

Aggregate financial statements
of Q Securities S.A. brokerage house.



for the period
from 1 January 2022 to 31 December 2022

including:

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Warsaw, 28 March 2023

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I. Introduction to the aggregate financial statements**1. Basic details of the reporting entity**

Q Securities Spółka Akcyjna was incorporated by way of a notarial deed on 14 December 2012, and registered in the National Court Register kept by the District Court, 13th Commercial Division, with KRS number 0000446527, on 4 January 2013.

The registered office of Q Securities Spółka Akcyjna ("Q Securities", "Company") is located in Warsaw at ul. Marszałkowska 142, 00-061 Warszawa.

The core activities of Q Securities include:

- 1) accepting and forwarding orders to buy or sell financial instruments,
- 2) executing the orders referred to in point 1, for the account of the originator,
- 3) offering financial instruments,
- 4) providing advice to businesses on capital structure, corporate strategy, or other issues related to that structure or strategy,
- 5) providing advice and other services on mergers, divisions and acquisitions of undertakings,
- 6) safekeeping or recording financial instruments, including maintaining securities accounts and omnibus accounts, and cash accounts,
- 7) depositary services for investment funds.

The Company conducts its activities in compliance with the applicable laws and regulations.

Any business activity – to the extent that the provisions of the applicable law require a permit from competent state authorities – will be undertaken by the Company only after the relevant permit has been obtained. The Company holds a permit to conduct brokerage activities within the scope listed in items 1 to 5 above by virtue of the Decision of the Polish Financial Supervision Authority issued on 29 October 2013, and within the scope listed in item 6 – on 4 November 2014. On 16 January 2017, the Company's Supervisory Board adopted a resolution on a material change in the scope of the Company's business by expanding the Company's activities to include the provision of depositary services for investment funds. On the basis of a permit of 13 November 2020 issued by Commission de Surveillance du Secteur Financier, Q Securities has opened a branch in Luxembourg to provide depositary services to entities governed by Luxembourg law. Based on the authorisation issued by the Malta Financial Services Authority, Q Securities has obtained, with effect from 20 February 2023, the ability to provide – in the form of a branch in Malta – depositary services to alternative investment funds.

Branches (establishments):**1) Luxembourg:**

On the basis of a permit of 13 November 2020 issued by Commission de Surveillance du Secteur Financier, Q Securities has opened a branch in Luxembourg to provide depositary services to entities governed by Luxembourg law.

Address of the branch registered office: Avenue John F. Kennedy 46A, L-1855 Luxembourg

Full name of the branch: Q Securities Spółka Akcyjna Luxembourg Branch; Q Securities S.A. Luxembourg Branch

Nature of business: provision of depositary services for alternative investment funds incorporated in Luxembourg

Geographical location of activities: Grand Duchy of Luxembourg

Income in 2022 as shown in the financial statements: EUR 590,826.41

Number of employees in FTEs: the average employment in January – December 2022 was 4 FTEs. Employment as at 31 December 2022 – 4 FTEs.

Profit or loss before tax: profit of EUR 302,016.61

Income tax: EUR 6,502.35

Public aid received: no public aid

2) Malta:

On 30 June 2022, the Company submitted a notice to the Polish Financial Supervision Authority of the Company's intention to carry out brokerage activities in the form of a branch in the Republic of Malta. Based on the authorisation issued by the Malta Financial Services Authority, Q Securities has obtained, with effect from 20 February 2023, the ability to provide – in the form of a branch in Malta – depositary services to alternative investment funds.

Address of the branch registered office: 171, Old Bakery Street, VLT 1455, Valletta, Malta

Full name of the branch: Q Securities Spółka Akcyjna Valletta Branch, Republic of Malta; Q Securities S.A. Malta Branch

Nature of business: As at 31 December 2022, the branch has not commenced operations.

Geographical location of activities: Republic of Malta

Income in 2022 as shown in the financial statements: Not applicable. In 2022, the Company has not commenced operations.

Number of employees in FTEs: the average employment in January – December 2022 was 0.16 FTEs. Employment as at 31 December 2022 – 1 FTE.

Profit or loss before tax: Not applicable. In 2022, the Company has not commenced operations.

Income tax: Not applicable. In 2022, the Company has not commenced operations.

Public aid received: no public aid

2. Composition of the Management Board

As at 31 December 2022, the Management Board was formed as follows:

- Ms. Agnieszka Sawa – President of the Management Board
- Mr. Jerzy Kasprzak – Deputy President of the Management Board
- Ms. Małgorzata Popielewska – Member of the Management Board

On 06 September 2022, the Company's Supervisory Board adopted resolution no. 1 on the appointment of the above-mentioned Management Board members for a new term of office of five years.

3. Composition of the Supervisory Board

As at 31 December 2022, the Supervisory Board was formed as follows:

- Mr. Tomasz Matczuk Chairman of the Supervisory Board
- Mr. Robert Majkowski Member of the Supervisory Board
- Mr. Michał Szukalski Member of the Supervisory Board
- Mr. Grzegorz Ignaciuk Member of the Supervisory Board

4. Period covered by the aggregate financial statements

These aggregate financial statements have been drawn up for the period from 1 January 2022 to 31 December 2022. The amounts are stated in PLN.

5. Indication that the financial statements include aggregate data if the entity has internal organisational units drawing up separate financial statements

Yes – the financial statements include aggregate data;

The entity drawing up these statements includes internal organisational units drawing up separate financial statements:

Warsaw Branch, ul. Marszałkowska 142, 00-061 Warszawa (“**Headquarters**”)

Q Securities Spółka akcyjna Luxembourg Branch, Avenue John F. Kennedy 46A, L-1855 Luxembourg (“**Branch**”)

The present financial statements do not include data relating to Q Securities' branch in Mata – Q Securities Spółka Akcyjna Valletta Branch, Republic of Malta – as this branch did not commence operations in 2022.

6. Information on the aggregate financial statements

In the period covered by the statements, ended 31 December 2022, the Company amended the Accounting Policy of Q Securities S.A. as follows:

- Section V, § 25, paragraph 8 point 1: at Q Securities, revaluation write-downs are created for receivables unpaid for between 3 and 6 months, amounting to 25% of the value of the receivables;
- Section V, § 25, paragraph 9: in the case of receivables from debtors placed in liquidation or bankruptcy and in respect of whom restructuring proceedings have been initiated or an application for approval of an arrangement in proceedings for the approval of an arrangement has been filed, the value of the receivables is updated with account taken, by means of a write-down, of the probability of their payment, up to the amount of the receivable not covered by a guarantee or other collateral reported to the liquidator or the judge-commissioner in bankruptcy proceedings or included in the list of receivables in restructuring proceedings;
- Section V, § 25, paragraph 10: Any decision not to recognise revaluation write-downs on receivables is preceded by an analysis of the debtor's condition in order to determine the probability of payment. The analysis of the debtor's financial condition should be based on verification of both publicly available sources and other data available to the entity. The analysis should be made in writing and approved by the entity's Management Board;
- Section VI, § 28 paragraphs 1–2: the item “expenditure on future outlays” was added to short-term and long-term prepayments and accruals.

Regardless of the above, due to the fact that the business is also conducted through the Branch, the Company presents the result in aggregate and individual form.

The separate financial statements of the Branch - to the extent requiring adjustment to the requirements of Polish law applicable to Q Securities - are drawn up by an entity contracted by Q Securities to keep the Company's books of account.

Q Securities draws up aggregate financial statements, which are the sum of the Q Securities' financial statements, including the data contained in the notes, and the financial statements of the Branch, including the data contained in the notes, taking into account the provisions of Article 51 of the Accounting Act, i.e. it makes the following exclusions from the aggregate financial statements:

- 1) separate assets and funds,
- 2) mutual receivables and payables and other similar settlements,
- 3) income and costs from operations between Q Securities and the Branch,
- 4) financial result of business operations performed within Q Securities, included in the assets of Q Securities or the Branch.

Inclusion of relevant foreign currency denominated data resulting from the balance sheet of the Branch in the aggregate financial statements is effected by converting them into PLN at the average exchange rate announced for the currency in question by the National Bank of Poland for the balance-sheet date. Data denominated in foreign currencies presented in the profit and loss account of the Branch should be converted at the rate being the arithmetic mean of the average

exchange rates announced for the currency in question by the National Bank of Poland on the day ending each month of the financial year. The resulting amount is the exchange difference recognised in the balance sheet as a component of revaluation reserve (fund) under “Exchange differences on translation” (with minus sign).

7. Going concern

The duration of the Company is unlimited. These aggregate financial statements have been drawn up on the going concern basis for the foreseeable future.

8. Events after the balance-sheet date

Based on the authorisation issued by the Malta Financial Services Authority, Q Securities has obtained, with effect from 20 February 2023, the ability to provide – in the form of a branch in Malta – depositary services to alternative investment funds.

II. Overview of the methods adopted for the measurement of assets and liabilities (including depreciation and amortisation), for the determination of the financial result, and for drawing up the financial statements – to the extent that the law allows for discretion on the part of the entity.

The financial statements have been drawn up on the basis of:

- Accounting Act of 29 September 1994 (consolidated text: Polish Journal of Laws 2023, item 120) – hereinafter referred to as “**Accounting Act**”,
- Regulation of the Minister of Finance of 28 December 2009 on specific accounting principles for brokerage houses (consolidated text: Polish Journal of Laws 2017, item 123),
- Regulation of the Minister of Finance of 12 December 2001 on detailed rules for the recognition, measurement methods, scope of disclosure, and presentation of financial instruments (consolidated text: Polish Journal of Laws 2017, item 277).

The Company applies the accounting principles it has adopted on a continuous basis, which applies in particular to:

- measurement method,
- setting up rules for write-offs and write-downs,
- determining the financial result,
- method of drawing up the financial statements,
- method of recognising individual asset and liability items.

1. Intangible assets

Intangible assets are property rights acquired externally by the Company, either free of charge or for a consideration, suitable for economic use for the purposes of the entity, with an expected useful life of more than one year.

Intangible assets include:

- economic copyright and related rights,
- goodwill,
- know-how,
- costs of completed development work,
- other values and advances for intangible assets.

In Q Securities, intangible assets can include:

- acquired economic copyrights, licences, related copyrights, including installation and commissioning costs,
- concessions, licences, rights to inventions, patent rights, trademark rights, rights to utility models, including the costs of registration and establishment of their ownership,
- know-how,

- goodwill representing the excess of the purchase price over the fair value of the net assets acquired,
- costs of completed development work related to the practical application of research findings or achievements of scientific or technical knowledge.

Intangible assets are measured at:

- acquisition prices,
- production costs,
- market price:
 - a) resulting from the market offer,
 - b) resulting from an expert estimate.

Advances paid for the delivery of intangible assets are measured at the balance-sheet date using the same principles as for trade receivables.

Balance-sheet amortisation of intangible assets is calculated using amortisation rates determined on the basis of the expected useful life.

The economic useful lives and the resulting amortisation rates are subject to annual review.

Amortisation write-downs on intangible assets are made by systematic and planned distribution of the initial value of the assets over the determined amortisation period, starting from the first day of the month following the month in which the intangible asset is placed in service until the end of the month in which the amount of amortisation write-downs equals its initial value or in which the intangible asset is scheduled for liquidation, sold, or found to be in short supply.

Amortisation write-offs on intangible assets with an initial value of between PLN 500.00 and PLN 10,000.00 are made on a one-off basis in the month following placing them in service.

Purchases with an initial value of less than PLN 500 are materials and are charged to the cost of materials consumption in the month in which they are purchased or placed in service.

Impairment losses on intangible assets are determined for individual assets or groups of identical assets on the basis of their impairment amount. Impairment of intangible assets is recognised where:

- there is a high probability that the economic benefits expected from the assets will not materialise in the future,
- technologies used are changed,
- they are decommissioned,
- they are earmarked for liquidation,
- in the case of loss of rights to use intangible assets,
- in the case of an adjustment to the market value estimated by an expert where it deviates grossly from the net book value,
- there are other reasons resulting in impairment.

Impairment losses are charged to other operating costs in the period in which the impairment occurred. Where impairment is reversed, the net value of the asset is increased to a new estimated recoverable amount, but not higher than the net value of the asset that would have been determined had no impairment been recognised in prior periods. Reversal of impairment is recognised as an adjustment to the costs of the period in which the premises for impairment ceased to exist.

2. Fixed assets

Fixed assets are non-current assets controlled by the entity with an expected useful economic life of more than 1 year, complete and fit for use, allocated to the needs of the entity and expected to result in future inflows of economic benefits to the Company.

Fixed assets are measured at:

- acquisition prices – in the case of purchase;
- production costs – in the case of self-produced fixed assets,
- market price, if they were acquired by way of a donation or otherwise free of charge:
 - a) resulting from the market offer,
 - b) resulting from an expert estimate.

Any increases in fixed assets (including purchases of finished investment goods) are accounted for under the fixed assets under construction.

In the Company, fixed assets are divided into the following groups according to the depreciation method:

- depreciation write-offs on fixed assets with an initial value of between PLN 500.00 and PLN 10,000.00 are made on a one-off basis in the month following placing them in service,
- purchases with an initial value of less than PLN 500.00 are materials and are charged to the cost of materials consumption in the month in which they are purchased or placed in service,
- irrespective of the unit value of the acquired fixed assets, the following items of fixed assets are depreciated over their useful economic lives: components from CFA (“Classification of Fixed Assets”) groups 0, 1 and 2.

Balance-sheet depreciation of fixed assets is calculated using depreciation rates determined on the basis of the expected useful life of the fixed asset in question.

The economic useful lives and the consequent rates of balance-sheet depreciation for other fixed assets are determined by relevant functional departments. The economic useful lives and consequent balance-sheet depreciation rates are reviewed annually by the entity to which Q Securities has outsourced its bookkeeping.

The initial value is increased by the costs of improvement of a fixed asset resulting from conversion, extension, modernisation, or reconstruction and causing the resulting new value in use to exceed the original value in use at the time of accepting the fixed asset for use. Value in use should be measured in terms of capacity, duration of use, and cost of operation.

For qualifying items increasing the value of fixed assets, the entity to which Q Securities has outsourced its bookkeeping is responsible.

At least at the end of the financial year, the Company analyses whether there are any indications that property, plant and equipment may be impaired. An impairment occurs when it is highly probable that an asset under the Company's control will not generate all or a significant portion of its expected future economic benefits.

Impairment losses on property, plant and equipment are recognised for individual items or groups of identical items by comparing the net sales price or, in the absence thereof, the fair value determined otherwise.

Impairment losses are charged to other operating costs in the period in which the impairment occurred.

Revaluation write-offs on fixed assets whose measurement has been updated on the basis of separate regulations reduce the differences charged to the revaluation reserve caused by the revaluation. Any excess of the write-off over the revaluation differences is recognised as other operating costs.

Where impairment is reversed, the net value of the asset is increased to a new estimated recoverable amount, but not higher than the net value of the asset that would have been determined had no impairment been recognised in prior periods. Reversal of impairment is recognised as an adjustment to the costs of the period in which the premises for impairment ceased to exist.

3. Fixed assets under construction

This item includes fixed assets during the period of their construction, assembly or improvement. The acquisition price and production cost of fixed assets under construction include all the costs incurred by the entity for the period of construction, assembly, adaptation and improvement, up to the balance-sheet date or acceptance for use, including:

- non-deductible value added tax and excise duty,

- the cost of servicing the liabilities incurred to finance these assets and the resulting exchange differences, less any related income.

The value of fixed assets under construction is reduced by revaluation write-offs in the event of circumstances “Financial assets”.

Financial assets are monetary assets, equity instruments issued by other entities, and a contractual right to receive monetary assets or right to exchange financial instruments with another entity on favourable terms, including in particular:

- shares, including in subsidiaries,
- other securities,
- borrowings granted,
- monetary assets,
- other financial assets.

The outflows of financial assets of a uniform nature are measured using the weighted average method.

In the financial statements, financial assets are disclosed with a breakdown between long- and short-term assets and between related parties and others.

Monetary assets comprise assets in the form of domestic legal tender, foreign currencies, foreign bills of exchange payable on demand, and foreign cheques up to 3 months maturity. Monetary assets also include other financial assets, including in particular interest accrued on financial assets.

Cash includes cash on hand and in bank accounts, including cash held in bank deposits of up to 3 months or demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible into specific amounts and subject to insignificant risk of changes in value, including interest receivable on bank deposits. Cash and cash equivalents are measured at nominal values.

Financial assets other than shares in subsidiaries, and monetary assets

Financial assets are classified on the date they are acquired or originated into the following categories:

- financial assets held for trading,
are measured at the market value, and financial assets for which there is no active market – at an otherwise specified fair value; the valuation difference is included in income or costs from financial instruments held for trading, as appropriate;
- borrowings granted and own receivables,
borrowings granted and own receivables not included in the category of financial assets and liabilities held for trading are measured at amortised cost;
- financial assets held to maturity,
financial assets held to maturity are measured at amortised cost;
- financial assets available for sale,
financial assets available for sale are measured at fair value and the effect of a change in the fair value is charged to the revaluation reserve.

Financial assets held for trading include financial instruments acquired on behalf of and for the own account of the brokerage house, acquired or created to derive benefits from short-term (within three months) price fluctuations. A financial instrument is included in assets held for trading if it is part of a portfolio that has been recently used to realise gains from price fluctuations. Derivatives that are financial assets are always classified as held for trading, except when they are in fact financial assets used to offset changes in the fair value or cash flows of a hedged item of Q Securities.

As at the trade date, financial assets held for trading are measured at acquisition price, i.e. the fair value of expenditure incurred or other assets transferred. Transaction costs incurred by the entity are taken into account when determining the fair value.

As at the balance-sheet date, financial assets held for trading are measured at market value or, if there is no active market, at fair value determined by other means. Changes in the market value of assets held for trading that are not part of a hedging relationship are presented, in income or costs from financial instruments held for trading, in the profit and loss account as they occur.

If there is no quoted market price on an active regulated market for an asset or if its fair value cannot be reliably determined, the asset is measured at cost less impairment losses.

Borrowings granted and own receivables include, regardless of their maturity (payment date), financial assets arising from the provision of cash directly to the other party to a contract, provided that the contract gives rise to financial assets of one party and a financial liability or equity instrument of the other party, on condition that the economic effects of the contract between two or more parties are clearly evident, regardless of whether the exercise of the rights or obligations under the contract is unconditional or conditional.

Borrowings granted and own receivables also include bonds and other debt instruments acquired in exchange for cash or other financial assets provided directly to the other party to a contract, if it is evident from the contract that the transferor has not lost control over the financial instruments provided to the other party.

Borrowings granted and own receivables that the Company intends to sell in short term (up to three months) are classified as financial assets held for trading.

As at the trade date, borrowings granted and own receivables are measured at acquisition price, i.e. the fair value of expenditure incurred or other assets transferred. Transaction costs incurred by the Company are taken into account when determining the fair value.

As at the balance-sheet date, borrowings granted and own receivables, except for those classified as held for trading, are measured at amortised cost. Receivables of short maturity, for which no interest rate is specified, can be measured at the amount to be paid if the determined present value does not differ materially from the amount to be paid. The measurement effects are charged to the profit and loss account under income from financial instruments held for trading or income from financial instruments available for sale and costs from financial instruments held for trading and costs from financial instruments available for sale, respectively.

Financial assets held to maturity include financial assets not classified as borrowings granted and own receivables, financial assets for which the respective contracts provide for a fixed or determinable amount of economic benefits, such as interest, to be received at fixed or determinable dates, provided that the entity has the intention and ability to hold the assets until maturity.

As at the trade date, financial assets held for maturity are measured at acquisition price, i.e. the fair value of expenditure incurred or other assets transferred. Transaction costs incurred by the entity are taken into account when determining the fair value.

As at the balance-sheet date, financial assets held to maturity are measured at amortised cost. The measurement effects are charged to the profit and loss account, respectively as income from financial instruments held to maturity or costs from financial instruments held to maturity.

Assets available for sale include all financial assets other than: borrowings granted and own receivables, financial assets held to maturity and financial assets held for trading.

As at the trade date, financial assets available for sale are measured at acquisition price, i.e. the fair value of expenditure incurred or other assets transferred. Transaction costs incurred by the entity are taken into account when determining the fair value.

As at the balance-sheet date, assets available for sale are measured at fair value. The results of the revaluation of financial assets classified as available for sale and measured at fair value, except for hedged items, are shown under revaluation reserve until the asset is derecognised through sales, expiry of the rights attached thereto, realisation, etc., or until an impairment is recognised, at which time the cumulative profit/loss previously recognised under revaluation reserve is transferred to the profit and loss account for the period.

Where it is difficult to determine the fair value, measurement at the balance-sheet date is carried out at cost less revaluation write-offs.

4. Settlements

Receivables

In the financial statements, receivables are recognised with a breakdown into:

- long-term receivables,
- short-term receivables.

Short-term receivables include all trade receivables, whatever their due date, and other liabilities falling due within 12 months.

Long-term receivables include receivables other than trade receivables which are due in more than 12 months.

As a result of Q Securities' participation in the clearing system operated by the Central Securities Depository of Poland (KDPW), the basic payment to the basic clearing fund made by Q Securities in cash is included in the receivables. These funds are not to be withdrawn by Q Securities before the end of its participation in the clearing system operated by KDPW CCP S.A.

Receivables are initially accounted for in line with the rules for financial assets, i.e. at fair value. Where regular payment dates, recognised by market practice in transactions of a similar nature, are applied, that fair value is deemed to be their face value arising at the date of income recognition. For long-term receivables, where the payment date is deferred, receivables are recognised at a discounted value reflecting the financial part representing the consideration for the deferral of payment, which is recognised successively as financial income at a fixed rate of return.

As at the balance-sheet date, receivables and claims are measured at real value, i.e. at book value resulting from issued VAT invoices and bills, as well as interest and accounting notes, reduced by revaluation write-offs created for them, expressing the likely reduction of receivables and claims based on an assessment of the debtor's financial standing and the ability to effectively enforce the amounts due.

Revaluation write-offs on receivables from debtors with questionable liquidity, whose financial standing is known on an ongoing basis, are made following an analysis of the recipient's payment standing each time information on this standing is obtained. The amount of revaluation write-offs is determined separately for each of the recipients based on their detailed analysis and also when their going concern is not certain.

Revaluation write-offs on receivables are classified as other operating costs and financial costs, depending on the type of receivable to which the write-off applied. Should the reason for a revaluation write-off on receivables cease to exist, the equivalent of the entire amount or an appropriate part of the previously recognised revaluation write-off increases the value of the asset in question and is respectively recognised as other operating income or financial income.

The Company follows the principle of charging interest and issuing interest notes on receivables that are not paid as scheduled not less than twice. The decision to charge interest is taken by the Management Board member responsible for the business line in question. Interest notes issued increase, on the one hand, the receivables and on the other hand – other financial income. Concurrently with the interest notes issued and recorded in the books of accounts, the enforceability of interest due to the Company is verified on a prudent basis. Where payment of interest due to the Company is questionable or doubtful, revaluation write-offs are created in the accounts for interest accrued and resulting from interest notes issued by the Company.

Liabilities

Liabilities are obligations arising from past events to provide benefits of a reliably determinable amount that will result in the consumption of already held or future assets of the Company.

Liabilities are divided into:

- short-term liabilities,
- long-term liabilities.

Short-term liabilities include all trade liabilities, whatever their due date, and other liabilities falling due within 12 months. Long-term liabilities include all liabilities, except for trade liabilities, with a maturity of more than 12 months.

Liabilities, excluding financial liabilities, are measured at their nominal value at inception.

Financial liabilities, including loans, borrowings and debt securities, except for hedged items, are measured at adjusted acquisition price based on the effective interest rate. Overdrafts for which there are no fixed repayment schedules, are an

exception. For this type of loans, origination costs and other fees are charged to finance costs in the period in which they are incurred. In all other cases, financial costs, including commissions payable on repayment or redemption and direct borrowing costs, are charged to the profit and loss account using the effective interest method and increase the book value of the instrument with account taken of repayments made in the current period.

Other liabilities are measured as at the balance-sheet date at the amount payable.

5. Foreign exchange differences

Assets and liabilities expressed in foreign currencies, except for long-term investments as at the balance-sheet date, are measured at the average exchange rate for the currency in question published by the National Bank of Poland on the day preceding the business operation.

Foreign exchange differences on assets and liabilities denominated in foreign currencies, except for long-term investments, arising as at the valuation date and on payment of receivables and liabilities in foreign currencies are classified, respectively, as financial income or costs.

6. Provisions

Provisions are liabilities whose maturity date or amount is uncertain. Provisions are created for certain or probable future liabilities whose value can be reliably estimated.

7. Contingent liabilities – off-balance sheet

The Company views contingent liabilities as possible future performance obligations whose emergence is contingent on the occurrence of certain events.

8. Prepayments and accruals

Prepaid costs are used to recognise costs incurred in the reporting period but relating to future periods.

Prepaid costs are activated when the entity obtains in future periods an economic benefit from incurring them. Prepayments and accruals may be included in the balance sheet if they satisfy the asset criterion set out in the Accounting Act.

Prepayments include:

- long-term prepayments, which relate to future reporting periods and last longer than 12 months as of the balance-sheet date,
- short-term prepayments, which relate to future reporting periods and last not longer than 12 months as of the balance-sheet date.

Prepayments are initially recognised at the value of the expenditure incurred. Prepaid costs are written off over time or according to the amount of the benefits. The timing and manner of settlement depends on the nature of the costs to be settled, subject to the principle of prudence. Notwithstanding the foregoing, it is agreed that costs up to the amount of PLN 1,000 will constitute current costs, which are recognised when incurred.

Accrued costs include specifically identified benefits and probable costs that arose before the balance-sheet date but have not yet been invoiced.

The Company recognises accrued costs in the amount of probable liabilities falling due in the current reporting period, resulting in particular from:

- services provided to the Company by its counterparties, if the amount of liability in question is known or possible to estimate reliably,
- from the obligation to provide, in connection with ongoing operations, future benefits that can be reliably estimated on the basis of planning data or on the basis of production output.

9. Deferred income

Deferred income is used to recognise income in the period to which it relates. Deferred income is recognised on a prudent basis. It includes, in particular:

- 1) an equivalent of funds received or due from counterparties for services to be performed in future reporting periods; they are disclosed in the balance sheet under other short-term liabilities,
- 2) cash received to finance the acquisition or construction of fixed assets and development work, if they do not increase equity under other applicable regulations. Amounts credited to accrued income gradually increase other operating income in parallel with depreciation or amortisation of fixed assets or development costs financed from these sources,
- 3) negative goodwill,
- 4) assets under construction and intangible assets received gratuitously, including donations. In parallel to the depreciation of these fixed assets, their equivalent is charged to other operating income.

Deferred income is presented in the balance sheet with a breakdown into long-term and short-term deferred income. Deferred income of more than 12 months as of the balance-sheet date is treated as long-term deferred income.

10. Income tax

The Company recognises current and deferred income tax.

Deferred income tax assets

The Company recognises deferred tax assets in the amount expected to be deducted from income tax in the future, due to deductible temporary differences that will reduce the tax base and deductible loss in the future, in accordance with the principle of prudence.

Deferred tax assets are calculated taking into account the corporate income tax rate applicable in the year in which the tax obligation arose.

Deferred income tax provision

The Company recognises a deferred income tax provision in the amount of income tax payable in the future due to the existence of taxable temporary differences, i.e. differences that will increase the tax base in the future. The deferred tax provision is established taking into account the corporate income tax rate applicable in the year when the tax obligation arises.

Deferred tax provisions and assets relating to equity-settled operations are also charged to equity.

11. Equity

Share capital

As at the balance-sheet date, the share capital is presented at the amount stated in the articles of association and recorded in the National Court Register.

Supplementary capital

The supplementary capital is created in the Company primarily from distributable profit.

Profit or loss carried forward

This item reflects the unsettled result from previous years as well as the effects of adjustments to changes in accounting policies and fundamental errors relating to previous years and disclosed in the current financial year.

12. Income, costs, and financial result

The financial result is determined on the basis of the profit and loss account.

Income and costs are recognised on an accrual basis, i.e. in the periods to which they relate, regardless of when the payment is received or made.

Income from sales of products and goods is recognised in the profit and loss account when the significant risks and rewards of ownership of the products and goods have been transferred to the acquiring party.

Income from brokerage activities includes in particular:

- 1) commissions for accepting and forwarding orders to buy or sell financial instruments,
- 2) commissions for executing orders to buy or sell financial instruments on behalf of the principal,
- 3) commissions for offering financial instruments,

- 4) commissions and fees for keeping cash accounts, safekeeping or recording financial instruments, including the accounts referred to in Article 69(4)(1) of the Act on Trading in Financial Instruments,
- 5) other income from core activities which consists of commissions and fees for the provision of in particular the following services:
 - a) advice to businesses on capital structure, corporate strategy, or other issues related to that structure or strategy,
 - b) advice and other services on mergers, divisions and acquisitions of undertakings.

Income from other core activities includes income from depositary activities carried out for investment funds.

Costs of brokerage activities includes in particular:

- 1) fees to regulated markets, commodity exchanges and to the Central Securities Depository of Poland and exchange clearing houses,
- 2) fees payable to the central counterparty (CCP),
- 3) fees payable to the chamber of commerce,
- 4) remunerations,
- 5) social security and other benefits,
- 6) employee benefits,
- 7) consumption of materials and energy,
- 8) outsourced services,
- 9) costs of maintaining and renting buildings,
- 10) other costs by type,
- 11) depreciation and amortisation,
- 12) taxes and other public-law charges,
- 13) commissions and fees.

As per the detailed specification resulting from the corporate chart of accounts.

Other operating income includes in particular:

- 1) surplus from sales of property, plant and equipment and intangible assets,
- 2) release of provisions,
- 3) reduction of write-downs on receivables,
- 4) subsidies,
- 5) other operating income.

As per the detailed specification resulting from the corporate chart of accounts.

Other operating costs include in particular:

- 1) loss on sales of property, plant and equipment and intangible assets,
- 2) creation of provisions,
- 3) revaluation write-downs on receivables,
- 4) revaluation write-downs on property, plant and equipment and intangible assets,
- 5) other operating costs.

As per the detailed specification resulting from the corporate chart of accounts.

Financial income includes in particular:

- 1) profit on sales of long- and short-term investments,
- 2) interest payable and received on late payments,
- 3) interest on bank deposits,
- 4) dividend received,
- 5) revaluation write-downs on investments,
- 6) foreign exchange profit.

As per the detailed specification resulting from the corporate chart of accounts.

Financial costs include in particular:

- 1) loss on sales of long- and short-term investment components,
- 2) revaluation write-downs on investments,
- 3) interest on loans, borrowings, trade and budgetary liabilities,
- 4) foreign exchange loss.

As per the detailed specification resulting from the corporate chart of accounts.

III. Balance sheet
1. Assets

| No. | Title | No. of note | As at | |
|--------------|---|-------------------|----------------------|----------------------|
| | | | 31 December 2022 | 31 December 2021 |
| I. | Cash and cash equivalents | 1 | 33,762,252.87 | 21,140,862.84 |
| | 1. In hand | | 0.00 | 0.00 |
| | 2. On bank accounts | | 33,351,189.28 | 20,922,702.84 |
| | 3. Other cash | | 0.00 | 0.00 |
| | 4. Other cash equivalents | | 411,063.59 | 218,160.00 |
| II. | Short-term receivables | 2, 6 | 5,967,763.97 | 4,836,768.28 |
| | 1. From customers | 3, 6 | 1,563,885.65 | 602,580.77 |
| | 2. From affiliated companies | | 0.00 | 0.00 |
| | 3. From banks engaged in brokerage activities, other brokerage houses, and commodity brokerage houses | | 0.00 | 0.00 |
| | a) on account of transactions concluded | | 0.00 | 0.00 |
| | b) other | | 0.00 | 0.00 |
| | 4. From operators of regulated markets and commodity exchanges | | 0.00 | 0.00 |
| | 5. From the Central Securities Depository of Poland, clearing houses and settlement houses | 4 | 0.00 | 0.00 |
| | 5a. From the Central Counterparty (CCP) | | 0.00 | 0.00 |
| | 6. From investment and pension fund companies and investment and pension funds | 5, 6 | 3,919,077.90 | 4,070,795.49 |
| | 7. From issuers of securities or entities carrying out placements | | 0.00 | 0.00 |
| | 8. From the chamber of commerce | | 0.00 | 0.00 |
| | 9. On account of taxes, subsidies and social security | | 276,397.76 | 148,841.92 |
| | 10. Litigated and not covered by revaluation write- offs on receivables | | 0.00 | 0.00 |
| | 11. Resulting from securities lending agreements | | 0.00 | 0.00 |
| | 12. Other | | 208,402.66 | 14,550.09 |
| III. | Financial instruments held for trading | | 0.00 | 0.00 |
| IV. | Short-term prepayments and accruals | 11 | 185,987.73 | 176,588.73 |
| IV.a. | Short-term borrowings granted | | 0.00 | 0.00 |
| V. | Financial instruments held to maturity | | 0.00 | 0.00 |
| VI. | Financial instruments available for sale | | 0.00 | 0.00 |
| VII. | Long-term receivables | 2, 7 | 800,468.99 | 800,624.94 |
| VIII. | Long-term borrowings granted | | 0.00 | 0.00 |
| IX. | Intangible assets | 9 | 1,271,329.72 | 125,579.71 |
| | 1. Goodwill | | 0.00 | 0.00 |
| | 2. Acquired concessions, patents, licences, and similar values, including: | | 1,262,092.54 | 112,520.25 |
| | - <i>software</i> | | 0.00 | 0.00 |

| | | | | | |
|---------------------|----|---|------------------|----------------------|----------------------|
| | 3. | Other intangible assets | | 9,237.18 | 13,059.46 |
| | 4. | Advances for intangible assets | | 0.00 | 0.00 |
| X. | | Property, plant and equipment | 8, 10 | 496,709.75 | 583,784.69 |
| | 1. | Fixed assets, including: | | 494,166.82 | 583,784.69 |
| | | <i>a) land (including perpetual usufruct)</i> | | 0.00 | 0.00 |
| | | <i>b) buildings and structures</i> | | 0.00 | 0.00 |
| | | <i>c) computer sets</i> | | 244,693.62 | 433,924.44 |
| | | <i>d) transport means</i> | | 244,259.79 | 143,415.09 |
| | | <i>d) other fixed assets</i> | | 5,213.41 | 6,445.16 |
| | 2. | Fixed assets under construction | | 2,542.93 | 0.00 |
| | 3. | Advances on fixed assets under construction | | 0.00 | 0.00 |
| XI. | | Long-term prepayments and accruals | | 291,785.92 | 1,156,528.20 |
| | 1. | Deferred income tax assets | 30 | 288,377.28 | 177,170.98 |
| | 2. | Other prepayments and accruals | 11 | 3,408.64 | 979,357.22 |
| XII. | | Called-up share capital contributions | | 0.00 | 0.00 |
| XIII. | | Own shares | | 0.00 | 0.00 |
| TOTAL ASSETS | | | | 42,776,298.95 | 28,820,737.39 |

2. Liabilities and equity

| No. | Title | No. of note | As at | |
|-----------|--|----------------|----------------------|----------------------|
| | | | 31 December 2022 | 31 December 2021 |
| I. | Short-term liabilities | 12 | 25,135,107.06 | 16,997,071.35 |
| | 1. To customers | | 22,053,444.29 | 13,880,518.88 |
| | 2. To affiliated companies | | 0.00 | 0.00 |
| | 3. From banks engaged in brokerage activities, other brokerage houses, and commodity brokerage houses | | 0.00 | 0.00 |
| | <i>a) on account of transactions concluded</i> | | 0.00 | 0.00 |
| | <i>b) other</i> | | 0.00 | 0.00 |
| | 4. To operators of regulated markets and commodity exchanges | | 0.00 | 0.00 |
| | 5. To the Central Securities Depository of Poland clearing houses and settlement houses | 13 | 31,302.40 | 33,899.93 |
| | 5a. To the Central Counterparty (CCP) | | 0.00 | 0.00 |
| | 6. To the chamber of commerce | | 0.00 | 0.00 |
| | 7. To issuers of securities or entities carrying out placements | | 0.00 | 0.00 |
| | 8. Borrowings and loans | | 0.00 | 0.00 |
| | <i>a) from affiliated companies</i> | | 0.00 | 0.00 |
| | <i>b) other</i> | | 0.00 | 0.00 |
| | 9. Debt securities | | 0.00 | 0.00 |
| | 9a. Negative measurement on financial instruments held for trading | | 0.00 | 0.00 |
| | 10. Bills of exchange liabilities | | 0.00 | 0.00 |
| | 11. On account of taxes, subsidies and social security | | 1,338,382.30 | 1,077,537.96 |

| | | | | |
|-------------|---|-----------|----------------------|----------------------|
| 12. | On account of remunerations | | 80,474.59 | 9,034.13 |
| 13. | To investment and pension fund companies and investment and pension funds | | 4,375.37 | 0.00 |
| 14. | Resulting from securities lending agreements | | 0.00 | 0.00 |
| 15. | Special funds | | 0.00 | 0.00 |
| 16. | Other | | 1,627,128.10 | 1,996,080.45 |
| II. | Long-term liabilities | 14 | 317,664.24 | 174,239.98 |
| 1. | Bank loans | | 0.00 | 0.00 |
| | <i>a) from affiliated companies</i> | | 0.00 | 0.00 |
| | <i>b) other</i> | | 0.00 | 0.00 |
| 2. | Borrowings | | 0.00 | 0.00 |
| | <i>a) from affiliated companies</i> | | 0.00 | 0.00 |
| | <i>b) other</i> | | 0.00 | 0.00 |
| 3. | Debt securities | | 0.00 | 0.00 |
| 4. | On account of financial instruments | | 0.00 | 0.00 |
| 5. | On account of finance lease | | 317,664.24 | 174,239.98 |
| | <i>a) from affiliated companies</i> | | 0.00 | 0.00 |
| | <i>b) other</i> | | 317,664.24 | 174,239.98 |
| 6. | Other | | 0.00 | 0.00 |
| III. | Prepayments and accruals | 17 | 0.00 | 0.00 |
| 1. | Negative goodwill | | 0.00 | 0.00 |
| 2. | Other prepayments and accruals | | 0.00 | 0.00 |
| | <i>a) long-term</i> | | 0.00 | 0.00 |
| | <i>b) short-term</i> | | 0.00 | 0.00 |
| IV. | Provisions for liabilities | | 1,093,886.00 | 737,723.07 |
| 1. | On account of deferred income tax | 30 | 75,851.04 | 27,606.16 |
| 2. | For pensions and similar benefits | | 270,303.12 | 260,709.91 |
| | <i>a) long-term</i> | | 20,464.66 | 0.00 |
| | <i>b) short-term</i> | | 249,838.46 | 260,709.91 |
| 3. | Other | 16 | 747,731.84 | 449,407.00 |
| | <i>a) long-term</i> | | 0.00 | 0.00 |
| | <i>b) short-term</i> | | 747,731.84 | 449,407.00 |
| V. | Subordinated liabilities | | 0.00 | 0.00 |
| VI. | Equity | | 16,229,641.65 | 10,911,702.99 |
| 1. | Share capital | | 951,570.00 | 951,570.00 |
| 2. | Supplementary capital | | 9,973,155.55 | 5,968,227.17 |
| | <i>a) from share premium</i> | | 2,391,394.82 | 2,391,394.82 |
| | <i>b) created by law</i> | | 7,581,760.73 | 3,576,832.35 |
| | <i>c) created in accordance with the articles of association</i> | | 0.00 | 0.00 |
| | <i>d) from shareholder contributions</i> | | 0.00 | 0.00 |
| | <i>e) other</i> | | 0.00 | 0.00 |
| 3. | Revaluation reserve | | -36,775.84 | -13,022.56 |
| 4. | Other reserves | | 0.00 | 0.00 |
| 5. | Profit (loss) carried forward | | 0.00 | 0.00 |

| | | | |
|-------------------------------------|--|----------------------|----------------------|
| | <i>a) profit from previous years (positive value)</i> | 0.00 | 0.00 |
| | <i>b) loss from previous years (negative value)</i> | 0.00 | 0.00 |
| 6. | Net profit (loss) | 5,341,691.94 | 4,004,928.38 |
| 7. | Net profit write-offs during the year (negative value) | 0.00 | 0.00 |
| TOTAL LIABILITIES AND EQUITY | | 42,776,298.95 | 28,820,737.39 |

3. Off-balance sheet items.

| No. | Specification | Note | 31 December 2022 | 31 December 2021 |
|--|---|-----------|--------------------------|--------------------------|
| I. | Contingent liabilities, including: | | 0.00 | 0.00 |
| 1. | Guarantees | | 0.00 | 0.00 |
| 2. | Deposits, sureties | | 0.00 | 0.00 |
| 3. | Granted and unused limits on account of deferred payment transactions | | 0.00 | 0.00 |
| 4. | Other | 18 | 0.00 | 0.00 |
| II. | Third-party assets in use | | 0.00 | 0.00 |
| III. | Futures and forward contracts acquired or issued on behalf and for the account of a brokerage house | | 0.00 | 0.00 |
| IV. | Other off-balance sheet items | | 23,039,678,464.66 | 23,294,150,370.99 |
| Total off-balance sheet liabilities | | | 23,039,678,464.66 | 23,294,150,370.99 |

IV. Profit and loss account

| No. | Title | No. of note | From 1 January 2022 to 31 December 2022 | From 1 January 2021 to 31 December 2021 |
|-------------|--|-------------|---|---|
| I. | Income from core activities, including: | 24 | 42,549,783.46 | 41,117,693.36 |
| | - from affiliated companies | | 0.00 | 0.00 |
| 1. | Income from brokerage activities on account of: | | 20,035,304.01 | 24,482,829.50 |
| | <i>a) accepting and forwarding orders to buy or sell financial instruments</i> | | 0.00 | 0.00 |
| | <i>b) executing orders to buy or sell financial instruments on behalf of the principal,</i> | | 457,018.73 | 240,617.19 |
| | <i>c) management of portfolios including one or more financial instruments</i> | | 0.00 | 0.00 |
| | <i>d) investment advice</i> | | 0.00 | 0.00 |
| | <i>e) offering financial instruments,</i> | | 4,012,894.87 | 8,536,824.97 |
| | <i>f) providing services under the terms of applicable agreements on investment and service underwriting or the conclusion and implementation of other similar agreements where financial instruments are involved</i> | | 0.00 | 0.00 |
| | <i>g) keeping cash accounts, safekeeping or recording financial instruments, including the accounts referred to in Article 69(4)(1) of the Act on Trading in Financial Instruments,</i> | | 4,013,630.11 | 3,450,055.66 |
| | <i>h) other</i> | | 11,551,760.30 | 12,255,331.68 |
| 2. | Income from other core activities | | 22,514,479.45 | 16,634,863.86 |
| II. | Costs of core activities | | 36,446,407.42 | 35,839,930.34 |
| 1. | Fees payable to regulated markets, commodity exchanges, Central Securities Depository of Poland and clearing houses | | 434,073.36 | 376,520.97 |
| 2. | Fees payable to the central counterparty (CCP) | | 0.00 | 0.00 |
| 3. | Fees payable to the chamber of commerce | | 0.00 | 0.00 |
| 4. | Remunerations | | 10,590,454.00 | 9,476,739.02 |
| 5. | Social security and other benefits | | 1,370,628.83 | 1,155,318.01 |
| 6. | Employee benefits | | 379,994.83 | 491,733.51 |
| 7. | Consumption of materials and energy | | 231,329.65 | 148,276.37 |
| 8. | Outsourced services | | 5,511,089.92 | 3,839,011.01 |
| 9. | Costs of maintaining and renting real property | | 1,535,731.42 | 1,131,133.79 |
| 10. | Other costs by type | | 4,198.17 | 47,129.53 |
| 11. | Depreciation and amortisation | | 613,062.06 | 496,748.07 |
| 12. | Taxes and other public-law charges | | 365,118.91 | 247,435.82 |
| 13. | Commissions and other fees | | 14,885,092.75 | 18,202,806.55 |
| 14. | Other | | 525,633.52 | 227,077.69 |
| III. | Profit (loss) on core activities (I-II) | | 6,103,376.04 | 5,277,763.02 |

| | | | | |
|-------|---|-----------|---------------------|---------------------|
| IV. | Income from financial instruments held for trading | | 0.00 | 0.00 |
| V. | Costs on account of financial instruments held for trading | | 0.00 | 0.00 |
| VI. | Profit (loss) on operations in financial instruments held for trading (IV-V) | | 0.00 | 0.00 |
| VII. | Income from financial instruments held to maturity | | 0.00 | 0.00 |
| VIII. | Costs on account of financial instruments held to maturity | | 0.00 | 0.00 |
| IX. | Profit (loss) on operations in financial instruments held to maturity (VII-VIII) | | 0.00 | 0.00 |
| X. | Income from financial instruments available for sale | | 0.00 | 0.00 |
| XI. | Costs on account of financial instruments available for sale | | 0.00 | 0.00 |
| XII. | Profit (loss) on operations in financial instruments available for sale (X-XI) | | 0.00 | 0.00 |
| XIII. | Other operating income | 26 | 439,833.67 | 102,727.47 |
| | 1. Surplus from sales of property, plant and equipment and intangible assets | | 55,125.00 | 0.00 |
| | 2. Release of provisions | | 0.00 | 0.00 |
| | 3. Reduction of write-downs on receivables | | 218,227.18 | 102,574.22 |
| | 4. Subsidies | | 0.00 | 0.00 |
| | 5. Other | | 166481.49 | 153.25 |
| XIV. | Other operating costs | 27 | 631,018.33 | 163,301.96 |
| | 1. Loss on sales of property, plant and equipment and intangible assets | | 0.00 | 0.00 |
| | 2. Creation of provisions | | 0.00 | 0.00 |
| | 3. Revaluation write-downs on receivables | | 474,325.85 | 108,689.48 |
| | 4. Revaluation write-downs on property, plant and equipment and intangible assets | | 0.00 | 0.00 |
| | 5. Other | | 156,692.48 | 54,612.48 |
| XV. | Profit (loss) on operating activities (III+VI+IX+XII+XIII-XIV) | | 5,912,191.39 | 5,217,188.53 |
| XVI. | Financial income | 25 | 573,072.19 | 17,526.77 |
| | 1. Interest on borrowings granted, including: | | 0.00 | 0.00 |
| | - from affiliated companies | | 0.00 | 0.00 |
| | 2. Interest on deposits | | 512,896.87 | 2,394.69 |
| | - from affiliated companies | | 0.00 | 0.00 |
| | 3. Other interest | | 0.53 | 0.00 |
| | 4. Positive foreign exchange differences | | 60,174.79 | 15,132.08 |
| | a) realised | | 50,280.67 | 15,132.08 |
| | b) non-realised | | 9,894.12 | 0.00 |
| | 5. Other | | 0.00 | 0.00 |
| XVII. | Financial costs | 28 | 94,899.19 | 26,813.74 |

| | | | | |
|--------|--|-------|---------------------|---------------------|
| 1. | Interest on loans and borrowings, including: | | 0.00 | 0.00 |
| | - from affiliated companies | | 0.00 | 0.00 |
| 2. | Other interest | | 21,480.02 | 8,479.01 |
| 3. | Negative foreign exchange differences | | 73,419.17 | 18,334.73 |
| | a) realised | | 30,678.39 | 14,652.03 |
| | b) non-realised | | 42,740.78 | 3,682.70 |
| 4. | Other | | 0.00 | 0.00 |
| XVIII. | Gross profit (loss) (XV+XVI-XVII) | | 6,390,364.38 | 5,207,901.56 |
| XIX. | Income tax | 29,30 | 1,048,672.44 | 1,202,973.18 |
| XX. | Other compulsory decreases of profit (increases of loss) | | 0.00 | 0.00 |
| XXI. | Net profit (loss) (XVIII-XIX-XX) | | 5,341,691.94 | 4,004,928.38 |

V. Statement of changes in equity

| No. | Title | 31 December 2022 | 31 December 2021 |
|-------------|---|----------------------|---------------------|
| I. | Opening balance of equity | 10,911,702.99 | 8,352,703.50 |
| 1. | Opening balance of share capital | 951,570.00 | 951,570.00 |
| 1.1. | Share capital movements | 0.00 | 0.00 |
| a) | increase (on account of) | 0.00 | 0.00 |
| | - issue of shares | 0.00 | 0.00 |
| 1.2. | Closing balance of share capital | 951,570.00 | 951,570.00 |
| 2. | Opening balance of called-up share capital contributions | 0.00 | 0.00 |
| 2.1. | Movements in called-up share capital contributions | 0.00 | 0.00 |
| 2.2. | Closing balance of called-up share capital contributions | 0.00 | 0.00 |
| 3. | Opening balance of own shares | 0.00 | 0.00 |
| 3.1. | Closing balance of own shares | 0.00 | 0.00 |
| 4. | Opening balance of supplementary capital | 5,968,227.17 | 3,906,936.40 |
| 4.1. | Supplementary capital movements | 4,004,928.38 | 2,061,290.77 |
| a) | increase (on account of) | 4,004,928.38 | 2,061,290.77 |
| | - share premium | 0.00 | 0.00 |
| | - profit distribution (by law) | 4,004,928.38 | 2,061,290.77 |
| | - profit distributions (above the statutory minimum) | 0.00 | 0.00 |
| b) | decreases (on account of) | 0.00 | 0.00 |
| | - dividend payment | 0.00 | 0.00 |
| | - loss coverage | 0.00 | 0.00 |
| 4.2. | Closing balance of supplementary capital | 9,973,155.55 | 5,968,227.17 |
| 5. | Opening balance of revaluation reserve- changes in accounting policy | -13,022.56 | -9,726.43 |
| 5.1. | Revaluation reserve movements | -23,753.28 | -3,296.13 |
| a) | increase (on account of) | 0.00 | 0.00 |
| b) | decrease (on account of) | 23,753.28 | 3,296.13 |
| | - exchange differences on translation | 23,753.28 | 3,296.13 |
| 5.2. | Closing balance of revaluation reserve | -36,775.84 | -13,022.56 |
| 6. | Opening balance of other reserves | 0.00 | 0.00 |
| 6.1. | Movements in other reserves | 0.00 | 0.00 |
| 6.2. | Closing balance of other reserves | 0.00 | 0.00 |
| 7. | Opening balance of profit (loss) carried forward | 4,004,928.38 | 3,503,923.53 |
| 7.1. | Opening balance of profit carried forward | 4,004,928.38 | 3,503,923.53 |
| 7.2. | Opening balance of profit carried forward, after adjustment | 4,004,928.38 | 3,503,923.53 |
| a) | increases | 0.00 | 0.00 |
| b) | decreases | 4,004,928.38 | 3,503,923.53 |
| | - transfer of part of profit to supplementary capital | 4,004,928.38 | 2,061,290.77 |
| | - dividend payment | 0.00 | 1,442,632.76 |
| 7.3. | Closing balance of profit carried forward | 0.00 | 0.00 |
| 7.4. | Opening balance of loss carried forward | 0.00 | 0.00 |
| 7.5. | Opening balance of loss carried forward, after adjustment | 0.00 | 0.00 |
| a) | Increases | 0.00 | 0.00 |
| b) | Decreases | 0.00 | 0.00 |
| | - coverage of loss carried forward | 0.00 | 0.00 |
| 7.6. | Closing balance of loss carried forward | 0.00 | 0.00 |

| | | |
|---|----------------------|----------------------|
| 7.7. Closing balance of profit (loss) carried forward | 0.00 | 0.00 |
| 8. Net result | 5,341,691.94 | 4,004,928.38 |
| a) net result | 5,341,691.94 | 4,004,928.38 |
| b) net loss | 0.00 | 0.00 |
| c) write-offs from profit | 0.00 | 0.00 |
| II. Closing balance of equity | 16,229,641.65 | 10,911,702.99 |
| III. Equity after proposed distribution of profit (coverage of loss) | 16,229,641.65 | 10,911,702.99 |

VI. Cash flow statement

| | 31 December 2022 | 31 December 2021 |
|---|----------------------|----------------------|
| A. Net cash flows from operating activities (I+/-II) | 14,275,999.99 | -1,932,790.82 |
| I. Net profit (loss) | 5,341,691.94 | 4,004,928.38 |
| II. Total adjustments | 8,934,308.04 | -5,937,719.20 |
| 1. Depreciation and amortisation | 613,062.06 | 496,748.07 |
| 2. Profit (loss) on account of foreign exchange differences | 0.00 | 0.00 |
| 3. Interest and shares in profits (dividend) | 5,999.45 | 7,555.59 |
| 4. Profit (loss) on investing activities | -55,125.00 | 0.00 |
| 5. Change in provisions and revaluation write-offs on receivables | 356,162.93 | 456,359.02 |
| 6. Change in balance of financial instruments held for trading | 0.00 | 0.00 |
| 7. Change in balance of receivables | -1,130,839.74 | -956,207.09 |
| 8. Change in balance of short-term liabilities (except for loans and borrowings), including special funds | 8,313,574.79 | -4,943,551.04 |
| 9. Change in balance of prepayments and accruals | 855,343.28 | -995,341.37 |
| 10. Other adjustments | -23,869.72 | -3,282.38 |
| B. Net cash flows from investing activities (I-II) | -1,616,495.69 | -424,888.97 |
| I. Proceeds from investing activities | 64,221.14 | 0.00 |
| 1. Disposal of available-for-sale and held-to-maturity financial instruments of the parent company | 0.00 | 0.00 |
| 2. Disposal of available-for-sale and held-to-maturity financial instruments of a major investor | 0.00 | 0.00 |
| 3. Disposal of available-for-sale and held-to-maturity financial instruments of a partner in a jointly controlled entity | 0.00 | 0.00 |
| 4. Disposal of available-for-sale and held-to-maturity financial instruments of a partner in subordinated entities | 0.00 | 0.00 |
| 5. Disposal of other available-for-sale and held-to-maturity financial instruments | 0.00 | 0.00 |
| 6. Disposal of intangible assets | 0.00 | 0.00 |
| 7. Disposal of property, plant and equipment | 64,221.14 | 0.00 |
| 8. Shares in profits (dividend) received | 0.00 | 0.00 |
| 9. Interest received | 0.00 | 0.00 |
| 10. Repayment of long-term borrowings granted | 0.00 | 0.00 |
| 11. Other proceeds | 0.00 | 0.00 |
| II. Expenditure on investing activities | 1,680,716.83 | 424,888.97 |
| 1. Acquisition of available-for-sale and held-to-maturity financial instruments of the parent company | 0.00 | 0.00 |
| 2. Acquisition of available-for-sale and held-to-maturity financial instruments of a major investor | 0.00 | 0.00 |
| 3. Acquisition of available-for-sale and held-to-maturity financial instruments of a partner in a jointly controlled entity | 0.00 | 0.00 |
| 4. Acquisition of available-for-sale and held-to-maturity financial instruments of a partner in subordinated entities | 0.00 | 0.00 |
| 5. Acquisition of other available-for-sale and held-to-maturity financial instruments | 0.00 | 0.00 |
| 6. Acquisition of intangible assets | 1,211,354.02 | 140,367.94 |
| 7. Acquisition of property, plant and equipment | 469,362.81 | 284,521.03 |
| 8. Long-term borrowings granted | 0.00 | 0.00 |
| 9. Other expenditure | 0.00 | 0.00 |

| | | |
|---|----------------------|----------------------|
| C. Net cash flows from financing activities (I-II) | -38,114.27 | -1,536,904.64 |
| I. Proceeds from financing activities | 0.00 | 0.00 |
| 1. Long-term loans and borrowings incurred | 0.00 | 0.00 |
| 2. Issue of long-term debt securities | 0.00 | 0.00 |
| 3. short-term loans and borrowings incurred | 0.00 | 0.00 |
| 4. Issue of short-term debt securities | 0.00 | 0.00 |
| 5. Contingent liabilities incurred | 0.00 | 0.00 |
| 6. Proceeds from issue of own shares | 0.00 | |
| 7. Capital contributions | 0.00 | 0.00 |
| 8. Other proceeds | 0.00 | 0.00 |
| II Expenditure on financing activities | 38,114.27 | 1,536,904.64 |
| 1. Repayment of long-term loans and borrowings | 0.00 | 0.00 |
| 2. Redemption of long-term debt securities | 0.00 | 0.00 |
| 3. Repayment of short-term loans and borrowings | 0.00 | 0.00 |
| 4. Redemption of short-term debt securities | 0.00 | 0.00 |
| 5. Repayment of contingent liabilities | 0.00 | 0.00 |
| 6. Expenditure on issue of own shares | 0.00 | 0.00 |
| 7. Acquisition of own shares | 0.00 | 0.00 |
| 8. Dividend and other payments to owners | 0.00 | 1,442,632.76 |
| 9. Profit distributions to managing and supervising staff | 0.00 | 0.00 |
| 10. Expenditure on social and beneficial purposes | 0.00 | 0.00 |
| 11. Payments of liabilities under finance lease | 32,114.82 | 86,716.29 |
| 12. Interest paid | 5,999.45 | 7,555.59 |
| 13. Other expenditure | 0.00 | 0.00 |
| D. Total net cash flows (A+/-B+/-C) | 12,621,390.03 | -3,894,584.43 |
| E. Balance-sheet change in cash, including: | 12,621,390.03 | -3,894,584.43 |
| - change in balance of cash due to foreign exchange differences | 0.00 | 0.00 |
| F. Opening balance of cash | 21,140,862.84 | 25,035,447.27 |
| G. Closing balance of cash (F+/-D), including: | 33,762,252.87 | 21,140,862.84 |
| - with restricted availability | 411,063.59 | 218,160.00 |

VII. Additional information and explanations
1. Cash

| Title | 31 December 2022 | 31 December 2021 |
|--|----------------------|----------------------|
| Cash: | | |
| a) cash of customers on bank accounts and in hand, | 22,057,266.45 | 13,875,062.99 |
| b) cash of customers invested in debt securities issued by the State Treasury | 0.00 | 0.00 |
| c) other cash of customers | 0.00 | 0.00 |
| d) brokerage house's own cash | 11,293,922.83 | 7,047,639.85 |
| - cash on VAT bank account | 43,458.73 | 17,374.66 |
| e) cash of customers deposited on accounts at the brokerage house and paid to acquire securities in an initial public offering or in primary public trade, | 0.00 | 0.00 |
| f) cash transferred from the settlement fund | 0.00 | 0.00 |
| In total | 33,351,189.28 | 20,922,702.84 |

The amount of other cash equivalents, of PLN 411,063.59 (EUR 87,648.69), constitutes a collateral for the bank guarantee granted by PKO BP. These funds have been deposited on a separate bank account and Q Securities has limited ability to deal with them.

2. Short-term and long-term receivables

| Title | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| Short-term and long-term receivables: | | |
| a) total net receivables | 6,768,232.96 | 5,637,393.22 |
| b) revaluation write-downs on receivables | 286,584.53 | 88,302.15 |
| c) total gross receivables | 7,054,817.48 | 5,725,695.37 |
| including values with a remaining payment period as of the balance-sheet date | | |
| a) of up to 1 year | 4,409,779.66 | 4,211,493.47 |
| b) of more than 1 year | 800,468.99 | 800,624.94 |
| c) overdue receivables | 1,557,984.30 | 625,274.81 |

In 2022, the Company changed its accounting policy with regard to recognising impairment losses. Compared to 2021, impairment losses relating to receivables unpaid for between 3 and 6 months were created at 25% of the value of the receivables. By applying the above principle to the comparative data, the Company would increase the value of the impairment losses by 8,080.11, which would simultaneously result in a decrease in the value of the receivables as at 31.12.2021.

3. Receivables from customers

| Title | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| Receivables from customers: | 1,563,885.65 | 602,580.77 |
| a) on account of deferred payment | 0.00 | 0.00 |
| b) overdue receivables and disputed claims not covered by provisions | 756,547.03 | 188,016.11 |
| In total | 1,563,885.65 | 602,580.77 |

4. Receivables from the Central Securities Depository of Poland (KDPW), clearing houses and settlement houses

| Title | 31 December 2022 | 31 December 2021 |
|---|------------------|------------------|
| Receivables from KDPW: | | |
| a) receivables from the settlement fund | 0.00 | 0.00 |
| b) receivables from the compensation fund | 0.00 | 0.00 |
| c) other | 0.00 | 0.00 |
| In total | 0.00 | 0.00 |

5. Receivables from investment and pension fund companies and investment and pension funds

| Title | 31 December 2022 | 31 December 2021 |
|--|---------------------|---------------------|
| 1. AgioFunds TFI | 178,284.70 | 144,285.60 |
| 2. Noble Funds TFI | 30,862.58 | 31,499.42 |
| 3. Eques Investment TFI | 252,598.32 | 301,378.56 |
| 4. Opoka TFI | 6,411.43 | 5,412.61 |
| 5. Allianz TFI | 16,345.38 | 18,592.06 |
| 6. Skarbiec TFI | 2,899.65 | 5,748.85 |
| 7. MM Prime TFI | 34,287.59 | 48,003.74 |
| 8. Ipopema TFI | 450,524.46 | 302,330.87 |
| 9. Rockbridge TFI | 295.39 | 375.86 |
| 10. Mount TFI | 103,637.22 | 83,027.87 |
| 11. Baltic Capital TFI | 0.00 | 1,422.54 |
| 12. White Berg TFI (<i>former BDM TFI</i>) | 9,161.43 | 30,693.60 |
| 13. Esaliens TFI | 7,776.56 | 2,648.53 |
| 14. Astron Fund TFI | 0.00 | 0.00 |
| 15. Receivables from investment funds | 2,825,993.19 | 3,095,375.38 |
| In total | 3,919,077.90 | 4,070,795.49 |

6. Data on balance of revaluation write-downs on receivables

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|---|-------------------|------------------|
| 1. | Revaluation write-downs on receivables | | |
| | - opening balance | 88,302.15 | 91,286.89 |
| | - new write-downs created | 475,097.93 | 108,689.48 |
| | - realised write-downs | 0.00 | 0.00 |
| | - released write-downs | 276,815.55 | 111,674.22 |
| | Closing balance of write-downs | 286,584.53 | 88,302.15 |

7. Long-term receivables

| Title | 31 December 2022 | 31 December 2021 |
|--|-------------------|-------------------|
| Long-term receivables: | 800,468.99 | 800,624.94 |
| a) the KDPW CCP settlement collateral fund | 800,000.00 | 800,000.00 |
| b) other deposits paid to suppliers | 468.99 | 624.94 |
| In total | 800,468.99 | 800,624.94 |

8. Data on property, plant and equipment

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|---|-------------------|-------------------|
| 1. | Property, plant and equipment, ownership structure: | | |
| | a) own assets, | 252,449.96 | 440,369.60 |
| | b) assets used under a rental, tenancy or similar agreement; depreciated, | 244,259.79 | 143,415.09 |
| | c) value of fixed assets not depreciated or amortised by the brokerage house and used under rental, tenancy or other agreements (e.g. lease agreements), including value of land under perpetual usufruct; | 0.00 | 0.00 |
| | In total | 496,709.75 | 583,784.69 |

9. Intangible assets

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|---|---------------------|-------------------|
| 1. | Intangible assets | | |
| | a) goodwill | 0.00 | 0.00 |
| | b) acquired concessions, patents, licences, and similar values, | 1,262,092.54 | 112,520.25 |
| | c) other intangible assets | 9,237.18 | 13,059.46 |
| | d) advances for intangible assets | 0.00 | 0.00 |
| | In total | 1,271,329.72 | 125,579.71 |

Table of movements in other intangible assets

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|--|------------------|------------------|
| 1. | Intangible assets | | |
| | a) opening balance | 196,645.20 | 56,277.26 |
| | - increases | 1,211,354.02 | 140,367.94 |
| | - decreases | 0.00 | 0.00 |
| | b) closing balance | 1,407,999.22 | 196,645.20 |
| 2. | Amortisation of intangible assets | | |
| | a) opening balance of amortisation | 71,065.49 | 31,249.77 |
| | - increases | 65,604.01 | 39,815.72 |
| | - decreases | 0.00 | 0.00 |
| | b) closing balance of amortisation | 136,669.50 | 71,065.49 |

| | | |
|------------------------------------|---------------------|-------------------|
| Total net intangible assets | 1,271,329.72 | 125,579.71 |
|------------------------------------|---------------------|-------------------|

10. Property, plant and equipment

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|--------------------------------------|-------------------|-------------------|
| 1. | Property, plant and equipment | | |
| a) | land | 0.00 | 0.00 |
| b) | buildings and premises | 0.00 | 0.00 |
| c) | computer sets | 244,693.62 | 433,924.44 |
| d) | transport means | 244,259.79 | 143,415.09 |
| d) | other fixed assets | 5,213.41 | 6,445.16 |
| f) | fixed assets under construction | 2,542.93 | 0.00 |
| | In total | 496,709.75 | 583,784.69 |

Table of movements in fixed assets

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|-------------------------------------|-------------------|-------------------|
| 1. | Fixed assets | | |
| a) | opening balance | 1,486,658.84 | 1,201,963.50 |
| | - increases | 469,362.81 | 284,521.03 |
| | - decreases | 136,441.74 | 0.00 |
| b) | closing balance | 1,819,579.91 | 1,486,484.53 |
| 2. | Depreciation of fixed assets | | |
| a) | opening balance of amortisation | 902,756.67 | 445,753.74 |
| | - increases | 547,459.09 | 456,946.10 |
| | - decreases | 127,345.60 | 0.00 |
| b) | closing balance of amortisation | 1,322,870.16 | 902,699.84 |
| | Total net fixed assets | 496,709.75 | 583,784.69 |

11. Accrued expenses

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|------------------------------------|-------------------|---------------------|
| 1. | Short-term accrued expenses | 185,987.73 | 176,588.73 |
| a) | Miscellaneous costs | 185,084.80 | 176,588.73 |
| b) | Authorised advisor of the WSA | 0.00 | 0.00 |
| c) | Subscriptions | 902.93 | 0.00 |
| d) | Advances for intangible assets | 0.00 | 0.00 |
| 2. | Long-term accrued expenses | 3,408.64 | 979,357.22 |
| a) | Miscellaneous costs | 3,408.64 | 74.13 |
| b) | Advances for intangible assets | 0.00 | 979,283.09 |
| | In total | 189,396.37 | 1,155,945.95 |

12. Short-term liabilities

List of liabilities by balance-sheet items with the contractual repayment period remaining after the balance-sheet date

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|-------------------------------------|----------------------|----------------------|
| 1. | Current, including: | | |
| a) | of up to 1 year, | 25,068,791.63 | 16,997,071.35 |
| b) | for which the due date has expired | 66,315.43 | 0.00 |
| | Total short-term liabilities | 25,135,107.06 | 16,997,071.35 |

13. Liabilities to the Central Securities Depository of Poland (KDPW), clearing houses and settlement houses

| | Title | 31 December 2022 | 31 December 2021 |
|----|---|------------------|------------------|
| | Liabilities to KDPW: | | |
| a) | liabilities on account of surcharges on the settlement fund | 0.00 | 0.00 |
| b) | other | 31,302.40 | 33,899.93 |
| | In total | 31,302.40 | 33,899.93 |

14. Breakdown of long-term liabilities by balance-sheet items with the expected repayment period remaining after the balance-sheet date

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|--|-------------------|-------------------|
| 1. | Long-term liabilities, including: | | |
| a) | of up to one year | 0.00 | 0.00 |
| b) | of more than 1 year and up to 3 years | 317,664.24 | 174,239.98 |
| c) | of more than 3 years and up to 5 years | 0.00 | 0.00 |
| d) | of more than 5 years | 0.00 | 0.00 |
| | Total long-term liabilities | 317,664.24 | 174,239.98 |

15. Liabilities to investment and pension fund companies and investment and pension funds broken down by liabilities to individual investment and pension fund companies and investment and pension funds

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|--|------------------|------------------|
| 1. | Liabilities to investment and pension fund companies and investment and pension funds | | |
| a) | SATUS CLOSED-END VENTURE CAPITAL INVESTMENT FUND OF NON-PUBLIC ASSETS | 347.12 | 0.00 |
| b) | IPOPEMA BENEFIT 3 CLOSED-END FUND OF NON-PUBLIC ASSETS | 4,028.25 | 0.00 |
| c) | Liabilities to investment funds | 0.00 | 0.00 |
| | In total | 4,375.37 | 0.00 |

The Company has liabilities to investment fund companies and investment funds also in the form of an obligation to return cash held on bank accounts.

16. Provisions for liabilities

| No. | Title | 31 December 2022 | 31 December 2021 |
|---|---|---------------------|-------------------|
| 1. | Provisions for liabilities, including: | | |
| a) | provision for remunerations | 692,731.84 | 402,304.22 |
| b) | provision for pensions and similar benefits | 270,303.12 | 260,709.91 |
| c) | provision for audit costs | 36,000.00 | 32,600.00 |
| d) | provision for other costs | 19,000.00 | 14,502.78 |
| Total provisions for liabilities | | 1,018,034.96 | 710,116.91 |

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------|---|---------------------|-------------------|
| 1. | Change in balance of provisions: | | |
| | - opening balance of provisions | 710,116.91 | 264,969.05 |
| | - provisions created | 3,369,905.25 | 576,748.09 |
| | - realised provisions | 3,061,987.20 | 131,600.23 |
| | - released provisions | 0.00 | 0.00 |
| | - closing balance of provisions | 1,018,034.96 | 710,116.91 |

17. Deferred income

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------------|--|------------------|------------------|
| 1. | Short-term prepayments and accruals | | |
| a) | Other | 0.00 | 0.00 |
| 2. | Long-term prepayments and accruals | | |
| a) | Compensation borrowings | 0.00 | 0.00 |
| In total | | 0.00 | 0.00 |

18. Data on the value of customers' financial instruments recorded in the registry

| Title | 31 December 2022 | 31 December 2021 |
|---|-------------------|-------------------|
| Financial instruments: | | |
| a) dematerialised financial instruments | 3,489,522,831.82 | 2,090,732,646.89 |
| - including those admitted to trading on a regulated market | 3,150,818.67 | 0.00 |
| b) other than dematerialised financial instruments | 19,550,155,632.84 | 21,203,417,724.10 |
| - financial instruments without material form | 5,522,479,659.25 | 5,392,500,665.98 |

| | | |
|---|--------------------------|--------------------------|
| - financial instruments issued in material form | 14,027,675,973.59 | 15,810,917,058.12 |
| Total financial instruments | 23,039,678,464.66 | 23,294,150,370.99 |

19. Share capital

| Series/ issue | Share type | Preference type | Number of shares | Par value | Issue value at par value | Method of capital coverage |
|------------------|------------|-----------------|---------------------|-----------|-----------------------------|-------------------------------|
| "A" | Registered | not applicable | 420,000 | PLN 1.00 | 420,000.00 | Cash |
| "B" | Registered | not applicable | 46,600 | PLN 1.00 | 46,600.00 | Cash |
| "C" | Registered | not applicable | 484,970 | PLN 1.00 | 484,970.00 | Cash |
| In total | | | | | 951,570.00 | |

The ownership structure and percentages of shares held as at 31 December 2022 are as follows

| Shareholder | Value of shares | % in the share capital | % in the number of votes |
|--------------------------|--------------------|------------------------|-----------------------------|
| Tomasz Matczuk | 346,351 | 36.39784776737390% | 36.39784776737390% |
| Jacelyn Limited | 43,782 | 4.60102777515054% | 4.60102777515054% |
| Adam Chabior | 133,226 | 14.00065155479890% | 14.00065155479890% |
| Agnieszka Sawa | 47,578 | 4.99994745525815% | 4.99994745525815% |
| Jacek Osowski | 95,156 | 9.99989491051630% | 9.99989491051630% |
| Fund Services sp. z o.o. | 28,554 | 3.00072511743750% | 3.00072511743750% |
| Mariusz Skwaroń | 42,821 | 4.50003678131929% | 4.50003678131929% |
| Agnieszka Geresz | 38,062 | 3.99991592841304% | 3.99991592841304% |
| Adam Dakowicz | 47,579 | 5.00005254474185% | 5.00005254474185% |
| Marcin Dariusz Chadaj | 30,822 | 3.23906806645859% | 3.23906806645859% |
| Anna Maria Chadaj | 54,819 | 5.76090040669630% | 5.76090040669630% |
| Beata Kalinowska | 14,273 | 1.49994220078397% | 1.49994220078397% |
| Maja Skwaroń | 28,547 | 2.99998949105163% | 2.99998949105163% |

20. Settlement of profit for the financial year ended 31 December 2021 and proposal for profit distribution for financial year 2022

The Ordinary General Meeting, by Resolution No. 3 of 22 April 2022, decided to allocate the entire profit generated in financial year 2021 in the amount of PLN 4,004,928.38 (say: four million four thousand nine hundred and twenty-eight zlotys, 38/100) for the replenishment of the Company's supplementary capital.

The Company's Management Board will propose to allocate the net profit generated in financial year 2022 in the total amount of PLN 5,341,691.94 (in words: five million two hundred and fifty-four thousand five hundred and sixty-eight zlotys, 76/100) in its entirety to the Company's supplementary capital.

21. List of liability groups secured on the assets of the brokerage house (with indication of their type)

As at 31 December 2022, there were no such liability groups.

22. Contingent liabilities

As at 31 December 2022, the Company had no contingent liabilities.

23. Contingent receivables

As at 31 December 2022, the Company had no contingent receivables.

24. Income from core activities

As at 31 December 2022, the Company's income from its core activities amounted to PLN 42,549,783.46, comprising:

- income from commissions for executing orders to buy and sell financial instruments on behalf of the principal, amounting to PLN 457,018.73,
- income from offering financial instruments amounting to PLN 4,012,894.87,
- income from keeping cash accounts, safekeeping or recording financial instruments, including the accounts referred to in Article 69(4)(1) of the Act on Trading in Financial Instruments, amounting to PLN 4,013,630.11,
- other income amounting to PLN 11,551,760.30,
- income from activities related to depository services for closed-end investment funds amounting to: 22,514,479.45, zł.

The territorial structure of income is presented in the table below

| | Country | 31 December 2022 | 31 December 2021 |
|----|-----------------|----------------------|----------------------|
| 1. | Poland | 39,560,557.07 | 40,481,570.33 |
| 2. | Luxembourg | 2,958,428.19 | 583,288.03 |
| 3. | United Kingdom | 0.00 | 52,835.00 |
| 4. | Cyprus | 15,798.20 | 0.00 |
| 5. | France | 15,000.00 | 0.00 |
| | In total | 42,549,783.46 | 41,117,693.36 |

25. Financial income

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----|---------------------------------------|------------------|------------------|
| 1. | Interest on own deposits | 512,896.87 | 2,394.69 |
| 2. | Interest on borrowings | 0.00 | 0.00 |
| 3. | Interest on cash of customers | 0.00 | 0.00 |
| 4. | Positive foreign exchange differences | 60,174.79 | 15,132.08 |
| | a) realised | 0.00 | 15,132.08 |

| | | | |
|-----------------|-----------------|-------------------|------------------|
| | b) non-realised | 60,174.79 | 0.00 |
| 5. | Other | 0.53 | 0.00 |
| In total | | 573,072.19 | 17,526.77 |

26. Other operating income

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------------|--|-------------------|-------------------|
| 1 | Other operating income, including: | | |
| | -surplus from sales of property, plant and equipment | 55,125.00 | 0.00 |
| | - release of revaluation write-downs on receivables | 218,227.18 | 102,574.22 |
| | - other | 166481.49 | 153.25 |
| In total | | 439,833.67 | 102,727.47 |

27. Other operating costs

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------------|--|-------------------|-------------------|
| 1 | Other operating costs, including: | | |
| | - creation of revaluation write-downs on receivables | 474,325.85 | 108,689.48 |
| | - cost re-invoice | 0.00 | 0.00 |
| | - creation of provisions | 0.00 | 0.00 |
| | - donations | 100,000.00 | 0.00 |
| | - other | 56,692.48 | 54,612.48 |
| In total | | 631,018.33 | 163,301.96 |

28. Financial costs

| No. | Title | 31 December 2022 | 31 December 2021 |
|-----------------|---------------------------------------|------------------|------------------|
| 1. | Other interest | 21,480.02 | 8,479.01 |
| 2. | Negative foreign exchange differences | 73,419.17 | 18,334.73 |
| | a) Realised | 30,678.39 | 14,652.03 |
| | b) Non-realised | 42,740.78 | 3,682.70 |
| In total | | 94,899.19 | 26,813.74 |

29. Income tax in the profit and loss account.

Information on income tax will be presented in the individual statements.

30. Deferred income tax

Deferred income tax assets:

| No. | Title of negative temporary differences | Amount of temporary difference as at 31 December 2022 | Rate | Assets on account of of tax as at 31 December 2022 |
|----------|--|---|-------------|--|
| 1 | Charged to profit or loss | | | |
| | - on account of lease | 262,098.70 | 19% | 49,798.75 |
| | - cost provisions | 1,018,034.96 | 19% | 193,426.64 |
| | - revaluation of receivables | 180,119.25 | 19% | 34,222.66 |
| | - unpaid remunerations, Social Insurance Institution (ZUS), Employee Capital Schemes (PPK) | 31,911.04 | 19% | 6,063.10 |
| | - foreign exchange differences | 25,611.19 | 19% | 4,866.13 |
| 2 | Charged to equity | 0.00 | 0.00 | 0.00 |
| 3 | Total – amount of deferred income tax assets | 1,517,775.14 | X | 288,377.28 |

| No. | Provisions on account of deferred income tax | Amount of temporary difference as at 31 December 2022 | Rate | Provision on account of of tax as at 31 December 2022 |
|----------|---|---|-------------|---|
| 1 | Charged to profit or loss | | | |
| | - on account of lease | 244,259.79 | 19% | 46,409.36 |
| | - income from ratio adjustment | 103,147.88 | 19% | 19,598.10 |
| | - interest accrued | 20,047.40 | 19% | 3,809.01 |
| | - foreign exchange differences | 31,760.93 | 19% | 6,034.58 |
| 2 | Charged to equity | 0.00 | 0.00 | 0.00 |
| 3 | Total – amount of provisions on account of deferred income tax | 399,216.00 | X | 75,851.04 |

31. Supplementary data to the cash flow statement

| No. | Title | From 1 January 2022 to 31 December 2022 | From 1 January 2021 to 31 December 2021 |
|-----------|--|---|---|
| 1. | Opening balance of cash, including: | | |
| | - on bank accounts | 20,922,702.84 | 24,817,287.27 |
| | - in hand | 0.00 | 0.00 |
| | - other cash equivalents | 218,160.00 | 218,160.00 |
| 2. | Closing balance of cash, including: | | |
| | - on bank accounts | 33,351,189.28 | 20,922,702.84 |
| | - in hand | 0.00 | 0.00 |
| | - other cash equivalents | 411,063.59 | 218,160.00 |

32. Breakdown of brokerage house's activities adopted for the cash flow statement

| No. | Title | From 1 January 2022 to | From 1 January 2021 to |
|-----|-------|------------------------|------------------------|
|-----|-------|------------------------|------------------------|

| | 31 December 2022 | 31 December 2021 |
|--|------------------|------------------|
| Operating activities | | |
| 1. Cash received on account of the Company's activities, including brokerage activities carried out on the basis of permits issued by the PFSA | 14,275,999.99 | -1,932,790.82 |
| Investing activities | | |
| 2. Cash paid to acquire property, plant and equipment, intangible assets; interest | -1,616,495.69 | -424,888.97 |
| 3. Financing activities | -38,114.27 | -1,536,904.64 |

In the period from 01.01.2022 to 31.12.2022 and in the period from 01.01.2021 to 31.12.2021, there were no other adjustments and no differences between changes in balance of certain items in the balance sheet and changes in the same items presented in the cash flow statement.

33. Cost data for the financial year, with details of fixed overheads as referred to in Article 97 of Regulation 575/2013 and Article 13 of the IFR

Fixed overheads are calculated on the basis of data from the most recent approved financial statements.

By the end of March 2022, the Company applied the requirements of the transitional IFR as part of its risk and capital adequacy management (see Section V of present financial statements for details), while from April 2022 onwards, by resolution of the Management Board and Supervisory Board, the Company moved to calculating its capital requirements in accordance with the provisions of the target IFR.

Therefore, the calculation of fixed overheads has changed with the end of Q1 2022.

The table below presents the calculation of fixed overheads:

- a) By the end of Q1 2022, in accordance with the requirements of the IFR transition period, which has been compiled on the basis of data from the latest approved financial statements for that period, i.e. the financial statements for financial year 2020,
- b) From the beginning of Q2 2022 to the end of 2022, in accordance with the target IFR requirements, which has been compiled on the basis of data from the most recent approved financial statements for that period, i.e. the financial statements for financial year 2021.

| Item (data in PLN) | <i>Transitional IFR</i> (FO on the basis of FS 2020) | | | | <i>Target IFR</i> (FO on the basis of FS 2021) |
|---|---|--------------|---------------|------------|---|
| | 31.12.2021 | January 2022 | February 2022 | March 2022 | April 2022 – December 2022 |
| Total expenditure in the previous year | 20,832,608.33 | | | | 37,233,019.22 |
| Annual fixed overheads in the previous year | 12,635,837.55 | | | | 16,566,781.01 |

34. Employment

The average full-time equivalent (FTE) employment for January – December 2022 was 56 FTEs.

35. Discontinued activities

No operations were discontinued in the Company during the period ended 31 December 2022.

36. Transactions with companies related by equity

Information on transactions with related parties will be presented in the separate statements of the Head Office.

37. Remuneration of managing and supervising staff

Information on remuneration, including remuneration from profit, paid to members of the management and supervisory bodies:

| No. | Specification | 31 December 2022 |
|-----|---------------------------------------|------------------|
| 1 | Remuneration of the Management Board | 1,352,111.00 |
| 2 | Remuneration of the Supervisory Board | 49,165.69 |

38. Remuneration of statutory auditor

| No. | Specification | Amount (PLN) |
|-----|---|--------------|
| 1 | Statutory audit of the annual financial statements for 2022 (charged to the 2021 result) | 23,000.00 |
| 2 | Statutory audit of the semi-annual financial statements for 2022 (charged to the 2022 result) | 12,000.00 |

In the period between January and December 2022, the books of account are kept by Mac Auditor Sp. z o.o. – the cost of accounting services amounted to PLN 379,118.14 net. In the period between January and June 2022, the books of the Luxembourg branch were kept by Atdomco – the cost of accounting services amounted to PLN 23,601.92 (an equivalent of EUR 5,032.50 converted at the average exchange rate of the National Bank of Poland on 30 December 2022, Table No. 252/A/NBP/2022). In the period between July and December 2022, the books of the Branch are kept by the Altea Company - the cost of accounting services amounted to PLN 105,522.75 (an equivalent of EUR 22,500.00 converted at the average exchange rate of the National Bank of Poland on 30 December 2022, Table No. 252/A/NBP/2022). An additional audit of AML/KYC processes in the Luxembourg branch amounted to PLN 35,859.73 (an equivalent of EUR 7,646.16 converted at the average exchange rate of the National Bank of Poland on 30 December 2022, Table No. 252/A/NBP/2022).

39. Borrowings, loans, advances and guarantees granted to members of the management body, executives and members of supervisory bodies

During the period ended 31 December 2022, the Company did not grant any borrowings, loans, advances or guarantees to members of the management body, executives, or members of supervisory bodies.

40. Changes to the method of drawing up the financial statements since the previous financial statements, with the reasons behind them and the effects on the presentation of the assets and financial position and profitability, and changes in the financial result.

During the period ended 31 December 2022, there were no changes to the method of drawing up the financial statements.

41. Figures ensuring comparability of the financial statements for the preceding period with those for the current period

The figures presented as comparatives relate to the financial year from 01.01.2021 to 31.12.2021 in the case of the balance sheet and statement of changes in capital, and the period from 01.01.2021 to 31.12.2021 in the case of the income statement and cash flow statement.

42. Where there are uncertainties as to the ability to continue as a going concern – a description of those uncertainties and a statement that such uncertainties exist and whether the financial statements include any related adjustments; the information should also include a description of actions taken or planned by the brokerage house to address the uncertainties.

In the Company's view, the persisting pandemic of the SARS-COV-2 virus causing COVID-19 disease from Q1 2020 has presently a materially lesser impact on financial performance compared to past periods. A remote distributed work system has been implemented at the Company and the epidemiological situation is monitored on an ongoing basis.

Due to the ongoing armed conflict in Ukraine and the introduction of the CHARLIE-CRP third level alert in Poland to counter cyberthreats, the Management Board has taken the following measures to monitor the development of the situation on an ongoing basis and to counter threats that may hinder or prevent the Company from continuing its operations as part of the key processes for the Company's functioning without interruption:

- 1) as part of the Company's Emergency Team created to ensure the proper implementation of business continuity processes, consultations were undertaken on possible solutions to be implemented to improve processes to prevent the occurrence of adverse events, and members of the Emergency Team were informed of the need to remain on high readiness for action, including the potential need to trigger an emergency plan in the event of adverse events, and the Company's employees and associates were trained in the Company's business continuity principles,
- 2) the information on the current status of security of the Company's IT infrastructure presented by the IT services was reviewed, and the presented possible solutions for reinforcing the security of this infrastructure were analysed, including additional protection of the data located in the Company's spare server room location,
- 3) additional precautions were undertaken regarding AML and CFT activities in relation to the introduced or planned sanctions against Russia and its citizens, including monitoring and reviewing the Company's clients for updated sanctions lists.

Irrespective of the above, the Company, as part of its functioning risk management system, continuously monitors the development of events related to the ongoing armed conflict in Ukraine and the impact of these events on the financial market, including the Company's operations. The Company remains ready to take any additional steps to ensure business continuity and to take decisions in the best interests of the Company's clients.

43. Where information other than that referred to above would be likely to have a material effect on the assessment of the assets, financial condition and financial result of the brokerage house, such information should be disclosed

Not applicable.

VIII. Capital adequacy and risk management

1. Introduction

In managing risk and capital adequacy, the Company complies with the regulatory requirements under Polish law and under the IFR/IFD Regulatory Package, consisting of:

- Regulation (EU) No 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (“IFR”);
- Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (“IFD”).

By the end of March 2022, the Company applied transitional requirements of the IFR, while at the beginning of April 2022, by resolution of the Management Board and Supervisory Board, the Company moved to the requirements of the target IFR.

The Company's key capital objective is to maintain own Funds in excess of the capital requirement.

2. Capital adequacy under the IFR

In line with the IFR provisions, the calculation of capital requirements and the control of compliance with these requirements are carried out according to the Company's prior classification into a specific category of an investment firm. In accordance with the classification of investment firms outlined in the IFR, the Company belongs to the category of investment firms authorised under MiFID II and subject to the prudential requirements of the IFR/IFD Regulatory Package, not being a small and unaffiliated investment firm within the meaning of Article 12(1) of the IFR. Therefore, in order to manage capital adequacy and calculate capital requirements, the Company applies the regulations and requirements provided for investment firms classified under Category II of the IFR.

a) Requirements for the IFR transitional period

Until the end of Q1 2022, the Company applied the following capital requirements for risk management and capital adequacy purposes under paragraph 57(2)(a) of the IFR during the transitional period:

- minimum capital requirement for the initial capital (regulatory limit: minimum 100%),
- capital requirement for Common Equity Tier 1 (regulatory limit: minimum 9%),
- capital requirement for Tier 1 capital (regulatory limit: minimum 12%),
- total capital requirement for own funds (regulatory limit: minimum 16%).

b) Requirements for the target IFR

With the beginning of Q2 2022, by resolution of the Management Board and Supervisory Board, the Company commenced applying the regulations and requirements of the target IFR. From that point onwards, the risk-based capital requirement for the Company shall mean that the Company's own funds must be higher than the largest of the following:

- sum of K-Factor requirements (regulatory limit: minimum 100%),
- ¼ of annual fixed overheads (regulatory limit: minimum 100%),
- permanent minimum capital requirement (regulatory limit: minimum 100%).

Considering the specific nature of the Company's business, i.e. the predominant share of services related to the safekeeping of financial instruments and the provision of depositary services, the risk-based capital requirement is generated by the sum of K-Factor requirements as the highest of the values indicated in the IFR.

The Company calculates the K-Factor requirement as the sum of the requirements for K-Factors that are applicable to the Company's business, i.e.:

- K-ASA (*Assets Safeguarded and Administered*),
- K-CMH (*Client Money Held*),
- K-COH (*Client Orders Handled*).

Other indicators provided for in the IFR as components of the K-Factor requirement are not applicable to the Company due to the absence of active portfolio management business, absence of a trading book, absence of margin requirements, and absence of derivative operations.

Below, the ratio of own funds to the risk-based capital requirement, i.e. in the case of the Company, the K-Factor requirement, as at 31 December 2022 is presented:

| | |
|--|------------------|
| Risk-based capital requirement under the IFR (in %) | 31 December 2022 |
| requirement for K-Factors (regulatory limit: minimum 100%) | 152.44% |

3. Own funds as at 31 December 2022.

As at 31 December 2022, the Company's own funds amounted to PLN 12,132,271.30.

The table below presents the calculation of own funds as at 31 December 2022. The Company's regulatory capital structure is as shown in the below table – the amount of own funds (recognised capital) corresponds to the value of Tier 1 Capital and Common Equity Tier 1 Capital. However, the structure does not contain Tier 2 Capital.

| | |
|--|----------------------|
| OWN FUNDS | 12,132,271.30 |
| TIER 1 CAPITAL | 12,132,271.30 |
| COMMON EQUITY TIER 1 | 12,132,271.30 |
| Fully paid-up equity instruments | 951,570.00 |
| Agio | 2,391,394.82 |
| Retained profits | 10,385,789.32 |
| Retained profits in previous years | 7,581,760.73 |
| Recognised profit | 2,804,028.59 |
| Aggregate other comprehensive income | -36,775.84 |
| Reserve capital | 0.00 |
| Minority share recognised in Common Equity Tier 1 | 0.00 |
| Adjustments to Common Equity Tier 1 on account of prudential filters | 0.00 |
| Other funds | 0.00 |
| (-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1 | -1,559,707.00 |
| (-) Other intangible assets | -1,271,329.72 |
| (-) Deferred income tax assets based on future profitability and not arising from temporary differences, net of related income tax liabilities | -288,377.28 |

4. Risk exposure (monthly averages and as at the balance-sheet date and the previous balance-sheet date)

| Item (data in PLN) | 31.12.2021 | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | June 2022 |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------|----------------|----------------|
| TOTAL RISK EXPOSURE AMOUNT | PLN 39,486,992.35 | PLN 39,486,992.35 | PLN 39,486,992.35 | PLN 39,486,992.35 | not applicable | not applicable | not applicable |

| Item (data in PLN) | July 2022 | August 2022 | September 2022 | October 2022 | November 2022 | December 2022 |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| TOTAL RISK EXPOSURE AMOUNT | not applicable | not applicable | not applicable | not applicable | not applicable | not applicable |

The Company's total risk exposure is presented up to March 2022 only. As disclosed above, from April 2022 onwards the Company applies the target IFR as part of its risk management and capital adequacy activities, while the obligation to calculate the total risk exposure arises from the requirements of the transitional IFR, applied by the Company until March 2022. Consequently, from April 2022 onwards, the amount of total risk exposure is not a mandatory capital requirement for the Company.

5. K-Factor requirement

| Item (data in PLN) | 31.12.2021 | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | June 2022 |
|---|----------------|----------------|----------------|----------------|--------------|--------------|--------------|
| Total requirements K-Factors (K-ASA, K-CMH, K-COH) | not applicable | not applicable | not applicable | not applicable | 8,099,492.67 | 8,109,165.15 | 8,115,899.69 |

| Item (data in PLN) | July 2022 | August 2022 | September 2022 | October 2022 | November 2022 | December 2022 |
|---|--------------|--------------|----------------|--------------|---------------|---------------|
| Total requirements K-Factors (K-ASA, K-CMH, K-COH) | 8,081,792.71 | 8,017,559.34 | 7,933,346.01 | 7,932,223.19 | 7,939,394.35 | 7,958,916.74 |

6. Capital ratios (monthly averages and as at the balance-sheet date and the previous balance-sheet date)

In accordance with the requirements of the transitional IFR, capital ratios were calculated as the proportion of the relevant capital class (i.e. Common Equity Tier 1, Tier 1 capital, and own funds) to the total risk exposure. Therefore, the Company's capital ratios for the period from December to March 2022 are shown in the table below in line with the transitional IFR, which stipulates that the capital ratio cannot be lower than 16%.

From April 2022 onwards, the Company was subject to the requirements of the target IFR, i.e. the capital ratio calculated as the proportion of the relevant capital class (i.e. Common Equity Tier 1, Tier 1 capital, and own funds) to the sum of the K-Factor requirements must have exceeded the limit of 100%. From April to December 2022, the table below therefore presents data calculated in line with the requirements of the target IFR.

| Item (data in PLN) | <i>Transitional IFR</i> (capital ratio >16%) | | | | <i>Target IFR</i> (capital ratio >100%) | | |
|---|---|--------------|---------------|------------|--|--------------|--------------|
| | 31.12.2021 | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | June 2022 |
| Common Equity Tier 1 ratio | 16.72% | 16.70% | 16.62% | 16.17% | 131.15% | 130.60% | 129.91% |
| Surplus (+)/shortfall (-) of Common Equity Tier 1 | 286,105.15 | 276,311.68 | 244,086.35 | 68,995.71 | 6,086,372.03 | 6,049,821.90 | 5,998,301.51 |
| Tier 1 capital ratio | 16.72% | 16.70% | 16.62% | 16.17% | 131.15% | 130.60% | 129.91% |
| Surplus (+)/shortfall (-) of Tier 1 capital | 286,105.15 | 276,311.68 | 244,086.35 | 68,995.71 | 4,547,468.42 | 4,509,080.52 | 4,456,280.57 |
| Own funds ratio | 16.72% | 16.70% | 16.62% | 16.17% | 131.15% | 130.60% | 129.91% |
| Surplus (+)/shortfall (-) of total equity | 286,105.15 | 276,311.68 | 244,086.35 | 68,995.71 | 2,522,595.25 | 2,481,789.23 | 2,427,305.65 |

| |
|--|
| Target IFR (capital ratio >100%) |
|--|

| Item (data in PLN) | July 2022 | August 2022 | September 2022 | October 2022 | November 2022 | December 2022 |
|--|--------------|--------------|-------------------|--------------|---------------|------------------|
| Common Equity Tier 1 ratio | 130.19% | 128.89% | 132.23% | 132.49% | 167.39% | 152.44% |
| Surplus (+)/shortfall (-) of Common Equity Tier 1 | 5,996,058.30 | 5,843,992.62 | 6,047,390.06 | 6,067,275.69 | 8,843,884.84 | 7,675,277.93 |
| Tier 1 capital ratio | 130.19% | 128.89% | 132.23% | 132.49% | 167.39% | 152.44% |
| Surplus (+)/shortfall (-) of Tier 1 capital | 4,460,517.69 | 4,320,656.35 | 4,540,054.31 | 4,560,153.28 | 7,335,399.92 | 6,163,083.75 |
| Own funds ratio | 130.19% | 128.89% | 132.23% | 132.49% | 167.39% | 152.44% |
| Surplus (+)/shortfall (-) of total equity | 2,440,069.51 | 2,316,266.52 | 2,556,717.81 | 2,577,097.48 | 5,350,551.33 | 4,173,354.57 |

As can be concluded on the basis of the table above, throughout the period covered by these statements, the Company complied with – as regards Q1 2022 – the capital requirements applicable under the IFR requirements for the transitional period, while as regards Q2, Q3 and Q4 2022, respectively – the requirements of the target IFR.

7. Other information on capital adequacy

a) Level of own funds by individual components (monthly averages and as at the balance-sheet date and the previous balance-sheet date)

| Item (data in PLN) | 31.12.2021 | January 2022 | February 2022 | March 2022 | April 2022 | May 2022 | June 2022 |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| OWN FUNDS | <u>6,604,023.92</u> | <u>6,594,230.46</u> | <u>6,562,005.12</u> | <u>6,386,914.48</u> | <u>10,622,087.93</u> | <u>10,590,954.38</u> | <u>10,543,205.33</u> |
| TIER I CAPITAL | 6,604,023.92 | 6,594,230.46 | 6,562,005.12 | 6,386,914.48 | 10,622,087.93 | 10,590,954.38 | 10,543,205.33 |
| COMMON EQUITY TIER 1 | 6,604,023.92 | 6,594,230.46 | 6,562,005.12 | 6,386,914.48 | 10,622,087.93 | 10,590,954.38 | 10,543,205.33 |
| ADDITIONAL TIER 1 CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TIER 2 CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Item (data in PLN) | July 2022 | August 2022 | September 2022 | October 2022 | November 2022 | December 2022 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| OWN FUNDS | <u>10,521,862.22</u> | <u>10,333,825.85</u> | <u>10,490,063.82</u> | <u>10,509,320.67</u> | <u>13,289,945.68</u> | <u>12,132,271.30</u> |
| TIER I CAPITAL | 10,521,862.22 | 10,333,825.85 | 10,490,063.82 | 10,509,320.67 | 13,289,945.68 | 12,132,271.30 |
| COMMON EQUITY TIER 1 | 10,521,862.22 | 10,333,825.85 | 10,490,063.82 | 10,509,320.67 | 13,289,945.68 | 12,132,271.30 |
| ADDITIONAL TIER 1 CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
| TIER 2 CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |

b) Information on initial capital

| (data in PLN) | 31.12.2021 | 31.12.2022 |
|--|--------------|--------------|
| Amount of the initial capital (EUR 750,000.-) | 3,449,550.00 | 3,517,425.00 |
| Deviation of own funds (recognised capital) compared to the amount of initial capital | 3,182,080.08 | 8,614,846.30 |

The level of initial capital required for Q Securities' brokerage business (under authorisations currently held by the Company) should be at least the PLN equivalent of EUR 130,000.

On the other hand, for the purposes of Q Securities' business that consists in acting as a depository for closed-end investment funds, the level of initial capital should be at least the PLN equivalent of EUR 750,000.

Pursuant to the applicable regulations, the required minimum amount of initial capital, expressed in EUR, was converted into PLN at the exchange rate of the National Bank of Poland applicable on 31 December 2022.

c) Information on Company's capital objectives

The Company's capital objectives are specified in Chapter III of the Capital Adequacy Procedure based on the Company's risk appetite (they reflect the risk appetite of the brokerage house):

- The Company's fundamental capital objective (in addition to meeting regulatory capital requirements) is to maintain own funds (recognised capital) at a level not lower than the value of estimated internal capital.
- A long-term capital objective is to maintain a level of own funds (recognised capital) of not less than 125% of the estimated internal capital.
- Beyond the long-term capital limit, the Management Board sets other limits to reduce the level of risk present in the various areas of the Company's operations. They are defined and updated as part of the capital planning process on the basis of written analyses and are subject to approval by the Supervisory Board in terms of alignment with the overall level of risk acceptable to the Company.

In 2022, the Company has met both (fundamental and long-term) capital objectives. No cases of capital requirements being exceeded – own funds (recognised capital) were well above 125% of the estimated internal capital.

The matters described in points not mentioned in this document, but arising from the formula included in appendix 1 to the Regulation of the Minister of Finance of 28.12.2009 on specific accounting principles for brokerage houses, did not occur.

Warsaw, 28 March 2022

Agnieszka Sawa

President of the Management Board

Jerzy Kasprzak

Deputy President of the Management Board

Małgorzata Popielewska

Member of the Management Board

Małgorzata Boral

Mac Auditor Sp. z o.o

Person entrusted with accounting matters