

2022 the first 6 months

Unaudited consolidated interim report

Admirals Group AS



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Unaudited consolidated interim report for the first 6 months of 2022

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Main area of activity	Holding company
Beginning and end date of financial year	01. jaanuar - 30. juuni
Chairman of the Management Board	Sergei Bogatenkov
Members of the Management Board	Jens Chrzanowski Andrey Koks Roman Krutyanskiy Andreas Ioannou
Chairman of the Supervisory Board	Alexander Tsikhilov
Members of the Supervisory Board	Anton Tikhomirov Anatolii Mikhilchenko Dmitri Laush Fedor Ragin Priit Rohumaa
Auditor	PricewaterhouseCoopers AS

admirals

6 Month Highlights for 2022

- Net trading income was EUR 43 million (6M 2021: EUR 17.3 million and 6M 2020: EUR 37.9 million)
- EBITDA¹ was EUR 26 million (6M 2021: EUR -0.7 million and 6M 2020: EUR 21 million)
- EBITDA margin was 60% (6M 2021: -4% and 6M 2020: 55%)
- Net profit (loss) 24.01 million (6M 2021: EUR - 1.7 million and 6M 2020: EUR 19.9 million)
- Net profit (loss) margin was 56% (6M 2021: -10% and 6M 2020: 53%)
- Cost to income ratio 47% (6M 2021: 112% and 6M 2020: 48%)
- Value of trades increased 9% to EUR 467 billion comparing to period 2021 (6M 2021: EUR 429 billion and 6M 2020: EUR 439 billion)
- Number of trades went down 2% to 28.7 million comparing to period 2021 (6M 2021: 29.2 million and 6M 2020: 32.4 million)
- Number of active clients² in Group went down 17% to 33,493 clients compared to same period of 2021 (6M 2021: 40,235 and 6M 2020: 34,439 active clients)
- Number of active accounts³ in Group went down 15% to 41,227 accounts compared to same period of 2021 (6M 2021: 48,638 and 6M 2020: 42,051 active accounts)
- Number of new applications in Group went down 41% to 44,508 applications compared to same period of 2021 (6M 2021: 75,759 and 6M 2020: 41,683 new applications)

The Russian/Ukraine war changed “everything”. It brought big market movements near to any financial assets, and Group client segment (usually active traders which trade in both directions of the markets) traded a lot. In general, for the CFD business, volatility is a benefit, as the interest for the financial markets went up. Due to the high volatility in financial

markets, we witnessed a significant improvement in the Group’s results. Net trading income of the Group was EUR 43 million, and increase of 149% year-to-year. The value of trades increased 9%. EBITDA of the Group was EUR 26 million by the end of the first half of 2022, what is increase of 3814%.

1512%

Net profit **increased**

149%

Net trading income **increased**

3814%

EBITDA **increased**

9%

Value of trades **increased**

Net trading income, EUR million



Net profit (loss), EUR million



Number of trades, million



EBITDA¹, EUR million



Value of trades, EUR billion



● H1 ● H2

¹ Earnings before interest, taxes, depreciation and amortization

² Active clients represent clients who traded at least once in the respective half of year

³ Active accounts represent accounts via which at least one trade has been concluded in the respective half of year

Management Board declaration

The consolidated interim report of Admirals Group AS for the first 6 months of 2022 consists of the management report and financial statements.

The data and additional information provided by Admirals Group AS in the consolidated interim report for the first 6 months of 2022 is true and complete.

The accounting policies adopted in preparing the financial statements are in accordance with the International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the financial position, financial performance and cash flow of the entity.

The financial statements of the interim report for the first 6 months of 2022 are unaudited.

✓ digitally signed

Sergei Bogatenkov
Chairman of the Management Board
Tallinn, 31.08.2022

To the investors of Admirals

Dear investors!

Admirals Group AS (hereinafter as Admirals or Group) has had an excellent start for the year in terms of business results. The net trading income has increased 149% compared to the first six months of 2021 (43 million euros vs 17.3 million euros), Admirals has made a significant strategic expansion in Canada and South Africa while maintaining business costs at levels comparable with previous years. Our global team is ready for the new opportunities in the upcoming economic cycle.

These are exceptionally eloquent success stories of adaption of the long-term strategy and management. Our trading volumes are standing strong and stable as our global team is confident and dedicated in providing the best experience for our clients. Both for beginners entering the financial world and for those who are already well versed with the markets.

Admirals has always emphasized its client-centric approach, which combined with strong vision, values and ability to act operative in fast changing circumstances, has immensely affected the overall performance and results of the Group. We are proud and confident that controlling the costs which is one of the cornerstones of our long-term strategy, has had a profound effect on the half yearly results of 2022.

Admirals is firmly growing its customer base and introducing trading and investment possibilities via our app to people taking their first steps towards their financial freedom. At the same time, we are still a reliable and quality market leader for experienced participants of the sector. The number of people using Admirals' app is on a steady rise.

Admirals obtained licenses in Canada and South Africa and became more open to a global culture of ideas than we have ever been.

Today we are witnessing a rapidly evolving financial environment in Africa, which provides us significant means to expand our client base. We see this license as a strong landmark, laying a promising ground for the success of our long-term strategy.

Our investors have proven their trust and faith in Admirals, which has provided investments for further positioning the Group as a global financial hub, providing smart financial solutions to our clients and enabling access to services everywhere and every time.

Despite the successful beginning of the business year, we are witnessing uncertain times in world politics and economics.

We are currently seeing transitions and changes in economic order. I am confident that we are able to fast adapt to the needs and circumstances of the conditions around us. Being operative and flexible will provide means to do that.

We are dedicated to building a strong global team of Admirals in new regions of the world. Admirals is on its long-term mission to provide financial freedom to 10 million people by 2030. Our strategic priorities lead us this way: we unite personal finance and investing.

The first half of the year has tested the idea of togetherness. For us, this is one of the core values. Admirals is standing with Ukraine, providing material support and helping refugees to learn English. We are continuing cooperation with Eesti Kontsert- the most well-established cultural organization and promoter of Estonian music culture and contributing to the success of Estonian sports via the sponsorship of Estonian football champion FCI Levadia. We are also supporting various organizations as part of our mission and desire to give back to society.

I am proud of the joint effort on the long road we have travelled with our team, partners, investors, and stakeholders. We have a plan, tools, and incredible people supporting our ambitious goals for the upcoming years.

Sergei Bogatenkov
Chairman of the Management Board

Our aim is to provide financial freedom to 10 million people by 2030.

Learn.
Trade.
Invest.

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Management report

The following chapter outlines the founding and licensing history and growth of Admirals Group AS and all of its constituent companies.

Group overview

ADMIRALS GROUP AS was founded in 2009 with the aim of incorporating financial companies from different countries to form a multinational group of companies operating under a joint trademark – Admirals (hereinafter referred to as “Admirals,” or “The Group”).

As a pioneer in financial markets since 2001, Admirals is a market leader in quality with a global digital presence. We create in-house software solutions for trading and investing, both B2C and B2B, making financial markets accessible around the world.

The main focus of the Group is the development of trading and investment services (mainly leveraged and derivative products) to retail, professional, and institutional clients. Clients are offered leveraged Contract for Difference (CFD) products in the over-the-counter market, including Forex and indices, commodities, digital currencies, stocks and ETFs, as well as listed instruments. The Group’s activities have largely targeted experienced traders, but this year saw us strengthen our position in the beginner’s segment. In order to accomplish this goal, the Group now focuses on the improvement of general trading skills in experienced traders, and in training beginners as well. Targeting new segments of clients is a significant strategic choice of the business expansion of the Group.

The Company is regulated in 4 of the 5 main financial over-the-counter (OTC) hubs, being the Financial Conduct Authority (FCA) for the UK, the Australian Securities and Investments Commission (ASIC) for Australia, the Cyprus Securities and Exchange Commission (CySEC) for Cyprus and Jordan Securities Commission (JSC).

Additionally, the Admiral Markets AS has been granted a license from the Estonian Financial Supervisory Authority (EFSA), in April 2022 Admirals was proud to announce achieving its first license in North America as Admiral Markets Canada Limited

became registered investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC) and in June 2022 establishing its first hub in Africa by adding South African brokerage license granted by South African Financial Sector Conduct Authority. The licensed investment companies constituting the consolidation group include Admiral Markets AS, Admiral Markets UK Ltd, Admiral Markets Pty Ltd, Admiral Markets Cyprus Ltd, Admiral Markets Canada Ltd, Admiral Markets AS Jordan and Admirals SA (PTY) Ltd.

Admiral Markets UK Ltd remains the Group’s primary operating Company while as a result of Brexit Admiral Markets Cyprus has become the primary retail office of the Group’s European customers. Admiral Markets AS role is that of a significant intra-group service provider. In line with the Group’s strategy, subsidiaries of Admirals Group AS hedge the risks arising from their clients’ transactions in their subsidiary – Admiral Markets AS, which is also their main liquidity provider.

Other companies within the consolidation group as at the time of publishing include Runa Systems LLC (Georgia), Runa Ukraine LLC (Ukraine), AMTS Solution OÜ, AM Asia Operations Sdn. Bhd. (Malaysia), PT Admirals Invest Indonesia LLC, Gateway2am OÜ (former name Admiral Virtual OÜ), Admiral Markets Europe GmbH (Germany), Admiral Markets France (Société par actions simplifiée), Admiral Markets Espana SL (Spain), Admirals Digital Limited, Admirals KE Ltd, Moneyzen OÜ, Moneyzen Collateral Agent OÜ. Runa Ukraine LLC was established in September of 2021, whereas Runa Systems LLC (Georgia) in May 2022.

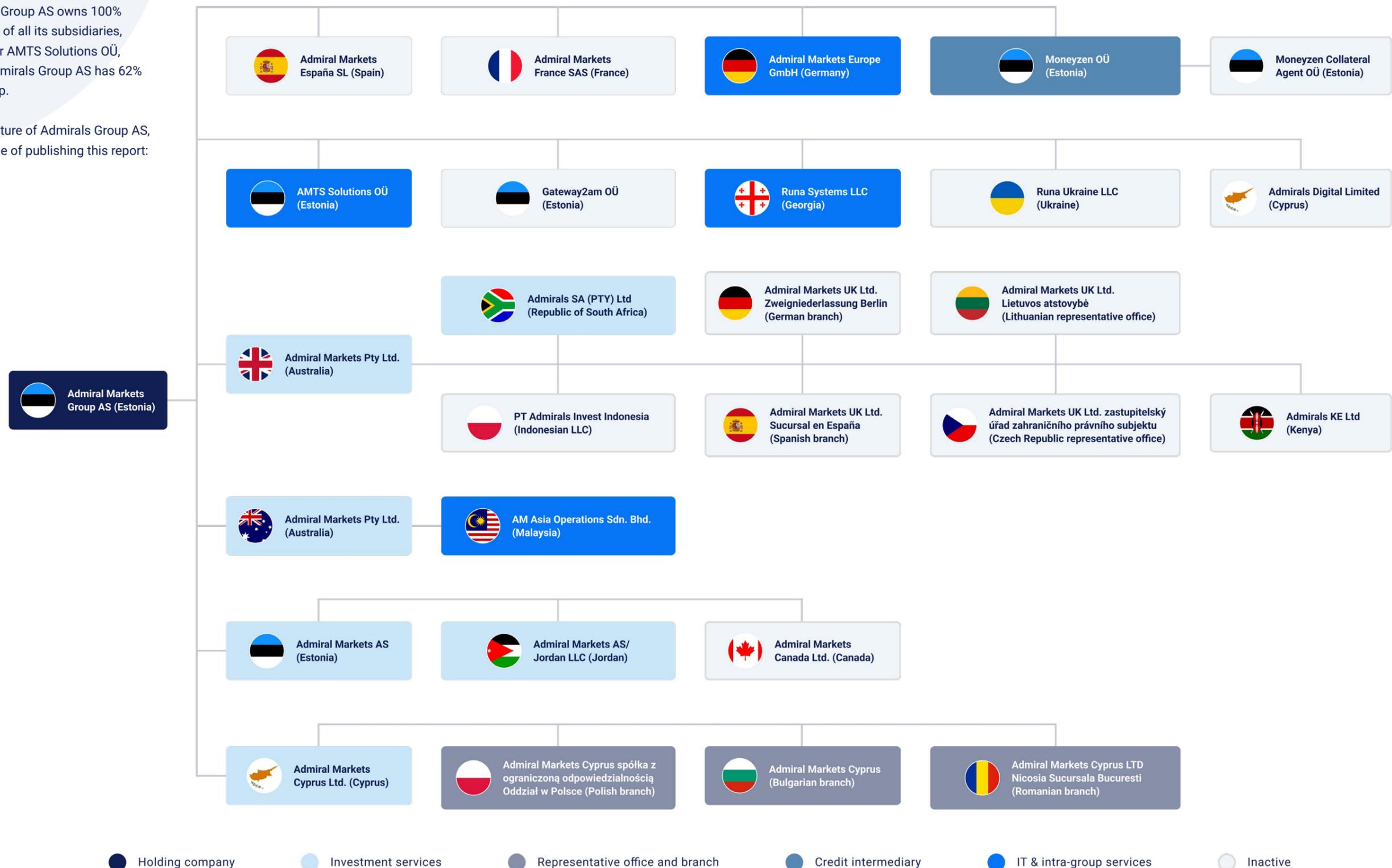
AMTS Solution OÜ, AM Asia Operations Sdn. Bhd, Admiral Markets Europe GmbH offer IT and other intra-group services, Runa Systems LLC and Runa Ukraine LLC were established with the same purpose and will offer IT and other intra-group services as soon as it becomes possible.

Gateway2am OÜ, PT Admirals Invest Indonesia LLC, Admiral Markets France SAS, Admiral Markets Espana SL, Admirals Digital Limited, Admirals KE Ltd, Admiral Markets Canada Ltd, Runa Ukraine LLC, Runa Systems LLC are inactive at the moment.

Admirals Group AS structure

Admirals Group AS owns 100% of shares of all its subsidiaries, except for AMTS Solutions OÜ, where Admirals Group AS has 62% ownership.

The structure of Admirals Group AS, at the time of publishing this report:



Management

Admirals Group AS is managed by a five-member Management Board and supervised by a six-member Supervisory Board.

In the first six months of 2022, the remuneration of the management, including social security taxes, totalled EUR 534 thousand (6 months 2021: EUR 740 thousand).

Supervisory Board of Admirals Group AS

The members of the Supervisory Board of Admirals Group AS as per 31.08.2022 are Alexander Tsikhilov, Anton Tikhomirov, Anatolii Mikhalchenko, Dmitri Laush, Fedor Ragin, Priit Rohumaa



Alexander Tsikhilov

Chairman of the Supervisory Board



Anatolii Mikhalchenko

Member of the Supervisory Board



Anton Tikhomirov

Member of the Supervisory Board



Dmitri Laush

Member of the Supervisory Board



Fedor Ragin

Member of the Supervisory Board



Priit Rohumaa

Member of the Supervisory Board

Management Board of Admirals Group AS

The members of the Management Board of Admirals Group AS as per 31.08.2022 are Sergei Bogatenkov, Jens Chrzanowski, Andrei Koks, Roman Krutyanskiy, Andreas Ioannou.



Sergei Bogatenkov

Chairman of the Management Board



Jens Chrzanowski

Member of the Management Board



Roman Krutyanskiy

Member of the Management Board



Andreas Ioannou

Member of the Management Board



Andrei Koks

Member of the Management Board

Togetherness is one of our corporate values and it is the key to our success.

Our people

The main keywords for the first half of 2022 were engagement, communication, collaboration, recognition, adaption and development of our global talents. In the first half of 2022, the Group had 233 employees (In the first half of 2021 306 employees).

233 employees

in the first half of 2022

Regarding engagement, the transformation of annual engagement surveying into a continuous engagement management health check through quarterly engagement surveys (quarterly engagement surveys) was carried out. Also, Admirals introduced a new tool to have a constant access to people motivation and work-related challenges to receive immediate reaction by HR and the manager (bi-weekly check-ins).

During the first six months of 2022, the company celebrated the relaunch of monthly HR newsletter in updated format with high satisfaction rate to keep everyone up to date and bring employees closer. Admirals introduced hybrid work mode, meaning that employees are able to work 3 days at office, and 2 days remote.

Hybrid work

3 days at office and 2 days remote

Regarding recognition, the Group introduced kudos functionality to recognize efforts of the individuals and enhance culture of recognition in the company. Admirals also continued its efforts on onboarding automations to smoothen the new talent adaptation.

Financial essentials training program for development of finance industry knowledge in teams was carried out and Admirals internship program launched. This means offering students and young professionals the experience to work in a global team, gain valuable professional knowledge and develop their skills.

We aligned and organized our events globally to foster team spirit (for example Children Day).



As the Group is determined to support the wellbeing of its people, Healthy Week was launched at Admirals hubs (13 - 17 June) to promote healthy lifestyle and wellbeing.



Admirals' team in Tallinn participated at the regular chess tournament of companies from Estonian IT & Fintech sector and received the highest score. This is an important landmark, as the overall level of the tournament was extremely high.

2021 Overview

IT Developments

During the first 6 months of 2022, the Group continued large-scale investments into the development of IT to maintain its high-performance and digital maturity. Many outstanding success stories were completed to continue the ambitious journey to enable 10 million people to experience financial freedom by 2030.

We transformed the VOIP infrastructure, where we enhanced it by migrating to one of the largest VOIP cloud providers in the world. Admirals' systems now have a status page admirals.statuspage.io, which means that now the Group's clients can see if any incidents have occurred and they can be informed about the status.

We enhanced our IT Cyber security by onboarding one of the top web application Firewalls currently available on the market to proactively detect and mitigate bots, secure credentials, sensitive data, and defend against application denial-of-service (DoS) attacks.

All Systems Operational	
WEB	Operational
MT5	Operational
MT4	Operational
Mobile App	Operational
Copy Trading	Operational
Trader Room	Operational
Web Trader	Operational

New products

The first half of 2022 brought many significant additions to our product and service portfolio. At Admirals, the global team is constantly searching to increase the range of products in order to provide as many opportunities to the clients as possible.

Admirals was excited to announce Fractional Shares in the first half of 2022. This is key to a diversified portfolio – a client gets to choose how much, or how little, of each share to buy. With fractional shares, Admirals clients can invest in their favorite stocks at just a fraction of the price of the share. The stocks available are the constituent members of leading indices.



Furthermore, to meet the expectations of the ever-changing trading landscape, we also expanded our range of cryptocurrency products.

Admirals announced a new, exciting service. Clients can buy, hold, and sell cryptocurrency directly from their Wallet.



New services

Admirals added South African brokerage license to its group in the first half of 2022. Admirals is now licenced in South-Africa, opening also an office in Cape Town. Through its South African license, Admirals will provide execution services in Contracts-For-Difference ('CFDs') to clients. Establishing its first hub in Africa, the Company plans to further set up its strong presence in the continent. Admirals will be headquartered in Cape Town, which has been identified as a top financial hub in Africa.

Recently, Admiral Markets Canada Limited became a registered investment dealer and member of the Investment Industry Regulatory Organization of Canada (IIROC). With this, Admirals achieved its first

license in North America. The aim of this license is to provide execution-only services in Contracts-For-Difference (CFDs) to clients in Ontario and British Columbia at this first stage with a plan to increase the scope of the Admirals activities in Canada over the coming year. Admirals looks to see how the local market takes up the product offering and what unique selling points Group can provide which will differentiate themselves from the more traditional offerings in Canada.

Marketing

In the first half of the year, the Group witnessed many success stories regarding marketing. For a better overview, we introduce the most outstanding ones, contributing to the long-term success and strategy of Admirals.

SEO

First half of 2022, the Company's website achieved a higher domain authority score and increased its organic traffic, as a result of link-building efforts and technical SEO improvements.

75 → 77 domain rating increase
84% organic traffic



Social media

Social Media expanded to new platforms (TikTok, new IG Accounts for some regions, launch & scale of Instagram and Facebook Reels, on ground activation in Vietnam). From January to June 2022, the total reach across all social media platforms increased by 25.5 million and the average engagement per publication (all platforms) rose from 23 to 28.

25.5 million
reach across all social media platforms

23 to 28
reactions from the people

Content and Communication

Admirals launched several new series of emails:

- Trade Idea
- Stocks to Watch
- Trading News for Beginners

which have become very popular and have delivered positive results in terms of trading activity and new clients.

New opt-out pages have been launched, offering more advanced options for clients to manage their subscriptions to marketing, educational and premium analytics emails. This helps to improve the relevance of the Company's communication and gives clients more control over what they want to receive and what not.

ESG

In 2022, the Group stood by the ESG strategies prepared in 2021 to further decrease its carbon footprints by switching to digital document flow, promotion of reducing personal carbon footprint among employees, separation of trash in Tallin office, and many more. The Company also launched a web page, clearly indicating Admirals' ESG commitments. In 2022, the cooperation continued with



ClimatePartner's experts and scientists in terms of calculating and offsetting Admirals' carbon footprints by supporting different projects worldwide. Admirals also became a member of Leaders for Climate action community, to find out what the Group, as part of the digital industry can contribute to the fight against the climate crisis.

Trustpilot

Trustpilot widgets have been integrated in many key places on the website and Admirals has one of the best Trustpilot profiles in the industry. Our current rating is 4.6 out of 5 based on 1,300 client reviews.



★ Trustpilot

Global campaigns

Many global campaigns were carried out such as: TradeDays 2022 and Melting spreads. Personal offer landing pages for all the operating companies were updated. With this, special clients understand the value better for them. Insurance info blocks on the deposit page in Traders' Room and other places across the website were released.

Education

Education has always been one of the cornerstones and values of the Company. That is the reason Admirals pays a lot of attention to educational programs. Educational events are now offered in clients' native language for 10+ regions / languages in different formats including seminars, webinars, Youtube streaming and podcasts. In the first half of 2022, Admirals hosted more than 1,100 offline and online events in which the Admirals witnessed participation from 7,000 clients. Also, over 10,000 clients enrolled for the Admirals online courses.



Doing good

The first half of 2022 caused much uncertainty for people and businesses all around the world. Difficult times raise the question of giving back to society raises more sharply than ever as the spirit of togetherness shapes the way forward.

Admirals has always emphasized the importance of sharing our success with organizations and people who stand for the higher values of society. For years, we have been involved in various charity and sponsorship initiatives.

FCI Levadia

Admirals is contributing to the success of Estonian sports via the sponsorship of Estonian football champion FCI Levadia.

Language studies

Admirals is standing with the people and organizations needing support and togetherness. We provided monetary support to Ukraine and gave our premises in Tallinn HQ for the benefit of language studies for people leaving Ukraine.



Eesti Kontsert

Admirals continued cooperation with Eesti Kontsert, the most well-established cultural organization and promoter of Estonian music culture.



Board game

In March, Admirals introduced Estonia's first children's money wisdom board game. The game "Compass of Money Wisdom," created as a charity project, is primarily intended for 1-2 class students so that they could get their first knowledge regarding money wisdom. The game was created in cooperation between the Ministry of Finance, Admirals and ALPA Kids and it was donated to 32 schools across Estonia as a pilot project.



Youth Chess Competition

Admirals hosted a Youth Chess Competition in its Tallinn office for young people and chess players at the age of 14-18. The aim of the event was to contribute to the overall success and popularity of chess. A popular TV host and scientist Aigar Vaigu gave an opening speech at the event, telling

participants how the ability to play chess and think accordingly affects all fields of everyday life. He encouraged young chess players to develop their chess playing abilities and strive for excellence in whatever they do, adding that the ability to play chess affects also the understanding of financial and FinTech world.



Awards

Over the 20 years of operation, Admirals has always been known for its quality market leadership. 2022 has brought awards and recognition for the Company, proving the continuous ambitions to lead the market in terms of quality, outstanding customer service and best technological tools.

- Forex and CFDs Broker of the Year 2022 by Brokerwahl
- TOP CFD Broker by German Customer Institute (DKI)
- Best Value Broker by Jordan Financial Expo
- The Best Broker by Traders' Magazine
- The best education by Traders' Magazine
- Best Financial analyst by Traders' Magazine
- Best broker by Area de Inversion

Germany



Deutsches Kundeninstitut
"BEST CFD Broker" 2022



BrokerWahl
"Forex & CFD Broker" 1st Place. 2022

Jordan



JFI Award, Jordan Financial Expo
"Best Value Broker" 2022

Spain



TRADERS'
"Best Broker" 2022



TRADERS'
"Best Education" 2022



TRADERS'
"Best Financial Analyst" 2022



Área de Inversión
"The best Education" 2022



Área de Inversión
"Best Broker" 2022

Trends and factors likely to affect our future

Admirals always takes possible events, factors and trends that might affect the business into consideration. Knowing and analyzing those factors helps to manage the operating risks. As the Group is known for its quality and as a quality market leader, we aim to keep our premium services, IT and access to the financial market at the highest possible standards.

Rising inflation rates

Rising inflation rates is a significant factor we can see in many regions of our operation. As a first (government) reaction we see that major central banks as the US Fed and the EU ECB also raising the central bank rates.

Geo-political factors

The Russian/Ukraine war changed everything. It brought big market movements and our client segment (usually active traders which trade in both directions of the markets) traded more than usual in the first three months of the year. In general, volatility is a benefit for the business, so the interest for the financial markets is going up.

But, as in any war or similar conflicts, sudden political decisions or unplanned events can lead to panicked or uncontrolled market reactions. If the war will widen up to a NATO country, the consequences are unpredictable.

Dramatically increased energy prices will affect many economies, especially Germany and other major industry countries are concerned.

High volatility in cryptocurrency asset

Many financial instruments and assets showed a higher volatility in the first half year of 2022 - but extremely cryptocurrency assets. As market movements are general good for active traders and our clients - if the uncertainty, forced by too high market movements, is getting too big, it leads to less trading activity or a general skepticism about this market segment.

Technical development

Mobile trading is an "Evergreen" trend for all online service providers and will continue evolving in the future as well. Having a great, easy-to-use App, providing quality content (Web, App, Education, etc.), being mobile-friendly, are not the only key factors for a business' success and needs to be supported by better mobile-optimizations to ensure business success today and in the future.

We must take the level of marketing expenditures and the effectiveness of marketing in attracting new clients into consideration as one of the trends to influence the industry. Marketing and its effectiveness bring new opportunities to increase the client base and business as a whole.

Actions of competitors

This is something that has an all-time effect on the business and all the players in the industry.

Especially the "stars" of the years 2020 and 2021, the so-called Neo-brokers like Robinhood, had to realize, that classic stock trading and the stock markets are not a one-way-street. Many people got interested the years before when the stock markets went up - now since the beginning of 2022 we usually see downtrends anywhere, and "short trading" to make a potential profit is not available with stocks.

But these Neo-brokers are also brokers - so a part of our financial industry. If the general demand here is going down, it can affect also our market segment.

Economic environment

Significant Global Events in 2022

- Russo-Ukrainian war continues into a sixth month
- Hundreds of companies cease operating in Russia amid tough sanctions from Western nations
- Global inflation runs high as energy prices spiral
- UK and Italian Prime Ministers Boris Johnson and Mario Draghi forced to resign

Global economy

As the world emerges from the pandemic and two years of intermittent lockdowns, many were hoping that we would get straight back to how life was before Covid-19.

However, as we enter the second half of 2022, the economic outlook seems as uncertain as it has been for some time. High inflation, rising interest rates and sluggish growth weigh on many of the world's economies, and the possibility of a recession, technical or otherwise, cannot be ruled out in 2022.

After years of loose monetary policy and the inevitable supply chain disruptions caused by Covid-19, inflation was always going to be a big risk this year. But few would have predicted just how much or how quickly prices rose over the last six months.

Inflation has largely been driven by surging energy prices, a problem which already existed at the beginning of the year and was further exacerbated following the outbreak of war between Russia – a leading world supplier of oil and gas - and Ukraine.

For 2022, inflation is projected to reach 6.6% in advanced economies and 9.5% in emerging market and developing economies. Rising prices are having the predictable impact of slowing economic growth, causing many governments and central banks around the world to target inflation as their number one priority.

Consequently, loose monetary policy has been tightened, and global interest rates, which had been kept at historically low levels since the Great Recession in 2008, are suddenly rising at their fastest rate for 30 years.

The United States

After growing by 5.1% in 2021, real Gross Domestic Product (GDP) is expected to grow by 2.3% in 2022, having shrunk by 1.6% and 0.9% respectively in the first two quarters of 2022.

This means that, if the US still used the traditional definition of a recession – i.e. two consecutive quarters of negative growth – they would officially be in one. Either way, the US, like many other major economies, undoubtedly finds itself skirting an economic downturn, with Wells Fargo predicting a "moderate" recession later in the year.

The prospect of a recession has not been helped by the Federal Reserve's aggressive interest rate campaign, which has favoured large hikes over gradual increases. So far this year, the Fed has hiked rates by 2.25 percentage points, with many predicting that base lending rates will exceed 3% by the year's end.

Whilst rising interest rates will put a strain on economic growth, they are necessary in order to combat inflation, which hit 9.1% in June. This combination of high inflation and higher interest rates have contributed to the current climate of economic uncertainty, which has been particularly evident in the equities market, as the benchmark S&P 500 fell more than 20% in the first half of the year.

However, despite many economic indicators pointing towards a recession, employment indicators remain fairly positive, leading some to opine that, if there is a recession, it is unlikely to be severe.

At the beginning of July, nonfarm payroll saw 372,000 jobs added in June, far better than had been expected, with private-sector employment currently higher than before the pandemic. The unemployment rate held steady at 3.6% in the four months leading up to June.

The United Kingdom

The UK economy grew 0.8% over the previous quarter in Q1 and is expected to grow by 3.3% in 2022, dropping to 0.5% in 2023.

Similarly to the US, the UK is also battling high inflation, which, after hitting 9.4% in June, is the highest amongst G7 nations.

Unlike the Fed, the Bank of England (BoE) has so far taken a less aggressive approach to interest rate rises, announcing six consecutive, comparatively moderate, rate hikes since December 2021.

But again, as with the US, despite rising costs and slowing growth, the job market remains healthy. Between March and May, the number of people in employment jumped by 296,000 – far more than had been expected – and the unemployment rate held at 3.8%, its lowest level since the early 70s.

Adding to the growing list of issues, the political scene in the UK is becoming ever more fractious. At the beginning of July, Boris Johnson was forced to resign as Prime Minister after the latest in a long line of controversial incidents.

Currently, two conservative candidates, who have differing views on how to deal with the economy, are battling it out for approval to become the next leader of their party and, consequently, the next Prime Minister of the UK.

As the leadership contest gets underway, Scottish First Minister Nicola Sturgeon pushes for a second independence referendum in less than a decade; whilst the ongoing saga of the Northern Ireland Protocol continues to cause headaches for politicians in both the UK and the EU.

China

China was somewhat of a global anomaly in 2020; whilst many of the world's economies contracted, China's grew by 2.2%. Further growth followed in 2021, with annual GDP rising by 8.1%, and in the first quarter of 2022, with GDP rising 4.8% Year on Year (YoY).

However, their Q2 growth of 0.4% YoY represents their second worst quarter since China started releasing quarterly GDP figures in 1992, the worst being the contraction in Q1 2020, when coronavirus initially broke out in Wuhan.

Ongoing issues with coronavirus are to blame, which have resulted in substantial economic disruption due to a number of strict lockdowns this year, including an almost two-month long shutdown of financial hub Shanghai.

Nevertheless, despite comparatively poor second quarter results, growth for 2022 has been forecast at 3.3% and is expected to increase to 4.6% in 2023.

Coronavirus outbreaks and lockdowns aside, China is once again bucking the global trend in 2022, with inflation remaining relatively low. In fact, in June, China reported inflation of just 2.5%, not much higher than the target level of most countries, and noted that it expects inflation to reach 3% by the end of the year.

Whilst China may not be worried by current levels of inflation, the property sector will be an area of concern. Over the last 12 months, a number of property developers have defaulted on overseas debt, leading to Beijing reportedly preparing a fund worth \$44 billion in an attempt to rescue the industry.

As the issue of debt-defaults drags on, home sales in China have fallen for eleven consecutive months, and home buyers have threatened to boycott mortgage payments as cash-strapped builders cease construction on a number of developments which had already been sold.

Needless to say, all this will be of concern to a country where the property market accounts for around a quarter of total GDP.

The Eurozone

In the first quarter of 2022, GDP rose 0.3% from the previous quarter and is projected to increase 2.6% in 2022, slowing to 1.2% in 2023.

Inflation for the euro area hit 8.2% in June and, up until July, the European Central Bank (ECB) had taken a more relaxed approach to dealing with rising prices than its British and US counterparts, deciding against interest rate increases in the first half of the year. However, as of the 27 July, the ECB will raise its three key rates by 50 basis points each.

Again, as with the UK and the US, despite slowing economic growth and spiralling inflation, employment data so far in 2022 looks positive. In fact, in May, unemployment in the euro area fell to a record low of 6.6%, as employment rose by 0.5%.

Unfortunately, Italy looks destined to fall back into political turmoil, after Prime Minister Mario Draghi was forced to resign following a rebellion led by right-wing politicians. Snap elections will follow in September and, according to polls, an alliance of these same right-wing politicians is favoured to lead Italy.

So far, the EU has managed to present a relatively united front against Russia, but there will be concern in Brussels that the next government in Rome are likely to be more sympathetic towards Moscow. If true, this will threaten the EU's unity on the subject ahead of what is likely to be a hard winter for the continent.

Estonia

Despite a robust expansion of 8.3% in 2021, seasonally adjusted GDP grew just 0.1% in Q1 2022. It is forecast to increase by 1.3% in 2022 and 1.8% in 2023.

As with many other European countries, inflation is running high in Estonia. However, its most recent figure of 21.9% in June was the highest in the euro area.

Furthermore, although Estonia's unemployment rate is lower than the wider euro area, reported at 5.5% in Q1, it rose from the previous quarter and is yet to recover its pre-pandemic levels.

Financial review

Main consolidated financial indicators of Admirals Group AS

Income statement (in millions of euros)	6M 2022	6M 2021	change	6M 2020
Net trading income	43	17.3	149%	37.9
Operating expenses	20.4	19.3	6%	18.2
EBITDA	26	-0.7	3814%	21
Net profit (loss)	24	-1.7	1512%	19.9
EBITDA margin, %	60%	-4%	64	55%
Net profit (loss) margin, %	56%	-10%	66	53%
Cost to income ratio, %	47%	112%	-65	48%

Business volumes (in millions of euros)	30.06.2022	31.12.2021	change	30.06.2021
Due from credit institutions and investment companies	73.5	45.7	61%	43
Debt securities	3.8	7.6	-50%	9
Shareholders' equity	82.6	59.3	39%	57.1
Total assets	97.1	71.9	35%	70.8
Off-balance sheet assets (client assets)	81.7	99.2	-18%	94.6

Equations used for the calculation of ratios:

EBITDA margin, % = EBITDA / Net trading income

Net profit margin, % = Net profit / Net trading income

Cost to income ratio, % = Operating expenses / Net trading income

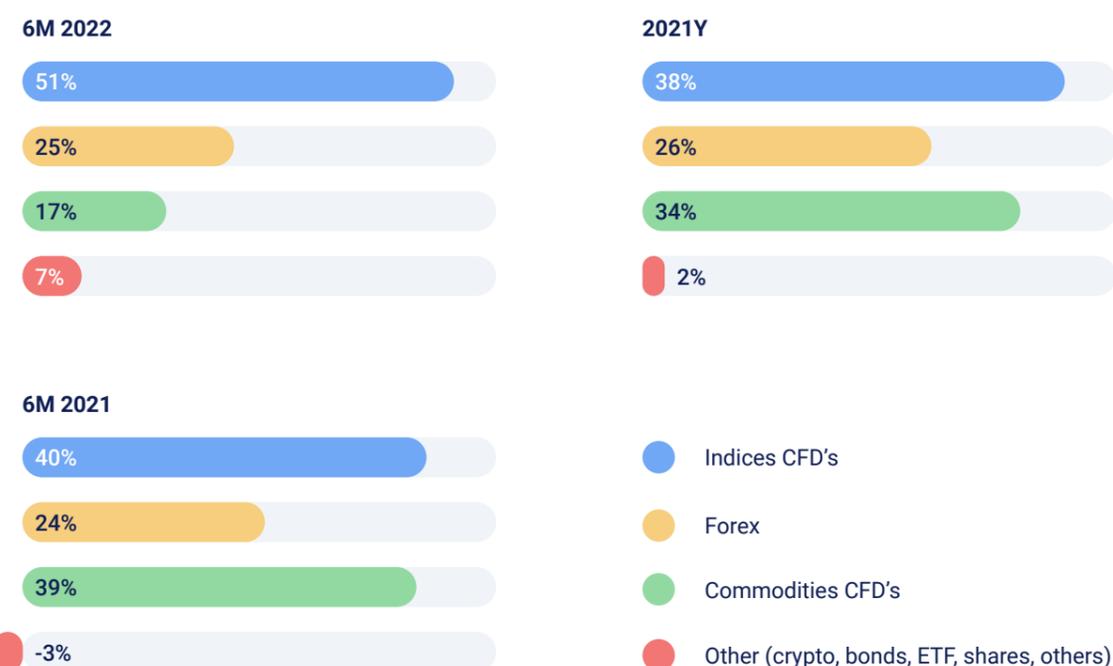
Net Trading Income

The Group earned EUR 43 million in revenue during the first six months of 2022, which is 149% more compared to the first half of 2021.

In the first half of 2022, Commodity CFDs products accounted for 17% of total gross trading income, a decrease of 22% year-on-year. Indices CFDs accounted for 51% of total gross trading income,

an increase of 11% year-on-year. Forex accounted for 25% of total gross trading income, an increase of 1% year-on-year. Forex, Indices CFDs and other shares increased mainly due to an 22% decrease in commodities CFDs. The share of other products, such as stocks, ETFs etc generated income, so made 7% of total gross income in the first half of 2022.

Gross revenue by asset class, %



Expenses

The Group's operating expenses increased by 6% in the first half of 2022.

The largest share of total operating expenses (which includes payroll and depreciation expenses) for the Group in the first half of 2022 comes from personnel expenses. Personnel expenses increased 10% compared to year-on-year and reached EUR 6.6 million by the end of June 2022. Personnel expenses account for 32% of total operating expenses. There was an increase in personnel expenses mostly due to the increase in bonuses, which connected with the Group half of 2022 year results.

In the first half of 2022 marketing expenses were EUR 4.85 million which is a 25% decrease year-on-year and account for 24% of total operating expenses.

IT expenses make up around 14% of total operating expenses and reached EUR 2.94 million by the end of June 2022. Other larger expense types for the Group are legal and audit services, other outsourced services, VAT and intra-group expenses.

The cost-to-income ratio decreased to 47% by the end of June 2022 as a result of an increase in company revenue.

Net profit

EBITDA and net profit of the Group were EUR 26 million and EUR 24 million, respectively, by the end of the first half of 2022.

The return on equity of the Group was 33.8% at the end of June 2022 (30.06.2021: -2.9%).

Statement of Financial Position

The Group has a strong and growing consolidated balance sheet, with EUR 82.6 million of shareholders' equity and long-term debt of only EUR 7.7 million.

82.6 million

shareholders' equity

Groups' balance sheet is liquid as around 80% of the balance sheet consists of liquid assets.

As of 30 June 2022, the assets of the Company totaled EUR 97.1 million. Ca 76% of assets are balances due from credit institutions and investment companies. The debt securities portfolio only consists of high-quality liquid assets and accounts for 4% of total assets.

97.1 million

assets of the Group

The Group's non-current assets increased in 2022 by EUR 12.9 million mainly due to the Group investing in intangible assets.

The Group's long-term debt consists of subordinated debt securities and finance lease and makes up 8% of the balance sheet total.

The off-balance-sheet assets (client assets) of the Group totaled EUR 81.7 million by the end of June 2022, a decrease of 18%.

Key Financial Ratios

	6M 2022	6M 2021	change	6M 2020
Net profit(loss) per share	9.73	-0.7	10.43	8
Return on equity, %	33.8%	-2.9%	36.7	38.7%
Equity ratio	1.2	1.2	0	1.2
Return on assets, %	28.4%	-2.4%	30.8	32.3%
Short-term liabilities current ratio	12.4	12.3	0.1	14.5

Equations used for the calculation of ratios:

Net profit per share, in EUR = net profit / average number of shares

Return on equity (ROE), % = net profit / average equity * 100

Equity ratio = average assets / average equity

Return on assets (ROA), % = net profit / average assets * 100

Short-term liabilities current ratio = current assets / current liabilities

The ratios are calculated as an arithmetic average of closing balance sheet figures from the previous and current reporting period, and the indicators of the income statement are shown as at the end of the reporting period.

Client trends

The number of active clients in the Group decreased by 17% year on year. The Group had 33,493 active clients (clients who have traded at least once in the past 6 months) in the first half of 2022. Active

accounts also decreased by 15% and achieved 41,227 (accounts, which have traded at least once in the past 6 months).

Client trends	6M 2022	6M 2021	change
Active clients	33,493	40,235	-17%
Active accounts	41,227	48,638	-15%
New applications	44,508	75,759	-41%

Capitalisation

Risk management is part of the internal control system of the Group, and its objective is to identify, assess and monitor all the risks associated with Admirals in order to ensure the credibility, stability and profitability of Admirals.

As of 30.06.2022, the own funds of Admirals Group AS amounted to EUR 58.7 million (31.12.2021: EUR 58.9 million).

Own Funds

(in thousands of euros)	30.06.2022	31.12.2021
Paid-in share capital	250	250
Own shares	-105	-105
Other reserves	303	122
Retained earnings of previous periods	58,611	58,288
Intangible assets	-4,840	-4,151
Total Tier 1 capital	54,219	54,404
Subordinated debt securities	4,528	4,528
Total Tier 2 capital	4,528	4,528
Net own funds for capital adequacy	58,747	58,932

Capital Requirements

(in thousands of euros)	30.06.2022	31.12.2021
Fixed overheads requirement	8,852	8,827
Risk to client	951	841
Risk to market	11,026	9,448
Risk to firm	7,064	9,544
Total K-Factor requirement	19,041	19,833

Capital Adequacy

	30.06.2022	31.12.2021
Capital adequacy	308.5%	297.1%
Tier 1 capital ratio	284.7%	274.3%

At the end of the reporting period, Admirals Group AS was well capitalised, the capital adequacy level was 308% (31.12.2021: 297%) and met all regulatory capital requirements.

Consolidated Interim Financial Statements

This chapter outlines the assets, liabilities, equity, income and cash flow of the Group for the 30.06.2022 fiscal year, in comparison to 31.12.2021.

Condensed consolidated statement of financial position

(in thousands of euros)	Note	30.06.2022	31.12.2021
Assets			
Cash	3	6	7
Due from credit institutions	3	54,942	25,373
Due from investment companies	3	18,584	20,294
Financial assets at fair value through profit or loss	4	5,106	9,501
Loans and receivables	5	4,541	3,348
Inventories		8	106
Other assets		3,165	2,373
Tangible assets		1,977	2,228
Right-of-use assets		3,349	3,817
Intangible assets		5,421	4,835
Total assets		97,099	71,882
Liabilities			
Financial liabilities at fair value through profit or loss	4	345	637
Liabilities and prepayments	6	6,052	3,291
Deferred tax liability		31	31
Subordinated debt securities		4,471	4,559
Lease liabilities		3,606	4,056
Total liabilities		14,505	12,574

continued on next page ↓

Equity		
Share capital	250	250
Own shares	-105	-105
Statutory reserve capital	25	25
Currency translation reserve	257	23
Retained earnings	82,161	59,099
Total equity attributable to owners of the parent	82,588	59,292
Non-controlling interest	6	16
Total equity	82,594	59,308
Total liabilities and equity	97,099	71,882

Condensed consolidated statement of other comprehensive income

(in thousands of euros)	Note	6 months 2022	6 months 2021
Net gains from trading of financial assets at fair value through profit or loss with clients and liquidity providers		43,899	17,889
Brokerage and commission fee revenue		1,078	1,228
Brokerage and commission fee expense		-1,728	-1,538
Other trading activity related income		267	80
Other trading activity related expense		-523	-403
Net income from trading	12	42,993	17,256
Other income similar to interest		57	93
Interest income calculated using the effective interest method		98	46
Interest expense		-220	198

Other income		1,239	802
Other expenses		-73	-122
Net losses on exchange rate changes		346	-229
Personnel expenses		-6,603	-6,006
Operating expenses	13	-12,378	-12,369
Depreciation of tangible and intangible assets		-961	-438
Depreciation of right-of-use assets		-466	-486
Profit before income tax		24,032	-1,651
Income tax		-19	-87
Profit for the reporting period		24,013	-1,738
Other comprehensive income:			
Items that subsequently may be reclassified to profit or loss:			
Unrealized exchange rate differences		233	408
Total other comprehensive income/(loss) for the reporting period		233	408
Total comprehensive income for the reporting period		24,246	-1,330
Net profit attributable to the owners of the parent		24,023	-1,739
Net profit attributable to non-controlling interest		-10	1
Profit for the reporting period		24,013	-1,738
Total comprehensive income attributable to the owners of the parent		24,256	-1,331
Total comprehensive income attributable non-controlling interest		-10	1
Comprehensive income for the reporting period		24,246	-1,330
Basic and diluted earnings per share		9,73	-0,70

Condensed consolidated statement of cash flows

(in thousands of euros)	Note	6 months 2022	6 months 2021
Cash flow from operating activities			
Net profit for the reporting period		24,013	-1,738
Adjustments for non-cash income or expenses:			
Depreciation of tangible and intangible assets		1,427	924
Gains on the sale of tangible assets		5	3
Interest income		-156	-138
Interest expense		220	198
Allowance for doubtful receivables		0	-50
Corporate income tax expenses		20	87
Other financial income and expenses		346	229
Operating cash flows before changes in operating assets and liabilities		25,875	-485
Changes in operating assets and liabilities:			
Change in amounts due from investment companies	3	1,710	-879
Change in trade receivables	5	-2,994	-1,467
Change in other assets		-792	-1,548
Change in derivative assets	4	-160	184
Change in payables and prepayments	6	2,673	-2,391
Change in the derivative liabilities	4	-292	56
Changes in inventories		97	-15
Operating cash flows before interest and tax		26,117	-6,545
Interest received		156	111

Interest paid		-220	-198
Corporate income tax paid		-20	-739
Net cash from operating activities		26,033	-7,371
Cash flow from investing activities			
Disposal of tangible and intangible assets		1	1
Purchase of tangible and intangible assets		-1,299	-1,774
Loans granted	5	0	-1,150
Repayments of loans granted	5	830	206
Acquisition of financial assets at fair value through profit or loss (investment portfolio)		-21	-2,115
Proceeds from disposal of financial assets at fair value through profit or loss (investment portfolio)		4,273	1,981
Acquisition of subsidiaries		0	-300
Sale of subsidiaries		10	0
Investment in to associates		0	-175
Net cash from/used in investing activities		3,794	-3,326
Cash flow from financing activities			
Dividends paid	10	0	-2,705
Proceeds from subordinated debt securities issued	7	0	2,702
Repayment of principal element of lease liabilities		-513	-449
Net cash used in financing activities		-513	-452
TOTAL CASH FLOWS		29,314	-11,1549
Cash and cash equivalents at the beginning of the period	3	25,38	36,998
Change in cash and equivalents		29,314	-11,149
Effect of exchange rate changes on cash and cash equivalents		-254	3
Cash and cash equivalents at the end of the period	3	54,948	25,852

Condensed consolidated statement of changes in equity

(in thousands of euros)	Share capital	Own shares (-)	Statutory reserve capital	Retained earnings	Currency translation reserve	Total equity attributable to owners	Non-controlling interest	Total equity
Balance as at 31.12.2020	250	-114	25	61,657	-711	61,107	10	61,117
Dividends paid	0	0	0	-2,704	0	-2,704	0	-2,704
Sale of own shares	0	9	0	0	0	9	0	9
Contribution of noncontrolling interest into subsidiary's share capital	0	0	0	0	0	0	3	3
Net profit for the reporting period	0	0	0	146	0	146	3	149
Other comprehensive income for the reporting period	0	0	0	0	734	734	0	734
Total comprehensive income for the reporting period	0	0	0	146	734	880	3	883
Balance as at 31.12.2021	250	-105	25	59,099	23	59,292	16	59,308
Net profit for the reporting period	0	0	0	24,023	0	24,023	-10	24,013
Other comprehensive loss for the reporting period	0	0	0	-961	234	-727	0	-727
Total comprehensive income for the reporting period	0	0	0	23,062	234	23,296	-10	23,286
Balance as at 30.06.2022	250	-105	25	82,161	257	82,588	6	82,594

Notes to the Consolidated Interim Financial Statements

This chapter presents more detailed information of the Condensed Consolidated Interim Financial Statements.

Note 1. General information

ADMIRALS GROUP AS is a holding company since 30.12.2009. ADMIRAL GROUP AS was established in 2009 with the aim of incorporating financial companies from different countries to form a multinational group of companies operating under a joint trademark - Admirals (hereinafter collectively referred to as "Admirals" or "the Group"). Admirals Group AS is a limited liability company incorporated in and domiciled in Estonia. The address of its registered office is Maakri 19/1, Tallinn, Estonia.

The consolidated interim financial statements of Admirals Group AS have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The consolidated interim financial statements should be read in conjunction with the Group's consolidated annual report as of 31 December 2021. The accounting policies used in the preparation of the consolidated interim financial report are the same as the accounting policies used in the annual report for the year ended 31 December 2021. The consolidated interim financial statements are unaudited and do not contain all the information required for the preparation of consolidated annual financial statements. The consolidated interim financial statements are presented in thousands of euros unless otherwise stated.

Note 2. Risk management

Admirals offers provision of trading and investment services to retail, professional and institutional clients. According to the risk management policies of Admirals, risks arising from derivatives are partly economically hedged through counterparties (liquidity providers).

Risk is defined as a potential negative deviation from the expected financial result. The objective of the risk management of Admirals is to identify, accurately measure and manage risks. Risks are measured according to their nature as follows: qualitatively (scale of impact and the probability of occurrence) or quantitatively (monetary or percentage impact). Ultimately, the objective of risk management is to increase the income of Admiral Markets through minimizing damages and reducing the volatility of results.

Risk management is part of the internal control system of Admirals. Risk management procedures and basis of assessment are set out in the Group's internal rules and internal risk management policy. In accordance with the established principles Admiral Markets must have enough capital to cover risks.

Specifically, risk management is built on the principle of the three lines of defence. The first line of defence, i.e. business units is responsible for risk taking and risk management. The second line of defence, i.e. risk management, performed by the Risk Management Unit, is responsible for the development of risk methodologies and risk reporting. The third line of defense, i.e. internal audit, carries out independent supervision of Admiral Markets.

As we are exposed to credit and market risk in connection with our retail trading activities, developing and maintaining robust risk management capabilities is a high priority. In addition, we actively monitor and assess various market factors, including volatility and liquidity, and take steps to address identified risks, such as proactively adjusting the required customer margin.

There have been no changes in the risk management policies since the year-end.

Note 3. Due from credit institutions and investment companies

	30.06.2022	31.12.2021
Cash*	6	7
Demand and term deposits with maturity less than 3 months*	54,732	25,062
Demand deposits on trading accounts	18,584	20,294
Cash in transit*	210	311
Total	73,532	45,674

* Cash and cash equivalents in the statement of cash flows

Note 4. Financial assets and liabilities at fair value through profit or loss

Instrument	30.06.2022		31.12.2021	
	Asset	Liability	Asset	Liability
Bonds	3,778	0	7,632	0
Equity investments at fair value through profit or loss	1,041	0	1,743	0
Currency pairs	7	12	4	33
CFD derivatives	0	101	88	283
Other derivatives	280	232	34	321
Total	5,106	345	9,501	637

All derivative instruments are carried as assets when fair value is positive and as liabilities when fair value is negative. The Group has only short-term derivatives.

Note 5. Loans and receivables

	30.06.2022	31.12.2021
Financial assets		
Trade receivables	921	456
Settlements with employees	80	72
Loans granted	734	1,564
Other short-term receivables	1,784	1,256
Other long-term receivables	1,022	0
Total	4,541	3,348

	30.06.2022	Distribution by maturity		Interest rate	Due date	Base currency	Interest receivables 31.06.2022
		Up to 1 year	2-5 years				
Loan 1	5	5	0	12 month Euribor + 4%	12.2022	EUR	8
Loan 2	55	55	0	2%	04.2023	EUR	0
Loan 3-5	254	254	0	15%	4.2022-12.2022	EUR	22
Loan 6-9	316	316	0	15%	11.2022-12.2022	EUR	29
Loan 10	55	0	55	8%	07.2026	EUR	5
Loan 11	49	49	0	3%	12.2022	EUR	2
Total	734	679	55				66

	31.12.2021	Distribution by maturity		Interest rate	Due date	Base currency	Interest receivables 31.12.2021
		Up to 1 year	2-5 years				
Loan 1	55	55	0	2%	04.2022	EUR	0
Loan 2-8	531	531	0	15%	04.2022-11.2022	EUR	11
Loan 9-17	752	752	0	15%	11.2022-12.2022	EUR	13
Loan 18	112	112	0	15%	11.2022	EUR	2
Loan 19	5	5	0	12 month Euribor + 4%	12.2022	EUR	8
Loan 20	49	49	0	3%	12.2022	EUR	2
Loan 21	60	0	60	8%	07.2026	EUR	3
Total	1,564	1,504	60				39

Note 6. Liabilities and prepayments

Type of liability	30.06.2022	31.12.2021
Financial liabilities		
Liabilities to trade creditors	4,424	1,802
Interest payable	86	0
Other accrued expenses	474	373
Subtotal	4,984	2,175
Non-financial liabilities		
Payables to employees	337	443
Taxes payable	731	673
Subtotal	1,068	1,116
Total	6,052	3,291

Note 7. Leases

The Group leases office premises. From 1 January 2019, leases are recognized as a right-of-use asset and a corresponding liability from the date when the leased asset becomes available for use by the Group. In applying IFRS 16 for the first time, the Group applied a single discount rate to its portfolio

of leases with reasonably similar characteristics and used 2% incremental borrowing rate to all its lease liabilities as permitted by the standard. For new lease agreements since 2020 applied a 2.8% borrowing rate, which was close to market price rates.

Office lease liability payments in the future periods as of 30.06.2022 were as follows for the Group:

	30.06.2022	31.12.2021
Short-term office lease liabilities	365	827
Long-term office lease liabilities	3,242	3,229
Total	3,606	4,056

The right-of-use asset and lease liability are recorded on separate lines in the statement of financial position.

The table below analyses the movement in lease liabilities:

	Lease liabilities
Balance at 31.12.2020	4,948
Additions*	603
Adjustments (incl. terminations)	-592
Lease payments made during the year	-1,001
Interest expense	98
Balance at 31.12.2021	4,056
Adjustments (incl. terminations)	24
Lease payments made during the year	-514
Interest expense	40
Balance at 30.06.2022	3,606

* New lease contracts and extension of the lease period for existing contracts

Note 8. Subordinated debt securities

In 2017 Admiral Markets AS issued 18,268 subordinated debt securities (ISIN:EE3300111251) and listed these on 11.01.2018 on the Nasdaq Tallinn Stock Exchange. The maturity date for bonds is 2027.

In the first half of 2021 Admirals Group AS issued 27,016 subordinated debt securities (ISIN:EE3300001999) and the maturity date for bonds is 2031.

Subordinated debt	Issuance year	Amount	Interest rate	Maturity date
Subordinated bonds (ISIN:EE3300111251)	2017	1,827	8%	28.12.2027
Subordinated bonds (ISIN:EE3300001999)	2021	2,702	8%	05.02.2031

The total number of bondholders at the end of June 2022 was 372 at Admiral Markets AS and 99 at Admirals Group AS. Bondholder structure according to holders' groups as of 30.06.2022 was the following:

Subordinated debt	Private persons	Legal persons
Subordinated bonds (ISIN:EE3300111251)	77%	23%
Subordinated bonds (ISIN:EE3300001999)	55%	45%

In the first half of 2022, 78 transactions in the amount of EUR 135 thousand were made with Admiral Markets AS bonds and 52 transactions in the amount of EUR 270 thousand were made with Admirals Group AS bonds.

Interest expenses on subordinated bonds for each reporting period and accrued interest liabilities at the end of each reporting period is disclosed in the table below. Interest liabilities are accounted in the statement of financial position using the effective interest rate.

Interest liability from subordinated debt	
Accrued interest on subordinated debts as at 31.12.2020	1
Interest calculated for 2021	341
Paid out during 2021	-254
Accrued interest on subordinated debts as at 31.12.2021	88
Interest calculated for the first 6 months of 2022	180
Paid out during the first 6 months of 2022	-181
Accrued interest on subordinated debts as at 30.06.2022	87

Note 9. Off-balance sheet assets

Off-balance sheet assets are funds of these clients who use the trading systems mediated by Admirals. Because of the specific feature of the system, the Group deposits these funds in personalized accounts

in banks and in other investment companies. The Group does not use client funds in its business operations and accounts for them off-balance sheet.

Off-balance sheet assets	30.06.2022	31.12.2021
Bank accounts	62,964	79,391
Stock/shares	18,717	19,176
Cash in transit	8	584
Total	81,689	99,151

Note 10. Share capital

	30.06.2022	31.12.2021
Share capital	250	250
Number of shares (pc)	2,500,000	2,500,000
Nominal value of shares	0.1	0.1
Basic and diluted earnings (loss) per share	9.73	0.06

As at 30.06.2022, the share capital of the Group's parent company consists of 2,500,000 ordinary shares with a nominal value of EUR 0.1 which have been fully paid for.

In order to calculate basic earnings per share, net profit attributable to owners of the parent has been divided by the weighted average number of shares issued.

Basic and diluted earnings per share are calculated as follows:

	30.06.2022	31.12.2021
Profit attributable to the equity holders of the Company	24,013	149
Weighted average number of ordinary shares (pc)	2,500,000	2,500,000
Own shares	31,250	31,250
Weighted average number of shares used for calculating the earnings per shares (pc)	2,468,750	2,468,750
Basic earnings (loss) per share	9.73	0.06
Weighted average number of shares used for calculating the diluted earnings per shares (pc)	2,468,750	2,468,750
Diluted earnings (loss) per share	9.73	0.06

Note 11. Segment reporting

The Management Board is responsible for the allocation of resources and assessment of the results of operating segments. In 2022 and 2021, the Management Board monitored the operations of the Group as one operating segment.

The Group's internal reports prepared for the Management Board are drawn up on the basis of the same accounting principles and in a form that has been used in this interim report.

Note 12. Net income from trading

	6M 2022	6M 2021
Indices CFD's	22,388	7,156
Forex	10,975	4,293
Commodities CFD's	7,463	6,977
Other (crypto, bonds, ETF, shares, others)	3,073	-537
Gross gain from trading of financial assets at fair value through profit or loss with clients including hedging with liquidity providers	43,899	17,889
Commission fee revenue from clients	1,078	1,228
Brokerage and commission fee expense	-1,728	-1,538
Other trading activity related income	267	80
Other trading activity related expenses	-523	-403
Net income from trading	43,993	17,256

Note 13. Operating expenses

Type of expenses	6M 2022	6M 2021
Marketing expenses	-4,854	-6,502
IT expenses	-2,939	-2,352
Other outsourced services	-121	-83
VAT expenses	-405	-346
Rent and utilities expenses	-305	-246
Legal and audit services	-1,618	-1,287
Regulative reporting services	-334	-242
Transport and communication costs	-115	-143
Travelling expenses	-125	-56
Other operating expenses	-1,167	-771
Small tools	-40	-60
Bank charges	-266	-201
Benefits for employees	-89	-80
Total operating expenses	-12,378	-12,369

Note 14.

Transactions with related parties

The following entities have been considered as related parties at the moment of preparing the financial statements of the Group:

- owners that have a significant impact on the Group and the companies related to them;
- executive and senior management (members of the Management and Supervisory Board of companies belonging to the Group);
- close relatives of the persons mentioned above and the companies related to them;
- companies over which the persons listed in (a) above have a significant influence.

Mr. Alexander Tsikhilov has the ultimate control over the Group.

Revenue

		6M 2022	6M 2021
Services	Senior management and companies related to them	0	343
Interest income	Senior management and companies related to them	2	6
Total transactions with related parties		2	349

Expenses

		6M 2022	6M 2021
Services	Senior management and companies related to them	2	384
Total transactions with related parties		2	384

Loans and receivables

	30.06.2022	31.12.2021
Loans to senior management and companies related to them	60	252
Receivables from senior management and companies related to them	72	142
Total receivables from related parties	132	394

Payables

	30.06.2022	31.12.2021
Payables to senior management and companies related to them	0	31
Total payables to related parties	0	31

In the first six months of 2022, the remuneration of the management, including social security taxes, totaled EUR 534 thousand (6 months 2021: EUR 740 thousand).



**Markets go
up and down.
We are going
forward.**