

IPOPEMA Securities S.A.

# Interim condensed financial statements

**for the three months ended March  
31st 2022**

Warsaw, May 18th 2022



## Financial highlights

Financial highlights	PLN '000		EUR '000	
	3 months ended		3 months ended	
	Mar 31 2022	Mar 31 2021	Mar 31 2022	Mar 31 2021
Revenue from core activities	14,032	19,722	3,019	4,314
Cost of core activities	11,425	15,586	2,458	3,409
Profit/(loss) on core activities	2,607	4,136	561	905
Operating profit/(loss)	- 849	3,597	- 183	787
Profit/(loss) before tax	- 230	3,094	- 49	677
Net profit/(loss)	- 343	2,515	- 74	550
Earnings/(loss) per ordinary share (weighted average) (PLN/ EUR)	- 0.01	0.08	0.00	0.02
Net cash from operating activities	1,022,081	46,398	219,935	10,148
Total cash flows	1,017,324	40,629	218,911	8,886

Financial highlights	PLN '000		EUR '000	
	Mar 31 2022	Dec 31 2021	Mar 31 2022	Dec 31 2021
Total assets	1,264,758	337,672	271,845	73,417
Current liabilities	1,193,872	262,795	256,609	57,137
Equity	65,823	66,166	14,148	14,386
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.20	2.21	0.47	0.48

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

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

Average exchange rate calculated as the arithmetic mean of the exchange rates quoted on the last day of each month in the period	3 months ended Mar 31 2022	3 months ended Mar 31 2021
EUR	4.6472	4.5721

- For the balance sheet:

Exchange rate as at	Mar 31 2022	Dec 31 2021
EUR	4.6525	4.5994

# Introduction to the interim condensed financial statements

## About the Company

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

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

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

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

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

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

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

## Going concern assumption

These interim condensed financial statements were prepared on the assumption that the Company would 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 2022.

## Composition of the Management Board and the Supervisory Board

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

Jacek Lewandowski – CEO and President of the Management Board,  
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.

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 March 31st 2022 and include comparative data for the period from January 1st to March 31st 2021 (for the statement of profit or loss, the statement of cash flows, and the statement of changes in equity) and, additionally, data as at December 31st 2021 (for the balance sheet and the statement of changes in equity).

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

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

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

Furthermore, on March 23rd 2022, in connection with an investment agreement executed by the Company on the same date with ProService Finteco sp. z o.o. of Warsaw, a joint-stock company was established, whose principal business activity will be the provision of custodian services to closed-end investment funds. However, by the date of these financial statements the company had not been entered in the National Court Register. For more information on the investment agreement, see Note 23.

## Identification of the interim condensed financial statements

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

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

## Selected accounting policies

### Receivables

#### Short-term receivables

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

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

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

- i. for receivables past due by up to 6 months – no impairment loss is recognised,
- ii. for receivables past due by 6 months to 1 year – impairment loss of 50% of the receivables amount is recognised,
- iii. 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 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 advanced to IPOPEMA Securities 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 investment fund units and 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:

<b>Currency</b>	<b>Mar 31 2022</b>	<b>Dec 31 2021</b>
USD	4.1801	4.0600
EUR	4.6525	4.5994
100 HUF	1.2588	1.2464
GBP	5.4842	5.4846
CZK	0.1903	0.1850
CHF	4.5207	4.4484
TRY	0.2854	0.3016
NOK	0.4806	0.4608

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CAD	3.3379	3.1920
SEK	0.4504	0.4486
DKK	0.6255	0.6184
AUD	3.1251	2.9506
RON	0.9404	0.9293

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*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.



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ASSETS	Note	Mar 31 2022	Dec 31 2021	Mar 31 2021
<b>I. Cash and cash equivalents</b>	1	<b>1,120,720</b>	<b>103,389</b>	<b>319,910</b>
1. In hand		1	1	1
2. At banks		9,820	20,707	27,378
3. Other cash		1,110,899	82,681	292,528
4. Cash equivalents		-	-	3
<b>II. Short-term receivables</b>	2, 7	<b>119,982</b>	<b>209,990</b>	<b>202,133</b>
1. From clients		38,924	87,158	74,403
2. From related entities	18	1,222	1,422	1,656
3. From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		47,734	72,415	101,565
a) under executed transactions		42,866	68,292	80,914
b) other		4,868	4,123	20,651
4. From entities operating regulated markets and commodity exchanges		12	18	-
5. From the Central Securities Depository of Poland and from settlement and clearing houses		50	50	50
5.a From CCP		28,913	47,069	22,196
6. From investment and pension fund companies and from investment and pension funds		584	799	551
7. Taxes, subsidies and social security receivable		78	40	618
8. Other		2,465	1,019	1,094
<b>III. Financial instruments held for trading</b>	3, 4	<b>358</b>	<b>1,447</b>	<b>1,088</b>
1. Shares		358	1,447	1,088
<b>IV. Short-term prepayments and accrued income</b>		<b>1,061</b>	<b>712</b>	<b>937</b>
<b>IV.. Short-term loans</b>		<b>910</b>	<b>900</b>	<b>1,001</b>
1. To subordinated entities		718	714	831
2. Other		192	186	170
<b>V. Financial instruments held to maturity</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. Financial instruments available for sale</b>	3, 4	<b>8,704</b>	<b>8,710</b>	<b>8,714</b>
1. Shares		8,704	8,704	8,704
- shares in subordinated entities		8,704	8,704	8,704
2. Debt securities		-	6	10
<b>VII. Long-term receivables</b>		<b>8,770</b>	<b>8,691</b>	<b>8,782</b>
<b>VIII Long-term loans</b>		<b>97</b>	<b>106</b>	<b>160</b>
1. Other		97	106	160
<b>IX. Intangible assets</b>	4	<b>1,794</b>	<b>1,217</b>	<b>1,132</b>
1. Acquired permits, patents, licences and similar		1,794	1,217	1,132
- software		1,794	1,217	1,132
<b>X. Property, plant and equipment</b>	4, 5	<b>755</b>	<b>810</b>	<b>776</b>
1. Tangible assets, including:		732	810	761
a) buildings and premises		114	131	181
b) computer assemblies		376	384	347
c) other tangible assets		242	295	233
2. Tangible assets under construction		23	-	15
<b>XI. Long-term prepayments and accrued income</b>		<b>1,607</b>	<b>1,700</b>	<b>1,584</b>
1. Deferred tax assets	13	1,591	1,685	1,545
2. Other long-term prepayments and accrued income		16	15	39
<b>XII. Called-up share capital not paid</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>XIII Treasury shares</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>		<b>1,264,758</b>	<b>337,672</b>	<b>546,217</b>



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EQUITY AND LIABILITIES		Note	Mar 31 2022	Dec 31 2021	Mar 31 2021
<b>I.</b>	<b>Current liabilities</b>	6	<b>1,193,872</b>	<b>262,795</b>	<b>467,907</b>
1.	To clients		1,140,132	139,692	350,454
2.	To related entities	18	272	306	109
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		35,656	93,045	98,073
a)	under executed transactions		35,632	93,032	98,047
b)	other		24	13	26
4.	To entities operating regulated markets and commodity exchanges		505	251	316
5.	To the Central Securities Depository of Poland and to settlement and clearing houses		220	228	288
5.a.	To CCP		95	10,129	673
6.	Borrowings		12,820	16,549	11,260
a)	other		12,820	16,549	11,260
7.	Debt securities	11	1	1	2
7.a.	Negative fair value of financial instruments held for trading		227	190	309
8.	Taxes, customs duties and social security payable		2,511	912	2,393
9.	To investment and pension fund companies and to investment and pension funds		-	-	230
10.	Other		1,433	1,492	3,800
<b>II.</b>	<b>Non-current liabilities</b>		<b>169</b>	<b>176</b>	<b>44</b>
1.	Debt securities		-	-	1
2.	Finance lease liabilities	10	169	176	43
	- from other entities		169	176	43
<b>III.</b>	<b>Accrued expenses and deferred income</b>		-	-	-
<b>IV.</b>	<b>Provisions for liabilities</b>		<b>4,894</b>	<b>8,535</b>	<b>7,962</b>
1.	Deferred tax liabilities	13	174	154	179
2.	Provision for retirement and similar benefits		1,042	1,042	882
3.	Other		3,678	7,339	6,901
a)	long-term		206	206	206
b)	short-term	7	3,472	7,133	6,695
<b>V.</b>	<b>Subordinated liabilities</b>		-	-	-
<b>VI.</b>	<b>Equity</b>		<b>65,823</b>	<b>66,166</b>	<b>70,304</b>
1.	Share capital	8	2,994	2,994	2,994
2.	Reserve funds		53,718	53,718	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	42,369	42,120
3.	Retained earnings		9,454	-	11,326
4.	Net profit/(loss)	14	- 343	9,454	2,515
<b>Total equity and liabilities</b>			<b>1,264,758</b>	<b>337,672</b>	<b>546,217</b>
Book value (PLN '000)			65,823	66,166	70,304
Number of shares as at end of period			29,937,836	29,937,836	29,937,836
Book value per share (PLN)			2.20	2.21	2.35
Diluted number of shares			29,937,836	29,937,836	29,937,836
Diluted book value per share (PLN)			2.20	2.21	2.35

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<b>OFF-BALANCE SHEET ITEMS</b>	<b>Note</b>	<b>Mar 31 2022</b>	<b>Dec 31 2021</b>	<b>Mar 31 2021</b>
I. Contingent liabilities	9	1,435	1,418	1,437
II. Third-party assets used		-	-	-
III. Futures/forwards purchased or issued in the name and for the account of the brokerage house		6 773*	6 736*	6 681*
IV. Other off-balance sheet items		-	-	-

\* Notional amounts of purchased forward contracts.

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Statement of profit or loss	Note	3 months ended Mar 31 2022	3 months ended Mar 31 2021
<b>I. Revenue from core activities, including:</b>		<b>14,032</b>	<b>19,722</b>
- from related entities	18	918	1,126
1. Revenue from brokerage activities, including:		13,934	19,624
a) receipt and transfer of orders to buy and sell financial instruments		64	4,281
b) execution of orders to buy and sell financial instruments for client account		8,418	7,142
c) investment advisory services		39	-
d) offering of financial instruments		3,477	6,899
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		401	339
f) other		1,535	963
2. Revenue from other core activities		98	98
<b>II. Cost of core activities</b>		<b>11,425</b>	<b>15,586</b>
- from related entities	18	713	302
1. Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses		1,377	1,319
2. Payments to CCP		96	78
3. Trade organisation membership fees		23	23
4. Salaries and wages		4,442	5,892
5. Social security and other benefits		743	1,020
6. Employee benefits		84	91
7. Raw material and consumables used		45	29
8. Services		3,583	6,062
9. Costs of maintenance and lease of buildings		609	562
10. Depreciation and amortisation		214	209
11. Taxes and other public charges		92	88
12. Other		117	213
<b>III. Profit/(loss) on core activities</b>		<b>2,607</b>	<b>4,136</b>
<b>IV. Income from financial instruments held for trading</b>		<b>424</b>	<b>280</b>
1. Revaluation adjustments		300	101
2. Gain on sale/redemption		124	179
<b>V. Cost related to financial instruments held for trading</b>		<b>3,432</b>	<b>1,034</b>
1. Revaluation adjustments		394	373
2. Loss on sale/redemption		3,038	661
<b>VI. Gain/(loss) on transactions in financial instruments held for trading</b>		<b>- 3,008</b>	<b>- 754</b>
<b>VII. Income from financial instruments available for sale</b>		<b>-</b>	<b>196</b>
1. Dividends and other profit distributions		-	196
- from related entities		-	196
<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>-</b>	<b>196</b>
<b>X. Other income</b>		<b>478</b>	<b>549</b>
1. Decrease in impairment losses on receivables		18	31
2. Other		460	518
<b>XI. Other expenses</b>		<b>926</b>	<b>530</b>
1. Increase in impairment losses on receivables		14	9
2. Other		912	521
<b>XII. Operating profit/(loss)</b>		<b>- 849</b>	<b>3,597</b>

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<b>XIII. Finance income</b>	<b>974</b>	<b>125</b>
1. Interest on loans, including:	14	11
- from related entities	4	5
2. Interest on deposits	568	2
3. Foreign exchange gains	199	111
a) realised	110	111
b) unrealised	89	-
4. Other	193	1
<b>XIV. Finance costs</b>	<b>355</b>	<b>628</b>
1. Interest on borrowings, including:	294	192
- to related entities	-	-
2. Other interest	6	3
3. Foreign exchange losses	-	33
a) unrealised	-	33
4. Other	55	400
<b>XV. Profit/(loss) before tax</b>	<b>- 230</b>	<b>3,094</b>
<b>XVI. Income tax</b>	<b>113</b>	<b>579</b>
<b>XVII. Net profit/(loss)</b>	<b>- 343</b>	<b>2,515</b>
Weighted average number of ordinary shares	29,937,836	29,937,836
Earnings per ordinary share (PLN)	- 0.01	0.08
Weighted average diluted number of ordinary shares	29,937,836	29,937,836
Diluted earnings per ordinary share (PLN)	- 0.01	0.08

STATEMENT OF CASH FLOWS	Note	3 months ended Mar 31 2022	3 months ended Mar 31 2021
<b>A. NET CASH FROM OPERATING ACTIVITIES</b>			
<b>I. Net profit</b>		- 343	2,515
<b>II. Total adjustments</b>		1,022,424	43,883
1. Depreciation and amortisation		214	209
2. Foreign exchange gains/(losses)		- 7	304
3. Interest and profit distributions (dividends)		282	181
4. Increase/(decrease) in provisions and impairment losses on receivables		- 3,645	- 3,293
5. Increase/(decrease) in financial instruments held for trading		1,089	- 967
6. Increase/(decrease) in receivables		89,933	- 11,851
7. Increase/(decrease) in current liabilities (net of borrowings), including special accounts		934,809	58,094
8. Increase/(decrease) in accruals and deferrals		- 256	891
9. Other		5	315
<b>III. Net cash from operating activities (I + II)</b>		<b>1,022,081</b>	<b>46,398</b>
<b>B. NET CASH FROM INVESTING ACTIVITIES</b>			
<b>I. Cash provided by investing activities</b>		<b>46</b>	<b>93</b>
1. Interest received		-	3
2. Decrease in loans		40	90
3. Disposal of financial instruments available for sale		6	-
<b>II. Cash used in investing activities</b>		<b>768</b>	<b>277</b>
1. Acquisition of intangible assets		676	169
2. Acquisition of property, plant and equipment		60	28
3. Increase in loans		32	80
<b>III. Net cash from investing activities (I - II)</b>		<b>- 722</b>	<b>- 184</b>
<b>C. NET CASH FROM FINANCING ACTIVITIES</b>			
<b>I. Cash provided by financing activities</b>		<b>1</b>	<b>2</b>
1. Proceeds from issue of debt securities		1	2
<b>II. Cash used in financing activities</b>		<b>4,036</b>	<b>5,587</b>
1. Decrease in short-term borrowings		3,744	5,388
2. Redemption of short-term debt securities		-	1
3. Payment of finance lease liabilities		13	4
4. Interest paid		279	194
<b>III. Net cash from financing activities (I - II)</b>		<b>- 4,035</b>	<b>- 5,585</b>
<b>D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)</b>		<b>1,017,324</b>	<b>40,629</b>
<b>E. NET CHANGE IN CASH, including:</b>		<b>1,017,331</b>	<b>40,325</b>
- effect of exchange rate fluctuations on cash held		7	- 304
<b>F. CASH AT BEGINNING OF PERIOD</b>		<b>103,387</b>	<b>279,216</b>
<b>G. CASH AT END OF PERIOD (F +/- D), including:</b>	19	<b>1,120,711</b>	<b>319,845</b>
- restricted cash*		1,093,650	274,321

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

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STATEMENT OF CHANGES IN EQUITY	3 months ended Mar 31 2022	2021	3 months ended Mar 31 2021
<b>I. EQUITY AT BEGINNING OF PERIOD</b>	<b>66,166</b>	<b>67,789</b>	<b>67,789</b>
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
<b>I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS</b>	<b>66,166</b>	<b>67,789</b>	<b>67,789</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	53,718	53,469	53,469
2.1. Changes in reserve funds	-	249	-
a) increase	-	249	-
- distribution of profit (above statutory minimum)	-	249	-
b) decrease	-	-	-
2.2. Reserve funds at end of period	53,718	53,718	53,469
3. Revaluation capital reserve at beginning of period	-	-	-
3.1. Changes in revaluation capital reserve	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
3.2. Revaluation capital reserve at end of the period	-	-	-
4. Retained earnings/(accumulated deficit) at beginning of period	9,454	11,326	11,326
4.1. Retained earnings at beginning of period	9,454	11,326	11,326
a) increase	-	-	-
b) decrease	-	11,326	-
- distribution of retained earnings (dividend)	-	11,077	-
- distribution of retained earnings (increase in reserve funds)	-	249	-
4.2. Accumulated deficit at beginning of period	-	-	-
a) increase	-	-	-
b) decrease	-	-	-
4.3. Retained earnings/(accumulated deficit) at end of period	9,454	-	11,326
5. Net profit/(loss)	- 343	9,454	2,515
a) net profit	-	9,454	2,515
b) net loss	343	-	-
<b>II. EQUITY AT END OF PERIOD</b>	<b>65,823</b>	<b>66,166</b>	<b>70,304</b>
<b>III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT</b>	<b>56,369</b>	<b>56,712</b>	<b>70,304</b>

# Notes to the interim financial statements

## Note 1

<b>Cash and other assets</b>	<b>Mar 31 2022</b>	<b>Dec 31 2021</b>	<b>Mar 31 2021</b>
<b>Cash and other assets of clients</b>			
a) at banks and in hand	1,093,650	75,527	274,321
<b>Total cash and other assets of clients</b>	<b>1,093,650</b>	<b>75,527</b>	<b>274,321</b>
<b>Cash and other assets</b>			
a) cash and other assets of the brokerage house, including:	27,070	27,862	45,589
- in hand	1	1	1
- at banks, including:	9,820	20,707	27,378
<i>in VAT account</i>	2	-	-
- other cash*	17,249	7,154	18,207
- cash equivalents	-	-	3
b) cash and other assets of clients deposited in cash accounts	1,093,650	75,527	274,321
- at the brokerage house and paid towards acquisition of securities	1,093,650	75,527	274,321
- 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>1,120,720</b>	<b>103,389</b>	<b>319,910</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 2022</b>	<b>Dec 31 2021</b>	<b>Mar 31 2021</b>
<b>1. Selected short-term receivables</b>	<b>116,843</b>	<b>208,114</b>	<b>199,870</b>
a) from clients, including:	38,924	87,158	74,403
- under transactions executed on the Warsaw Stock Exchange	25,036	85,830	52,987
- under transactions executed on the Frankfurt Stock Exchange	382	-	3,705
- under transactions executed on the New York Stock Exchange	-	-	311
- under transactions executed on the London Stock Exchange	2,064	149	-
- under transactions executed on the Copenhagen Stock Exchange	-	-	16,175
- under transactions executed on the Amsterdam Stock Exchange	4,072	-	-
- under transactions executed on the Milan Stock Exchange	4,198	-	-
- other	3,172	1,179	1,225
b) from related entities, including:	1,222	1,422	1,656
- from subsidiaries	1,222	1,422	1,656
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses, including:	47,734	72,415	101,565
1) under executed transactions	42,866	68,292	80,914
- under transactions executed on the Warsaw Stock Exchange*	31,566	64,904	80,914
- under transactions executed on the Budapest Stock Exchange	9,879	-	-
- under transactions executed on the Prague Stock Exchange	-	225	-
- under transactions executed on the London Stock Exchange	1,421	314	-
- under transactions executed on the Milan Stock Exchange	-	454	-
- under transactions executed on the Istanbul Stock Exchange	-	2,395	-
2) other	4,868	4,123	20,651
e) from the Central Securities Depository of Poland and exchange clearing houses, including:	50	50	50
- from the settlement guarantee fund and deposits	50	50	50
- other	-	-	-



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e) receivables from CCP	28,913	47,069	22,196
- from the settlement guarantee fund	28,913	47,069	22,196
f) under court proceedings, not covered by recognised impairment losses on receivables	-	-	-
<b>2. Net short-term receivables</b>	<b>119,982</b>	<b>209,990</b>	<b>202,133</b>
- impairment losses on short-term receivables (positive value)	38	42	82
<b>Gross short-term receivables</b>	<b>120,020</b>	<b>210,032</b>	<b>202,215</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 short-term 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 three months ended March 31st 2022 and in the comparative period, the policies for measurement of financial assets at fair value or classification of financial assets did not change.

### Note 4

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

In the three months ended March 31st 2022 and in 2021, the Company did not recognise any impairment losses on financial assets, property, plant and equipment, intangible assets or other assets, nor did it reverse impairment losses recognised in previous periods, except for changes in impairment losses on receivables (Note 7) and the recognition of an impairment loss on loans of PLN 4 thousand in the first quarter of 2022 (PLN 315 thousand in the first quarter of 2021).

### Note 5

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

In the three months ended March 31st 2022 and in 2021, the Company did not purchase or sell any material items of property, plant and equipment.

#### Material liabilities under purchases of property, plant and equipment

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

### Note 6

<b>Selected current liabilities</b>	<b>Mar 31 2022</b>	<b>Dec 31 2021</b>	<b>Mar 31 2021</b>
<b>Selected current liabilities</b>	<b>40,692</b>	<b>106,363</b>	<b>105,652</b>
<b>1. To related entities</b>	<b>272</b>	<b>306</b>	<b>109</b>
a) to subsidiaries	272	306	109
b) to other related entities	-	-	-
<b>2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses</b>	<b>35,656</b>	<b>93,045</b>	<b>98,073</b>
a) under executed stock-exchange transactions (broken down into liabilities under clearing of transactions concluded on each stock exchange):	35,632	93,032	98,047
- to the Warsaw Stock Exchange*	26,887	92,883	77,880
- to the New York Stock Exchange	-	-	311
- to the Frankfurt Stock Exchange	220	-	3,704

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- to the London Stock Exchange	105	149	-
- to the Copenhagen Stock Exchange	-	-	16,152
- to the Paris Stock Exchange	161	-	-
- to the Milan Stock Exchange	4,193	-	-
- to the Amsterdam Stock Exchange	4,066	-	-
b) other	24	13	26
<b>3. To entities operating regulated markets and commodity exchanges</b>	<b>505</b>	<b>251</b>	<b>316</b>
a) to the Warsaw Stock Exchange	505	251	316
<b>4. To the Central Securities Depository of Poland and exchange clearing houses</b>	<b>220</b>	<b>228</b>	<b>288</b>
a) under additional payments to the settlement guarantee fund	-	-	-
b) other	220	228	288
<b>4a. To CCP</b>	<b>95</b>	<b>10,129</b>	<b>673</b>
a) under additional payments to the settlement guarantee fund	-	10,090	623
b) other	95	39	50
<b>5. Taxes, customs duties and social security payable</b>	<b>2,511</b>	<b>912</b>	<b>2,393</b>
- including under ownership right to buildings and structures	-	-	-
<b>6. Other</b>	<b>1,433</b>	<b>1,492</b>	<b>3,800</b>
- lease liabilities	71	75	14
- other liabilities	1,362	1,417	3,786

*\* 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 2022, the Company's liabilities under bank borrowings related to its brokerage business amounted to PLN 12,820 thousand (December 31st 2021: PLN 16,549 thousand). The liabilities arose under two overdraft facility agreements executed with Alior Bank S.A. on July 22nd 2009. The facilities, renewed each year, are used to finance payments due to the Central Securities Depository of Poland/KDPW CCP (the clearing agent) and related to the brokerage activities. The current facilities expire on December 12th 2022:

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

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

None.

## Note 7

### Changes in short-term provisions and impairment losses on receivables

Short-term provisions for liabilities	Jan 1–Mar 31 2022	Jan 1–Mar 31 2021
<b>Provisions at beginning of period</b>	<b>7,133</b>	<b>8,368</b>
a) recognised	1,176	3,382
b) used	4,837	5,055
c) reversed	-	-
<b>Provisions at end of period</b>	<b>3,472</b>	<b>6,695</b>

In the three months ended March 31st 2022, impairment losses on receivables fell by PLN 4 thousand relative to December 31st 2021 (three months ended March 31st 2021: a decrease of PLN 22 thousand).

## Note 8

Share capital	Mar 31 2022	Dec 31 2021	Mar 31 2021
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 2022 and 2021	the shares carry the right to profit distribution for 2021 and 2020	the shares carry the right to profit distribution for 2021 and 2020

There were no changes in the Company's share capital in the three months ended March 31st 2022 or in 2021. As at March 31st 2022, the share capital amounted to PLN 2,993,783.60 and comprised 7,000,000 Series A ordinary bearer shares, 21,571,410 Series B ordinary bearer shares, and 1,366,426 Series C ordinary bearer shares.

## 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 308 thousand. For more information on guarantees, see Note 12.

## Note 10

### 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. A further lease extension is planned.

Minimum lease payments are presented in the table below.

Lease liabilities	Mar 31 2022	Dec 31 2021	Mar 31 2021
<b>Present value of minimum lease payments</b>			
Within 1 year	1,021*	1,273*	1,210*
In 1 to 5 years	-	55*	960*
Over 5 years	-	-	-
<b>Total lease liabilities</b>	<b>1,021</b>	<b>1,328</b>	<b>2,170</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 2022	Dec 31 2021	Mar 31 2021
Net carrying amount	130	164	26
<b>Present value of minimum lease payments</b>	<b>240</b>	<b>251</b>	<b>57</b>
Within 1 year	71	75	14
In 1 to 5 years	169	176	43
Over 5 years	-	-	-
<b>Contingent lease payments recognised as expense in the period</b>	<b>13</b>	<b>35</b>	<b>4</b>

## Note 11

### Bonds

In 2022, by the date of issue of these financial statements, the Company issued 12 bonds with a total nominal value of PLN 2.4 thousand, due in 2022–2024. In the comparative period (the first quarter of 2021), the Company issued 10 bonds with a total nominal value of PLN 2 thousand, due in 2021 –2023. The total amount of liabilities payable by the Company on redemption of the bonds will not exceed the bonds' nominal value and is not significant to the Company. The bonds were issued in connection with the variable remuneration components policy implemented by the Company as part of its risk management system, in compliance with the applicable regulations.

In the three months ended March 31st 2022, the Company redeemed PLN 0.4 thousand worth of bonds (three months ended March 31st 2021: PLN 0.8 thousand).

## 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 1,791 thousand. Under an amendment of 2020, the guarantee amount was increased to EUR 308 thousand. The guarantee, provided until April 16th 2023, secures liabilities related to the lease of office space.

Both in three months ended March 31st 2022 and in 2021, 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 the first quarter of 2022, the Company paid PLN 0.8m as security under a framework agreement for treasury transactions, executed with Alior Bank.

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

## Note 13

## Deferred tax

Deferred tax liabilities went up by PLN 20 thousand in the three months ended March 31st 2022 (three months ended March 31st 2021: decrease of PLN 1,801 thousand).

Deferred tax assets went down by PLN 94 thousand in the three months ended March 31st 2022 (three months ended March 31st 2021: decrease of PLN 1,169 thousand).

## Note 14

### Profit allocation

The Company's Management Board proposed (and the Supervisory Board issued a positive opinion on the proposal) that the Company's Annual General Meeting, called for May 25th 2022, allocate the entire profit for 2021, in the amount of PLN 9,454 thousand, to dividend payment.

## 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 three months ended March 31st 2022 or in 2021. For information on bond issues and redemptions, see Note 11.

## Note 16

### Dividends paid and proposed

As stated in Note 14, the Company's Management Board proposed that the Annual General Meeting, called for May 25th 2022, allocate the entire profit for 2021 to dividend payment.

On June 21st 2021, the Annual General Meeting resolved to pay dividend from the 2020 profit of PLN 11,326 thousand. The dividend was PLN 0.37 per share. The dividend record date was set for June 30th 2021, and the dividend payment date – for July 8th 2021. 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 income	Purchases – core activities	Other purchases	Revenue from core activities	Other income	Purchases – core activities	Other purchases
	Jan 1–Mar 31 2022				Jan 1–Mar 31 2021			
IBC	-	1	-	-	-	1	-	-
IPOPEMA TFI	830	46	-	-	1,039	40	-	-
IFA	-	-	-	-	-	-	-	-
IFA SK	88	5	-	-	87	4	-	-
MUSCARI	-	-	713	-	-	-	302	-
<b>Total</b>	<b>918</b>	<b>52</b>	<b>713</b>	<b>-</b>	<b>1,126</b>	<b>45</b>	<b>302</b>	<b>-</b>

#### Related-party transactions – receivables and liabilities

Related party	Receivables and loans			Liabilities		
	Mar 31 2022	Dec 31 2021	Mar 31 2021	Mar 31 2022	Dec 31 2021	Mar 31
IBC	400	410	400	-	-	-
IPOPEMA TFI	339	637	717	-	1	-
IFA	-	-	-	-	-	-
IFA SK	483	375	539	-	-	-
MUSCARI	718	714	831	272	305	109
<b>Total</b>	<b>1,940</b>	<b>2,136</b>	<b>2,487</b>	<b>272</b>	<b>306</b>	<b>109</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.

## 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 2022	Mar 31 2021	Mar 31 2022	Mar 31 2021
<b>Cash and cash equivalents</b>	<b>1,120,720</b>	<b>319,910</b>	<b>1,120,711</b>	<b>319,845</b>
1. In hand	1	1	1	1
2. At banks	9,820	27,378	9,820	27,378
3. Other cash	1,110,899	292,528	1,110,899	292,528
4. Cash equivalents	-	3	-	-
Accrued foreign exchange differences			- 9	- 62

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at March 31st 2022 and March 31st 2021 follows from presentation of cash net of the effect of foreign exchange differences and received purchase cards presented under cash and cash equivalents.

#### Differences in changes in balance sheet items

	Presentation in the balance sheet		Change as disclosed in the balance sheet	Presentation in the statement of cash flows – change
	Mar 31 2022	Dec 31 2021		
Gross short- and long-term receivables	128,790	218,723	89,933	89,933
Net receivables	128,752	218,681		
Impairment losses on receivables	38	42	- 4	- 4
Provisions (net of deferred tax related to equity and provision for unpaid interest)	4,894	8,535	- 3,641	- 3,641
<b>Total change in impairment losses and provisions</b>				<b>- 3,645</b>

## Note 20

Clients' financial instruments	Mar 31 2022	Dec 31 2021
<b>Securities admitted to official listing</b>		
- quantity	298,198	296,402
- amount	1,949,876	2,291,414
<b>Securities not admitted to official listing</b>		
- quantity	4,552	4,348
- amount	294,038	172,973
<b>Designated sponsor</b>		
(i) shares		
- quantity	872	979
- amount	11,317	44,803
(ii) bonds		
- quantity	190	19,000
- amount	2,884	2,874
(iii) investment certificates		
- quantity	97,991	94,212
- amount	35,645,428	35,597,600

## Note 21

### Operating segments

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

## Note 22

### Litigation and administrative proceedings

In the first quarter of 2022 and in the period from the end of the quarter to the issue date 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 three months ended March 31st 2022

In the first months of this year, despite volatile market sentiment the Warsaw Stock Exchange continued to see very high levels of investor activity. Total trading volumes in the three months ended March 31st 2022 were up 5.0% year on year. IPOPEMA Securities also recorded a slightly higher share in the total market trading volumes (2.26% vs 2.13% a year earlier). On the other hand, revenue from transactions executed jointly with the investment banking segment was lower than in the previous year. All in all, in the first quarter of 2022 the Company reported PLN 8,448 thousand in revenue from securities trading (compared with PLN 8,794 thousand a year earlier).

Also the equity market saw volatile sentiment – high inflation and the war in Ukraine significantly dampened investor and corporate activity. However, in the first quarter of 2022 the Company carried out a secondary offering of Polenegria shares and completed several smaller advisory projects. As a result, revenue from investment banking services reached PLN 4,832 thousand. Although the revenue fell significantly year on year (from PLN 10,414 thousand), it should be noted that in the first quarter of 2021 the Company posted record revenue from investment banking services.

As a result of the above factors, the Company reported a net loss of PLN 334 thousand in the first quarter of 2022, compared with a net profit of PLN 2,515 thousand in the first three months of 2021.

#### War in Ukraine

At the present moment, the largest risk factor with a bearing, *inter alia*, on the economy is without doubt Russia's aggression and war on Ukraine, which started on February 24th 2022. For obvious reasons, it is difficult to reliably



predict how the war will unfold and how long it will last, let alone what its aftermath will be. However, one can expect that it will have an extremely negative impact on the European economy and situation on the Polish market. The consequences of this war can already be seen in some areas of the Company's operations, as evidenced by customers' increased caution in investment decision-making. However, it is still too early to assess the actual impact of the current developments on the Company's and its Group's business in subsequent periods of the current year.

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

On March 23rd 2022, the Company concluded an investment agreement with ProService Finteco sp. z o.o. of Warsaw ("ProService") and established a joint-stock company whose principal business activity will be the provision of custodian services to closed-end investment funds (within the meaning of the Act on Investment Funds and Management of Alternative Investment Funds of May 27th 2004). Its share capital amounts to PLN 4,125,000 and IPOPEMA and ProService will each subscribe for shares representing 50% of the company's share capital and total voting rights. The investment agreement between IPOPEMA and ProService grants the parties the same rights as regards appointment of members of the Management Board and the Supervisory Board, and includes the customary provisions for agreements of this type, concerning, among other things, the right of pre-emption (if the other shareholder decides to dispose of the shares) and exit scenarios in the event of any significant disagreement between the shareholders. Apart from the obligations to subscribe for shares and make contributions for the share capital of the above amount, the agreement does not provide for any other obligations relating to the financing of the company by IPOPEMA or ProService. Another step in the implementation of the project will be the submission by the new company to the Polish Financial Supervision Authority of a request for authorisation to conduct brokerage activities, to the extent enabling it to provide custodian services. The request will be submitted as soon as practicable after the company has been entered in the National Court Register.

## 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 2022.

These financial statements contain 23 (twenty-three) consecutively numbered pages.

Warsaw, May 18th 2022

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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