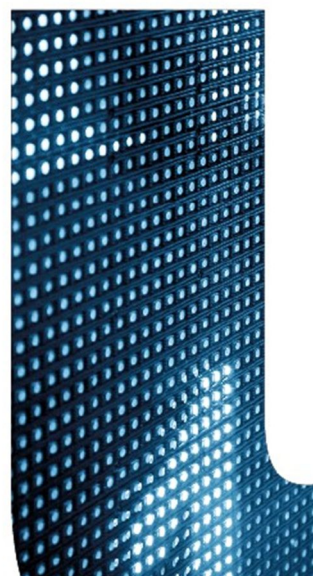


IPOPEMA Securities S.A.

Interim condensed financial statements

for the nine months ended
September 30th 2020

Warsaw, November 19h 2020



Financial highlights

Financial highlights	PLN '000		EUR '000		PLN '000		EUR '000	
	3 months ended Sep 30				9 months ended Sep 30			
	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from core activities	14,104	8,010	3,174	1,841	34,547	22,942	7,777	5,325
Cost of core activities	9,540	7,683	2,147	1,766	27,670	23,984	6,229	5,567
Profit/(loss) on core activities	4,564	327	1,027	75	6,877	- 1,042	1,548	- 242
Operating profit/(loss)	4,303	- 708	968	- 163	4,431	75	998	17
Profit/(loss) before tax	4,357	- 1,157	981	- 266	4,737	- 935	1,066	- 217
Net profit/(loss)	3,368	- 997	758	- 229	3,759	- 519	846	- 120
Earnings/(loss) per ordinary share (weighted average) (PLN/ EUR)	0.12	- 0.04	0.03	- 0.01	0.13	- 0.02	0.03	0.00
Net cash from operating activities	77,286	- 4,157	17,393	- 956	89,283	15,288	20,100	3,548
Total cash flows	74,576	- 5,504	16,783	- 1,265	90,542	9,558	20,383	2,218

Financial highlights	PLN '000			EUR '000		
	Sep 30 2020	Jun 30 2020	Dec 31 2019	Sep 30 2020	Jun 30 2020	Dec 31 2019
Total assets	327,007	212,171	207,097	72,238	47,508	48,631
Current liabilities	261,635	150,985	146,669	57,797	33,808	34,441
Equity	60,222	56,854	56,533	13,303	12,730	13,275
Number of shares	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN/EUR)	2.01	1.90	1.89	0.44	0.43	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	Jan-Sep 2020	Jan-Sep 2019
EUR	4.4420	4.3086

- For the balance sheet:

Exchange rate as at	Sep 30 2020	Dec 31 2019	Sep 30 2019
EUR	4.5268	4.2585	4.3736

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. Prózna 9, Warsaw, Poland.

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

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

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

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

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

Going concern assumption

These interim condensed financial statements were prepared on the assumption that the Company will continue as a going concern in the foreseeable future, that is for the 12 months following the reporting date. As at the date of authorisation of these interim condensed financial statements, no circumstances were identified which would threaten the Company's ability to continue as a going concern, as a result of voluntary or involuntary discontinuation or material limitation of its existing operations, for at least 12 months from the reporting date, that is September 30th 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 September 30th 2020 and include comparative data for the period from January 1st to September 30th 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 acquired 100% of shares in MUSCARI (previous name: Grupa Finanset Sp. z o.o.). The company'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 were not consolidated due to the immateriality of its financial data (in accordance with Art. 58.1 of the Polish Accounting Act).

Identification of the interim condensed financial statements

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

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

Selected accounting policies

Receivables

Short-term receivables

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

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

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

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

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

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

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

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

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

Long-term receivables

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

Financial instruments

Financial instruments are classified into the following categories:

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

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

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

Financial assets and liabilities held for trading

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

Financial assets held for trading include shares 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	Sep 30 2020	Dec 31 2019	Sep 30 2019
USD	3.8658	3.7977	4.0000
EUR	4.5268	4.2585	4.3736
HUF 100	1.2412	1.2885	1.3068
GBP	4.9560	4.9971	4.9313
CZK	0.1666	0.1676	0.1693
CHF	4.1878	3.9213	4.0278
TRY	0.4983	0.6380	0.7081
JPY 100	3.6586	3.4959	3.7071
NOK	0.4087	0.4320	0.4406
CAD	2.8843	2.9139	3.0212
SEK	0.4296	0.4073	0.4077
DKK	0.6079	0.5700	0.5858
AUD	2.7515	2.6624	2.7008
RON	0.9291	0.8901	0.9207

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 nine months of 2020

ASSETS		Note	Sep 30 2020	Jun 30 2020	Dec 31 2019	Sep 30 2019
I.	Cash and cash equivalents	1	125,579	51,095	35,080	33,847
1.	In hand		1	1	1	1
2.	At banks		9,254	7,974	7,101	5,419
3.	Other cash		116,321	43,117	27,975	28,422
4.	Cash equivalents		3	3	3	5
II.	Short-term receivables	2, 7	177,531	144,243	152,843	161,653
1.	From clients		80,413	43,367	38,634	53,829
2.	From related entities	18	1,178	1,241	1,096	1,040
3.	From banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		58,659	74,786	94,861	84,397
a)	under executed transactions		41,666	44,810	66,096	62,958
b)	other		16,993	29,976	28,765	21,439
4.	From entities operating regulated markets and commodity exchanges		-	-	-	-
5.	From the Central Securities Depository of Poland and		48	48	45	46
5.a.	From CCP		33,902	21,277	15,635	18,228
6.	From investment and pension fund companies and from investment and pension funds		376	383	285	413
7.	Taxes, subsidies and social security receivable		22	20	84	12
8.	Under framework securities lending and short sale agreements		-	-	1,195	2,595
9.	Other		2,933	3,121	1,008	1,093
III.	Financial instruments held for trading	3, 4	846	130	308	6,656
1.	Shares		846	130	82	6,635
2.	Derivative instruments		-	-	226	21
IV.	Short-term prepayments and accrued income		747	748	718	733
IV.a.	Short-term loans		818	666	287	156
1.	To subordinated entities		419	267	-	-
2.	Other		399	399	287	156
V.	Financial instruments held to maturity		-	-	-	-
VI.	Financial instruments available for sale	3, 4	8,714	8,714	10,734	10,729
1.	Shares		8,704	8,704	8,638	8,638
	- shares in subordinated entities		8,704	8,704	8,638	8,638
2.	Debt securities		10	10	10	10
3.	Investment fund units		-	-	2,086	2,081
VII.	Long-term receivables		8,582	1,446	1,440	5,513
VIII.	Long-term loans		193	236	322	335
1.	Other		193	236	322	335
IX.	Intangible assets	4	1,131	918	1,100	1,112
1.	Acquired permits, patents, licences and similar		1,131	918	1,100	1,112
	- software		1,131	918	1,100	1,112
X.	Property, plant and equipment	4, 5	875	934	1,015	1,158
1.	Tangible assets, including:		824	840	1,015	1,146
a)	buildings and premises		214	231	264	281
b)	computer assemblies		309	263	298	354
c)	other tangible assets		301	346	453	511
2.	Tangible assets under construction		51	94	-	12
XI.	Long-term prepayments and accrued income		1,991	3,041	3,250	2,886
1.	Deferred tax assets	13	1,983	3,032	3,238	2,880
2.	Other long-term prepayments and accrued income		8	9	12	6
XII.	Called-up share capital not paid		-	-	-	-
XIII.	Treasury shares		-	-	-	-
Total assets			327,007	212,171	207,097	224,778

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

EQUITY AND LIABILITIES		Note	Sep 30 2020	Jun 30 2020	Dec 31 2019	Sep 30 2019
I.	Current liabilities	6	261,635	150,985	146,669	166,463
1.	To clients		215,471	94,177	90,915	89,480
2.	To related entities	18	-	1	-	-
3.	To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses		30,339	42,060	43,763	62,869
a)	under executed transactions		30,307	42,048	43,727	62,856
b)	Other		32	12	36	13
4.	To entities operating regulated markets and commodity exchanges		215	260	340	414
5.	To the Central Securities Depository of Poland and to settlement and clearing houses		47	32	28	33
5.a.	To CCP		5,704	2,822	3,094	375
6.	Borrowings		7,396	9,690	6,799	11,054
a)	Other		7,396	9,690	6,799	11,054
7.	Debt securities	11	-	-	1	1
7.a.	Negative fair value of financial instruments held for trading		125	39	-	-
8.	Taxes, customs duties and social security payable		627	833	601	760
9.	To investment and pension fund companies and to investment and pension funds		205	473	152	127
10.	Other		1,506	598	976	1,350
II.	Non-current liabilities		50	54	61	64
1.	Debt securities	11	-	-	-	-
2.	Finance lease liabilities	10	50	54	61	64
	- from other entities		50	54	61	64
III.	Accruals and deferred income		-	-	-	-
IV.	Provisions for liabilities	7	5,100	4,278	3,834	2,454
1.	Deferred tax liabilities	13	616	675	909	264
2.	Provision for retirement and similar benefits		496	496	496	-
3.	Other		3,988	3,107	2,429	2,190
a)	long-term		-	-	14	14
b)	short-term		3,988	3,107	2,415	2,176
V.	Subordinated liabilities		-	-	-	-
VI.	Equity		60,222	56,854	56,533	55,797
1.	Share capital	8	2,994	2,994	2,994	2,994
2.	Reserve funds		53,469	53,469	53,256	53,256
a)	share premium		10,351	10,351	10,351	10,351
b)	statutory reserve funds		998	998	998	998
c)	reserve funds created pursuant to the Articles of Association		42,120	42,120	41,907	41,907
3.	Revaluation capital reserve		-	-	70	66
4.	Net profit/(loss)	14	3,759	391	213	- 519
Total equity and liabilities			327,007	212,171	207,097	224,778
Book value (PLN '000)			60,222	56,854	56,533	55,797
Number of shares as at end of period			29,837,836	29,937,836	29,937,836	29,937,836
Book value per share (PLN)			2.01	1.90	1.89	1.86
Diluted number of shares			29,937,836	29,937,836	29,937,836	29,937,836
Diluted book value per share (PLN)			2.01	1.90	1.89	1.86

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

OFF-BALANCE SHEET ITEMS		Note	Sep 30 2020	Jun 30 2020	Dec 31 2019	Sep 30 2019
I.	Contingent liabilities	9	1,396	1,239	1,181	1,213
II.	Third-party assets used		-	-	-	-
III.	Forwards purchased or issued in the name and for the account of the brokerage house*		6,673*	6,661*	6,628*	6,599*
IV.	Other off-balance sheet items		-	-	-	-

* Notional amounts of purchased forward contracts.

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

Statement of profit or loss	Note	Jul 1-Sep 30 2020	Jan 1-Sep 30 2020	Jul 1-Sep 30 2019	Jan 1-Sep 30 2019
I. Revenue from core activities, including:		14,104	34,547	8,010	22,942
- from related entities	18	743	1,700	165	828
1. Revenue from brokerage activities, including:		14,006	34,253	7,912	22,648
a) receipt and transfer of orders to buy and sell financial instruments		1,224	3,068	33	1,494
b) execution of orders to buy and sell financial instruments for client account		5,897	19,913	6,104	15,812
c) investment advisory services		51	55	65	70
d) offering of financial instruments		4,747	7,127	86	1,027
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		19	99	24	77
f) other		2,068	3,991	1,600	4,168
2. Revenue from other core activities		98	294	98	294
II. Cost of core activities		9,540	27,670	7,683	23,984
- from related entities	18	46	46	-	-
1. Fees payable to regulated markets, commodity exchanges, the Central Securities Depository of Poland and exchange clearing houses		819	2,890	1,246	3,449
2. Payments to CCP		71	245	64	189
3. Trade organisation membership fees		11	34	11	34
4. Salaries and wages		4,505	12,636	3,220	10,165
5. Social security and other benefits		441	1,598	310	1,334
6. Employee benefits		52	146	55	180
7. Raw material and consumables used		45	155	62	195
8. Services		2,620	7,241	1,733	5,300
9. Costs of maintenance and lease of buildings		504	1,449	510	1,531
10. Depreciation and amortisation		228	732	288	908
11. Taxes and other public charges		142	250	2	151
12. Other		102	294	182	548
III. Profit/(loss) on core activities		4,564	6,877	327	- 1,042
IV. Income from financial instruments held for trading		141	543	62	1,034
1. Dividends and other profit distributions		-	-	33	53
2. Revaluation adjustments		1	1	- 144	208
3. Gain on sale/redemption		140	542	173	773
V. Cost related to financial instruments held for trading		409	3,326	1,034	1,552
1. Revaluation adjustments		89	354	28	216
2. Loss on sale/redemption		320	2,972	1,006	1,336
VI. Gain/(loss) on transactions in financial instruments held for trading		- 268	- 2,783	- 972	- 518
VII. Income from financial instruments available for sale		-	380	-	400
1. Dividends and other profit distributions		-	294	-	400
- from related entities		-	294	-	400
2. Gain on sale/redemption		-	86	-	-
VIII. Cost related to financial instruments available for sale		-	-	-	-
IX. Gain/(loss) on transactions in financial instruments available for sale		-	380	-	400
X. Other income		115	352	40	1,582
1. Released provisions		-	2	-	-
2. Decrease in impairment losses on receivables		1	17	-	1,318
3. Other		114	333	40	264
XI. Other expenses		108	395	103	347
1. Increase in impairment losses on receivables		13	64	56	68
2. Other		95	331	47	279

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

XII. Operating profit/(loss)	4,303	4,431	- 708	75
XIII. Finance income	200	898	379	693
1. Interest on loans granted, including	6	19	3	7
- from related entities	3	4	-	-
2. Interest on deposits	-	75	61	163
3. Other interest	-	3	6	20
4. Foreign exchange gains	63	566	236	236
a) realised	248	442	136	136
b) unrealised	- 185	124	100	100
5. Other	131	235	73	267
XIV. Finance costs	146	592	828	1,703
1. Interest on borrowings, including:	134	545	246	735
- to related entities	-	-	-	-
2. Other interest	3	9	3	11
3. Foreign exchange losses	-	-	- 142	-
a) realised	-	-	- 23	-
b) unrealised	-	-	- 119	-
4. Other	9	38	721	957
XV. Profit before tax	4,357	4,737	- 1,157	- 935
XVI. Income tax	989	978	- 160	- 416
XVII. Net profit	3,368	3,759	- 997	- 519
Weighted average number of ordinary shares	29,937,836	29,937,836	29,937,836	29,937,836
Earnings per ordinary share (PLN)	0.12	0.13	- 0.04	- 0.02
Weighted average diluted number of ordinary shares	29,937,836	29,937,836	29,937,836	29,937,836
Diluted earnings per ordinary share (PLN)	0.12	0.13	- 0.04	- 0.02

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

STATEMENT OF CASH FLOWS	Note	Jul 1-Sep 30 2020	Jan 1-Sep 30 2020	Jul 1-Sep 30 2019	Jan 1-Sep 30 2019
A. NET CASH FROM OPERATING ACTIVITIES					
I. Net profit/(loss)		3,368	3,759	- 997	- 519
II. Total adjustments		73,918	85,524	- 3,160	15,807
1. Depreciation and amortisation		228	732	288	908
2. Foreign exchange gains/(losses)		92	43	- 70	- 14
3. Interest and profit distributions (dividends)		127	520	239	719
4. Gain/(loss) on investing activities		-	- 86	-	-
5. Increase/(decrease) in provisions and impairment losses on receivables		834	1,330	- 390	- 1,252
6. Increase/(decrease) in financial instruments held for trading		- 715	- 537	- 3,972	3,100
7. Increase/(decrease) in receivables		- 40,642	- 32,077	- 17,687	- 1,947
8. Increase/(decrease) in current liabilities (net of borrowings), including special accounts		112,970	114,396	18,553	15,102
9. Increase/(decrease) in accruals and deferrals		1,050	1,229	- 125	- 815
10. Other		- 26	- 26	4	6
III. Net cash from operating activities (I + II)		77,286	89,283	- 4,157	15,288
B. NET CASH FROM INVESTING ACTIVITIES					
I. Cash generated from investing activities		254	2,426	53	125
1. Disposal of financial instruments available for sale		-	2,086	-	-
2. Interest received		207	207	8	8
3. Decrease in loans		47	133	45	117
II. Cash used in investing activities		532	1,205	409	660
1. Acquisition of property, plant and equipment		58	251	17	190
2. Acquisition of intangible assets		324	373	-	-
3. Acquisition of financial instruments available for sale (subordinates)		-	66	-	-
4. Increase in loans		150	515	392	470
III. Net cash from investing activities (I - II)		- 278	1,221	- 356	- 535
C. NET CASH FROM FINANCING ACTIVITIES					
I. Cash generated from financing activities		- 2,295	596	-	2
1. Increase in short-term borrowings		- 2,295	596	-	-
2. Proceeds from issue of short-term debt securities		-	-	-	2
II. Cash used in financing activities		137	558	991	5,197
1. Decrease in short-term borrowings		-	-	735	4,467
2. Redemption of short-term debt securities		-	1	1	3
3. Payment of finance lease liabilities		4	13	7	28
4. Interest paid		133	544	248	699
III. Net cash from financing activities (I - II)		- 2,432	38	- 991	- 5,195
D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)		74,576	90,542	- 5,504	9,558
E. NET CHANGE IN CASH, including:		74,484	90,499	- 5,434	9,572
- effect of exchange rate fluctuations on cash held		- 92	- 43	70	14
F. CASH AT BEGINNING OF PERIOD		51,064	35,098	39,318	24,256
G. CASH AT END OF PERIOD (F +/- D), including:		125,640	125,640	33,814	33,814
- restricted cash*	1	116,070	116,070	18,709	18,709

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

STATEMENT OF CHANGES IN EQUITY	Jan 1–Sep 30 2020	2019	Jan 1–Sep 30 2019
I. EQUITY AT BEGINNING OF PERIOD	56,533	56,300	56,300
- changes in adopted accounting policies	-	-	-
- correction of errors	-	-	-
I.a. EQUITY AT BEGINNING OF PERIOD AFTER ADJUSTMENTS	56,533	56,300	56,300
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	213	- 4,310	- 4,310
a) increase	213	-	-
- distribution of profit (above statutory minimum)	213	-	-
b) decrease	-	4,310	4,310
- profit allocation	-	-	4,310
- loss coverage	-	4,310	-
2.2. Reserve funds at end of period	53,469	53,256	53,256
3. Revaluation capital reserve at beginning of period	70	50	50
3.1. Changes in revaluation capital reserve	- 70	20	16
a) increase	16	24	20
- remeasurement of financial instruments	16	24	20
b) decrease	86	4	4
- remeasurement of financial instruments	86	4	4
3.2. Revaluation capital reserve at end of the period	-	70	66
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	213	-	-
- distribution of retained earnings (increase in reserve funds)	213	-	-
4.2. Accumulated deficit at beginning of period	-	4,310	4,310
a) increase	-	-	-
b) decrease	-	4,310	4,310
- loss coverage from statutory reserve funds	-	4,310	4,310
4.3. Retained earnings/(accumulated deficit) at end of period	-	-	-
5. Net profit/(loss)	3,759	213	- 519
a) net profit	3,759	213	-
b) net loss	-	-	519
II. EQUITY AT END OF PERIOD	60,222	56,533	55,797
III. EQUITY AFTER PROPOSED DISTRIBUTION OF PROFIT	60,222	56,533	55,797

Notes to the interim financial statements

Note 1

Cash and other assets	Sep 30 2020	Jun 30 2020	Dec 31 2019	Sep 30 2019
Cash and other assets of clients				
a) at banks and in hand	116,070	28,564	20,835	18,709
Total cash and other assets of clients	116,070	28,564	20,835	18,709
Cash and other assets				
a) cash and other assets of the brokerage house, including:	9,509	22,531	14,245	15,138
- in hand	1	1	1	1
- at banks	9,254	7,974	7,101	5,419
- other cash*	251	14,553	7,140	9,713
- cash equivalents	3	3	3	5
b) cash and other assets of clients deposited in cash accounts	116,070	28,564	20,835	18,709
- at the brokerage house and paid towards acquisition of securities	116,070	28,564	20,835	18,709
- in an IPO or on the primary market	-	-	-	-
c) cash and other assets transferred from the settlement guarantee fund	-	-	-	-
Total cash and other assets	125,579	51,095	35,080	33,847

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

Note 2

Selected short-term receivables	Sep 30 2020	Jun 30 2020	Dec 31 2019	Sep 30 2019
Selected short-term receivables	174,200	140,719	150,271	157,540
a) from clients, including:	80,413	43,367	38,634	53,829
- under transactions executed on the Warsaw Stock Exchange	15,153	27,206	32,331	29,352
- under transactions executed on the Budapest Stock Exchange	48,715	-	-	3,207
- under transactions executed on the Prague Stock Exchange	209	-	-	1,931
- under transactions executed on the London Stock Exchange	5,355	523	282	-
- under transactions executed on the Lisbon Stock Exchange	-	10,988	-	-
- under transactions executed on the Frankfurt Stock Exchange	2,578	18	32	-
- under transactions executed on the Oslo Stock Exchange	107	-	-	770
- under transactions executed on the Stockholm Stock Exchange	738	-	-	1,161
- under transactions executed on the Toronto Stock Exchange	1,742	600	-	2,853
- under transactions executed on the Zurich Stock Exchange	-	-	-	729
- under transactions executed on the New York Stock Exchange	1,435	204	15	11,687
- under transactions executed on the Istanbul Stock Exchange	-	-	1,091	-
- under transactions executed on the Madrid Stock Exchange	60	-	-	-
- under transactions executed on the Australian Securities Exchange	159	-	-	-
- under transactions executed on the Brussels Stock Exchange	51	-	-	-
- other	4,111	3,828	4,883	2,139
b) from related entities, including:	1,178	1,241	1,096	1,040
- from subsidiaries	1,178	1,241	1,096	1,040
c) from banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	58,659	74,786	94,861	84,397

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

- under transactions executed on the Warsaw Stock Exchange*	30,462	38,757	60,246	34,475
- under transactions executed on the Prague Stock Exchange	-	-	-	567
- under transactions executed on the New York Stock Exchange	3,957	2,903	2,940	2,557
- under transactions executed on the London Stock Exchange	-	-	-	1,364
- under transactions executed on the Frankfurt Stock Exchange	1,687	-	952	821
- under transactions executed on the Paris Stock Exchange	1,153	1,220	262	28
- under transactions executed on the Zurich Stock Exchange	911	-	660	23,146
- under transactions executed on the Vienna Stock Exchange	859	484	-	-
- under transactions executed on the Helsinki Stock Exchange	-	517	-	-
- under transactions executed on the Toronto Stock Exchange	-	929	1,036	-
- under transactions executed on the Amsterdam Stock Exchange	707	-	-	-
- under transactions executed on the Copenhagen Stock Exchange	630	-	-	-
- under transactions executed on the Stockholm Stock Exchange	409	-	-	-
- under transactions executed on the Oslo Stock Exchange	891	-	-	-
- other	16,993	29,976	28,765	21,439
e) from the Central Securities Depository of Poland and exchange clearing houses, including:	48	48	45	46
- from the settlement guarantee fund and deposits	48	48	45	46
e) receivables from CCP	33,902	21,277	15,635	18,228
- from the settlement guarantee fund	33,902	21,277	15,635	18,228
Short-term receivables, net	177,531	144,243	152,843	161,653
- impairment losses on short-term receivables (positive value)	178	166	131	97
Gross short-term receivables	177,709	144,409	152,974	161,750

* 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).

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 represent the value of concluded and not cleared (including suspended) purchase and sale transactions in securities.

Note 3

Financial assets

In the first nine months of 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 nine months 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 the first nine months of 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

Selected current liabilities	Sep 30 2020	Jun 30 2020	Dec 31 2019	Sep 30 2019
Selected current liabilities	38,438	46,606	48,802	65,801
1. To related entities	-	1	-	-
a) to subsidiaries	-	1	-	-
b) to other related entities	-	-	-	-
2. To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	30,339	42,060	43,763	62,869
a) to the Warsaw Stock Exchange *	17,963	29,933	42,308	40,106
b) to the Budapest Stock Exchange	26	-	-	3,207
c) to the Prague Stock Exchange	105	-	-	1,931
d) to the New York Stock Exchange	1,433	-	15	11,678
e) to the Frankfurt Stock Exchange	1,010	18	13	-
f) to the Paris Stock Exchange	-	-	19	-
g) to the London Stock Exchange	5,348	523	281	427
h) to the Lisbon Stock Exchange	-	10,974	-	-
i) to the Stockholm Stock Exchange	736	-	-	1,160
j) to the Oslo Stock Exchange	107	-	-	769
k) to the Zurich Stock Exchange	-	-	-	728
l) to the Toronto Stock Exchange	1,744	600	-	2,850
m) to the Italian Stock Exchange	339	-	-	-
n) to the Madrid Stock Exchange	159	-	-	-
o) to the Vienna Stock Exchange	1,226	-	-	-
p) to the Brussels Stock Exchange	51	-	-	-
q) to the Madrid Stock Exchange	60	-	-	-
r) to the Istanbul Stock Exchange	-	-	1,091	-
s) other	32	12	36	13
3. To entities operating regulated markets and commodity exchanges	215	260	340	414
a) to the Warsaw Stock Exchange	215	260	340	414
4. To the Central Securities Depository of Poland and exchange clearing houses	47	32	28	33
a) other	47	32	28	33
4a. To CCP	5,704	2,822	3,094	375
a) under additional payments to the settlement guarantee fund	5,678	2,794	3,050	-
b) other	26	28	44	375
5. Taxes, customs duties and social security payable	627	833	601	760
6. Other	1,506	598	976	1,350
- lease liabilities	14	39	40	43
- other liabilities	1,492	559	936	1,307

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

As at September 30th 2020, the Company's liabilities under bank borrowings related to its brokerage business amounted to PLN 7,396 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 November 15th 2021:

- i. Revolving credit facility of up to PLN 8m. The purpose of the facility is to finance payment of the Company's liabilities to the Central Securities Depository of Poland/KDPW CCP in respect of the clearing and settlement of transactions concluded by the Company on the regulated market as part of its brokerage business. The facility is secured by a blank promissory note with a promissory note declaration, a power of attorney over accounts held with the bank, a declaration of voluntary submission

to enforcement with respect to cash payments owed to the bank, and a PLN 4m security deposit placed in a term deposit account as joint collateral securing also the credit facility specified in item ii.

- ii. Revolving credit facility of up to PLN 25m. The purpose of the facility is to finance the payment of the Company's liabilities resulting from its membership in the Transactions Settlement Guarantee Fund operated by KDPW CCP. The facility is secured 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	Jul 1–Sep 30 2020	Jan 1–Sep 30 2020	Jul 1–Sep 30 2019	Jan 1–Sep 30 2019
Provisions at beginning of period	3,107	2,415	2,570	2,092
a) recognised	2,478	5,504	532	2,271
b) used	1,597	3,929	926	2,187
c) reversed	-	2	-	-
Provisions at end of period	3,988	3,988	2,176	2,176

In the three months ended September 30th 2020, impairment losses on receivables rose by PLN 12 thousand from the level recorded as at June 30th 2020, while in the first nine months of 2020 they rose by PLN 47 thousand relative to December 31st 2019. In the comparative period, i.e. in the three months to September 30th 2019, impairment losses on receivables rose by PLN 27 thousand from the level recorded as at June 30th 2019, while in the first nine months of 2019 they fell by PLN 1,279 thousand relative to December 31st 2018.

Note 8

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

There were no changes in the Company's share capital in the first nine months of 2020 or in 2019. As at September 30th 2020, the share capital amounted to PLN 2,993,783.60 and was divided into 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 contingent assets

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

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

Note 10

Leases

The Company as a lessee – right to use a building

The Company leases office space under a lease contract. The right to use the building for the term of the contract was classified by the Company as operating lease. The lease contract providing for the right to use the building was executed for a period of five years, with an option to extend its term for another two years. Pursuant to an annex to the contract, executed in January 2016, the lease was extended until January 2023.

Minimum lease payments are presented in the table below.

Lease liabilities	Sep 30 2020	Dec 31 2019	Sep 30 2019
	Present value of minimum lease payments		
Within 1 year	1,176*	1,106*	1,118*
In 1 to 5 years	1,520*	2,259*	2,565*
Over 5 years	-	-	-
Total lease liabilities	2,696	3,365	3,683

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

The Company as a lessee – finance leases

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

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

Finance lease liabilities	Sep 30 2020	Dec 31 2019	Sep 30 2019
Net carrying amount	38	57	68
Present value of minimum lease payments	64	101	107
Within 1 year	14	40	43
In 1 to 5 years	50	61	64
Over 5 years	-	-	-
Contingent lease payments recognised as expense in the period	13	36	28

Note 11

Bonds

By the date of issue of these financial statements, in 2020 the Company did not issue any bonds. In the comparative period, i.e. in the first nine months of 2019, the Company issued 8 registered bonds for a total nominal amount of PLN 1.6 thousand, maturing in 2019. 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.

As at the issue date of these financial statements, the Company redeemed PLN 0.8 thousand worth of bonds (with no bonds redeemed in the three months to September 30th 2020), compared with PLN 3.2 thousand redeemed a year earlier.

Note 12

Guarantees received and security for guarantees, contingent liabilities and contingent 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 1,446 thousand. Under an amendment agreement of 2020, the guarantee amount was increased to EUR 308 thousand. The guarantee, provided until April 16th 2023, secures liabilities related to the lease of office space.

Both in the nine months to September 30th 2020 and in 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.

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 fell by PLN 293 thousand in the nine months ended September 30th 2020 (including a decrease of PLN 59 thousand in Q3 2020), while in the same period of 2019 they went down by PLN 7 thousand (including a decrease of PLN 22 thousand in Q3 2019).

Deferred tax assets went down by PLN 1,255 thousand in the nine months ended September 30th 2020 (including an decrease of PLN 1,049 thousand in Q3 2020), while in the same period of 2019, they rose by PLN 415 thousand (including an increase of PLN 144 thousand in Q3 2019).

Note 14

Profit allocation

On June 25th 2020, the Annual General Meeting resolved to allocate the Company's net profit for 2019, of PLN 213 thousand, to statutory reserve funds.

Note 15

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

The Company did not issue any equity securities in the first nine months of 2020 or in 2019.

Note 16

Dividends paid and proposed

In the first nine months of 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 operating and finance income	Purchases – core activities	Other purchases	Revenue from core activities	Other income	Purchases – core activities	Other purchases
	Jan 1–Sep 30 2020				Jan 1–Sep 30 2019			
IBC	-	3	-	-	-	3	-	-
IPOPEMA TFI	1,437	87	-	-	565	34	-	62
IFA	-	-	-	-	-	-	-	-
IFA SK	263	307	-	-	263	4	-	-
MUSCARI	-	4	46	-	-	-	-	-
Total	1,700	401	46	-	828	41	-	62

Related party	Revenue from core activities	Other operating and finance income	Purchases – core activities	Other purchases	Revenue from core activities	Other operating and finance income	Purchases – core activities	Other purchases
	Jul 1–Sep 30 2020				Jul 1–Sep 30 2019			
IBC	-	1	-	-	-	1	-	-
IPOPEMA TFI	655	11	-	-	77	9	-	-
IFA	-	-	-	-	-	-	-	-
IFA SK	88	4	-	-	88	3	-	-
MUSCARI	-	-	46	-	-	-	-	-
Total	743	16	46	-	165	13	-	-

Related-party transactions – receivables and liabilities

Related party	Receivables			Liabilities		
	Sep 30 2020	Dec 31 2019	Sep 30 2019	Sep 30 2020	Dec 31 2019	Sep 30
IPOPEMA Business Consulting	400	410	400	-	-	-
IPOPEMA TFI	217	233	27	-	-	-
IPOPEMA Financial Advisory	-	-	-	-	-	-
IPOPEMA Financial Advisory SK	561	453	613	-	-	-
MUSCARI Capital Sp. z o.o.	-	-	-	-	-	-
Total	1,178	1,096	1,040	-	-	-

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 the first nine months of 2020, the Company received a PLN 294 dividend from IFA SK. 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
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	Sep 30 2020	Sep 30 2019	Sep 30 2020	Sep 30 2019
Cash and cash equivalents	125,579	33,847	125,640	33,814
1. In hand	1	1	1	1
2. At banks	9,254	5,419	9,254	5,419
3. Other cash	116,321	28,422	116,321	28,422
4. Cash equivalents	3	5	-	-
Accrued foreign exchange differences			64	- 28

The difference between the presentation of cash in the balance sheet and the statement of cash flows as at September 30th 2020 and September 30th 2019 follows from presentation of cash net of the effect of foreign exchange differences and received purchase cards presented under cash and cash equivalents.

Differences in changes in balance-sheet items

	Presentation in the balance sheet		Change as disclosed in the balance sheet	Presentation in the statement of cash flows – change
	Sep 30 2020	Dec 31 2019		
Gross short- and long-term receivables	186,291	154,414	31,877	32,077
Net receivables	186,113	154,283		
Impairment losses on receivables	178	131		47
Provisions (net of deferred tax related to equity and provision for unpaid interest)	5,100	3,817		1,283
Total change in impairment losses and provisions				1,330

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 of interest receivable on a security deposit, which are disclosed under investing activities.

Note 20

Clients' financial instruments	Sep 30 2020	Dec 31 2019
Securities admitted to official listing		
- quantity	111,495	111,180
- amount	1,132,061	514,479
Securities not admitted to official listing		
- quantity	42,062	36,070
- amount	17,047	10,901
Designated sponsor		
(i) shares		
- quantity	6,347	291
- amount	116,664	554
(ii) bonds		
- quantity	0.02	0.033
- amount	2,000	3,300
(iii) investment certificates		
- quantity	475	161
- amount	156,303	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 the first nine months of 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 the first nine months of 2020

Despite the continuing economic uncertainty due to the COVID-19 pandemic, in the nine months to September 30th 2020 the WSE saw markedly higher investor activity, with the total turnover for the period up 32.7%, largely on the back of increased retail trading. As a result, IPOPEMA Securities recorded a lower share in total market trading volumes (2.74% vs 4.35% a year earlier, losing to brokerage offices specialising in services for retail customers), but its increased bond trading activities combined with the Company being more active on foreign markets translated into a 38.5% year-on-year growth in revenue from securities trading to PLN 22,963 thousand (nine months ended September 30th 2019: PLN 16,583).

Despite the fact that in the three months ended March 31st 2020 equity market transactions was the Company's business area most affected by the coronavirus epidemic (following suspension of a number of transactions in the pipeline), the second and third quarters of 2020 saw a definite rebound, with the Company advising on several transactions. In the nine months ended September 30th 2020, investment banking revenue came in at PLN 8,409 thousand, up 99.5% year on year (nine months ended September 30th 2019: PLN 4,215 thousand).

As a result of the above factors, the Company reported a profit on core activities of PLN 6,878 thousand (vs a PLN 1,042 thousand loss a year earlier) and net profit of PLN 3,759 thousand (vs net loss of PLN 519 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 books and financial statements for the period January 1st–September 30th 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, November 19h 2020

Jacek Lewandowski
President of the
Management Board

Mariusz Piskorski
Vice President of the
Management Board

Stanisław Waczkowski
Vice President of the
Management Board

Mirosław Borys
Vice President of the
Management Board

Danuta Ciosek
Chief Accountant