connection with the audit of consolidated financial statements we have been engaged by the Parent Company's Management Board based on a contract for the consolidated financial statements to conduct a reasonable assurance engagement to express an opinion whether the consolidated financial statements of the Group as at and for the year ended 31 December 2023 prepared in the

single electronic format contained in the file named xtb-2023-12-31-pl.zip (the “consolidated financial statements in the ESEF format”) was marked up in accordance with the requirements in the article 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”).

### **Description of a subject matter and applicable criteria**

The consolidated financial statements in the ESEF format were prepared by the Parent Company’s Management Board to comply with the technical requirements regarding the specification of a single electronic reporting format and marking up, which are set out in the ESEF Regulation.

The subject matter of our assurance engagement is the compliance of the consolidated financial statements in the ESEF format with the requirements of the ESEF Regulation and the requirements of this regulation, in our view, constitute appropriate criteria to form a reasonable assurance conclusion.

### **Responsibility of the Management Board of the Parent Company and the Supervisory Board**

The Parent Company’s Management Board is responsible for the preparation of the consolidated financial statements in the ESEF format in accordance with the technical requirements regarding the specification of a single electronic reporting format which are set out in the ESEF Regulation. This responsibility includes the selection and application of appropriate markups in iXBRL using taxonomy specified in the ESEF Regulation. The responsibility of the Management Board also includes designing, implementing and maintaining internal controls relevant for the preparation of the consolidated financial statements in the ESEF format which are free from material non-compliance with the requirements of the ESEF Regulation and their marking-up in compliance with these requirements.

Members of the Parent Company’s Supervisory Board are responsible for overseeing the financial reporting process, which also includes the preparation of the consolidated financial statements in accordance with the format that is compliant with legal requirements.

### **Our responsibility**

Our objective was to express an opinion, based on the conducted reasonable assurance engagement, whether the consolidated financial statements prepared in the ESEF format were marked up, in all material respects, with the requirements of the ESEF Regulation.

We conducted our engagement in accordance with the National Standard on Assurance Engagements other than Audit and Review 3001pl - audit of financial statements prepared in the single electronic reporting format (“KSUA 3001pl”) and where relevant with the National Standard on Assurance Engagements 3000 (R) in the wording of the International Standard on Assurance Services 3000 (Revised) - ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ as issued by the National Council of Statutory Auditors (“KSUA 3000(R)”). These standards require that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the consolidated financial statements in the ESEF format were marked up, in all material respects, in compliance with the specified criteria.

Reasonable assurance is a high level of assurance, but it does not guarantee that the engagement performed in accordance with KSUA 3001pl and KSUA 3000 (R) will always detect the material misstatement (significant non-compliance with the requirements).

The selection of the procedures depends on the auditor's judgement, including the auditor's assessment of the risk of material misstatements, whether due to fraud or error. In performing the assessments of this risk, the auditor shall consider the internal control related to the preparation of the consolidated financial statements in the ESEF format and its marking-up in order to plan appropriate procedures to provide the auditor with sufficient evidence appropriate to the circumstances. The assessment of the functioning of the internal control system was not carried out in order to express an opinion on the effectiveness of its operation.

### **Quality management and ethical requirements**

We apply the provisions of the National Standard on Quality Control 1 in the wording of the International Standard on Quality Management (PL) 1 – “Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements” as issued by the International Auditing and Assurance Standards Board and adopted by the resolution of the Council of the Polish Audit Supervision Agency. This standard requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants as adopted by resolution of the National Council of Statutory Auditors, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

### **Summary of the work performed**

Our planned and performed procedures were aimed at obtaining reasonable assurance whether the consolidated financial statements in the ESEF format were marked-up, in all material respects, in compliance with the applicable requirements. Our procedures included in particular:

- obtaining an understanding of the process of preparation of the consolidated financial statements in the ESEF format, including the process of selection and application by the Group of the XBRL tags and ensuring the compliance with the ESEF Regulation, including understanding the mechanism of the internal control system related to this process;
- reconciliation, on a selected sample, of the marked-up information contained in the consolidated financial statements in the ESEF format to the audited consolidated financial statements;
- evaluating of compliance with the technical standards regarding the specification of a single electronic reporting format, including the use of XHTML;
- evaluating the completeness of marking up the consolidated financial statements in the ESEF format using the iXBRL tags;
- evaluating the appropriateness of the use of XBRL tags selected from the taxonomy defined in the ESEF Regulation and whether the extension markups were used appropriately where no suitable element in taxonomy defined in the ESEF Regulation has been identified;
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy from the ESEF regulation;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Conclusion**

In our opinion, based on the procedures performed, the consolidated financial statements in the ESEF format were marked-up, in all material respects, in compliance with the requirements of the ESEF Regulation.

### **Information on compliance with prudential regulations**

The Management Board of the Parent Company is responsible for complying with the applicable prudential regulations set out in separate legislation, and in particular, for correct determination of the capital ratios.

The capital ratios as at 31 December 2023 have been presented in Note 35 of the consolidated financial statements.

We are obliged to inform in our report on the audit of the consolidated financial statements whether the Group has complied with the applicable prudential regulations set out in separate legislation, and in particular, whether the Group has correctly determined its capital ratios. For the purposes of the said information, the following legal acts are understood as separate legislation: Regulation (EU) no. 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms and amending Regulation (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 ("IFR"), as well as Regulation of the Minister of Development and Finance of December 8, 2021 on the estimation of internal capital and liquid assets, the risk management system, supervisory review and evaluation, as well as the remuneration policy in a brokerage house and a small house brokerage.

It is not the purpose of an audit of the consolidated financial statements to present an opinion on compliance with the applicable prudential regulations specified in the separate legislation specified above, and in particular, on the correct determination of the capital ratios, and therefore, we do not express such an opinion.

Based on the work performed by us, we inform you that we have not identified:

- any cases of non-compliance by the Group with the applicable prudential regulations set out in separate legislation referred to above, in the period from 1 January to 31 December 2023;
- any irregularities in the determination by the Group of the capital ratios as at 31 December 2023 in accordance with the separate legislation referred to above;

which would have a material impact on the consolidated financial statements.

### **Statement on the provision of non-audit services**

To the best of our knowledge and belief, we declare that the non-audit services we have provided to the Parent Company, its parent company and its controlled entities within the European Union are in accordance with the applicable laws and regulations in Poland and that we have not provided any non-audit services prohibited under Article 5(1) of the EU regulation and Article 136 of the Law on Registered Auditors.

The non-audit services which we have provided to the Parent Company and its controlled entities within the European Union during the audited period are disclosed in note 30 of the consolidated financial statements.

### **Appointment**

We were first appointed to audit the annual consolidated financial statements of the Group by resolution of the Supervisory Board of the Parent Company No 45/2018 of 7 November 2018 and again by a resolution dated May 4, 2021. We have been auditing the Group's consolidated financial statements without interruption since the financial year ended 31 December 2019, i.e. for five consecutive years.

The Key Registered Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of Registered Audit Companies with the number 144., is Agnieszka Accordi.

Agnieszka Accordi  
Key Registered Auditor  
No. in the registry 11665

Warsaw, 27 March 2024