

## **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 entrepreneurs of the National Court Register under No. 0000217580)

## **DISCLAIMER**

This document is an unofficial translation of the Polish version of Current Report No. 35 dated 29 December 2023 and does not constitute a current or periodical report as defined under the Regulation of the Minister of Finance on the current and periodical information provided by issuers of securities and the conditions for considering the information required by the provisions of law of the state not being a member state as equivalent thereto that was issued in accordance with the Polish Act on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies dated 29 July 2005 (amended and restated: Journal of Laws of 2018, item 757).

This document is for informational purposes only. Neither the Company, its shareholders, nor any of their advisors are responsible for translation errors, if any, or for any discrepancies between the original report and this translation into English. If there are any discrepancies between the English translation and the Polish version, the latter shall prevail.

## **CURRENT REPORT NO 35/2023**

Warsaw, 29 December 2023

# **Information on supervisory assessment (BION/SREP) issued for the Company**

The Management Board of XTB S.A. ("Issuer", "Company", "XTB") announces that on 29 December 2023 the Company received a supervisory rating (BION/SREP) of 2 [2,52] from the Investment Companies Department of the Polish Financial Supervision Authority ("KNF", "Commission"). The supervisory rating was assigned as at 30 June 2023. A rating of 2 indicates a low level of risk to the stability of the brokerage house.

At the same time, the Issuer explains that the supervisory review and assessment carried out in a given calendar year as part of the BION process is one of several criteria taken into account by the KNF when formulating its annual recommendations to brokerage houses on dividend policy. The KNF's position on the dividend policy for 2024, published on 14 December 2023, indicates that the current supervisory assessment of XTB is at the level recommended by the KNF, which should allow the Company to possibly pay dividends for the current financial year in accordance with these criteria.

In its position statement, the KNF recommends that only brokerage houses that simultaneously meet the following criteria should pay a dividend in 2024:

- A. A dividend of no more than 75% of the net profit for 2023 may only be paid by brokerage houses that simultaneously meet the following criteria together:
  - I. As at 31 December 2023, the company meets the following criteria:
    - a) the ratio defined in Article 9(1)(a) of Regulation 2019/2033, was at least 75%,
    - b) the ratio defined in Article 9(1)(b) of Regulation 2019/2033 was at least 112.5%,
    - c) the ratio referred to in Article 9(1)(c) of Regulation 2019/2033 was at least 175%.

Companies applying the transitional provisions referred to in part nine of Regulation 2019/2033 shall, for the purposes of their dividend policy, determine the above ratios without applying those transitional provisions.

- II. The supervisory rating assigned in 2023 under the BION process was either 1 or 2.
- III. In 2023 and until the date of approval of the financial statements and the resolution on the distribution of profit for 2023, the company has not breached the provisions on capital

requirements contained in Regulation 2019/2033 and the Financial Instruments Trading Act and the provisions on liquidity requirements contained in Regulation 2019/2033.

- B. A dividend of no more than 100% of the net profit for 2023 may only be paid by brokerage houses that meet the criteria set out in point A, except that the criteria set out in point A(I) shall also be met at the end of first, second and third quarters of 2023.
- C. Dividends in excess of the net profit for 2023 may only be paid by brokerage houses that collectively meet the following criteria together:
  - I. At the end of each quarter of the year 2023, meet the criteria set out in paragraph A(I) and at the same time meet the criteria set out in paragraph A(III) and make a net profit for the year 2023:
  - II. The supervisory rating assigned in 2023 through the BION process was 1.
  - III. For companies that decide to pay dividends:
    - a) the ratio referred to in Article 9(1)(a) of Regulation 2019/2033 may not fall below 150% as a result of the resolution to pay dividends,
    - b) the ratio referred to in Article 9(1)(b) of Regulation 2019/2033 may not fall below 187.5% as a result of the resolution to pay dividends,
    - c) the ratio referred to in Article 9(1)(c) of Regulation 2019/2033 may not fall below 250% as a result of the resolution to pay dividends.

Companies applying the transitional provisions referred to in part nine of Regulation 2019/2033 for the purposes of dividend policy shall determine the above ratios without applying those transitional provisions.

Fulfilment of each of the criteria set out in points A to C is also required when seeking authorisation for share buy-backs and, for the purpose of calculating the thresholds set out therein, the amount of dividends paid and the amount of the share buy-back requested shall be added together.

Where Article 28(4) of Commission Delegated Regulation (EU) No. 241/201412 applies, the amount allocated to the buy-back of own shares for distribution to the employees of the brokerage house as part of their remuneration shall not be taken into account in determining the amount referred to in the previous paragraph. However, the periodic reduction in the level of own funds resulting from the holding of own shares by the brokerage house as a result of such buy-back may not result in the capital ratios falling below the level specified in Article 110zz(2) of the Act on Trading in Financial Instruments.

In addition, when deciding on the amount of dividends, the brokerage houses should take into account: the additional capital needs in the 12-month horizon after the approval of the financial statements for 2023, as well as the current financial situation of the brokerage house at the time of the approval of the financial statements and the adoption of a resolution on the distribution of profit for 2023, in particular the amount of the current financial result of the brokerage house.

At the same time, the Issuer states that the positions of the KNF do not have the character of binding legal acts, but rather have an instructive value, while they may constitute important recommendations for the statutory bodies of supervised entities.