

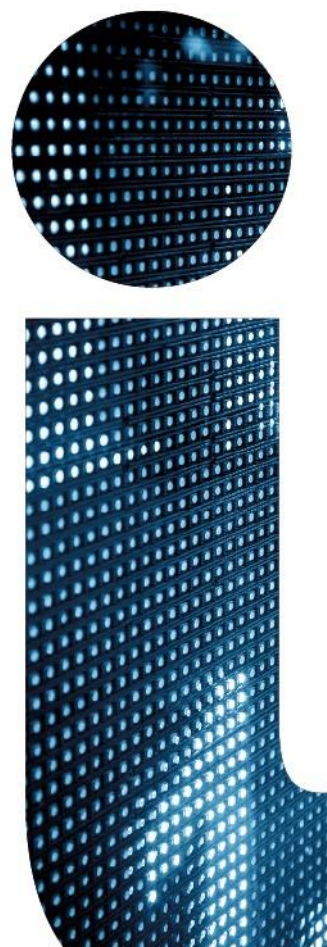
IPOPEMA Securities S.A.

Interim condensed financial statements

for the nine months ended
September 30th 2022

Warsaw, November 16th 2022

ipopema



Financial highlights

Financial highlights	PLN '000				EUR '000			
	3 months ended Sep 30				9 months ended Sep 30			
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue from core activities	12,863	13,175	2,692	2,876	37,114	44,879	7,917	9,845
Cost of core activities	11,735	11,421	2,456	2,493	34,649	37,806	7,391	8,294
Profit/(loss) on core activities	1,128	1,754	236	383	2,465	7,073	526	1,552
Operating profit/(loss)	1,590	1,728	333	377	54	6,610	12	1,450
Profit/(loss) before tax	2,194	1,688	459	368	1,910	5,238	407	1,149
Net profit/(loss)	1,792	1,362	375	297	1,487	4,257	317	934
Earnings/(loss) per ordinary share (weighted average) (PLN/ EUR)	0.06	0.04	0.01	0.01	0.05	0.14	0.01	0.03
Net cash from operating activities	- 42,619	13,490	- 8,919	2,945	4,332	- 134,198	924	- 29,439
Total cash flows	- 43,277	3,148	- 9,056	687	- 13,319	- 146,979	- 2,841	- 32,243

Financial highlights	PLN '000			EUR '000		
	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2022	Jun 30 2022	Dec 31 2021
Total assets	235,740	238,598	337,672	48,409	50,976	73,417
Current liabilities	170,812	176,219	262,795	35,076	37,649	57,137
Equity	58,373	56,581	66,166	11,987	12,088	14,386
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	1.95	1.89	2.21	0.40	0.40	0.48

The individual items of the financial highlights were translated into the euro at the following exchange rates:

- For the statement of profit or loss and statement of cash flows items:

Average exchange rate calculated as the arithmetic mean of the exchange rates quoted on the last day of each month in the period	Jan–Sep 2022	Jan–Sep 2021
EUR	4.6880	4.5585

- For the balance sheet:

Exchange rate as at	Sep 30 2022	Dec 31 2021	Sep 30 2021
EUR	4.8698	4.5994	4.6329

Introduction to the interim condensed financial statements

Information about the Company

IPOPEMA Securities S.A. (the “Company”, “IPOPEMA”) was established on March 2nd 2005 (as Dom Maklerski IPOPEMA S.A.) under Notarial Deed – Rep. No. A 2640/2005, including the Company’s Articles of Association, drawn up by Janusz Rudnicki, Notary Public in Warsaw, ul. Marszałkowska 55/73, suite 33. According to the Articles of Association, the Company was established for indefinite time.

The Company’s registered office is located at ul. Próżna 9, Warsaw, Poland.

Pursuant to a decision issued by the District Court for the Capital City of Warsaw, 19th (currently 12th) Commercial Division of the National Court Register, on March 22nd 2005 the Company was entered into the Business Register of the National Court Register under KRS No. 0000230737.

The Company was assigned Industry Identification Number (REGON) 140086881.

The Company conducts brokerage activities pursuant to a brokerage licence granted by the Polish Securities and Exchange Commission (currently, the Polish Financial Supervision Authority, or the PFSA) on June 30th 2005, and other authorisations which it was required to obtain in connection with subsequent amendments to applicable laws and regulations. Currently, the Company holds licences for a majority of the activities specified in the Act on Trading in Securities as brokerage activities, excluding the activities specified in Art. 69.2.4 and 69.2.8, Art. 69.4.2 and 69.4.8, and Art. 69a.1 of the Act.

The Company’s principal business activities comprise brokerage activities and the provision of business and management advisory services.

All Company shares (a total of 29,937,836 shares) outstanding as at the date of issue of these interim condensed financial statements are admitted to trading on the regulated market operated by the Warsaw Stock Exchange and have been introduced to trading on the main market. May 26th 2009 was the first listing date.

Going concern assumption

These interim condensed financial statements were prepared on the assumption that the Company will continue as a going concern in the foreseeable future, that is for the 12 months following the reporting date. As at the date of authorisation of these interim condensed financial statements, no circumstances were identified which would threaten the Company’s ability to continue as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, for at least 12 months from the reporting date, that is September 30th 2022.

Composition of the Management Board and the Supervisory Board

As at the date of these interim condensed financial statements, the composition of the Company’s Management Board was as follows:

Jacek Lewandowski – CEO and President of the Management Board,
Mirosław Borys – Vice President of the Management Board,
Mariusz Piskorski – Vice President of the Management Board,
Stanisław Waczkowski – Vice President of the Management Board.

As at the date of these interim condensed financial statements, the composition of the Company’s Supervisory Board was as follows:

Jacek Jonak – Chairman of the Supervisory Board,
Janusz Diemko – Secretary of the Supervisory Board,
Bogdan Kryca – Member of the Supervisory Board,
Ewa Radkowska-Świętoń – Member of the Supervisory Board,
Andrzej Knigawka – Member of the Supervisory Board.

On December 16th 2020, Michał Dobak resigned from his position of member of the Supervisory Board with effect from date of the General Meeting of the Company held on June 21st 2021; Andrzej Knigawka was appointed in his place on the same date.

Basis of preparation of the interim condensed financial statements

These interim condensed financial statements ('condensed financial statements', 'financial statements') cover the period from January 1st to September 30th 2022 and include comparative data for the period from January 1st to September 30th 2021 (for the statement of profit or loss, the statement of cash flows, and the statement of changes in equity) and, additionally, data as at December 31st 2021 (for the balance sheet and the statement of changes in equity).

As at the date of these condensed financial statements, the Company was the parent of a group comprising the following companies:

- IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A. ("IPOPEMA TFI") of Warsaw – 100% equity interest;
- IPOPEMA Business Consulting Sp. z o.o. ("IBC") of Warsaw – 50.02% equity interest; the remaining IBC shares are held by members of the IBC Management Board Eliza Łoś-Strychowska and Tomasz Rowecki;
- IPOPEMA Financial Advisory Sp. z o.o. ("IFA") of Warsaw – 100% equity interest;
- IPOPEMA Financial Advisory Sp. z o.o. spółka komandytowa ("IFA SK") of Warsaw, with the Company and Jarosław Błaszczak as its limited partners and IFA as its general partner. The Company's maximum liability for IFA SK's liabilities towards creditors is PLN 7,750, while its share in IFA SK's revenue is 77% (a 1% share in IFA SK's revenue is held by IFA);
- MUSCARI Capital Sp. z o.o. ("MUSCARI") of Warsaw – the Company holds 100% equity interest in MUSCARI (previous name: Grupa Finanset Sp. z o.o.).

The parent and its subsidiaries make up the IPOPEMA Securities Group (the "IPOPEMA Securities Group", the "IPOPEMA Group", the "Group"). IFA and MUSCARI were not consolidated due to the immateriality of its financial data (in accordance with Art. 58.1 of the Polish Accounting Act).

Furthermore, on March 23rd 2022, in connection with an investment agreement executed by the Company on the same date with ProService Finteco sp. z o.o. of Warsaw, a joint-stock company was established, whose principal business activity will be the provision of depositary services to closed-end investment funds. The company was registered with the National Court Register on July 12th 2022. For more information on the investment agreement, see Note 23.

Identification of the interim condensed financial statements

All financial data contained in these interim condensed financial statements is presented in PLN thousand.

These interim condensed financial statements were prepared in accordance with the historical cost convention, save for financial instruments held for trading and some financial instruments available for sale, which are measured at fair value.

Selected accounting policies

Receivables

Short-term receivables

Short-term receivables include all receivables from clients, related entities, banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, as well as all or part of receivables related to other items, which are not classified as financial assets, in each case maturing within 12 months after the reporting date.

Receivables are measured at amortised cost, subject to the prudent valuation principle. The amount of receivables is subsequently reduced by impairment losses, if any, which are recognised based on the analysis of collectability of receivables from individual debtors.

Impairment losses on receivables are estimated in the event of an increase in the risk that it will not be possible to collect the full amount receivable. Taking into consideration the nature of its business, the Company has adopted the following rules for estimating impairment losses on past due receivables:

- for receivables past due by up to 6 months – no impairment loss is recognised,
- for receivables past due by 6 months to 1 year – impairment loss of 50% of the receivables amount is recognised,
- for receivables past due by more than 1 year – impairment loss of 100% of the receivables amount is recognised.

The Company may also recognise impairment losses based on an individual assessment of a receivable.

Impairment losses on receivables are recognised under other expenses. The cost connected with recognition of impairment losses at the time of confirming that particular receivables are uncollectible is a tax-deductible expense; otherwise, such cost is not tax-deductible.

Short-term receivables from clients, short-term receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses

Short-term receivables from clients, short-term receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, current liabilities to clients and current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses arise in connection with securities purchases and sales which have not yet been settled at the clearing houses due to the transaction clearing procedure (T+2). In the case of buy transactions executed on stock exchanges on behalf of clients whose accounts are maintained by custodian banks, the Company recognises current liabilities towards banks conducting brokerage activities, other brokerage houses and commodity brokerage houses (market counterparties)* and short-term receivables from the clients for whom such buy transactions have been executed. In the case of sale transactions executed on stock exchanges to execute orders placed by clients whose accounts are kept by custodian banks, the Group discloses short-term receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses (parties to the market transactions)* and current liabilities towards the clients for whom the sale transactions were executed.

** Pursuant to Art. 45h of the amended Act on Trading in Financial Instruments, in the case of transactions executed on the WSE, KDPW CCP (the clearing agent) assumed the rights and obligations of the parties to the market transactions.*

Long-term receivables

Long-term receivables are receivables whose terms to maturity are longer than 12 months from the reporting date.

Financial instruments

Financial instruments are classified into the following categories:

- a) Financial assets
 - financial assets held for trading,
 - loans and receivables,
 - financial assets held to maturity,
 - financial assets available for sale.
- b) Financial liabilities
 - financial liabilities held for trading,
 - other financial liabilities.

Acquisition and sale of financial instruments are recognised as at the transaction date. On initial recognition, they are measured at cost (fair value) of expensed/received cash, including the transaction costs.

Financial assets are derecognised when the Company loses control over the contractual rights constituting the given financial instrument, which usually happens when an instrument is sold or when all the cash flows attributable to an instrument are transferred to an independent third party.

Financial assets and liabilities held for trading

Financial assets and liabilities held for trading are financial instruments acquired for the Company's own account in connection with executed transactions, and are measured at fair value, determined by reference to their market value as at the reporting date.

Financial assets held for trading are shares and investment certificates listed on the Warsaw Stock Exchanges (the "WSE") and a currency forward.

Financial assets are recognised as at the contract date at cost, i.e., at the fair value of expenses incurred or other assets transferred in return, whereas financial liabilities are first recognised in the accounting records at the contract date at the fair value of the amount or other assets received.

For the purpose of the measurement, the Company takes into account the closing prices quoted by the WSE on the last business day of the reporting period. Changes in the value of financial instruments held for trading are recognised under income from or cost related to financial instruments held for trading, as appropriate.

The Company does not apply hedge accounting.

Loans and receivables

Loans and receivables include financial assets arising when the Company delivers cash directly to the counterparty, irrespective of the maturity date of such assets. Loans and receivables are measured at amortised cost, which is estimated using the effective interest rate method. Non-interest bearing short-term receivables are measured at amounts receivable, subject to the prudent valuation principle. Short-term receivables include mainly bank deposits, cash and loans advanced. Loans include loans advanced to IPOPEMA employees and independent contractors, and possibly to other entities.

Financial assets available for sale

All other financial instruments are classified as financial assets available for sale. Financial assets available for sale are carried at fair value (without deducting the transaction costs), determined by reference to their market value as at the reporting date. The assets classified as financial assets available for sale are bonds and – pursuant to the regulation on special accounting policies for brokerage houses – shares in subordinated entities.

Shares in subsidiaries are measured at cost less impairment.

Other financial liabilities

In this category, the Company classifies mainly bank borrowings, including overdrafts. Other financial liabilities are measured at amortised cost.

Impairment of financial instruments

As at each reporting date, the Company assesses whether there are objective indications of impairment of a financial instrument or a group of financial instruments.

Liabilities

Current liabilities

Current liabilities are liabilities which are payable within 12 months from the end of the reporting period. Current liabilities include all liabilities to clients, liabilities to related entities, liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, liabilities to the Central Securities Depository of Poland and exchange clearing houses and liabilities to entities operating regulated securities markets, as well as all other liabilities not classified as non-current liabilities, accrued expenses and deferred income or provisions for liabilities.

Liabilities are measured at amortised cost. Recognition of current liabilities under executed transactions is discussed above, in the description of short-term receivables.

Non-current liabilities

Non-current liabilities are liabilities which are payable within more than 12 months from the reporting date.

Translation of foreign-currency items

Transactions in currencies other than the Polish zloty are accounted for as at the transaction date, using the following exchange rates:

- 1) the exchange rate actually applied on the transaction date, resulting from the nature of the transaction – in the case of sale or purchase of foreign currencies and payment of receivables or liabilities,
- 2) the mid-rate quoted for a given currency by the National Bank of Poland (the “NBP”) on the day preceding the transaction date – in the case of payment of receivables or liabilities, if the application of the exchange rate specified in item 1 is not justified, and in the case of other transactions.

As at the reporting date, monetary assets and liabilities denominated in currencies other than the Polish zloty are translated into the zloty at the mid-rate quoted by the NBP for a given currency, in effect at the end of the reporting period. Currency translation differences are disclosed as finance income or costs, as appropriate.

The following exchange rates were used to determine the carrying amounts:

Currency	Sep 30 2022	Dec 31 2021	Sep 30 2021
USD	4.9533	4.0600	3.9925
EUR	4.8698	4.5994	4.6329
HUF 100	1.1556	1.2464	1.2852
GBP	5.5560	5.4846	5.3653
CZK	0.1980	0.1850	0.1816
CHF	5.0714	4.4484	4.2725

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TRY	0.2671	0.3016	0.4486
NOK	0.4640	0.4608	0.4531
CAD	3.6224	3.1920	3.1388
SEK	0.4465	0.4486	0.4543
DKK	0.6549	0.6184	0.6230
AUD	3.2245	2.9506	2.8758
RON	0.9838	0.9293	0.9365

Source: National Bank of Poland.

Changes in estimates

In the period covered by these interim condensed financial statements, there were no changes in estimates other than changes in depreciation and amortisation, provisions, and impairment losses on receivables, as discussed in Note 7.

Changes in applied accounting policies

There were no changes in the accounting policies during the period covered by these interim condensed financial statements.

Comparability of the reported data

These interim condensed financial statements were presented in a manner ensuring data comparability by applying uniform accounting policies in all the presented periods, consistent with the accounting policies applied by the Company.

Seasonality of operations

The Company's operations are not subject to seasonality and the presented results do not show any seasonal fluctuations during the year.

Correction of prior period errors

In these interim condensed financial statements, the Company did not correct any errors.

Interim condensed financial statements of IPOPEMA Securities S.A. for the nine months ended
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ASSETS		Note	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2021
I.	Cash and cash equivalents	1	90,111	134,047	103,389	132,278
1.	In hand		1	1	1	1
2.	At banks		9,916	81,824	20,708	14,530
3.	Other cash		80,194	52,222	82,680	117,744
4.	Cash equivalents		-	-	-	3
II.	Short-term receivables	2, 7	118,817	79,852	209,990	192,074
1.	From clients		30,476	23,525	87,158	89,650
2.	From related entities	18	1,126	1,028	1,422	1,538
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		59,495	19,503	72,415	68,390
a)	under executed transactions		55,171	15,201	68,292	56,036
b)	other		4,324	4,302	4,123	12,354
4.	From entities operating regulated markets and		12	501	18	19
5.	From the Central Securities Depository of Poland and		53	50	50	49
5.a.	From CCP		25,453	31,254	47,069	28,556
6.	From investment and pension fund companies and from investment and pension funds		552	584	799	502
7.	From issuers of securities or selling shareholders		-	-	-	1,095
8.	Taxes, subsidies and social security receivable		42	39	40	452
9.	Under framework securities lending and short sale agreements		-	632	-	793
10.	Other		1,608	2,736	1,019	1,030
III.	Financial instruments held for trading	3, 4	1,770	490	1,447	1,448
1.	Shares		1,770	488	1,447	1,448
2.	Investment certificates		-	-	-	-
3.	Other securities		-	2	-	-
IV.	Short-term prepayments and accrued income		1,391	923	712	843
IV..	Short-term loans		919	907	900	901
1.	To subordinated entities		726	722	714	710
2.	Other		193	185	186	191
V.	Financial instruments held to maturity		-	-	-	-
VI.	Financial instruments available for sale	3, 4	9,220	8,704	8,710	8,714
1.	Shares		9,220	8,704	8,704	8,704
	- shares in subordinated entities		-	8,704	8,704	8,704
2.	Debt securities		-	-	6	10
VII.	Long-term receivables		9,096	8,812	8,691	8,741
VIII.	Long-term loans		109	55	106	146
1.	Other		109	55	106	146
IX.	Intangible assets	4	2,222	2,303	1,217	1,170
1.	Acquired permits, patents, licences and similar		2,222	2,303	1,217	1,170
	- software		2,222	2,303	1,217	1,170
X.	Property, plant and equipment	4, 5	665	751	810	865
1.	Tangible assets, including:		665	751	810	852
a)	buildings and premises		81	98	131	148
b)	computer assemblies		371	388	384	355
c)	other tangible assets		213	265	295	349
2.	Tangible assets under construction		-	-	-	13
XI.	Long-term prepayments and accrued income		1,420	1,754	1,700	1,298
1.	Deferred tax assets	13	1,396	1,734	1,685	1,276
2.	Other long-term prepayments and accrued income		24	20	15	22
XII.	Called-up share capital not paid		-	-	-	-
XIII.	Treasury shares		-	-	-	-
Total assets			235,740	238,598	337,672	348,478

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EQUITY AND LIABILITIES		Note	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2021
I.	Current liabilities	6	170,812	176,219	262,795	280,867
1.	To clients		127,974	134,808	139,692	146,510
2.	To related entities	18	247	208	306	328
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		28,016	26,869	93,045	113,493
a)	under executed transactions		28,005	26,862	93,032	113,326
b)	other		11	7	13	167
4.	To entities operating regulated markets and commodity exchanges		197	191	251	285
5.	To the Central Securities Depository of Poland and to settlement and clearing houses		219	229	228	264
5.a.	To CCP		108	132	10,129	69
6.	To trade organisation		-	1	-	-
7.	Borrowings		11,228	10,840	16,549	15,915
a)	other		11,228	10,840	16,549	15,915
8.	Debt securities	11	1	2	1	1
8.a.	Negative fair value of financial instruments held for trading		369	202	190	257
9.	Taxes, customs duties and social security payable		1,146	1,632	912	2,905
10.	To investment and pension fund companies and to investment and pension funds		-	-	-	-
11.	Other		1,307	1,105	1,492	840
II.	Non-current liabilities		56	59	176	184
1.	Debt securities	11	1	1	-	1
2.	Finance lease liabilities	10	55	58	176	183
	- from other entities		55	58	176	183
III.	Accrued expenses and deferred income		-	-	-	-
IV.	Provisions for liabilities	7	6,499	5,739	8,535	6,458
1.	Deferred tax liabilities	13	289	225	154	146
2.	Provision for retirement and similar benefits		1,042	1,042	1,042	882
3.	Other		5,168	4,472	7,339	5,430
a)	long-term		157	206	206	206
b)	short-term		5,011	4,266	7,133	5,224
V.	Subordinated liabilities		-	-	-	-
VI.	Equity		58,373	56,581	66,166	60,969
1.	Share capital	8	2,994	2,994	2,994	2,994
2.	Reserve funds		53,892	53,892	53,718	53,718
a)	share premium		10,351	10,351	10,351	10,351
b)	statutory reserve funds		998	998	998	998
c)	reserve funds created pursuant to the Articles of Association		42,543	42,543	42,369	42,369
3.	Revaluation capital reserve		-	-	-	-
4.	Net profit	14	1,487	- 305	9,454	4,257
Total equity and liabilities			235,740	238,598	337,672	348,478
Book value (PLN '000)			58,373	56,581	66,166	60,969
Number of shares as at end of period			29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN)			1.95	1.89	2.21	2.04
Diluted number of shares			29,937,836	29,937,836	29,937,836	29,937,836
Diluted book value per share (PLN)			1.95	1.89	2.21	2.04

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OFF-BALANCE SHEET ITEMS	Note	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2021
I. Contingent liabilities	9	1,502	1,378	1,418	1,429
II. Third-party assets used		-	-	-	-
III. Futures/forwards purchased or issued in the name and for the account of the brokerage house*		6,945*	6,857*	6,736*	6,699*
IV. Other off-balance sheet items		-	-	-	-

* Notional amounts of purchased forward contracts.

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Statement of profit or loss	Note	Jul 1–Sep 30 2022	Jan 1–Sep 30 2022	Jul 1–Sep 30 2021	Jan 1–Sep 30 2021
I. Revenue from core activities, including:		12,863	37,114	13,175	44,879
- from related entities	18	973	2,983	1,072	3,612
1. Revenue from brokerage activities, including:		12,765	36,820	13,077	44,585
a) receipt and transfer of orders to buy and sell financial instruments		1	73	337	663
b) execution of orders to buy and sell financial instruments for client account		6,650	21,687	5,975	23,646
c) investment advisory services		39	120	52	118
d) offering of financial instruments		3,715	8,542	4,219	13,943
e) keeping of cash accounts, safekeeping or registration of financial instruments, including the keeping of accounts referred to in Art. 69.4.1 of the Act on Trading in Financial Instruments		464	1,287	396	1,136
f) other		1,896	5,111	2,098	5,079
2. Revenue from other core activities		98	294	98	294
II. Cost of core activities		11,735	34,649	11,421	37,806
- from related entities	18	566	2,038	619	1,455
1. Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses		916	3,279	1,075	3,489
2. Payments to CCP		56	227	56	200
3. Trade organisation membership fees		22	68	23	69
4. Salaries and wages		5,435	15,429	5,187	15,392
5. Social security and other benefits		441	1,826	379	1,862
6. Employee benefits		67	213	61	230
7. Raw material and consumables used		43	125	27	118
8. Services		3,657	10,319	3,658	13,420
9. Costs of maintenance and lease of buildings		582	1,780	552	1,675
10. Depreciation and amortisation		222	652	218	646
11. Taxes and other public charges		132	325	68	257
12. Other		162	406	117	448
III. Profit/(loss) on core activities		1,128	2,465	1,754	7,073
IV. Income from financial instruments held for trading		371	850	73	405
1. Revaluation adjustments		33	333	46	148
2. Gain on sale/redemption		338	517	27	257
V. Cost related to financial instruments held for trading		69	3,436	118	1,073
1. Revaluation adjustments		69	371	51	260
2. Loss on sale/redemption		-	3,065	67	813
VI. Gain/(loss) on transactions in financial instruments held for trading		302	- 2,586	- 45	- 668
VII. Income from financial instruments available for sale		154	603	-	196
1. Dividends and other profit distributions		154	603	-	196
- from related entities		154	603	-	196
2. Gain on sale/redemption		-	-	-	-
VIII. Cost related to financial instruments available for sale		-	-	-	-
IX. Gain/(loss) on transactions in financial instruments available for sale		154	603	-	196

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X. Other income		435	1,439	467	1,549
1. Reversed provisions		-	-	-	-
2. Decrease in impairment losses on receivables		2	24	25	58
3. Other		433	1,415	442	1,491
XI. Other expenses		429	1,867	448	1,540
1. Increase in impairment losses on receivables		5	33	10	47
2. Other		424	1,834	438	1,493
XII. Operating profit/(loss)		1,590	54	1,728	6,610
XIII. Finance income		1,297	3,475	138	168
1. Interest on loans, including:		14	43	11	33
- from related entities		4	12	4	13
2. Interest on deposits		219	1,461	-	2
3. Other interest		-	-	-	-
4. Foreign exchange gains		701	1,151	113	113
a) realised		472	756	113	113
b) unrealised		229	395	-	-
5. Other		363	820	14	20
XIV. Finance charge		693	1,619	178	1,540
1. Interest on borrowings, including:		400	1,065	171	544
- to related entities		-	-	-	-
2. Other interest		8	17	5	13
3. Foreign exchange losses		-	-	- 191	81
a) realised		-	-	- 24	-
b) unrealised		-	-	- 167	81
4. Other		285	537	193	902
XV. Profit/(loss) before tax		2,194	1,910	1,688	5,238
XVI. Income tax	13	402	423	326	981
XVII. Net profit/(loss)		1,792	1,487	1,362	4,257
Weighted average number of ordinary shares		29,937,836	29,937,836	29,937,836	29,937,836
Earnings/(loss) per ordinary share (PLN)		0.06	0.05	0.04	0.14
Weighted average diluted number of ordinary shares		29,937,836	29,937,836	29,937,836	29,937,836
Diluted earnings/(loss) per ordinary share (PLN)		0.06	0.05	0.04	0.14

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STATEMENT OF CASH FLOWS	Note	Jul 1–Sep 30 2022	Jan 1–Sep 30 2022	Jul 1–Sep 30 2021	Jan 1–Sep 30 2021
A. NET CASH FROM OPERATING ACTIVITIES					
I. Net profit/(loss)		1,792	1,487	1,362	4,257
II. Total adjustments		- 44,411	2,845	12,128	- 138,455
1. Depreciation and amortisation		222	652	218	646
2. Foreign exchange gains/(losses)		659	- 41	- 17	328
3. Interest and profit distributions (dividends)		391	1,033	162	514
4. Gain/(loss) on investing activities		-	-	-	-
5. Increase/(decrease) in provisions and impairment losses on receivables		735	- 2,055	- 617	- 4,784
6. Increase/(decrease) in financial instruments held for trading		- 1,279	- 322	905	- 1,327
7. Increase/(decrease) in receivables		- 39,224	90,787	91,161	- 1,764
8. Increase/(decrease) in current liabilities (net of borrowings), including special accounts		- 5,787	- 86,782	- 79,701	- 133,664
9. Increase/(decrease) in accruals and deferrals		- 134	- 399	13	1,271
10. Other		6	- 28	4	325
III. Net cash from operating activities (I + II)		- 42,619	4,332	13,490	- 134,198
B. NET CASH FROM INVESTING ACTIVITIES					
I. Cash provided by investing activities		39	139	51	346
1. Disposal of financial instruments available for sale		-	6	-	-
2. Interest received		1	1	9	9
3. Decrease in loans		38	132	42	337
II. Cash used in investing activities		669	2,085	63	748
1. Acquisition of property, plant and equipment		45	147	37	142
2. Acquisition of intangible assets		12	1,295	26	400
3. Acquisition of financial instruments available for sale (subordinates)		516	516	-	-
4. Increase in loans		96	127	-	206
III. Net cash from investing activities (I - II)		- 630	- 1,946	- 12	- 402
C. NET CASH FROM FINANCING ACTIVITIES					
I. Cash provided by financing activities		-	3	-	3
1. Proceeds from issue of debt securities		-	3	-	3
II. Cash used in financing activities		28	15,708	10,330	12,382
1. Decrease in short-term borrowings		- 381	5,343	- 930	733
2. Redemption of short-term debt securities		1	2	-	2
3. Payment of finance lease liabilities		16	40	13	24
4. Dividends and other payments to owners		-	9,281	11,077	11,077
5. Interest paid		392	1,042	170	546
III. Net cash from financing activities (I - II)		- 28	- 15,705	- 10,330	- 12,379
D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		- 43,277	- 13,319	3,148	- 146,979
E. NET CHANGE IN CASH, including:		- 43,936	- 13,278	3,165	- 147,307
- effect of exchange rate fluctuations on cash held		- 659	41	17	- 328
F. CASH AT BEGINNING OF PERIOD		133,345	103,387	129,089	279,216
G. CASH AT END OF PERIOD (F +/- D), including:		90,068	90,068	132,237	132,237
- restricted cash*	1	70,747	70,747	107,346	107,346

* Restricted cash includes primarily clients' funds held by the Company.

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STATEMENT OF CHANGES IN EQUITY	Jan 1–Sep 30 2022	2021	Jan 1–Sep 30 2021
I. EQUITY AT BEGINNING OF PERIOD	66,166	67,789	67,789
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	66,166	67,789	67,789
1. Share capital at beginning of period	2,994	2,994	2,994
1.1. Changes in share capital	-	-	-
1.2. Share capital at end of period	2,994	2,994	2,994
2. Reserve funds at beginning of period	53,718	53,469	53,469
2.1. Changes in reserve funds	174	249	249
a) increase	174	249	249
- distribution of profit (above statutory minimum)	174	249	249
b) decrease	-	-	-
2.2. Reserve funds at end of period	53,892	53,718	53,718
3. Revaluation capital reserve at beginning of period	-	-	-
3.1. Changes in revaluation capital reserve	-	-	-
a) increase	-	-	-
- remeasurement of financial instruments	-	-	-
b) decrease	-	-	-
- remeasurement of financial instruments	-	-	-
3.2. Revaluation capital reserve at end of the period	-	-	-
4. Retained earnings/(accumulated deficit) at beginning of period	9,454	11,326	11,326
4.1. Retained earnings at beginning of period	9,454	11,326	11,326
a) increase	-	-	-
b) decrease	9,454	11,326	11,326
- distribution of retained earnings (dividend)	9,280	11,077	11,077
- distribution of retained earnings (increase in reserve funds)	174	249	249
4.2. Retained earnings/(accumulated deficit) at end of period	-	-	-
5. Net profit/(loss)	1,487	9,454	4,257
a) net profit	1,487	9,454	4,257
II. EQUITY AT END OF PERIOD	58,373	66,166	60,969
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	58,373	56,712	60,969

Notes to the interim financial statements

Note 1

Cash and other assets	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2021
Cash and other assets of clients				
a) at banks and in hand	70,747	119,870	75,527	107,346
Total cash and other assets of clients	70,747	119,870	75,527	107,346
Cash and other assets				
a) cash and other assets of the brokerage house, including:	19,364	14,177	27,862	24,932
- in hand	1	1	1	1
- at banks, including <i>in VAT account</i>	9,398	11,898	20,707	14,530
- other cash*	46	40	-	-
- cash equivalents	9,965	2,278	7,154	10,398
- cash equivalents	-	-	-	3
b) cash and other assets of clients deposited in cash accounts	70,747	119,870	75,527	107,346
- at the brokerage house and paid towards acquisition of securities	70,747	119,870	75,527	107,346
- in an IPO or on the primary market	-	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-	-
Total cash and other assets	90,111	134,047	103,389	132,278

* Other cash* includes cash in bank deposits and interest accrued on those deposits.

Note 2

Selected short-term receivables	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2021
Selected short-term receivables	116,603	75,360	208,114	188,183
a) from clients, including:	30,476	23,525	87,158	89,650
- under transactions executed on the Warsaw Stock Exchange	22,277	19,816	85,830	72,477
- under transactions executed on the London Stock Exchange	1,868	459	149	1,084
- under transactions executed on the Prague Stock Exchange	-	-	-	2,385
- under transactions executed on the Amsterdam Stock Exchange	362	-	-	-
- under transactions executed on the Frankfurt Stock Exchange	227	572	-	-
- under transactions executed on the New York Stock Exchange	2,263	-	-	10,162
- under transactions executed on the Australian Stock Exchange	-	1,480	-	-
- other	3,479	1,198	1,179	3,542
b) from related entities, including:	1,126	1,028	1,422	1,538
- from subsidiaries	1,126	1,028	1,422	1,538
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	59,495	19,503	72,415	68,390
- under transactions executed on the Warsaw Stock Exchange*	22,282	10,071	64,904	54,135
- under transactions executed on the Budapest Stock Exchange	19,948	-	-	-
- under transactions executed on the Prague Stock Exchange	12,643	-	225	36
- under transactions executed on the New York Stock Exchange	298	2,520	-	827
- under transactions executed on the Vienna Stock Exchange	-	-	-	1,038
- under transactions executed on the Milan Stock Exchange	-	-	454	-
- under transactions executed on the Australian Stock Exchange	-	2,294	-	-

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- under transactions executed on the London Stock Exchange	-	316	314	-
- under transactions executed on the Istanbul Stock Exchange	-	-	2,395	-
- other	4,324	4,302	4,123	12,354
e) from the Central Securities Depository of Poland and exchange clearing houses, including:	53	50	50	49
- from the settlement guarantee fund and deposits	53	50	50	49
- other	-	-	-	-
e) receivables from CCP	25,453	31,254	47,069	28,556
- from the settlement guarantee fund	25,453	31,254	47,069	28,556
- other	-	-	-	-
Net short-term receivables	118,817	79,852	209,990	192,074
- impairment losses on short-term receivables (positive value)	23	48	42	95
Gross short-term receivables	118,840	79,900	210,032	192,169

* In accordance with Art. 45h of the amended Act on Trading in Financial Instruments, short-term receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, where such transactions are executed on the WSE, include receivables from KDPW CCP (the clearing agent, which has assumed the rights and obligations of the parties to the transactions).

The value of short-term receivables from clients under executed transactions and current receivables from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions represents the value of concluded and not cleared (including suspended) purchase and sale transactions in securities.

Note 3

Financial assets

In the nine months to September 30th 2022 and in the comparative period, the policies for measurement of financial assets at fair value or classification of financial assets did not change.

Note 4

Recognition and reversal of impairment losses on financial assets, property, plant and equipment, intangible assets or other assets.

In the nine months to September 30th 2022 and in 2021, the Company did not recognise any impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, nor did it reverse any impairment losses recognised in previous periods, except for the changes in impairment losses on receivables (Note 7) and loans.

Note 5

Material transactions to purchase or sell property, plant and equipment

In the nine months ended September 30th 2022 and in 2021, the Company did not purchase or sell any material items of property, plant and equipment.

Material liabilities under purchases of property, plant and equipment

The Company has no material liabilities under purchases of property, plant and equipment.

Note 6

Selected current liabilities	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2021
Selected current liabilities	31,240	30,366	106,363	118,184
1. To related entities	247	208	306	328
a) to subsidiaries	247	208	306	328

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2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	28,016	26,869	93,045	113,493
- to the Warsaw Stock Exchange *	23,292	25,115	92,883	99,708
- to the Budapest Stock Exchange	-	-	-	-
- to the New York Stock Exchange	2,260	-	-	10,151
- to the Frankfurt Stock Exchange	227	278	-	-
- to the Prague Stock Exchange	-	-	-	2,385
- to the Amsterdam Stock Exchange	361	-	-	-
- to the London Stock Exchange	1,865	-	149	1,082
- to the Australian Stock Exchange	-	1,469	-	-
- other	11	7	13	167
3. To entities operating regulated markets and commodity exchanges	197	191	251	285
- to the Warsaw Stock Exchange	197	191	251	285
4. To the Central Securities Depository of Poland and exchange clearing houses	219	229	228	264
a) under additional payments to the settlement guarantee fund	-	-	-	-
b) other	219	229	228	264
4a. To CCP	108	132	10,129	69
a) under additional payments to the settlement guarantee fund	-	12	10,090	39
b) other	108	120	39	30
5. Taxes, customs duties and social security payable	1,146	1,632	912	2,905
6. Other	1,307	1,105	1,492	840
a) other liabilities, including:	1,307	1,105	1,492	840
- lease liabilities	196	203	75	78
- other liabilities	1,111	902	1,417	762

* In accordance with Art. 45h of the amended Act on Trading in Financial Instruments, the following items of the balance sheet: current liabilities to banks conducting brokerage activities, other brokerage houses and commodity brokerage houses under executed transactions, where such transactions are executed on the WSE, include liabilities to KDPW CCP (the clearing agent, which has assumed the rights and obligations of the parties to the transactions).

As at September 30th 2022, the Company's liabilities under bank borrowings related to its brokerage business amounted to PLN 11,228 thousand (December 31st 2021: PLN 16,549 thousand). The liabilities arose under two overdraft facility agreements executed with Alior Bank S.A. on July 22nd 2009. The facilities, renewed each year, are used to finance payments due to the Central Securities Depository of Poland/KDPW CCP (the clearing agent) and related to the brokerage activities. The current facilities expire on December 12th 2022:

- i. Revolving credit facility of up to PLN 8m. The purpose of the facility is to finance payment of the Company's liabilities to the Central Securities Depository of Poland/KDPW CCP in respect of the clearing and settlement of transactions concluded by the Company on the regulated market as part of its brokerage business. The facility is secured by a blank promissory note with a promissory note declaration, a power of attorney over accounts held with the bank, a declaration of voluntary submission to enforcement with respect to cash payments owed to the bank, and a PLN 4m security deposit placed in a term deposit account as joint collateral securing also the credit facility specified in item ii.
- ii. Revolving credit facility of up to PLN 25m. The purpose of the facility is to finance the payment of the Company's liabilities resulting from its membership in the Transactions Settlement Guarantee Fund operated by KDPW CCP. The facility is secured with a blank promissory note with a promissory note declaration, a power of attorney over accounts held with the bank, and a declaration of voluntary submission to enforcement with respect to cash payments owed to the bank. As stated in item i above, both credit facilities are also jointly secured by a security deposit of PLN 4m.

Defaults under credit facilities or loans or breach of material credit covenants, with respect to which no remedial action was taken by the end of the reporting period

None.

Note 7

Changes in short-term provisions and impairment losses on receivables

Short-term provisions for liabilities	Jul 1–Sep 30 2022	Jan 1–Sep 30 2022	Jul 1–Sep 30 2021	Jan 1–Sep 30 2021
Provisions at beginning of period	4,266	7,133	5,847	8,368
a) recognised	2,299	5,600	1,476	6,579
b) used	1,554	7,722	2,099	9,723
c) reversed	-	-	-	-
Provisions at end of period	5,011	5,011	5,224	5,224

In the three months ended September 30th 2022, impairment losses on receivables fell by PLN 25 thousand relative to June 30th 2022 (by PLN 19 thousand in the nine months to September 30th 2022). In the comparative period of the three months ended September 30th 2021, impairment losses on receivables fell by PLN 15 thousand relative to June 30th 2021 (by PLN 11 thousand in the nine months to September 30th 2021).

Note 8

Share capital	Sep 30 2022	Jun 30 2022	Dec 31 2021	Sep 30 2021
a) par value per share (PLN)	0.10	0.10	0.10	0.10
b) series/issue	A, B, C	A, B, C	A, B, C	A, B, C
c) type of shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares
d) preference attached to shares	none	none	none	none
e) restrictions on rights attached to shares	none	none	none	none
f) number of shares	29,937,836	29,937,836	29,937,836	29,937,836
g) total par value of series/issue (PLN '000)	2,994	2,994	2,994	2,994
h) type of contribution	cash	cash	cash	cash
i) dividend right since:	the shares carry the right to profit distribution for 2022 and 2021	the shares carry the right to profit distribution for 2022 and 2021	the shares carry the right to profit distribution for 2021 and 2020	the shares carry the right to profit distribution for 2021 and 2020

There were no changes in the Company's share capital in the nine months to September 30th 2022 or in 2021.

As at September 30th 2022, the share capital amounted to PLN 2,993,783.60 and comprised 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 1,366,426 Series C ordinary bearer shares. The par value of all issued shares is PLN 0.10 per share. All issued shares have been paid up in full.

Note 9

Contingent assets and liabilities

The Company issued promissory notes as security for a credit facility (see Note 6), and paid a deposit of PLN 1.5m as security for settlement of transactions on foreign stock exchanges.

PKO Bank Polski S.A. (formerly Nordea Bank Polska S.A.) issued a guarantee to the Company, whose current value is EUR 308 thousand. For more information on guarantees, see Note 12.

Note 10

Leases

The Company as a lessee – right to use a building

The Company leases office space under a lease contract. The right to use the building for the term of the contract was classified by the Company as operating lease. The contract was originally executed for a period of five years

(starting from 2013) and was subsequently extended under relevant amending annexes, with the most recent annex extending the contract until 2028.

Minimum lease payments are presented in the table below.

Lease liabilities	Present value of minimum lease payments		
	Sep 30 2022	Dec 31 2021	Sep 30 2021
Within 1 year	395*	1 273*	1 203*
In 1 to 5 years	-	55*	353*
Over 5 years	-	-	-
Total lease liabilities	395	1,328	1,556

* Value calculated by recognising the cost on a straight-line basis over the lease term.

The Company as a lessee – finance leases

The Company is party to vehicle lease contracts. The financing party has the right to recalculate its fee in the event of changes in the 1M EURIBOR/WIBOR interest rate or regulatory changes (notably tax regime changes). The agreements provide for a mileage limit, which will be accounted for in respect of the entire lease term. If the mileage limit agreed by the parties is exceeded, the lessee has to pay an additional excess mileage charge.

The lease contracts were classified as finance leases. Minimum lease payments are presented in the table below.

Finance lease liabilities	Sep 30 2022	Dec 31 2021	Sep 30 2021
Net carrying amount	136	164	197
Present value of minimum lease payments	251	251	261
Within 1 year	196	75	78
In 1 to 5 years	55	176	183
Over 5 years	-	-	-
Contingent lease payments recognised as expense in the period	40	35	24

Note 11

Bonds

In the nine months to September 30th 2022, the Company issued 12 registered bonds with a total nominal value of PLN 2.4 thousand, due in 2022–2024. In the nine months to September 30th 2021, the Company issued 14 registered bonds with a total nominal value of PLN 2.8 thousand, due in 2021–2023. The total amount of liabilities payable by the Company on redemption of the bonds will not exceed the bonds' nominal value and is not significant to the Company. The bonds were issued in connection with the variable remuneration components policy, implemented by the Company as part of its risk management system, in compliance with the applicable regulations.

Up to the date of issue of these financial statements, the Company redeemed PLN 1.6 thousand worth of bonds (including PLN 0.8 thousand worth of bonds redeemed in the three months ended September 30th 2022), compared with PLN 2.4 thousand redeemed in the nine months ended September 30th 2021.

Note 12

Guarantees received and security for guarantees

In January 2012, the Company received from PKO Bank Polski S.A. (formerly Nordea Bank Polska S.A.) a guarantee of up to EUR 268 thousand, secured by a security deposit with a current amount of PLN 1,791 thousand. Under an amendment of 2020, the guarantee amount was increased to EUR 308 thousand. The guarantee, provided until April 16th 2023, secures liabilities related to the lease of office space.

In the nine months ended September 30th 2022 and in 2021, the Company's assets were used as security for working capital overdraft facilities (see Note 6 for details). The facilities are secured with a PLN 4m security deposit in a bank account, blank promissory notes with promissory note declarations and powers of attorney over bank accounts.

In the nine months to September 30th 2022, the Company paid PLN 0.2m as security under a framework agreement for treasury transactions, executed with Alior Bank.

In 2018, the Company paid a security deposit of EUR 1.5m to a bank acting as the clearing bank in relation to transactions executed on foreign stock exchanges.

Note 13

Deferred tax

In the nine months to September 30th 2022, deferred tax liabilities increased by PLN 135 thousand (including by PLN 64 thousand in the three months to September 30th 2022). In the comparative period of the nine months to September 30th 2021, deferred tax liabilities decreased by PLN 1,834 thousand (and increased by PLN 21 thousand in the three months to September 30th 2021).

Deferred tax assets fell by PLN 289 thousand in the nine months ended September 30th 2022 (including by PLN 338 thousand in the three months to September 30th 2022). In the comparative period of the nine months to September 30th 2021, deferred tax assets decreased by PLN 1,438 thousand (including by PLN 99 thousand in the three months to September 30th 2021).

Note 14

Profit allocation

On May 25th 2022, the Annual General Meeting resolved to distribute the entire 2021 profit of PLN 9,454 thousand as a dividend.

A resolution to the same effect was passed by the Annual General Meeting of the Company on June 21st 2021, which allocated the entire profit for 2020 of PLN 11,326 thousand for dividend payments.

For more information on the dividend payments, see Note 16.

Note 15

Issue, redemption and repayment of equity and non-equity securities

The Company did not issue any equity or non-equity securities in the nine months ended September 30th 2022 or in 2021. For information on the issue and redemption of debt securities, see Note 11.

Note 16

Dividends paid and proposed

On May 25th 2022, the Annual General Meeting resolved to pay dividend from the 2021 profit of PLN 9,454 thousand. The dividend per share was PLN 0.31. The dividend record date was set for June 3rd 2022, and the dividend payment date – for June 10th 2022. PLN 9,280 thousand in total was paid out as dividend on the dividend payment date, with the difference of PLN 174 thousand resulting from the rounding-off of the dividend per share transferred to statutory reserve funds.

On June 21st 2021, the Annual General Meeting resolved to pay dividend from the 2020 profit of PLN 11,326 thousand. The dividend was PLN 0.37 per share. The dividend record date was set for June 30th 2021, and the dividend payment date – for July 8th 2021. PLN 11,077 thousand in total was paid out as dividend on the dividend payment date, with the difference of PLN 249 thousand resulting from the rounding-off of the dividend per share transferred to statutory reserve funds.

Note 17

Material related-party transactions (including their amounts) other than arm's length transactions

In the reporting period, the Company did not enter into any material related-party transactions otherwise than on an arm's-length basis.

Note 18

Related-party transactions – income and expenses

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Related party	Revenue from core activities	Other operating and finance income	Purchases – core activities	Other purchases	Jan 1–Sep 30 2022				Jan 1–Sep 30 2021			
					Revenue from core activities	Other income	Purchases – core activities	Other purchases	Revenue from core activities	Other income	Purchases – core activities	Other purchases
IBC	-	5	-	-	-	8	-	-	-	-	-	-
IPOPEMA TFI	2,720	121	-	-	3,349	74	13	-	-	-	-	-
IFA	-	-	-	-	-	-	-	-	-	-	-	-
IFA SK	263	14	-	-	263	10	-	-	-	-	-	-
MUSCARI	-	12	2,038	-	-	14	1,442	-	-	-	-	-
Total	2,983	152	2,038	-	3,612	106	1,455	-	-	-	-	-

Related party	Revenue from core activities	Other operating and finance income	Purchases – core activities	Other purchases	Jul 1–Sep 30 2022				Jul 1–Sep 30 2021			
					Revenue from core activities	Other income	Purchases – core activities	Other purchases	Revenue from core activities	Other income	Purchases – core activities	Other purchases
IBC	-	1	-	-	-	1	-	-	-	-	-	-
IPOPEMA TFI	885	37	-	-	984	14	-	-	-	-	-	-
IFA	-	-	-	-	-	-	-	-	-	-	-	-
IFA SK	88	5	-	-	88	3	-	-	-	-	-	-
MUSCARI	-	4	566	-	-	4	619	-	-	-	-	-
Total	973	47	566	-	1,072	22	619	-	-	-	-	-

Related-party transactions – receivables and liabilities

Related party	Receivables and loans			Liabilities		
	Sep 30 2022	Dec 31 2021	Sep 30 2021	Sep 30 2022	Dec 31 2021	Sep 30 2021
IBC	400	410	400	-	-	-
IPOPEMA TFI	400	637	384	-	1	-
IFA SK	325	375	754	-	-	-
MUSCARI	726	714	710	247	305	328
Total	1,851	2,136	2,248	247	306	328

IPOPEMA Securities provides brokerage services to funds managed by IPOPEMA TFI S.A., but the related transaction costs are incurred directly by the funds.

Note 19

Items of the statement of cash flows

Operating activities – provision of brokerage and advisory services, acquisition and disposal of securities.

Investing activities – purchase and sale of intangible assets, property, plant and equipment and long-term securities.

Financing activities – acquisition or loss of sources of financing (changes in the amount of and relation between equity and external capital at the entity) and any related monetary costs and benefits.

Structure of cash

	Presentation in the balance sheet		Presentation in the statement of cash flows	
	Sep 30 2022	Sep 30 2021	Sep 30 2022	Sep 30 2021
Cash and cash equivalents	90,111	132,278	90,068	132,237
1. In hand	1	1	1	1
2. At banks	9,916	14,530	9,916	14,530
3. Other cash	80,194	117,744	80,194	117,744
4. Cash equivalents	-	3	-	-

Accrued foreign exchange differences	- 43	- 41
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The difference between the presentation of cash in the balance sheet and the statement of cash flows as at September 30th 2022 and September 30th 2021 follows from presentation of cash net of the effect of foreign exchange differences and received purchase cards presented under cash and cash equivalents.

Differences in changes in balance sheet items

	Presentation in the balance sheet		Change as disclosed in the balance sheet	Presentation in the statement of cash flows – change
	Sep 30 2022	Dec 31 2021	Sep 30 2022	Sep 30 2022
Gross short- and long-term receivables	127,936	218,723	90,787	90,787
Net receivables	127,913	218,681		
Impairment losses on receivables	23	42		- 19
Provisions (net of deferred tax related to equity and provision for unpaid interest)	6,499	8,535		- 2,036
Total change in impairment losses and provisions				- 2,055

Note 20

Clients' financial instruments	Sep 30 2022	Dec 31 2021
Securities admitted to official listing		
- quantity	316,692	296,402
- amount	1,988,169	2,291,414
Securities not admitted to official listing		
- quantity	4,669	4,348
- amount	218,174	172,973
Designated sponsor		
(i) shares		
- quantity	841	979
- amount	13,143	44,803
(ii) bonds		
- quantity	173	19,000
- amount	86,458	2,874
(iii) investment certificates		
- quantity	98,176	94,212
- amount	35,606,212	35,597,600

Note 21

Operating segments

The Company does not distinguish separate operating segments within its structure and forms a single segment. IPOPEMA Securities S.A.'s segment comprises brokerage activities, as well as business and management advisory services. Information disclosed in these financial statements comprises information regarding that operating segment.

Note 22

Litigation and administrative proceedings

In 2022 to the date of issue of these interim condensed financial statements, the Company was not party to any material court or administrative proceedings.

Note 23

Material events and factors in the first nine months of 2022

War in Ukraine

At the present moment, the largest risk factor with a bearing, *inter alia*, on the economy is without doubt Russia's aggression and war on Ukraine, which started on February 24th 2022. For obvious reasons, it is difficult to reliably predict how the war will unfold and how long it will last, let alone what its aftermath will be. However, one can expect that it will have an extremely negative impact on the European economy and situation on the Polish market. The consequences of this war can already be seen in some areas of the Company's operations, as evidenced by customers' increased caution in investment decision-making.

Equity market and investment banking

After a slight rebound in the opening months of 2022, investor activity on the WSE slowed down sharply in May, with total trading volumes down 2% year on year in the nine months to September 30th 2022. IPOPEMA Securities also recorded a slightly lower share in the total market trading volumes (2.12% vs 2.24%). Revenue from transactions executed jointly with the investment banking segment was lower than in the previous year. But given growth in revenue from foreign markets and in revenue from bond brokerage, the overall revenue from securities trading for January to September 2022 (PLN 21,718 thousand) remained on the previous year's level (PLN 21,680 thousand).

The equity market saw volatile sentiment – concerns about an economic downturn combined with high inflation and the war in Ukraine significantly dampened investor and corporate activity, which led to a smaller number and scale of transactions executed by the Company. As a result, revenue from investment banking services reached PLN 13,099 thousand. Although the revenue fell significantly year on year (from PLN 20,245 thousand), it should be noted the investment banking segment performed particularly well in the previous year.

Investment agreement with ProService Finteco Sp. z o.o.

On March 23rd 2022, IPOPEMA Securities entered into an investment agreement with ProService Finteco sp. z o.o. of Warsaw ("ProService") under which Investment Fund Depository Services S.A. ("IFDS") was established. The principal business of the company will be the provision of depository services to closed-end investment funds. IFDS' share capital amounts to PLN 4,125,000 (with one-fourth of that paid up as the date of this report), and IPOPEMA and ProService have each subscribed for shares representing 50% of the company's share capital and total voting rights. The investment agreement between IPOPEMA Securities and ProService grants the parties the same rights as regards appointment of members of the Management Board and the Supervisory Board of IFDS, and includes the customary provisions for agreements of this type, concerning, among other things, the right of pre-emption (if the other shareholder decides to dispose of the shares) and exit scenarios in the event of any significant disagreement between the shareholders. Apart from the obligations to subscribe for shares and make contributions for the share capital of the above amount, the agreement does not provide for any other obligations relating to the financing of IFDS by IPOPEMA Securities or ProService.

The company was registered with the National Court Register on July 12th 2022, and it subsequently applied to the Polish Financial Supervision Authority for authorisation to conduct brokerage activities whose scope would enable it to provide depository services. The proceedings before the PFSA initiated in connection with IFDS' application were pending as at the date of these financial statements.

Note 24

Items affecting assets, liabilities, equity, net profit or cash flows that are non-typical due to their nature, value or frequency.

None.

Note 25

Capital adequacy requirements

The Company is an investment firm required to calculate its own funds and prudential requirements under Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of November 27th 2019 on the

**Interim condensed financial statements of IPOPEMA Securities S.A. for the nine months ended
September 30th 2022**

prudential requirements of investment firms and amending Regulations (EU) No. 1093/2010, (EU) No. 575/2013, (EU) No. 600/2014 and (EU) No. 806/2014 (“IFR”).

Data as at September 30th 2022 regarding own funds, own funds requirements and capital ratios provided in the IFR Regulation are presented below. The capital requirement calculated in accordance with the IFR is the highest of:

- fixed overheads requirement,
- permanent minimum initial capital requirement,
- K-factor capital requirement.

As at September 30th 2022, the Company’s K-factor capital requirement was the highest of these amounts.

Item (PLN ‘000)	Sep 30 2022	Sep 30 2021
Own funds	49,602	49,894
Own funds requirements	18,935	20,018
- permanent minimum capital requirement	3,450	3,461
- fixed overheads requirement	8,124	7,103
- K-factor requirement	18,935	20,018
Tier 1 common equity ratio	261.96%	249.25%
Surplus(+)/deficit(-) of common equity Tier 1 capital	38,999	38,684
Tier 1 capital ratio	261.96%	249.25%
Surplus(+)/deficit(-) of Tier 1 capital	35,401	34,881
Total capital adequacy ratio	261.96%	249.25%
Surplus(+)/deficit (-) of total capital	30,667	29,876

Information on breach of capital adequacy ratios and limits on large exposures

In the reporting period, the Company did not identify any non-compliance with capital adequacy ratios on a separate or consolidated basis.

Note 26

Events subsequent to the reporting date

All events relating to the reporting period were disclosed in the accounting records and financial statements for the period January 1st–September 30th 2022. No material events occurred after the reporting date which should have been but were not disclosed in the accounting records for the reporting period.

Warsaw, November 16th 2022

Jacek Lewandowski
President of the
Management Board

Mariusz Piskorski
Vice President of the
Management Board

Stanisław Waczkowski
Vice President of the
Management Board

Mirosław Borys
Vice President of the
Management Board

Danuta Ciosek
Chief Accountant