



REPORT FOR

THE 1ST HALF 2022

XTB S.A. GROUP

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FINANCIAL HIGHLIGHTS



FINANCIAL CONSOLIDATED HIGHLIGHTS

	IN PL SIX-MON	N'000 TH ENDED	IN EUR'000 SIX-MONTH ENDED		
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	
Consolidated comprehensive income statement:					
Total operating income	836 214	241 999	180 114	53 219	
Profit on operating activities	568 428	78 713	122 435	17 310	
Profit before tax	585 647	78 023	126 144	17 158	
Net profit	479 570	65 006	103 295	14 296	
Net profit and diluted net profit per share attributable to shareholders of the Parent Company (in PLN/EUR per share)	4,09	0,55	0,88	0,12	
Consolidated cash flow statement:					
Net cash from operating activities	585 547	40 371	126 122	8 878	
Net cash from investing activities	(21 438)	248 846	(4 618)	54 725	
Net cash from financing activities	(178 577)	(213 093)	(38 464)	(46 862)	
Increase/(Decrease) in net cash and cash equivalents	385 532	76 124	83 040	16 741	

	IN PLI	N'000	IN EUR'000		
	30.06.2022	31.12.2021	30.06.2022	31.12.2021	
Consolidated statement of financial position:					
Total assets	3 678 167	3 147 743	785 832	684 381	
Total liabilities	2 456 693	2 232 183	524 867	485 320	
Share capital	5 869	5 869	1 254	1 276	
Equity	1 221 474	915 560	260 965	199 061	
Number of shares	117 383 635	117 383 635	117 383 635	117 383 635	
Carrying amount and diluted carrying amount per share attributable to shareholders of the Parent Company					
(in PLN/EUR per share)	10,41	7,80	2,22	1,70	

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: 4,6427;
 - for the comparative period: 4,5472;
- 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: 4,6806;
 - for the comparative period: 4,5994.



FINANCIAL SEPARATE HIGHLIGHTS

	IN PL SIX-MON		IN EUR'000 SIX-MONTH ENDED		
	30.06.2022	30.06.2021	30.06.2022	30.06.2021	
Comprehensive income statement:					
Total operating income	779 835	212 710	167 970	46 778	
Profit on operating activities	556 813	74 972	119 933	16 488	
Profit before tax	577 733	74 605	124 439	16 407	
Net profit	472 242	61 961	101 717	13 626	
Net profit and diluted net profit per share attributable to shareholders of the Parent Company (in PLN/EUR per share)	4,02	0,53	0,87	0,12	
Cash flow statement:					
Net cash from operating activities	516 552	55 662	111 261	12 241	
Net cash from investing activities	(25 442)	245 187	(5 480)	53 920	
Net cash from financing activities	(178 009)	(212 557)	(38 342)	(46 745)	
Increase/(Decrease) in net cash and cash equivalents	313 101	88 292	67 439	19 417	

	IN PLI	N'000	IN EUR'000		
	30.06.2022	31.12.2021	30.06.2022	31.12.2021	
Statement of financial position:					
Total assets	3 456 595	2 971 558	738 494	646 075	
Total liabilities	2 247 773	2 059 139	480 232	447 697	
Share capital	5 869	5 869	1 254	1 276	
Equity	1 208 822	912 419	258 262	198 378	
Number of shares	117 383 635	117 383 635	117 383 635	117 383 635	
Carrying amount and diluted carrying amount per share attributable to shareholders of the Parent Company					
(in PLN/EUR per share)	10,30	7,77	2,20	1,69	

The above data was translated into EUR as follows:

- items in the comprehensive income statement and 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: 4,6427;
 - for the comparative period: 4,5472;
- items of 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: 4,6806;
 - for the comparative period: 4, 4,5994.

HALF-YEAR CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



HALF-YEAR CONDENSED CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

		THREE-MONTH	PERIOD ENDED	SIX-MONTH PERIOD ENDED		
(IN PLN'000)	NOTE	30.06.2022	30.06.2021	30.06.2022	30.06.2021	
Result of operations on financial instruments	6.1	(UNAUDITED) 394 991	(UNAUDITED) 53 777	(UNAUDITED) 833 116	(UNAUDITED) 239 173	
Income from fees and charges	6.2	1 413	1 215	3 081	2 5 1 1	
Other income	0.2	6	310	17	315	
Total operating income	6	396 410	55 302	836 214	241 999	
Marketing	8	(54 662)	(25 078)	(105 312)	(58 128)	
Salaries and employee benefits	7	(46 486)	(27 799)	(92 978)	(58 691)	
Commission expenses	10	(14 323)	(8 080)	(27 590)	(17 791)	
Other external services	9	(10 992)	(10 198)	(22 365)	(18 926)	
Amortisation and depreciation	16,17	(2 788)	(2 361)	(5 655)	(4 313)	
Taxes and fees	-,	(3 214)	(1 181)	(4 746)	(2 463)	
Costs of maintenance and lease of buildings		(1 917)	(1 086)	(3 965)	(1 889)	
Other costs		(2 368)	(601)	(5 175)	(1 085)	
Total operating expenses		(136 750)	(76 384)	(267 786)	(163 286)	
Profit on operating activities		259 660	(21 082)	568 428	78 713	
Finance income	11	16 294	(7 618)	17 731	660	
Finance costs	11	1 046	(1 236)	(512)	(1 350)	
Profit before tax		277 000	(29 936)	585 647	78 023	
Income tax	26	(50 069)	5 891	(106 077)	(13 017)	
Net profit (loss)		226 931	(24 045)	479 570	65 006	
Other comprehensive income		1 302	(1 887)	2 419	(1 581)	
Items which will be reclassified to profit (loss) after			` '		, ,	
meeting specific conditions		1 302	(1 887)	2 419	(1 581)	
- foreign exchange differences on translation of						
foreign operations		1 089	(850)	1811	(831)	
- foreign exchange differences on valuation of						
separated equity		261	(1 281)	749	(927)	
- deferred income tax		(48)	244	(141)	177	
Total comprehensive income		228 233	(25 932)	481 989	63 425	
Total comprehensive moorne		220 200	(20 302)	401 707	00 420	
Net profit attributable to shareholders of the Parent						
Company		226 931	(24 045)	479 570	65 006	
Total comprehensive income attributable to		220 901	(24 043)	479070	03 000	
shareholders of the Parent Company		228 233	(25 932)	481 989	63 425	
,			()			
Earnings per share:						
- basic profit per year attributable to shareholders of						
the Parent Company (in PLN)	25	1,94	(0,21)	4,09	0,55	
- basic profit from continued operations per year						
attributable to shareholders of the Parent Company						
(in PLN)	25	1,94	(0,21)	4,09	0,55	
- diluted profit of the year attributable to						
shareholders of the Parent Company (in PLN)	25	1,94	(0,21)	4,09	0,55	
- diluted profit from continued operations of the year						
attributable to shareholders of the Parent Company						
(in PLN)	25	1,94	(0,21)	4,09	0,55	

The half-year condensed consolidated financial statements should be read in conjunction with the supplementary notes to the half-year condensed consolidated financial statements, which are an integral part of these half-year condensed consolidated financial statements.



HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(IN PLN'000)	NOTE	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
ASSETS				
Cash and cash equivalents	13	2 720 051	2 376 261	2 113 339
Financial assets at fair value through P&L	14	878 228	703 546	551 405
Income tax receivables	4.5	1 180	7 247	10 472
Financial assets at amortized cost	15	22 939	26 568	14 312
Prepayments and deferred costs	1.6	10 956	8 637	6 960
Intangible assets Property, plant and equipment	16 17	1 189 35 558	585 16 206	704 14 510
Deferred income tax assets	26.2	8 066	8 693	8 998
Total assets	20.2	3 678 167	3 147 743	2 720 700
Total account		0 0 / 0 10 /	011,710	2,20,00
EQUITY AND LIABILITIES				
Liabilities				
Amounts due to clients	18	2 173 874	2 010 490	1 751 502
Financial liabilities held for trading	19	113 052	127 712	140 963
Income tax liabilities	0.0	811	783	993
Liabilities due to lease	20	25 597	7 437	9 126
Other liabilities	21 22	76 116	48 377	32 842
Provisions for liabilities Deferred income tax provision	22 26.2	4 245 62 998	4 965 32 419	6 287 37 374
Total liabilities	20.2	2 456 693	2 232 183	1 979 087
Total habilities		2 400 030	2 202 100	1 37 3 007
Equity				
Share capital	23	5 869	5 869	5 869
Supplementary capital	23	71 608	71 608	71 608
Other reserves	23	657 555	598 789	598 789
Foreign exchange differences on translation	23	1 970	(449)	(1 572)
Retained earnings		484 472	239 743	66 919
Equity attributable to the owners of the Parent Company		1 221 474	915 560	741 613
Total equity		1 221 474	915 560	741 613
Total equity and liabilities		3 678 167	3 147 743	2 720 700

The half-year condensed consolidated statement of financial position should be read in conjunction with the supplementary notes to the half-year condensed consolidated financial statements, which are an integral part of these half-year condensed consolidated financial statements.



HALF-YEAR CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Half-year condensed consolidated statement of changes in equity for the period from 1 January 2022 to 30 June 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
NOTE	23	23	23,24	23	24		
As at 1 January 2022	5 869	71 608	598 789	(449)	239 743	915 560	915 560
Total comprehensive income for the financial year							
Net profit	_	_	_	_	479 570	479 570	479 570
Other comprehensive income	_	_	_	2 419	_	2 419	2 419
Total comprehensive income for the financial year	_	-	_	2 419	479 570	481 989	481 989
Transactions with Parent Company's owners recognized directly in equity							
Appropriation of profit/offset of loss							
- dividend payment	_	-	_	_	(176 075)	(176 075)	(176 075)
- transfer to other reserves	-	_	58 766	-	(58 766)	·	_
Increase (decrease) in equity	-	-	58 766	2 419	244 729	(305 914)	(305 914)
As at 30 June 2022 (unaudited)	5 869	71 608	657 555	1 970	484 472	1 221 474	1 221 474

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



Consolidated statement of changes in equity for the period from 1 January 2021 to 31 December 2021

(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
NOTE	23	23	23, 24	23	24		
As at 1 January 2021	5 869	71 608	390 730	9	420 089	888 305	888 305
Total comprehensive income for the financial year							
Net profit	_	_	_	_	237 830	237 830	237 830
Other comprehensive income	_	_	_	(458)	_	(458)	(458)
Total comprehensive income for the financial year	_		-	(458)	237 830	237 372	237 372
Transactions with Parent Company's owners recognized directly in equity							
Appropriation of profit/offset of loss							
- dividend payment	_	_	-	_	(210 117)	(210 117)	(210 117)
- transfer to other reserves	_	_	208 059	-	(208 059)	-	
Increase (decrease) in equity	_	_	208 059	(458)	(180 346)	27 255	27 255
As at 31 December 2021 (audited)	5 869	71 608	598 789	(449)	239 743	915 560	915 560
As at 31 December 2021 (audited)	5 609	/1008	390 / 69	(449)	239 /43	915 500	9

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.



Half-year condensed consolidated statement of changes in equity for the period from 1 January 2021 to 30 June 2021

(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
NOTE	23	23	23, 24	23	24		
As at 1 January 2021	5 869	71 608	390 730	9	420 089	888 305	888 305
Total comprehensive income for the financial year							
Net profit	_	-	_	-	65 006	65 006	65 006
Other comprehensive income	-	-	_	(1 581)	-	(1 581)	(1 581)
Total comprehensive income for the financial year	-	-	-	(1 581)	65 006	63 425	63 425
Transactions with Parent Company's owners recognized directly in equity Appropriation of profit/offset of loss							
- dividend payment	_	_	_	_	(210 117)	(210 117)	(210 117)
- transfer to other reserves	_	_	208 059	_	(208 059)	(210 117)	(210 117)
Increase (decrease) in equity	-	-	208 059	(1 581)	(353 170)	(146 692)	(146 692)
As at 30 June 2021 (unaudited)	5 869	71 608	598 789	(1 572)	66 919	741 613	741 613

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



HALF-YEAR CONDENSED CONSOLIDATED CASH FLOW STATEMENT

		SIX-MON	TH PERIOD ENDED
(IN PLN'000)	NOTE	30.06.2022	30.06.2021
Cash flows from operating activities		(UNAUDITED)	(UNAUDITED)
Profit before tax		585 647	78 023
Adjustments:		(68 240)	(31 082)
(Profit) Loss on investment activity		1 156	1 129
Amortization and depreciation	16,17	5 655	4 313
Foreign exchange (gains) losses from translation of own cash	10,17	(20 853)	(3 478)
Other adjustments	28.1	2 101	(1 477)
Changes	20.1	2 101	(14//)
Change in provisions		(720)	(1 652)
Change in balance of financial assets at fair value through P&L and		(720)	(1 032)
financial liabilities held for trading		(174 127)	(96 358)
Change in balance of restricted cash		62 595	(457 928)
Change in financial assets at amortised cost		3 629	(1 002)
Change in balance of prepayments and accruals		(2 319)	(1 563)
Change in balance of amounts due to customers		163 384	548 259
Change in balance of other liabilities		27 739	(21 325)
Cash from operating activities		653 887	46 941
Income tax paid		(68 776)	(6 726)
Interests		436	156
Net cash from operating activities		585 547	40 371
Cook flow from investing activities			
Cash flow from investing activities		0	
Proceeds from sale of property, plant and equipment	47	2	(0.070)
Expenses relating to payments for property, plant and equipment	17	(4 573)	(2 272)
Expenses relating to payments for intangible assets	16	(709)	(196)
Expenses relating purchase of bonds		(517 916)	(348 897)
Proceeds from sale of bonds		499 046	599 140
Interests on bonds		2712	1 071
Net cash from investing activities		(21 438)	248 846
Cash flow from financing activities			
Payments of liabilities under finance lease agreements		(2 066)	(2 820)
Interest paid under lease		(436)	(156)
Dividend paid to owners		(176 075)	(210 117)
Net cash from financing activities		(178 577)	(213 093)
Increase (Decrease) in net cash and cash equivalents		385 532	76 124
Cash and cash equivalents – opening balance		589 392	542 205
Effect of FX rates fluctuations on balance of cash in foreign currencies	s	20 853	3 480
Cash and cash equivalents – closing balance	13	995 777	621 809

The half-year condensed consolidated cash flow statement should be read together with the supplementary notes which are an integral part of these half-year condensed consolidated financial statements.



ADDITIONAL EXPLANATORY NOTES TO THE HALF-YEAR CONDENSED 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", "Company", "Parent Company", "Brokerage") with its headquarters located in Warsaw, at Prosta street 67, 00–838 Warsaw.

On the 5 January 5 2022 the change of the company's name in the current wording from "X-Trade Brokers Dom Maklerski S.A." to "XTB Spółka Akcyjna" was registered at the District Court for the Capital City of Warsaw in Warsaw, XII Commercial Division of the National Court Register (hereinafter also referred to 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 (shares, 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 organizational structure

The half-year condensed consolidated financial statements cover the following foreign branches which form the Parent Company:

- XTB S.A. organizačni složka (formerly: X-Trade Brokers Dom Maklerski Spółka Akcyjna, organizačni 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. As at the date of this report, the registration of the new branch
 name in the local register is in progress.
- 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 (branch in 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: R027187343. 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 (branch in Germany)) 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. As at the date of this report, the registration of the new branch name in the local register is in progress.
- 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 Portugesa) 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 of XTB S.A. as the Parent Company and the following subsidiaries:

	OONOOLID ATION	COUNTRY OF		PERCENTAGE SHARE IN THE CAPITAL		
NAME OF SURSIDIARY	CONSOLIDATION METHOD	REGISTERED OFFICE	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)	
XTB Limited (UK)	Full	Great Britain	100%	100%	100%	
X Open Hub Sp. z o.o.	Full	Poland	100%	100%	100%	
XTB Limited (CY)	Full	Cyprus	100%	100%	100%	
Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.	Full	Turkey	100%	100%	100%	
XTB International Limited	Full	Belize	100%	100%	100%	
XTB Chile SpA	Full	Chile	100%	100%	100%	
XTB Services Limited	Full	Cyprus	100%	100%	100%	
Lirsar S.A. en liquidacion	Full	Uruguay	100%	100%	100%	
XTB Africa (PTY) Ltd.	Full	South Africa	100%	100%	100%	
XTB MENA Limited	Full	UAE	100%	100%	100%	

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

As at the 30 June 2022, amount of negative foreign exchange differences on translation of balances in foreign currencies of Turkish company amounted PLN (3 735), at the 31 December 2021, amount of negative foreign exchange differences on translation of balances in foreign currencies of Turkish company amounted PLN (3 658) thousand, at the 30 June 2021, amount of negative foreign exchange differences on translation of balances in foreign currencies of Turkish company amounted PLN (3 252) thousand (ref note 23). Exchange differences will be recognized in consolidated financial statement at the date of liquidation of the company.

On 9 January 2021 XTB MENA Limited with its seat in United Arab Emirates was registered in the local register of enterpreneurs. The Parent Company acquired 100% of shares in the subsidiary. On 13 April 2021 shared of XTB MENA Limited with its seat in United Arab Emirates were paid by the Company. Capital was contributed in the amount of USD 1 million. On the 22 March 2022 the Parent Company acquired 1.000 ordinary shares in the increased capital of subsidiary keeping 100% share in subsidiary's capital.

On 8 November 2021 the Company acquired 100 shares in the increased capital of subsidiary. As a result of the above transaction the Company kept 100% share in subsidiary's capital. As at the date of these financial statements the company has not conducted its operations.

The scope of activities of subsidiaries:

- XTB Limited (UK) brokerage activity
- X Open Hub Sp. z o.o. applications and electronic trading technology offering
- XTB Limited (CY) brokerage activity
- XTB International Limited brokerage activity
- XTB Chile SpA the activity of acquiring clients
- XTB Services Limited marketing, marketing and sales activities (sales support)
- XTB MENA Limited brokerage activity
- XTB Africa (PTY) Ltd. the company has not yet conducted operations
- Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.– the company does not conduct its operations, is in the process of liquidation.



1.3 Composition of the Management Board

In the period covered by the half-year condensed 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	term of office lasting from 23 March 2017 expired on 30 June 2022. 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	term of office lasting from 23 March 2017 expired on 30 June 2022. 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	term of office lasting from 23 March 2017 expired on 30 June 2022. 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	term of office lasting from 23 March 2017 expired on 30 June 2022. 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	term of office lasting from 23 March 2017 expired on 30 June 2022. 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 half-year condensed consolidated financial statements have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

The half-year condensed consolidated financial statements of the XTB S.A. Group prepared for the period from 1 January 2022 to 30 June 2022 with comparative data for the period ended 30 June 2021 and 31 December 2021 cover the Parent Company's financial data and financial data of the subsidiaries comprising the "Group".

These half-year condensed consolidated 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 made in order to reconcile their financial statements with the IFRS.

The half-year condensed consolidated financial statements do not cover all information and disclosures required by the International Financial Reporting Standards accepted by the European Union ("IFRS") to be presented in annual consolidated financial statements and they should be read jointly with the consolidated financial statements of the XTB S.A. Group for the year 2021.

The half-year condensed consolidated financial statements were approved by the Management Board of the Parent Company on 18 August 2022.

Drafting these half-year condensed 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 half-year condensed 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 half-year condensed 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 with the exception of subsidiaries 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 half-year condensed consolidated financial statements is comparable and prepared under the same principles for all periods covered by the half-year condensed consolidated financial statements.

2.5 The impact of COVID-19 on the Company's results

In March 2020 the World Health Organization determined that COVID disease can be treated as a pandemic. Due to significant increase of this disease all over the world, countries take numerous action to limit or delay it's spread. The Company's Management Board does not identify any further impact of the COVID-19 pandemic on the Company's.

2.6 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 markets and declines in the financial and commodity markets around the world, which contributed to the record high results of the Company.

2.7 Changes in the accounting policies

The accounting policies applied in the preparation of the half-year condensed 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 2021, except for the application of new or amended standards and interpretations applicable to annual periods beginning on or after 1 January 2022.

- Annual amendments to various standards due to "Improvements to IFRS (Cycle 2018-2020)"
- Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract
- Amendments to IAS 16 Property, Plant and Equipment Proceeds before Intended Use
- Amendments to IFRS 3 Reference to the Conceptual Framework

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.

2.8 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 17 "Insurance contracts" (issued on 18 May 2017) –effective for financial years beginning on or after 1 January 2023;
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" not yet endorsed by EU at the date
 of approval of these financial statements effective for financial years beginning on or after 1 January 2023;
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on 11 September 2014) - the endorsement process of these Amendments has been postponed by EU - the effective date was deferred indefinitely by IASB;



- Amendments to IAS 1 Presentation of Financial Statements classification of liabilities as current or non-current not yet endorsed by EU at the date of approval of these financial statements - effective for financial years beginning on or after 1 January 2023;
- Amendments to IAS 12 Income Taxes deferred tax related to assets and liabilities arising from a single transaction not
 yet endorsed by EU at the date of approval of these financial statements effective for financial years beginning on or after
 1 January 2023;
- Amendments to IFRS 17 "Insurance Contracts" initial application of IFRS 17 and IFRS 9 comparative information not
 yet endorsed by EU at the date of approval of these financial statements effective for financial years beginning on or after
 1 January 2023.

Above new standards and interpretations which have been published but are not yet binding do not have a significant impact on the Group's condensed 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. Variable remuneration, liabilities due to reimbursements and other in the case of the Group do not occur.

Detailed accounting policies are included in the full annual consolidated financial statements.

3.1 Material estimates and valuation

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 utilised.

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 33 - Risk management.

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 calculated on the basis of the estimated amount of outflow of cash in the case in which it is probable that such outflow will occur, if the given case ends unsuccessfully.

Provisions for disputes is 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 accounting principles

The accounting policies applied in the preparation of the half-year condensed consolidated financial statements are consistent with the accounting policies applied in the preparation of the annual consolidated financial statements for the financial year ended 31 December 2021, except for the new or amended standards and new interpretations binding for the annual periods starting on or after 1 January 2022.

5. Seasonality of operations

The Group's operations are not seasonal.

6. Operating income

6.1 Result of operations in financial instruments

	-MONTH PERIOD ENDED	
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Financial instruments (CFD)		
Index CFDs	417 896	101 622
Commodity CFDs	297 490	154 247
Currency CFDs	114 468	(19 333)
Stock and ETF CFDs	23 149	10 222
Bond CFDs	(1 230)	77
Total CFDs	851 773	246 835
Stocks and ETFs	2 151	(1 467)
Gross gain on transactions in financial instruments	853 924	245 368
Bonuses and discounts paid to customers	(2 669)	(1 102)
Commission paid to cooperating brokers	(18 139)	(5 093)
Net gain on transactions in financial instruments	833 116	239 173

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.

6.2 Income from fees and charges

	SIX-MONTH PERIOD ENDED		
(IN PLN'000)	30.06.2022	30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Fees and charges from institutional clients	1 359	1 325	
Fees and charges from retail clients	1 722	1 186	
Total income from fees and charges	3 081 2 51		

6.3 Geographical areas

	SIX-MONTH PERIOD END		
(IN PLN'000)	30.06.2022		
Operating income	(UNAUDITED)	(UNAUDITED)	
Central and Eastern Europe	504 088	116 310	
- including Poland	333 192	67 504	
Western Europe	218 784	76 162	
Latin America *	105 658	49 527	
Middle East **	7 684	-	
Total operating income	836 214	241 999	

^{*}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.

The country from which the Group derives each time 20% and over of its revenue is Poland with a share of 39,8% (HY2021: 27,9%). 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.

7. Salaries and employee benefits

	SIX-MONTH PERIOD ENDED		
(IN PLN'000)	30.06.2022	30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Salaries	(78 324)	(48 364)	
Social insurance and other benefits	(11 500)	(8 473)	
Employee benefits	(3 154)	(1 854)	
Total salaries and employee benefits	(92 978)	(58 691)	

8. Marketing

	SIX	-MONTH PERIOD ENDED	
(IN PLN'000)	30.06.2022 (UNAUDITED)	30.06.2021 (UNAUDITED)	
Marketing online	(83 767)	(55 699)	
Marketing offline	(21 494)	(2 429)	
Competitions for clients	(51)		
Total marketing	(105 312)	(58 128)	

^{**} 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.



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

9. Other external services

	SIX-MONTH PERIOD ENDER		
(IN PLN'000)	30.06.2022	30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Support database systems	(8 327)	(6 825)	
Market data delivery	(4 558)	(3 322)	
Legal and advisory services	(3 123)	(3 546)	
Internet and telecommunications	(1 832)	(1 495)	
Recruitment	(1 503)	(363)	
Accounting and audit services	(1 171)	(1 079)	
IT support services	(646)	(1 478)	
Postal and courier services	(149)	(282)	
Translation	(75)	(25)	
Other external services	(981)	(511)	
Total other external services	(22 365)	(18 926)	

10. Commission expenses

	SIX	-MONTH PERIOD ENDED
(IN PLN'000) 30.06.2022		30.06.2021
	(UNAUDITED)	(UNAUDITED)
Bank commissions	(23 874)	(15 477)
Stock exchange fees and charges	(3 531)	(1 981)
Commissions of foreign brokers	(185)	(333)
Total commission expenses	(27 590)	(17 791)

11. Finance income and costs

	SIX-MONTH PERIOD ENDED		
(IN PLN'000) 30.06.2022		30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Positive exchange differences	16 260	435	
Income on bonds	943	_	
Interest income	392	184	
Other finance income	136	41	
Total finance income	17 731	660	

	SIX	SIX-MONTH PERIOD ENDED			
(IN PLN'000)	30.06.2022 (UNAUDITED)	30.06.2021 (UNAUDITED)			
Interest paid under lease agreements	(436)	(157)			
Other interest	(66)	(91)			
Loss on bonds	-	(1 102)			
Other finance costs	(10)	<u> </u>			
Total finance costs	(512)	(1 350)			

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



12. 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 SIX-MONTH PERIOD ENDED 30.06.2022 (UNAUDITED) (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Net result on transactions in financial instruments	834 554	(1 438)	833 116	833 116
CFDs				
Index CFDs	422 892	(4 996)	417 896	417 896
Commodity CFDs	292 732	4 758	297 490	297 490
Currency CFDs	115 492	(1 024)	114 468	114 468
Stock and ETFs CFDs	23 149	-	23 149	23 149
Bond CFDs	(1 054)	(176)	(1 230)	(1 230)
Stocks and ETFs	2 151	-	2 151	2 151
Bonuses and discounts paid to customers	(2 669)	-	(2 669)	(2 669)
Commission paid to cooperating brokers	(18 139)	-	(18 139)	(18 139)
Fee and commission income	1 722	1 359	3 081	3 081
Other income	17	-	17	17
Total operating income	836 293	(79)	836 214	836 214
Marketing	(104 891)	(421)	(105 312)	(105 312)
Salaries and employee benefits	(92 119)	(859)	(92 978)	(92 978)
Commission expense	(27 584)	(6)	(27 590)	(27 590)
Other external services	(21 697)	(668)	(22 365)	(22 365)
Amortization and depreciation	(5 645)	(10)	(5 655)	(5 655)
Taxes and fees	(4737)	(9)	(4 746)	(4 746)
Cost of maintenance and lease of buildings	(3 965)	`-	(3 965)	(3 965)
Other expenses	(4 985)	(190)	(5 175)	(5 175)
Total operating expenses	(265 623)	(2 163)	(267 786)	(267 786)
Operating profit	570 670	(2 242)	568 428	568 428
Finance income	_	, <u>,</u>	-	17 731
Finance costs	_	-	-	(512)
Profit before tax	_	-	-	585 647
Income tax	_	-	-	(106 077)
Net profit	_	-	-	¥79 570



ASSETS AND LIABILITIES AS AT 30.06.2022 (UNAUDITED) (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Clients' cash and cash equivalents	1 627 115	97 159	1 724 274	1 724 274
Financial assets at fair value through P&L	850 177	28 051	878 228	878 228
Other assets	1 075 398	267	1 075 665	1 075 665
Total assets	3 552 690	125 477	3 678 167	3 678 167
Amounts due to clients	2 057 411	116 463	2 173 874	2 173 874
Financial liabilities held for trading	104 199	8 853	113 052	113 052
Other liabilities	169 766	1	169 767	169 767
Total liabilities	2 331 376	125 317	2 456 693	2 456 693

ASSETS AND LIABILITIES AS AT 31.12.2021 (AUDITED) (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Clients' cash and cash equivalents	1 719 559	67 310	1 786 869	1 786 869
Financial assets at fair value through P&L	686 492	17 054	703 546	703 546
Other assets	656 866	462	657 328	657 328
Total assets	3 062 917	84 826	3 147 743	3 147 743
Amounts due to clients	1 943 368	67 122	2 010 490	2 010 490
Financial liabilities held for trading	114 555	13 157	127 712	127 712
Other liabilities	93 980	1	93 981	93 981
Total liabilities	2 151 903	80 280	2 232 183	2 232 183



CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR SIX-MONTH PERIOD ENDED 30.06.2021 (UNAUDITED) (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Net result on transactions in financial instruments	226 574	12 599	239 173	239 173
CFDs				
Commodity CFDs	150 443	3 804	154 247	154 247
Index CFDs	91 198	10 424	101 622	101 622
Stock and ETFs CFDs	11 957	(1 735)	10 222	10 222
Currency CFDs	(19 428)	95	(19 333)	(19 333)
Bond CFDs	66	11	77	77
Stocks and ETFs	(1 467)	_	(1 467)	(1 467)
Bonuses and discounts paid to customers	(1 102)	_	(1 102)	(1 102)
Commission paid to cooperating brokers	(5 093)	_	(5 093)	(5 093)
Fee and commission income	1 186	1 325	2 511	2 511
Other income	315	_	315	315
Total operating income	228 075	13 924	241 999	241 999
Salaries and employee benefits	(57 841)	(850)	(58 691)	(58 691)
Marketing	(57 829)	(299)	(58 128)	(58 128)
Other external services	(18 171)	(755)	(18 926)	(18 926)
Cost of maintenance and lease of buildings	(1 872)	(17)	(1 889)	(1 889)
Amortization and depreciation	(4 271)	(42)	(4 313)	(4 313)
Taxes and fees	(2 446)	(17)	(2 463)	(2 463)
Commission expense	(17 784)	(7)	(17 791)	(17 791)
Other expenses	(1 080)	(5)	(1 085)	(1 085)
Total operating expenses	(161 294)	(1 992)	(163 286)	(163 286)
Operating profit	66 781	11 932	78 713	78 713
Finance income	_	_	-	660
Finance costs	_	_	-	(1 350)
Profit before tax	_	-	_	78 023
Income tax	_	-	_	(13 017)
Net profit	_	_	_	65 006



ASSETS AND LIABILITIES AS AT 30.06.2021 (UNAUDITED) (IN PLN'000)	RETAIL OPERATIONS	INSTITUTIONAL OPERATIONS	TOTAL REPORTING SEGMENTS	CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Clients' cash and cash equivalents	1 431 496	60 034	1 491 530	1 491 530
Financial assets at fair value through P&L	532 926	18 479	551 405	551 405
Other assets	677 353	412	677 765	677 765
Total assets	2 641 775	78 925	2 720 700	2 720 700
Amounts due to clients	1 683 332	68 170	1 751 502	1 751 502
Financial liabilities held for trading	129 756	11 207	140 963	140 963
Other liabilities	86 620	2	86 622	86 622
Total liabilities	1 899 708	79 379	1 979 087	1 979 087



13. Cash and cash equivalents

Broken down by type:

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
In current bank accounts	2 720 051	2 376 261	2 113 339
Cash and cash equivalents in total	2 720 051	2 376 261	2 113 339

Own cash and restricted cash - customers' cash:

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Customers' cash and cash equivalents	1 724 274	1 786 869	1 491 530
Own cash and cash equivalents	995 777	589 392	621 809
Cash and cash equivalents in total	2 720 051	2 376 261	2 113 339

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

14. Financial assets at fair value through P&L

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Index CFDs	185 324	113 353	171 990
Currency CFDs	120 808	89 476	69 158
Commodity CFDs	110 989	67 036	90 058
Stock and ETF CFDs	99 613	80 244	59 116
Bond CFDs	628	28	36
Debt instruments	347 141	331 926	146 199
Stocks and ETFs	13 725	21 483	14 848
Total financial assets at fair value through P&L	878 228	703 546	551 405

Detailed information on the estimated fair value of the instrument is presented in note 33.1.1.

15. Financial assets at amortised cost

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Trade receivables	13 266	21 864	9 683
Deposits	8 736	4 289	4 250
Receivables due from clients	5 980	4 629	4 288
Statutory receivables	1 326	968	1 009
Receivables from Central Securities Depository of Poland	84	-	_
Gross other receivables	29 392	31 750	19 230
Impairment write-downs of other receivables	(1 271)	(1 108)	(1 223)
Impairment write-downs of receivables due from clients	(5 182)	(4 074)	(3 695)
Total net other receivables	22 939	26 568	14 312



Movements in impairment write-downs of receivables

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Impairment write-downs of receivables – at the beginning of the reporting period	(5 182)	(5 068)	(5 068)
write-downs recorded	(1 148)	(791)	(438)
write-downs reversed	51	361	369
write-downs utilized	(174)	316	219
Impairment write-downs of receivables – at the end of the reporting period	(6 453)	(5 182)	(4 918)

Write-downs of receivables in 2022 and 2021 resulted from the debit balances which arose in customers' accounts in those periods.



16. Intangible assets

Intangible assets in the period from 1 January 2022 to 30 June 2022 (unaudited)

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	OTHER INTANGIBLE ASSETS	TOTAL
Gross value as at 1 January 2022	5 422	10 792	4 814	21 028
Additions	709	_	-	709
Sale and scrapping	(2)	_	-	(2)
Net foreign exchange differences	- · · · · · · · · · · · · · · · · · · ·	_	-	· · ·
Gross value as at 30 June 2022	6 129	10 792	4 814	21 735
Accumulated amortization as at 1 January 2022	(4 968)	(10 792)	(4 683)	(20 443)
Amortization for the current period	(92)	-	(13)	(105)
Sale and scrapping	2	_	_	2
Net foreign exchange differences	_	-	-	_
Accumulated amortization as at 30 June 2022	(5 058)	(10 792)	(4 696)	(20 546)
Net book value as at 1 January 2022	454	-	131	585
Net book value as at 30 June 2022	1 071	-	118	1 189

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 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 2021 to 31 December 2021 (audited)

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	OTHER Intangible Assets	TOTAL
Gross value as at 1 January 2021	5 961	10 792	4 814	21 567
Additions	210	-	_	210
Sale and scrapping	(760)	-	_	(760)
Net foreign exchange differences	11	_	-	11
Gross value as at 31 December 2021	5 422	10 792	4 814	21 028
Accumulated amortization as at 1 January 2021	(5 479)	(10 792)	(4 657)	(20 928)
Amortization for the current period	(238)	· · · · ·	(26)	(264)
Sale and scrapping	760	_	· · · · · · · · · · · · · · · · · · ·	760
Net foreign exchange differences	(11)	_	_	(11)
Accumulated amortization as at 31 December 2021	(4 968)	(10 792)	(4 683)	(20 443)
Net book value as at 1 January 2021	482	-	157	639
Net book value as at 31 December 2021	454	-	131	585

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 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 2021 to 30 June 2021 (unauditeda)

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	OTHER INTANGIBLE ASSETS	TOTAL
Gross value as at 1 January 2021	5 961	10 792	4 814	21 567
Additions	196	_	_	196
Sale and scrapping	_	-	_	-
Net foreign exchange differences	(5)	-	_	(5)
Gross value as at 30 June 2021	6 152	10 792	4 814	21 758
Accumulated amortization as at 1 January 2021	(5 479)	(10 792)	(4 657)	(20 928)
Amortization for the current period Sale and scrapping	(118)	-	(13)	(131)
Net foreign exchange differences	5	-	_	5
Accumulated amortization as at 30 June 2021	(5 592)	(10 792)	(4 670)	(21 054)
Net book value as at 1 January 2021	482		157	639
Net book value as at 30 June 2021	560	-	144	704

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 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.



17. Property, plant and equipment

Property, plant and equipment in the period from 1 January 2022 to 30 June 2022 (unaudited)

(IN PLN'000)	COMPUTER SYSTEMS	OTHER PROPERTY, PLANT AND EQUIPMENT	RIGHT TO USE OFFICE	RIGHT TO USE CAR	TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	TOTAL
Gross value as at 1 January 2022	19 436	8 385	12 347	413	336	40 917
Additions	3 513	1 396	_	_	(336)	4 573
Lease	_	_	19 933	293	· · ·	20 226
Sale and scrapping	(237)	(359)	(2 024)	(169)	-	(2 789)
Net foreign exchange differences	32	74	424	8	-	538
Gross value as at 30 June 2022	22 744	9 496	30 680	545	-	63 465
Accumulated amortization as at 1 January 2022	(14 626)	(4 489)	(5 373)	(223)	_	(24 711)
Amortization for the current period	(1 487)	(389)	(3 624)	(50)	-	(5 550)
Sale and scrapping	233	171	1 986	184	-	2 574
Net foreign exchange differences	(18)	(45)	(152)	(5)	-	(220)
Accumulated amortization as at 30 June 2022	(15 898)	(4 752)	(7 163)	(94)	-	(27 907)
Net book value as at 1 January 2022	4 810	3 896	6 974	190	336	16 206
Net book value as at 30 June 2022	6 846	4 744	23 517	451	-	35 558



Property, plant and equipment in the period from 1 January 2021 to 31 December 2021 (audited)

(IN PLN'000)	COMPUTER SYSTEMS	OTHER PROPERTY, PLANT AND EQUIPMENT	RIGHT TO USE OFFICE	RIGHT TO USE CAR	TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	TOTAL
Gross value as at 1 January 2021	15 882	7 665	15 153	361	23	39 084
Additions	4 214	3 280	_	_	312	7 806
Lease	_	=	4 326	195	_	4 521
Sale and scrapping	(607)	(2 587)	(7 066)	(149)	_	(10 409)
Net foreign exchange differences	(53)	27	(66)	6	1	(85)
Gross value as at 31 December 2021	19 436	8 385	12 347	413	336	40 917
Accumulated amortization as at 1 January 2021	(12 364)	(6 010)	(7 207)	(243)	_	(25 824)
Amortization for the current period	(2 899)	(658)	(4 978)	(122)	_	(8 657)
Sale and scrapping	602	2 203	6 832	147	_	9 784
Net foreign exchange differences	35	(24)	(20)	(5)	-	(14)
Accumulated amortization as at 31 December 2021	(14 626)	(4 489)	(5 373)	(223)	_	(24 711)
Net book value as at 1 January 2021	3 518	1 655	7 946	118	23	13 260
Net book value as at 31 December 2021	4 810	3 896	6 974	190	336	16 206



Property, plant and equipment in the period from 1 January 2021 to 30 June 2021 (unaudited)

(IN PLN'000)	COMPUTER SYSTEMS	OTHER PROPERTY, PLANT AND EQUIPMENT	RIGHT TO USE OFFICE	RIGHT TO USE CAR	TANGIBLE FIXED ASSETS UNDER CONSTRUCTION	TOTAL
Gross value as at 1 January 2021	15 882	7 665	15 153	361	23	39 084
Additions	2 227	(20)	_	-	65	2 272
Lease	_	·	3 291	-	-	3 291
Sale and scrapping	_	_	(713)	-	-	(713)
Net foreign exchange differences	(43)	(35)	(139)	(3)	-	(220)
Gross value as at 30 June 2021	18 066	7 6 10	17 592	358	88	43 714
Accumulated amortization as at 1 January 2021	(12 364)	(6 010)	(7 207)	(243)	_	(25 824)
Amortization for the current period	(1 496)	(279)	(2 341)	(66)	-	(4 182)
Sale and scrapping	_	_	686	-	_	686
Net foreign exchange differences	34	30	49	3	_	116
Accumulated amortization as at 30 June 2021	(13 826)	(6 259)	(8 813)	(306)	-	(29 204)
Net book value as at 1 January 2021	3 518	1 655	7 946	118	23	13 260
Net book value as at 30 June 2021	4 240	1 351	8 779	52	88	14 510



Non-current assets by geographical area

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Central and Eastern Europe	28 786	8 900	7 256
- including Poland	27 922	8 136	6 360
Western Europe	6 664	6 373	6 883
Latin America and Turkey	1 297	1 518	1 075
Total non-current assets	36 747	16 791	15 214

18. Amounts due to clients

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Amounts due to retail clients	2 057 411	1 943 368	1 683 332
Amounts due to institutional clients	116 463	67 122	68 170
Total amounts due to clients	2 173 874	2 010 490	1 751 502

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

19. Financial liabilities held for trading

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Stock and ETF CFDs	40 971	47 536	49 859
Index CFDs	36 573	34 492	52 315
Commodity CFDs	17 905	17 356	19 451
Currency CFDs	17 450	28 083	19 322
Bond CFDs	153	245	16
Total financial liabilities held for trading	113 052	127 712	140 963

20. Liabilities due to lease

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Short-term	5 351	2 894	4 123
Long-term	20 246	4 543	5 003
Total liabilities due to lease	25 597	7 437	9 126

The Company is the lessee in the case of office space and car rental contracts. The value of the leased assets is reported in note 17.

21. Other liabilities

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Trade liabilities	28 674	18 982	6 912
Provisions for other employee benefits	28 802	21 588	11 659
Liabilities due to brokers	11 719	3 692	9 329
Statutory liabilities	6 069	3 237	3 971
Liabilities due to employees	632	674	773
Amounts due to the Central Securities Depository of Poland	220	204	198
Total other liabilities	76 116	48 377	32 842

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, established in the amount of projected benefits, which the Group is obligated to pay in the event of payment of holiday equivalents.



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.

As at 30 June 2022, salaries and employee benefits included the provision for variable remuneration elements in the amount of PLN 4 884 thousand, as at 31 December 2021, salaries and employee benefits included the provision for variable remuneration elements in the amount of PLN 3 013 thousand and as at 30 June 2021 in the amount of PLN 1 387 thousand.

22. Provisions for liabilities and contingent liabilities

22.1 Provisions for liabilities

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Provisions for retirement benefits	183	177	1 590
Provisions for legal risk	4 062	4 788	4 697
Total provisions	4 245	4 965	6 287

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 5.4 of the Additional information to the quarterly report. 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 half-year condensed consolidated financial statements.

Movements in provisions in the period from 1 January 2022 to 30 June 2022 (unaudited)

(IN DI N/000)	VALUE AS AT	INCDEACEC	DECREASE	S	VALUE AS AT
(IN PLN'000)	01.01.2022	INCREASES	USE	REVERSAL	30.06.2022
Provisions for retirement benefits	177	6	_	-	183
Provisions for legal risk	4 788	685	1 380	31	4 062
Total provisions	4 965	691	1 380	31	4 245

Movements in provisions in the period from 1 January 2021 to 31 December 2021 (audited)

(IN DI N. 2000)	VALUE AS AT	INODEACEC	DECREASES		VALUE AS AT
(IN PLN'000)	01.01.2021	INCREASES	USE	REVERSAL	31.12.2021
Provisions for retirement benefits	1 610	-	-	1 433	177
Provisions for legal risk	6 329	141	1 127	555	4 788
Total provisions	7 939	141	1 127	1 988	4 965

Movements in provisions in the period from 1 January 2021 to 30 June 2021 (unaudited)

(IN PLN'000)	VALUE AS AT	INCREASES	DECREASES		VALUE AS AT
(IN PLN 000)	01.01.2021	INCREASES	USE	REVERSAL	30.06.2021
Provisions for retirement benefits	1 610	-	-	20	1 590
Provisions for legal risk	6 329	_	1 334	298	4 697
Total provisions	7 939	_	1 334	318	6 287



22.2 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 clients' claims. As at 30 June 2022 the total value of claims brought against the Group amounted to approx. PLN 15 260 thousand (as at 31 December 2021: PLN 15 693 thousand, as at 30 June 2021: PLN 14 801 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 May 9, 2014, the Parent Company issued a guarantee in the amount of PLN 67 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 5 987 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.

23. Equity

Share capital structure as at 30 June 2022, 31 December 2021 and 30 June 2021

SERIES/ISSUE	NUMBER OF	NOMINAL VALUE OF SHARES	NOMINAL VALUE OF ISSUE
	SHARES	(IN PLN)	(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-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 30 June 2022, 31 December 2021 and 30 June 2021 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%
Total	117 383 635	5 869	100,00%

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 657 555 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,
- foreign exchange differences on translation, including foreign exchange differences on translation of balances in foreign currencies of branches and foreign operations in the amount of PLN 1 970 thousand. The detailed specification of foreign exchange differences on translation was presented in the table below



(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
XTB International	1 858	495	(154)
XTB Spółka Akcyjna branch in Germany	895	777	666
XTB MENA Limited	824	217	(16)
XTB Limited UK	750	859	303
XTB Limited CY	609	471	339
XTB Spółka Akcyjna branch in France	332	258	184
XTB Spółka Akcyjna branch in Romania	293	283	280
XTB Services Limited	144	114	63
XTB Africa (PTY) Ltd.	119	(33)	34
XTB Spółka Akcyjna	97	62	52
XTB Spółka Akcyjna branch in Czech Republic	67	47	19
XTB Spółka Akcyjna branch in Spain	47	20	4
XTB Spółka Akcyjna branch in Slovakia	20	8	2
XTB Spółka Akcyjna branch in Portugal	7	2	_
XTB Chile SpA	(357)	(371)	(96)
Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.	(3 735)	(3 658)	(3 252)
Total foreign exchange differences on translation	1 970	(449)	(1 572)

24. Profit distribution and dividend

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 16 May 2022.

Pursuant to the decision of the General Shareholders' Meeting of the Parent Company, the net profit for 2020 in the amount of PLN 418 176 thousand was partially earmarked for the payment of a dividend in the amount of PLN 210 117 thousand, the remaining amount was transferred to reserve capital.

The amount of dividend per share paid for 2020 was equal to PLN 1,79. The dividend was paid on 30 April 2021.

25. 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.

	SIX-MONTH PERIOD ENDED		
(IN PLN'000)	30.06.2022 (UNAUDITED)	30.06.2021 (UNAUDITED)	
Profit from continuing operations attributable to shareholders of the Parent Company	479 570	65 006	
Weighted average number of ordinary shares	117 383 635	117 383 635	
Shares causing dilution (share option plan)	-	_	
Weighted average number of shares including dilution effect	117 383 635	117 383 635	
Basic net profit per share from continuing operations for the year attributable to shareholders of the Parent Company	4,09	0,55	
Diluted net profit per share from continuing operations for the year	4.00	0.55	
attributable to shareholders of the Parent Company	4,09	0,55	



26. Current income tax and deferred income tax

26.1 Current income tax

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

SIX-MONTH PE		
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Income tax – current portion		
Income tax for the reporting period	(75 013)	1 666
Income tax – deferred portion		
Occurrence / reversal of temporary differences	(31 064)	(14 683)
Income tax disclosed in profit and loss	(106 077)	(13 017)

Reconciliation of the actual tax burden

	SIX	-MONTH PERIOD ENDED
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Profit before tax	585 647	78 023
Income tax based in the applicable tax rate of 19%	(111 273)	(14 824)
Difference resulting from application of tax rates applicable in other countries	766	104
Non-taxable revenue	46	503
Non-deductible expenses	(664)	(509)
Tax loss for the reporting period not disclosed in the deferred tax	· -	13
Write-off of tax losses deferred in previous years	(471)	_
Other items affecting the tax burden amount	5 519	1 696
Income tax disclosed in profit or loss	(106 077)	(13 017)

26.2 Deferred income tax

Change in the balance of deferred tax for the period from 1 January to 30 June 2022 (unaudited)

(IN PLN'000)	AS AT 01.01.2022	PROFIT OR (LOSS)	AS AT 30.06.2022
Deferred income tax assets			
Cash and cash equivalents	23	43	66
Property, plant and equipment	24	245	269
Financial liabilities held for trading	18 969	(3 309)	15 660
Provisions for liabilities	468	77	545
Prepayments and deferred costs	2 521	1 511	4 032
Other liabilities	6 909	(45)	6 864
Tax losses of previous periods to be settled in future periods	8 524	(641)	7 883
Total deferred income tax assets	37 438	(2 119)	35 319



(IN PLN'000)	AS AT 01.01.2022	PROFIT OR (LOSS)	AS AT 30.06.2022
Deferred income tax provision			
Cash and cash equivalents	25	28	53
Financial assets at fair value through P&L	59 249	29 045	88 294
Other liabilities	246	207	453
Prepayments and deferred costs	-	-	-
Financial assets at amortised cost	671	(321)	350
Property, plant and equipment	299	(14)	285
Total deferred income tax provision	60 490	28 945	89 435
Deferred tax disclosed in profit or (loss)	_	(31 064)	-

(IN PLN'000)	AS AT 01.01.2022	INCLUDED IN EQUITY	AS AT 30.06.2022
Deferred income tax provision included directly in the equity:			
Separate equity of branches	674	142	816
Total deferred income tax provision included directly in the equity	674	142	816

Change in the balance of deferred tax for the period from 1 January to 31 December 2021 (audited)

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 31.12.2021
Deferred income tax assets			
Cash and cash equivalents	_	23	23
Property, plant and equipment	138	(114)	24
Financial liabilities held for trading	14 196	4 773	18 969
Provisions for liabilities	670	(202)	468
Prepayments and deferred costs	3 453	(932)	2 521
Other liabilities	3 002	3 907	6 909
Tax losses of previous periods to be settled in future periods	9 217	(693)	8 524
Total deferred income tax assets	30 676	6 762	37 438

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 31.12.2021
Deferred income tax provision			
Cash and cash equivalents	15	10	25
Financial assets at fair value through P&L	43 227	16 022	59 249
Other liabilities	203	43	246
Prepayments and deferred costs	383	(383)	_
Financial assets at amortised cost	_	671	671
Property, plant and equipment	_	299	299
Total deferred income tax provision	43 828	16 662	60 490
Deferred tax disclosed in profit or (loss)	_	(9 900)	_

(IN PLN'000)	AS AT 01.01.2021	INCLUDED IN EQUITY	AS AT 31.12.2021
Deferred income tax provision included directly in the equity:			
Separate equity of branches	718	(44)	674
Total deferred income tax provision included directly in the equity	718	(44)	674



Change in the balance of deferred tax for the period from 1 January to 30 June 2021 (unaudited)

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 30.06.2021
Deferred income tax assets			
Property, plant and equipment	138	(5)	133
Financial liabilities held for trading	14 196	6 234	20 430
Provisions for liabilities	670	13	683
Prepayments and deferred costs	3 453	(1 434)	2 019
Other liabilities	3 002	2 724	5 726
Tax losses of previous periods to be settled in future periods	9 217	1 712	10 929
Total deferred income tax assets	30 676	9 244	39 920

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 30.06.2021
Deferred income tax provision			
Cash and cash equivalents	15	(7)	8
Financial assets at fair value through P&L	43 227	22 690	65 917
Other liabilities	203	1 231	1 434
Financial assets at amortised cost	383	(5)	378
Property, plant and equipment	_	18	18
Total deferred income tax provision	43 828	23 927	67 755
Deferred tax disclosed in profit or (loss)	-	(14 683)	-

(IN PLN'000)	AS AT 01.01.2021	INCLUDED IN EQUITY	AS AT 30.06.2021
Deferred income tax provision included directly in the equity:			
Separate equity of branches	718	(177)	541
Total deferred income tax provision included directly in the equity	718	(177)	541

Geographical division of deferred income tax assets

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Central and Eastern Europe	166	153	64
Western Europe	7 899	8 540	8 923
Latin America	-	_	11
Total deferred income tax assets	8 065	8 693	8 998

Data concerning the presentation of deferred income tax by country of origin and reconciliation of presentation in the statement of financial position as at 30 June 2022 (unaudited):

(IN DI NI'000)	DATA ACCORDING TO	DATA ACCORDING TO THE NATURE OF ORIGIN		DATA PRESENTED IN THE STATEMENT O FINANCIAL POSITIO	
(IN PLN'000)	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	
Poland	26 947	89 395	-	62 448	
Czech Republic	87	19	68	-	
Slovakia	132	34	98	-	
Germany	2 523	-	2 523	-	
France	3 617	-	3 617	-	
Great Britain	1 760	-	1 760	-	
Chile	253	350	-	97	
Belize	_	453	-	453	
Total	35 319	90 251	8 066	62 998	



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 2021 (audited):

(IN DI NIGOO)	DATA ACCORDING TO	TA ACCORDING TO THE NATURE OF ORIGIN		D IN THE STATEMENT OF FINANCIAL POSITION
(IN PLN'000)	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION
Poland	28 676	60 547	-	31 871
Czech Republic	80	20	60	-
Slovakia	99	6	93	-
Germany	2 566	_	2 566	-
France	4 101	_	4 101	-
Great Britain	1 873	-	1 873	-
Chile	43	345	_	302
Belize	-	246	-	246
Total	37 438	61 164	8 693	32 419

Data concerning the presentation of deferred income tax by country of origin and reconciliation of presentation in the statement of financial position as at 30 June 2021 (unaudited):

(IN DI MOGO)	DATA ACCORDING TO	DATA ACCORDING TO THE NATURE OF ORIGIN		O IN THE STATEMENT OF FINANCIAL POSITION
(IN PLN'000)	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION
Poland	30 524	67 767	-	37 243
Czech Republic	21	11	10	=
Slovakia	62	9	53	-
Germany	2 609	-	2 609	-
France	4 457	-	4 457	-
Great Britain	1 858	-	1 858	-
Chile	389	378	11	-
Belize	_	131	-	131
Total	39 920	68 296	8 998	37 374

27. Related party transactions

27.1 Parent Company

XXZW Investment Group S.A. with its registered office in Luxembourg is the key shareholder of the Company. As at 30 June 2022 it holds 66,99% 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 majority stakeholder of the Company and XXZW Investment Group S.A.

27.2 Figures concerning related party transactions

As at 30 June 2022 the Company has liabilities to Mr Jakub Zabłocki in the amount of PLN 19 thousand due to his investment account (as at 31 December 2021: PLN 19 thousand, as at 30 June 2021 PLN 19 thousand). In the period from 1 January to 30 June 2022 the Company realized profit on transactions on financial instruments with Mr Jakub Zabłocki in the amount of PLN 4 thousand. In the period from 1 January to 30 June 2021 the Company did not note the results on transactions on financial instruments 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 30 June 2022 the paid gross salary and bonuses amounted to PLN 1 283 thousand and in the analogical period of 2021 amounted to PLN 446 thousand.

Mr Hubert Walentynowicz receives salary on the basis of work contract as Regional Director. In the period from 1 January to 30 June 2022 the paid gross salary and bonuses amounted to PLN 247 thousand and in the analogical period of 2021 amounted to PLN 230 thousand.



As at 30 June 2022 the Company has liabilities to Mr. Filip Kaczmarzyk in the amount of PLN 96 thousand due to his investment account, as at 31 December 2021 in the amount of PLN 79 thousand and as at 30 June 2021 in the amount of PLN 79 thousand.

As at 30 June 2022 the Company has liabilities to Mr. Paweł Szejko in the amount of PLN 18 thousand due to his investment account, as at 31 December 2021 in the amount of PLN 7 thousand and as at 30 June 2021 in the amount of PLN 0.

As at 30 June 2022 the Company has liabilities to Mr. Jakub Kubacki in the amount of PLN 28 thousand due to his investment account. As at 31 December 2021 and 30 June 2021 the Company had no settlements with Mr. Jakub Kubacki due to his investment account.

The table below presents the total number and nominal value of the Company's shares held directly by the Company's management and supervisory bodies, as at the date of submitting this report:

NAME AND SURNAME	FUNCTION	NUMBER OF SHARES HELD	TOTAL NOMINAL VALUE OF SHARES (in PLN)
Paweł Szejko	Member of the Management Board	4 000	200
Jakub Kubacki	Member of the Management Board	2 400	120

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 9 May 2022 Paweł Szejko acquired jointly 3 300 shares of Company;
- on the 28 June 2022 Paweł Szejko acquired jointly 700 shares of Company;
- on the 1 July 2022 Jakub Kubacki acquired jointly 2 400 shares of Company.

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 Company's shares.

27.3 Benefits to Management Board and Supervisory Board

	SIX	-MONTH PERIOD ENDED
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Benefits to the Management Board members	(3 565)	(1 318)
Benefits to the Supervisory Board members	(122)	(129)
Total benefits to the Management Board and Supervisory Board	(3 687)	(1 447)

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 21 of the financial statements.

27.4 Loans granted to the Management and Supervisory Board members

As at 30 June 2022, 31 December 2021 and 30 June 2021 there are no loans granted to the Management and Supervisory Board members.



28. Supplementary information and explanations to the cash flow statement

28.1 Other adjustments

The "other adjustments" item includes the following adjustments:

	SIX-MONTH PERIOD EN	
(IN PLN'000)	30.06.2022 (UNAUDITED)	30.06.2021 (UNAUDITED)
Change in the balance of differences from the conversion of branches and subsidiaries	2 419	(1 581)
Foreign exchange differences on translation of movements in property, plant and equipment, and intangible assets	(318)	104
Change in other adjustments	2 101	(1 477)

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.

29. Post balance sheet events

There were no events after the balance sheet date.

30. Off-balance sheet items

30.1 Nominal value of financial instruments

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Index CFDs	3 660 086	3 554 525	4 129 586
Currency CFDs	2 270 799	2 585 954	1 952 988
Commodity CFDs	1 463 664	1 600 229	1 697 320
Stock and ETF CFDs	565 556	910 224	994 774
Bond CFDs	58 033	3 813	7 544
Total financial instruments	8 018 138	8 654 745	8 782 212

The nominal value of instruments presented in the chart above includes transactions with customers and brokers. As at 30 June 2022 transactions with brokers represent 6% of the total nominal value of instruments (as at 31 December 2021: 9% of the total nominal value of instruments).

30.2 Customers' financial instruments

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

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Listed stocks and rights to stocks registered in customers'			
securities accounts	2 890 440	2 452 113	1 798 608
Other securities registered in customers' securities accounts	207	207	207
Total customers' financial instruments	2 890 647	2 452 320	1 798 815

30.3 Transaction limits

The amount of unused transaction limits granted to related entities was PLN 17 113 thousand as at 30 June 2022, at 31 December 2021 PLN 15 521 thousand and as at 30 June 2021 was PLN 14 468 thousand.



31. Items regarding the compensation scheme

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
1. Contributions made to the compensation scheme			
a) opening balance	7 412	5 654	5 654
- increases	1 464	1 758	691
b) closing balance	8 876	7 412	6 345
2. XTB's share in the profits from the compensation scheme	427	372	342

32. 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 Group 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 Group's risk appetite. To establish its capital-related goals, the Group 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 ICAAP, 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 December 8, 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 statements 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 2021 XTB MENA Limited,
- since 31st August 2021 XTB Africa (PTY) Ltd and
- till 30 July 2021 Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.

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 26th June 2021 the capital buffers requirement ceased to exist for the Group.

Key values in capital management:

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
The Group's own funds	717 753	659 765	653 200
Tier I Capital	717 753	659 765	653 200
Common Equity Tier I capital	717 753	659 765	653 200
Total capital requirement IFR	451 956	329 638	418 829
Total capital ratio IFR	158,8%	200,1%	156%
Minimal required total capital ratio including buffers (article 9 section1 letter c) of IFR)	100%	100%	100%

The mandatory capital adequacy was not breached in the periods covered by the half-year 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 30.06.2022 (UNAUDITED)	AVERAGE MONTHLY VALUE IN THE PERIOD (UNAUDITED)	AS AT 31.12.2021 (AUDITED)	AS AT 30.06.2021 (UNAUDITED)
1. Own funds	717 753	687 139	659 765	653 200
1.1. Base capital Tier I without deductions	734 431	697 418	675 665	675 665
1.2. Supplementary capital Tier I	-	-	_	_
1.3. Items decreasing share capitals	(16 678)	(10 279)	(15 900)	(22 465)
I. Own funds	717 753	687 139	659 765	653 200
1. Risk to Client, including:	9 353	8 566	7 930	6 772
1.1. K-AUM	-	-	_	_
1.2 K-CMH	8 137	7 512	7 010	6 207
1.3 K-ASA	1 141	991	868	480
1.4 K-COH	75	63	52	85
2. Risk to Market, including:	311 308	236 151	197 267	268 083
2.1 K-NPR	311 308	236 151	197 267	268 083
2.2 K-CMG	-	-	_	_
3. Risk to Firm, including:	131 295	123 494	124 441	143 974
3.1 K-TCD	128 754	121 366	122 592	142 520
3.2 K-DTF	2 541	2 128	1 849	1 454
3.3 K-CON	-	-	_	_
II. Total K-factor capital requirement (IFR)	451 956	368 211	329 638	418 829

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



33. 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 strategic 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 requirement and estimates internal capital. The Risk Control Department is headed by a Member of the Management Board who exercises permanent supervision over the risk management system in the Company.

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

33.1 Fair value

33.1.1 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

33.1.2 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: guoted 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)	30.06.2022 (UNAUDITED)						
(IN PLN 000)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL			
Financial assets							
Financial assets at fair value through P&L	360 866	517 362	-	878 228			
Total financial assets	360 866	517 362	-	878 228			
Financial liabilities							
Financial liabilities held for trading	-	113 052	-	113 052			
Total financial liabilities	_	113 052	-	113 052			



(INLDLN/000)	31.12.2021 (AUDITED)						
(IN PLN'000)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL			
Financial assets							
Financial assets at fair value through P&L	353 409	350 137	-	703 546			
Total financial assets	353 409	350 137	-	703 546			
Financial liabilities							
Financial liabilities held for trading	-	127 712	-	127 712			
Total financial liabilities	_	127 712	_	127 712			

(IN PLN'000)				
(IN PLN 000)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets				
Financial assets at fair value through P&L	161 047	390 358	-	551 405
Total financial assets	161 047	390 358	_	551 405
Financial liabilities				
Financial liabilities held for trading	-	140 963	-	140 963
Total financial liabilities	-	140 963	_	140 963

In the periods covered by the half-year 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.

33.2 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.

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33.2.1 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 which 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 30 June 2022 (unaudited)

		V	ALUE IN FOREI	GN CURRENCII	ES CONVERTE	D TO PLN			CARRYING
(IN PLN'000)	USD	EUR	GBP	CZK	HUF	RON	OTHER CURRENCIES	TOTAL	AMOUNT
Assets									
Cash and cash equivalents	595 432	908 258	40 055	207 163	7 334	21 661	34 591	1 814 494	2 720 051
Financial assets held for trading	99 807	157 496	7 196	69 568	5 762	7 436	20 297	367 562	878 228
Income tax receivables	_	2	_	_	_	_	124	126	1 180
Financial assets at amortised cost	2 662	7 921	180	1 005	75	186	1 553	13 582	22 939
Prepayments and deferred costs	1 857	1 509	155	605	-	55	13	4 194	10 956
Intangible assets	-	_	-	15	_	_	2	17	1 189
Property, plant and equipment	1 888	4 801	97	666	_	63	1 174	8 689	35 558
Deferred income tax assets	-	6 239	1 759	68	_	_	_	8 066	8 066
Total assets	701 646	1 086 226	49 442	279 090	13 171	29 401	57 754	2 216 730	3 678 167
Liabilities									
Amounts due to customers	283 912	839 991	21 566	241 618	8 106	24 248	25 546	1 444 987	2 173 874
Financial liabilities held for trading	50 153	26 762	3 087	7 557	769	444	11 245	100 017	113 052
Income tax liabilities	-	353	_	-	_	35	423	811	811
Lease liabilities	1 775	22 744	_	157	_	_	921	25 597	25 597
Other liabilities	13 674	20 014	4 277	2 055	18	767	2 712	43 517	76 116
Provisions for liabilities	_	_	_	_	_	_	275	275	4 245
Deferred income tax provision	-	_	_	_	-	_	550	550	62 998
Total liabilities	349 514	909 864	28 930	251 387	8 893	25 494	41 672	1 615 754	2 456 693



Assets and liabilities denominated in foreign currencies as at 31 December 2021 (audited)

		V	ALUE IN FOREI	GN CURRENCI	ES CONVERTE	D TO PLN			CARRYING
(IN PLN'000)	USD	EUR	GBP	CZK	HUF	RON	OTHER CURRENCIES	TOTAL	AMOUNT
Assets									
Cash and cash equivalents	534 146	816 290	39 251	207 735	13 343	22 838	34 282	1 667 885	2 376 261
Financial assets held for trading	79 147	112 877	9 971	41 993	3 168	3 756	14 843	265 755	703 546
Income tax receivables	_	72	_	_	_	_	_	72	7 247
Financial assets at amortised cost	1 679	7 355	213	1 640	114	562	1 212	12 775	26 568
Prepayments and deferred costs	1 024	1 141	452	126	_	10	8	2 761	8 637
Intangible assets	_	-	-	30	_	1	2	33	585
Property, plant and equipment	2 052	4 285	87	626	_	60	1 381	8 491	16 206
Deferred income tax assets	_	6 760	1 873	60	_	_	_	8 693	8 693
Total assets	618 048	948 780	51 847	252 210	16 625	27 227	51 728	1 966 465	3 147 743
Liabilities									
Amounts due to customers	232 610	769 782	28 381	226 312	12 139	23 019	28 123	1 320 366	2 010 490
Financial liabilities held for trading	55 882	26 585	3 830	9 361	1 018	854	9 986	107 516	127 712
Income tax liabilities	_	167	_	_	_	_	616	783	783
Lease liabilities	_	4 444	_	21	_	_	2 972	7 437	7 437
Other liabilities	8 118	13 247	4 503	1 750	10	471	1 052	29 151	48 377
Provisions for liabilities	_	1 380	_	_	-	_	300	1 680	4 965
Deferred income tax provision	_	_	_	_	-	_	548	548	32 419
Total liabilities	296 610	815 605	36 714	237 444	13 167	24 344	43 597	1 467 481	2 232 183



Assets and liabilities denominated in foreign currencies as at 30 June 2021 (unaudited)

		V	ALUE IN FOREI	GN CURRENCI	ES CONVERTE	D TO PLN			CARRYING
(IN PLN'000)	USD	EUR	GBP	сzк	HUF	RON	OTHER CURRENCIES	TOTAL	AMOUNT
Assets									
Cash and cash equivalents	425 805	704 330	35 921	167 457	9 449	18 811	32 276	1 394 049	2 113 339
Financial assets held for trading	89 152	136 695	10 891	39 887	2 989	3 639	11 680	294 933	551 405
Income tax receivables	_	31	_	_	_	_	_	31	10 472
Financial assets at amortised cost	1 546	6 407	174	827	86	826	1 133	10 999	14 312
Prepayments and deferred costs	533	613	110	100	-	19	9	1 384	6 960
Intangible assets	_	1	-	43	-	1	4	49	704
Property, plant and equipment	2 152	4 737	67	729	-	54	922	8 661	14 510
Deferred income tax assets	_	7 119	1 858	10	-	_	11	8 998	8 998
Total assets	519 188	859 933	49 021	209 053	12 524	23 350	46 035	1 719 104	2 720 700
Liabilities									
Amounts due to customers	181 805	679 526	28 359	182 805	9 886	19 340	25 051	1 126 772	1 751 502
Financial liabilities held for trading	45 632	43 437	6 668	8 294	983	742	8 166	113 922	140 963
Income tax liabilities	_	233	_	_	_	_	760	993	993
Lease liabilities	2 092	6 317	_	42	_	_	667	9 118	9 126
Other liabilities	(3 557)	15 370	1 937	1 377	6	355	695	16 183	32 842
Provisions for liabilities	_	_	_	_	-	_	1 787	1 787	6 287
Deferred income tax provision	_	_	_	_	-	_	131	131	37 374
Total liabilities	225 972	744 883	36 964	192 518	10 875	20 437	37 257	1 268 906	1 979 087



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 $\pm 5\%$ 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:

	SIX-MONTH PERIOD ENDED							
	30.06.2022 (U	NAUDITED)	30.06.2021 (U	NAUDITED)				
(IN PLN'000)	INCREASE IN EXCHANGE	DECREASE IN EXCHANGE	INCREASE IN EXCHANGE	DECREASE IN EXCHANGE				
	BY 5%	BY 5%	BY 5%	BY 5%				
Income (expenses) of the period	35 640	(35 640)	23 300	(23 300)				
Equity, of which:	3 566	(3 566)	2 701	(2 701)				
Foreign exchange differences on translation	3 566	(3 566)	2 701	(2 701)				

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

33.2.2 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 paid to clients in connection with funds deposited in cash accounts in the Group, and of the bank account and bank deposits where the Group's clients' funds are invested.

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, 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)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Financial assets			
Cash and cash equivalents	2 720 051	2 376 261	2 113 339
Debt instruments	347 141	331 926	146 199
Total financial assets	3 067 192	2 708 187	2 259 538
Financial liabilities			
Other liabilities	25 597	7 437	9 126
Total financial liabilities	25 597	7 437	9 126

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 on the basis of average balances of cash in the period from 1 January to 30 June 2022 and from 1 January to 30 June 2021, using the average 1M interest rate in a given market.



	SIX-MONTH PERIOD ENDED						
(IN PLN'000)	30.06.2022 (UI	NAUDITED)	30.06.2021 (UNAUDITED)				
	INCREASE BY	DECREASE BY	INCREASE BY	DECREASE BY			
	50 PB	50 PB	50 PB	50 PB			
Profit/(loss) before tax	13 423	(13 423)	2 488	(2 488)			

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.

	THREE-MONTH PERIOD ENDED						
(IN PLN'000)	30.06.2022 (UNA	(UDITED)	30.06.2021 (UNAUDITED)				
(IN PLN 000)	WZROST	SPADEK	WZROST	SPADEK			
	O 50 PB	O 50 PB	O 50 PB	O 50 PB			
Profit/(loss) before tax	(938)	944	(851)	868			

33.2.3 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)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Financial assets at fair value through P&L			
Commodity			
Precious metals	39 767	26 802	36 373
Base metals	3 121	868	1 172
Other	58 145	34 115	46 676
Total commodity	101 033	61 785	84 221
Equity instruments			
Stocks and ETF	101 538	89 716	65 045
Indicies	174 841	108 309	159 351
Total equity instruments	276 379	198 025	224 396
Debt instruments	571	19	30
Total financial assets at fair value through P&L	377 983	259 829	308 647
Financial liabilities held for trading			
Commodity			
Precious metals	619	5 855	2 170
Base metals	616	361	264
Other	6 715	5 932	11 093
Total commodity	7 950	12 148	13 527
Equity instruments			
Stocks and ETF	29 214	35 567	41 090
Indicies	26 088	29 551	39 722
Total equity instruments	55 302	65 118	80 812
Debt instruments	96	32	10
Total financial liabilities held for trading	63 348	77 298	94 349

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.



SIX-MONTH PERIOD ENDED							
(IN PLN'000)	30.06.2022 (l	JNAUDITED)	30.06.2021 (UNAUDITED)				
	INCREASE BY 5%	DECREASE BY 5%	INCREASE BY 5%	DECREASE BY 5%			
Income/(expenses) for the period							
Commodity							
Precious metals	(28 099)	28 099	(33 994)	33 994			
Base metals	(211)	211	(1 120)	1 120			
Other	(7 566)	7 566	5 017	(5 017)			
Total commodity	(35 876)	35 876	(30 097)	30 097			
Equity instruments							
Stocks and ETFs	29	(29)	-	-			
Indicies	(57 954)	57 954	43 321	(43 321)			
Total equity instruments	(57 925)	57 925	43 321	(43 321)			
Debt instruments	2 329	(2 329)	205	(205)			
Total income/(expenses) for the period	(91 472)	91 472	13 429	(13 429)			

33.3 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.

Tasks relating to the maintenance and updating of the rules of the liquidity model are performed by the Parent Company's Risk Control Department. Risk Control Department employees are required to analyse liquidity at least once a week, as well as to transfer the relevant information to the Parent Company's Accounting Department in order to make certain operations in the accounts.

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. 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 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 June 26, 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

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Treasury denominated in PLN. As at June 30, 2022, 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 30 June 2022 (unaudited)

(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
Financial assets							
Cash and cash equivalents	2 720 051	2 720 051	2 720 051	_	-	_	-
Financial assets at fair value through P&L							
Listed stocks and ETFs	13 725	13 725	13 725	_	_	_	_
Bonds	347 141	347 141	347 141				
CFDs	517 362	517 362	517 362	_	-	_	_
Total financial assets at fair value through							
P&L	878 228	878 228	878 228	_	_	_	_
Financial assets at amortised cost	22 939	22 939	14 203	_	8 736	_	_
Total financial assets	3 621 218	3 621 218	3 612 482	_	8 736	_	_
Financial liabilities							
Amounts due to clients	2 173 874	2 173 874	2 173 874	_	_	_	_
Financial liabilities held for trading							
CFDs	113 052	113 052	113 052	_	_	_	_
Total financial liabilities held for trading	113 052	113 052	113 052	_	_	_	_
Liabilities due to lease	25 597	25 597	1 428	3 679	20 490	_	_
Other liabilities	76 116	76 116	47 094	23 317	_	_	5 705
Total financial liabilities	2 388 639	2 388 639	2 335 448	26 996	20 490	-	5 705
Contractual liquidity gap in maturities							
(payment dates)			1 277 034	(26 996)	(11 754)	-	(5 705)
Contractual cumulative liquidity gap			1 277 034	1 250 038	1 238 284	1 238 284	1 232 579



Contractual payment periods of financial assets and liabilities as at 31 December 2021 (audited)

(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
Financial assets							
Cash and cash equivalents	2 376 261	2 376 261	2 376 261	_	_	_	_
Financial assets at fair value through P&L							
Listed stocks and ETFs	21 483	21 483	21 483	_	_	-	_
Bonds	331 926	331 926	331 926				
CFDs	350 137	350 137	350 137	-	_	-	_
Total financial assets at fair value through							
P&L	703 546	703 546	703 546	_	_	_	_
Financial assets at amortised cost	26 568	26 568	22 279	_	4 289	_	_
Total financial assets	3 106 375	3 106 375	3 102 086	_	4 289		-
Financial liabilities							
Amounts due to clients	2 010 490	2 010 490	2 010 490	_	_	_	_
Financial liabilities held for trading							
CFDs	127 712	127 712	127 712	_	_	_	_
Total financial liabilities held for trading	127 712	127 712	127 712	_	_	_	_
Liabilities due to lease	7 437	7 437	837	2 057	4 543	_	_
Other liabilities	48 377	48 377	26 586	16 330	_	_	5 461
Total financial liabilities	2 194 016	2 194 016	2 165 625	18 387	4 543	_	5 461
Contractual liquidity gap in maturities							
(payment dates)			936 461	(18 387)	(254)	_	(5 461)
Contractual cumulative liquidity gap			936 461	918 074	917 820	917 820	912 359



Contractual payment periods of financial assets and liabilities as at 30 June 2021 (unaudited)

(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
Financial assets							
Cash and cash equivalents	2 113 339	2 113 339	2 113 339				
Financial assets at fair value through P&L							
Listed stocks and ETFs	14 848	14 848	14 848	_	_	_	_
Bonds	146 199	146 199	146 199				
CFDs	390 358	390 358	390 358	-	_	_	_
Total financial assets at fair value through							
P&L	551 405	551 405	551 405	_	_	_	_
Financial assets at amortised cost	14 312	14 312	10 062	_	4 250	_	_
Total financial assets	2 679 056	2 679 056	2 674 806	-	4 250	_	_
Financial liabilities							
Amounts due to clients	1 751 502	1 751 502	1 751 502	_	_	_	_
Financial liabilities held for trading							
CFDs	140 963	140 963	140 963	_	_	_	_
Total financial liabilities held for trading	140 963	140 963	140 963	_	_	_	_
Liabilities due to lease	9 126	9 126	1 392	2 731	5 003	_	_
Other liabilities	32 842	32 842	20 985	7 555	_	_	4 302
Total financial liabilities	1 934 433	1 934 433	1 914 842	10 286	5 003	_	4 302
Contractual liquidity gap in maturities							
(payment dates)			759 964	(10 286)	(753)	_	(4 302)
Contractual cumulative liquidity gap			759 964	749 678	748 925	748 925	744 623

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



33.4 Credit risk

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

	30.06.2022 (UNAUDITED)	31.12.2021	(AUDITED)	30.06.2021 (30.06.2021 (UNAUDITED)	
(IN PLN'000)	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK	
Financial assets							
Cash and cash equivalents	2 720 051	2 720 051	2 376 261	2 376 261	2 113 339	2 113 339	
Financial assets at fair value through P&L *	878 228	17 663	703 546	24 152	551 405	38 418	
Financial assets at amortised cost	22 939	22 939	26 568	26 568	14 312	14 312	
Total financial assets	3 621 218	2 760 653	3 106 375	2 426 981	2 679 056	2 166 069	

^{*} As at 30 June 2022 the maximum exposure to credit risk for financial assets held for trading, not including the collateral received, was PLN 476 362 thousand (31 December 2021: PLN 24 104 thousand, 30 June 2021: PLN 390 428 thousand). This exposure was collateralised with clients' cash, which, as at 30 June 2022, covered the amount of PLN 458 699 thousand (31 December 2021: PLN 272 046 thousand, 30 June 2021: PLN 319 497 thousand). Exposures to credit risk connected with transactions with brokers as well as exposures to the Warsaw Stock Exchange were not collateralised.

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 30 June 2022, the Group had deposit accounts in 50 banks and institutions (31 December 2021: in 49 banks and institutions, 30 June 2021: in 48 banks and institutions). The ten largest exposures are presented in the table below (numbering of banks and institutions determined individually for each period:

ENTITY 3	0.06.2022 (UNAUDITED) (IN PLN'000)	ENTITY	31.12.2021 (AUDITED) (IN PLN'000)	ENTITY	30.06.2021 (UNAUDITED) (IN PLN'000)
Bank 1	965 570		682 155		514 877
Bank 2	339 807	Bank 2	326 417	Bank 2	480 488
Bank 3	339 413	Institution 1	313 432	Bank 3	262 680
Bank 4	308 452	Bank 3	279 383	Bank 4	227 704
Bank 5	105 853	Institution 2	123 257	Institution 1	150 292
Institution 1	100 108	Bank 4	105 612	Bank 5	71 367
Bank 6	96 992	Bank 5	88 649	Bank 6	65 785
Institution 2	73 687	Bank 6	73 255	Bank 7	54 973
Bank 7	69 165	Institution 3	67 669	Bank 8	46 143
Bank 8	61 745	Institution 4	59 801	Bank 9	43 920
Other	259 259	Other	256 631	Other	195 110
Total	2 720 051	Total	2 376 261	Total	2 113 339

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.



	CARRYING AMOUNT (IN PLN'000)					
CREDIT QUALITY STEPS	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)			
Cash and cash equivalent						
Step 1	1 996 902	1 952 898	1 467 852			
Step 2	73 890	23 265	16 136			
Step 3	646 834	397 446	627 214			
Step 4	2 425	2 652	2 137			
Total	2 720 051	2 376 261	2 113 339			

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:

30.06.2022 (UNAUDITED)		31.12.2021 (AUDITED)		30.06.2021 (UNAUDITED)	
ENTITY	NET EXPOSURE (IN PLN'000)	ENTITY	NET EXPOSURE (IN PLN'000)	ENTITY	NET EXPOSURE (IN PLN'000)
Entity 1	5 874	Entity 1	12 206	Entity 1	12 712
Entity 2	5 715	Entity 2	8 837	Entity 2	6 887
Entity 3	2 484	Entity 3	1 242	Entity 3	5 808
Entity 4	455	Entity 4	435	Entity 4	4 402
Entity 5	301	Entity 5	161	Entity 5	1 181
Entity 6	147	Entity 6	134	Entity 6	967
Entity 7	140	Entity 7	106	Entity 7	751
Entity 8	125	Entity 8	97	Entity 8	676
Entity 9	114	Entity 9	59	Entity 9	577
Entity 10	112	Entity 10	58	Entity 10	357
Total	15 467	Total	23 335	Total	34 318

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.

HALF-YEAR CONDENSED FINANCIAL STATEMENTS



HALF-YEAR CONDENSED COMPREHENSIVE INCOME STATEMENT

No PLN 1000 No TL			THREE-MONTH	PERIOD ENDED	SIX-MONTH PERIOD ENDED		
Income from fees and charges 6.2 1 228 1 045 2719 2 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 225 22	(IN PLN'000)	NOTE	30.06.2022	30.06.2021	30.06.2022	30.06.2021	
Other income 6 368 575 40 910 779 835 212 710 Marketing 8 (43 096) (14 435) (80 749) (35 308) Salaries and employee benefits 7 (36 293) (21 263) (71 748) (45 977) Other external services 9 (19 604) (18 139) (40 301) (36 365) Commission expenses 10 (7 485) (5 472) (15 772) (12 430) Amortisation and depreciation 16,17 (2 263) (1 940) (4 635) (3 694) Taxes and fees (2 868) (1 088) (4 201) (2 158) Costs of maintenance and lease of buildings (937) (595) (2 071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (11 485) (63 182) (222 022) 137 788) Profit on operating activities 254 090 (22 272) 555 613 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460)	Result of operations on financial instruments	6.1	367 341	39 555	777 099	210 170	
Total operating income	Income from fees and charges	6.2	1 228	1 045	2 719	2 225	
Marketing 8 (43 096) (14 435) (80 749) (35 308) Salaries and employee benefits 7 (36 293) (21 263) (71 748) (45 977) Other external services 9 (19 604) (18 139) (40 301) (36 365) Commission expenses 10 (7 485) (5 472) (15 772) (12 430) Amortisation and depreciation 16,17 (2 263) (1 940) (4 635) (3 694) Taxes and fees (2 868) (1 088) (4 201) (2 158) Costs of maintenance and lease of buildings (937) (595) (2 071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 738) Profit operating activities 254 090 (22 277) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance costs 11 1 7939 (7 414) 2 1667 1 375 </td <td>Other income</td> <td></td> <td>6</td> <td>310</td> <td>17</td> <td>315</td>	Other income		6	310	17	315	
Salaries and employee benefits 7 (36 293) (21 263) (71 748) (45 977) Other external services 9 (19 604) (18 139) (40 301) (36 365) Commission expenses 10 (7 485) (5 472) (15 772) (12 430) Amortisation and depreciation 16,17 (2 263) (1 940) (4 635) (3 694) Taxes and fees (2 868) (1 088) (4 201) (2 158) Costs of maintenance and lease of buildings (937) (595) (2 071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 738) Profit on operating activities 254 090 (22 272) 256 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 1 79 99 (7 414) 21 667 1 375 Finance costs 11 1 102 (1 78) (418) (1 28) </td <td>Total operating income</td> <td>6</td> <td>368 575</td> <td>40 910</td> <td>779 835</td> <td>212 710</td>	Total operating income	6	368 575	40 910	779 835	212 710	
Other external services 9 (19 604) (18 139) (40 301) (36 365) Commission expenses 10 (7 485) (5 472) (15 772) (12 430) Amortisation and depreciation 16,17 (2 263) (1 940) (4 635) (3 694) Taxes and fees (2 868) (1 088) (4 201) (2 158) Costs of maintenance and lease of buildings (937) (595) (2 071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 738) Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance costs 11 1 7 939 (7 414) 21 667 1 375 Finance income 11 1 7 939 (7 414) 21 667 1 375 Finance costs 11 1 102 (1 178) (418) (1 282)	Marketing	8	(43 096)	(14 435)	(80 749)	(35 308)	
Commission expenses 10 (7 485) (5 472) (15 772) (12 430) Amortisation and depreciation 16,17 (2 263) (1 940) (4 635) (3 694) Taxes and fees (2 868) (1 088) (4 201) (2 158) Costs of maintenance and lease of buildings (937) (595) (2071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 738) Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 17 939 (7 414) 21 667 1 375 Finance costs 11 17 939 (7 414) 21 667 1 375 Finance costs 11 17 939 (7 414) 21 667 1 375 Finance costs 11 17 939 (7 414) 21 67 1 577 Income tax	Salaries and employee benefits	7	(36 293)	(21 263)	(71 748)	(45 977)	
Amortisation and depreciation 16,17 (2 263) (1 940) (4 635) (3 694) Taxes and fees (2 868) (1 088) (4 201) (2 158) Costs of maintenance and lease of buildings (937) (595) (2 071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 738) Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 17 939 (7 414) 21 667 1 375 Finance costs 11 1 102 (1 178) (418) (1 282) Profit before tax 272 986 (31 107) 577 733 74 605 Income tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after me	Other external services	9	(19 604)	(18 139)	(40 301)	(36 365)	
Taxes and fees (2 868) (1 088) (4 201) (2 158) Costs of maintenance and lease of buildings (937) (595) (2 071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 788) Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 1 7939 (7 414) 21 667 1 375 Finance costs 11 1 102 (1178) (418) (1282) Profit before tax 272 986 (31 107) 577 733 74 605 Income tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions <td>Commission expenses</td> <td>10</td> <td>(7 485)</td> <td>(5 472)</td> <td>(15 772)</td> <td>(12 430)</td>	Commission expenses	10	(7 485)	(5 472)	(15 772)	(12 430)	
Costs of maintenance and lease of buildings (937) (595) (2 071) (1 203) Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 738) Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 17 939 (7 414) 21 667 1 375 Finance costs 11 1 102 (1 178) (418) (1 282) Profit before tax 272 986 (31 107) 577 733 74 605 Income tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) Foreign exchange differen	Amortisation and depreciation	16,17	(2 263)	(1 940)	(4 635)	(3 694)	
Other costs (1 939) (250) (3 545) (603) Total operating expenses (114 485) (63 182) (223 022) (137 738) Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 17 939 (7 414) 21 667 1 375 Finance costs 11 1 102 (1 178) (418) (1 282) Profit before tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions 26 (88) 574 (371) (839) - foreign exchange differences on valuation of separated equity 261 (1 281)	Taxes and fees		(2 868)	(1 088)	(4 201)	(2 158)	
Total operating expenses (114 485) (63 182) (223 022) (137738) Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 17 939 (7 414) 21 667 1 375 Finance costs 11 1 102 (1 178) (418) (1 282) Profit before tax 272 986 (31 107) 577 733 74 605 Income tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) - foreign exchange differences on translation of foreign exchange differences on translation of separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 17	Costs of maintenance and lease of buildings		(937)	(595)	(2 071)	(1 203)	
Profit on operating activities 254 090 (22 272) 556 813 74 972 Impairment of investments in subsidiaries (145) (243) (329) (460) Finance income 11 17 939 (7 414) 21 667 1 375 Finance costs 11 1 102 (1 178) (418) (1 282) Profit before tax 272 986 (31 107) 577 733 74 605 Income tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) - foreign exchange differences on translation of foreign operations (88) 574 (371) (839) - foreign exchange differences on valuation of separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 176 <t< td=""><td>Other costs</td><td></td><td>(1 939)</td><td>(250)</td><td>(3 545)</td><td>(603)</td></t<>	Other costs		(1 939)	(250)	(3 545)	(603)	
Impairment of investments in subsidiaries	Total operating expenses		(114 485)	(63 182)	(223 022)	(137 738)	
Finance income 11 17939 (7414) 21667 1375 Finance costs 11 1102 (1178) (418) (1282) Profit before tax 272 986 (31 107) 577 733 74 605 Income tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) - foreign exchange differences on translation of foreign operations (88) 574 (371) (839) - foreign exchange differences on valuation of separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53	Profit on operating activities		254 090	(22 272)	556 813	74 972	
Finance costs	Impairment of investments in subsidiaries		(145)	(243)	(329)	(460)	
Profit before tax 272 986 (31 107) 577 733 74 605 Income tax 26 (49 775) 6 050 (105 491) (12 644) Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) - foreign exchange differences on translation of foreign operations (88) 574 (371) (839) - foreign exchange differences on valuation of separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53	Finance income	11	17 939	(7 414)	21 667	1 375	
Net profit (loss) 26	Finance costs	11	1 102	(1 178)	(418)	(1 282)	
Net profit (loss) 223 211 (25 057) 472 242 61 961 Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions - foreign exchange differences on translation of foreign exchange differences on translation of foreign exchange differences on valuation of separated equity - foreign exchange differences on valuation of separated equity - deferred income tax (88) 574 (371) (839) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53	Profit before tax		272 986	(31 107)	577 733	74 605	
Other comprehensive income 124 (464) 236 (1 590) Items which will be reclassified to profit (loss) after meeting specific conditions - foreign exchange differences on translation of foreign operations - foreign exchange differences on valuation of separated equity - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53	Income tax	26	(49 775)	6 050	(105 491)	(12 644)	
Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) - foreign exchange differences on translation of foreign operations (88) 574 (371) (839) - foreign exchange differences on valuation of separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53	Net profit (loss)		223 211	(25 057)	472 242	61 961	
Items which will be reclassified to profit (loss) after meeting specific conditions 124 (464) 236 (1 590) - foreign exchange differences on translation of foreign operations (88) 574 (371) (839) - foreign exchange differences on valuation of separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53							
meeting specific conditions - foreign exchange differences on translation of foreign operations - foreign exchange differences on valuation of separated equity - deferred income tax Total comprehensive income Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 124 (464) 236 (1 590) (88) 574 (371) (839) (749) 261 (1 281) 749 (927) (749) 243 (142) 176 (749) 247 (748) 60 371	Other comprehensive income		124	(464)	236	(1 590)	
meeting specific conditions - foreign exchange differences on translation of foreign operations - foreign exchange differences on valuation of separated equity - deferred income tax Total comprehensive income Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 124 (464) 236 (1 590) (489) 236 (1 590) (491) 236 (1 590) (492) 247 (371) (839) (492) 247 (1281) 249 (927) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 247 (142) 25 (142) 26 (1590) 26 (1590) 27 (1590) 28 (1590) 28 (1590) 29 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20 (1590) 20	Items which will be reclassified to profit (loss) after						
foreign operations (88) 574 (371) (839) - foreign exchange differences on valuation of separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53 			124	(464)	236	(1 590)	
- foreign exchange differences on valuation of separated equity 261 (1281) 749 (927) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53			(00)	F74	(071)	(020)	
separated equity 261 (1 281) 749 (927) - deferred income tax (49) 243 (142) 176 Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53			(88)	5/4	(3/1)	(839)	
Total comprehensive income 223 335 (25 521) 472 478 60 371 Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53			261	(1 281)	749	(927)	
Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53	- deferred income tax		(49)	243	(142)	176	
Earnings per share: - basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53							
- basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53	Total comprehensive income		223 335	(25 521)	472 478	60 371	
- basic profit per year attributable to shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53							
the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53							
				(2.2.1)			
basic profit from continued apprations per year	the Parent Company (in PLN) - basic profit from continued operations per year	25	1,90	(0,21)	4,02	0,53	
attributable to shareholders of the Parent Company							
(in PLN) 25 1,90 (0,21) 4,02 0,53	(in PLN)	25	1,90	(0,21)	4,02	0,53	
- diluted profit of the year attributable to		c -		· · · · · ·			
shareholders of the Parent Company (in PLN) 25 1,90 (0,21) 4,02 0,53 - diluted profit from continued operations of the year		25	1,90	(0,21)	4,02	0,53	
attributable to shareholders of the Parent Company							
(in PLN) 25 1,90 (0,21) 4,02 0,53		25	1,90	(0,21)	4,02	0,53	

The half-year condensed comprehensive income statement should be read together with the supplementary notes which are an integral part of these half-year condensed financial statements.



HALF-YEAR CONDENSED STATEMENT OF FINANCIAL POSITION

(IN PLN'000)	NOTE	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
ASSETS				
Cash and cash equivalents	12	2 481 541	2 185 986	1 954 593
Financial assets at fair value through P&L	13	825 526	663 725	507 630
Investments in subsidiaries	14	43 794	39 879	39 245
Income tax receivables		1 045	7 247	10 472
Financial assets at amortised cost	15	56 025	47 796	23 227
Prepayments and deferred costs		8 909	7 093	6 276
Intangible assets	16	1 068	450	555
Property, plant and equipment	17	32 381	12 562	11 143
Deferred income tax assets	26.2	6 306	6 820	7 129
Total assets		3 456 595	2 971 558	2 560 270
EQUITY AND LIABILITIES				
Liabilities				
Amounts due to customers	18	2 010 803	1 879 191	1 631 518
Financial liabilities held for trading	19	70 959	94 469	105 916
Income tax liabilities	0.0	296	132	232
Liabilities due to lease	20	22 902	4 382	6 185
Other liabilities	21	76 394	44 429	35 439
Provisions for liabilities	22 26.2	3 971 62 448	4 665	4 500 37 243
Deferred income tax provision Total liabilities	20.2	2 247 773	31 871	
Total liabilities		2 24/ //3	2 059 139	1 821 033
Equity				
Share capital	23	5 869	5 869	5 869
Supplementary capital	23	71 608	71 608	71 608
Other reserves	23	657 417	598 651	598 651
Foreign exchange differences on translation	23	1 686	1 450	1 148
Retained earnings		472 242	234 841	61 961
Total equity		1 208 822	912 419	739 237
Total equity and liabilities		3 456 595	2 971 558	2 560 270

The half-year condensed statement of financial position should be read together with the supplementary notes which are an integral part of these half-year condensed financial statements.



HALF-YEAR CONDENSED STATEMENT OF CHANGES IN EQUITY

Half-year condensed statement of changes in equity for the period from 1 January 2022 to 30 June 2022

(IN PLN'000)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	OTHER RESERVES	FOREIGN EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS AND SEPARATE FUNDS	RETAINED EARNINGS	TOTAL EQUITY
NOTE	23	23	23,24	23	23,24	
As at 1 January 2022	5 869	71 608	598 651	1 450	234 841	912 419
Total comprehensive income for the financial year Net profit Other comprehensive income Total comprehensive income for the financial year	- - -	- - -	- - -	- 236 236	472 242 - 472 242	472 242 236 472 478
Transactions with Parent Company's owners recognized directly in equity						
Appropriation of profit						
- dividend payment	-	-	-	-	(176 075)	(176 075)
- transfer to other reserves	-	_	58 766	_	(58 766)	_
Increase (decrease) in equity	_	_	58 766	236	237 401	296 403
As at 30 June 2022 (unaudited)	5 869	71 608	657 417	1 686	472 242	1 208 822

The half-year condensed statement of changes in equity should be read together with the supplementary notes which are an integral part of these half-year condensed financial statements.



Statement of changes in equity for the period from 1 January 2021 to 31 December 2021

(IN PLN'000)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	OTHER RESERVES	FOREIGN EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS AND SEPARATE FUNDS	RETAINED EARNINGS	TOTAL EQUITY
NOTE	23	23	23,24	23	23,24	
As at 1 January 2021	5 869	71 608	390 592	2 738	418 176	888 983
Total comprehensive income for the financial year Net profit Other comprehensive income Total comprehensive income for the financial year	- - -	- - -	- - -	- (1 288) (1 288)	234 841 - 234 841	234 841 (1 288) 233 553
Transactions with Parent Company's owners recognized directly in equity						
Appropriation of profit - dividend payment - transfer to other reserves Increase (decrease) in equity As at 31 December 2021 (audited)	- - - 5 869	- - - 71 608	208 059 208 059 598 651	- - (1 288) 1 450	(210 117) (208 059) (183 335) 234 841	(210 117) - 23 436 912 419

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



Half-year condensed statement of changes in equity for the period from 1 January 2021 to 30 June 2021

(IN PLN'000)	SHARE CAPITAL	SUPPLEMENTARY CAPITAL	OTHER RESERVES	FOREIGN EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN OPERATIONS AND SEPARATE FUNDS	RETAINED EARNINGS	TOTAL EQUITY
NOTE	23	23	23,24	23	23,24	
As at 1 January 2021	5 869	71 608	390 592	2 738	418 176	888 983
Total comprehensive income for the financial year						
Net profit	_	_	_	_	61 961	61 961
Other comprehensive income	-	-	_	(1 590)	_	(1 590)
Total comprehensive income for the financial year	_	-	-	(1 590)	61 961	60 371
Transactions with Parent Company's owners recognized directly in equity						
Appropriation of profit - dividend payment	_	_	_	_	(210 117)	(210 117)
- transfer to other reserves	_	_	208 059	_	(208 059)	(210117)
Increase (decrease) in equity	_	_	208 059	(1 590)	(356 215)	(149 746)
As at 30 June 2021 (unaudited)	5 869	71 608	598 651	1 148	61 961	739 237

The half-year condensed statement of changes in equity should be read together with the supplementary notes which are an integral part of these half-year condensed financial statements.



HALF-YEAR CONDENSED CASH FLOW STATEMENT

		SIX-MONTH PERIOD ENDED		
(IN PLN'000)	NOTE	30.06.2022 (UNAUDITED)	30.06.2021 (UNAUDITED)	
Cash flows from operating activities				
Profit before tax		577 733	74 605	
Adjustments:		6 511	(12 709)	
Amortization and depreciation	16,17	4 635	3 694	
Foreign exchange (gains) losses from translation of cash		(20 853)	(3 481)	
(Gain) Loss on investment activity		1 435	1 590	
Other adjustments	28.1	153	(1 507)	
Changes				
Change in provisions		(694)	(411)	
Change in balance of financial assets at fair value through P&L and financial liabilities held for trading		(170 096)	(94 769)	
Change in balance of restricted cash		38 399	(426 589)	
Change in financial assets at amortised cost		(8 229)	337	
Change in balance of prepayments and accruals		(1 816)	(1 395)	
Change in balance of amounts due to customers		131 612	527 266	
Change in balance of other liabilities		31 965	(17 444)	
Cash from operating activities		584 244	61 896	
Income tax paid		(68 034)	(6 328)	
Interests		342	94	
Net cash from operating activities		516 552	55 662	
Cash flow from investing activities				
Proceeds from sale of property, plant and equipment		2	_	
Expenses relating to payments for property, plant and equipment	17	(4 384)	(2 117)	
Expenses relating to payments for intangible assets	16	(709)	(196)	
Expenses relating to payments for intangible assets Expenses relating purchase of bonds	10	(517 916)	(348 897)	
Proceeds from sale of bonds		499 046	599 140	
Interests on bonds		2712	1 071	
Dividends received from subsidiaries		51	1 071	
			240.001	
Net cash from investing activities		(21 198)	249 001	
Cash flow from financing activities				
Expenses relating to payments for investments in subsidiaries		(4 244)	(3 814)	
Payments of liabilities under finance lease agreements		(1 592)	(2 346)	
Interest paid under lease		(342)	(94)	
Dividend paid to owners		(176 075)	(210 117)	
Net cash from financing activities		(182 253)	(216 371)	
Increase (Decrease) in net cash and cash equivalents		313 101	88 292	
Cash and cash equivalents – opening balance		550 871	494 766	
Effect of FX rates fluctuations on balance of cash in foreign currencies	3	20 853	3 480	
Cash and cash equivalents – closing balance	12	884 825	586 538	

The half-year condensed cash flow statement should be read together with the supplementary notes which are an integral part of these half-year condensed financial statements.



ADDITIONAL NOTES TO THE HALF-YEAR CONDENSED FINANCIAL STATEMENTS

1. General information

1.1 Name and registered seat of the Company

Name: XTB Spółka Akcyjna
Legal form: Joint Stock Company

Country: Poland

Company registered seat: Prosta 67, 00-838 Warsaw

Regon statistical number: 015803782

Tax Identification Number: 5272443955

Registration in the National Court Register: 0000217580

1.2 Company business

XTB S.A. ("Comapny", "XTB) is a joint-stock company established pursuant to a notarial deed of 2 September 2004 - Repertory A-2712/2004. The Company was established for an indefinite period.

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

On 22 September 2004, the Company was entered in the National Court Register by the District Court for the Capital City of Warsaw, 12th Commercial Department of the National Court Register, under No. 0000217580. The Company was granted a statistical REGON number 015803782 and a tax identification (NIP) number 5272443955.

The Company's operations consist of conducting brokerage activities on the stock exchange (stocks and ETFs) and OTC markets (currency derivatives, commodities, indices, stocks and bonds). The 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.

1.3 Information on the reporting entities in the Company's organizational structure

The half-year condensed financial statements cover the following foreign branches which form the Company:

- XTB S.A. organizačni složka (formerly: X-Trade Brokers Dom Maklerski Spółka Akcyjna, organizačni 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. As at the date of this report, the registration of the new branch name in the local register is in progress.
- 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 (branch in 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 (branch in Germany)) 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.
 As at the date of this report, the registration of the new branch name in the local register is in progress.
- 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 Portugesa) 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.

1.4 Composition of the Company's Management Board

In the period covered by these financial statements, 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	term of office lasting from 23 March 2017 expired on 30 June 2022. 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	term of office lasting from 30 June 2019 expired on 30 June 2022. 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	term of office lasting from 30 June 2019 expired on 30 June 2022. 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	term of office lasting from 30 June 2019 expired on 30 June 2022. 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	term of office lasting from 30 June 2019 expired on 30 June 2022. 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 half-year condensed financial statements have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

The half-year condensed financial statements of the XTB S.A. prepared for the period from 1 January 2022 to 30 June 2022 with comparative data for the period from 1 January 2021 to 30 June 2021, as at 31 December 2021 and covers the Company's financial data and financial data of the branch offices.

These half-year condensed consolidated 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 Company and its branch offices maintain their accounting records in accordance with the accounting principles generally accepted in the countries in which these companies are established. The half-year condensed financial statements include adjustments not recognised in the companies' accounting records, made in order to reconcile their financial statements with the IFRS.

The half-year condensed financial statements do not cover all information and disclosures required by International Financial Reporting Standards approved by European Union (IFRS) to be presented in annual financial statements and they should be read jointly with the financial statements of the XTB S.A. for the year 2021.

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The half-year condensed financial statements were approved by the Management Board of the Company on 18 August 2022.

Drafting these half-year condensed financial statements, the Company decided that none of the standards would be applied retrospectively.

IFRS include 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 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 half-year condensed financial statements were prepared based on the assumption that the Company would continue as a going concern in the foreseeable future. At the date of preparation of these half-year condensed financial statements, the Management Board of XTB S.A. does not state any circumstances that would threaten the company's continued operations.

2.4 Comparability of data and consistency of the policies applied.

Data presented in the half-year condensed financial statements is comparable and prepared under the same principles for all periods covered by the half-year condensed financial statements, apart from changes described in note 2.5.

2.5 The impact of COVID-19 on the Company's results

In March 2020 the World Health Organization determined that COVID disease can be treated as a pandemic. Due to significant increase of this disease all over the world, countries take numerous action to limit or delay it's spread. The Company's Management Board does not identify any further impact of the COVID-19 pandemic on the Company's operations.

2.6 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 markets and declines in the financial and commodity markets around the world, which contributed to the record high results of the Company.

2.7 Changes in the accounting policies

The accounting policies applied in the preparation of the half-year condensed financial statements are consistent with those applied in the preparation of the financial statements of the Company for the year ended 31 December 2021, except for the application of new or amended standards and interpretations applicable to annual periods beginning on or after 1 January 2022.

- Annual amendments to IFRS 2018-2020
- Amendments to IFRS 37 Onerous Contracts
- Amendments to IFRS 16 Property, Plant and Equipment Proceeds before Intended Use
- Amendments to IFRS 3 Definition of a Business



The Company 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. The new or amended standards and interpretations that are applicable for the first time in 2022 do not have a significant impact on the Company's half-year condensed financial statements

2.8 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 17 "Insurance contracts" (issued on 18 May 2017) effective for financial years beginning on or after 1 January 2023,
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors"- not yet endorsed by EU at the date of approval of these financial statements effective for financial years beginning on or after 1 January 2023,
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture (issued on 11 September 2014) the endorsement process of these Amendments has been postponed by EU the effective date was deferred indefinitely by IASB,
- Amendments to IAS 1 Classification of liabilities as current or non- current not yet endorsed by EU at the date of approval of these financial statements –effective for financial years beginning on or after 1 January 2023,
- Amendments to IAS 12 "Income Taxes" requires to recognize deferred tax on transactions i.e. Leasing not yet endorsed by EU at the date of approval of these financial statements –effective for financial years beginning on or after 1 January 2023,
- Amendments to IFRS 17 "Insurance Contracts" Initial Application of IFRS 17 and IFRS 9—Comparative Information not
 yet endorsed by EU at the date of approval of these financial statements –effective for financial years beginning on or
 after 1 January 2023.

Above new standards and interpretations which have been published but are not yet binding do not have a significant impact on the Company's condensed 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. Variable remuneration, liabilities due to reimbursements and other in the case of the Company do not occur.

Detailed accounting policies are included in the full annual financial statements.

3.1 Material estimates and valuation

In order to prepare its financial statements in accordance with the IFRS, the Company 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 Company'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 Company, 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 Company makes estimates are presented below.



3.2 Impairment of assets

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

At each balance sheet date, the Company 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 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 utilised.

Period for settlement of the deferred tax asset

The Company 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 Company 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 33 – Risk management.

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 Company'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 calculated on the basis of the estimated amount of outflow of cash in the case in which it is probable that such outflow will occur, if the given case ends unsuccessfully.

Provisions for disputes is 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 establishing the provision in case of a loss in relations to all court cases.

4. Adopted accounting principles

The accounting policies applied in the preparation of the half-year condensed financial statements are consistent with the accounting policies applied in the preparation of the annual financial statements for the financial year ended 31 December 2021, except for the new or amended standards and new interpretations binding for the annual periods starting on or after 1 January 2022.

5. Seasonality of operations

The Company's operations are not seasonal.



6. **Operating income**

6.1 Result of operations in financial instruments

SIX-MONTH PERIO		
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Financial instruments (CFD)		
Index CFDs	417 896	101 622
Commodity CFDs	297 490	154 247
Currency CFDs	114 468	(19 333)
Stock and ETF CFDs	23 149	10 222
Bond CFDs	(1 230)	77
Total CFDs	851 773	246 835
Stocks and ETFs	2 151	(1 467)
Dividends from subsidiaries	51	52
Gross gain on transactions in financial instruments	853 975	245 420
Intermediary services	(76 473)	(35 035)
Commission paid to cooperating brokers	(403)	(215)
Net gain on transactions in financial instruments	777 099	210 170

Intermediary services are services performed on the foreign markets by the Company's subsidiaries.

The Company 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 Company and particular brokers relate to the trade between the broker and customers that are not his customers.

6.2 Income from fees and charges

	SIX-MONTH PERIOD ENDED		
(IN PLN'000)	30.06.2022	30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Fees and charges from institutional clients	1 425	1 333	
Fees and charges from retail clients	1 294	892	
Total income from fees and charges	2 719	2 225	

6.3 **Geographical areas**

	SIX-MONTH PERIOD ENDED		
(IN PLN'000)	30.06.2022	30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Operating income			
Central and Eastern Europe	504 143	116 394	
- including Poland	333 248	67 587	
Western Europe	206 038	66 234	
Latin America *	68 002	30 082	
Middle East **	1 652	_	
Total operating income	779 835	212 710	

^{*} 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 countries from which the Company derives each time 20% and over of its revenue is Poland with a share of 42,7% (2021: 31,8%). Due to the overall share in the Company's revenue Poland was set apart for presentation purposes within the geographical area. The share of other countries in the structure of the Company's revenue by geographical area does not in any case exceed 20%.



The Company breaks its revenue down into geographical area by the XTB office's 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.

7. Salaries and employee benefits

	SIX-MONTH PERIOD ENDED		
(IN PLN'000)	30.06.2022	30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Salaries	(59 509)	(37 227)	
Social insurance and other benefits	(10 344)	(7 741)	
Employee benefits	(1 895)	(1 009)	
Total salaries and employee benefits	(71 748)	(45 977)	

8. Marketing

	SIX-MONTH PERIOD ENDED	
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Marketing online	(60 222)	(33 174)
Marketing offline	(20 527)	(2 134)
Total marketing	(80 749)	(35 308)

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

9. Other external services

SIX-MONTH		
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Intermediary services	(20 865)	(20 564)
Support database systems	(8 319)	(6 683)
Market data delivery	(4 558)	(3 322)
Legal and advisory services	(2 124)	(2 192)
Internet and telecommunications	(1 377)	(1 188)
Recruitment	(1 152)	(228)
Accounting and audit services	(784)	(766)
Postal and courier services	(145)	(276)
IT support services	(119)	(667)
Other external services	(858)	(479)
Total other external services	(40 301)	(36 365)

Intermediary services represent remuneration paid to subsidiaries.

10. Commission expenses

	SIX-M	ONTH PERIOD ENDED
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Bank commissions	(12 345)	(10 116)
Stock exchange fees and charges	(3 242)	(1 981)
Commissions of foreign brokers	(185)	(333)
Total commission expenses	(15 772)	(12 430)



11. Finance income and costs

	SIX	SIX-MONTH PERIOD ENDED	
(IN PLN'000)	30.06.2022	30.06.2021	
	(UNAUDITED)	(UNAUDITED)	
Foreign exchange gains	20 511	1 328	
Income on Bonds	943	_	
Interest on own cash	209	13	
Other finance income	4	34	
Total finance income	21 667	1 375	

SIX-MONTH PERIO		
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Interest paid under lease agreements	(342)	(94)
Other interest	(66)	(86)
Other finance costs	(10)	_
Loss on Bonds	-	(1 102)
Total finance costs	(418)	(1 282)

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

12. Cash and cash equivalents

Broken down by type:

(IN PLN'000)	30.06.2022	31.12.2021	30.06.2021
(IIVI LIV 000)	(UNAUDITED)	(AUDITED)	(UNAUDITED)
In current bank accounts	2 481 541	2 185 986	1 954 593
Cash and cash equivalents in total	2 481 541	2 185 986	1 954 593

Own cash and restricted cash - customers' cash:

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Customers' cash and cash equivalents	1 596 716	1 635 115	1 368 055
Own cash and cash equivalents	884 825	550 871	586 538
Cash and cash equivalents in total	2 481 541	2 185 986	1 954 593

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

13. Financial assets at fair value through P&L

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Index CFDs	169 369	105 098	154 239
Currency CFDs	110 263	80 115	62 630
Commodity CFDs	98 546	59 029	80 415
Stock and ETF CFDs	85 954	66 105	49 339
Bond CFDs	571	18	30
Debt instruments (treasury bonds)	347 141	331 926	146 199
Stocks and ETF	13 682	21 434	14 778
Total financial assets at fair value through P&L	825 526	663 725	507 630

Detailed information on the estimated fair value of the instrument is presented in note 33.1.1.



14. Investment in subsidiaries

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
At the beginning of the reporting period	39 879	35 890	35 890
Increase	4 244	5 012	3 814
Impairment of investments in subsidiaries	(329)	(1 023)	(459)
At the end of the reporting period	43 794	39 879	39 245

Impairment of investments in subsidiaries

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Impairment write-downs of investments in subsidiaries – at the beginning of the reporting period	(4 097)	(3 074)	(3 074)
Write-downs recorded	(329)	(1 023)	(459)
Impairment write-downs of investments in subsidiaries – at the end of the reporting period	(4 426)	(4 097)	(3 533)

Detailed information on subsidiaries

	COUNTRY OF		30.06.2022 NAUDITED)		31.12.2021 (AUDITED)	(l	30.06.2021 JNAUDITED)
NAME OF SUBSIDIARY	REGISTERED OFFICE	CARRYING AMOUNT OF SHARES	SHARE IN CAPITAL	CARRYING AMOUNT OF SHARES	SHARE IN CAPITAL	CARRYING AMOUNT OF SHARES	SHARE IN CAPITAL
		(IN PLN'000)	%	(IN PLN'000)	%	(IN PLN'000)	%
XTB Limited	Great Britain	20 139	100%	20 139	100%	20 139	100%
X Open Hub Sp. z o.o.	Poland	5	100%	5	100%	5	100%
XTB Limited	Cyprus	7 560	100%	7 560	100%	7 560	100%
Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.	Turkey	532	100%	861	100%	1 425	100%
XTB International Limited	Belize	4 420	100%	4 420	100%	4 420	100%
XTB Chile SpA	Chile	403	100%	403	100%	403	100%
XTB Services Limited	Cyprus	337	100%	337	100%	337	100%
XTB Africa (PTY) Ltd.	South Africa	2 339	100%	2 339	100%	1 142	100%
XTB MENA Limited	UAE	8 059	100%	3 814	100%	3 814	100%
Lirsar S.A. en liquidacion	Uruguay	-	100%	_	100%	_	100%
Total		43 794		39 878		39 245	

On 3 March 2020 general meeting of the company X Trade Brokers Menkul Değerler A.S. with its seat in Turkey took decision to reduce the company's share capital from TRY 22 500 thousand to TRY 100 thousand. On 15 September 2020, the liquidation process of the company in Turkey has begun. The name of the company was changed to Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.

As at 30 June 2022 amount of negative foreign exchange differences on translation of balances in foreign currencies of Turkish company amounted PLN (3 735) thousand. Exchange differences will be recognized in consolidated financial statement at the date of liquidation of the company.

On 9 January 2021 XTB MENA Limited with its seat in United Arab Emirates was registered. the Parent Company will acquire 100% of shares in the subsidiary. On 13 April 2021 shared of XTB MENA Limited with its seat in United Arab Emirates were paid by the Company. Capital was contributed in the amount of USD 1 million. On 22 March 2022 Company acquired 1,000 ordinary shares in the increased capital of the subsidiary XTB MENA Limited, keeping 100% of its capital.

On 8 November 2021 the Company acquired 100 shares in the increased capital of subsidiary. As a result of the above transaction the Company kept 100% share in subsidiary's capital As at the date of these financial statements the company has not conduct its operations.

The scope of activities of subsidiaries:

- XTB Limited (UK) brokerage activity
- X Open Hub Sp. z o.o. applications and electronic trading technology offering



- XTB Limited (CY) brokerage activity
- XTB International Limited brokerage activity
- XTB Chile SpA the activity of acquiring clients
- XTB Services Limited marketing, marketing and sales activities (sales support)
- XTB MENA Limited brokerage activity
- XTB Africa (PTY) Ltd. the Company has not yet conducted operations
- Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.- the company does not conduct its operations, is in the process of liquidation

Impairment of investments in subsidiaries

As at 30 June 2022, due to the circumstances indicating value impairment as decrease of value of net assets value below purchase price, the Company recognized a write-off due to impairment of its investment in a subsidiary in Turkey in the amount of PLN 4 426 thousand. The impairment was recognized due to the decision made by the Company's Management Board on the 18 May 2017 to withdraw from activity in Turkey through taking actions intended to phase out XTB's activity on this market and liquidation of the subsidiary in Turkey. The impairment write-off was created up to the amount of net assets for which almost entirely cash is held in the bank. As at 31 December 2021 the write-off due to impairment of Turkish subsidiary amounted to PLN 4 097 thousand, as at 30 June 2021 the write-off due to impairment of Turkish subsidiary amounted to PLN 3 533 thousand. As at the balance sheet date the process of withdrawing the activity was not finalized. Since December 2019 Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş does not have an active license to running business.

15. Financial assets at amortized cost

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Receivables due from clients	39 792	26 983	14 973
Trade receivables	10 600	19 183	6 726
Deposits	7 959	3 603	3 573
Statutory receivables	348	312	323
Trade receivables due from related parties	217	346	224
Receivables from Central Securities Depository of Poland	84	_	_
Gross other receivables	59 000	50 427	25 819
Impairment write-downs of receivables	(50)	(39)	(30)
Impairment write-downs of receivables due from clients	(2 925)	(2 592)	(2 562)
Total net other receivables	56 025	47 796	23 227

Movements in impairment write-downs of receivables

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Impairment write-downs of receivables – at the beginning of the reporting period	(2 631)	(2 889)	(2 889)
write-downs recorded	(411)	(333)	(302)
write-downs reversed	51	354	364
write-downs utilized	16	237	235
Impairment write-downs of receivables – at the end of the reporting period	(2 975)	(2 631)	(2 592)

Write-downs of receivables in 2022 and 2021 resulted from the debit balances which arose in customers' accounts in those periods.



16. Intangible assets

Intangible assets in the period from 1 January 2022 to 30 June 2022 (unaudited)

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	TOTAL
Gross value as at 1 January 2022	5 374	10 792	16 166
Additions	709	_	709
Sale and scrapping	(2)	_	(2)
Net foreign exchange differences	5	_	5
Gross value as at 30 June 2022	6 086	10 792	16 878
Accumulated amortization as at 1 January 2022	(4 924)	(10 792)	(15 716)
Amortization for the current period	(92)	-	(92)
Sale and scrapping	2	-	2
Net foreign exchange differences	(4)	_	(4)
Accumulated amortization as at 30 June 2022	(5 018)	(10 792)	(15 810)
Net book value as at 1 January 2022	450		450
Net book value as at 30 June 2022	1 068	-	1 068

Intangible assets manufactured internally relate to a financial instrument trading platform and applications compatible with this platform.



Intangible assets in the period from 1 January 2021 to 31 December 2021 (audited)

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	TOTAL
Gross value as at 1 January 2021	5 883	10 792	16 675
Additions	210	-	210
Sale and scrapping	(760)	-	(760)
Net foreign exchange differences	41	-	41
Gross value as at 31 December 2021	5 374	10 792	16 166
Accumulated amortization as at 1 January 2021	(5 406)	(10 792)	(16 198)
Amortization for the current period	(238)	· · · · ·	(238)
Sale and scrapping	760	-	760
Net foreign exchange differences	(40)	-	(40)
Accumulated amortization as at 31 December 2021	(4 924)	(10 792)	(15 716)
Net book value as at 1 January 2021	477	-	477
Net book value as at 31 December 2021	450	-	450

Intangible assets manufactured internally relate to a financial instrument trading platform and applications compatible with this platform.

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Intangible assets in the period from 1 January 2021 to 30 June 2021 (unaudited)

(IN PLN'000)	LICENCES FOR COMPUTER SOFTWARE	INTANGIBLE ASSETS MANUFACTURED INTERNALLY	TOTAL
Gross value as at 1 January 2021	5 883	10 792	16 675
Additions	196	-	196
Sale and scrapping	-	-	-
Net foreign exchange differences	5	-	5
Gross value as at 30 June 2021	6 084	10 792	16 876
Accumulated amortization as at 1 January 2021	(5 406)	(10 792)	(16 198)
Amortization for the current period	(117)	· · · · · · · · · · · · · · · · · · ·	(117)
Sale and scrapping	· · · · · · · · · · · · · · · · · · ·	-	· -
Net foreign exchange differences	(6)	-	(6)
Accumulated amortization as at 30 June 2021	(5 529)	(10 792)	(16 321)
Net book value as at 1 January 2021	477	-	477
Net book value as at 30 June 2021	555	-	555

Intangible assets manufactured internally relate to a financial instrument trading platform and applications compatible with this platform.

17. Property, plant and equipment

Property, plant and equipment in the period from 1 January 2022 to 30 June 2022 (unaudited)

	COMPUTER	OTHER PROPERTY,	RIGHT TO	USE	PROPERTY, PLANT AND EQUIPMENT	
(IN PLN'000)	SYSTEMS	PLANT AND EQUIPMENT	OFFICES	VEHICLES	UNDER CONSTRUCTION	TOTAL
Gross value as at 1 January 2022	18 253	7 536	7 598	413	333	34 133
Additions	3 341	1 376	_	_	(333)	4 384
Lease	_	_	19 819	293	· · · · · · · · · · · · · · · · · · ·	20 112
Sale and scrapping	(233)	(359)	(1 360)	(169)	_	(2 121)
Net foreign exchange differences	30	55	133	8	_	226
Gross value as at 30 June 2022	21 391	8 608	26 190	545	_	56 734
Accumulated amortization as at 1 January 2022	(13 803)	(3 875)	(3 670)	(223)	_	(21 571)
Amortization for the current period	(1 374)	(324)	(2 795)	(50)	_	(4 543)
Sale and scrapping	` 228	`171	1 322	184	_	1 90Ś
Net foreign exchange differences	(20)	(46)	(73)	(5)	_	(144)
Accumulated amortization as at 30 June 2022	(14 9 ⁶⁹)	(4 074)	(5 216)	(94)	-	(24 353)
Net book value as at 1 January 2022	4 450	3 661	3 928	190	333	12 562
Net book value as at 30 June 2022	6 422	4 534	20 974	451	-	32 381

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Property, plant and equipment in the period from 1 January 2021 to 31 December 2021 (audited)

	COMPLITER	COMPUTER OTHER PROPERTY,		USE	PROPERTY, PLANT AND EQUIPMENT	PROPERTY, PLANT AND EQUIPMENT
(IN PLN'000)	SYSTEMS	PLANT AND EQUIPMENT	OFFICES	VEHICLES	UNDER CONSTRUCTION	UNDER CONSTRUCTION
Gross value as at 1 January 2021	14 846	7 049	13 485	361	23	35 764
Additions	4 003	3 051	_	_	309	7 363
Lease	_	_	1 142	195	=	1 337
Sale and scrapping	(607)	(2 587)	(7 066)	(149)	_	(10 409)
Net foreign exchange differences	· 11	23	37	· 6	1	78
Gross value as at 31 December 2021	18 253	7 536	7 598	413	333	34 133
Accumulated amortization as at 1 January 2021	(11 685)	(5 471)	(6 640)	(243)	_	(24 039)
Amortization for the current period	(2 708)	(592)	(3 825)	(122)	_	(7 247)
Sale and scrapping	602	2 203	6 832	147	_	9 784
Net foreign exchange differences	(12)	(15)	(37)	(5)	_	(69)
Accumulated amortization as at 31 December 2021	(13 803)	(3 875)	(3 670)	(223)		(21 571)
Net book value as at 1 January 2021	3 161	1 578	6 845	118	23	11 725
Net book value as at 31 December 2021	4 450	3 661	3 928	190	333	12 562

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Property, plant and equipment in the period from 1 January 2021 to 30 June 2021 (unaudited)

	COMPUTER	OTHER PROPERTY,		O USE	PROPERTY, PLANT AND EQUIPMENT	
(IN PLN'000)	SYSTEMS	PLANT AND EQUIPMENT	OFFICES	SAMOCHODY	UNDER CONSTRUCTION	TOTAL
Gross value as at 1 January 2021	14 846	7 049	13 485	361	23	35 764
Additions	2 162	(22)	_	_	(23)	2 117
Lease	_	-	987	_	- · · · -	987
Sale and scrapping	_	-	(713)	-	-	(713)
Net foreign exchange differences	(27)	(41)	(113)	(3)	_	(184)
Gross value as at 30 June 2021	16 981	6 986	13 646	358	_	37 971
Accumulated amortization as at 1 January 2021	(11 685)	(5 471)	(6 640)	(243)	_	(24 039)
Amortization for the current period	(1 405)	(255)	(1 851)	(66)	-	(3 577)
Sale and scrapping	_	· , , –	` 686	` _	_	686
Net foreign exchange differences	22	37	40	3	_	102
Accumulated amortization as at 30 June 2021	(13 068)	(5 689)	(7 765)	(306)	_	(26 828)
Net book value as at 1 January 2021	3 161	1 578	6 845	118	23	11 725
Net book value as at 30 June 2021	3 913	1 297	5 881	52	_	11 143



Non-current assets by geographical area

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Non-current assets			
Central and Eastern Europe	28 783	8 895	7 250
- including Poland	27 919	8 132	6 355
Western Europe	4 666	4 117	4 448
Total non-current assets	33 449	13 012	11 698

18. Amounts due to clients

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Amounts due to retail clients	1 898 626	1 815 098	1 568 874
Amounts due to institutional clients	112 177	64 093	62 644
Total amounts due to clients	2 010 803	1 879 191	1 631 518

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

19. Financial liabilities held for trading

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Stock and ETF CFDs	28 328	33 170	40 213
Index CFDs	26 012	28 777	38 335
Currency CFDs	8 655	20 356	13 942
Commodity CFDs	7 869	12 134	13 417
Bond CFDs	95	32	9
Total financial liabilities held for trading	70 959	94 469	105 916

20. Liabilities due to lease

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Short-term	3 954	1 611	3 012
Long-term	18 948	2 771	3 173
Total liabilities due to lease	22 902	4 382	6 185

The Company is the lessee in the case of office space and car rental contracts. The value of the leased assets is reported in note 17.

21. Other liabilities

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Trade liabilities	36 216	19 715	11 073
Provisions for other employee benefits	22 460	17 034	10 582
Liabilities due to brokers	11 719	3 692	9 329
Statutory liabilities	5 366	3 259	3 928
Liabilities due to employees	413	524	329
Amounts due to the Central Securities Depository of Poland	220	205	198
Total other liabilities	76 394	44 429	35 439

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, established in the amount of projected benefits, which the Company is obligated to pay in the event of payment of holiday equivalents.



Program of variable remuneration elements

Pursuant to the Variable Remuneration Elements policy applied by the Company, the employees of the Company in the top management positions receive 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.

As at 30 June 2022 salaries and employee benefits included the provision for variable remuneration elements in the amount of PLN 4 884 thousand (31 December 2021: PLN 3 013 thousand, 30 June 2021: 1 387 thousand).

22. Provisions for liabilities and contingent liabilities

22.1 Provisions for liabilities

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Provisions for retirement benefits	150	150	196
Provisions for legal risk	3 821	4 515	4 304
Total provisions	3 971	4 665	4 500

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 Company is a party.

Movements in provisions in the period from 1 January 2022 to 30 June 2022 (unaudited)

(IN PLN'000)	VALUE AS AT	INCREASES	DECREASES		VALUE AS AT
(IN F LIN 000)	01.01.2022	INCREASES	USE REV	ERSAL	30.06.2022
Provisions for retirement benefits	150	-	-	_	150
Provisions for legal risk	4 515	686	1 380	_	3 821
Total provisions	4 665	686	1 380	_	3 971

Movements in provisions in the period from 1January 2021 to 31 December 2021 (audited)

(IN PLN'000)	VALUE AS AT	INCREASES	DECREASES		VALUE AS AT
(IIV I LIV 000)	01.01.2021	MONEAGES	USE RE	VERSAL	31.12.2021
Provisions for retirement benefits	196	-	-	46	150
Provisions for legal risk	4715	141	_	341	4 515
Total provisions	4 911	141	-	387	4 665

Movements in provisions in the period from 1 January 2021 to 30 June 2021 (unaudited)

(IN PLN'000)	VALUE AS AT 01.01.2021	INCREASES	DECREASES USE REVER	VALUE AS AT 30.06.2021
Provisions for retirement benefits	196	-	-	- 196
Provisions for legal risk	4 715	_	113	298 4 304
Total provisions	4 911	_	113	298 4 500

22.2 Contingent liabilities

The Group is party to court proceedings associated with the Group's operations. The proceedings in which the Group acts as defendant relate mainly to employees' and clients' claims. As at 30 June 2022 the total value of claims brought against the Group amounted to approx. PLN 15 215 thousand (as at 31 December 2021: PLN 15 693 thousand, as at 30 June 2021: PLN



14 939 thousand). Group has not created provisions for the above proceedings. In the assessment of the Group the probability of loss in these proceedings is low.

On May 9, 2014, the Parent Company issued a guarantee in the amount of PLN 57 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 5 788 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. The agreement has been extended for an unlimited period with the possibility of termination.

23. Equity

Share capital structure as at 30 June 2022, 31 December 2021 and 30 June 2021

SERIES/ISSUE	NUMBER OF	NOMINAL VALUE OF SHARES	NOMINAL VALUE OF ISSUE
	SHARES	(IN PLN)	(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-series bearer ordinary shares.

Shareholding structure of the Parent Company

To the best Company's knowledge, the shareholding structure of the Parent Company as at 30 June 2022, 31 December 2021 and 30 June 2021 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%
Total	117 383 635	5 869	100,00%

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, 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 in the amount of PLN 657 417 thousand,
- foreign exchange differences on translation, including foreign exchange differences on translation of balances in foreign currencies of branches and foreign operations in the amount of PLN 1 686 thousand. The detailed specification of foreign exchange differences on translation was presented in the table below.

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
XTB Spółka Akcyjna branch in Germany	895	777	665
XTB Spółka Akcyjna branch in France	332	258	184
XTB Spółka Akcyjna branch in Romania	293	283	280
XTB Spółka Akcyjna branch in Czech Republic	67	47	19
XTB Spółka Akcyjna branch in Spain	47	20	4
XTB Spółka Akcyjna	25	55	(6)
XTB Spółka Akcyjna branch in Slovakia	20	8	ĺŹ
XTB Spółka Akcyjna branch in Portugal	7	2	_
Total foreign exchange differences on translation	1 686	1 450	1 148



24. Profit distribution and dividend

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 2022.

Pursuant to the decision of the General Shareholders' Meeting of the Parent Company, the net profit for 2020 in the amount of PLN 418 176 thousand was partially earmarked for the payment of a dividend in the amount of PLN 210 117 thousand, the remaining amount was transferred to reserve capital.

The amount of dividend per share paid for 2020 was equal to PLN 1,79. The dividend was paid on the 30 April 2021.

25. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. When calculating both basic and diluted earnings per share, the Company uses the amount of net profit attributable to shareholders of the 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.

	SIX	-MONTH PERIOD ENDED
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Profit from continuing operations attributable to shareholders of the Company	472 242	61 961
Weighted average number of ordinary shares	117 383 635	117 383 635
Shares causing dilution (share option plan)	-	-
Weighted average number of shares including dilution effect	117 383 635	117 383 635
Basic net profit per share from continuing operations for the year attributable to shareholders of the Company	4,02	0,53
Diluted net profit per share from continuing operations for the year		
attributable to shareholders of the Company	4,02	0,53

26. Current income tax and deferred tax

26.1 Income tax

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

	SIX-MONTH PERIOD	
(IN PLN'000)	30.06.2022 (UNAUDITED)	30.06.2021 (UNAUDITED)
Income tax – current portion		
Income tax for the reporting period	(74 542)	1 999
Income tax – deferred portion		
Occurrence / reversal of temporary differences	(30 949)	(14 643)
Income tax disclosed in profit and loss	(105 491)	(12 644)



Reconciliation of the actual tax burden

	SIX	-MONTH PERIOD ENDED
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Profit before tax	577 733	74 605
Income tax based in the applicable tax rate of 19%	(109 769)	(14 175)
Difference resulting from application of tax rates applicable in other countries	(91)	(86)
Non-taxable revenue	39	169
Non-deductible expenses	(718)	(260)
Tax loss for the reporting period not disclosed in the deferred tax	-	_
Realisation of tax losses for the preceding periods	-	13
Other items affecting the tax burden amount	(471)	_
Income tax disclosed in profit or loss	5 519	1 695
Profit before tax	(105 491)	(12 644)

26.2 Deferred income tax

Change in the balance of deferred tax for the period from 1 January to 30 June 2022 (unaudited)

(IN PLN'000)	AS AT 01.01.2022	PROFIT OR (LOSS)	AS AT 30.06.2022
Deferred income tax assets:			
Cash and cash equivalents	23	43	66
Property, plant and equipment	24	245	269
Financial liabilities held for trading	18 969	(3 309)	15 660
Provisions for liabilities	425	120	545
Prepayments and deferred costs	2 521	1 258	3 779
Other liabilities	6 909	(45)	6 864
Tax losses of previous periods to be settled in future periods	6 651	(528)	6 123
Total deferred income tax assets	35 522	(2 216)	33 306

(IN PLN'000)	AS AT 01.01.2022	PROFIT OR (LOSS)	AS AT 30.06.2022
Deferred income tax provision			
Cash and cash equivalents	25	28	53
Financial assets at fair value through P&L	59 249	29 045	88 294
Financial assets at amortized cost	326	(326)	-
Other liabilities	-	_	-
Property, plant and equipment	299	(14)	285
Total deferred income tax provision	59 899	28 733	88 632
Deferred tax disclosed in profit or (loss)	-	(30 949)	-

(IN PLN'000)	AS AT 01.01.2022	INCLUDED IN EQUITY	AS AT 30.06.2022
Deferred income tax provision included directly in the equity:			
Separate equity of branches	674	142	816
Total deferred income tax provision included directly in the equity	674	142	816



Change in the balance of deferred tax for the period from 1 January to 31 December 2021 (audited)

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 31.12.2021
Deferred income tax assets:			
Cash and cash equivalents	_	23	23
Property, plant and equipment	138	(114)	24
Financial liabilities held for trading	14 196	4 773	18 969
Provisions for liabilities	670	(245)	425
Prepayments and deferred costs	3 103	(582)	2 521
Other liabilities	3 002	3 907	6 909
Tax losses of previous periods to be settled in future periods	7 348	(697)	6 651
Total deferred income tax assets	28 457	7 065	35 522

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 31.12.2021
Deferred income tax provision:			
Cash and cash equivalents	15	10	25
Financial assets at fair value through P&L	43 227	16 022	59 249
Financial assets at amortized cost	_	326	326
Other liabilities	145	(145)	_
Property, plant and equipment	_	299	299
Total deferred income tax provision	43 387	16 512	59 899
Deferred tax disclosed in profit or (loss)	_	(9 447)	_

(IN PLN'000)	AS AT 01.01.2021	INCLUDED IN EQUITY	AS AT 31.12.2021
Deferred income tax provision included directly in the equity:			
Separate equity of branches	718	(44)	674
Total deferred income tax provision included directly in the equity	718	(44)	674

Change in the balance of deferred tax for the period from 1 January to 30 June 2021 (unaudited)

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 30.06.2021
Deferred income tax assets:			
Property, plant and equipment	138	(5)	133
Financial liabilities held for trading	14 196	6 234	20 430
Provisions for liabilities	670	13	683
Prepayments and deferred costs	3 103	(1 474)	1 629
Other liabilities	3 002	2 724	5 726
Tax losses of previous periods to be settled in future periods	7 348	1 724	9 072
Total deferred income tax assets	28 457	9 216	37 673

(IN PLN'000)	AS AT 01.01.2021	PROFIT OR (LOSS)	AS AT 30.06.2021
Deferred income tax provision:			
Cash and cash equivalents	15	(7)	8
Financial assets at fair value through P&L	43 227	22 690	65 917
Other liabilities	145	1 158	1 303
Prepayments and deferred costs	_	18	18
Total deferred income tax provision	43 387	23 859	67 246
Deferred tax disclosed in profit or (loss)	-	(14 643)	_



(IN PLN'000)	AS AT 01.01.2021	INCLUDED IN EQUITY	AS AT 30.06.2021
Deferred income tax provision included directly in the equity:			
Separate equity of branches	718	(177)	541
Total deferred income tax provision included directly in the equity	718	(177)	541

Geographical division of deferred income tax assets

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Central and Eastern Europe	166	152	64
Western Europe	6 140	6 668	7 065
Total deferred income tax assets	6 306	6 820	7 129

Data concerning the presentation of deferred income tax by country of origin and reconciliation of presentation in the statement of financial position as at 30 June 2022 (unaudited):

(IN DI N/000)	DATA ACCORDING TO	THE NATURE OF ORIGIN	OF ORIGIN DATA PRESENTED IN THE STATEM FINANCIAL P	
(IN PLN'000)	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION
Poland	26 947	89 395	-	62 448
Czech Republic	87	19	68	-
Slovakia	132	34	98	-
Germany	2 523	-	2 523	-
France	3 617	-	3 617	-
Total	33 306	89 448	6 306	62 448

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 2021 (audited):

(IN PLN'000)	DATA ACCORDING TO	ING TO THE NATURE OF ORIGIN		IN THE STATEMENT OF FINANCIAL POSITION
(IN PLN 000)	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION	DEFERRED INCOME TAX ASSETS	DEFERRED INCOME TAX PROVISION
Poland	28 676	60 547	-	31 871
Czech Republic	80	20	60	_
Slovakia	99	6	93	_
Germany	2 566	_	2 566	_
France	4 101	_	4 101	_
Total	35 522	60 573	6 820	31 871

Data concerning the presentation of deferred income tax by country of origin and reconciliation of presentation in the statement of financial position as at 30 June 2021 (unaudited):

(IN DI NIGOO)	DATA ACCORDING TO	THE NATURE OF ORIGIN DATA PRESENTED IN THE STAT FINANCIAL		IN THE STATEMENT OF FINANCIAL POSITION
(IN PLN'000)	DEFERRED INCOME TAX ASSETS			DEFERRED INCOME TAX PROVISION
Poland	30 524	67 767	_	37 243
Czech Republic	21	11	10	-
Slovakia	62	9	53	-
Germany	2 609	_	2 609	-
France	4 457	_	4 457	-
Total	37 673	67 787	7 129	37 243



27. Related party transactions

27.1 Parent Company

XXZW Investment Group S.A. with its registered office in Luxembourg is the key shareholder of the Company. As at 30 June 2020 it holds 66,99% 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 company for the Company and XXZW Investment Group S.

27.2 Figured concerning related party transactions

As at 30 June 2022 the Company has liabilities to Mr Jakub Zabłocki in the amount of PLN 19 thousand due to his investment account (as at 31 December 2021: PLN 19 thousand, as at 30 June 2021 PLN 19 thousand). In the period from 1 January to 30 June 2022 the Company realized profit on transactions on financial instruments with Mr Jakub Zabłocki in the amount of PLN 4 thousand. In the period from 1 January to 30 June 2021 the Company did not note the results on transactions on financial instruments with Mr Jakub Zabłocki. Moreover Mr Jakub Zabłocki is employed on the basis of work contract in subsidiary in Great Britain.

Mr Hubert Walentynowicz receives salary on the basis of work contract as Regional Director. In the period from 1 January to 30 June 2022 the paid gross salary and bonuses amounted to PLN 247 thousand and in the analogical period of 2021 amounted to PLN 230 thousand.

As at 30 June 2022 the Company has liabilities to Mr Filip Kaczmarzyk in the amount of PLN 96 thousand due to his investment account, as at 31 December 2021 in the amount of PLN 79 thousand and as at 30 June 2021 in the amount of PLN 79 thousand.

As at 30 June 2022 the Company has liabilities to Mr Paweł Szejko in the amount of PLN 18 thousand due to his investment account, as at 31 December 2021 in the amount of PLN 7 thousand and as at 30 June 2021 in the amount of PLN 0.

As at 30 June 2022 the Company has liabilities to Mr Jakub Kubacki in the amount of PLN 28 thousand due to his investment account. As at 31 December 2021 and 30 June 2021 the Company had no settlements with Mr Jakub Kubacki due to his investment account.

On March 24, 2021, the Company concluded an agreement with XTB MENA Limited, which concerns a loan of up to PLN 950 thousand, paid in tranches. The loan interest rate was set at WIBOR 3M + 2.0% margin As at the balance sheet date, the loan was repaid by the subsidiary, the amount of interest received was PLN 5 thousand.

The table below presents the total number and nominal value of the Company's shares held directly by the Company's management and supervisory bodies, as at the date of submitting this report:

NAME AND SURNAME	FUNCTION	NUMBER OF SHARES HELD	TOTAL NOMINAL VALUE OF SHARES (in PLN)
Paweł Szejko	Member of the Management Board	4 000	200
Jakub Kubacki	Member of the Management Board	2 400	120

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 9 May 2022 Paweł Szejko acquired jointly 3 300 shares of Company;
- on the 28 June 2022 Paweł Szejko acquired jointly 700 shares of Company;
- on the 1 July 2022 Jakub Kubacki acquired jointly 2 400 shares of Company.

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 Company's shares.



27.3 Incomes and costs

The below table presents incomes and costs with related parties regarding the intermediary and liquidity agreements performed for the Company.

(IN DI N/GGG)	1.01.2022 - 30.0	06.2022	1.01.2021 - 30.06.2021	
(IN PLN'000)	INCOMES	COSTS	INCOMES	COSTS
XTB Limited (UK)	30 281	(10 147)	6 305	(7 710)
XTB Limited (CY)	18 943	(1 805)	3 561	(1 699)
XTB International (BZ)	166 547	(57 752)	59 998	(24 606)
XTB MENA Limited (ZEA)	_	(17 517)	_	(665)

The below table presents incomes and costs with related parties regarding the trading infrastructure software and service agreements performed for the Company.

(IN DIAMOOO)		1.01.2022 - 30	0.06.2022	1.01.2021 - 30.06.2021	
(IN PLN'000)		INCOMES	COSTS	INCOMES	COSTS
XTB Limited (UK)	infrastructure software	347	(713)	262	(355)
X Open Hub Sp. z o.o. (PL)	infrastructure software	922	(1 079)	925	(1 116)
XTB Services Limited (CY)	marketing	-	(19 785)	_	(19 449)

27.4 Receivables

The below table presents receivables from related parties regarding the intermediary and liquidity agreements performed for the Company.

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
XTB Limited (UK)	15 579	9 745	9 086
XTB Limited (CY)	1	_	767
XTB International (BZ)	20 553	8 628	2 016
XTB MENA Limited (ZEA)	1	5 545	_

The below table presents receivables from related parties regarding the trading infrastructure software and service agreements performed for the Company.

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
XTB Limited (UK)	50	84	44
X Open Hub Sp. z o.o. (PL)	167	261	179

27.5 Liabilities

The below table presents liabilities due to related parties regarding the intermediary and liquidity agreements performed for the Company.

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
XTB Limited (UK)	2 979	11 600	10 329
XTB Limited (CY)	791	2 200	436
XTB International (BZ)	24 123	38 237	25 644
XTB MENA Limited (ZEA)	2 456	748	648



The below table presents liabilities due to related parties regarding the trading infrastructure software and service agreements performed for the Company.

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
XTB Limited (UK)	141	8	57
X Open Hub Sp. z o.o. (PL)	154	-	302
XTB Services Limited (CY)	2 938	2 390	2 311

27.6 Benefits to Management Board and Supervisory Board

	SIX	-MONTH PERIOD ENDED
(IN PLN'000)	30.06.2022	30.06.2021
	(UNAUDITED)	(UNAUDITED)
Benefits to the Management Board members	(3 565)	(1 318)
Benefits to the Supervisory Board members	(122)	(129)
Total benefits to the Management Board and Supervisory Board	(3 687)	(1 447)

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 21 of the half-year condensed financial statements.

27.7 Loans granted to the Management and Supervisory Board Members

As at 30 June 2022, 31 December 2021 and 30 June 2021 there are no loans granted to the Management and Supervisory Board Members.

28. Supplementary information and explanations to the cash flow statement

28.1 Other adjustments

The "other adjustments" item includes the following adjustments:

	SIX-M	ONTH PERIOD ENDED
(IN PLN'000)	30.06.2022 (UNAUDITED)	30.06.2021 (UNAUDITED)
Change in the balance of differences from the conversion of branches and subsidiaries	236	(1 590)
Foreign exchange differences on translation of movements in property, plant and equipment, and intangible assets	(83)	83
Change in other adjustments	153	(1 507)

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 Company's foreign entities and the difference between the rate applied to value amortization and depreciation cost of fixed assets and intangible assets in the Company'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.



29. Post balance sheet events

There were no events after the balance sheet date.

30. Off-balance sheet items

30.1 Nominal value of financial instruments

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Index CFDs	3 623 417	3 488 965	4 043 802
Currency CFDs	2 254 150	2 550 040	1 921 767
Commodity CFDs	1 454 120	1 577 792	1 669 577
Stock and ETF CFDs	564 118	908 023	992 948
Bond CFDs	58 012	3 813	7 544
Total financial instruments	7 953 817	8 528 633	8 635 638

The nominal value of instruments presented in the chart above includes transactions with customers and brokers. As at 30 June 2022 transactions with brokers represent 7% of the total nominal value of instruments (as at 31 December 2021: 9% of the total nominal value of instruments).

30.2 Customers' financial instruments

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

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Listed stocks and rights to stocks registered in customers'			
securities accounts	2 890 440	2 452 113	1 798 608
Other securities registered in customers' securities accounts	207	207	207
Total customers' financial instruments	2 890 647	2 452 320	1 798 815

30.3 Transaction limits

The amount of unused transaction limits granted to related entities was as at 30 June 2022 PLN 111 979 thousand, as at 31 December 2021 PLN 96 894 thousand, as at 30 June 2021 PLN 72 598 thousand.

31. Items regarding the compensation scheme

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
1. Contributions made to the compensation scheme			
a) opening balance	7 412	5 654	5 654
- increases	1 464	1 758	691
b) closing balance	8 876	7 412	6 345
2. XTB's share in the profits from the compensation scheme	427	372	342

32. Capital management

The Company's principles of capital management are established in the "Capital management policy in XTB S.A.". The document is approved by the Company's Supervisory Board. The policy defines the basic concepts, objectives and rules which constitute the 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 Company and its business environment.

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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 Company to operate in a prudent and efficient manner. This objective is attained by maintaining an appropriate capital base, taking into account the Company'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 Company's current and future capital requirements (both regulatory and internal), and on comparing them with the current and projected levels of available capital. The Company has prepared contingency plans to be launched in the event of a capital adequacy problem, described in detail in the "Capital management policy in XTB S.A.".

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

The 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 December 8, 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 Company is the K-factor capital requirement.

The 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 of calculation of own funds are established in the CRR resolution, "The procedure for calculating capital adequacy ratios in XTB S.A." and are not regulated by IFRS.

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

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 Company was obliged to hold a capital conservation buffer and a countercyclical capital buffer. Due to entry into force of IFR from 26th June 2021 the capital buffers requirement ceased to exist for the Company.



Key values in capital management:

(IN PLN'000)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
The Group's own funds	719 726	661 876	625 134
Tier I Capital	719 726	661 876	625 134
Common Equity Tier I capital	719 726	661 876	625 134
Total capital requirement IFR	437 717	312 963	402 594
Total capital ratio IFR	164,4%	211,5%	155,3%
Minimal required total capital ratio including buffers (article 9 section1 letter c) of IFR)	100%	100%	100%

The mandatory capital adequacy was not breached in the periods covered by the half-year condensed 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 30.06.2022	AVERAGE MONTHLY VALUE IN THE PERIOD	AS AT 31.12.2021	AS AT 30.06.2021
	(UNAUDITED)	(UNAUDITED)	(AUDITED)	(UNAUDITED)
1. Capital/Own funds	719 726	689 128	661 876	625 134
 1.1. Base capital/Common Equity Tier I without deductions 	734 431	697 419	675 665	675 665
1.2. Additional items of common equity/Supplementary capital Tier I	-	-	-	_
1.3. Items decreasing share capitals	(14 705)	(8 291)	(13 789)	(50 531)
I. Level of capitals subject to monitoring/Own funds	719 726	689 128	661 876	625 134
1. Risk to Client, including:	8 677	7 958	7 346	6 296
1.1. K-AUM	_	_	_	_
1.2 K-CMH	7 467	6 910	6 432	5 736
1.3 K-ASA	1 136	986	862	475
1.4 K-COH	74	62	52	85
2. Risk to Market, including:	306 983	232 927	193 001	265 802
2.1 K-NPR	306 983	232 927	193 001	265 802
2.2 K-CMG	_	_	_	_
3. Risk to Firm, including:	122 057	113 231	112 616	130 496
3.1 K-TCD	119 515	111 102	110 766	129 042
3.2 K-DTF	2 542	2 129	1 850	1 454
3.3 K-CON	_	_	_	_
II. Total K-factor capital requirement (IFR)	437 717	354 116	312 963	402 594

According to IFR from 26th June 2021 the Company calculates the requirement for fixed overheads. However, it is significantly lower than the K-factor capital requirement.

33. Risk management

The Company is exposed to a variety of risks connected with its current operations. The purpose of risk management is to make sure that the Company 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 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 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 Company's own investments, defines the overall capital requirement 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 Company's Supervisory Board approves risk management system.

33.1 Fair value

33.1.1 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 customers and other liabilities is estimated as being close to their carrying amount in view of the short-term maturities of these balance sheet items.

33.1.2 Fair value hierarchy

The Company 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 DI N/000)	30.06.2022 (UNAUDITED)							
(IN PLN'000)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL				
Financial assets								
Financial assets at fair value through P&L	360 823	464 703	-	825 526				
Total financial assets	360 823	464 703	-	825 526				
Financial liabilities								
Financial liabilities held for trading	_	70 959	-	70 959				
Total financial liabilities	_	70 959	-	70 959				

(IN DI N'000)	31.12.2021 (AUDITED)							
(IN PLN'000)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL				
Financial assets								
Financial assets at fair value through P&L	353 360	310 365	_	663 725				
Total financial assets	353 360	310 365	_	663 725				
Financial liabilities								
Financial liabilities held for trading	-	94 469	_	94 469				
Total financial liabilities	_	94 469	-	94 469				

(IN DI N/000)	30.06.2021 (UNAUDITED)							
(IN PLN'000)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL				
Financial assets								
Financial assets at fair value through P&L	160 977	346 653	_	507 630				
Total financial assets	160 977	346 653	_	507 630				
Financial liabilities								
Financial liabilities held for trading	_	105 916	-	105 916				
Total financial liabilities	_	105 916	-	105 916				

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In the periods covered by the half-year condensed 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, ie. from reliable liquidity suppliers and reputable news, adjusted for the spread specified by the Company. 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 Company, was insignificant from the point of view of the general estimation of derivative transactions concluded by the Company. Therefore, the Company 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.

33.2 Market risk

In the period covered by these financial statements, the Company entered into OTC contracts for differences (CFDs) and digital options. The Company 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 Company'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 Company 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.

33.2.1 Currency risk

The Company enters into transactions principally in instruments bearing currency risk. Aside from transactions where the FX rate is an underlying instrument, the Company also offers instruments which price is denominated in foreign currencies. Also, the Company 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 Company'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:

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Assets and liabilities denominated in foreign currencies as at 30 June 2022 (unaudited)

		V	ALUE IN FOREI	GN CURRENCIE	S CONVERTE	D TO PLN			CARRYING
(IN PLN'000)	USD	EUR	GBP	CZK	HUF	RON	OTHER CURRENCIES	TOTAL	AMOUNT
Assets									
Cash and cash equivalents	470 001	858 267	11 385	207 163	3 734	21 660	3 897	1 576 107	2 481 541
Financial assets held for trading	70 694	151 943	3 921	69 568	1 410	7 436	9 886	314 858	825 526
Investments in subsidiaries	_	_	_	-	-	_	-	-	43 794
Income tax receivables	_	_	_	-	-	_	-	-	1 045
Financial assets at amortised cost	29 743	9 034	1 804	1 005	2 099	186	2 857	46 728	56 025
Prepayments and deferred costs	_	1 491	_	605	-	55	-	2 151	8 909
Intangible assets	_	_	_	15	-	_	-	15	1 068
Property, plant and equipment	_	4 785	_	666	-	63	-	5 514	32 381
Deferred income tax assets	_	6 238	_	68	-	_	-	6 306	6 306
Total assets	570 438	1 031 758	17 110	279 090	7 243	29 400	16 640	1 951 679	3 456 595
Liabilities									
Amounts due to customers	194 495	816 816	842	241 618	3 228	24 248	669	1 281 916	2 010 803
Financial liabilities held for trading	23 304	24 183	1 424	7 557	127	444	885	57 924	70 959
Income tax liabilities	_	261	_	-	-	35	-	296	296
Lease liabilities	_	22 745	_	157	-	_	-	22 902	22 902
Other liabilities	17 659	20 367	2 805	2 055	-	767	135	43 788	76 394
Provisions for liabilities	_	_	_	_	_	-	_	-	3 971
Deferred income tax provision	_	_	_	_	_	-	_	-	62 448
Total liabilities	235 458	884 372	5 071	251 387	3 355	25 494	1 689	1 406 826	2 247 773

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Assets and liabilities denominated in foreign currencies as at 31 December 2021 (audited)

		V	ALUE IN FOREI	GN CURRENCIE	S CONVERTE	D TO PLN			CARRYING
(IN PLN'000)	USD	EUR	GBP	CZK	HUF	RON	OTHER CURRENCIES	TOTAL	AMOUNT
Assets									
Cash and cash equivalents	461 030	763 478	13 190	207 735	6 006	22 838	3 526	1 477 803	2 185 986
Financial assets held for trading	61 732	106 839	3 619	41 993	1 260	3 756	6 735	225 934	663 725
Investments in subsidiaries	_	_	_	_	_	_	_	_	39 879
Income tax receivables	_	72	_	_	_	_	_	72	7 247
Financial assets at amortised cost	18 607	8 088	1 829	1 640	2 230	562	1 077	34 033	47 796
Prepayments and deferred costs	_	1 132	_	126	_	10	_	1 268	7 093
Intangible assets	_	_	_	30	_	1	_	31	450
Property, plant and equipment	_	4 165	_	626	_	60	_	4 851	12 562
Deferred income tax assets	_	6 760	_	60	_	_	_	6 820	6 820
Total assets	541 369	890 534	18 638	252 210	9 496	27 227	11 338	1 750 812	2 971 558
Liabilities									
Amounts due to customers	182 146	740 508	9 627	226 312	3 950	23 019	3 507	1 189 069	1 879 191
Financial liabilities held for trading	38 768	22 426	790	9 361	143	854	1 931	74 273	94 469
Income tax liabilities	_	132	_	_	_	_	_	132	132
Lease liabilities	_	4 361	_	21	_	_	_	4 382	4 382
Other liabilities	6 907	12 944	3 327	1 750	_	471	36	25 435	44 429
Provisions for liabilities	-	1 380	_	_	-	_	_	1 380	4 665
Deferred income tax provision	-	_	_	_	_	-	_	_	31 871
Total liabilities	227 821	781 751	13 744	237 444	4 093	24 344	5 474	1 294 671	2 059 139

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Assets and liabilities denominated in foreign currencies as at 30 June 2021 (unaudited)

		V	ALUE IN FOREI	GN CURRENCIE	S CONVERTE	D TO PLN			OARRYING
(IN PLN'000)	USD	EUR	GBP	CZK	HUF	RON	OTHER CURRENCIES	TOTAL	CARRYING AMOUNT
Assets									
Cash and cash equivalents	372 219	660 908	10 347	167 457	3 311	18 811	2 479	1 235 532	1 954 593
Financial assets held for trading	66 949	131 651	2 590	39 887	1 291	3 639	5 149	251 156	507 630
Investments in subsidiaries	_	_	_	_	-	_	_	_	39 245
Income tax receivables	_	31	_	_	-	_	_	31	10 472
Financial assets at amortised cost	6 058	7 427	1 518	827	2 408	826	856	19 920	23 227
Prepayments and deferred costs	-	587	_	100	-	19	-	706	6 276
Intangible assets	_	1	_	43	_	1	_	45	555
Property, plant and equipment	_	4 516	_	729	_	54	_	5 299	11 143
Deferred income tax assets	_	7 119	_	10	-	_	_	7 129	7 129
Total assets	445 226	812 240	14 455	209 053	7 010	23 350	8 484	1 519 818	2 560 270
Liabilities									
Amounts due to customers	142 020	650 940	7 323	182 805	3 107	19 340	1 253	1 006 788	1 631 518
Financial liabilities held for trading	23 716	40 760	3 335	8 294	302	742	1 727	78 876	105 916
Income tax liabilities	_	232	_	_	-	_	_	232	232
Lease liabilities	_	6 136	_	42	-	_	_	6 178	6 185
Other liabilities	(189)	15 580	1 799	1 377	-	355	29	18 951	35 439
Provisions for liabilities	_	_	-	_	_	-	_	_	4 500
Deferred income tax provision	_	_	-	_	_	-	_	_	37 243
Total liabilities	165 547	713 648	12 457	192 518	3 409	20 437	3 009	1 111 025	1 821 033



A change in exchange rates, in particular, the PLN exchange rate, affects the balance sheet valuation of the Company'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 $\pm 5\%$ to PLN. The carrying amount of financial instruments was revalued.

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

	SIX-MONTH PERIOD ENDED							
	30.06.2022 (U	NAUDITED)	30.06.2021 (L	INAUDITED)				
(IN PLN'000)	INCREASE IN EXCHANGE RATES	DECREASE IN EXCHANGE RATES	INCREASE IN EXCHANGE RATES	DECREASE IN EXCHANGE RATES				
	BY 5%	BY 5%	BY 5%	BY 5%				
Income (expenses) of the period	47 321	(47 321)	23 453	(23 453)				
Equity, of which:	789	(789)	646	(646)				
Foreign exchange differences on translation	789	(789)	646	(646)				

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

33.2.2 Interest rate risk

Interest rate risk is the risk of exposure of the current and future financial result and equity of the Company to the adverse impact of exchange rate fluctuations. Such risk may result from the contracts entered into by the Company, 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 Company is the volatility of interest rates on bank accounts and bank deposits in which the Company invests its own cash, and the impact of the volatility of interest rates on the valuation of Treasury bonds held by the Company and the volatility.

In addition, the source of the Company'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 Company 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, the interest rate risk was considered insignificant in the Company'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)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Financial assets			
Cash and cash equivalents	2 481 541	2 185 986	1 954 593
Debt instruments	347 141	331 926	146 199
Total financial assets	2 828 682	2 517 912	2 100 792
Financial liabilities			
Other liabilities	22 902	4 382	6 185
Total financial liabilities	22 902	4 382	6 185

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 on the basis of average balances of cash in the period from 1 January to 30 June 2022 and from 1 January to 30 June 2021, using the average 1M interest rate in a given market.



	SIX-MONTH PERIOD ENDED					
(IN PLN'000)	30.06.2022 (U	JNAUDITED)	30.06.2021 (UNAUDITED)			
(IN PLN 000)	INCREASE	DECREASE	INCREASE	DECREASE		
	BY 50 PB	BY 50 PB	BY 50 PB	BY 50 PB		
Profit/(loss) before tax	12 195	(12 195)	2 396	(2 396)		

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

In the period covered by these half year 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.

	THREE-MONTH PERIOD ENDED					
(IN PLN'000)	30.06.2022 (UN	AUDITED)	30.06.2021 (UNAUDITED)			
(IN PLN 000)	INCREASE	DECREASE	INCREASE	DECREASE		
	BY 50 PB	BY 50 PB	BY 50 PB	BY 50 PB		
Profit/(loss) before tax	(938)	944	(851)	868		

33.2.3 Other price risk

Other price risk is exposure of the Company's financial position to unfavourable 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)	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)
Financial assets at fair value through P&L			
Commodity			
Precious metals	39 006	26 010	34 897
Base metals	3 096	847	1 142
Other	56 444	32 171	44 480
Total commodity	98 546	59 028	80 519
Equity instruments			
Stocks and ETF	99 636	87 548	64 019
Indicies	169 368	105 127	154 255
Total equity instruments	269 004	192 675	218 274
Debt instruments	571	18	30
Total financial assets at fair value through P&L	368 121	251 721	298 823
Financial liabilities held for trading			
Commodity			
Precious metals	635	5 882	2 224
Base metals	617	363	267
Other	6 618	5 890	10 944
Total commodity	7 870	12 135	13 435
Equity instruments			
Stocks and ETF	28 328	33 173	40 195
Indicies	26 012	28 906	38 397
Total equity instruments	54 340	62 079	78 592
Debt instruments	95	32	9
Total financial liabilities held for trading	62 305	74 246	92 036

The Company'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.



	SIX-MONTH PERIOD ENDED					
(IN PLN'000)	30.06.2022 (JNAUDITED)	30.06.2021 (AUDITED)			
	INCREASE BY 5%	DECREASE BY 5%	INCREASE BY 5%	DECREASE BY 5%		
Income/(expenses) for the period						
Commodity						
Precious metals	(28 179)	28 179	(33 995)	33 995		
Base metals	(211)	211	(1 120)	1 120		
Other	(7 564)	7 564	5 016	(5 016)		
Total commodity	(35 954)	35 954	(30 099)	30 099		
Equity instruments						
Stocks and ETFs	20	(20)	9	(9)		
Indicies	(58 019)	58 019	43 318	(43 318)		
Total equity instruments	(57 999)	57 999	43 327	(43 327)		
Debt instruments	2 329	(2 329)	205	(205)		
Total income/(expenses) for the period	(91 624)	91 624	13 433	(13 433)		

33.3 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 Company 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.

Tasks relating to the maintenance and updating of the rules of the liquidity model are performed by the Company's Risk Control Department. Risk Control Department employees are required to analyse liquidity at least once a week, as well as to transfer the relevant information to the Company's Accounting Department in order to make certain operations in the accounts.

The 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 Company monitor the balance of funds deposited in the account in the context of planned liquidity needs related to the 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 Company on a daily basis.

In accordance with the IFR regulation, from June 26, 2021, the 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 at June 30, 2022, the Company had a much higher level of liquid assets than required by the IFR regulation.

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Contractual payment periods of financial assets and liabilities as at 30 June 2022 (unaudited)

CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	DO 3 Miesięcy	UP TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 - 5 YEARS	OVER 5 YEARS
2 481 541	2 481 541	2 481 541	_	-	_	-
13 682	13 682	13 682	_	-	-	_
347 141	347 141	347 141	-	-	-	_
464 703	464 703	464 703	_	_	-	_
825 526	825 526	825 526	_	-	-	_
43 794	43 794	_	_	-	-	43 794
56 025	56 025	48 066	-	7 959	-	_
3 406 886	3 406 886	3 355 133	_	7 959	_	43 794
2 010 803	2 010 803	2 010 803	_	_	_	_
2 0 10 003	2 010 003	2 010 003				
70.050	70.050	70.050				
70 909	70 939	70 939	_	_	_	_
70 959	70 959	70 959	_	_	_	_
22 902	22 902	1 054	2 899	18 949	_	_
				_	-	5 162
2 181 058	2 181 058	2 136 530	20 417	18 949	-	5 162
		1 218 603	(20.417)	(10.000)	_	38 632
				, ,	1 107 106	1 225 828
	2 481 541 13 682 347 141 464 703 825 526 43 794 56 025 3 406 886 2 010 803 70 959 70 959 22 902 76 394	2 481 541 2 481 541 13 682 13 682 347 141 347 141 464 703 464 703 825 526 825 526 43 794 43 794 56 025 56 025 3 406 886 3 406 886 2 010 803 2 010 803 70 959 70 959 70 959 22 902 76 394 76 394	AMOUNT CASH FLOWS MIESIĘCY 2 481 541 2 481 541 2 481 541 13 682 13 682 13 682 347 141 347 141 347 141 464 703 464 703 464 703 825 526 825 526 825 526 43 794 - - 56 025 56 025 48 066 3 406 886 3 406 886 3 355 133 2 010 803 2 010 803 2 010 803 70 959 70 959 70 959 70 959 70 959 70 959 22 902 2 902 1 054 76 394 76 394 53 714	AMOUNT CASH FLOWS MIESIĘCY MONTHS 2 481 541 2 481 541 2 481 541 - 13 682 13 682 13 682 - 347 141 347 141 347 141 - 464 703 464 703 464 703 - 825 526 825 526 825 526 - 43 794 - - - 56 025 56 025 48 066 - 3 406 886 3 406 886 3 355 133 - 2 010 803 2 010 803 2 010 803 - 70 959 70 959 70 959 - 70 959 70 959 70 959 - 76 394 76 394 53 714 17 518 2 181 058 2 181 058 2 136 530 20 417	AMOUNT CASH FLOWS MIESIĘCY MONTHS TO 1 YEAR 2 481 541 2 481 541 - - - 13 682 13 682 13 682 - - 347 141 347 141 - - - 464 703 464 703 464 703 - - 825 526 825 526 825 526 - - - 43 794 43 794 - - - - 56 025 56 025 48 066 - 7 959 3 406 886 3 406 886 3 355 133 - 7 959 2 010 803 2 010 803 2 010 803 - - 70 959 70 959 70 959 - - 70 959 70 959 70 959 - - 22 902 22 902 1 054 2 899 18 949 76 394 76 394 53 714 17 518 - 2 181 058 2 181 058 2 186 630 20 417 18 949 <	AMOUNT CASH FLOWS MIESIĘCY MONTHS TO 1 YEAR YEARS 2 481 541 2 481 541 2 481 541 - - - 13 682 13 682 13 682 - - - 347 141 347 141 - - - 464 703 464 703 - - - 825 526 825 526 825 526 - - - 43 794 43 794 - - - - 56 025 56 025 48 066 - 7 959 - 3 406 886 3 406 886 3 355 133 - 7 959 - 2 010 803 2 010 803 2 010 803 - - - 2 095 70 959 70 959 - - - - 70 959 70 959 70 959 - - - - 22 902 22 902 1 054 2 899 18 949 - 76 394 76 394

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Contractual payment periods of financial assets and liabilities as at 31 December 2021

(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
Financial assets							
Cash and cash equivalents	2 185 986	2 185 986	2 185 986	_	_	_	_
Financial assets at fair value through P&L							
Listed stocks and ETFs	21 434	21 434	21 434	_	_	_	-
Bonds	331 926	331 926	331 926				
CFDs	310 365	310 365	310 365	-	_	_	-
Total financial assets at fair value through							
P&L	663 725	663 725	663 725	_	_	_	-
Investments in subsidiaries	39 879	39 879	-	_	_	_	39 879
Financial assets at amortised cost	47 796	47 796	44 193	_	3 603	-	-
Total financial assets	2 937 386	2 937 386	2 893 904	_	3 603	_	39 879
Financial liabilities							
Amounts due to clients	1 879 191	1 879 191	1 879 191	_	_	_	_
Financial liabilities held for trading	10/5151	10/5/5/	10/5151				
CFDs	94 469	94 469	94 469	_	_	_	_
± . 16							
Total financial liabilities held for trading	94 469	94 469	94 469	_	_	_	_
Liabilities due to lease	4 382	4 382	454	1 158	2 770	_	_
Other liabilities	44 429	44 429	27 191	12 250	_	_	4 988
Total financial liabilities	2 022 471	2 022 471	2 001 305	13 408	2 770		4 988
Contractual liquidity gap in maturities							
(payment dates)			892 599	(13 408)	833	_	34 891
Contractual cumulative liquidity gap			892 599	879 191	880 024	880 024	914 915

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Contractual payment periods of financial assets and liabilities as at 30 June 2021 (unaudited)

(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
Financial assets							
Cash and cash equivalents	1 954 593	1 954 593	1 954 593	-	_	-	-
Financial assets at fair value through P&L							
Listed stocks and ETFs	14 778	14 778	14 778	_	_	_	_
Bonds	146 199	146 199	146 199	_	_	_	_
CFDs	346 653	346 653	346 653	_	_	_	_
Total financial assets at fair value through							
P&L	507 630	507 630	507 630	_	_	_	_
Investments in subsidiaries	39 245	39 245	_	_	_	_	39 245
Financial assets at amortised cost	23 227	23 227	19 654	_	3 573	-	_
Total financial assets	2 524 695	2 524 695	2 481 877		3 573	_	39 245
Financial liabilities							
Amounts due to clients	1 631 518	1 631 518	1 631 518	_	_	_	_
Financial liabilities held for trading	105 916	105 916	105 916				
CFDs	-	-	-	_	_	_	_
Total financial liabilities held for trading	105 916	105 916	105 916	_	_	_	_
Liabilities due to lease	6 185	6 185	1 076	1 935	3 174	_	_
Other liabilities	35 439	35 439	24 659	6 894	_	-	3 886
Total financial liabilities	1 779 058	1 779 058	1 763 169	8 829	3 174	_	3 886
Contractual liquidity gap in maturities							
(payment dates)			718 708	(8 829)	399	_	35 359
Contractual cumulative liquidity gap			718 708	709 879	710 278	710 278	745 637

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



33.4 Credit risk

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

	30.06.2022 (UNAUDITED)	31.12.2021	(AUDITED)	30.06.2021 (UNAUDITED)
(IN PLN'000)	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK	CARRYING AMOUNT	MAXIMUM EXPOSURE TO CREDIT RISK
Financial assets						
Cash and cash equivalents	2 481 541	2 481 541	2 185 986	2 185 986	1 954 593	1 954 593
Financial assets at fair value through P&L *	825 526	44 994	663 725	35 558	507 630	47 932
Investments in subsidiaries	43 794	43 794	39 879	39 879	39 245	39 245
Financial assets at amortised cost	56 025	56 025	47 796	47 796	23 227	23 227
Total financial assets	3 406 886	2 626 354	2 937 386	2 309 219	2 524 695	2 064 997

^{*} As at 30 June 2022 the maximum exposure to credit risk for financial assets held for trading, not including the collateral received, was PLN 464 703 thousand (31 December 2021: PLN 310 364 thousand, 30 June 2021: PLN 346 653 thousand). This exposure was collateralized with clients' cash, which, as at 30 June 2021: PLN 346 653 thousand). This exposure was collateralized with clients' cash, which, as at 30 June 2021; covered the amount of PLN 419 709 thousand (31 December 2021: PLN 24807 thousand, 30 June 2021: PLN 298 721 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 Company'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 Company's assets fall within the following credit rating brackets:

- Fitch Ratings od F1+ do F3
- Standard & Poor's Ratings Services od A-1+ do A-2
- Moody's od P-1 do P-2

Cash and cash equivalents

Credit risk connected with cash and cash equivalents is related to the fact that own cash and customers' 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 30 June 2022, the Company had deposit accounts in 25 banks and institutions (31 December 2021: 24 banks and institutions, 30 June 2021: 22 banks and institutions). The ten largest exposures are presented in the table below (numbering of banks and institutions determined individually for each period):

	30.06.2022 (UNAUDITED)	ENTITY	31.12.2021 (AUDITED)	FAITITY	30.06.2021 (UNAUDITED)
ENTITY	(IN PLN'000)	ENTITY	(IN PLN'000)	ENTITY	(IN PLN'000)
Bank 1	853 892	Bank 1	617 157	Bank 1	514 877
Bank 2	339 807	Bank 2	326 417	Bank 2	426 302
Bank 3	339 413	Institution 1	313 432	Bank 3	262 680
Bank 4	308 452	Bank 3	279 383	Bank 4	227 704
Bank 5	104 457	Institution 2	123 257	Bank 5	150 292
Institution 1	100 108	Bank 4	104 403	Bank 6	70 908
Bank 6	94 634	Bank 5	88 179	Bank 7	65 785
Institution 2	73 687	Bank 6	73 255	Bank 8	54 973
Bank 7	69 165	Institution 3	67 669	Bank 9	46 143
Bank 8	61 745	Institution 4	59 801	Bank 10	41 746
Other	136 181	Other	133 033	Other	93 183
Total	2 481 541	Total	2 185 986	Total	1 954 593

The table below presents a short-term assessment of the credit quality of the Company'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.



	CARRYING AMOUNT (IN PLN'000)					
CREDIT QUALITY STEPS	30.06.2022 (UNAUDITED)	31.12.2021 (AUDITED)	30.06.2021 (UNAUDITED)			
Cash and cash equivalent						
Step 1	1 989 655	1 894 543	1 418 360			
Step 2	3 961	3 755	3 153			
Step 3	487 925	287 688	533 080			
Total	2 481 541	2 185 986	1 954 593			

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 Company'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 Company'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 percent 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 Company 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 Company'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):

30.06.2022 ((UNAUDITED)	3	1.12.2021 (AUDITED)		30.06.2021 (UNAUDITED)
ENTITY	NET EXPOSURE (IN PLN'000)	ENTITY	NET EXPOSURE (IN PLN'000)		NET EXPOSURE (IN PLN'000)
Entity 1	25 284	Entity 1	12 206	Entity 1	12 712
Entity 2	5 874	Entity 2	10 509	Entity 2	9 715
Entity 3	5 715	Entity 3	8 837	Entity 3	6 887
Entity 4	2 484	Entity 4	1 242	Entity 4	5 808
Entity 5	1 791	Entity 5	992	Entity 5	4 402
Entity 6	872	Entity 6	435	Entity 6	1 181
Entity 7	455	Entity 7	344	Entity 7	967
Entity 8	301	Entity 8	161	Entity 8	751
Entity 9	147	Entity 9	106	Entity 9	676
Entity 10	140	Entity 10	97	Entity 10	667
Total	43 063	Total	34 929	Total	43 766

Other receivables

Other receivables do not show a significant concentration, and they arose in the normal course of the Company'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 Company.

MANAGEMENT BOARD REPORT ON THE OPERATIONS OF THE GROUP



MANAGEMENT BOARD REPORT ON THE OPERATIONS OF THE GROUP AND COMPANY

1. Basic information

1.1 General information

The Parent Company in the Capital Group XTB S.A. (the "Group", "Capital Group") is XTB S.A. (hereinafter: the "Company" "Parent Entity", "Parent Company", "Brokerage", "XTB") with its headquarters located in Warsaw, at Prosta street 67, 00-838 Warsaw.

The Group operates on the basis of licences 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, including Poland, Spain, the Czech Republic, Portugal, France and Germany and has prioritised Latin America, Africa and Asia as a region for future development.



In the first half of 2022 XTB reported a consolidated net profit of PLN 479,6 million compared to PLN 65,0 million a year earlier. Consolidated revenue amounted to PLN 836,2 million (H1 2021: PLN 242,0 million), and operating expenses amounted to PLN 267,8 million (H1 2021: PLN 163,3 million). In this period the Group noted over 101 thousand new clients compared to nearly 108 thousand a year earlier (a slight decrease of 6,3% y/y).

These semi-annual condensed financial statements for the first half of 2022 (separate and consolidated) have been prepared in accordance with the requirements of International Accounting Standards 34 "Interim Financial Reporting" as endorsed by the European Union. Other standards, amendments to existing standards and interpretations of the International Financial Reporting Interpretations Committee recently adopted or awaiting adoption have no bearing on the Group's business or its impact would not be material. Detailed description of the rules for preparing the abovementioned of financial statements has been included in item 2 of the Semi-Annual Condensed Consolidated Financial Statements as well as in the separate financial statements

Products and services

The Group is an international provider of trading and investment products, services and solutions, specialising 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. The Group operates in two segments: retail and institutional segment. The Group's retail operations mainly include online trading of derivatives based on assets and underlying instruments that are traded on the financial and commodity markets. Institutional customers of the Group offers technologies thanks to which they can offer their clients the possibility of trading in financial instruments under their own brand. The Group also acts as a liquidity provider for institutional clients.



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

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

which are supported by the Group's advanced, proprietary technology infrastructure. The Group's retail clients are given access to one of the above-mentioned front-end trading platforms and to the range of its components, along with access to back-office systems. Institutional clients are granted full access to the set-up and management facilities, the branding system and the risk management tools.

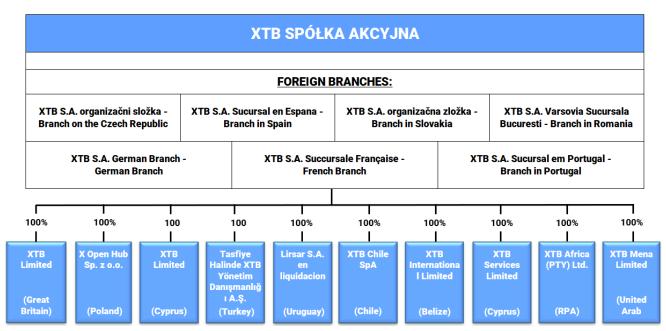
The Group also offers its clients various trading alternatives based on the level of client sophistication (from beginner to expert) and on the mode of access (from smartphones to web-based interfaces to desktop applications). These applications provide retail clients investing in CFDs based on various financial instruments with tools, including charts, analytics, research and online trading. The functionality of the Group's offer enables clients to open and deposit funds in accounts, place and move orders and request statements via the Internet. The Group's core technology uses software products designed for their functionality and scalability. The Group is actively introducing new improvements to the transaction platform that make it more intuitive and easy to use.

As at the end of I half of 2022, the Group offered more than 5 500 financial instruments from all over the world. This number consisted of over 2 200 leveraged CFDs, including approximately 50 based on currency pairs, approximately 20 based on commodities, approximately 30 based on indices, 50 based on cryptocurrency, approximately 1 900 based on shares of companies listed on stock exchanges in 16 countries and over 100 based on American and European ETFs. Second part of the XTB's offer consists of over 3 300 cash instruments, including over 3 000 equity instruments and almost 300 ETF instruments from European markets. In the first half of 2022, the Company focused mainly on improving the existing processes of acquiring new clients, optimizing transaction costs for both clients and the Company, as well as all processes leading to the start of trading by clients and the experience of concluding transactions in XTB. The Group is actively introducing new improvements to the trading platform that make it more intuitive and easy to use. XTB focused on expansion into the Middle East and Africa markets. The intention of the Management Board is to start operating in South Africa in mid-2023.

1.2 Description of the Group's organization

As at 30 June 2022 the Group comprised Parent Company and 10 subsidiaries. The Company has 7 foreign branches.

The chart below presents the Group's structure, including the Company's foreign branches, including its share in the share capital / number of votes at the general meeting or the shareholders meeting to which the shareholder or shareholder is entitled.



The results of all subsidiaries are fully consolidated from the date of their creation/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.



Subsidiaries

Basic information about the Group companies, which are directly or indirectly dependent on the Company, is provided below.

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 (formerly: DUB Investments Ltd.), 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.

Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş. (formerly: X Trade Brokers Menkul Değerler A.Ş.), Turkey

In the first half of 2022 r. Tasfiye Halinde XTB Yönetim Danışmanlığı Anonim Şirketi did not conduct any operating activities. In the past the company business encompassed among other:

- investment consulting,
- trading derivatives,
- leverage trading on the forex market
- trading intermediation.

On February 10, 2017, the Turkish regulatory authority, i.e. the Capital Markets Board of Turkey (CMB), introduced changes in regulations concerning the activities of investment services, investment activities and additional services. As a result, the Management Board decided to terminate the activities on the Turkish market and liquidate the subsidiary in Turkey.

On 3 March 2020 the General Meeting of company XTB Yönetim Danışmanlığı Anonim Şirketi with its office in Turkey decided to reduce the company's share capital from TRY 22 500 thousands to TRY 100 thousands. Therefore, XTB S.A., on the basis of Management Board decision of 15 April 2020, made a decision on recognition in accounting records reclassification of the part of negative foreign exchange differences in the amount of PLN 21,9 million arising from the translation of the XTB Yönetim Danışmanlığı Anonim Şirketi subsidiary's equity from the position "Foreign exchange differences on translation" in equity to income statement.

The recognition of reclassification in the above amount as financial cost in accounting records is an accounting operation and was recognized in consolidated financial results for the 1st Half 2020. However, it did not affect the liquidity position of XTB nor the total amount of Group's equity as at the date of its booking.

The remaining part of foreign exchange differences arising from the translation of the Turkish company's equity, which as at the end of H1 2022 amounted to PLN (-) 3,7 million and is derived among other the exchange rate of Turkish lira, will be recognized in consolidated result at the date of liquidation of this company.

On 12 March 2020 the subsidiary changed its name to XTB Yönetim Danışmanlığı Anonim Şirketi.

On September 15, 2020 the liquidation process of the company in Turkey began. The name of the company was changed to Tasfiye Halinde XTB Yönetim Danışmanlığı A.Ş.

Lirsar S.A en liquidacion, Uruguay

On 21 May 2014 the Parent Company acquired 100% of shares in Lisar S.A. with its seat in Uruguay. The capital from the subsidiary with accumulated profits was returned to the Parent Company on 14 December 2017. Until the date of report submission the company was not formally liquidated.



XTB Chile SpA, Chile

On 17 February 2017 the Parent Company established XTB Chile SpA. The Company owns 100% of shares in subsidiary. XTB Chile SpA will provide services involving the acquisition of clients from the territory of Chile.

XTB International Limited, Belize

On 23 February 2017 the Parent Company acquired 100% of shares in CFDs Prime with its seat 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.

XTB Africa (PTY) Ltd., South Africa

On 10 July of 2018 the Parent Company established a subsidiary of XTB Africa (PTY) Ltd with its seat in RPA. 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 FSCA (Financial Sector Conduct Authority) to operate in South Africa.

As at the date of report publication, the company did not conduct any operating activities.

XTB Foundation, Poland

On 23 December 2020 XTB Foundation was registered in KRS (National Court Register).

The subject of foundation activity is:

- increase in entrepreneurship and innovation, in particular in the area of new technologies and the financial market,
- raising awareness and knowledge of economic, finance and new technologies,
- scientific and research activity and promotion of solutions developed as part of the activities of the XTB Capital Group.

XTB MENA Limited, United Arab Emirates

On January 9, 2021 XTB MENA Limited headquartered 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 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.

In the reporting period, i.e. from January 1 to June 30, 2022 and until the date of submission of this report, there were no changes in the structure of the XTB S.A. other than those described above.



1.3 XTB as FinTech

XTB, as a technological entity operating in the financial sector, realise continuous development work and developing highly innovative, comprehensive solutions in the field of online transactions investments in financial instruments ("research and development"; "R&D"). This makes the Company a FinTech organization. The aim of the above works is to develop innovative technologies and solutions allowing, in particular, the further development of the product offer. XTB owns a number of proprietary technological solutions, including the modern xStation transaction platform.

Original platform xStation



The R&D works realised in 2022 were aimed at the development of tools necessary for the efficient functioning of XTB transaction systems, as well as the modernization of CRM systems in accordance with the identified development needs. Research areas focused primarily on eliminating errors and ensuring the functionality and security of systems and databases. R&D works aimed at the development of new electronic trading systems were also conducted. The main types of R&D activities include:

- development of IT infrastructure, e.g. in order to ensure a sufficiently effective network, continuous modernization of servers and other devices active in XTB,
- creating new or improving the current software solutions supporting the activities of XTB,
- creating and developing key transactional applications and CRM systems,
- developing solutions to increase the security of work in the network and external access,
- · developing solutions for the security of data storage,
- creating and implementing new, innovative hardware-software and software solutions in the company,
- analysis of product development opportunities in terms of current technological solutions,
- work on increasing the level of security of the processed data, both in terms of data storage and transmission protocols,
- creating new or improving existing software solutions used by XTB clients in the process of trading on financial instruments.
- creating new or improving existing software solutions used by XTB clients in the process of opening an account and when using the back-office modules (deposits, withdrawals, account updates, etc.).

Due to the adopted business strategy based on the development of new technologies, the IT Development Department has been separated within the XTB structure, in which a great part of the staff are people performing R&D works. The R&D works have a significant, almost strategic impact on the business activities realised by XTB, which not only translate into the level of revenues generated by XTB, but are also crucial in the process of building and maintaining the highly competitive position of the Company on the global capital market. It should be emphasized that XTB is one of the largest FX & CFD brokers in the world, operating on the OTC (over-the-counter) market and on the stock market.

The table below presents the number of people employed in the IT Development department and the related costs incurred with the development and development of highly innovative, extensive solutions in the field of Internet transactions and investments on a quarterly basis:



						THREE	-MONTH PER	RIOD ENDED
	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
Related costs with technology development (in PLN'000)	13 999	13 185	10 371	10 459	7 648	8 139	6 257	5 862
Number of employees in the IT Development Department*	201	195	161	150	134	130	118	110

^{*} Employees hired on the basis of an employment contract, contract of mandate and providing services based on a B2B contract.

2. Summary and analysis of the results of the Group

In the first half of 2022 XTB reported a consolidated net profit of PLN 479,6 million compared to PLN 65,0 million a year earlier. Consolidated revenue amounted to PLN 836,2 million (H1 2021: PLN 242,0 million), and operating expenses amounted to PLN 267,8 million (H1 2021: PLN 163,3 million). In this period the Group noted over 101 thousand new clients compared to nearly 108 thousand a year earlier (a slight decrease of 6,3% y/y).

2.1 Factors affecting operating and financial results

The Group's operating and financial results are primarily influenced by:

- number of active clients, transaction volume and amount of deposits;
- volatility in financial and commodity markets;
- general market, geopolitical and economic conditions;
- competition in the FX/CFD market and
- regulatory environment.

The key factors influencing the Group's financial and operating results for the 6 months ended 30 June of 2022 are discussed below. According to the Management Board, these factors have and may have an impact on the Group's operations, operational and financial results, financial situation and prospects in the future.

2.2 Discussion of the Group's result for the I half of 2022

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

			5	SIX-MONTH P	ERIOD ENDED
(in PLN'000)			CHANGE		
	30.06.2022	31.12.2021	IN VALUE	CHANGE %	30.06.2021
Result of operations on financial instruments	833 116	379 280	453 836	119,7	239 173
Income from fees and charges	3 081	2 523	558	22,1	2 511
Other income	17	1 793	(1 776)	(99,1)	315
Total operating income	836 214	383 596	452 618	118,0	241 999
Marketing	(105 312)	(61 973)	43 339	69,9	(58 128)
Salaries and employee benefits	(92 978)	(72 017)	20 961	29,1	(58 691)
Commission expenses	(27 590)	(18 396)	9 194	50,0	(17 791)
Other external services	(22 365)	(20 062)	2 303	11,5	(18 926)
Amortisation	(5 655)	(4 608)	1 047	22,7	(4 313)
Other expenses	(5 175)	(3 002)	2 173	72,4	(1 085)
Taxes and fees	(4 746)	(2 910)	1 836	63,1	(2 463)
Costs of maintenance and lease of buildings	(3 965)	(2 518)	1 447	57,5	(1 889)
Total operating expenses	(267 786)	(185 486)	82 300	44,4	(163 286)
Operating profit (EBIT)	568 428	198 110	370 318	186,9	78 713
Finance income	17 731	17 231	500	2,9	660
Finance costs	(512)	(2 908)	(2 396)	(82,4)	(1 350)
Profit before tax	585 647	212 433	373 214	175,7	78 023
Income tax	(106 077)	(39 609)	66 468	167,8	(13 017)
Net profit	479 570	172 824	306 746	177,5	65 006



Revenues

In the first half of 2022, the Group's revenues increased by 245,5% y/y, from PLN 242,0 million to PLN 836,2 million. Significant factors determining their level were high volatility in the financial and commodity markets and the constantly growing average number of active clients (increase by 42,7% y/y), connected with their high transaction activity expressed in the number of contracts concluded in lots. As a consequence, transaction volume in CFD instruments amounted to 3 050,6 thousand lots (H1 2021: 1 986,7 thousands lots), and the profitability by 125,0%, from PLN 122 to PLN 274.

						THREE-	MONTH PER	IOD ENDED
	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
Total operating income (in PLN'000)	396 410	439 804	183 567	200 029	55 302	186 697	139 962	139 630
Transaction volume in CFD instruments in lots ¹	1 489 917	1 560 739	1 073 549	1 044 329	871 300	1 115 389	800 935	760 373
Profitability per lot $(in PLN)^2$	266	282	171	192	63	167	175	184
Transaction volume in CFD instruments in nominal value (in USD'000000)	539 673	631 255	482 097	502 650	366 257	386 347	292 000	275 144
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ³	168	167	94	102	40	127	126	135

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

XTB has a solid foundation in the form of constantly growing client base and the number of active clients. In the first half of 2022 the Group acquired 101 030 new clients compared to 107 854 a year earlier, which means a slight decrease by 6,3% mainly due to high base from the first quarter of 2021. In the reporting period, the number of active clients was record high. It increased by 42,5% y/y., i.e. from 133 415 to 190 088.

							PER	IOD ENDED
	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
New clients ¹	45 697	55 333	42 760	38 573	40 623	67 231	38 413	21 178
Average number of active clients ²	149 824	149 726	112 015	106 961	105 005	103 446	58 069	53 309

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

The ambition of the Management Board in 2022 is to acquire, on average, at least 40 thousand new clients quarterly. As a result of the implemented activities, the Group acquired in the first quarter of this year 55,3 thousand new clients and in the second quarter of this year nearly 45,7 thousand new clients. In turn, in July 2022, XTB acquired 13,3 thousand new clients.

The priority of the Management Board is to further increase the client base leading to the strengthening of XTB's market position in the world. These activities will be supported by a number of initiatives, including the new advertising campaign launched on February 14, 2022 with the participation of the new XTB brand ambassador – Joanna Jędrzejczyk – a titled martial arts competitor, the first Polish woman in the UFC organization and a champion in this organization, as well as a three-time world champion in Thai boxing.

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



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

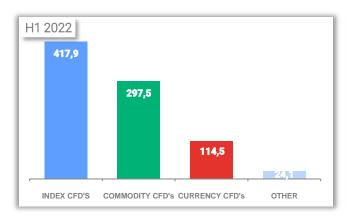
Total operating income converted into USD by the arithmetic average of exchange rates published by the National Bank of Poland on the last day of each month of the reporting period, divided by turnover of CFD in nominal value (in USD'000000).

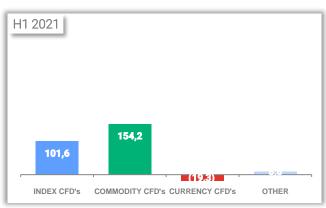
²⁾ The average quarterly number of clients respectively for 6 and 3 months of 2022 and 12, 9, 6 and 3 months of 2021 and 12 and 9 months of 2020.



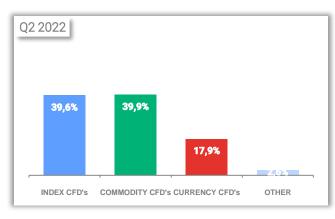
Looking at XTB's revenues in terms of the classes of instruments responsible for their creation, it can be seen that in the first half of 2022 CFDs based on index were in the lead. Their share in the structure of revenues on financial instruments reached 48,9%. This is a consequence of, high profitability on CFD instruments based on the US 100 index, the German DAX index (DE30) or the US 500 index. The second most profitable asset class was CFD based on commodities. Their share in the revenue structure in the first half of 2022 was 34,8%. The most profitable instruments in this class were CFDs on natural gas, gold and oil prices. Revenues on CFDs based on currencies accounted for 13,4% of all revenues, where the most profitable financial instruments in this class were based on the EURUSD currency pair.

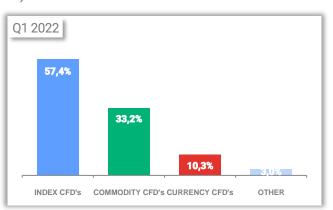
REVENUES BY ASSET CLASS (in PLN'000000)





THE STRUCTURE OF REVENUES BY ASSET CLASS (in %)





In PLN'000)			SIX-MONTH	PERIOD ENDED
III PEN 000)	30.06.2022	31.12.2021	CHANGE %	30.06.2021
Index CFDs	417 896	107 682	288,1	101 622
Commodity CFDs	297 490	164 696	80,6	154 247
Currency CFDs	114 468	99 094	15,5	(19 333)
Stock CFDs and ETFs	23 149	19 668	17,7	10 222
Bond CFDs	(1 230)	146	(942,5)	77
Total CFDs	851 773	391 286	117,7	246 835
Shares and ETFs	2 151	778	176,5	(1 467)
Gross gain on transactions in financial instruments	853 924	392 064	117,8	245 368
Bonuses and discounts paid to clients	(2 669)	(1 598)	67,0	(1 102)
Commission paid to cooperating brokers	(18 139)	(11 186)	62,2	(5 093)
Net gain on transactions in financial instruments	833 116	379 280	119,7	239 173



XTB places great importance on the geographical diversification of revenues, consistently implementing the strategy of building a global brand. The country from which the Group derives more than 20% of revenues each time is Poland, with a share of 39,8% (H1 2021 r.: 27,9%). Due to the overall share in the Group's revenues, Poland was separated for presentation purposes as the largest market in terms of revenues in the Group. 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)			SIX-MONTH	PERIOD ENDED
(III PLN 000)	30.06.2022	31.12.2021	CHANGE %	30.06.2021
Central and Eastern Europe	504 088	210 979	138,9	116 310
- including Poland	333 192	142 300	134,1	67 504
Western Europe	218 784	89 187	145,3	76 162
Latin America ¹	105 658	71 717	47,3	49 527
Middle East ²	7 684	11 713	(34,4)	-
Total operating income	836 214	383 596	118,0	241 999

¹⁾ 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.

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 DI N/000)			SIX-MONTH	PERIOD ENDED
(IN PLN'000)	30.06.2022	31.12.2021	CHANGE %	30.06.2021
Retail segment	836 293	395 535	111,4	228 075
Institutional segment (X Open Hub)	(79)	(11 939)	(99,3)	13 924
Total operating income	836 214	383 596	118,0	241 999

XTB's business model includes high volatility of revenues depending on the period. Operating results are mainly affected by: (i) volatility on financial and commodity markets; (ii) the number of active clients; (iii) volume of concluded transactions on financial instruments; (iv) general market, geopolitical and economic conditions; (v) competition on the FX/CFD market and (vi) regulatory environment.

As a rule, the Group's revenues are positively affected by higher activity of financial markets due to the fact that in such periods, a higher level of turnover is realized by the Group's clients and higher profitability per lot. The periods of clear and long market trends are favourable for the Company and 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⁾ 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.



Operating expenses

The operating costs in the first half of 2022 amounted to PLN 267,8 million and were PLN 104,5 million higher compared to the comparable period (H1 2021 r.: PLN 163,3 million). The most important y/y changes occurred in:

- marketing costs, an increase of PLN 47,2 million mainly due to higher expenditures on marketing online and offline campaigns;
- costs of salaries and employee benefits, an increase of PLN 34,3 million mainly due to the increase in employment and higher provisions for variable remuneration components (bonuses);
- commission expenses, an increase of PLN 9,8 million as a result of larger amounts paid to payment service providers through which clients deposit their funds on transaction accounts;
- other costs, an increase by PLN 4,1 million, mainly due to donations in the amount of PLN 1,1 million; created write-downs of receivables (increase by PLN 1,0 million y/y); business travel costs (increase by PLN 0,8 million y/y) and provisions for litigation (increase by PLN 0,6 million y/y).

(in PLN'000)			SIX-MONTH	PERIOD ENDED
(III PLN 000)	30.06.2022	31.12.2021	CHANGE %	30.06.2021
Marketing	105 312	61 973	69,9	58 128
Salaries and employee benefits	92 978	72 017	29,1	58 691
Commission expenses	27 590	18 396	50,0	17 791
Other external services	22 365	20 062	11,5	18 926
Amortization	5 655	4 608	22,7	4 313
Other expenses	5 175	3 002	72,4	1 085
Taxes and fees	4 746	2 910	63,1	2 463
Costs of maintenance and lease of buildings	3 965	2 518	57,5	1 889
Total operating expenses	267 786	185 486	44,4	163 286

In q/q terms, operating costs increased by PLN 5,7 million, mainly due to offline marketing expenditure higher by PLN 4,0 million and higher costs of taxes and fees by PLN 1,7 million, mainly due to higher costs related to the fee to the Bank Guarantee Fund.

						THREE	-MONTH PEF	RIOD ENDED
	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
Total operating expenses including: (in PLN'000)	136 750	131 036	100 715	84 771	76 384	86 902	83 616	60 138
- Marketing	54 662	50 650	37 201	24 772	25 078	33 050	30 861	17 870
New clients	45 697	55 333	42 760	38 573	40 623	67 231	38 413	21 178
Average number of active clients	149 922	149 726	127 174	110 875	106 563	103 425	72 346	55 760

Due to the dynamic development of XTB, the Management Board estimates that in 2022 the total costs of operating activities may even be about 50% higher than that observed in 2021. 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 expenditures may increase in 2022 by nearly 70% compared to the previous year.

The final level of operating costs depend on the level of marketing expenses, changes in the level of employment in the Group, the amount of variable components paid to employees and the pace of geographic expansion into new markets.

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

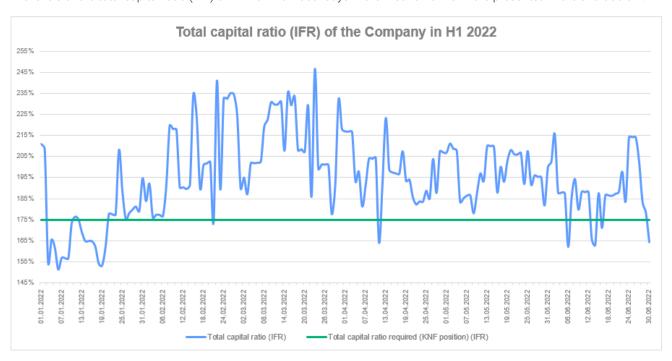


Dividend

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

The Management Board maintains that its intention is to recommend to the General Meeting in the future to adopt resolutions on the payment of dividends, taking into account the factors indicated above, in the amount ranging from 50% to 100% of the Company's standalone net profit for a given financial year. The unit net profit for the first half of 2022 amounted PLN 472,2 million.

The levels of the total capital ratio (IFR) of XTB on individual days in the first half of 2022 are presented in the chart below.

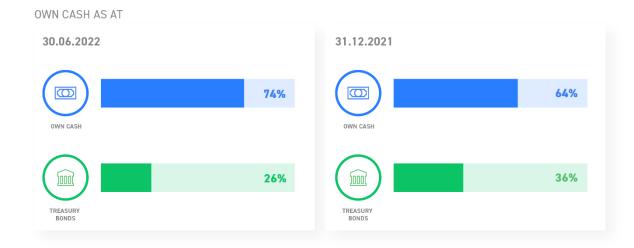


At the end of the first half of this year the total capital ratio in the Company amounted to 164,4%. The total capital ratio informs about the ratio of own funds to risk-weighted assets, in other words, it shows whether the brokerage house is able to cover the minimum capital requirement for market, credit, operational and other risks with its own funds.

Cash and cash equivalents

XTB invests 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 June 30, 2022, the total value of own cash and bonds in the XTB Group was PLN 1 342,9 million, which PLN 995,8 million was cash and PLN 347,1 million for bonds.





2.3 Group's selected financial ratios

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.

		SIX-	MONTH PERIOD ENDED
	30.06.2022	31.12.2021	30.06.2021
EBITDA (in PLN'000) ¹	574 083	202 808	83 026
EBITDA margin (%) ²	68,7	52,9	34,3
Net profit margin (%) ³	57,4	45,1	26,9
Return on equity – ROE (%) ⁴	89,8	41,7	16,0
Return on assets – ROA (%) ⁵	28,1	11,8	5,2
Aggregate capital adequacy ratio (IFR) of the Company(%) ⁶	164,4	211,5	155,3
Aggregate capital adequacy ratio (IFR) of the Group (%))6	158,8	200,1	156,0

⁾ EBITDA calculated as operating profit, including amortisation.

2.4 Selected operating data

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

	SIX-MONTH PERIOD END			
	30.06.2022	31.12.2021	30.06.2021	
Retail operations segment	2 635 225	1 983 074	1 729 640	
Central and Eastern Europe	1 285 252	905 401	838 602	
Western Europe	626 373	531 616	499 516	
Latin America ¹	603 855	459 544	391 522	
Middle East ²	119 746	86 513	-	
Institutional operations segment	415 431	134 804	257 049	
Total	3 050 656	2 117 878	1 986 689	

¹⁾ 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.

²) Calculated as the quotient of operating profit, including amortisation and operating income.

³⁾ Calculated as the quotient of net profit and operating income.

¹⁾ 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; the ratios for the 6-month periods have been annualized).

⁵⁾ 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 ratios for the -month periods have been annualized).

⁶⁾ For comparability and presentation in the period until June 25, 2021, the capital ratio IFR was calculated as the capital ratio CRR including buffers * 12.5.

²⁾ 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.



The table below presents:

- the number of new clients in individual periods;
- the number of clients who at least one transaction has been concluded over the individual periods;
- the average quarterly number of clients who at least one transaction has been concluded over the last three months;
- the aggregate number of clients;
- 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 per 1 million USD transaction volume in CFD instruments (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.

		SIX-	MONTH PERIOD ENDED
	30.06.2022	31.12.2021	30.06.2021
New clients ¹	101 030	81 333	107 854
Clients in total	525 287	429 157	352 946
Number of active clients ²	190 088	151 196	133 415
Average number of active clients ³	149 824	119 025	105 005
Net deposits (in PLN'000) ³	1 949 588	1 331 452	1 601 970
Average operating income per active client (in PLN'000) ⁵	5,6	3,2	2,3
Transaction volume in CFD instruments in lots ⁶	3 050 656	2 117 878	1 986 689
Profitability per lot (in PLN) ⁷	274	181	122
Transaction volume in CFD instruments in nominal value (in USD'000000)	1 170 928	984 747	752 604
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ⁸	167	98	85
Turnover of shares in nominal value (in USD'000000)	1 937	1 983	2 454

The number of new Group's clients in the individual periods.
 The number of clients who at least one transaction has been concluded over the individual periods.

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

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

⁵⁾ The Group's operating income in a given period divided by the average quarterly number of clients who at least one transaction has been concluded over the last three months.

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

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

s) 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 presents information on the Group's revenues by geography in the indicated periods.

(* PLNI999)		SIX-N	MONTHPERIOD ENDED
(in PLN'000)	30.06.2021	31.12.2021	30.06.2021
Result of operations on financial instruments:	833 116	379 280	239 173
Central and Eastern Europe	501 707	207 335	114 069
Western Europe	218 346	88 685	75 725
Latin America ¹	105 379	78 048	49 379
Middle East ²	7 684	5 212	-
Income from fees and charges:	3 081	2 523	2 511
Central and Eastern Europe	2 363	1 851	1 926
Western Europe	438	501	438
Latin America	280	171	147
Middle East	0	-	-
Other income:	17	1 793	315
Central and Eastern Europe	17	1 793	315
Total operating income ¹	836 214	383 596	241 999
Central and Eastern Europe	504 088	210 979	116 310
- including Poland ³	333 192	142 300	67 504
Western Europe	218 784	89 187	76 162
Latin America ¹	105 658	78 218	49 527
Middle East ²	7 684	5 212	-

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.
 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 more than 20% of revenues each time is Poland. Due to the overall share in the Group's revenues, Poland was separated for

presentation purposes as the largest market in terms of revenues in the Group.



Retail operations segment

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

		SIX-	MONTH PERIOD ENDED
	30.06.2022	31.12.2021	30.06.2021
New clients ¹	101 027	81 333	107 849
Clients in total	525 246	429 119	352 910
Number of active clients ²	190 065	151 173	133 390
Average number of active clients ³	149 803	119 003	104 983
Number of transactions ⁴	67 300 709	43 002 584	37 126 626
Transaction volume in CFD instruments in lots ⁵	2 635 225	1 983 074	1 729 640
Net deposits (in PLN'000) ⁶	1 912 558	1 340 656	1 576 280
Average operating income per active client (in PLN'000) ⁷	5,6	3,3	2,2
Average cost of obtaining an client (in PLN'000)8	1,0	0,8	0,5
Profitability per lot (in PLN)9	317	199	132
Transactions volume in CFD at nominal value (in USD million)	1 092 354	923 622	691 990
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ¹⁰	179	108	87
Turnover of shares in nominal value (in USD'000000)	1 937	1 983	2 454

1) Number of new clients in the retail segment in individual periods.

2) Number of clients who at least one transaction has been concluded in the period.

Average quarterly number of clients who at least one transaction has been concluded over the three month period.

4) The number of transactions is defined as the total number of open and closed transactions during that period.

5) 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.

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

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.

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

Total operating income in retail segment divided by the transaction volume in CFDs in lots.

The table below presents data broken down by geography for the average quarterly number of retail clients of the Group who made at least one transaction during the three-month period. The location of active clients was determined based on the location of the Group's office (that serves the client). 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.

				:	SIX-MONTH PE	ERIOD ENDED
		30.06.2022		31.12.2021		30.06.2021
Central and Eastern Europe	88 671	59%	67 256	57%	60 938	58%
Western Europe	32 723	22%	28 960	24%	28 234	27%
Latin America ¹	26 648	18%	21 792	18%	15 811	15%
Middle East ²	1 761	1%	995	1%	-	-
Average number of active clients	149 803	100%	119 003	100%	104 983	100%

¹⁾ 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.

2) 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.

¹⁰) Total operating income in the retail segment converted into USD, based on the exchange rate being the arithmetic mean of the average rates determined by the National Bank of Poland on the last day of each month of the reporting period, divided by the transaction volume in CFDs at nominal value (in USD million).



Institutional operations segment

The Group has provided its services to institutional clients, including brokerage houses and other financial institutions.

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

	SIX-MONTH PERIOD EN				
	30.06.2022	31.12.2021	30.06.2021		
Average number of active clients	21	22	22		
Clients in total	41	38	36		

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

	SIX-MONTH PERIOD EN			
	30.06.2022	31.12.2021	30.06.2021	
Transaction volume in CFD instruments in lots	415 431	134 804	257 049	

2.5 Factors which in the Management's Board opinion may impact the Group's results in the perspective of at least the next quarter

The Management Board believes that the following trends have impact and will maintain and continue to impact the Group's operations until the end of 2022 and in some cases also longer:

• 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 group offers both CFD instruments and stocks/ETFs from the cash markets. In the case of selected CFD instruments, e.g. based on share prices, the position of XTB is fully hedged with external brokers. For equity instruments and ETFs, the Group transmits the client's order to be executed directly on the regulated market or in an alternative trading system.

The Group's operating income is generated:

- i. from spreads (the difference between the selling price offer and the buying price bid);
- ii. from commissions and fees charged to clients by the Group;
- iii. from charged swap points (being the amounts resulting from the difference between the theoretical forward rate and the spot price of the financial instrument) and
- iv. from the net result (profits minus losses) on the Group's market making activities;

As a rule, the Group's revenues are positively affected by higher activity of financial and commodity 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 of the market (range trading). In this case, a higher 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, economic or geopolitical conditions. It can significantly affect the revenues generated by the Group in the subsequent quarters. This is characteristic of the



Group's business model. To illustrate this impact, the table below presents the historical financial results of the Group on a quarterly basis.

						THREE-	MONTH PER	IOD ENDED
	30.06.2022	31.03.2022	31.12.2021	30.09.2021	30.06.2021	31.03.2021	31.12.2020	30.09.2020
Total operating income (in PLN'000)	396 410	439 804	183 567	200 029	55 302	186 697	139 962	139 630
Transaction volume in CFD instruments in lots ¹	1 489 917	1 560 739	1 073 549	1 044 329	871 300	1 115 389	800 935	760 373
Profitability per lot (in PLN) ²	266	282	171	192	63	167	175	184
Transactions volume in CFD at nominal value (in USD million)	539 673	631 255	482 097	502 650	366 257	386 347	292 000	275 144
Profitability per 1 million turnover in CFD derivatives (in PLN) ³	168	167	94	102	40	127	126	135

¹⁾ 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. The presented value does not include CFDs on stocks and ETFs, where 1 lot equals 1 share.

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

• The Group provides services for institutional clients, including brokerage houses, start-ups and other financial institutions 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.

	30.06.2022	2021	2020	2019	2018	2017
% share of operating income from institutional operations in total operating income	(0,0)%	0,3%	13,2%	8,7%	6,5%	15,2%

The level of volatility on financial and commodity markets in 2022, regulatory changes and other factors (if they occur) may affect the condition of XTB institutional partners, transaction volume in lots and XTB revenues from these clients as well.

Due to the dynamic development of XTB, the Management Board estimates that in 2022 the total costs of operating
activities may even be about 50% higher than that observed in 2021. 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
expenditures may increase in 2022 by nearly 70% compared to the previous year.

The final level of operating costs will depend on the level of marketing expenditures, changes in the level of employment in the Group, the level of variable remuneration components paid to employees and the dynamics of geographical expansion into new markets.

The level of marketing expenses will depend on the assessment of their impact on the Group's results and profitability, on the rate of foreign expansion and the degree of client responsiveness to the undertaken activities. To increase employment the Group's dynamic development will contribute to both the 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. Currently, the efforts of the Management Board are focused on

⁹) Total operating income converted into USD, based on the exchange rate being the arithmetic mean of the average rates determined by the National Bank of Poland on the last day of each month of the reporting period, divided by the transaction volume in CFDs at nominal value (in USD million).



- expansion into the markets of the Middle East and Africa. The intention of the Management Board is to start operating in South Africa in mid-2023.
- 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. XTB is currently not involved in any
 acquisition process.

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.

3. Company's authorities

3.1 Management Board

As at June 30, 2022 and as at the date of publication of this periodic 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	10.01.2017	01.07.2025
Paweł Szejko	Board Member	28.01.2015	01.07.2025
Filip Kaczmarzyk	Board Member	10.01.2017	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 June 2, 2022, the Supervisory Board of the Company adopted a resolution on the appointment of the existing five-person composition of the Management Board of the Company for a new joint term of office, which is three years, i.e. from July 1, 2022 to the end of July 1, 2025.

In the reporting period and until the date of submission of this report, there were no changes in the composition of the Management Board other than those described above.

3.2 Supervisory Board

As at June 30, 2022 and as at the date of publication of this periodic report, the composition of the Supervisory Board was as follows:

NAME AND SURNAME	FUNCTION	DATE OF FIRST APPOINTMENT	EXPIRATION DATE OF THE CURRENT TERM
Jan Byrski	President of the Supervisory Board	22.11.2021	19.11.2024
Jakub Leonkiewicz	Member 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

There were no changes in the composition of the Supervisory Board in the reporting period.



4. Information about shares and shareholding

4.1 Equity

As at June 30, 2022 and as at the date of submitting this annual report, the share capital of XTB S.A. consisted of 117 383 635 A-series ordinary shares. Nominal value of each XTB S.A. share is PLN 0,05.

4.2 Shares on the stock exchange

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.

4.3 Shareholding structure

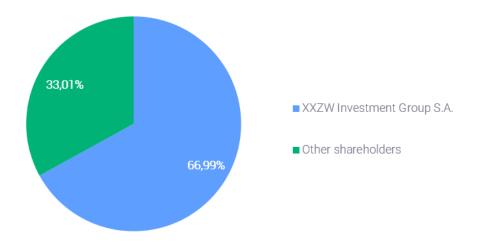
To the best knowledge of the Management Board of the Company as of May 06, 2022 i.e. the submission of the previous periodic report (i.e. the report for the first quarter of 2022) the number of shareholders holding, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Parent Entity was as follows:

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

¹⁾ 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 June 30, 2022 and as at the date of this report is presented in the chart below:



According to the best knowledge of the Management Board of the Company, as at June 30, 2022 and as at the date of submitting this periodic report, the number of shareholders holding, directly or through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Parent Company did not change compared to the status as at May 06, 2022.



4.4 Shares and rights held by Members of the Management and Supervisory 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)
Paweł Szejko	Board Member	4 000	200
Jakub Kubacki	Board Member	2 400	120

In 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 May 9, 2022 Paweł Szejko acquired a total of 3 300 shares of the Company;
- on June 28, 2022, Paweł Szejko acquired a total of 700 shares of the Company;
- on July 1, 2022, Jakub Kubacki acquired a total of 2 400 shares of the Company.

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

5. Other information

5.1 Information on transactions with related parties

In the 6-month period ended June 30, 2022 and June 30, 2021, there were no concluded transactions in the Group with related entities on terms other than market conditions.

The table below shows the Group's transactions and balances of settlements with related parties:

(: DI N/000)	30.06.2022	30.06.2022	30.06.2021	31.12.2021	30.06.2021
(in PLN'000)	REVENUES	RECEIVABLES	REVENUES	RECEIVABLES	RECEIVABLES
Related parties:					
XTB Limited (UK)	30 628	15 629	6 567	9 829	9 130
XTB Limited (CY)	18 943	1	3 561	-	767
X Open Hub Sp. z o.o. (PL)	922	167	925	261	179
XTB International Limited (Belize)	166 547	20 553	59 998	8 628	2 016
XTB MENA Limited (UAE)	-	1	-	5 545	-

(* DIAMOO)	30.06.2022	30.06.2022	30.06.2021	31.12.2021	30.06.2021
(in PLN'000)	COSTS	LIABILITIES	COSTS	LIABILITIES	LIABILITIES
Related parties:					
XTB Limited (UK)	(10 860)	3 120	(8 065)	11 608	10 386
XTB Limited (CY)	(1 805)	791	(1 699)	2 200	436
X Open Hub Sp. z o.o. (PL)	(1 079)	154	(1 116)	-	302
XTB International Limited (Belize)	(57 752)	24 123	(24 606)	38 237	25 644
XTB Services Limited (CY)	(19 785)	2 938	(19 449)	2 390	2 311
XTB MENA Limited (UAE)	(17 517)	2 456	(665)	748	648

Details of transactions with related entities are presented in detail in note 27.2 to the interim condensed consolidated financial statements.



5.2 Information concerning issuing loan and guarantees by an issuer or its subsidiary

As at June 30, 2022 and in the reporting period, i.e. from January 1, 2022 to June 30, 2022, neither the Parent Company nor any of its subsidiaries granted any warranties in respect of loans or advances or any guarantees to any third party or its subsidiary, whose combined value is significant.

5.3 The Management Board's position concerning the realization of previous published forecast of the results for the current

Management Board of XTB S.A. did not publish forecasts of financial results for 2022.

5.4 The information on the significant court proceedings, arbitration authority or public administration authority

As of 30 June 2022 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 were 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 17,2 million, which consists of three proceedings on employee claims, with a value of approximately PLN 560 thousand, eight suits brought by clients with the total value of PLN 7,6 million and moreover, one proceeding brought by ESBANK Bank Spółdzielczy regarding the alleged failure to apply financial security measures by the Company and one proceeding of a non-client of the Company with a value of approximately PLN 170 thousand. Below are presented the most significant, in the Company's view:

- law suit dated August 2019 regarding Company's alleged illegal actions delivered to the Company in December 2019 value of the claim is PLN 7 million. In previous reports the Company informed that there was a possibility of filing a suit by one of the Company's clients who accused the Company of improper execution of the agreement concluded with Company for provision of services consisting in the execution of orders to buy or sell property rights, keeping property rights accounts and cash accounts, by allegedly delaying and interrupting execution of the transactions via the trading platforms provided. 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;
- law suit brought by ESBANK Bank Spółdzielczy dated July 2020, delivered to the Company in November 2020 value of
 the proceeding is approximately PLN 7,6 million. In this case in February 2020 the Company received a pre-trial payment
 order. The damage was to consist in the Company's failure to apply financial security measures, which lead to effective
 appropriation of funds by an employee of Bank Spółdzielczy, who was also a client of the Company. The Company
 considers the charges made in the tender offer to be completely unfounded. In December 2020 the Company filed the
 response to the law suit.

Proceedings against XFR Financial Ltd. (the company currently operating under the name XTRADE Europe Ltd.)

On November 18, 2016, the Company filed a lawsuit against XTRADE Europe Ltd. (formerly: XFR Financial Ltd. or "XFR") based in Cyprus for securing claims in connection with violation of the principles of fair competition, in which it brought, among others:

(i) forbidding XFR to use the word and figurative word "XTRADE" and (ii) forbidding XFR to use the word mark "XTRADE" as the domain name. The Court of Appeal in Warsaw secured the Company's claims against XTRADE Europe Ltd. for prohibiting XTRADE Europe Ltd. from using as a company designation or services (i) verbal and word-graphic designations "XTB", "X-Trade", "XTrade", "X" and (ii) the word sign xtrade.eu. The company has applied to the Warsaw-Śródmieście District Court for enforcement due to the fact that XTRADE Europe Ltd. has not ceased to use as a company designation or provided services owned by the company, despite the relevant decision of the Court of Appeal in Warsaw of March 15 2017. On January 12, 2018, the District Court for Warsaw-Śródmieście in Warsaw issued a decision pursuant to which XTRADE Europe Ltd. was ordered to



pay PLN 5,000 to the Company. There was also a threat of ordering payment to the Company in the event of any subsequent violation by the debtor of the obligation to comply with the decision of the Court of Appeals in Warsaw of 15 March 2017.

Therefore, on April 19, 2018, the Company applied to the District Court for an order against XTRADE Europe Ltd. for PLN 100 000 in connection with the failure by XTRADE Europe Ltd. to secure the security established by the Court of Appeal. During the enforcement proceedings, XTRADE Europe Ltd. closed its branch in Warsaw and declared that it had ceased to provide services to recipients in Poland. In connection with the decision of November 28, 2018, the District Court dismissed the Company's request and determined that, as at the date of issuing the decision, the XTRADE markings were no longer used in Poland by XTRADE Europe Ltd. By virtue of the decision of March 27, 2019 the District Court in Warsaw, he dismissed the company's complaint.

Before the District Court in Warsaw, from 12 April 2017, proceedings were pending due to the Company's action to prohibit XTRADE Europe Ltd. from violating the principles of fair competition, consisting in the unlawful use by the defendant as a company designation or as financial services, brokerage and consulting services. financial, brokerage and brokerage services, word and word and graphic markings "XTB", "X-Trade", "XTrade" and "X".

On July 12, 2019, the District Court in Warsaw, in a case against Xtrade Europe Ltd., issued a judgment in which: (i) ordered the defendant XTRADE EUROPE LTD to refrain from acts of unfair competition against the plaintiff X-TRADE Brokers Dom Maklerski S.A. in Warsaw, consisting in the unlawful use by the defendant as a company designation or of financial services rendered, financial intermediation and consultancy, brokerage and brokerage services, including services provided via the Internet, using specialized computer software, as well as training services, including in materials advertising and in the name of the Internet domain xtrade.com, as well as on the websites available at: www.xtrade.eu and xtrade.com, the following markings in the territory of the Republic of Poland: (a) the word markings "XTB", "X-Trade", "XTrade", "Xtrade"; (b) the symbols xtrade.eu and xtrade.com; (ii) ordered the defendant XTRADE EUROPE LTD to submit and publish, at his own expense and with his own effort, within 2 (two) months from the announcement of the final judgment in the case and after changing the name of the defendant's company pursuant to paragraph 1 of the final judgment, the statement on the decision referred to in the judgment content in the following media: a) "Gazeta Giełdy i Inwestorów Parkiet"; b) on the defendant's website - on the home page; c) on websites identified by domains: http://www.parkiet.com/, http:// www.gazetaprawna.pl / and http://rp.pl (iii) in the event that before the publication of the statement there was a change of the defendant company, the defendant in the content of the statement in place of the words "XTRADE EUROPE LTD" is obliged to use the name of the company current as of the date of publication statements; and (iv) authorized the plaintiff to publish the statement at the defendant's expense in the event of the defendant's failure to comply with the obligation to publish the statement on the content and within the time limits specified in paragraph 2 of the judgment, and obliged the defendant to reimburse the costs incurred by the plaintiff.

On 5 January 2022 the Court of Appeal ruled on the Company's appeal against the judgment of the Court of First Instance. The appeal was upheld for the most part: the Court amended the judgment of the Court of First Instance and prohibited XTRADE Europe from using a further 3 word and graphic signs, as claimed in the lawsuit. The appeal regarding the claim for publishing an apology in the media was dismissed. The proceeding is legally closed.

In addition, the Munich Regional Court, in a judgment of 25 July 2017, issued a ban on the use of the designations "XTRADE" and "XTRADE EUROPE Ltd." in Germany, confirming that the designations are confusingly similar to the trademarks reserved by the Company. In addition, Xtrade Europe Ltd. was also required to provide information on the extent and number of past use of the marks and to pay damages, the amount of which has not yet been determined. On April 19, 2018, the Court of Appeal dismissed the appeal of the Cypriot company - the verdict prohibiting the use of the XTRADE sign in Germany is final. As at the date of submitting this report, proceedings are still pending to order XTRADE Europe Ltd. to pay the costs of legal representation and to enforce a final judgment. Proceedings enforcing the ruling ban were pending before European Union Intellectual Property Office (EUIPO) as regards the annulment of conflicting marks of Xtrade Europe Ltd. On March 20, 2020, EUIPO issued a decision rejecting the application for a declaration of invalidity. On 19 May 2020, an appeal was filed with the Board of Appeal of EUIPO. Currently we are waiting for the decision of the authority. On 8 November 2021 the EUIPO Board of Appeal issued its decision and upheld the arguments and evidence submitted by the Company and found that the Company's sign was used in Germany in the course of trade of more than local significance prior to the date of application for the disputed mark and that the Company's sign was used for "brokerage and financial services". For the rest, the Board of Appeal remitted the case back to the first instance, the Cancellation Division, which will re-examine the application in question. In its re-examination, the Cancellation Division will be bound by the arguments and reasoning of the Board of Appeal. In addition, the Cancellation Division should analyse whether the other grounds for invalidity of the contested mark which were not analysed by the Board of Appeal in its decision are fulfilled. Only after this analysis and reconsideration will the Cancellation Division issue a decision on the merits of the application and the cancellation. This decision will again be subject to appeal by either party. The proceeding before EUIPO is pending.

XTRADE EUROPE Ltd., currently under the name of Guma Holding Ltd., filed a complaint with the General Court of the European Union against the decision of the Fifth Board of Appeal of EUIPO of November 8, 2021, in which it applied for the amendment of this decision in its entirety by dismissing the application for annulment. The company responded to the complaint on May



26, 2022. Guma Holding Ltd. applied to the General Court of the European Union for a hearing, but at the moment, the Court has not issued a decision on the above-mentioned application.

Administrative and control proceedings

The Company and the Group Companies are party to several administrative and control proceedings related to the Group's business. The Company believes that below are presented the most significant among them:

- on September 27, 2018, the Company received information about imposition onto the Company pursuant to art. 167 para. 2 point 1 in connection with art. 167 para. 1 point 1 of the act on Trading in Financial Instruments a fine of PLN 9.9 million in connection with the violation of the law, in particular in the area of providing brokerage services to the Company's clients. In the Company's opinion, the imposition of a fine for above-mentioned fraud is not justifiable and is not reflected in the facts. The PFSA refused to take the evidence requested by the Company (including the expert's opinion) and did take into account independent expert's opinions submitted by the Company. Acting in the best interest of the Company, its employees and shareholders, as well as having clients best interest in mind, the Management Board appealed the abovementioned decision by filing on October 29, 2018, complaint against the PFSA decision to Provincial Administrative Court (hereinafter the "PAC"). On June 6, 2019, the PAC dismissed the Company's plaint against the Commission's decision to impose a financial fine in the amount of PLN 9.9 million. The Court decision is not legally binding yet. After delivery by PAC a copy of the ruling along with its justification, the Company's Management Board decided to lodge a final cassation appeal to Supreme Administrative Court, which was lodged on August 16, 2019.
- by letter dated July 16, 2019, the French supervisory authority, AMF, informed about initiation of control at the Company's French branch pursuant to Article L.621-9 of the French Monetary and Financial Code in order to verify if the Company respects professional obligations. On July 19, 2019, inspection activities were initiated by AMF. The control was a comprehensive assessment of activity of the Company's branch in France, among others, based on the regulations of the MiFID II Directive, MIFIR Regulations, the European Securities and Markets Authority (ESMA) requirements and the French anti-corruption law Sapin II.
 - On February 10, 2020, the Company received a control report indicating that the inspectors found irregularities and deficiencies in the implementation and enforcement of the applicable laws and regulations by the Company's branch in France, in the response to which on March 9, 2020 the Company lodged substantiated objections in accordance with the provisions in force. In a letter of October 9, 2020, the Company was notified of the commencement of administrative proceeding initiated by AMF, with regard to the irregularities detected during the AMF's inspection at the Company's branch in France. The Company was requested to present its position regarding the detected irregularities and the conducted implementations resulting from the protocol of February 10, 2020. On November 8, 2021, the AMF issued a warning and at the same time imposed a fine of EUR 300,000 on the Company, which the Company subsequently paid.
- by letter dated November 27th, 2020, the French Branch of the Company was informed of the initiation of control by the French supervisory authority Autorité de contrôle prudentiel et de résolution ACPR Banque de France against the Company's Branch, pursuant to articles L. 612-23 and R.612- 22 of the Monetary and Financial Code. The audit was intended to assess the compliance of the anti-money laundering and anti-terrorist financing system. The inspection activities started on December 2nd, 2020. As of the submission date of this report, the control has been completed. On June 23, 2021, the Company received the draft inspection report of June 20, 2021. In the reply sent to the supervisory authority to the draft report received, the Company addressed in detail the preliminary post-inspection findings. It cannot be ruled out, that the irregularities identified during the control may result in the application of supervisory measures and sanctions to the Company provided for in the applicable regulations and may result in the must for the Company to bear significant financial expenses, as well as to implement significant organizational changes.
- on March 25, 2021, the Company's branch in Portugal was informed about the initiation of an inspection by the Portuguese supervison authority Comissão do Mercado de Valores Mobiliários CMVM. The inspection shall be considered as a comprehensive assessment of the operations of the Company's Branch, based, inter alia, on the regulations of the MiFID II Directive as well as the delegated regulations that were issued on the basis of the previously mentioned Directive. February 8, 2022, CMVM provided XTB with a summary of its inspection activities. On March 25, 2022, the company received post-inspection report with recommendations, which will be implemented in the Portuguese branch.
- on January 10, 2022, a customs and tax inspection held by the Head of the Masovian Customs and Tax Office in Warsaw regarding the correctness and reliability of XTB settlements for corporate income tax for 2019 began. The inspection, in accordance with the authorization to carry out control should be completed within three months from the date of initiation. As at the date of publication of this report, the inspection is still in progress.
- on May 11, 2022, an inspection by the Polish Financial Supervision Authority commenced in the scope of compliance with the obligations arising from the Act of March 1, 2018 on counteracting money laundering and financing of terrorism. The scope of the inspection covers the activities of the Company as an obligated institution within the meaning of the provisions of the above-mentioned Act. As of June 30, 2022 and at the date of submission of this report, the inspection



is in progress. According to the authorization received for the inspection, its estimated time is to be 120 days, i.e. until September 8, 2022.

Regulatory environment

The Group operates in a highly regulated environment imposing on it 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 sections below describe the most relevant, from the Company's point of view, changes of regulatory obligations occurring during the last period covered by this report and the changes that will enter into force in the forthcoming period.

Act amending the Banking Law and certain other acts

On December 28, 2020, the parliament received a draft act amending the Banking Law and certain other acts, including the act on trading in financial instruments and was published on the website of the Government Legislation Centre. The most important assumptions of the project: (i) implementation of EU law in connection with the entry into force of European Union legal regulations on capital requirements for financial institutions, the so-called CRD V / CRR II package; (ii) introducing a standard methodology and a simplified standard methodology for the assessment of interest rate risk; (iii) authorizing the Polish Financial Supervision Authority to dismiss a member of the management board of the brokerage house if a given person does not meet the requirements necessary to perform a given function; and (iv) clarifying the definition of a person whose professional activity has a significant impact on the risk profile of the brokerage house. On February 25, 2021, the act was adopted by Sejm and then submitted to the President and the Marshal of the Senate. On April 1, 2021, the act was signed by the President. The effective date of the Act has been split, with some provisions taking effect within 14 days of the Act's promulgation, some taking effect on June 28, 2021, and the remainder taking effect on January 1, 2023.

The Company exercised due diligence in order to comply with obligation under Act amending the Banking law and certain other acts. However, it cannot be excluded that a given rule or requirement will be interpreted by the Group in a manner inconsistent with the act which may be connected with risk of supervisory activities and other administrative measures specified in binding laws and may require incurring by the Company further significant financial outlays and implementation of the significant organizational changes.

Preventing use of the financial system for money laundering or terrorist financing - the so-called V AML Directive

On July 9, 2018, the Directive (EU) 2018/843 of the European Parliament and of the Council (hereinafter referred to as the "Directive V AML"), amending the Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (hereinafter referred to as the "IV AML Directive") and amending the Directives 2009/138/EC and 2013/36/EU came into force. The main assumption of the directive is to create within the European Union conditions for the efficient exchange of information in order to increase the effectiveness of counteracting money laundering and terrorist financing. In accordance with the assumptions of the Directive V AML, European Union member states were obliged to implement the provisions of the Directive V AML until January 10, 2020.

Polish legislator failed to transpose the provisions of Directive V AML within the required deadline. On March 4, 2020, a draft act amending the Act on Counteracting Money Laundering and Financing of Terrorism and some other acts (hereinafter referred to as the "Project") was published, which aims to implement the provisions of the AML V Directive into the Polish legal order. also numerous details of the provisions of the Act of March 1, 2018 on counteracting money laundering and terrorist financing (under the AML IV Directive. The most important assumptions of the Project include: (i) extension of the list of obligated institutions, (ii) changes in definitions, including the definition of the actual beneficiary and the group, (iii) extension of the catalogue of cases in whose obligated institutions apply financial security measures, (iv) expanding the catalogue of premises for a higher risk of money laundering and terrorist financing, and (v) changes in the scope of applying financial security measures. On February 25, 2021, the act was adopted by the Sejm and then submitted to the President and the Marshal of the Senate. On April 8, 2021, the act was signed by the President and on April 30, 2021 announced in the Journal of Laws. The entry into force of the Act has been staggered - some of the provisions came into force 14 days after the date of announcement, some 3 months after the date of announcement, and some 6 months after the date of announcement.



The Company exercised due diligence in order to comply with obligation under act on prevention of money laundering practices and financing of terrorism and the regulation on the transfer of information about transactions and a form identifying the obligated institution. However, it cannot be excluded that a given rule or requirement will be interpreted by the Group in a manner inconsistent with the act which may be connected with risk of supervisory activities and other administrative measures specified in binding laws and may require incurring by the Company further significant financial outlays and implementation of the significant organizational changes.

Draft act on the consideration of complaints and disputes of clients of financial market entities and on the Financial Education Fund

On September 21, 2020 on the website of the Government Legislation System a draft act on the consideration of complaints and disputes of clients of financial markets entities and on the Financial Education Fund was published. The purpose of the act is to increase the effectiveness of the proceedings in matters of protection of collective consumer interests. According to the assumptions, the act is to enter into force on January 1, 2021, except for some provisions which will come into force accordingly on November 16, 2020 and December 31, 2020. Main assumptions of the project: (i) most of the existing competences of the Financial Ombudsman will be passed to the President of the Office of Competition and Consumer Protection; (ii) the President of the Office of Competition and Consumer Protection will obtain competence to protect financial market entities' clients, which will include, *inter alia*, the possibility of intervening in individual cases arising from the submission of complaints; and (iii) out-of-court proceedings will be held by the coordinator for out-of-court dispute resolution between the client and the financial market entity, who will be working next to the President of the Office of Competition and Consumer Protection. The project is currently at the stage of review. The Project is currently in Sejm after the stage of I reading.

Act amending the Trading in financial instruments act and other acts

On October 23, 2020 on the website of the Government Legislation System a draft act amending the Trading in financial instruments act and other acts was published. According to the assumptions, the act was to enter into force of June 26, 2021. Main assumptions of the project: (i) division of the investment firms into the categories based on their size and connections with other financial and economic entities; (ii) the application of prudential supervision for investment firms which, due to their size and interconnectedness with other financial and economic entities, are not considered systemically important entities; (iii) regulating, by appropriate application of the provisions of the CRR, the structure of own funds of investment companies; (iv) an obligation for small and unrelated investment firms to hold their own funds equal to their fixed minimum capital requirement or one quarter of their fixed overheads calculated on the basis of their activities in the previous year; (v) setting a minimum own funds requirement for tier two investment firms corresponding to their fixed minimum capital requirement, one quarter of their fixed overheads for the previous year or the sum of their requirement on the basis of a set of risk factors tailored to the specificity of investment firms; (vi) obliging investment firms to comply with liquidity requirements, resulting in mandatory internal procedures to monitor and manage liquidity requirements; (vii) an obligation to disclose relevant information, for example on own funds and liquidity requirements; (viii) making the capital requirements of the investment firm dependent on the type of activity authorized or authorized by the investment firm to provide or operate; and (ix) obliging investment firms to demonstrate compliance with a fixed minimum capital requirement at all times equal to the required share capital. The Bill was passed in session on 1 October 2021 and was transmitted to the President and the Speaker of the Senate on 4 October 2021, and on 25 November 2021 it was promulgated. The entry into force of the Act has been staggered - some provisions entered into force on the day after the date of promulgation, some on 1 January 2022 and some will enter into force on 1 January 2023.

The Company exercised due diligence in order to comply with obligation under Act amending the Trading in financial instruments act and other acts. However, it cannot be excluded that a given rule or requirement will be interpreted by the Group in a manner inconsistent with the act which may be connected with risk of supervisory activities and other administrative measures specified in binding laws and may require incurring by the Company further significant financial outlays and implementation of the significant organizational changes.

Draft regulations amending the regulation on the scope, procedure, form and deadlines for submitting information to the Polish Financial Supervision Authority by investment firms, banks referred to in art. 70 sec. 2 of the Act on Trading in Financial Instruments, and custodian banks

On 18 June 2021 and 7 July 2021, draft regulations amending the regulation on the scope, mode and form of and deadlines for the provision of information to the Polish Financial Supervision Authority by investment firms, banks referred to in Article 70(2) of the Act on Trading in Financial Instruments, and custodian banks were published. Both regulations were announced.

The most important assumptions of the regulations:

draft dated 18 June 2021 - amendments to the current regulation with respect to the quarterly sales activity report, which
is prepared in accordance with the template set out in Annex 10 to the regulation – The regulation was promulgated on
15 December 2021 and entered into force on 1 June 2022;



• draft dated 7 July 2021 - amendments to the regulation currently in force are aimed at making the necessary changes to the national legal order in connection with the entry into force of Directive (EU) 2021/338 of the European Parliament and of the Council of 16 February 2021 amending Directive 2014/65/EU as regards information requirements, product governance and position limits and Directives 2013/36/EU and (EU) 2019/878 as regards their application to investment firms in order to support the recovery from the COVID-19 crisis and consists in (i) incorporating the EU regulations on the prudential supervision of investment firms into the text of the Regulation, (ii) specifying the obligations of investment firms in the event of an inability to comply with certain disclosure obligations, (iii) specifying certain obligations relating to the use of research services and (iv) introducing new responsibilities for the compliance function - the regulation was promulgated on 14 December 2021 and entered into force on 28 February 2022.

The Company exercised due diligence in order to comply with these regulations. However, it cannot be excluded that a given rule or requirement will be interpreted by the Group in a manner inconsistent with the act which may be connected with risk of supervisory activities and other administrative measures specified in binding laws and may require incurring by the Company further significant financial outlays and implementation of the significant organizational changes.

Draft act on the protection of whistleblowers

On 18 October 2021, the Draft Act on the Protection of Whistleblowers was published on the website of the Government Legislation Centre. The Draft act 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 infringements of Union law.

The guarantees and remedies provided for in the act will be available to the whistleblower, regardless of the basis and form of work provision (including, but not limited to, an employment contract, civil law contract, business activity by an individual, management contract, voluntary work, internship and traineeship), including those providing work to entities with which the employer has a business relationship, such as contractors, subcontractors or suppliers, and other whistleblowers in a work-related context, such as shareholders and partners and members of bodies of a legal entity. It will be possible to report violations of the law through internal reporting channels established by private and public entities, through external reporting channels to the relevant state authorities and through public disclosure. The draft act will set out the requirements for the establishment and organisation of internal and external channels (procedures and organisational arrangements) for reporting violations and the rules for making public disclosures.

According to the draft, the Act will enter into force after 14 days from the date of its publication. Implementation of the obligation to establish internal notification rules by entities in the private sector with at least 50 and less than 250 employees will take place by 17 December 2023. July 7 this year another version of the bill was published on the website of the Government Legislation Center. It is estimated that the act will enter into force in the third or fourth quarter of 2022. The company is already making efforts to adjust its internal procedures on to the requirements of the draft Act.

Regulation of the Minister of Finance on estimation of internal capital and liquid assets, risk management system, supervisory examination and assessment, and remuneration policy in a brokerage house and a small brokerage house

On 9 December 2021, the Regulation of the Minister of Finance of 8 December 2021 on estimation of internal capital and liquid assets, risk management system, supervisory examination and assessment, as well as remuneration policy in a brokerage house and a small brokerage house was published in the Journal of Laws. The Regulation implements the IFD/IFR package, i.e. Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (OJ L 314, 05.12.2019, p. 64, as amended) and 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 (OJ L 314, 05.12.2019, p. 1, as amended). The main objectives of the Regulation: (i) clarification of the rules for the preparation and implementation by a brokerage house, as part of its risk management system, of internal policies, strategies and procedures and systems and processes for the identification, measurement or estimation, monitoring and control, and mitigation of risk, in line with the principle of proportionality in risk management in a brokerage house; (ii) the principles for the preparation and implementation by the brokerage house of the process for estimating and maintaining internal capital and liquid assets, are intended to ensure that the brokerage house has internal capital adequate in quantity, quality and structure to cover the risks to which it is or may be exposed. The regulations also impose obligations on the brokerage to ensure that the internal capital and liquid assets estimation process is regularly reviewed, adapted to changes in the business, and independently assessed and reviewed by internal audit and appropriately documented. Definition of the detailed scope of the remuneration policy and the way it is determined in order to adapt the remuneration level to the risk profile of the brokerage house - this is done by defining the principles of the remuneration policy on variable components of remuneration and setting the criteria for determining the fixed and variable components of remuneration, (iii) introduction of clear criteria for identification of brokerage houses and persons to whom the requirements for deferral and payment of remuneration in financial instruments do not apply, which is necessary to ensure compliance with the supervision exercised by the Financial Supervision Committee and equal conditions for their operation; (iv) those who



perform internal control functions, those who perform compliance monitoring functions, those who perform internal audit functions and those who perform risk management functions shall be remunerated for the achievement of the objectives of their tasks, independent of the performance of the activities they control. Their remuneration will be directly overseen by the remuneration committee, or by the supervisory board where no such committee has been established. The provisions of the regulation do not apply to variable components of remuneration due for 2021 and previous years. The regulation entered into force within 14 days of its publication.

The Company exercised due diligence in order to comply with obligation under Regulation of the Minister of Finance on estimation of internal capital and liquid assets, risk management system, supervisory examination and assessment, and remuneration policy in a brokerage house and a small brokerage house. However, it cannot be excluded that a given rule or requirement will be interpreted by the Group in a manner inconsistent with the act which may be connected with risk of supervisory activities and other administrative measures specified in binding laws and may require incurring by the Company further significant financial outlays and implementation of the significant organizational changes.

5.5 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 30 June 2022 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 harm its business and profitability;
- the Group may incur material financial losses from its market making model;
- the Group's risk management policies and procedures may prove ineffective;
- the Group may experience disruptions to or corruption of its infrastructure necessary for the conduct of the Group's business:
- the Group's business relies, to a great extent, on the Group's ability to maintain its good reputation and the general perception of the financial instruments;
- the Company may not be able to pay dividends in the future or pay lower dividends than provided in the Group's dividend policy;
- the Group may fail to implement its strategy;
- as a result of implementing its strategy relating to developing its operations in various regions of the world may be exposed to various risks specific to these regions;
- the Group may experience difficulties in attracting new retail clients and maintain its active retail client base;
- the Group may be unable to effectively manage its growth;
- the Group is subject to counterparty credit risk;
- 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's operations in certain regions are subject to increased risks associated with political instability and the risks that are typical of the developing markets;
- the Group operates on a highly competitive market;
- 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;
- 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;
- 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.

5.6 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 and for regularly setting appropriate limits to limit the scale of exposure to these risks.

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.

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.

In the reporting period, a significant change related to the risk management system concerned a new method of calculating capital requirements and resulted from the provisions of the Regulation of the European Parliament and of the Council (EU) 2019/2033 of November 27, 2019 on prudential requirements for investment firms.

6. 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 period of six months ended 30 June 2022 and comparative data have been prepared in accordance with the applicable accounting principles and reflect in a true, reliable and clear financial and financial situation and the financial result of the Group and the Company, respectively. In addition, the Management Board declares that activity report contains a true picture of the development and achievements of the Group and the Company, respectively, including a description of the basic threats and risk.

Warsaw, 18 August 2022 Omar Arnaout Paweł Szejko President of the Member of the Management Board Management Board Filip Kaczmarzyk Jakub Kubacki Member of the Member of the Management Board Management Board Andrzej Przybylski Member of the

Management Board

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Translation note: This version of our report is a translation from the original, which was prepared in Polish language.

All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent registered auditor's report on the review of the interim condensed consolidated financial statements

To the Shareholders and the Supervisory Board of XTB S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of XTB S.A. Group (hereinafter called "the Group"), having XTB S.A. as its parent company (hereinafter called "the Parent Company"), with its registered office in Warsaw, Prosta 67 Street, comprising the interim condensed consolidated statement of financial position as at 30 June 2022 and the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity, the interim condensed consolidated statement of cash flows for the period from 1 January to 30 June 2022 and a summary of significant accounting policies and other explanatory notes

Management of the Parent's Company is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity as adopted by the National Council of Certified Auditors as the National Standard on Review Engagements 2410. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k., ul. Polna 11, 00-633 Warsaw, Poland, T: +48 (22) 746 4000, F:+48 (22) 742 4040, www.pwc.pl



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements have not been prepared, in all material respect, in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Conducting the review 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:

Agnieszka Accordi

Registered Auditor No. 11665

Warsaw, 18 August 2022



Translation note: This version of our report is a translation from the original, which was prepared in Polish language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent registered auditor's report on the review of the interim condensed financial statements

To the Shareholders and the Supervisory Board of XTB S.A.

Introduction

We have reviewed the accompanying interim condensed financial statements of XTB S.A. (hereinafter called the Company), with its registered office in Warsaw, Prosta 67 Street, comprising the interim condensed statement of financial position as at 30 June 2022 and the interim condensed statement of comprehensive income, the interim condensed statement of changes in equity and the interim condensed cash flow statement for the period from 1 January to 30 June 2022 and a summary of significant accounting policies and other explanatory notes

Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

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Conclusion

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Warsaw, 18 August 2022