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Audit Report
on the year-end financial statements
for the period from 1 January 2017 to 31 December 2017

BDO Sp. z o.o. Sąd Rejonowy dla M. St. Warszawy, XIII Wydział Gospodarczy, KRS: 0000293339, Kapitał zakładowy: 1.000.000 PLN, NIP: 108-000-42-12. Biura regionalne BDO: Katowice 40-007, ul. Uniwersytecka 13, tel.: +48 32 661 06 00, katowice@bdo.pl; Kraków 31-548, al. Pokoju 1, tel.: +48 12 378 69 00, krakow@bdo.pl; Poznań 60-650, ul. Piątkowska 165, tel.: +48 61 622 57 00, poznan@bdo.pl; Wrocław 53-332, ul. Powstańców Śląskich 7a, tel.: +48 71 734 28 00, wroclaw@bdo.pl

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INDEPENDENT AUDITOR'S REPORT
ON THE YEAR-END FINANCIAL STATEMENTS
for the General Meeting and Supervisory Board of
IPOPEMA Securities S.A.

We have audited the accompanying year-end financial statements for the financial year ended 31 December 2017 of IPOPEMA Securities S.A. with its registered office in Warsaw, ul. Próżna 9, consisting of:

- introduction to the financial statements,
 - the balance sheet prepared as at 31 December 2017,
 - the profit and loss account for the period from 1 January to 31 December 2017,
 - the statement of changes in equity for the period from 1 January to 31 December 2017,
 - the statement of cash flows for the period from 1 January to 31 December 2017,
 - notes to the financial statements,
- ("the financial statements").

Responsibilities of the Company's Management Board and Supervisory Board for the Financial Statements

The Company's Management Board is responsible for the preparation of the financial statements based on properly kept books of account, and for their fair presentation in accordance with the Accounting Act of 29 September 1994 (2018 Journal of Laws, item 395 with subsequent amendments) ("the Accounting Act"), the related implementing provisions and other binding regulations, as well as the Company's Statute. The Company's Management Board is also responsible for such internal controls as it considers necessary to ensure that the financial statements are free of material misstatements resulting from fraud or error.

In accordance with the Accounting Act, the Company's Management Board and members of its Supervisory Board are required to ensure that the financial statements meet the requirements of the Accounting Act.

Responsibilities of the Auditor

Our responsibility was to express an opinion on whether the financial statements give a true and fair view of the Company's financial result and financial position in accordance with the applicable provisions of the Accounting Act and the Company's accounting methods (policies).

This document is a translation.
The Polish original should be referred to in matters of interpretation.



We performed the audit of the financial statements in accordance with the provisions of:

- 1) the Act of 11 May 2017 on certified auditors, audit firms and on public supervision (2017 Journal of Laws, item 1089) ("the Certified Auditors Act"),
- 2) National Standards on Auditing in the wording of International Standards on Auditing, adopted in Resolution No. 2783/52/2015 passed by the National Council of Certified Auditors on 10 February 2015 with subsequent amendments,
- 3) Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (Official Journal of the EU L 158 of 27 May 2014, page 77 and Official Journal of the EU L 170 of 11 June 2014, page 66) ("Regulation 537/2014").

These regulations require us to comply with ethical requirements and to plan and perform the audit in a manner that allows us to obtain sufficient assurance that the financial statements are free from material misstatements.

The objective of an audit is to obtain sufficient assurance about whether the financial statements as a whole are free from material misstatements due to fraud or error, and to issue an independent auditor's report that includes our opinion. Sufficient assurance is a high level of assurance, but it is not a guarantee that an audit performed in accordance with the above standards will always detect an existing material misstatement. Misstatements can arise from fraud or error and are considered material if it could be reasonably expected that they, individually or in aggregate, could influence the economic decisions of users made on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, forgery, deliberate omission, misrepresentation or circumvention of internal controls, and may pertain to every area of law and regulations, not just those that have a direct impact on the financial statements.

The audit consisted of performing procedures aimed at obtaining audit evidence on the amounts and information disclosed in the financial statements. We choose the procedures based on our judgement, including an assessment of the risk of material misstatements in the financial statements due to fraud or error. In assessing this risk we consider the internal controls related to the preparation and fair presentation of the financial statements in order to plan our audit procedures, and not to express an opinion on the effectiveness of the entity's internal controls. An audit also includes assessing the appropriateness of the accounting policies used and the reasonableness of the estimates made by the entity's management, as well as evaluating the overall presentation of the financial statements.

The scope of the audit does not include an assurance regarding the Company's future profitability, or regarding the Management's effectiveness in the handling of the Company's affairs now or in the future.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our opinion is consistent with the additional report for the Audit Committee issued on the date of the present audit report.



Independence

During the audit the auditor in charge and the audit firm remained independent of the Company in accordance with the provisions of the Certified Auditors Act, Regulation 537/2014 and the ethical standards adopted by the National Council of Certified Auditors.

To the best of our knowledge and belief we declare that we have provided no non-audit services forbidden by the provisions of Article 136 of the Certified Auditors Act and Article 5 point 1 of Regulation 537/2014 to the entities comprising the group.

Selection of Auditor

We were selected as the auditor of the financial statements for the financial year ended 31 December 2017 in a resolution passed by the Company's Supervisory Board on 20 June 2011. We have audited the Company's financial statements continually since the financial year ended 31 December 2007, of which as a public interest entity since the financial year ended 31 December 2009 (counting in accordance with the interpretation of the European Commission from the first financial year after the year, in which the entity was given the status of a public interest entity); i.e. for 11 consecutive years, of which 8 years as a public interest entity.

Most significant types of risk

In the course of the audit we identified the below described most significant types of risk of material misstatement, including from fraud, and have designed audit procedures appropriate for those types of risk.

Risk of material misstatement	Audit procedures performed in response to the risk
Recognition of revenue	
<p>The sales revenue for the financial year ended 31 December 2017 recognized in the accompanying financial statements includes revenue from brokerage activities and revenue from investment banking services, including the preparation and performance of public offerings, M&A transaction advisory services and investment advisory services.</p> <p>We paid special attention to the matter of recognizing revenue from the provision of services relating to capital market transactions due to the fact that revenue constitutes one of the main indicators for assessing the Company's operations.</p> <p>The Company's accounting policies and other information on the recognition of revenue are presented in point 10 of the introduction to the financial statements and in note 27 to the financial statements.</p>	<p>As part of our audit procedures we in particular:</p> <ul style="list-style-type: none">– obtained an understanding of the revenue recognition process and of the related internal control environment,– agreed revenue from stock exchange commissions with the brokerage reports,– for a selected sample, obtained a list of transactions and agreed the amount of commissions with the general terms in the fee schedule or the individual terms specified in order agreements,– agreed receivables/payables with the market/counterparties and clients,– for a selected sample, analyzed the revenue recognized in the reporting period against contractual provisions and checked documentation confirming the performance of services, which we subjected to a critical analysis,– requested and for the most part received independent confirmations of unpaid receivable balances. <p>In addition, we performed a completeness analysis of the recognition of subsequent events.</p>



Opinion

In our opinion, the accompanying year-end financial statements:

- a) give a true and fair view of the Company's financial position as at 31 December 2017, as well as of its financial result for the period from 1 January to 31 December 2017, in accordance with the applicable provisions of the Accounting Act, as well as the adopted accounting methods (policies),
- b) have been prepared on the basis of books of account properly kept in accordance with the provisions of Chapter 2 of the Accounting Act,
- c) are consistent, in content and in form, with the applicable laws and regulations and with the Company's Statute,
- d) are consistent with the requirements of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information provided by the issuers of securities and on the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state ("the Decree" - 2014 Journal of Laws, item 133 with subsequent amendments), as well as with other applicable laws and regulations and with the Company's Statute.

Report on Other Legal and Regulatory Requirements

Opinion on the Directors' Report on the Company's Activities

Our opinion on the financial statements does not cover the Directors' Report on the Company's activities.

The Company's Management Board and members of its Supervisory Board are responsible for the preparation of the Directors' Report on the Company's activities in accordance with binding regulations.

In accordance with the requirements of the Certified Auditors Act, our responsibility was to issue an opinion whether the Directors' Report on the Company's activities has been prepared in accordance with binding regulations, and whether it is consistent with the information presented in the year-end financial statements.

It was also our responsibility to report whether, based on our knowledge obtained during the audit about the entity and its environment, we have identified any material misstatements in the Directors' Report on the Company's activities, as well as to indicate the nature of each such misstatement.

In our opinion, the Directors' Report on the Company's activities has been prepared in accordance with Article 49 of the Accounting Act and the Decree, and is consistent with the information presented in the year-end financial statements. Furthermore, based on our knowledge obtained during the audit about the Company and its environment we have identified no material misstatements in the Directors' Report on the Company's activities.

Opinion on the Declaration on the Application of Corporate Governance

The Company's Management Board and members of its Supervisory Board are responsible for the preparation of a declaration on the application of corporate governance in accordance with binding regulations.

In connection with our audit of the financial statements it was our responsibility under the Certified Auditors Act to express an opinion on whether an issuer required to file a declaration on the application of corporate governance, which constitutes a separate section of the Directors' Report on the Company's activities, included in this declaration the information required by legal regulations, and - with respect to certain information indicated in the regulations - to report on whether this information is consistent with the applicable regulations and with the information contained in the year-end financial statements.

In our opinion, the Company's declaration on the application of corporate governance contains the information specified in paragraph 91 section 5 point 4 letters a, b, g, j, k and l of the Minister's of Finance Decree of 19 February 2009 on the current and periodic information provided by the issuers of securities and on the conditions for recognizing as equally valid the information required by the regulations of a state that is not a member state (2014 Journal of Laws, item 133 with subsequent amendments). The information indicated in paragraph 91 section 5 point 4 letters c-f, h and i of the Decree contained in the declaration on the application of corporate governance is consistent with the applicable regulations and with the information contained in the financial statements.

Other information on compliance with legal regulations

Brokerage houses are required to comply with the prudential requirements specified in resolutions passed by the Polish Financial Supervision Authority (KNF), the KNF's recommendations, the provisions of Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (CRR), and the related prudential regulations issued by the Commission (EU) on capital adequacy.

The Company's Management Board is responsible for ensuring compliance with binding prudential regulations, and in particular for the correct calculation of capital ratios.

In connection with our audit of the financial statements we performed procedures relating to the capital ratios and identified no material misstatements in the calculation of the ratios with an effect on the financial statements as a whole.

We therefore find that the Company's Management Board has correctly calculated the Company's capital ratios in accordance with the above regulations.

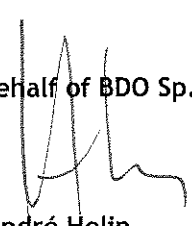
Warsaw, 27 March 2018

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Audit Firm No. 3355

Auditor in charge:


Dr. Anna Bernaziuk
Certified Auditor No. 173

On behalf of BDO Sp. z o.o.


Dr. André Helin
Managing Partner
Certified Auditor No. 90004