



H1 2021 results presentation

20 August 2021





RESULTS H1.2021

Agenda

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Financial Data

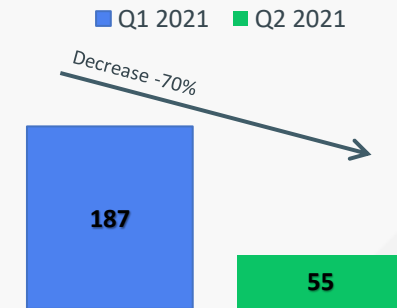


Financial data

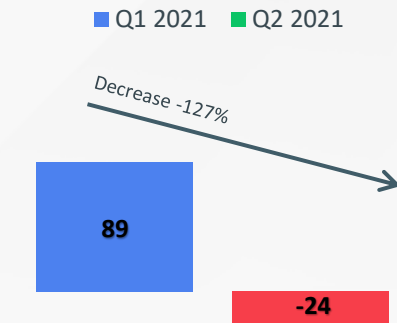
Financial consolidated highlights

in PLN'000	Q2 2021	Q1 2021	H1 2021	H1 2020	Change
Result of operations on financial instrument	53 777	185 396	239 173	515 398	(276 225)
Other income	1 525	1 301	2 826	2 760	66
Total operating income	55 302	186 697	241 999	518 158	(276 159)
Salaries and employee benefits	(27 799)	(30 892)	(58 691)	(65 686)	(6 995)
Marketing	(25 078)	(33 050)	(58 128)	(39 000)	19 128
Other external services	(10 198)	(8 728)	(18 926)	(13 232)	5 694
Commission expenses	(8 080)	(9 711)	(17 791)	(10 524)	7 267
Other costs	(5 229)	(4 521)	(9 750)	(9 808)	(58)
Total operating expenses	(76 384)	(86 902)	(163 286)	(138 250)	25 036
Operating profit/(loss) (EBIT)	(21 082)	99 795	78 713	379 908	(301 195)
Finance income	(7 618)	8 278	660	3 065	(2 405)
Finance costs	(1 236)	(114)	(1 350)	(20 757)	(19 407)
Profit (loss) before tax	(29 936)	107 959	78 023	362 216	(284 193)
Income tax	5 891	(18 908)	(13 017)	(68 757)	(55 740)
Net profit (loss)	(24 045)	89 051	65 006	293 459	(228 453)

Total operating income (in MM PLN)



Net profit (loss) (in MM PLN)





Financial data continued

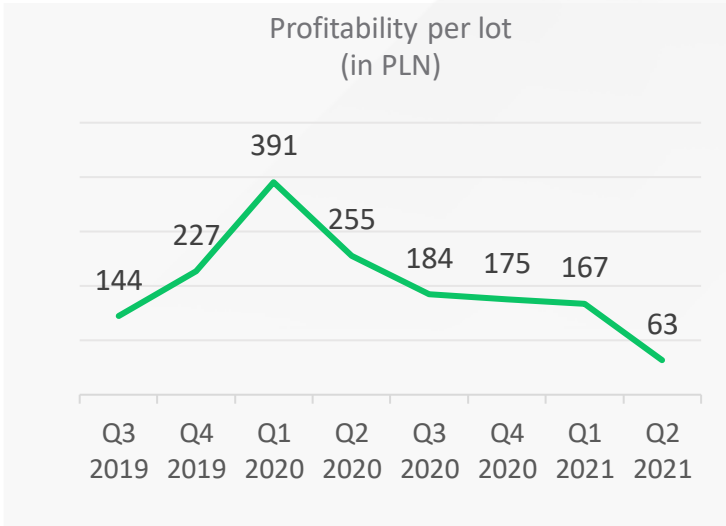
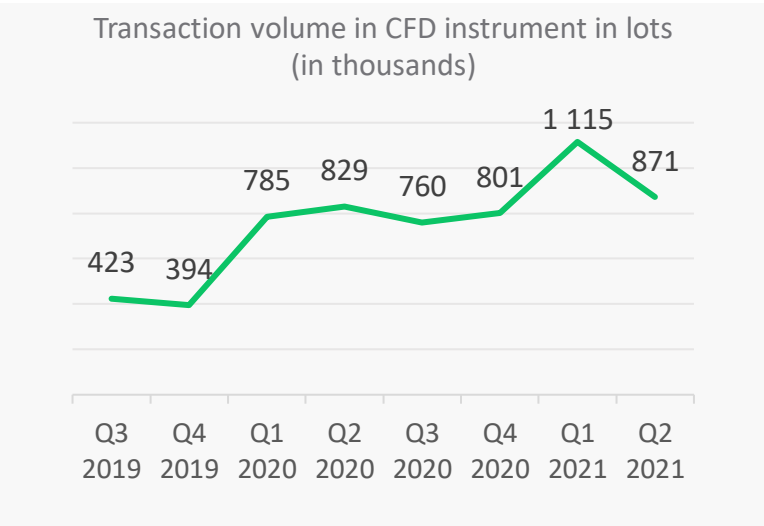
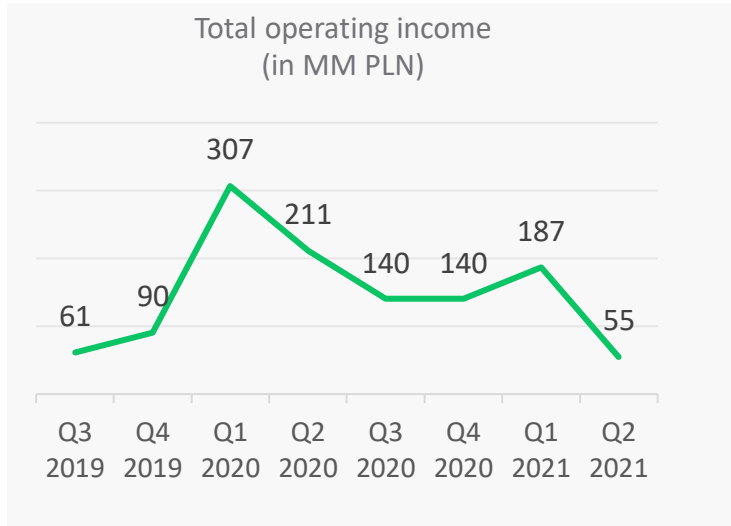
Quarterly consolidated financial and operational data

	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Total operating income (in PLN'000)	55 302	186 697	139 962	139 630	211 494	306 664	89 571	60 952
Transaction volume in CFD instrument in lots ¹	871 300	1 115 389	800 935	760 373	829 017	784 840	394 146	423 333
Profitability per lot (in PLN) ²	63	167	175	184	255	391	227	144
Transaction volume in CFD instruments in nominal value (in USD'000000)	366 257	386 347	292 000	275 144	206 037	248 655	132 376	140 168
Profitability for 1 million USD transaction volume in CFD instruments in nominal value (in USD) ³	40	127	126	135	253	309	176	110

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.

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

³) 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).



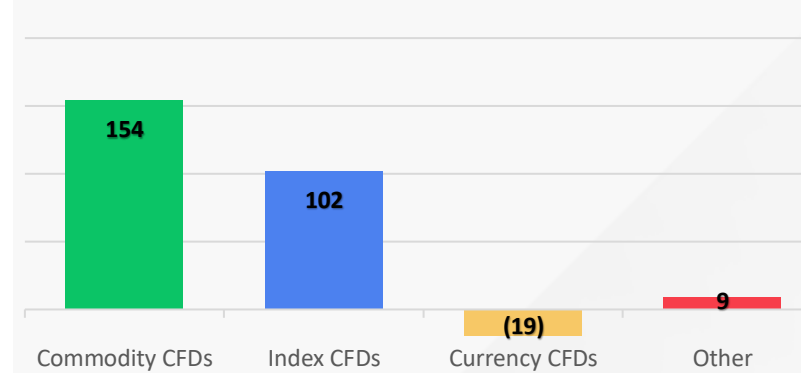


Financial data continued

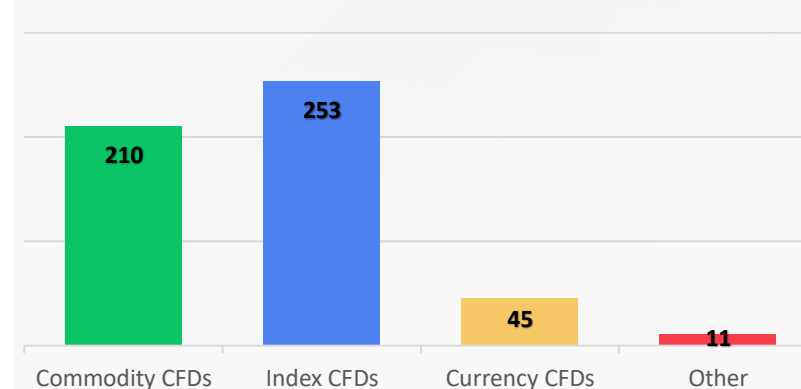
Results of operations on financial instruments by classes

In PLN'000	Q2 2021	Q1 2021	H1 2021	H1 2020	Change
Commodity CFDs	52 764	101 483	154 247	210 043	(55 796)
Index CFDs	26 495	75 127	101 622	252 818	(151 196)
Currency CFDs, including:	(24 364)	5 031	(19 333)	44 743	(64 076)
- <i>Cryptocurrency CFDs</i>	(30 417)	(16 176)	(46 593)	4 004	(50 597)
Stock CFDs and ETFs	3 573	6 649	10 222	4 400	5 822
Bond CFDs	(1)	78	77	138	(61)
Total CFDs	58 467	188 368	246 835	512 142	(265 307)
Shares and ETFs	(1 606)	139	(1 467)	5 998	(7 465)
Gross gain on transactions in financial instruments	56 861	188 507	245 368	518 140	(272 772)
Bonuses and discounts paid to clients	(451)	(651)	(1 102)	(459)	643
Commission paid to cooperating brokers	(2 633)	(2 460)	(5 093)	(2 283)	2 810
Net gain on transactions in financial instruments	53 777	185 396	239 173	515 398	(276 225)

Revenue by class of instrument H1 2021



Revenue by class of instrument H1 2020





Financial data continued

Revenue by geographical area and segments

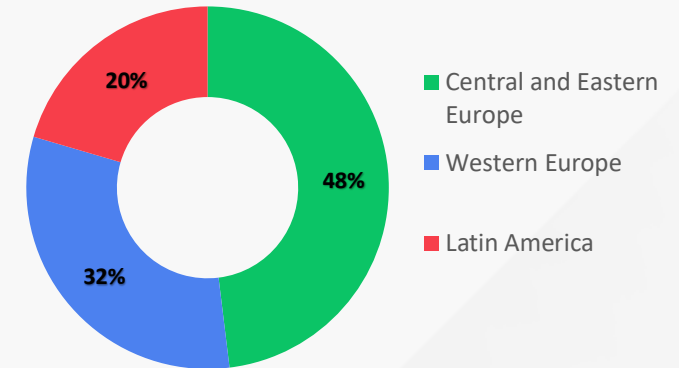
in PLN'000	Q2 2021	Q1 2021	H1 2021	H1 2020	Change
Central and Eastern Europe	5 898	110 412	116 310	257 124	(140 814)
- including Poland	(2 991)	70 495	67 504	176 930	(109 426)
Western Europe	22 823	53 339	76 162	215 532	(139 370)
- including Spain	13 233	26 244	39 477	92 005	(52 528)
Latin America	26 581	22 946	49 527	45 502	4 025
Total operating income	55 302	186 697	241 999	518 158	(276 159)

Diversification of revenues in geographical terms:

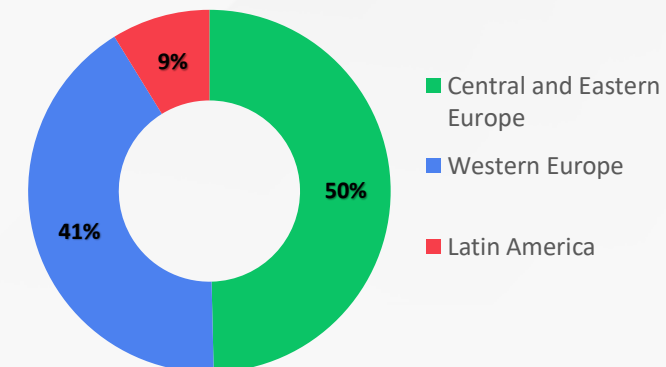
- Poland: 27,9% (H1 2020: 34,1%);
- Spain: 16,3% (H1 2020.: 17,8%);
- The share of other countries does not exceed in any case 15%.

in PLN'000	Q2 2021	Q1 2021	H1 2021	H1 2020	Change
Retail segment	51 679	176 396	228 075	428 557	(200 482)
Institutional segment (X Open Hub)	3 623	10 301	13 924	89 601	(75 677)
Total operating income	55 302	186 697	241 999	518 158	(276 159)

Revenue by geographical area in H1 2021



Revenue by geographical area in H1 2020





Financial data continued

Operating expenses by type

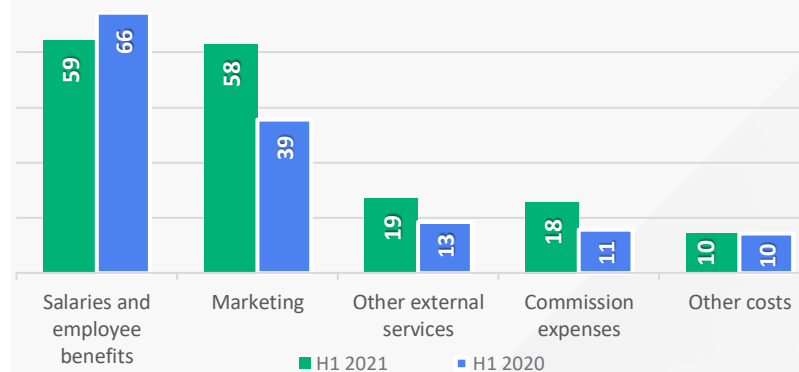
in PLN'000	Q2 2021	Q1 2021	H1 2021	H1 2020	Change
Salaries and employee benefits	27 799	30 892	58 691	65 686	(6 995)
Marketing	25 078	33 050	58 128	39 000	19 128
Other external services	10 198	8 728	18 926	13 232	5 694
Commission expenses	8 080	9 711	17 791	10 524	7 267
Amortisation and depreciation	2 361	1 952	4 313	3 815	498
Taxes and fees	1 181	1 282	2 463	1 392	1 071
Costs of maintenance and lease of buildings	1 086	803	1 889	1 901	(12)
Other costs	601	484	1 085	2 700	(1 615)
Total operating expenses	76 384	86 902	163 286	138 250	25 036

Operating expenses structure in H1 2021

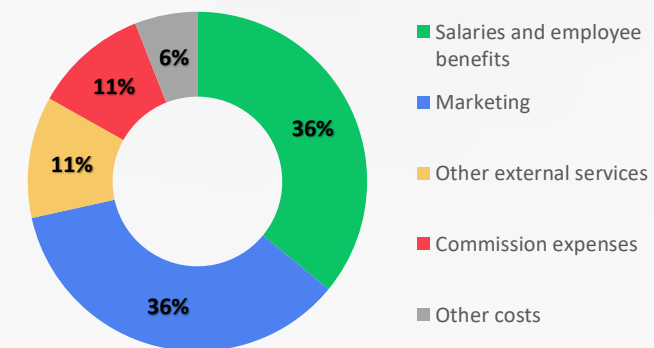
In the H1 of 2021 operating expenses amounted to PLN 163,3 million and were higher by PLN 25,0 million in relation to the same period a year earlier (H1 2020: PLN 138,3 million). The most significant changes occurred in:

- marketing costs, an increase of PLN 19,1 million mainly due to higher expenditures on marketing online campaigns;
- commission expenses, an increase of PLN 7,3 million as a result of larger amounts paid to payment service providers through which clients deposit their funds on transaction accounts;
- other external services, an increase by PLN 5,7 million as a result of mainly higher expenditure on: (i) IT systems and licenses (increase by PLN 2,5 million y/y); (ii) legal and advisory services (increase by PLN 1,2 million y/y) and (iii) IT support services (increase by PLN 0,9 million y/y);
- costs of salaries and employee benefits, a decrease of PLN 7,0 million mainly due to lower provisions established for variable components of remuneration (bonuses) and an increase in employment.

Operating expenses (MM PLN)
H1 2021 vs H1 2020



Operating expenses structure in H1 2021





Financial data continued

Own cash

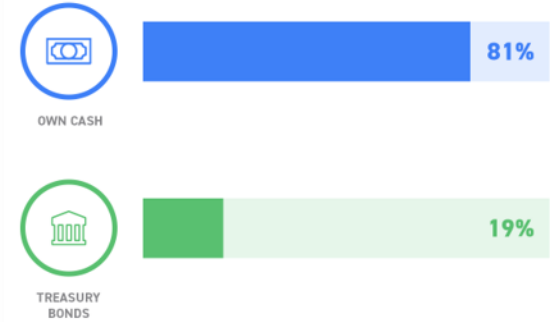
In an environment of low interest rates, which discourages the maintenance of high deposits in banks, XTB started to locate part of its cash in financial instruments with a risk weight of 0% (treasury bonds and bonds guaranteed by the State Treasury).

in PLN'000	30.06.2021	31.12.2020	Change
Own cash	621 809	542 205	79 604
Treasury bonds	146 199	398 616	(252 417)
Own cash + treasury bonds	768 008	940 821	(172 813)

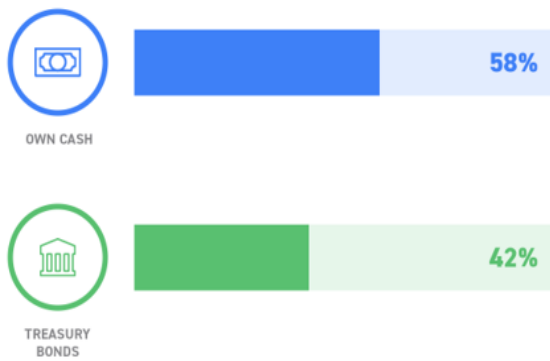


OWN CASH AS AT

30.06.2021



31.12.2020





Financial data continued

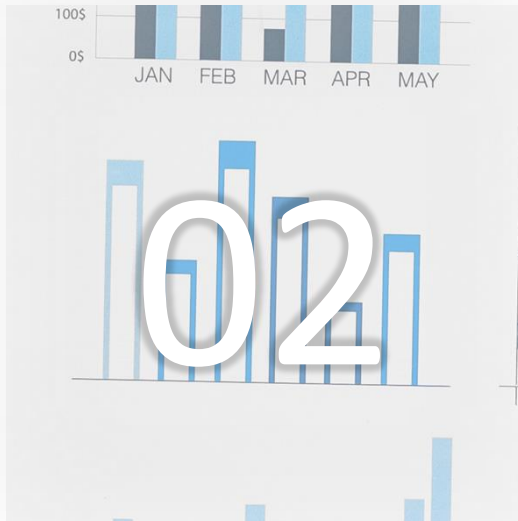
Geographic expansion



**XTB WITH
A REGIONAL OFFICE
IN DUBAI**



DUBAI



Operational Data



Operational data

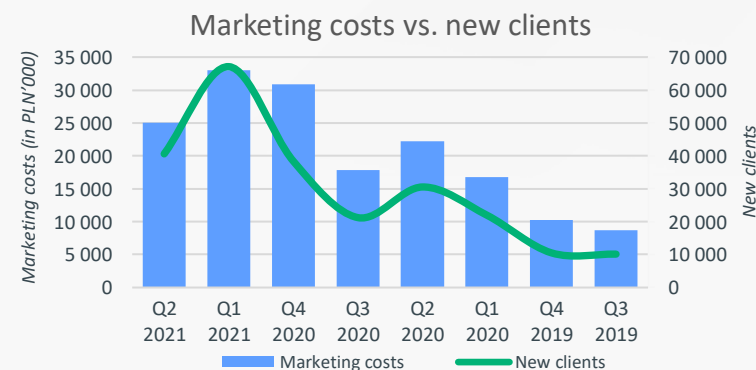
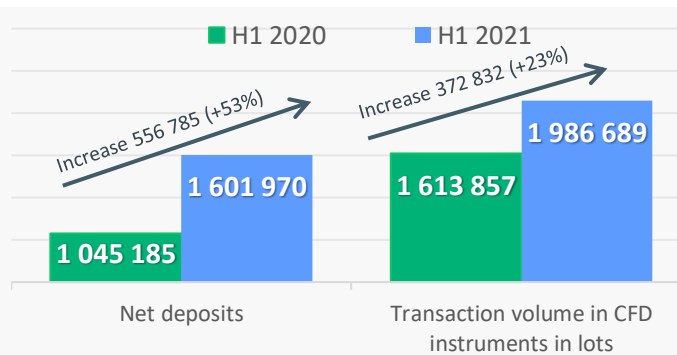
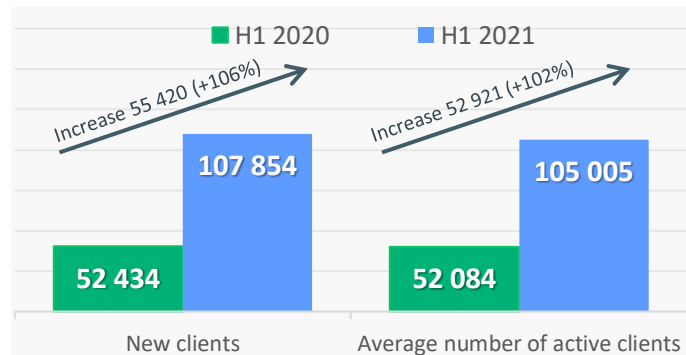
KPIs and marketing costs vs. new clients

in PLN'000	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
New clients	40 623	67 231	38 413	21 178	30 523	21 911	10 424	10 042
Average number of active clients ¹	105 005	103 446	58 069	53 309	52 084	45 660	26 582	25 171
Clients in total	352 946	316 658	255 791	219 024	199 365	170 290	149 304	139 949
Net deposits (in PLN'000)	650 675	951 295	619 798	296 259	590 825	454 360	119 278	95 259
Average operating income per active client (in PLN'000) ²	2,3	1,8	13,7	12,3	9,9	6,7	9,0	5,9
Transaction volume in CFD instruments in lots	871 300	1 115 389	800 935	760 373	829 017	784 840	394 146	423 333

1) Average operating income for the active clients respectively for 6 and 3 months of 2021 and 12, 9, 6 and 3 months of 2020 and 12, 9 months of 2019.

2) Average operating income for the active clients respectively for 6 and 3 months of 2021 and 12, 9, 6 and 3 months of 2020 and 12, 9 months of 2019.

in PLN'000	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Total operating expenses, including (in PLN'000):	76 384	86 902	83 616	60 138	65 721	72 529	47 324	42 980
- Marketing	25 078	33 050	30 861	17 870	22 260	16 740	10 222	8 735
New clients	40 623	67 231	38 413	21 178	30 523	21 911	10 424	10 042



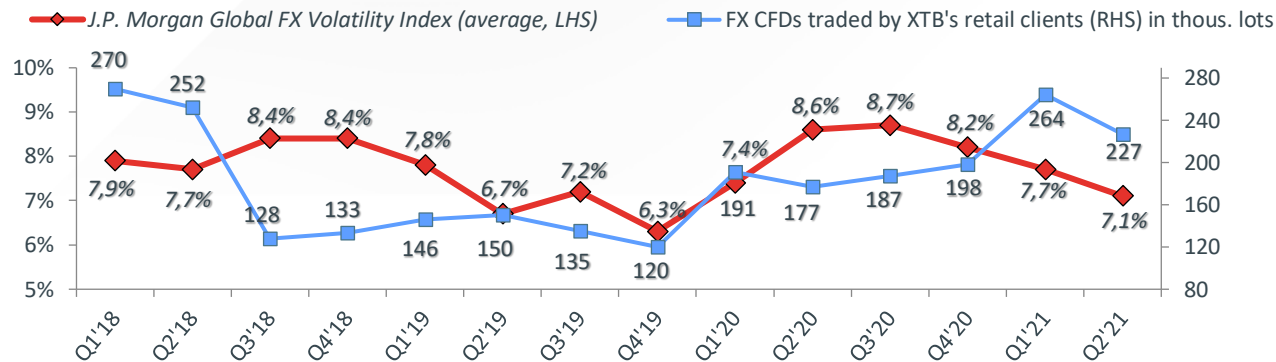


Market Environment

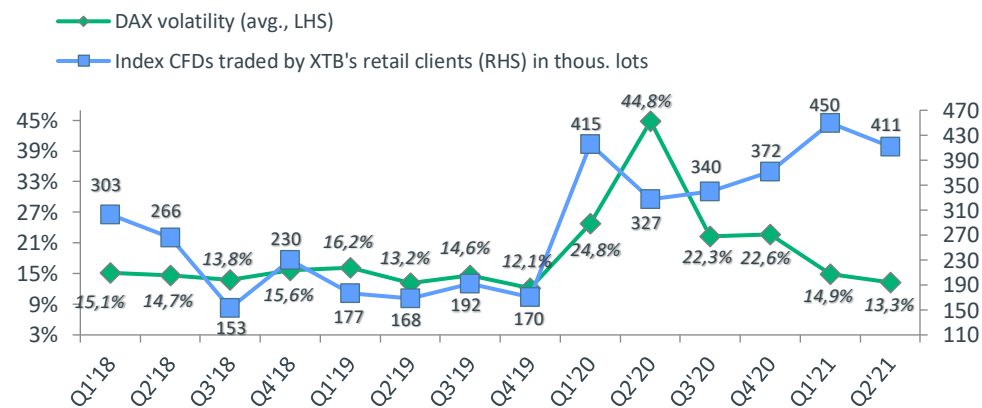


Market environment

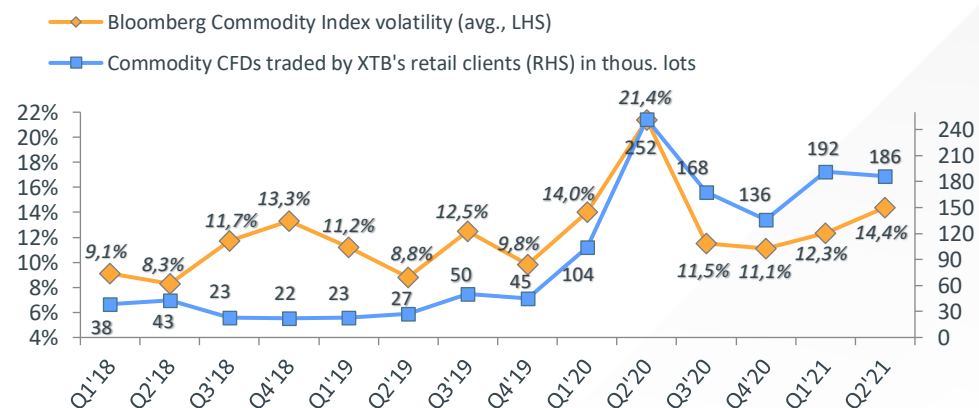
FX volatility on the market



Volatility of equity market¹



Volatility of commodity market¹



Source: Bloomberg, XTB

¹ Volatility 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.



Appendix



Appendix

Consolidated statement of financial position

in PLN'000	June 30 2021	December 31 2020
Own cash	2 113 339	1 575 807
Financial assets at fair value through P&L	551 405	663 133
Financial assets at amortised cost	14 312	13 310
Intangible assets	704	639
Property, plant and equipment	14 510	13 260
Deferred income tax assets	8 998	9 387
Other assets	17 432	7 990
Total assets	2 720 700	2 283 526
Amounts due to clients	1 751 502	1 203 243
Financial liabilities held for trading	140 963	96 632
Liabilities due to lease	9 126	8 654
Deferred income tax provision	37 374	23 257
Other liabilities	40 122	63 435
Total liabilities	1 979 087	1 395 221
Equity attributable to the owners of the Parent Company	741 613	888 305
Total equity and liabilities	2 720 700	2 283 526



Appendix continued

Consolidated cash flow statement

in PLN'000	H1 2021	H1 2020
Profit before tax	78 023	362 216
Amortization and depreciation	4 313	3 815
Foreign exchange (gains) losses from translation of own cash	(3 478)	(995)
Change in balance of financial assets at fair value through P&L and financial liabilities held for trading	(96 358)	(6 672)
Change in balance of restricted cash	(457 928)	(275 629)
Change in balance of amounts due to clients	548 259	288 553
Other adjustments and changes	(25 890)	42 250
Cash from operating activities	46 941	413 538
Income paid tax and interests	(6 570)	(70 509)
Net cash from operating activities	40 371	343 029
Expenses less proceeds from the sale of property, plant and equipment and intangible assets	(2 468)	(1 926)
Expenses less proceeds from bonds and interest received on bonds	251 314	(114 945)
Net cash from investing activities	248 846	(116 871)
Payments of liabilities and interest under lease	(2 976)	(1 989)
Dividend paid to owners	(210 117)	(28 172)
Net cash from financing activities	(213 093)	(30 161)
Increase (Decrease) in net cash and cash equivalents	76 124	195 996



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RESULTS

H1.2021



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attention**