

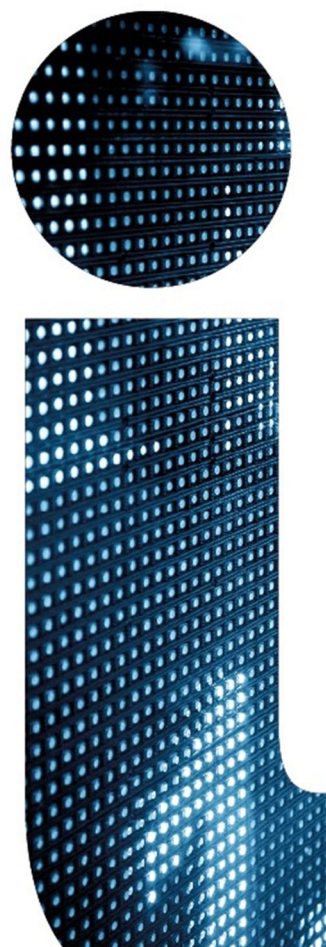
IPOPEMA Securities S.A.

Interim condensed financial statements

for the six months ended
June 30th 2021

Warsaw, September 7th 2021

ipopema



STATEMENT OF COMPLIANCE

The Management Board of IPOPEMA Securities S.A. hereby represents that:

- To the best of our knowledge, the interim condensed financial statements for the six months ended June 30th 2021 and the comparative data have been prepared in compliance with the applicable accounting standards and give a true, fair and clear view of the assets, financial condition and financial performance of IPOPEMA Securities S.A.
- Grant Thornton Polska Sp. z o.o. Sp. K., with its registered office at ul. Abpa Antoniego Baraniaka 88 E in Poznań, a qualified auditor of financial statements, entered in the list of qualified auditors of financial statements maintained by the Polish Chamber of Statutory Auditors under Reg. No. 4055, which reviewed the half-year condensed financial statements, had been appointed in compliance with the applicable laws. Grant Thornton Polska Sp. z o.o. Sp. K. and the Auditor who reviewed the half-year condensed financial statements of IPOPEMA Securities S.A. as at June 30th 2021 meet the criteria for issuing an objective and independent auditor's report on the interim condensed financial statements, in accordance with the applicable laws and professional standards.
- The Directors' Report for the first half of 2021 gives a true picture of the Company's development, achievements and position; it also includes a description of key risks and threats.

Warsaw, September 7th 2021

Management Board of IPOPEMA Securities S.A.:

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

Financial highlights

Financial highlights	PLN '000		EUR '000	
	H1 ended		H1 ended	
	Jun 30 2021	Jun 30 2020	Jun 30 2021	Jun 30 2020
Revenue from core activities	31,704	20,443	6,972	4,603
Cost of core activities	26,385	18,130	5,802	4,082
Profit/(loss) on core activities	5,319	2,313	1,170	521
Operating profit/(loss)	4,882	128	1,074	29
Profit/(loss) before tax	3,550	380	781	86
Net profit/(loss)	2,895	391	637	88
Earnings/(loss) per ordinary share (weighted average) (PLN/ EUR)	0.10	0.01	0.02	0.00
Net cash from operating activities	- 147,688	11,997	- 32,479	2,701
Total cash flows	- 150,127	15,966	- 33,015	3,595

Financial highlights	PLN '000			EUR '000		
	Jun 30 2021	Dec 31 2020	Jun 30 2020	Jun 30 2021	Dec 31 2020	Jun 30 2020
Total assets	437,576	494,270	212,171	96,792	107,105	47,508
Current liabilities	370,718	415,203	150,985	82,003	89,972	33,808
Equity	59,607	67,789	56,854	13,185	14,689	12,730
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)	1.99	2.26	1.90	0.44	0.49	0.43

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	H1 2021	H1 2020
EUR	4.5472	4.4413

- For the balance sheet:

Exchange rate as at	Jun 30 2021	Dec 31 2020
EUR	4.5208	4.6148

Introduction to the interim condensed financial statements

Information about the Company

The Company 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 registered office of IPOPEMA Securities S.A. (the “Company” or “IPOPEMA”) is 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 June 30th 2021.

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,
Miroslaw Borys – Vice President of the Management Board,
Mariusz Piskorski – Vice President of the Management Board,
Stanislaw 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-Swiętoń – Member of the Supervisory Board,
Andrzej Knigawka – Member of the Supervisory Board.

In the period covered by these financial statements and in the comparative period, the composition of the Supervisory Board changed as follows:

- on January 23rd 2020, Zbigniew Mrowiec resigned from his position of member of the Supervisory Board, and Ewa Radkowska-Swiętoń was appointed in his place on the same date.

- 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 June 30th 2021 and include comparative data for the period from January 1st to June 30th 2020 (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 2020 (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;
- 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).

Identification of the interim condensed financial statements

All financial data contained in these interim condensed financial statements is presented in PLN '000.

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 Company 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 include 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. Under financial assets available for sale the Company recognises bonds, as well as, 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	Jun 30 2021	Dec 31 2020
USD	3.8035	3.7584
EUR	4.5208	4.6148
100 HUF	1.2850	1.2638
GBP	5.2616	5.1327
CZK	0.1773	0.1753
CHF	4.1212	4.2641

TRY	0.4370	0.5029
100 JPY	3.4428	3.6484
NOK	0.4434	0.4400
CAD	3.0621	2.9477
SEK	0.4466	0.4598
DKK	0.6080	0.6202
AUD	2.8523	2.8950
RON	0.9174	0.9479

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.

ASSETS		Note	Jun 30 2021	Dec 31 2020	Jun 30 2020
I.	Cash and cash equivalents	1	129,113	279,585	51,095
1.	In hand		1	1	1
2.	At banks		16,634	12,078	7,974
3.	Other cash		112,475	267,503	43,117
4.	Cash equivalents		3	3	3
II.	Short-term receivables	2, 7	283,388	190,326	144,243
1.	From clients		105,885	98,760	43,367
2.	From related entities	18	1,791	1,393	1,241
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		147,225	53,053	74,786
a)	under executed transactions		125,904	40,150	44,810
b)	other		21,321	12,903	29,976
4.	From entities operating regulated markets and commodity		18	-	-
5.	From the Central Securities Depository of Poland and exchange		48	50	48
5.a	From CCP		26,070	35,082	21,277
6.	From investment and pension fund companies and from investment and pension funds		658	844	383
7.	Taxes, subsidies and social security receivable		659	41	20
8.	Other		1,034	1,103	3,121
III.	Financial instruments held for trading	3, 4	2,352	120	130
1.	Shares		2,107	120	130
2.	Investment certificates		245	-	-
IV.	Short-term prepayments and accrued income		749	651	748
IV..	Short-term loans		899	1,262	666
1.	To subordinated entities		706	747	267
2.	Other		193	515	399
V.	Financial instruments held to maturity		-	-	-
VI.	Financial instruments available for sale	3, 4	8,714	8,714	8,714
1.	Shares		8,704	8,704	8,704
	- shares in subordinated entities		8,704	8,704	8,704
2.	Debt securities		10	10	10
VII.	Long-term receivables		8,573	8,714	1,446
VIII.	Long-term loans		192	217	236
1.	Other		192	217	236
IX.	Intangible assets	4	1,234	1,066	918
1.	Acquired permits, patents, licences and similar assets, including:		1,234	1,066	918
	- software		1,234	1,066	918
X.	Property, plant and equipment	4, 5	957	854	934
1.	Tangible assets, including:		957	754	840
a)	buildings and premises		164	198	231
b)	computer assemblies		383	290	263
c)	other tangible assets		410	266	346
2.	Tangible assets under construction		-	100	94
XI.	Long-term prepayments and accrued income		1,405	2,761	3,041
1.	Deferred tax assets	13	1,375	2,714	3,032
2.	Other long-term prepayments and accrued income		30	47	9
XII.	Called-up share capital not paid		-	-	-
XIII	Treasury shares		-	-	-
	Total assets		437,576	494,270	212,171

EQUITY AND LIABILITIES		Note	Jun 30 2021	Dec 31 2020	Jun 30 2020
I.	Current liabilities	6	370,718	415,203	150,985
1.	To clients		229,930	305,566	94,177
2.	To related entities	18	188	84	1
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		111,590	85,501	42,060
a)	under executed transactions		111,562	85,407	42,048
b)	other		28	94	12
4.	To entities operating regulated markets and commodity exchanges		349	356	260
5.	To the Central Securities Depository of Poland and to settlement and clearing houses		270	211	32
5.a.	To CCP		53	3,554	2,822
6.	Borrowings		14,984	16,651	9,690
a)	other		14,984	16,651	9,690
7.	Debt securities	11	2	1	-
7.a.	Negative fair value of financial instruments held for trading		95	101	39
8.	Taxes, customs duties and social security payable		1,071	2,143	833
9.	To investment and pension fund companies and to investment and pension funds		-	47	473
10.	Other		12,186	988	598
II.	Non-current liabilities		191	47	54
1.	Debt securities	11	1	-	-
2.	Finance lease liabilities	10	190	47	54
	- from other entities		190	47	54
III.	Accrued expenses and deferred income		-	-	-
IV.	Provisions for liabilities	7	7,060	11,231	4,278
1.	Deferred tax liabilities	13	125	1,980	675
2.	Provision for retirement and similar benefits		882	883	496
3.	Other		6,053	8,368	3,107
a)	long-term		206	-	-
b)	short-term		5,847	8,368	3,107
V.	Subordinated liabilities		-	-	-
VI.	Equity		59,607	67,789	56,854
1.	Share capital	8	2,994	2,994	2,994
2.	Reserve funds		53,718	53,469	53,469
a)	share premium		10,351	10,351	10,351
b)	statutory reserve funds		998	998	998
c)	reserve funds created pursuant to the Articles of Association		42,369	42,120	42,120
3.	Revaluation capital reserve		-	-	-
4.	Net profit	14	2,895	11,326	391
Total equity and liabilities			437,576	494,270	212,171
Book value (PLN '000)			59,607	67,789	56,854
Number of shares as at end of period			29,937,836	29,937,836	29,937,836
Book value per share (PLN)			1.99	2.26	1.90
Diluted number of shares			29,937,836	29,937,836	29,937,836
Diluted book value per share (PLN)			1.99	2.26	1.90

OFF-BALANCE SHEET ITEMS		Note	Jun 30 2021	Dec 31 2020	Jun 30 2020
I.	Contingent liabilities	9	1,394	1,423	1,239
II.	Third-party assets used		-	-	-
III.	Forwards purchased or issued in the name and for the account of the brokerage house*		6 690*	6 679*	6 661*
IV.	Other off-balance sheet items		-	-	-

* Notional amounts of purchased forward contracts.

Statement of profit or loss	Note	H1 2021	H1 2020
I. Revenue from core activities, including:		31,704	20,443
- from related entities	18	2,540	957
1. Revenue from brokerage activities, including:		31,508	20,247
a) receipt and transfer of orders to buy and sell financial instruments		326	1,844
b) execution of orders to buy and sell financial instruments for client account		17,671	14,016
c) investment advisory services		66	4
d) offering of financial instruments		9,724	2,380
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		740	80
f) other		2,981	1,923
2. Revenue from other core activities		196	196
II. Cost of core activities		26,385	18,130
- from related entities	18	836	-
1. Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses		2,414	2,071
2. Payments to CCP		144	174
3. Trade organisation membership fees		46	23
4. Salaries and wages		10,205	8,131
5. Social security and other benefits		1,483	1,157
6. Employee benefits		169	94
7. Raw material and consumables used		91	110
8. Services		9,762	4,621
9. Costs of maintenance and lease of buildings		1,123	945
10. Depreciation and amortisation		428	504
11. Taxes and other public charges		189	108
12. Other		331	192
III. Profit/(loss) on core activities		5,319	2,313
IV. Income from financial instruments held for trading		332	402
1. Revaluation adjustments		102	-
2. Gain on sale/redemption		230	402
V. Cost related to financial instruments held for trading		955	2,917
1. Revaluation adjustments		209	265
2. Loss on sale/redemption		746	2,652
VI. Gain/(loss) on transactions in financial instruments held for trading		- 623	- 2,515
VII. Income from financial instruments available for sale		196	380
1. Dividends and other profit distributions		196	294
- from related entities		196	294
2. Gain on sale/redemption		-	86
VIII. Cost related to financial instruments available for sale		-	-
IX. Gain/(loss) on transactions in financial instruments available for sale		196	380
X. Other income		1,082	237
1. Reversed provisions		-	2
2. Decrease in impairment losses on receivables		33	16
3. Other		1,049	219
XI. Other expenses		1,092	287
1. Increase in impairment losses on receivables		37	51
2. Other		1,055	236

XII. Operating profit/(loss)		4,882	128
XIII. Finance income		30	698
1. Interest on loans, including:		22	13
- from related entities		9	1
2. Interest on deposits		2	75
3. Other interest		-	3
4. Foreign exchange gains		-	503
a) realised		-	194
b) unrealised		-	309
5. Other		6	104
XIV. Finance costs		1,362	446
1. Interest on borrowings, including:		373	411
- to related entities		-	-
2. Other interest		8	6
3. Foreign exchange losses		272	-
a) realised		24	-
b) unrealised		248	-
4. Other		709	29
XV. Profit/(loss) before tax		3,550	380
XVI. Income tax	13	655	- 11
XVII. Net profit/(loss)		2,895	391
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Weighted average number of ordinary shares		29,937,836	29,937,836
Earnings/(loss) per ordinary share (PLN)		0.10	0.01
Weighted average diluted number of ordinary shares		29,937,836	29,937,836
Diluted earnings/(loss) per ordinary share (PLN)		0.10	0.01
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STATEMENT OF CASH FLOWS		Note	H1 2021	H1 2020
A.	NET CASH FROM OPERATING ACTIVITIES			
I.	Net profit/(loss)		2,895	391
II.	Total adjustments		- 150,583	11,606
1.	Depreciation and amortisation		428	504
2.	Foreign exchange gains/(losses)		345	- 49
3.	Interest and profit distributions (dividends)		352	393
4.	Gain/(loss) on investing activities		-	- 86
5.	Increase/(decrease) in provisions and impairment losses on receivables		- 4,167	496
6.	Increase/(decrease) in financial instruments held for trading		- 2,232	178
7.	Increase/(decrease) in receivables		- 92,925	8,565
8.	Increase/(decrease) in current liabilities (net of borrowings), including special accounts		- 53,963	1,426
9.	Increase/(decrease) in accruals and deferrals		1,258	179
10.	Other		321	-
III.	Net cash from operating activities (I + II)		- 147,688	11,997
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
I.	Cash provided by investing activities		295	2,172
1.	Decrease in loans		295	86
2.	Disposal of financial instruments available for sale		-	2,086
II.	Cash used in investing activities		685	673
1.	Acquisition of property, plant and equipment		105	193
2.	Acquisition of intangible assets		374	49
3.	Acquisition of financial instruments available for sale (subordinates)		-	66
4.	Increase in loans		206	365
III.	Net cash from investing activities (I - II)		- 390	1,499
C.	NET CASH FROM FINANCING ACTIVITIES			
I.	Cash provided by financing activities		3	2,891
1.	Increase in short-term borrowings		-	2,891
2.	Proceeds from issue of debt securities		3	-
II.	Cash used in financing activities		2,052	421
1.	Decrease in short-term borrowings		1,663	-
2.	Redemption of short-term debt securities		2	1
3.	Payment of finance lease liabilities		11	9
4.	Interest paid		376	411
III.	Net cash from financing activities (I - II)		- 2,049	2,470
D.	TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		- 150,127	15,966
E.	NET CHANGE IN CASH, including:		- 150,472	16,015
	- effect of exchange rate fluctuations on cash held		- 345	49
F.	CASH AT BEGINNING OF PERIOD		279,216	35,098
G.	CASH AT END OF PERIOD (F +/- D), including:		129,089	51,064
	- restricted cash*	19	93,940	28,564

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

STATEMENT OF CHANGES IN EQUITY	H1 2021	2020	H1 2020
I. EQUITY AT BEGINNING OF PERIOD	67,789	56,533	56,533
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	67,789	56,533	56,533
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	53,469	53,256	53,256
2.1. Changes in reserve funds	249	213	213
a) increase	249	213	213
- distribution of profit (above statutory minimum)	249	213	213
b) decrease	-	-	-
2.2. Reserve funds at end of period	53,718	53,469	53,469
3. Revaluation capital reserve at beginning of period	-	70	70
3.1. Changes in revaluation capital reserve	-	- 70	- 70
a) increase	-	16	16
- remeasurement of financial instruments	-	16	16
b) decrease	-	86	86
- remeasurement of financial instruments	-	86	86
3.2. Revaluation capital reserve at end of the period	-	-	-
4. Retained earnings/(accumulated deficit) at beginning of period	11,326	213	213
4.1. Retained earnings at beginning of period	11,326	213	213
a) increase	-	-	-
b) decrease	11,326	213	213
- distribution of retained earnings (dividend)	11,077	-	-
- distribution of retained earnings (increase in reserve funds)	249	213	213
4.2. Accumulated deficit at beginning of period	-	-	-
4.3. Retained earnings/(accumulated deficit) at end of period	-	-	-
5. Net profit/(loss)	2,895	11,326	391
a) net profit	2,895	11,326	391
II. EQUITY AT END OF PERIOD	59,607	67,789	56,854
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	59,607	67,789	56,854

Notes to the interim financial statements

Note 1

Cash and other assets	Jun 30 2021	Dec 31 2020	Jun 30 2020
Cash and other assets of clients			
a) at banks and in hand	93,940	261,281	28,564
Total cash and other assets of clients	93,940	261,281	28,564
Cash and other assets			
a) cash and other assets of the brokerage house, including:	35,173	18,304	22,531
- in hand	1	1	1
- at banks, including	16,616	12,078	7,974
<i>in VAT account</i>	-	4	-
- other cash*	18,553	6,222	14,553
- cash equivalents	3	3	3
b) cash and other assets of clients deposited in cash accounts	93,940	261,281	28,564
- at the brokerage house and paid towards acquisition of securities	93,940	261,281	28,564
- in an IPO or on the primary market	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-
Total cash and other assets	129,113	279,585	51,095

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

Note 2

Selected short-term receivables	Jun 30 2021	Dec 31 2020	Jun 30 2020
Selected short-term receivables	281,019	188,338	140,719
a) from clients, including:	105,885	98,760	43,367
- under transactions executed on the Warsaw Stock Exchange	92,752	69,128	27,206
- under transactions executed on the London Stock Exchange	803	-	523
- under transactions executed on the Prague Stock Exchange	1,343	-	-
- under transactions executed on the Copenhagen Stock Exchange	438	-	-
- under transactions executed on the Lisbon Stock Exchange	-	-	10,988
- under transactions executed on the Madrid Stock Exchange	191	-	-
- under transactions executed on the Frankfurt Stock Exchange	284	9,332	18
- under transactions executed on the New York Stock Exchange	4,650	7,176	204
- under transactions executed on the Toronto Stock Exchange	1,014	2,423	600
- under transactions executed on the Australian Stock Exchange	785	-	-
- other	3,625	10,701	3,828
b) from related entities, including:	1,791	1,393	1,241
- from subsidiaries	1,791	1,393	1,241
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	147,225	53,053	74,786
- under transactions executed on the Warsaw Stock Exchange*	118,034	32,239	38,757
- under transactions executed on the New York Stock Exchange	-	7,911	2,903
- under transactions executed on the Vienna Stock Exchange	-	-	484
- under transactions executed on the Frankfurt Stock Exchange	807	-	-
- under transactions executed on the Amsterdam Stock Exchange	851	-	-
- under transactions executed on the Paris Stock Exchange	195	-	1,220
- under transactions executed on the Helsinki Stock Exchange	-	-	517
- under transactions executed on the Stockholm Stock Exchange	1,086	-	-

- under transactions executed on the Milan Stock Exchange	1,835	-	-
- under transactions executed on the Toronto Stock Exchange	3,096	-	929
- other	21,321	12,903	29,976
e) from the Central Securities Depository of Poland and exchange clearing houses, including:	48	50	48
- from the settlement guarantee fund and deposits	48	50	48
- other	-	-	-
e) receivables from CCP	26,070	35,082	21,277
- from the settlement guarantee fund	26,070	35,082	21,277
- other	-	-	-
Net short-term receivables	283,388	190,326	144,243
- impairment losses on short-term receivables (positive value)	110	106	166
Gross short-term receivables	283,498	190,432	144,409

* 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 first half of 2021 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 first half of 2021 and in 2020, the Company did not recognise any impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, nor did it reverse 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 first half of 2021 and in 2020, 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	Jun 30 2021	Dec 31 2020	Jun 30 2020
Selected current liabilities	125,707	92,837	46,606
1. To related entities	188	84	1
a) to subsidiaries	188	84	1
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	111,590	85,501	42,060
- to the Warsaw Stock Exchange *	102,850	66,719	29,933
- to the New York Stock Exchange	4,645	7,164	-
- to the Frankfurt Stock Exchange	-	9,102	18
- to the Prague Stock Exchange	1,343	-	-
- to the Paris Stock Exchange	283	-	-
- to the London Stock Exchange	801	-	523
- to the Madrid Stock Exchange	190	-	-
- to the Lisbon Stock Exchange	-	-	10,974
- to the Copenhagen Stock Exchange	437	-	-
- to the Toronto Stock Exchange	1,013	2,422	600
- other	28	94	12
3. To entities operating regulated markets and commodity exchanges	349	356	260
- to the Warsaw Stock Exchange	349	356	260
4. To the Central Securities Depository of Poland and exchange clearing houses	270	211	32
a) under additional payments to the settlement guarantee fund	-	-	-
b) other	270	211	32
4a. To CCP	53	3,554	2,822
a) under additional payments to the settlement guarantee fund	11	3,497	2,794
b) other	42	57	28
5. Taxes, customs duties and social security payable	1,071	2,143	833
6. Other	12,186	988	598
a) other liabilities, including:	12,186	988	598
- lease liabilities	81	14	39
- dividends payable	11,077	-	-
- other liabilities	1,028	974	559

* 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 June 30th 2021, the Company's liabilities under bank borrowings related to its brokerage business amounted to PLN 14,984 thousand (December 31st 2020: PLN 16,651 thousand), of which PLN 14,204 thousand was incurred under two overdraft facility agreements signed with Alior Bank S.A. on July 22nd 20S.A.09. 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 November 15th 2021:

- 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 with 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	H1 2021	H1 2020
Provisions at beginning of period	8,368	2,415
a) recognised	5,103	3,026
b) used	7,624	2,332
c) reversed	-	2
Provisions at end of period	5,847	3,107

In the six months ended June 30th 2021, impairment losses on receivables increased by PLN 4 thousand compared with December 31st 2020. In the six months ended June 30th 2020, impairment losses on receivables increased by PLN 35 thousand compared with December 31st 2019.

Note 8

Share capital	Jun 30 2021	Dec 31 2020	Jun 30 2020
a) par value per share (PLN)	0.10	0.10	0.10
b) series/issue	A, B, C	A, B, C	A, B, C
c) type of shares	ordinary bearer shares	ordinary bearer shares	ordinary bearer shares
d) preference attached to shares	none	none	none
e) restrictions on rights attached to shares	none	none	none
f) number of shares	29,937,836	29,937,836	29,937,836
g) total par value of series/issue (PLN '000)	2,994	2,994	2,994
h) type of contribution	cash	cash	cash
i) dividend right since:	the shares carry the right to profit distribution for 2021 and 2020	the shares carry the right to profit distribution for 2020 and 2019	the shares carry the right to profit distribution for 2020 and 2019

There were no changes in the Company's share capital in the first half of 2021 or in 2020.

As at June 30th 2021, 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

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 lease contract providing for the right to use the building was executed for a period of five years, with an option to extend its term for another two years. Pursuant to an annex to the contract, executed in January 2016, the lease was extended until January 2023.

Minimum lease payments are presented in the table below.

Lease liabilities	Jun 30 2021	Dec 31 2020	Jun 30 2020
	Present value of minimum lease payments		
Within 1 year	1 174*	1 198*	1 160*
In 1 to 5 years	637*	1 250*	1 790*
Over 5 years	-	-	-
Total lease liabilities	1,811	2,448	2,950

* 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	Jun 30 2021	Dec 31 2020	Jun 30 2020
Net carrying amount	239	55	44
Present value of minimum lease payments	271	61	93
Within 1 year *	81	14	39
Within 1 to 5 years *	190	47	54
Over 5 years *	-	-	-
Contingent lease payments recognised as expense in the period	11	16	9

Note 11

Bonds

In the six monthed ended June 30th 2021, the Company issued 14 registered bonds with a total nominal value of PLN 2.8 thousand. No bonds were issued in the six months to June 30th 2020. 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. For more details, see the updated version of the document entitled 'Disclosure of information on IPOPEMA Securities S.A.'s capital adequacy', available on the Company's website.

By the date of issue of these financial statements, the Company redeemed PLN 2.4 thousand worth of bonds (including PLN 1.6 thousand worth of bonds redeemed in the six months ended June 30th 2021), compared with PLN 0.8 thousand redeemed in the six months ended June 30th 2020.

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 1,792 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.

Both in the six months ended June 30th 2021 and the six months ended June 30th 2020, the Company's assets were used as security for working capital overdraft facilities (see Note 6). 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 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

Deferred tax liabilities decreased by PLN 1,855 thousand in the six months ended June 30th 2021 and by PLN 234 thousand in the six months ended June 30th 2020.

Deferred tax assets went down by PLN 1,339 thousand in the six months ended June 30th 2021 and by PLN 206 thousand in the six months ended June 30th 2020.

Note 14

Profit allocation

On June 21st 2021, the Annual General Meeting of the Company resolved to pay a dividend from profit for 2020, which amounted to PLN 11.326 thousand. The dividend was PLN 0.37 per share. The difference between the amount of dividend paid and the amount of profit for 2020 that arose due to the rounding of dividend per share was PLN 249 thousand. It was transferred to the Company's statutory reserve funds as per the resolution of the Annual General Meeting mentioned above.

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 six months ended June 30th 2021 or in 2020.

Note 16

Dividends paid and proposed

On June 21st 2021, the Annual General Meeting of the Company resolved to pay a dividend from profit for 2020, which amounted to 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. A total of PLN 11,077 thousand was paid out to the shareholders on the dividend payment date.

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

Related party	Revenue from core activities	Other operating and finance income	Purchases – core activities	Other purchases	Revenue from core activities	Other income	Purchases – core activities	Other purchases
	Jan 1–Jun 30 2021				Jan 1–Jun 30 2020			
IBC	-	7	-	-	-	2	-	-
IPOPEMA TFI	2,365	60	13	-	782	76	-	-
IFA	-	-	-	-	-	-	-	-
IFA SK	175	7	-	-	175	303	-	-
MUSCARI	-	1	823	-	-	4	-	-
Total	2,540	75	836	-	957	385	-	-

Related-party transactions – receivables and liabilities

Related party	Receivables and loans			Liabilities		
	Jun 30 2021	Dec 31 2020	Jun 30 2020	Jun 30 2021	Dec 31 2020	Jun 30 2020
IBC	404	411	400	-	-	1
IPOPEMA TFI	740	551	387	-	-	-
IFA	-	-	-	-	-	-
IFA SK	646	431	454	-	-	-
MUSCARI	707	747	-	188	84	-
Total	2,497	2,140	1,241	188	84	1

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	
	Jun 30 2021	Jun 30 2020	Jun 30 2021	Jun 30 2020
Cash and cash equivalents	129,113	51,095	129,089	51,064
1. In hand	1	1	1	1
2. At banks	16,634	7,974	16,634	7,974
3. Other cash	112,475	43,117	112,475	43,117
4. Cash equivalents	3	3	-	-
Accrued foreign exchange differences			- 21	- 28

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at June 30th 2021 and June 30th 2020 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 items of the balance sheet

	Presentation in the balance sheet		Change as disclosed in the balance sheet	Presentation in the statement of cash flows – change
	Jun 30 2021	Dec 31 2020	H1 2021	H1 2021
Gross short- and long-term receivables	292,071	199,146	92,925	92,925
Net receivables	291,961	199,040		
Impairment losses on receivables	110	106		4
Provisions (net of deferred tax related to equity and provision for unpaid interest)	7,060	11,231		- 4,171
Total change in impairment losses and provisions				- 4,167

Note 20

Clients' financial instruments	Jun 30 2021	Dec 31 2020
Securities admitted to official listing		
- quantity	196,926	111,608
- amount	2,228,297	1,336,860
Securities not admitted to official listing		
- quantity	4,348	35,666
- amount	170,017	184,204
Designated sponsor		
(i) shares		
- quantity	2,856	300
- amount	99,178	3,201
(ii) bonds		
- quantity	82	0.02
- amount	466,548	2,000
(iii) investment certificates		
- quantity	16,036	15,846
- amount	35,163,622	35,026,561

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

Pending court or administrative proceedings

In the six months ended June 30th 2021 and as at 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 half of 2021

In the first months of this year, the Warsaw Stock Exchange continued to see very high levels of investor activity. Total trading volumes in the six months ended June 30th 2021 were up 28.3% year on year, with the growth largely driven by retail investors. As a result, IPOPEMA Securities recorded a lower share in total market trading volumes (2.24% vs 2.98% a year earlier, losing to brokerage offices specialising in services for retail customers), but its increased activity on foreign markets and transactions executed jointly with the investment banking segment helped the Company to maintain revenue from securities trading close to the prior-year level (PLN 15,385 thousand compared with PLN 15,338 thousand in the three months ended June 30th 2020).

Investor optimism was also seen on the equity market, with a number of transactions executed in the first six months of the year, of which the IPOs of Pepco Group and Huuuge were among the largest such transactions in recent years (IPOPEMA Securities acted as joint bookrunner and offeror and conducted price stabilisation activities on the latter IPO). IPOPEMA Securities' revenue from investment banking services rose over threefold (to PLN 14,542 thousand vs PLN 3,237 thousand in the six months ended June 30th 2020).

As a result, IPOPEMA Securities reported a net profit of PLN 2,895 thousand for the six months to June 30th 2021 (vs a net profit of PLN 391 thousand the year before).

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

As an investment firm, the Company is obliged to calculate its own funds and prudential requirements:

- until June 25th 2021 – in accordance with Regulation (EU) No. 575/2013 of the European Parliament and of the Council of June 26th 2013 on prudential requirements for credit institutions and investment firms (“CRR”);
- from June 26th 2021 – in accordance with Regulation (EU) No. 2019/2033 of the European Parliament and of the Council of November 27th 2019 on the 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 June 30th 2021 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 higher of:

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

As at June 30th 2021, the Company's K-factor capital requirement was the highest of these amounts.

Item (PLN '000)	Jun 30 2021
Own funds	49,536
Own funds requirements	16,841
- permanent minimum capital requirement	3,391
- fixed overheads requirement	6,757
- K-factor requirement	16,841
Tier 1 common equity ratio	294.14%
Surplus(+)/deficit(-) of common equity Tier 1 capital	40,105
Tier 1 capital ratio	294.14%
Surplus(+)/deficit(-) of Tier 1 capital	36,905
Total capital adequacy ratio	294.14%
Surplus(+)/deficit (-) of total capital	32,695

Key average monthly data is presented in the table below.

Item	Average monthly data					
	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021
Own funds – (PLN '000)	54,230	53,384	55,215	55,131	55,094	-
Tier 1 Capital	54,230	53,384	55,215	55,131	55,094	-
Tier 1 Common Equity	54,230	53,384	55,215	55,131	55,094	-
Additional Tier 1 Capital	-	-	-	-	-	-
Tier 2 Capital	-	-	-	-	-	-
Total risk exposure (PLN '000)	202,592	258,327	188,184	190,678	174,225	-
Risk-weighted exposure amounts for credit risk, counterparty credit risk, dilution risk and free deliveries	141,085	187,962	115,180	118,995	103,010	-
Total exposure to settlement/delivery risk	-	-	-	-	-	-
Total exposure to position, currency and commodity price risks	6,602	8,302	10,939	6,794	6,328	-
Total exposure to operational risk	54,903	62,063	62,063	64,887	64,887	-
Additional exposure to risk related to fixed indirect costs	-	-	-	-	-	-
Total exposure to risk related to credit valuation adjustment	2	-	2	2	-	-
Total exposure to risk related to large trading book exposures	-	-	-	-	-	-
Other exposures to risk	-	-	-	-	-	-
Tier 1 common equity ratio	27.45	22.30	29.64	28.91	31.62	-
Tier 1 capital surplus(+)/shortfall(-) (PLN '000)	45,113	41,760	46,746	46,550	47,254	-
Tier 1 capital ratio	27.45	22.30	29.64	28.91	31.62	-
Tier 1 capital surplus(+)/shortfall(-) (PLN '000)	42,074	37,885	43,924	43,690	44,641	-
Total capital adequacy ratio	27.45	22.30	29.64	28.91	31.62	-
Total capital surplus(+)/shortfall(-) (PLN '000)	38,023	32,718	40,160	39,877	41,156	-

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.

In the reporting period, the Company identified exposures which resulted in exceeding the large exposures limit on a separate and consolidated basis. The limit was exceeded for 27 days in January to March 2021 as clients were making payments to their individual accounts held with IPOPEMA Securities. The Company obtained the PFSA's approval to temporarily exceed the limit in the period from January 27th to March 5th 2021.

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–June 30th 2021. No material events occurred after the reporting date which should have been but were not disclosed in the accounting records for the reporting period.

Other events

The factor likely to exert the strongest adverse impact on the economy and the condition of the financial markets, and consequently on the Company's business, in the remaining months of 2020 is the continuing coronavirus epidemic. Despite much lower infection rates compared with the third wave that peaked in March of this year, the extent and duration of its economic impacts will depend largely on the progress of the population vaccination programmes as well as the size of new waves of the epidemic, if any, and the potential restrictions.

The unprecedented nature as well as the scale and complexity of the coronavirus situation, with no clearly adverse impact on the Company's performance seen so far, make it difficult to estimate the effect of the epidemic on the Company's operations in the months ahead. IPOPEMA takes steps to benefit from the recovery in some areas and industries, which has already contributed positively to revenues and profits in the past periods, but, due to the

unprecedented nature of the pandemic, its long-term consequences for the economy are difficult to predict and subject to high uncertainty.

Warsaw, September 7th 2021

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