

2022 the first 6 months

Unaudited interim report

Admiral Markets AS



Admiral Markets AS

Unaudited interim report for the first 6 months of 2022

Commercial Registry no.	11838516
Address	Maakri 19/1, Tallinn, 10145
Telephone	+372 6 309 300
E-mail	info@admiralmarkets.com
Main area of activity	Investment services
Activity licence no.	4.1-1/46
Beginning and end date of financial year	01. January - 30. June
Chairman of the Management Board	Sergei Bogatenkov
Members of the Management Board	Jens Chrzanowski Andrey Koks
Chairman of the Supervisory Board	Alexander Tsikhilov
Members of the Supervisory Board	Anton Tikhomirov Anatolii Mikhhalchenko
Auditor	PricewaterhouseCoopers AS

admirals

6 Month Highlights for 2022

- Net trading income was EUR 32.3 million (6M 2021: EUR 9.1 million and 6M 2020: EUR 31.6 million)
- EBITDA¹ was EUR 24.3 million (6M 2021: EUR -0.5 million and 6M 2020: EUR 19.9 million)
- EBITDA margin was 75% (6M 2021: -5% and 6M 2020: 63%)
- Net profit was EUR 23.3 million (6M 2020: EUR -1.6 million and 6M 2020: EUR 19.1)
- Net profit margin was 72% (6M 2021: -18% and 6M 2020: 60%)
- Cost to income ratio 31 % (6M 2021: 120% and 6M 2020: 39%)
- 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**

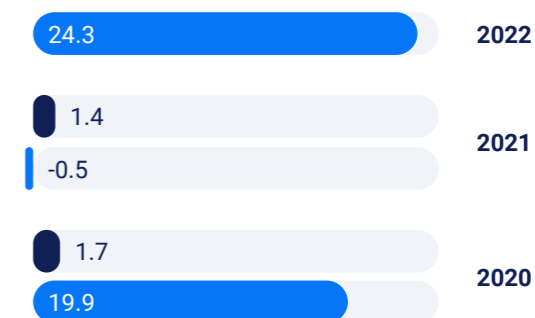
9%

Value of trades **increased**

Net trading income, EUR million



EBITDA¹, EUR million



Net profit (loss), EUR million



Value of trades, EUR billion



Number of trades, million



● 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 interim report of Admiral Markets AS for the first 6 months of 2022 consists of the management report and financial statements.

The data and additional information provided by Admiral Markets AS in the 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!

Admiral Markets AS (hereinafter as Admirals or Group) has had an excellent start for the year in terms of business results. The net trading income of the group 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 adaptation 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 of Admiral Markets AS

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

Learn.
Trade.
Invest.

Table of Contents

Management report	10
Our company	11
2021 Overview	17
Economic environment	27
Financial review	30
Capitalisation	35
Interim Financial Statements	37
Statement of Financial Position	38
Statement of Comprehensive Income	39
Statement of Cash Flows	41
Statement of Changes in Equity	43
Notes to the Interim Financial Statements	44
Note 1. General information	45
Note 2. Risk management	45
Note 3. Due from credit institutions and investment companies	46
Note 4. Financial assets and liabilities at fair value through profit or loss	46
Note 5. Loans and receivables	47
Note 6. Liabilities and prepayments	50
Note 7. Leases	50
Note 8. Subordinated debt securities	52
Note 9. Off-balance sheet assets	53
Note 10. Share capital	53
Note 11. Segment reporting	54
Note 12. Net income from trading	55
Note 13. Operating expenses	56
Note 14. Transactions with related parties	57

Management report

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

Our company

ADMIRAL MARKETS AS was founded in 2003. In 2009, the Estonian Financial Supervisory Authority granted Admiral Markets AS the activity licence no. 4.1-1/46 for the provision of investment services.

The Company is part of an international group (hereinafter "Group") which operates under a joint trademark – Admirals. Admirals Group AS, the parent company of Admiral Markets AS, owns 100% of the shares of Admiral Markets AS.

The main activity of Admiral Markets AS is the provision of trading and investment services (mainly leveraged and derivative products) to retail, professional and institutional clients. Customers are offered leveraged Contract for Difference (CFD) products in the over-the-counter market, Forex as well as listed instruments. The Company's activities have mostly targeted experienced traders, but since this year we have also strengthened our position in the beginner's segment. Therefore, the Company focuses on the improvement of the general trading skills of experienced traders and the training of new enthusiasts as well.

In addition to the provision of other support services, under White Label agreements, Admiral Markets AS, being the administrator and developer of the platform, provides all sister companies that are part of the same consolidation group the possibility of using the investment platform. In line with the Group's strategy, the sister investment companies of Admiral Markets AS hedge the risks arising from their customers' transactions in Admiral Markets AS, which is also their main liquidity partner. Due to this, the results of Admiral Markets AS depend on other companies in the Group.

In addition to the services offered to retail, professional and institutional customers, Admiral Markets AS also acts as a provider of support services for its consolidation group companies, being responsible for all key middle and back-office functions: administration and development of IT platforms, risk management, liquidity provision, marketing, financial services, compliance.

The licenced investment companies that are a part of the same consolidation group as Admiral Markets AS are A 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 AS has a licence granted by the Estonian Financial Supervisory Authority. Since Admiral Markets AS and other licenced investment companies that are part of the same consolidation group use the same joint trademark, the reputation of the trademark of Admirals has a major direct impact on the financial indicators as well as the business success of Admiral Markets AS.

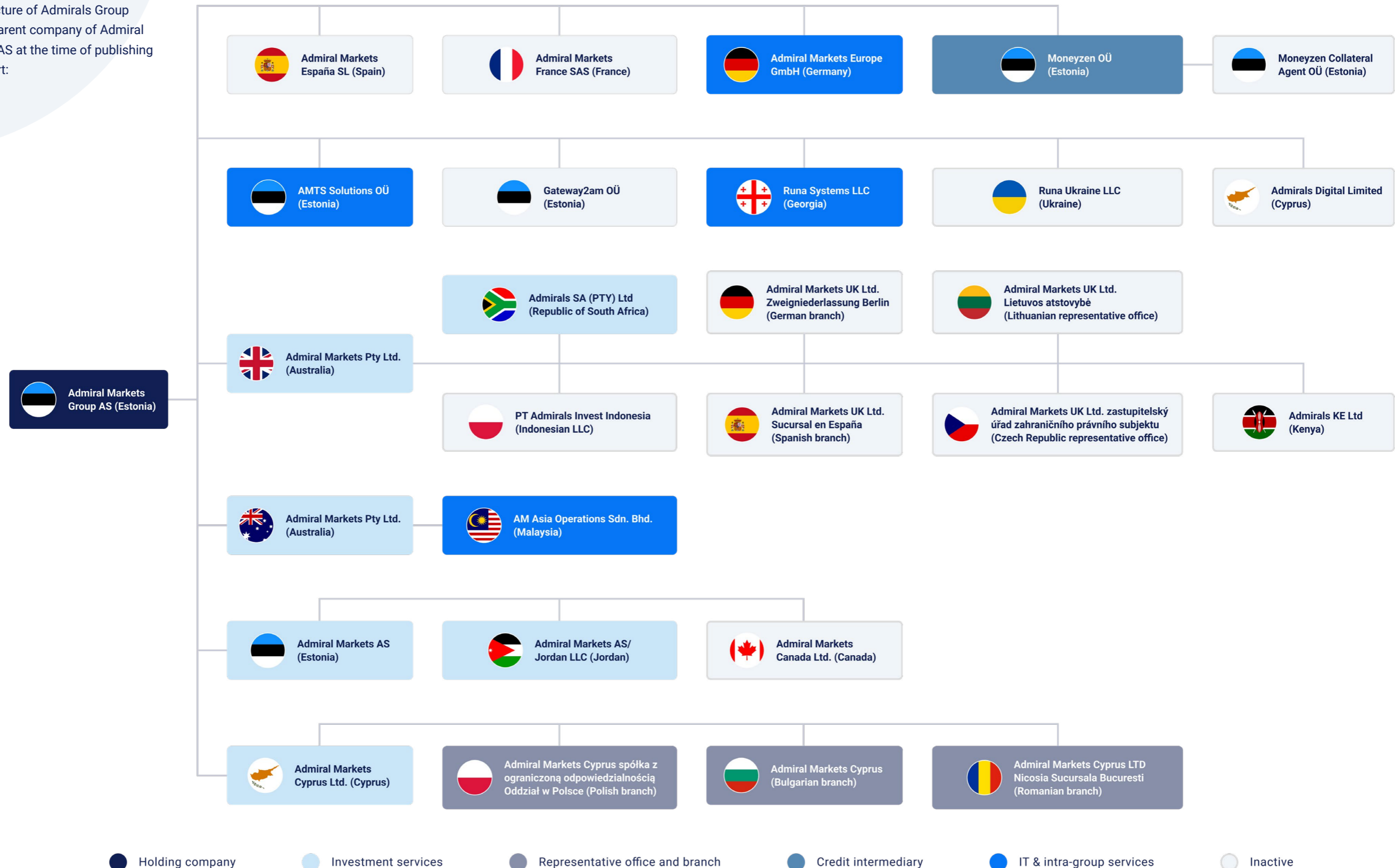
Admiral Markets AS has subsidiaries in Canada and Jordan. Other companies that are part of the same consolidation group as Admiral Markets AS at the time of publishing this report are Runa Systems LLC (Georgia), Runa Ukraine LLC (Ukraine), AMTS Solution OÜ, AM Asia Operations Sdn. Bhd. (Malaysia), PT 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

The structure of Admirals Group AS, the parent company of Admiral Markets AS at the time of publishing this report:



● Holding company
 ● Investment services
 ● Representative office and branch
 ● Credit intermediary
 ● IT & intra-group services
 ● Inactive

Management

Admiral Markets AS is managed by a three-member Management Board and supervised by a three-member Supervisory Board. The members of the Management Board actively participate in the Company's daily business operations and have clear responsibilities. The Supervisory Board shapes the vision and business strategy of the Company, actively guiding its growth and development and also supervises activities of the Management Board.

In the first six months of 2022, the remuneration of the management, including social security taxes, totalled EUR 214 thousand (6 months 2021: EUR 209 thousand).

Supervisory Board of Admiral Markets AS

The members of the Supervisory Board of Admiral Markets AS at the time of preparation of the interim report are Alexander Tsikhilov, Anatolii Mikhalchenko, Anton Tikhomirov.



Alexander Tsikhilov

Chairman of the Supervisory Board



Anatolii Mikhalchenko

Member of the Supervisory Board



Anton Tikhomirov

Member of the Supervisory Board

Management Board of Admiral Markets AS

The members of the Management Board of Admiral Markets AS at the time of preparation of the interim report are Sergei Bogatenkov, Jens Chrzanowski, Andrey Koks.



Sergei Bogatenkov

Chairman of the Management Board



Jens Chrzanowski

Member of the Management Board



Andrey Koks

Member of the Management Board

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	32.3	9.10	254%	31.6
Operating expenses	10	10.9	-9%	12.4
EBITDA	24.3	-0.5	4 960%	19.9
Net profit (loss)	23.3	-1.6	1 554%	19.1
EBITDA margin, %	75%	-5%	-5%	63%
Net profit (loss) margin, %	72%	-18%	90	60%
Cost to income ratio, %	31%	120%	-89	39%

Business volumes (in millions of euros)	30.06.2022	31.12.2021	change	30.06.2021
Due from credit institutions and investment companies	23.2	4.47	418%	26.2
Debt securities	3.8	7.63	-50%	9.0
Shareholders' equity	79.1	55.9	42%	53.4
Total assets	96.9	63.1	54%	63.1
Off-balance sheet assets (client assets)	0.6	0.7	-15%	3.2

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

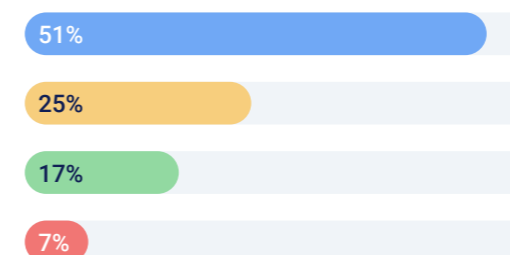
Due to the high volatility in financial markets, we witnessed a significant improvement in the Company's results. The Company earned 32.3 million revenue during the first six months of 2022, 254% more compared to the first half of 2021.

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

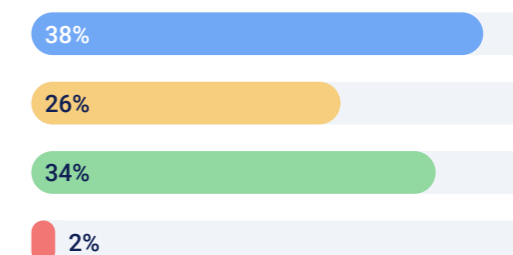
accounted for 51% of total gross trading income, an increase of 11% year-on-year. Forex accounted for 25% of total gross trading income, an increase of 1% year-on-year. Forex, Indices CFDs and other shares increased mainly due to an 22% decrease in commodities CFDs. The share of other products, such as stocks, ETFs etc generated income, so made 7% of total gross income in the first half of 2022.

Gross revenue by asset class, %

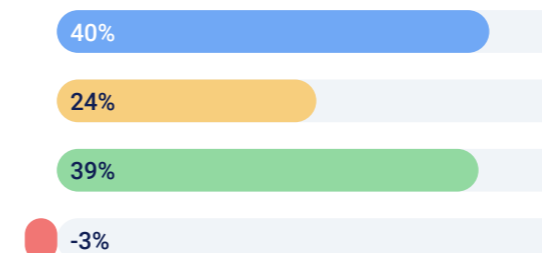
6M 2022



2021Y



6M 2021



Expenses

The Company's operating expenses decreased by 9% in the first half of 2022.

The largest share of total operating expenses (which includes payroll and depreciation expenses) for the Company in the first half of 2022 comes from marketing expenses. Marketing expenses decreased 25% compared to year-on-year and reached EUR 3.5 million by the end of June 2022. Marketing expenses account for 35% of total operating expenses.

In the first half of 2022 personnel expenses were EUR 2.6 million which is a 3% decrease year-on-year and account for 26% of total operating expenses.

IT expenses make up around 13% of total operating expenses and reached EUR 1.3 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 31% by the end of June 2022 as a result of an increase in company revenue.

Net profit

EBITDA and net profit of the Company were EUR 24.3 million and EUR 23.3 million, respectively, by the end of the first half of 2022.

The return on equity of the Company was 34.5% at the end of June 2022 (30.06.2021: -2.8%).

Statement of Financial Position

Admiral Markets AS has a strong and growing balance sheet, with EUR 79.1 million of shareholders' equity and long-term debt of only EUR 4.8 million.

79.1 million

shareholders' equity

Admiral Markets AS' balance sheet is liquid as around 46% of the balance sheet consists of liquid assets. As of 30 June 2022, the assets of the Company totalled EUR 96.9 million. Ca 42% 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.

96.9 million

assets of the Company

The Company's non-current assets totalled EUR 3.1 million, and increased in 2022 mainly due to the Company investing in intangible assets.

The Company's long-term debt consists of subordinated debt securities and finance lease and makes up 5% of the balance sheet total.

The off-balance sheet assets (client assets) of the Company totalled EUR 0.6 million by the end of June 2022 (30.06.2021: EUR 0.7 million).

Key Financial Ratios

	6M 2022	6M 2021	change	6M 2020
Net profit(loss) per share	57.6	-3.9	61.6	47.3
Return on equity, %	35.1%	-2.8%	38.1	40.1%
Equity ratio	1.2	1.2	0	1.2
Return on assets, %	29.1%	-2.3%	30.8	33.8%
Short-term liabilities current ratio	6	11.4	-5.4	16.2

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%

Main consolidated financial indicators of the parent company of Admiral Markets AS, 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	3 814%	21
Net profit (-loss)	24	-1.7	1 512%	19.9
EBITDA margin, %	60%	-4%	64	55%
Net profit margin, %	56%	-10%	66	53%
Cost-to-income ratio, %	47%	112%	-65	48%

Income statement (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

Capitalisation

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

As of 30.06.2022, the own funds of Admiral Markets AS amounted to EUR 54.5 million (31.12.2021: EUR 53.7 million).

Own Funds

(in thousands of euros)	30.06.2022	31.12.2021
Paid-in share capital	2,586	2,586
Statutory reserve capital transferred from net profit	259	259
Retained earnings of previous periods	53,010	52,090
Intangible assets	-3,128	-3,070
Total Tier 1 capital	52,727	51,865
Subordinated debt securities	1,827	1,827
Total Tier 2 capital	1,827	1,827
Net own funds for capital adequacy	54,554	53,692

Capital Requirements

(in thousands of euros)	30.06.2022	31.12.2021
Fixed overheads requirement	5,274	6,303
Risk to client	9	30
Risk to market	11,025	9,448
Risk to firm	7,064	8,462
Total K-Factor requirement	18,098	17,940

Capital Adequacy

	30.06.2022	31.12.2021
Capital adequacy	301%	299%
Tier 1 capital ratio	291%	289%

At the end of the reporting period, Admiral Markets AS was well capitalised, the capital adequacy level was 301% (31.12.2021: 299%) and met all regulatory capital requirements.

Interim Financial Statements

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

Statement of Financial Position

(in thousands of euros)	Note	30.06.2022	31.12.2021
Assets			
Due from credit institutions	3	23,175	4,696
Due from investment companies	3	17,018	18,292
Financial assets at fair value through profit or loss	4	6,127	9,998
Loans and receivables	5	36,488	16,097
Stocks		8	48
Other assets		2,266	1,903
Investments into subsidiaries		4,180	4,180
Tangible assets		1,570	1,644
Right-of-use asset		2,906	3,147
Intangible assets		3,127	3,070
Total assets		96,865	63,075
Liabilities			
Financial liabilities at fair value through profit or loss	4	345	637
Liabilities and prepayments	6	12,411	1,381
Subordinated debt securities	8	1,827	1,827
Lease liabilities	7	3,154	3,375
Total liabilities		17,737	7,220

Equity			
Share capital	10	2,586	2,586
Statutory reserve capital		259	259
Retained earnings		76,283	53,010
Total equity		79,128	55,855
Total liabilities and equity		96,865	63,075

Statement of Comprehensive Income

(in thousands of euros)	Note	6M 2022	6M 2021
Net gains from trading of financial assets at fair value through profit or loss with clients and liquidity providers		44,608	17,895
Brokerage fee income		0	28
Brokerage and commission fee expense		-12,603	-8,855
Other trading activity related income		252	6
Other trading activity related expense		0	-3
Net income from trading	12	32,257	9,071
Other income		192	421
Other expense		0	-52
Interest income calculated using the effective interest method		278	106
Other income similar to interest		59	93
Interest expense		-105	-118
Net gains on exchange rate changes		991	413

Net gains at fair value through profit or loss		-437	0
Personnel expenses		-2,575	-2,662
Operating expenses	13	-6,566	-7,673
Depreciation of tangible and intangible assets		-580	-333
Depreciation of right-of-use assets		-242	-279
Profit for the reporting period		-1,013	-1,013
Income tax		0	-567
Comprehensive income for the reporting period		23,272	-1,580
Comprehensive income for the reporting period		23,272	-1,580
Basic and diluted earnings per share	10	57.60	-3.91

Statement of Cash Flows

(in thousands of euros)	Note	6M 2022	6M 2021
Cash flow from operating activities			
Profit		23,272	-1,580
Adjustments for non-cash income or expenses:			
Depreciation of tangible and intangible assets		822	612
Gains (loss) on the sale of tangible assets		5	3
Interest income		-337	-199
Interest expense		105	118
Corporate income tax expenses		0	567
Other financial income and expenses		-554	-413
Operating cash flows before working capital changes		23,313	-892
Changes in working capital:			
Change in amounts due from investment companies	3	1,368	-986
Change in trade receivables	5	-5,946	-2,764
Change in other assets		-363	-1,194
Change in derivative assets	4	-116	184
Change in payables and prepayments	6	11,062	-3,815
Change in the derivative liabilities	4	-292	55
Changes in inventories		40	0
Operating cash flows before interest and tax		29,066	-9,412

continued on next page ↓

Interest received		149	168
Interest paid		-105	-117
Corporate income tax paid		0	-567
Net cash from operating activities		29,110	-9,928
Cash flow from investing activities			
Disposal of tangible and intangible fixed assets		1	1
Purchase of tangible and intangible fixed assets		-570	-1,674
Loans granted	5	-15,150	-1,150
Repayments of loans granted	5	831	207
Acquisition of financial assets at fair value through profit or loss		-21	-2,115
Proceeds from disposal of financial assets at fair value through profit or loss		4,273	1,981
Investment in to associates		-568	0
Net cash used in investing activities		-11,204	-2,750
Cash flow from financing activities			
Dividends paid	10	0	-2,742
Repayment of principal element of lease liabilities	7	-253	-239
Net cash from/used in financing activities		-253	-2,981
TOTAL CASH FLOWS		17,653	-15,659
Cash and cash equivalents at the beginning of the period	3	4,696	25,727
Change in cash and equivalents		17,653	-15,659
Effect of exchange rate changes on cash and cash equivalents		826	73
Cash and cash equivalents at the end of the period	3	23,175	10,141

Statement of Changes in Equity

(in thousands of euros)	Share capital	Statutory reserve capital	Retained earnings	Total
Balance as at 01.01.2021	2,586	259	54,832	57,677
Dividends paid	0	0	-2,741	-2,741
Profit for the reporting period	0	0	920	920
Total comprehensive income for the reporting period	0	0	920	920
Balance as at 31.12.2021	2,586	259	53,011	55,856
Dividends paid	0	0	0	0
Profit for the reporting period	0	0	23,272	23,272
Total comprehensive income for the reporting period	0	0	23,272	23,272
Balance as at 31.12.2021	2,586	259	76,283	79,128

For more information of share capital refer to Note 10.

Notes to the Interim Financial Statements

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

Note 1. General information

Admiral Markets AS has been an investment company since 05.06.2009. The Company's head office is located at Maakri 19/1, Tallinn, Estonia.

Admiral Markets AS have subsidiaries in Canada and Jordan.

The interim financial statements of Admiral Markets AS have been prepared in accordance with the international financial reporting standard IAS 34 "Interim Financial Reporting", as adopted by the European Union and with International Financial Reporting Standards (IFRS), as adopted by the European Union.

The interim financial statements should be read in conjunction with the Company's annual report as of 31 December 2021. The accounting policies used in the preparation of the interim financial report are the same as the accounting policies used in the annual report for the year ended 31 December 2021.

The interim financial statements are unaudited and do not contain all the information required for the preparation of annual financial statements.

The interim financial statements are presented in thousands of euros unless otherwise stated.

Note 2. Risk management

Risk Management is part of the internal control system of Admiral Markets AS, and its objective is to identify, assess and monitor all of the risks associated with the Company in order to ensure the credibility, stability and profitability of Admiral Markets AS.

The Supervisory Board has established risk identification, measurement, reporting and control policies in the risk management policies. Risk control is responsible for daily risk management. Risk management is based on three lines of defence. The first line of defence is the business units that are responsible for risk-taking and risk management. The second line of defence includes risk control and compliance functions, which are independent of business operations. The third line of defence is the internal audit function.

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
Demand and term deposits with maturity less than 3 months*	23,175	4,474
Demand deposits on trading accounts	17,018	18,292
Cash in transit*	0	222
Total	40,193	22,988

* 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
Convertible loan	1,067	0	499	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	234	232	32	321
Total	6,127	345	9,998	637

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

Note 5. Loans and receivables

	30.06.2022	31.12.2021
Financial assets		
Trade receivables	0	13
Settlements with employees	80	70
Loans granted	21,785	7,528
Receivables from group companies	14,365	8,338
Other short-term receivables	258	148
Total	36,488	16,097

	31.12.2022	Distribution by maturity		Interest rate	Due date	Base currency	Interest receivables 31.12.2022	Note
		Up to 1 year	2-5 years					
Loan 1	5	5	0	12 month Euribor + 4%	12.2022	EUR	8	14
Loan 2	55	55	0	2%	04.2023	EUR	0	
Loan 3	89	89	0	15%	12.2022	EUR	8	
Loan 4	77	77	0	15%	07.2022	EUR	7	
Loan 5	88	88	0	15%	04.2022	EUR	7	
Loan 6	5,000	5,000	0	3%	12.2022	EUR	48	14
Loan 7	77	77	0	15%	12.2022	EUR	6	
Loan 8	78	78	0	15%	11.2022	EUR	7	
Loan 9	68	68	0	15%	11.2022	EUR	7	

continued on next page ↓

Loan 10	93	93	0	15%	11.2022	EUR	9	
Loan 11	10,000	10,000	0	3%	12.2022	EUR	69	14
Loan 12	55	0	55	8%	07.2026	EUR	5	14
Loan 13	150	0	150	3%	07.2026	EUR	4	14
Loan 14	150	0	150	3%	02.2026	EUR	2	14
Loan 15	2,500	2,500	0	2%	12.2023	EUR	13	14
Loan 16	1,000	0	1,000	2%	11.2024	EUR	5	14
Loan 17	2,300	2,300	0	2%	12.2023	EUR	11	14
Total	21,785	20,430	1,355					216

Loan 11	68	68	0	15%	11.2022	EUR		1
Loan 12	66	66	0	15%	11.2022	EUR		1
Loan 13	64	64	0	15%	11.2022	EUR		1
Loan 14	77	77	0	15%	11.2022	EUR		1
Loan 15	85	85	0	15%	11.2022	EUR		2
Loan 16	87	87	0	15%	11.2022	EUR		2
Loan 17	93	93	0	15%	11.2022	EUR		2
Loan 18	68	68	0	15%	11.2022	EUR		2
Loan 19	112	112	0	15%	11.2022	EUR		2
Loan 20	90	90	0	15%	11.2022	EUR		2
Loan 21	78	78	0	15%	11.2022	EUR		1
Loan 22	89	89	0	15%	12.2022	EUR		1
Loan 23	92	92	0	15%	12.2022	EUR		1
Loan 24	82	82	0	15%	12.2022	EUR		1
Loan 25	77	77	0	15%	12.2022	EUR		0
Total	7,528	1,518	6,010					40

	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	2,300	0	2,300	2%	12.2023	EUR	0
Loan 3	5	5	0	12 month Euribor + 4%	12.2022	EUR	8
Loan 4	63	63	0	22%	07.2022	EUR	0
Loan 5	2,500	0	2,500	2%	12.2023	EUR	1
Loan 6	1,000	0	1,000	2%	11.2024	EUR	0
Loan 7	60	0	60	8%	07.2026	EUR	3
Loan 8	150	0	150	3%	07.2026	EUR	2
Loan 9	88	88	0	15%	12.2022	EUR	2
Loan 10	80	80	0	15%	12.2022	EUR	2

Note 6. Liabilities and prepayments

Type of liability	30.06.2022	31.12.2021	Note
Financial liabilities			
Liabilities to trade creditors	637	561	
Payables to related parties	11,271	258	14
Interest payable	1	1	
Other accrued expenses	23	40	
Subtotal	11,932	860	
Non-financial liabilities			
Payables to employees	283	245	
Taxes payable	196	276	
Subtotal	479	521	
Total	12,411	1,381	

Note 7. Leases

Since the application of IFRS 16 in 2019, Admiral Markets AS office premises are recognized as a financial lease. The Company used a 2% incremental borrowing rate on the initial application of IFRS 16 on the 1st of January, 2019. In 2020, an interest rate of 2.8% was applied to the new contracts.

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

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

	30.06.2022	31.12.2021
Short-term office lease liabilities	223	443
Long-term office lease liabilities	2,932	2,932
Total	3,155	3,375

The table below analyses the movement in lease liabilities:

	Lease liabilities
Balance at 31.12.2020	4,397
Adjustments (incl. terminations)	-652
Lease payments made during the year	-453
Interest expense	83
Balance at 31.12.2021	3,375
Lease payments made during the half year	-253
Interest expense	33
Balance at 30.06.2022	3,155

* 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 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 2022, 78 transactions in the amount of EUR 135 thousand were made with Admiral Markets AS bonds.

The total number of bondholders at the end of June 2022 was 372. Bondholder structure according to holders' groups as at 30.06.2022 was the following:

- Private persons: 77%
- Legal persons: 23%

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

Interest expenses on subordinated bonds for each reporting period and accrued interest liabilities as 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	151
Paid out during 2021	-151
Accrued interest on subordinated debts as at 31.12.2021	1
Interest calculated for the first 6 months of 2022	73
Paid out during the first 6 months of 2022	-73
Accrued interest on subordinated debts as at 30.06.2022	1

Note 9. Off-balance sheet assets

Off-balance sheet assets are funds of these clients who use the trading systems mediated by Admiral Markets AS. Because of the specific feature of the system, Admiral Markets AS deposits these funds

in personalized accounts in banks and in other investment companies. The Company 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	357	415
Stock/shares	195	237
Total	552	652

Note 10. Share capital

	30.06.2022	31.12.2021
Share capital	2,586	2,586
Number of shares (pc)	404,000	404,000
Nominal value of shares	6.4	6.4
Basic and diluted earnings (loss) per share	57.6	2.28

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	23,272	920
Weighted average number of ordinary shares (pc)	404,000	404,000
Weighted average number of shares used for calculating the earnings per shares (pc)	404,000	404,000
Basic earnings per share	57.6	2.28
Weighted average number of shares used for calculating the diluted earnings per shares (pc)	404,000	404,000
Diluted earnings per share	57.6	2.28

Under the articles of association, the minimum share capital of the investment company is EUR 766,940 and the maximum share capital is EUR 3,067,759, in the range of which share capital can be increased and decreased without amending the articles of association. All issued shares are fully paid.

Each share grants one vote at the general annual meeting of shareholders of Admiral Markets AS.

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 Company as one operating segment.

The Company'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	983	28
Brokerage and commission fee expense	-12,603	-8,855
Other trading activity related income	252	6
Other trading activity related expenses	0	-3
Net income from trading	32,257	9,071

Note 13. Operating expenses

Type of expenses	6M 2022	6M 2021	Note
Marketing expenses	-3,484	-4,652	
IT expenses	-1,337	-1,464	
Other outsourced services	-73	-45	
Bank charges	-16	-31	
VAT expenses	-185	-177	
Rent of low-value leases and utility expenses	-76	-67	
Legal and audit services	-256	-228	
Regulative reporting services	-50	-51	
Transport and communication costs	-72	-110	
Travelling expenses	-62	-40	
Supervision fee of the Financial Supervision Authority	-61	-65	
Miscellaneous office equipment	-33	-48	
Other operating expenses	-459	-258	
Intra-group expense	-402	-437	14
Total operating expenses	-6,566	-7,673	

Note 14. Transactions with related parties

Transactions with related parties are transactions with the parent company, shareholders, members of the management, their close relatives and entities that they control or over which they have significant influence. The parent company of Admiral Markets AS is Admirals Group AS. The following entities have been considered as related parties at the moment of preparing the financial statements of the Company:

- owners that have significant impact on the Company and the companies related to them;
- executive and senior management (members of the Management and Supervisory Board of companies belonging to the Company);
- 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 Company.

Revenue

	Relation	2021	2020
Revenue from brokerage and commission fees*	Companies in the same consolidation Group	55,769	25,235
Services	Companies in the same consolidation Group	195	315
Services	Senior management and companies related to them	0	108
Interest income	Parent company	58	58
Interest income	Companies in the same consolidation Group	131	5
Interest income	Senior management and companies related to them	2	6
Total transactions with related parties		56,155	25,727

* The majority of clients have concluded trading contracts with the entities which are part of the same consolidation group that mediate their trading transactions with Admiral Markets AS and to whom Admiral Markets AS pays a commission fee (see the next table).

Expenses

	Relation	6M 2022	6M 2021	Note
Commission fees	Companies in the same consolidation Group	-12,300	-8,500	
Services	Parent company	-237	-179	13
Services	Companies in the same consolidation Group	-165	-258	13
Services	Senior management and companies related to them	0	-236	
Total transactions with related parties		-12,702	-9,173	

Loans and receivables

	31.12.2022	31.12.2021	Note
Loans to parent company	5,800	5,800	
Loans to other companies in the same consolidation Group	16,343	636	
Loans to senior management and companies related to them	60	120	
Receivables from parent company	29	0	
Receivables from other companies in the same consolidation Group	14,347	8,353	
Receivables from senior management and companies related to them	72	96	
Total transactions with related parties	36,651	15,005	4, 5

Payables

	31.12.2022	31.12.2021	Note
Payables to other companies in the same consolidation Group	24	216	
Payables to senior management and companies related to them	11,247	42	
Total payables to related parties	11,271	258	6

In the first six months of 2022, the remuneration of the management, including social security taxes, totaled EUR 214 thousand (6 months 2021: EUR 209 thousand).

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