



XTB S.A.

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

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CURRENT REPORT NO 4/2023

Warsaw, 8 March 2023

Decision on the intention to buy back own shares and the distribution of profit for 2022

Management Board of XTB S.A. ("Company") informs that on 8 March 2023 it made a decision regarding the intention to buy back its own shares in accordance with the Act of September 15, 2000 – Code of Commercial Companies and the intention to recommend to the Supervisory Board and the General Meeting of the Company the distribution of the Company's net profit for the year 2022, which, according to preliminary estimates, will amount to approximately PLN 761,6 million, as follows:

- a) payment to shareholders of 50% of the profit generated in 2022 in the form of a dividend, i.e. the amount estimated at PLN 381 496 813,75 which corresponds to PLN 3,25 in dividend per share;
- b) 25% of the generated profit, i.e. the amount estimated at PLN 188 700 000,00 will be allocated to the purchase of own shares from shareholders and their redemption;
- c) keep the remaining amount, estimated at PLN 191 367 526,88 at the Company's disposal and allocate it to reserve capital.

The above recommendation and the buy back of own shares is subject to the Company obtaining permission from the Polish Financial Supervision Authority (the "Commission") to buy back up to 5 683 635 own shares (which is 4,84% of the total number of shares/votes in the Company) by 31 December 2023, for their redemption.

In the event of a possible lack of consent on the part of the Commission for the above-mentioned own share buy back or the extension of the period for obtaining such consent, the intention of the Management Board of the Company will be to recommend to the Supervisory Board and the General Meeting the following alternative method of dividing the profit earned in 2022:

- a) payment to shareholders of 75% of the Company profit generated in 2022 in the form of dividends, i.e. PLN 570 484 466,10, which corresponds to PLN 4,86 of dividend per share;
- b) keep the remaining amount, i.e. PLN 191 079 874,53, at the Company's disposal and allocate it to reserve capital.

Considering the above, the Company will immediately apply to the Polish Financial Supervision Authority for permission to buy back its own shares and reduce instruments in the Company's Common Equity Tier 1 capital.

The above recommendation of the Company's Management Board is consistent with XTB's dividend policy, which assumes recommending to the General Meeting a dividend payment at the level of 50 - 100% of the Company's standalone net profit for a given financial year, taking into account factors such as the need to ensure an appropriate level of the Company's capital adequacy ratios and the capital necessary for Group development, as well as taking into account the guidelines of the Polish Financial Supervision Authority.

The decision of the Commission regarding the application submitted by the Company for a permit to buy back its own shares and the final recommendation of the Management Board regarding the distribution of net profit for 2022 will be announced by the Company in subsequent reports.

Legal basis:

Article 17 section 1 MAR – inside information.