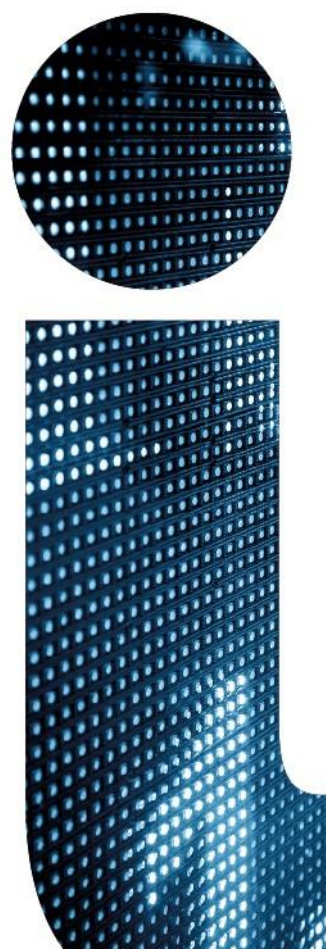


IPOPEMA Securities S.A.

# Interim condensed financial statements

**for the three months  
ended March 31st 2020**

Warsaw, May 21st 2020



# Financial highlights

Financial highlights	PLN '000		EUR '000	
	Three months ended		Three months ended	
	Mar 31 2020	Mar 31 2019	Mar 31 2020	Mar 31 2019
Revenue from core activities	8,951	7,410	2,036	1,724
Cost of core activities	9,225	7,883	2,098	1,834
Profit/(loss) on core activities	- 274	- 473	- 62	- 110
Operating profit/(loss)	- 3,010	- 413	- 685	- 96
Profit/(loss) before tax	- 2,159	- 611	- 491	- 142
Net profit/(loss)	- 1,813	- 497	- 412	- 116
Earnings/(loss) per ordinary share (weighted average) (PLN/ EUR)	- 0.06	- 0.02	- 0.01	0.00
Net cash from operating activities	13,238	3,366	3,011	783
Total cash flows	15,257	- 240	3,470	- 56

Financial highlights	PLN '000		EUR '000	
	Mar 31 2020	Dec 31 2019	Mar 31 2020	Dec 31 2019
Total assets	172,525	207,097	37,898	48,631
Current liabilities	113,079	146,669	24,840	34,441
Equity	54,724	56,533	12,021	13,275
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	1.83	1.89	0.40	0.44

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	Q1 2020	Q1 2019
EUR	4.3963	4.2978

- For the balance sheet:

Exchange rate as at	Mar 31 2020	Dec 31 2019
EUR	4.5523	4.2585

# 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 Company's registered office 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 March 31st 2020.

## 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,  
Michał Dobak – Member of the Supervisory Board,  
Bogdan Kryca – Member of the Supervisory Board,  
Ewa Radkowska-Świętoń – Member of the Supervisory Board.

On January 23rd 2020, Zbigniew Mrowiec resigned from his position of member of the Supervisory Board, and Ewa Radkowska-Świętoń 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 March 31st 2020 and include comparative data for the period from January 1st to March 31st 2019 (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 2019 (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 – on March 16th 2020 the Company purchased 100% of shares in MUSCARI (previous name: Grupa Finanset Sp. z o.o.). MUSCARI's share capital amounts to PLN 50 thousand and is divided into 1,000 shares.

The parent and its subsidiaries make up the IPOPEMA Securities Group (the “IPOPEMA Securities Group”, the “IPOPEMA Group”, the “Group”). IFA and MUSCARI have not been consolidated due to the immateriality of their 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 Group recognises current liabilities towards banks conducting brokerage activities, other brokerage houses and commodity brokerage houses (market counterparties)\* and short-term receivables from the clients on behalf of whom such buy transactions are 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 include shares in companies 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 to IPOPEMA Securities employees and associates and loans to a subsidiary.

#### Financial assets held to maturity

Financial assets held to maturity are investments with fixed or determinable payments and fixed maturities that the Company intends and is able to hold to maturity. Financial assets held to maturity are measured at amortised cost using the effective interest rate method.

Financial assets held to maturity are classified as non-current assets if their terms to maturity are longer than 12 months from the reporting date. The Company had no financial assets held to maturity in the reporting or in the comparative period.

#### 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 investment fund units and bonds, as well as, pursuant to the regulation on special accounting policies for brokerage houses, shares in subordinated entities.

Investment fund units are held at fair value based on the net asset value per unit, as most recently published by the investment fund. Revaluation gains or losses increase or decrease (as appropriate) the revaluation capital reserve.

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, accruals 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	Mar 31 2020	Dec 31 2019
USD	4.1466	3.7977
EUR	4.5523	4.2585
HUF 100	1.2679	1.2885
GBP	5.1052	4.9971
CZK	0.1665	0.1676
CHF	4.3001	3.9213
TRY	0.6314	0.6380
JPY 100	3.8208	3.4959
NOK	0.3953	0.4320
CAD	2.9214	2.9139
SEK	0.4114	0.4073
DKK	0.6096	0.5700
AUD	2.5481	2.6624
RON	0.9429	0.8901

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 first three months of 2020

<b>ASSETS</b>		<b>Note</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>	<b>Mar 31 2019</b>
<b>I.</b>	<b>Cash and cash equivalents</b>	1	<b>50,530</b>	<b>35,080</b>	<b>24,053</b>
1.	In hand		1	1	1
2.	At banks		7,772	7,101	5,132
3.	Other cash		42,754	27,975	18,905
4.	Cash equivalents		3	3	15
<b>II.</b>	<b>Short-term receivables</b>	2, 7	<b>102,325</b>	<b>152,843</b>	<b>233,375</b>
1.	From clients		22,785	38,634	76,258
2.	From related entities	18	1,174	1,096	1,212
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		58,647	94,861	116,759
a)	under executed transactions		33,149	66,096	75,806
b)	Other		25,498	28,765	40,953
4.	From the Central Securities Depository of Poland and from settlement and clearing houses		47	45	45
4.a	From CCP		18,277	15,635	33,099
5.	From investment and pension fund companies and from investment and pension funds		318	285	221
6.	Taxes, subsidies and social security receivable		23	84	13
7.	Under framework securities lending and short sale agreements		-	1,195	5,398
8.	Other		1,054	1,008	370
<b>III.</b>	<b>Financial instruments held for trading</b>	3, 4	<b>314</b>	<b>308</b>	<b>7,913</b>
1.	Shares		314	82	7,838
2.	Derivative instruments		-	226	75
<b>IV.</b>	<b>Short-term prepayments and accrued income</b>		<b>888</b>	<b>718</b>	<b>895</b>
<b>IV.a.</b>	<b>Short-term loans</b>		<b>396</b>	<b>287</b>	<b>110</b>
1.	Other		396	287	110
<b>V.</b>	<b>Financial instruments held to maturity</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>Financial instruments available for sale</b>	3, 4	<b>10,845</b>	<b>10,734</b>	<b>10,720</b>
1.	Shares		8,744	8,638	8,638
	- shares in subordinated entities		8,744	8,638	8,638
2.	Debt securities		10	10	10
3.	Investment fund units		2,091	2,086	2,072
<b>VII.</b>	<b>Long-term receivables</b>		<b>1,444</b>	<b>1,440</b>	<b>1,426</b>
<b>VIII</b>	<b>Long-term loans</b>		<b>280</b>	<b>322</b>	<b>29</b>
1.	Other		280	322	29
<b>IX.</b>	<b>Intangible assets</b>	4	<b>1,024</b>	<b>1,100</b>	<b>1,372</b>
1.	Acquired permits, patents, licences and similar assets, including:		1,024	1,100	1,372
	- software		1,024	1,100	1,372
<b>X.</b>	<b>Property, plant and equipment</b>	4, 5	<b>1,039</b>	<b>1,015</b>	<b>1,476</b>
1.	Tangible assets, including:		945	1,015	1,476
a)	buildings and premises		248	264	314
b)	computer assemblies		298	298	475
c)	other tangible assets		399	453	687
2.	Tangible assets under construction		94	-	-
<b>XI.</b>	<b>Long-term prepayments and accrued income</b>		<b>3,440</b>	<b>3,250</b>	<b>2,656</b>
1.	Deferred tax assets	13	3,430	3,238	2,582
2.	Other long-term prepayments and accrued income		10	12	74
<b>XII.</b>	<b>Called-up share capital not paid</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>Treasury shares</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>			<b>172,525</b>	<b>207,097</b>	<b>284,025</b>



Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2020

EQUITY AND LIABILITIES		Note	Mar 31 2020	Dec 31 2019	Mar 31 2019
<b>I.</b>	<b>Current liabilities</b>	6	<b>113,079</b>	<b>146,669</b>	<b>225,272</b>
1.	To clients		79,557	90,915	111,093
2.	To related entities	18	-	-	-
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		21,958	43,763	93,310
a)	under executed transactions		21,933	43,727	93,246
b)	Other		25	36	64
4.	To entities operating regulated markets and commodity exchanges		363	340	393
5.	To the Central Securities Depository of Poland and to settlement and clearing houses		44	28	34
5.a.	To CCP		56	3,094	1,346
6.	Borrowings		9,420	6,799	12,251
a)	Other		9,420	6,799	12,251
7.	Debt securities	11	-	1	2
7.a.	Negative fair value of financial instruments held for trading		187	-	-
8.	Taxes, customs duties and social security payable		634	601	643
9.	To investment and pension fund companies and to investment and pension funds		97	152	125
10.	Other		763	976	6,075
<b>II.</b>	<b>Non-current liabilities</b>		<b>57</b>	<b>61</b>	<b>124</b>
1.	Finance lease liabilities	10	57	61	124
	- from other entities		57	61	124
<b>III.</b>	<b>Accruals and deferred income</b>		<b>-</b>	<b>-</b>	<b>488</b>
<b>IV.</b>	<b>Provisions for liabilities</b>	7	<b>4,665</b>	<b>3,834</b>	<b>2,330</b>
1.	Deferred tax liabilities	13	756	909	276
2.	Provision for retirement and similar benefits		496	496	478
3.	Other		3,413	2,429	1,576
a)	long-term		-	14	14
b)	short-term		3,413	2,415	1,562
<b>V.</b>	<b>Subordinated liabilities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>Equity</b>		<b>54,724</b>	<b>56,533</b>	<b>55,811</b>
1.	Share capital	8	2,994	2,994	2,994
2.	Reserve funds		53,256	53,256	57,566
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		41,907	41,907	46,217
3.	Revaluation capital reserve		74	70	58
4.	Retained earnings		213	-	- 4,310
5.	Net profit/(loss)	14	- 1,813	213	- 497
<b>Total equity and liabilities</b>			<b>172,525</b>	<b>207,097</b>	<b>284,025</b>
Book value (PLN '000)			54,724	56,533	55,811
Number of shares as at end of period			29,937,836	29,937,836	29,937,836
Book value per share (PLN)			1.83	1.89	1.86
Diluted number of shares			29,937,836	29,937,836	29,937,836
Diluted book value per share (PLN)			1.83	1.89	1.86

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2020

<b>OFF-BALANCE SHEET ITEMS</b>		<b>Note</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>	<b>Mar 31 2019</b>
I.	Contingent liabilities	9	1,263	1,181	1,193
II.	Third-party assets used		-	-	-
III.	Futures/forwards purchased or issued in the name and for the account of the brokerage house		6,654*	6,628*	6,542*
IV.	Other off-balance sheet items		-	-	-

\* Notional amounts of purchased forward contracts.

Interim condensed financial statements of IPOPEMA Securities S.A. for the first three months of 2020

Statement of profit or loss	Note	Q1 2020	Q1 2019
<b>I. Revenue from core activities, including:</b>		<b>8,951</b>	<b>7,410</b>
- from related entities	18	317	308
1. Revenue from brokerage activities, including:		8,853	7,282
a) receipt and transfer of orders to buy and sell financial instruments		633	1,452
b) execution of orders to buy and sell financial instruments for client account		7,509	5,020
c) investment advisory services		-	3
d) offering of financial instruments		232	85
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		40	27
f) Other		439	695
2. Revenue from other core activities		98	128
<b>II. Cost of core activities</b>		<b>9,225</b>	<b>7,883</b>
- from related entities	18	-	-
1. Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses		1,183	1,099
2. Payments to CCP		83	64
3. Trade organisation membership fees		11	11
4. Salaries and wages		4,029	3,308
5. Social security and other benefits		603	534
6. Employee benefits		50	52
7. Raw material and consumables used		62	69
8. Services		2,322	1,678
9. Costs of maintenance and lease of buildings		442	527
10. Depreciation and amortisation		262	310
11. Taxes and other public charges		56	74
12. Other		122	157
<b>III. Profit/(loss) on core activities</b>		<b>- 274</b>	<b>- 473</b>
<b>IV. Income from financial instruments held for trading</b>		<b>22</b>	<b>673</b>
1. Revaluation adjustments		22	244
2. Gain on sale/redemption		-	429
<b>V. Cost related to financial instruments held for trading</b>		<b>3,052</b>	<b>605</b>
1. Revaluation adjustments		413	376
2. Loss on sale/redemption		2,639	229
<b>VI. Gain/(loss) on transactions in financial instruments held for trading</b>		<b>- 3,030</b>	<b>68</b>
<b>VII. Income from financial instruments available for sale</b>		<b>294</b>	<b>-</b>
1. Dividends and other profit distributions		294	-
- from related entities		294	-
<b>VIII. Cost related to financial instruments available for sale</b>		<b>-</b>	<b>-</b>
<b>IX. Gain/(loss) on transactions in financial instruments available for sale</b>		<b>294</b>	<b>-</b>
<b>X. Other income</b>		<b>113</b>	<b>44</b>
1. Released provisions		1	-
2. Decrease in impairment losses on receivables		16	6
3. Other		96	38
<b>XI. Other expenses</b>		<b>113</b>	<b>52</b>
1. Increase in impairment losses on receivables		5	9
2. Other		108	43
<b>XII. Operating profit/(loss)</b>		<b>- 3,010</b>	<b>- 413</b>

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<b>XIII. Finance income</b>	<b>1,096</b>	<b>214</b>
1. Interest on loans, including:	6	1
- from related entities	-	-
2. Interest on deposits	55	44
3. Other interest	2	9
4. Foreign exchange gains	774	45
a) realised	245	35
b) unrealised	529	10
5. Other	259	115
<b>XIV. Finance costs</b>	<b>245</b>	<b>412</b>
1. Interest on borrowings, including:	220	249
- to related entities	-	-
2. Other interest	3	4
3. Other	22	159
<b>XV. Profit before tax</b>	<b>- 2,159</b>	<b>- 611</b>
<b>XVI. Income tax</b>	<b>- 346</b>	<b>- 114</b>
<b>XVII. Net profit</b>	<b>- 1,813</b>	<b>- 497</b>
Weighted average number of ordinary shares	29,937,836	29,937,836
Earnings per ordinary share (PLN)	- 0.06	- 0.02
Weighted average diluted number of ordinary shares	29,937,836	29,937,836
Diluted earnings per ordinary share (PLN)	- 0.06	- 0.02

STATEMENT OF CASH FLOWS	Note	Q1 2020	Q1 2019
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>			
<b>I. Net profit</b>		- 1,813	- 497
<b>II. Total adjustments</b>		15,051	3,863
1. Depreciation and amortisation		262	310
2. Foreign exchange gains/(losses)		- 193	- 9
3. Interest and profit distributions (dividends)		210	245
4. Increase/(decrease) in provisions and impairment losses on receivables		818	- 92
5. Increase/(decrease) in financial instruments held for trading		- 6	1,843
6. Increase/(decrease) in receivables		50,529	- 70,872
7. Increase/(decrease) in current liabilities (net of borrowings), including special accounts		- 36,209	72,694
8. Increase/(decrease) in accruals and deferrals		- 360	- 259
9. Other		-	3
<b>III. Net cash from operating activities (I + II)</b>		<b>13,238</b>	<b>3,366</b>
<b>B. NET CASH FROM INVESTING ACTIVITIES</b>			
<b>I. Cash generated from investing activities</b>		39	54
1. Decrease in loans		39	54
<b>II. Cash used in investing activities</b>		415	166
1. Acquisition of financial instruments available for sale and held to maturity – subordinates		106	-
2. Acquisition of intangible assets		40	-
3. Acquisition of property, plant and equipment		169	116
4. Increase in loans		100	50
<b>III. Net cash from investing activities (I - II)</b>		<b>- 376</b>	<b>- 112</b>
<b>C. NET CASH FROM FINANCING ACTIVITIES</b>			
<b>I. Cash generated from financing activities</b>		2,621	1
1. Increase in short-term borrowings		2,621	-
2. Proceeds from issue of short-term debt securities		-	1
<b>II. Cash used in financing activities</b>		226	3,495
1. Decrease in short-term borrowings		-	3,274
2. Redemption of short-term debt securities		1	1
3. Payment of finance lease liabilities		5	12
4. Interest paid		220	208
<b>III. Net cash from financing activities (I - II)</b>		<b>2,395</b>	<b>- 3,494</b>
<b>D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)</b>		<b>15,257</b>	<b>- 240</b>
<b>E. NET CHANGE IN CASH, including:</b>		<b>15,450</b>	<b>- 231</b>
- effect of exchange rate fluctuations on cash held		193	9
<b>F. CASH AT BEGINNING OF PERIOD</b>	19	<b>35,098</b>	<b>24,256</b>
<b>G. CASH AT END OF PERIOD (F +/- D), including:</b>	19	<b>50,355</b>	<b>24,016</b>
- restricted cash*		29,935	16,212

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

STATEMENT OF CHANGES IN EQUITY	Q1 2020	2019	Q1 2019
<b>I. EQUITY AT BEGINNING OF PERIOD</b>	<b>56,533</b>	<b>56,300</b>	<b>56,300</b>
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
<b>I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS</b>	<b>56,533</b>	<b>56,300</b>	<b>56,300</b>
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	53,256	57,566	57,566
2.1. Changes in reserve funds	-	- 4,310	-
a) increase	-	-	-
b) Decrease	-	4,310	-
- loss coverage	-	4,310	-
2.2. Reserve funds at end of period	53,256	53,256	57,566
3. Revaluation capital reserve at beginning of period	70	50	50
3.1. Changes in revaluation capital reserve	4	20	8
a) increase	5	24	10
- remeasurement of financial instruments	5	24	10
b) decrease	1	4	2
- remeasurement of financial instruments	1	4	2
3.2. Revaluation capital reserve at end of the period	74	70	58
4. Retained earnings/(accumulated deficit) at beginning of period	213	- 4,310	- 4,310
4.1. Retained earnings at beginning of period	213	-	-
a) Increase	-	-	-
b) decrease	-	-	-
4.2. Accumulated deficit at beginning of period	-	4,310	4,310
a) Increase	-	-	-
b) decrease	-	4,310	-
- loss coverage from statutory reserve funds	-	4,310	-
4.3. Retained earnings/(accumulated deficit) at end of period	213	-	- 4,310
5. Net profit/(loss)	- 1,813	213	- 497
a) net profit	-	213	-
b) net loss	1,813	-	497
<b>II. EQUITY AT END OF PERIOD</b>	<b>54,724</b>	<b>56,533</b>	<b>55,811</b>
<b>III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT</b>	<b>54,724</b>	<b>56,533</b>	<b>55,811</b>

# Notes to the interim financial statements

## Note 1

<b>Cash and other assets</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>	<b>Mar 31 2019</b>
<b>Cash and other assets of clients</b>			
a) at banks and in hand	29,935	20,835	16,212
<b>Total cash and other assets of clients</b>	<b>29,935</b>	<b>20,835</b>	<b>16,212</b>
<b>Cash and other assets</b>			
a) cash and other assets of the brokerage house, including:	20,595	14,245	7,841
- in hand	1	1	1
- at banks	7,772	7,101	5,132
- other cash*	12,819	7,140	2,693
- cash equivalents	3	3	15
b) cash and other assets of clients deposited in cash accounts	29,935	20,835	16,212
- at the brokerage house and paid towards acquisition of securities	29,935	20,835	16,212
- in an IPO or on the primary market	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-
<b>Total cash and other assets</b>	<b>50,530</b>	<b>35,080</b>	<b>24,053</b>

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

## Note 2

<b>Selected short-term receivables</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>	<b>Mar 31 2019</b>
<b>1. Selected short-term receivables</b>	<b>100,930</b>	<b>150,271</b>	<b>227,373</b>
a) from clients, including:	22,785	38,634	76,258
- under transactions executed on the Warsaw Stock Exchange	16,479	32,331	72,087
- under transactions executed on the Stockholm Stock Exchange	-	-	1,668
- under transactions executed on the Frankfurt Stock Exchange	232	32	-
- under transactions executed on the New York Stock Exchange	699	15	947
- under transactions executed on the London Stock Exchange	207	282	-
- under transactions executed on the Istanbul Stock Exchange	-	1,091	-
- under transactions executed on the Vienna Stock Exchange	498	-	-
- under transactions executed on the Oslo Stock Exchange	397	-	-
- other	4,273	4,883	1,556
b) from related entities, including:	1,174	1,096	1,212
- from subsidiaries	1,174	1,096	1,212
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, including:	58,647	94,861	116,759
1) under executed transactions	33,149	66,096	75,806
- under transactions executed on the Warsaw Stock Exchange*	24,345	60,246	66,007
- under transactions executed on the Budapest Stock Exchange	562	-	2,482
- under transactions executed on the Prague Stock Exchange	20	-	-
- under transactions executed on the New York Stock Exchange	181	2,940	1,767
- under transactions executed on the London Stock Exchange	5,989	-	781
- under transactions executed on the Zurich Stock Exchange	-	660	-
- under transactions executed on the Milan Stock Exchange	-	-	883
- under transactions executed on the Oslo Stock Exchange	-	-	69
- under transactions executed on the Brussels Stock Exchange	-	-	966
- under transactions executed on the Frankfurt Stock Exchange	1,736	952	2,801

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- under transactions executed on the Paris Stock Exchange	-	262	50
- under transactions executed on the Toronto Stock Exchange	-	1,036	-
- under transactions executed on the Vienna Stock Exchange	137	-	-
- under transactions executed on the Stockholm Stock Exchange	179	-	-
2) other	25,498	28,765	40,953
e) from the Central Securities Depository of Poland and exchange clearing houses, including:	47	45	45
- from the settlement guarantee fund and deposits	47	45	45
- other	-	-	-
e) receivables from CCP	18,277	15,635	33,099
- from the settlement guarantee fund	18,277	15,635	33,099
f) under court proceedings, not covered by recognised impairment losses on receivables	-	-	-
<b>2. Short-term receivables, net</b>	<b>102,325</b>	<b>152,843</b>	<b>233,375</b>
- impairment losses on short-term receivables (positive value)	120	131	1,379
<b>Gross short-term receivables</b>	<b>102,445</b>	<b>152,974</b>	<b>234,754</b>

\* 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 Q1 2020 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 2020 and in 2019, 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).

### Note 5

#### Significant transactions to purchase or sell property, plant and equipment

In Q1 2020 and in 2019, 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

<b>Selected current liabilities</b>	<b>Mar 31 2020</b>	<b>Dec 31 2019</b>	<b>Mar 31 2019</b>
<b>Selected current liabilities</b>	<b>23,818</b>	<b>48,802</b>	<b>101,801</b>
<b>1. To related entities</b>	-	-	-
a) to subsidiaries	-	-	-
b) to other related entities	-	-	-
<b>2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses</b>	<b>21,958</b>	<b>43,763</b>	<b>93,310</b>
a) under executed stock-exchange transactions (broken down into liabilities under clearing of transactions concluded on each stock exchange):	21,933	43,727	93,246
- to the Warsaw Stock Exchange *	16,575	42,308	90,634
- to the Stockholm Stock Exchange	-	-	1,665
- to the New York Stock Exchange	699	15	947
- to the Frankfurt Stock Exchange	231	13	-
- to the London Stock Exchange	3,504	281	-
- to the Paris Stock Exchange	-	19	-
- to the Istanbul Stock Exchange	-	1,091	-
- to the Vienna Stock Exchange	528	-	-
- to the Oslo Stock Exchange	396	-	-
b) other	25	36	64
<b>3. To entities operating regulated markets and commodity exchanges</b>	<b>363</b>	<b>340</b>	<b>393</b>
a) to the Warsaw Stock Exchange	363	340	393
<b>4. To the Central Securities Depository of Poland and exchange clearing houses</b>	<b>44</b>	<b>28</b>	<b>34</b>
a) under additional payments to the settlement guarantee fund	-	-	-
b) other	44	28	34
<b>4a. To CCP</b>	<b>56</b>	<b>3,094</b>	<b>1,346</b>
a) under additional payments to the settlement guarantee fund	-	3,050	-
b) other	56	44	1,346
<b>5. Taxes, customs duties and social security payable</b>	<b>634</b>	<b>601</b>	<b>643</b>
- including under ownership right to buildings and structures	-	-	-
<b>6. Other</b>	<b>763</b>	<b>976</b>	<b>6,075</b>
a) dividends payable	-	-	-
b) other liabilities, including:	763	976	6,075
- lease liabilities	40	40	61
- other liabilities	723	936	6,014

\* 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 March 31st 2020, the Company's liabilities under bank borrowings related to its brokerage business amounted to PLN 9,420 thousand (December 31st 2019: PLN 6,799 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 October 16th 2020:

- 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 by 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	Jan 1–Mar 31 2020	Jan 1–Mar 31 2019
Provisions at beginning of period	2,415	1,607
a) recognised	1,653	717
b) used	668	762
c) reversed	1	-
d) transferred from long-term provisions	14	-
<b>Provisions at end of period</b>	<b>3,413</b>	<b>1,562</b>

In Q1 2020, impairment losses on receivables fell by PLN 11 thousand compared with December 31st 2019. In the comparative period of Q1 2019, impairment losses on receivables increased by PLN 3 thousand compared with December 31st 2018.

## Note 8

Share capital	Mar 31 2020	Dec 31 2019	Mar 31 2019
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 2020 and 2019	the shares carry the right to profit distribution for 2019 and 2018	the shares carry the right to profit distribution for 2019 and 2018

As at March 31st 2020, 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.

There were no changes in the Company's share capital in Q1 2020 or in 2019.

## Note 9

### Contingent liabilities and assets, including guarantees and sureties provided, underwriting agreements, liabilities under promissory notes:

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 277 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	Mar 31 2020	Dec 31 2019	Mar 31 2019
	<b>Present value of minimum lease payments</b>		
Within 1 year	1,182*	1,106*	1,100*
In 1 to 5 years	2,120*	2,259*	3,072*
Over 5 years	-	-	-
<b>Total lease liabilities</b>	<b>3,302</b>	<b>3,365</b>	<b>4,172</b>

\* 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	Mar 31 2020	Dec 31 2019	Mar 31 2019
Net carrying amount	50	57	147
<b>Present value of minimum lease payments</b>	<b>97</b>	<b>101</b>	<b>185</b>
Within 1 year *	40	40	61
Within 1 to 5 years *	57	61	124
Over 5 years *	-	-	-
<b>Contingent lease payments recognised as expense in the period</b>	<b>5</b>	<b>36</b>	<b>12</b>

## Note 11

### Bonds

By the date of issue of these financial statements, in 2020 the Company did not issue any bonds. In the reference period (i.e. Q1 2019), the Company issued four registered bonds with a total nominal value of PLN 0.8 thousand. 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.

In Q1 2020, the Company redeemed PLN 0.8 thousand worth of bonds, compared with PLN 1.2 thousand redeemed in Q1 2019.

## Note 12

### Guarantees received and liabilities secured with the brokerage house's assets

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 1,444 thousand. Under an amendment agreement of 2015, the guarantee amount was increased to EUR 277 thousand. The guarantee, provided until April 16th 2023, secures liabilities related to the lease of office space.

Both in Q1 2020 and Q1 2019, 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 319 thousand in Q1 2020 (Q1 2019: increase of PLN 5 thousand). Deferred tax assets went up by PLN 192 thousand and PLN 117 thousand in Q1 2020 and Q1 2019, respectively.

## Note 14

### Profit allocation

As at the date of preparation of these financial statements, the Management Board had not made any recommendation concerning the distribution of profit for 2019. Any decisions in this respect will be made at a later date, however not later than by the date of convening of the Annual General Meeting, which is planned to be held by the end of June 2020.

## Note 15

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

The Company did not issue any equity or non-equity securities in Q1 2020 or in 2019.

## Note 16

### Dividends paid and proposed

In Q1 2020, the Company did not pay or resolve to pay any dividend.

## 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 income	Purchases – core activities	Other purchases	Revenue from core activities	Other income	Purchases – core activities	Other purchases
	Jan 1–Mar 31 2020				Jan 1–Mar 31 2019			
IBC	-	1	-	-	-	-	-	-
IPOPEMA TFI	229	47	-	-	190	11	-	-
IFA	-	-	-	-	-	-	-	-
IFA SK	88	5	-	-	118	-	-	-
<b>Total</b>	<b>317</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>308</b>	<b>11</b>	<b>-</b>	<b>-</b>

### Related-party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Mar 31 2020	Dec 31 2019	Mar 31 2019	Mar 31 2020	Dec 31 2019	Mar 31
IBC	400	410	600	-	-	-
IPOPEMA TFI	212	233	33	-	-	-
IFA	-	-	-	-	-	-
IFA SK	562	453	579	-	-	-
<b>Total</b>	<b>1,174</b>	<b>1,096</b>	<b>1,212</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

In 2019, the Company obtained from IBC a right to dividend of PLN 0.4m.

## 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	
	Mar 31 2020	Mar 31 2019	Mar 31 2020	Mar 31 2019
<b>Cash and cash equivalents</b>	<b>50,530</b>	<b>24,053</b>	<b>50,355</b>	<b>24,016</b>
1. In hand	1	1	1	1
2. At banks	7,772	5,132	7,772	5,132
3. Other cash	42,754	18,905	42,754	18,905
4. Cash equivalents	3	15	-	-
Accrued foreign exchange differences			- 172	- 22

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at March 31st 2020 and March 31st 2019 follows from presentation of cash net of the effect of foreign exchange differences as well as p-cards received, 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
	Mar 31 2020	Dec 31 2019	Mar 31 2020	Mar 31 2020
Gross short- and long-term receivables	103,889	154,414	50,525	50,529
Net receivables	103,769	154,283		
Impairment losses on receivables	120	131		- 11
Provisions (net of deferred tax related to equity and provision for unpaid interest)	4,646	3,817		829
<b>Total change in impairment losses and provisions</b>				<b>818</b>

The difference between the change in gross receivables disclosed in the statement of financial position and the amount disclosed in the statement of cash flows is attributable to the removal from gross receivables as at March 31st 2020 of interest receivable on a security deposit, which are disclosed under investing activities.

## Note 20

Clients' financial instruments	Mar 31 2020	Dec 31 2019
<b>Securities admitted to official listing</b>		
- quantity	108,893	111,180
- amount	743,407	514,479
<b>Securities not admitted to official listing</b>		
- quantity	33,576	36,070
- amount	10,652	10,901
<b>Designated sponsor</b>		
(i) Shares		
- quantity	399	291
- amount	28,079	554
(ii) Bonds		
- quantity	0.020	0.033
- amount	2,000	3,300
(iii) investment certificates		
- quantity	306	161
- amount	96,820	28,824

## 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 Q1 2020 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 Q1 2020

The most important and dominant factor with a direct impact on the activities of almost all businesses is the global coronavirus pandemic. Given its scale and the pace of development, the pandemic triggered volatility levels and concerns about the state of the economy, both on a global scale and locally, which have not been seen for years.

The coronavirus epidemic in Poland did not begin to spread until March, but it has already had a negative impact on some of the Company's business areas. It is more than likely that the economic effects of the pandemic will affect the Company's business also in subsequent periods.

The uncertainty associated with the coronavirus pandemic situation and the related high volatility on the WSE stock market was particularly evident in March and April 2020, when the value of trades increased compared with the corresponding months of 2019, by 59.8% and 71.4%, respectively. Stock trading volumes in the quarter were 19.2% higher year on year, largely driven by the activity of retail investors. As a result, IPOPEMA Securities recorded a slightly lower share in total market trading volumes (3.46% vs 3.47% a year earlier, losing to brokerage offices specialising in services for retail customers), but the value of trades executed by the Company went up by 14.3% relative to the first three months of 2019. This translated into a 38.4% increase in revenue from securities trading (to PLN 7,762 thousand) compared with Q1 2019.

Equity capital market transactions was the IPOPEMA Group's business area most affected by the coronavirus epidemic, as a number of transactions in the pipeline were suspended.

As a result of the above factors, the Company reported an operating loss of PLN 274 thousand (vs a PLN 473 thousand loss a year earlier) and net loss of PLN 1,813 thousand (vs net loss of PLN 497 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

### 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–March 31st 2020. 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, May 21st 2020

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Jacek Lewandowski  
President of the  
Management Board

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Mariusz Piskorski  
Vice President of the  
Management Board

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Stanisław Waczkowski  
Vice President of the  
Management Board

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Mirosław Borys  
Vice President of the  
Management Board

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Danuta Ciosek  
Chief Accountant