

H1 2020 RESULTS PRESENTATION

21 AUGUST 2020



AGENDA

- ✓ Financial data
- ✓ Operational data
- ✓ Market environment
- ✓ Regulatory environment
- ✓ Appendix

FINANCIAL

DATA





FINANCIAL DATA

Financial consolidated highlights

(in PLN'000)	Q2 2020	Q1 2020	H1 2020	H1 2019	Change
Result of operations on financial instrument	210 389	305 009	515 398	85 437	429 961
Other income	1 105	1 655	2 760	3 344	(584)
Total operating income	211 494	306 664	518 158	88 781	429 377
Salaries and employee benefits	(26 904)	(38 782)	(65 686)	(40 530)	25 156
Marketing	(22 260)	(16 740)	(39 000)	(18 759)	20 241
Amortization and depreciation	(1 954)	(1 861)	(3 815)	(3 238)	577
Other operating expenses	(14 603)	(15 146)	(29 749)	(21 061)	8 688
Total operating expenses	(65 721)	(72 529)	(138 250)	(83 588)	54 662
Operating profit (EBIT)	145 773	234 135	379 908	5 193	374 715
Finance income	2 022	1 043	3 065	3 232	(167)
Finance costs	(7 853)	(12 904)	(20 757)	(1 312)	19 445
- negative foreign exchange differences relating to a company in Turkey	-	(21 880)	(21 880)	-	21 880
Profit before tax	139 942	222 274	362 216	7 113	355 103
Income tax	(22 452)	(46 305)	(68 757)	(1 957)	66 800
Net profit	117 490	175 969	293 459	5 156	288 303



FINANCIAL DATA continued

Quarterly consolidated financial and operational data

(in PLN'000)	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Total operating income	211 494	306 664	89 571	60 952	47 891	40 890	42 786	47 578
Total operating expenses	(65 721)	(72 529)	(47 324)	(42 980)	(42 490)	(41 098)	(40 862)	(48 837)
Operating profit (loss)	145 773	234 135	42 247	17 972	5 401	(208)	1 924	(1 259)
Net profit (loss)	117 490	175 969	37 038	15 507	4 393	763	3 973	(2 904)

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Total operating income (in PLN'000)	211 494	306 664	89 571	60 952	47 891	40 890	42 786	47 578
Transaction volume in CFD instrument in lots	829 017	784 840	394 146	423 333	385 318	394 421	458 869	345 118
Profitability per lot (in PLN)	255	391	227	144	124	104	93	138

In the first half of 2020 XTB noted a record revenue increase from PLN 88,8 million to PLN 518,2 million, i.e. by 483,6% y/y. The significant factors determining the level of revenues were:

- above-average volatility on financial and commodity markets caused by among others coronavirus COVID-19 global pandemic and;
- a constantly growing client base combined with their high transaction activity noted in the number of concluded transactions in lots.

As a consequence the transaction volume in CFD instruments amounted to 1 613,9 thousand lots (H1 2019: 779,7 thousand lots) and a profitability per lot reached PLN 321 (H1 2019: PLN 114).

FINANCIAL DATA continued

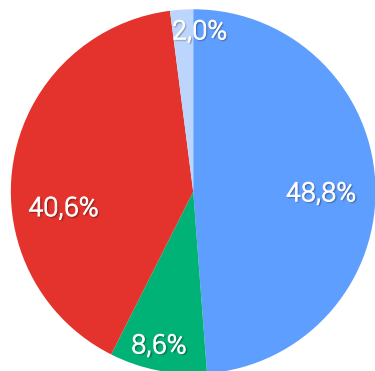
Result of operations on financial instruments by classes

(in PLN'000)	Q2 2020	Q1 2020	H1 2020	H1 2019	Change
Index CFDs	142 136	110 682	252 818	72 595	180 223
Commodity CFDs	53 498	156 545	210 043	5 950	204 093
Currency CFDs	10 695	34 048	44 743	5 336	39 407
Stock CFDs and ETFs	1 900	2 500	4 400	1 162	3 238
Bond CFDs	(25)	163	138	663	(525)
Total CFDs	208 204	303 938	512 142	85 706	426 436
Shares and ETFs	4 159	1 839	5 998	400	5 598
Gross gain on transactions in financial instruments	212 363	305 777	518 140	86 106	432 034
Bonuses and discounts paid to customers	(340)	(119)	(459)	(89)	370
Commission paid to cooperating brokers	(1 634)	(649)	(2 283)	(580)	1 703
Net gain on transactions in financial instruments	210 389	305 009	515 398	85 437	429 961

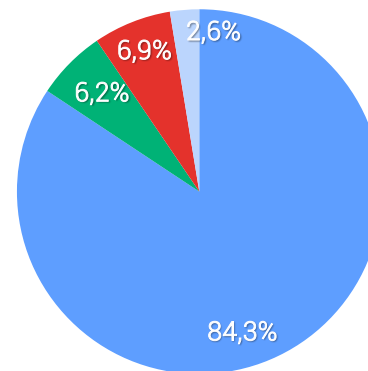
FINANCIAL DATA continued

Result of operations on financial instruments by classes

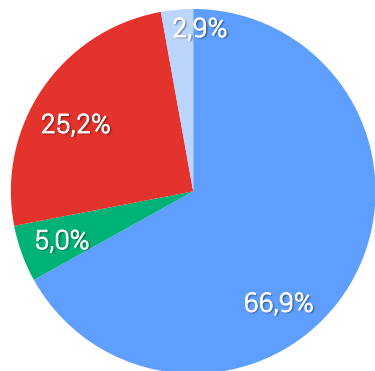
Revenue by class of instrument
H1 2020



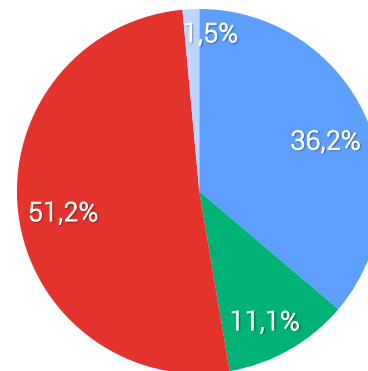
Revenue by class of instrument
H1 2019



Revenue by class of instrument
Q2 2020



Revenue by class of instrument
Q1 2020



FINANCIAL DATA continued

Revenue by geographical area and segments

(in PLN'000)	Q2 2020	Q1 2020	H1 2020	H1 2019	Change
Central and Eastern Europe	106 062	151 062	257 124	44 703	212 421
- including Poland	91 498	85 432	176 930	36 212	140 718
Western Europe	83 142	132 390	215 532	36 936	178 596
- including Spain	33 869	58 136	92 005	21 187	70 818
Latin America	22 290	23 212	45 502	7 142	38 360
Total operating income	211 494	306 664	518 158	88 781	429 377

- Diversification of revenues in geographical terms:
 - Poland: 34,1% (H1 2019: 40,8%) and Spain: 17,8% (H1 2019: 23,9%).
 - The share of other countries does not exceed in any case 15%.

(in PLN'000)	Q2 2020	Q1 2020	H1 2020	H1 2019	Change
Retail segment	175 543	253 014	428 557	78 151	350 406
Institutional segment (X Open Hub)	35 951	53 650	89 601	10 630	78 971
Total operating income	211 494	306 664	518 158	88 781	429 377

FINANCIAL DATA continued

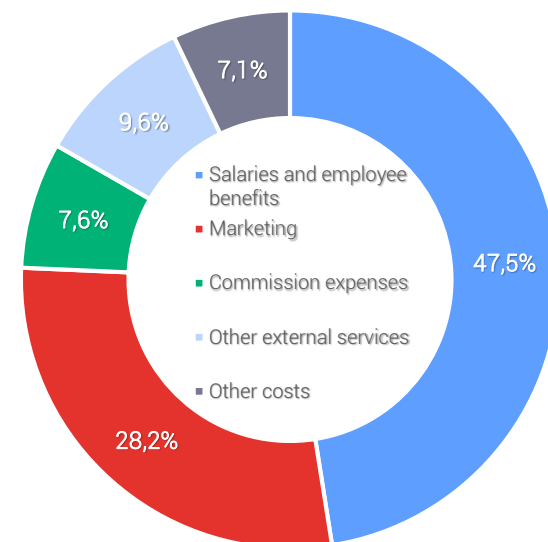
Operating expenses by type

(in PLN'000)	Q2 2020	Q1 2020	H1 2020	H1 2019	Change
Salaries and employee benefits	26 904	38 782	65 686	40 530	25 156
Marketing	22 260	16 740	39 000	18 759	20 241
Other external services	5 465	7 767	13 232	11 361	1 871
Costs of maintenance and lease of buildings	933	968	1 901	1 532	369
Amortisation and depreciation	1 954	1 861	3 815	3 238	577
Taxes and Statutory Fees	723	669	1 392	1 530	(138)
Commission expenses	5 984	4 540	10 524	3 904	6 620
Other costs	1 498	1 202	2 700	2 734	(34)
Total operating expenses	65 721	72 529	138 250	83 588	54 662

Operating expenses structure H1 2020

In the first half of 2020 operating expenses amounted to PLN 138,3 million and were higher by PLN 54,7 million in relation to the same period a year earlier (H1 2019: PLN 83,6 million). The most significant changes occurred in:

- costs of salaries and employee benefits, an increase of PLN 25,2 million mainly due to provisions established for variable components of remuneration (bonuses) and unused holidays and an increase in employment;
- marketing costs, an increase of PLN 20,2 million mainly due to higher expenditures on marketing online campaigns;
- commission expenses, an increase of PLN 6,6 million as a result of larger amounts paid to payment service providers through which clients deposit their funds on transaction accounts;
- other external costs, an increase of PLN 1,9 million as a result of higher expenditures on: (i) IT systems and licenses (an increase of PLN 0,7 million y/y); (ii) legal and consulting services (an increase of PLN 0,6 million y/y).



FINANCIAL DATA continued

Dividend and capital requirements

Taking into account the position of the KNF published on 22 May 2018, regarding the dividend policy of brokerage houses in the medium term, it is recommended to pay dividends only by brokerage houses that especially:

- at the end of each quarter, have a total capital ratio of at least 14% - then it is possible to pay a dividend in the amount not higher than 100% of the net profit for a given year, or
- as at the last calendar day of a given year had a total capital ratio of at least 14% - then it is possible to pay a dividend at the level not exceeding 75% of the net profit for a given year;
- obtain a BION supervisory assessment of 1 or 2.

Total capital ratio in the first half of 2020



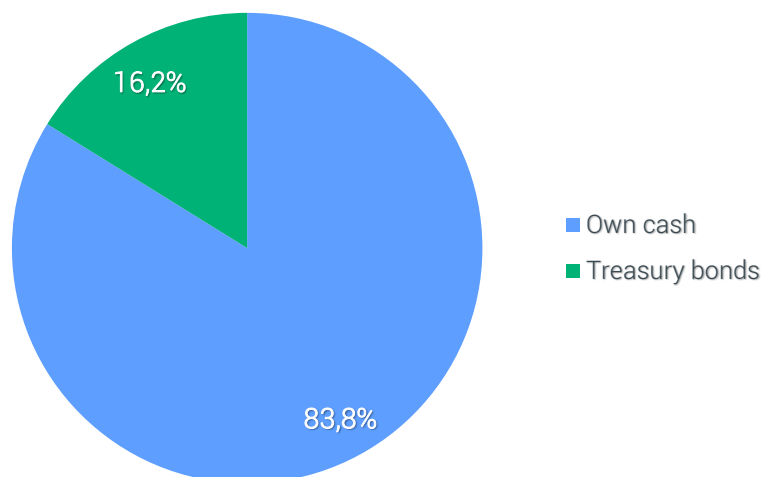
(in PLN'000)	30.06.2020	31.12.2019	Change	31.03.2020	30.06.2019
Aggregate capital adequacy ratio of the Company, including buffers (%)	13,6	14,6	(1,0)	18,0	14,7
Aggregate capital adequacy ratio of the Group, including buffers (%)	12,9	13,3	(0,4)	15,1	14,0

FINANCIAL DATA continued

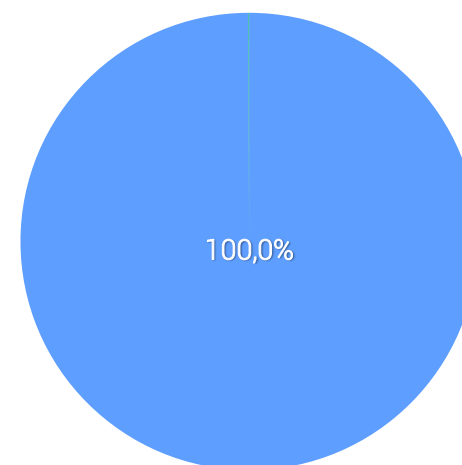
Own cash

(in PLN'000)	30.06.2020	31.12.2019	Change	31.03.2020	30.06.2019
Own cash	681 342	484 351	196 991	731 175	433 861
Treasury bonds	131 383	14 899	116 484	26 212	-
Own cash + treasury bonds	812 725	499 250	313 475	757 387	433 861

Own cash
H1 2020



Own cash
H1 2019



In an environment of low interest rates, which discourages the maintenance of high deposits in banks, XTB started to locate part of its cash in financial instruments with a risk weight of 0% (treasury bonds).

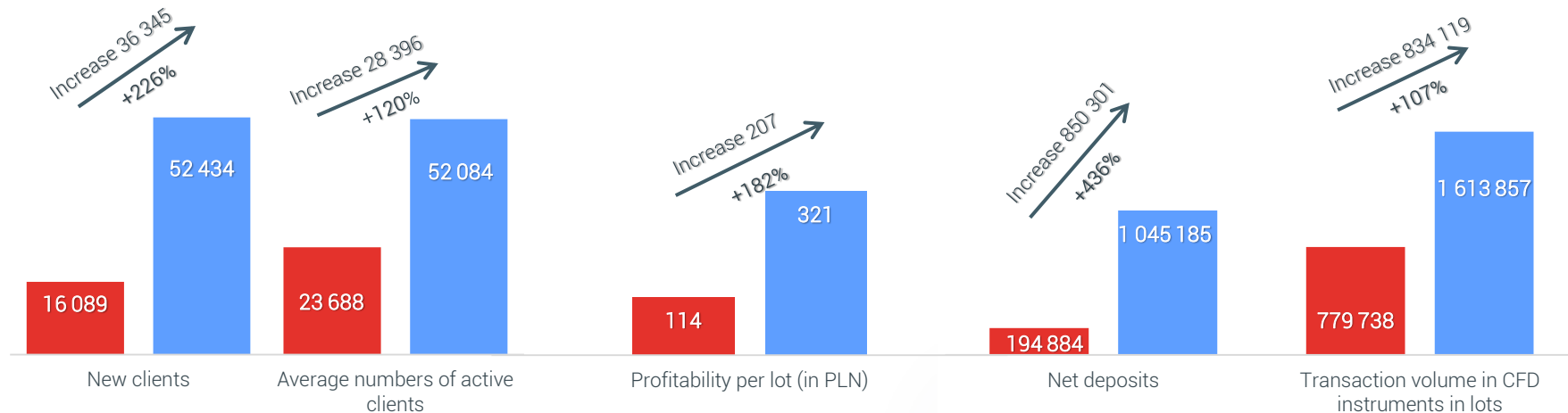
OPERATIONAL DATA



OPERATIONAL DATA

Consolidated KPIs

■ H1 2019 ■ H1 2020



	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
New clients	30 523	21 911	10 424	10 042	9 246	6 843	5 742	4 884
Average number of active clients ¹	52 084	45 660	26 582	25 171	23 688	22 245	21 279	21 515
Clients in total	199 365	170 290	149 304	139 949	128 266	122 645	116 517	111 401
Net deposits (in PLN'000)	590 825	454 360	119 278	95 259	102 564	92 320	78 702	75 619
Average operating income per active client (in PLN'000) ²	10,0	6,7	9,0	5,9	3,7	1,8	13,5	11,4
Transaction volume in CFD instruments in lots	829 017	784 840	394 146	423 333	385 318	394 421	458 869	345 118
Profitability per lot (in PLN)	255	391	227	144	124	104	93	138

1) Average quarterly number of clients/accounts respectively for 6 and 3 months of 2020 and 12, 9, 6 and 3 months of 2019, and 12 and 9 months of 2018.

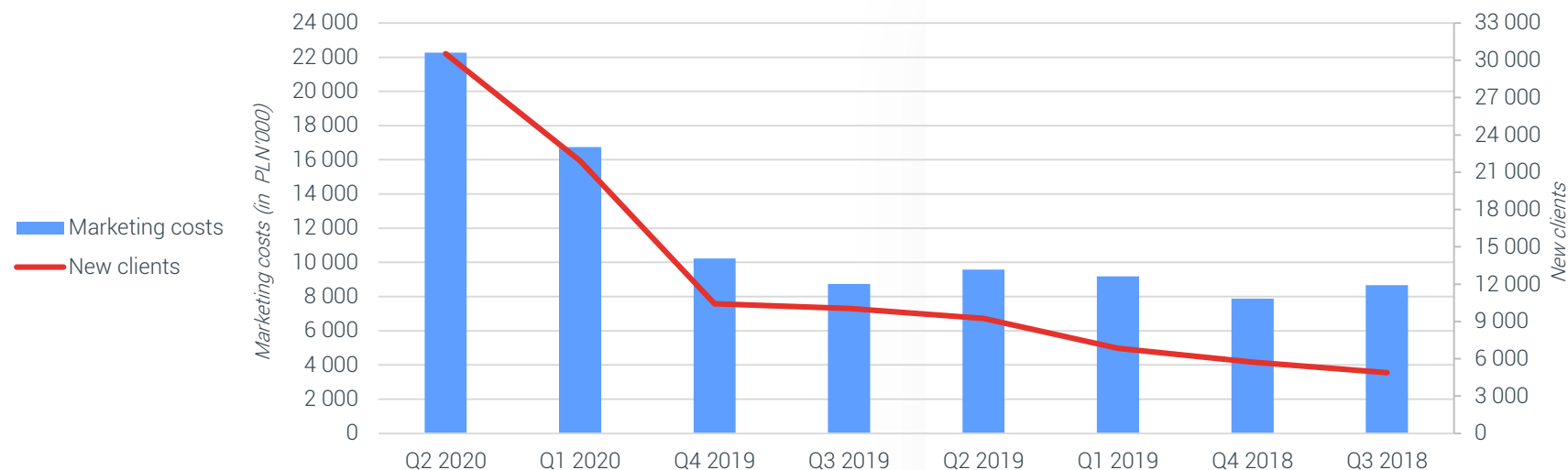
2) Average operating income for the active clients/account respectively for 6 and 3 months of 2020 and 12, 9, 6 and 3 months of 2019, and 12 and 9 months of 2018.

OPERATIONAL DATA continued

Marketing costs vs new clients

	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018
Total operating expenses (in PLN'000), including:	65 721	72 529	47 324	42 980	42 490	41 098	40 862	48 837
- Marketing (in PLN'000)	22 260	16 740	10 222	8 735	9 581	9 178	7 878	8 669
New clients	30 523	21 911	10 424	10 042	9 246	6 843	5 742	4 884

- In q/q terms, operating costs decreased of PLN 6,8 million mainly due to lower by PLN 11,9 million costs of salaries and employee benefits and higher by PLN 5,5 million marketing expenditures.



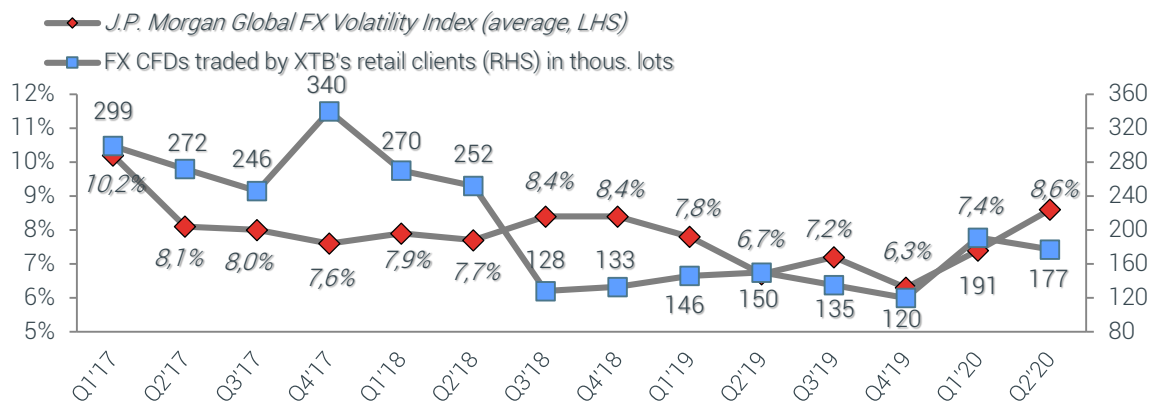
MARKET

ENVIRONMENT

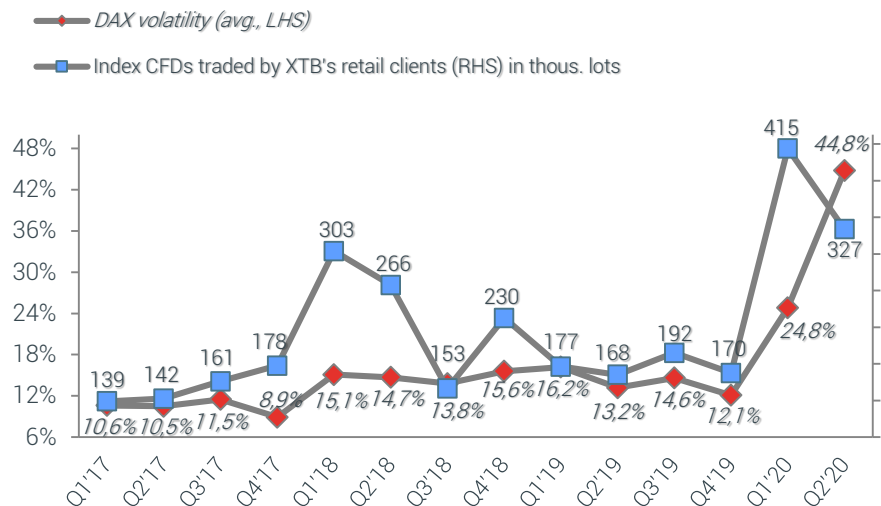


MARKET ENVIRONMENT

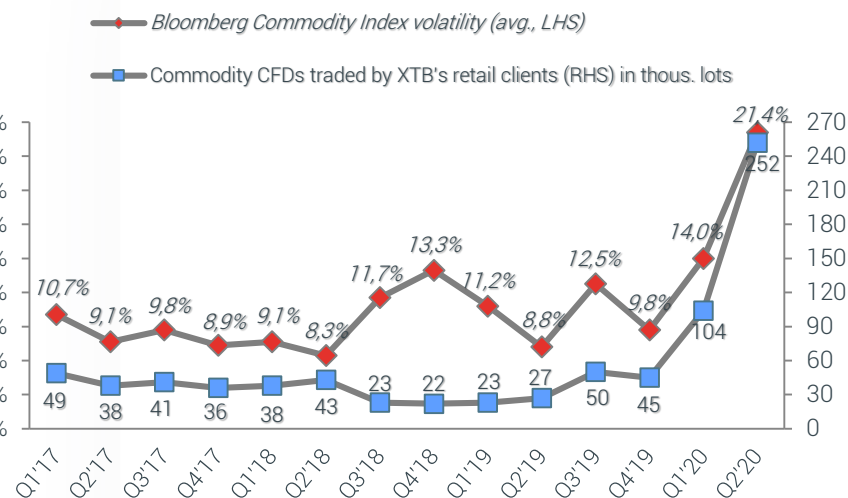
FX volatility on the market



Volatility of equity market¹



Volatility of commodity market¹



Source: Bloomberg, XTB

¹Volatility of German blue chip index DAX 30 and Bloomberg Commodity Index is calculated as an annualized historical daily volatility based on 30-days period standard deviation.



REGULATORY ENVIRONMENT





REGULATORY ENVIRONMENT

Regulatory changes in industry

In the first half of 2020 and at the time of publication of this presentation, there were no significant regulatory changes in the industry in which XTB operates. To the best knowledge of the Company, there are currently no legislative works that could significantly affect the further operations of the XTB Group.

APPENDIX





APPENDIX

Consolidated statement of financial position

(in PLN'000)	30 July 2020	31 December 2019
Own cash and cash equivalents	681 342	484 351
Clients' cash and cash equivalents	746 474	470 845
Financial assets at fair value through P&L	312 078	149 318
Financial assets at amortised cost	8 496	6 474
Intangible assets	640	572
Property, plant and equipment	12 977	14 193
Deferred income tax assets	9 177	9 003
Other assets	5 661	4 144
Total assets	1 776 845	1 138 900
Amounts due to clients	862 345	573 792
Financial liabilities held for trading	63 133	23 529
Deferred income tax provision	9 516	10 772
Liabilities due to lease	14 826	15 561
Other liabilities	48 980	24 502
Total liabilities	998 800	648 156
Equity attributable to the owners of the Parent Company	778 045	490 744
Total equity and liabilities	1 776 845	1 138 900



APPENDIX continued

Consolidated cash flow statement

(in PLN'000)	H1 2020	H1 2019
Profit before tax	362 216	7 113
Amortization and depreciation	3 815	3 238
Foreign exchange (gains) losses from translation of own cash	(995)	949
Change in balance of financial assets at fair value through P&L and financial liabilities held for trading	(123 156)	(862)
Change in balance of restricted cash	(275 629)	(79 668)
Change in balance of amounts due to clients	288 553	74 312
Other adjustments and changes	43 786	(11 587)
Cash from operating activities	298 590	(6 505)
Income tax paid	(70 671)	(2 842)
Interests	163	206
Net cash from operating activities	228 082	(9 141)
Expenses relating to payments for property, plant and equipment	(1 739)	(1 738)
Expenses relating to payments for intangible assets	(186)	(38)
Net cash from investing activities	(1 925)	(1 776)
Dividend paid to owners	(28 172)	(19 955)
Payments of liabilities and interest under lease	(1 989)	(2 305)
Net cash from financing activities	(30 161)	(22 260)
Increase (Decrease) in net cash and cash equivalents	195 996	(33 177)



DISCLAIMER

Neither this presentation (the "Presentation") nor any copy of it nor the information contained herein is being issued or may be distributed directly or indirectly to or into the United States, Canada, Australia or Japan. By attending this meeting where this Presentation is being made, or by reading the Presentation slides, you agree to be bound by the following limitations. The following applies to the Presentation, the oral presentation of the information in the Presentation by the Company or any person on behalf of the Company, and any question-and-answer session that follows the oral presentation (collectively referred to as the "Presentation").

The Presentation has been prepared by X-Trade Brokers Dom Maklerski S.A. with its registered office in Warsaw (the "Company") solely for use at the investor presentation being given in connection with the publication of the Report for the I half 2020.

The Presentation does not constitute or form a part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Company or any member of its group (the "Group"), nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Company or any member of its Group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. The Presentation does not constitute a recommendation or investment advice regarding any securities of the Company or its Group.

The information contained in the Presentation does not purport to be comprehensive and has not been independently verified. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained in the Presentation.

The information, opinions and forward-looking statements contained in the Presentation speak only as at the date of the Presentation and are subject to change without notice. The Company is under no obligation to update or keep current the information contained in the Presentation. To the extent permitted under the applicable provisions of law the Company shall have no liability whatsoever (in negligence or otherwise) for any loss however arising from any use of the Presentation or its contents or otherwise arising in connection with the Presentation.

The Presentation contains certain statistical and market information. Such market information has been sourced from and/or calculated based on data provided by third-party sources identified in the Presentation or by the Company, if not attributed exclusively to third-party sources. Because such market information has been prepared in part based upon estimates, assessments, adjustments and judgments that are based on the Company's or third-party sources' experience and familiarity with the sector in which the Company operates and has not been verified by an independent third party, such market information is to a certain degree subjective. While it is believed that such estimates, assessments, adjustments and judgments are reasonable and that the market information was prepared appropriately to reflect the sector and the market in which the Company operates, there is no assurance that such estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

Matters discussed in the Presentation may constitute forward-looking statements. Forward-looking statements are those other than statements of historical facts. Statements that include the words "expect", "intend", "plans", "believe", "project", "anticipate", "will", "target", "aim", "may", "would", "could", "continue" and similar statements of a future or forward-looking nature indicate such forward-looking statements. Forward-looking statements may include statements regarding financial performance, business strategy, plans and objectives of the Company for future operations (including development plans relating to the Company). All forward-looking statements included in the Presentation address matters that involve known and unknown risks, uncertainties and other factors that could cause the Company's and/or the Group's actual results, performance or achievements to differ materially from those indicated in these forward-looking statements and from past results, performance or achievements of the Company and/or the Group, respectively. Such forward-looking statements are based upon various assumptions of future events, including numerous assumptions regarding the Company's and/or the Group's present and future business strategies and future operating environment. Although the Company believes that these estimates and assumptions are reasonable, they may prove to be incorrect. The Company and its respective agents, employees or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in the Presentation to reflect any change in events, conditions or circumstances.

The Presentation and any materials distributed in connection with the Presentation are not directed to, nor are they intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or applicable regulations or that would require any authorisation, registration, notification or licensing within such jurisdiction. Persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.



X-Trade Brokers Dom Maklerski S.A.

Ogrodowa 58

00-876 Warsaw, Poland

www.xtb.pl

Investors relations:

relacje.inwestorskie@xtb.com