

THE IPOPEMA SECURITIES GROUP

**with IPOPEMA Securities S.A.
as the parent
ul. Próźna 9
00-107 Warsaw, Poland**

**Auditor's opinion and report
on the consolidated financial statements
for the financial year ended
December 31st 2014**

AUDITOR'S OPINION
for the General Meeting and the Supervisory Board of
the IPOPEMA Securities Group
with IPOPEMA Securities S.A.
as the parent

We have audited the attached consolidated financial statements of the IPOPEMA Securities Group (the "Group"), whose parent is IPOPEMA Securities S.A. (the "Parent"), with its registered office at ul. Próźna 9, Warsaw, Poland, including:

- the consolidated statement of financial position as at December 31st 2014,
- the consolidated statement of comprehensive income for the financial year ended December 31st 2014,
- the consolidated statement of changes in equity for the financial year ended December 31st 2014,
- the consolidated statement of cash flows for the financial year ended December 31st 2014,
- the summary of material accounting policies and notes to the consolidated financial statements.

The Parent's Management Board was responsible for the preparation of the consolidated financial statements and the Directors' Report in compliance with the applicable regulations.

The Parent's Management Board and members of the Supervisory Board are responsible for ensuring that the consolidated financial statements and the Directors' Report comply with the requirements of the Polish Accountancy Act of September 29th 1994(Dz.U. of 2013, item 330, as amended), hereinafter referred to as the "Accountancy Act".

Our responsibility was to audit the consolidated financial statements and issue an opinion on whether the financial statements comply with the applicable accounting policies, and whether they fairly and clearly reflect, in all material respects, the assets, financial standing and financial result of the Group.

Our audit of the consolidated financial statements was performed in accordance with:

- 1/ chapter 7 of the Polish Accountancy Act,
- 2/ Polish financial auditing standards, issued by the National Council of Statutory Auditors (Krajowa Rada Biegłych Rewidentów).

We planned and performed our audit in such a manner as to obtain a reasonable basis to issue an opinion on the consolidated financial statements.

In particular, our audit included an assessment of the accounting policies and significant estimates used by the Parent and the subsidiaries, an examination - largely on a test basis - of accounting records relevant to the amounts and disclosures in the consolidated financial statements, as well as an assessment of the overall presentation of the consolidated financial statements.

We believe that our audit provided us with sufficient evidence to issue the opinion.

In our opinion, the audited consolidated financial statements, in all material respects:

- a) present fairly and clearly all the information which is material for the assessment of the IPOPEMA Securities Group's assets and financial standing as at December 31st 2014, as well as of its financial result for the financial year ended December 31st 2014;
- b) were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union;
- c) comply with the laws applicable to the Group and affecting the contents of the consolidated financial statements.

The Directors' Report on the Group's operations in the financial year ended December 31st 2014 is complete within the meaning of Art. 49.2 of the Polish Accountancy Act and the provisions of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated January 28th 2014, and the information contained in the Directors' Report, sourced from the audited consolidated financial statements, is consistent with the financial statements.

Warsaw, March 20th 2015

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warsaw, Poland
Qualified to audit financial statements, Reg. No. 3355

Lead auditor performing the audit:

Anna Bernaziuk, PhD
Qualified Auditor
Reg. No. 173

Person acting on behalf of BDO Sp. z o.o.:

André Helin, PhD
President of the Management Board
Qualified Auditor, Reg. No. 90004

**Auditor's report
on the consolidated financial statements
of the IPOPEMA Securities Group
with IPOPEMA Securities S.A.
as the parent**

**for the financial year ended
December 31st 2014**

I. GENERAL INFORMATION

1. Details of the Parent

IPOPEMA Securities S.A. (the "Parent", the "Company") is the parent of the IPOPEMA Securities Group (the "Group").

The Parent's registered office is located at ul. Prózna 9, 00-107 Warsaw, Poland.

Pursuant to the entry in the relevant register and the Company's Articles of Association, the Parent's business includes:

- brokerage activities on the securities and commodity markets,
- other financial services not elsewhere classified, except insurance and pension fund services,
- other business and management consultancy.

During the period under analysis, the Company's operations consisted mainly in brokerage activities on the securities market.

The Parent operates on the basis of:

- the Articles of Association drawn up in the form of a notarial deed on March 2nd 2005 (Rep. A No. 2640/2005), as amended,
- the Polish Commercial Companies Code,
- Brokerage Licence No. DDM-M-4020-60-1/2005 granted by the Polish Securities and Exchange Commission on June 30th 2005, authorising the Company to conduct brokerage activities within the scope stipulated therein.

On March 22nd 2005, the Company was entered into the National Court Register at the District Court for the Capital City of Warsaw, 12th Commercial Division, Registration Section, under No. KRS 0000230737.

The Company has been assigned Tax Identification Number (NIP) 5272468122 and Industry Identification Number (REGON) 140086881.

As at December 31st 2014, the Parent's share capital amounted to PLN 2,994 thousand and comprised 29,937,836 shares with a par value of PLN 0.10 per share.

In 2014 and by the date the audit was completed, there were no changes in the Company's share capital.

As at December 31st 2014, the shareholding structure of IPOPEMA Securities S.A., according to the information provided by the Management Board, was as follows:

Shareholding structure	Shares	Votes at the General Meeting
IPOPEMA PRE-IPO FIZAN ¹	2,990,789	9.99%
JLC Lewandowski S.K.A. ²	2,990,789	9.99%
OFE PZU Złota Jesień*	2,950,000	9.85%
IPOPEMA 10 FIZAN ³	2,851,420	9.52%
Katarzyna Lewandowska	2,136,749	7.14%
Quercus Parasolowy SFIO*	1,754,164	5.86%

Auditor's report on the consolidated financial statements of the IPOPEMA Securities Group for the financial year ended December 31st 2014

Other shareholders	14,263,925	47.65%
Total shareholders	29,937,836	100.00%

* Based on notifications received by the Company from the shareholders.

¹ The main investors in the fund are Jacek Lewandowski, President of the Company's Management Board, and Katarzyna Lewandowska.

² Subsidiary of Jacek Lewandowski, President of the Company's Management Board.

³ The only investor in the fund is Stanisław Waczkowski, Vice-President of the Company's Management Board.

As at December 31st 2014, the Parent's equity was PLN 60,125 thousand.

The Parent's Management Board is responsible for the management of the Group.

As at December 31st 2014, the composition of the Parent's Management Board was as follows:

- Jacek Lewandowski - President of the Management Board
- Mirosław Borys - Vice-President of the Management Board
- Mariusz Piskorski - Vice-President of the Management Board
- Stanisław Waczkowski - Vice-President of the Management Board

In the period under analysis and as at the audit completion date, there were no changes in the composition of the Parent's Management Board.

2. Composition of the IPOPEMA Securities Group

The separate financial statements of the Parent for the financial year ended December 31st 2014 were audited by BDO Sp. z o.o. The auditor issued an unqualified opinion.

As at December 31st 2014, the IPOPEMA Securities Group included the following consolidated subsidiaries (direct and indirect):

Name of subsidiary	Qualified auditor	Opinion on the financial statements	Consolidation method
IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A.	BDO Sp. z o.o.	Unqualified	full
IPOPEMA Business Consulting Sp. z o.o.	BDO Sp. z o.o.	Review of financial information for the purposes of the audit of the consolidated financial statements of the IPOPEMA Securities Group - unqualified	full
IPOPEMA Asset Management S.A.	BDO Sp. z o.o.	Unqualified	full

The reporting date for all the consolidated subsidiaries was the same as for the Parent.

Owing to immaterial amounts which do not distort the financial information of the IPOPEMA Securities Group as at December 31st 2014, IPOPEMA Business Services Kft. and IPOPEMA Business Services Srl, subsidiaries, and IPOPEMA Outsourcing Sp. z o.o, an indirect subsidiary, were not consolidated.

3. Information on the auditing firm and the qualified auditor

The IPOPEMA Securities Group's consolidated financial statements for 2014 were audited by BDO Sp. z o.o., with its registered office at ul. Postępu 12, Warsaw, Poland, entered in the list of qualified auditors of financial statements maintained by the National Chamber of Statutory Auditors under Reg. No. 3355.

The auditing firm was selected by the Supervisory Board of the Parent by virtue of Resolution No. 1/VIII/2007 of August 23rd 2007.

The audit was performed pursuant to an agreement for audit services of July 7th 2014, and was headed by lead auditor Anna Bernaziuk, PhD (Qualified Auditor Reg. No. 173). The audit was performed at the Parent's registered office intermittently between March 11th 2015 and the date of the auditor's opinion. The audit was preceded by a review of the Group's consolidated financial statements for H1 2014.

We hereby represent that BDO Sp. z o.o. and its Management Board, as well as the auditor and audit team performing the audit, satisfy the criteria for issuing an objective and independent opinion on the audited financial statements, in accordance with the provisions of Art. 56.3 and 56.4 of the Act on Qualified Auditors, their Self-Government, Qualified Auditors of Financial Statements and on Public Supervision (Dz.U. of 2009, No. 77, item 649, as amended).

The Management Board of the Parent provided all the statements, explanations and information required by the auditor and necessary to perform the audit.

The scope of the audit was not limited and the auditor was not restricted in any way as to the choice of methods applied during the audit.

4. Information on the consolidated financial statements for the previous year

The Group's consolidated financial statements for the period January 1st-December 31st 2013 were audited by BDO Sp. z o.o. The auditor issued an unqualified opinion.

The Group's consolidated financial statements for the period January 1st-December 31st 2013 were approved by virtue of Resolution No. 6 of the General Meeting, dated June 17th 2014.

The Group's consolidated financial statements for 2013 were filed with the National Court Register on July 1st 2014.

II. FINANCIAL ANALYSIS OF THE GROUP

Below are presented selected items of the consolidated statement of financial position and consolidated statement of comprehensive income, as well as key financial ratios, in comparison with the corresponding figures for previous years.

1. Key items of the consolidated statement of financial position (PLN '000)

	Dec 31 2014	% of balance- sheet total	Dec 31 2013	% of balance- sheet total	Dec 31 2012	% of balance- sheet total
ASSETS						
Cash and cash equivalents	50,708	15.6	52,749	15.0	254,781	32.1
Current receivables	249,771	76.9	274,950	78.0	518,522	65.4
Current tax assets	1,188	0.4	86	0.0	0	0.0
Inventories	0	0.0	0	0.0	0	0.0
Current prepayments and accrued income	1,356	0.4	1,316	0.4	750	0.1
Financial instruments held for trading	1,463	0.5	218	0.1	330	0.0
Financial instruments available for sale	8,727	2.7	9,479	2.7	5,682	0.7
Non-current receivables	2,348	0.7	2,336	0.6	1,434	0.2
Non-current loans advanced	364	0.1	794	0.2	1,520	0.2
Property, plant and equipment	4,568	1.5	5,611	1.6	4,642	0.6
Intangible assets	2,752	0.8	3,101	0.9	3,067	0.4
Deferred tax assets	1,415	0.4	1,873	0.5	2,321	0.3
Non-current prepayments and accrued income	0	0.0	0	0.0	0	0.0
TOTAL ASSETS	324,660	100.0	352,513	100.0	793,049	100.0
EQUITY AND LIABILITIES						
Liabilities and provisions for liabilities	243,937	75.1	267,170	75.8	717,820	90.5
Current liabilities	235,603	72.6	256,891	72.9	707,974	89.2
Current tax liabilities	165	0.1	491	0.1	1,340	0.2
Non-current liabilities	444	0.1	600	0.2	526	0.1
Deferred tax liabilities	100	0.0	29	0.0	0	0.0
Accruals and deferred income	7,625	2.3	9,159	2.6	7,980	1.0
Equity	76,892	23.7	81,182	23.0	72,072	9.1
Share capital	2,994	0.9	2,994	0.8	2,975	0.4
Other capital reserves	13,570	4.2	13,502	3.8	12,842	1.6
Retained earnings	60,328	18.6	64,686	18.4	56,255	7.1
Non-controlling interests	3,831	1.2	4,161	1.2	3,157	0.4
Total equity	80,723	24.9	85,343	24.2	75,229	9.5
TOTAL EQUITY AND LIABILITIES	324,660	100.0	352,513	100.0	793,049	100.0

2. Key items of the consolidated statement of comprehensive income (PLN '000)

	Jan 1 - Dec 31 2014	% of revenue	Jan 1 - Dec 31 2013	% of revenue	Jan 1 - Dec 31 2012	% of revenue
Revenue from core activities	104,182	100.0	106,671	100.0	94,110	100.0
Revenue from brokerage activities	46,627	44.8	57,699	54.1	52,005	55.3
Revenue from investment fund and asset management	42,054	40.3	35,825	33.6	28,378	30.2
Revenue from consultancy services	15,501	14.9	13,147	12.3	13,727	14.6
Cost of core activities	93,059	89.3	91,904	86.2	80,058	85.1
Profit (loss) on core activities	11,123	10.7	14,767	13.8	14,052	14.9
Gain (loss) on transactions in financial instruments held for trading	-1,429	-1.4	-3,026	-2.8	-831	-0.9
Gain (loss) on transactions in financial instruments available for sale	294	0.3	811	0.8	1,972	2.1
Other income	1,205	1.2	1,000	0.9	780	0.8
Other expenses	2,119	2.0	1,736	1.6	1,073	1.1
Operating profit (loss)	9,074	8.7	11,816	11.1	14,900	15.8
Finance income	2,025	1.9	3,273	3.1	3,979	4.2
Finance costs	3,942	3.8	2,866	2.7	7,845	8.3
Pre-tax profit (loss)	7,157	6.9	12,223	11.5	11,034	11.7
Income tax	1,864	1.8	2,853	2.7	1,148	1.2
Profit (loss) from continuing operations	5,293	5.1	9,370	8.8	9,886	10.5
Discontinued operations	0	0.0	0	0.0	0	0.0
Net profit (loss) for period	5,293	5.1	9,370	8.8	9,886	10.5
Attributable to:						
Owners of the parent	4,623	4.4	8,366	7.8	9,054	9.6
Non-controlling interests	670	0.6	1,004	0.9	832	0.9
Other comprehensive income	-39	-0.0	-478	-0.4	-146	-0.2
Gains and losses on remeasurement of financial assets available for sale	-48	-0.0	-590	-0.6	-180	-0.2
Corporate income tax on items of other comprehensive income	9	0.0	112	0.1	34	0.0
Comprehensive income for period	5,254	5.0	8,892	8.3	9,740	10.3
Attributable to:						
Owners of the parent	4,584	4.4	7,888	7.4	8,908	9.5
Non-controlling interests	670	0.6	1,004	0.9	832	0.9

2. Key financial ratios

	2014	2013	2012
Profitability ratios			
Net margin	5.0%	8.3%	10.3%
Return on assets	1.6%	2.5%	1.2%
Return on equity	6.5%	10.4%	12.9%
Liquidity ratios			
Current ratio	1.3	1.3	1.1
Share effectiveness			
Book value per share	2.70	2.85	2.53
Comprehensive income for period per share	0.15	0.26	0.30

3. Comments

- Current receivables of PLN 249,771 thousand (accounting for 76.9% of the balance-sheet total) and cash and cash equivalents of PLN 50,708 thousand (accounting for 15.6% of the balance-sheet total) represented the largest proportion of assets.
- Current liabilities of PLN 235,603 thousand, and equity and non-controlling interests of PLN 80,723 thousand, accounting for 72.6% and 24.9% of the balance-sheet total, respectively, represented the largest portion of equity and liabilities.
- In 2014, the Group generated comprehensive income of PLN 5,254 thousand, down PLN 3,638 thousand on 2013.
- Profit on core activities was PLN 11,123 thousand, down 24.7% on the comparative period. Revenue from brokerage activities and revenue from management of investment funds and assets had the largest shares in revenue from core activities, accounting for 44.8% and 40.3% of total core revenue, respectively. The decline in revenue from core activities was accompanied by a 1.3% increase in expenses related to core activities.
- In the period under review, current ratio remained unchanged from 2013 at 1.3.
- Profitability ratios deteriorated in 2014. Net margin was 5.0% (2013: 8.3%). The Group's ROA and ROE fell to 1.6% and 6.5%, respectively.
- The decrease in equity reduced book value per share from 2.85 in 2013 to 2.70 in 2014.
- Comprehensive income for period per share, attributable to owners of the Parent, stood at 0.15, relative to 0.26 in the previous year.

III. DETAILED INFORMATION

1. Basis of preparation

The consolidated financial statements of the IPOPEMA Securities Group were prepared in accordance with the International Financial Reporting Standards as endorsed by the European Union.

2. Completeness and correctness of the consolidation documentation

The consolidation documentation was prepared in accordance with the requirements of the Regulation of the Minister of Finance on detailed rules for the preparation of consolidated financial statements by entities other than banks, insurance and reinsurance companies, dated September 25th 2009 (Dz.U. of 2009, No. 169, item 1327).

The audit did not identify any irregularities in the consolidation documentation which might have a material effect on the audited consolidated financial statements and which would not be removed, including as regards the fulfilment of any requirements applicable to consolidation documentation.

3. Accounting policies and measurement methods for assets, liabilities and equity

The entities included in the Group's consolidated financial statements apply the same accounting policies and measurement methods for assets, equity and liabilities.

4. Overview of the items of the consolidated financial statements

The structure of the Group's assets, liabilities and equity is presented in the consolidated financial statements for the financial year ended December 31st 2014.

The information disclosed in the Group's consolidated financial statements is consistent with the consolidation documentation.

4.1 Equity

The disclosed balance of equity is consistent with the consolidation documentation and the relevant legal documents.

As at December 31st 2014, non-controlling interests amounted to PLN 3,831 thousand.

4.2 Financial year

The financial year for all IPOPEMA Securities Group companies was the same as for the Parent. The financial year covered the period from January 1st to December 31st 2014.

5. Notes

The information included in the notes to the consolidated financial statements, comprising a summary of significant accounting policies and other explanatory information, is in all material respects correct and complete.

6. Representation by the Parent's management

The management of the Parent submitted a written representation to the effect that the data contained in the consolidated financial statements is disclosed fully and completely, that all contingent liabilities are disclosed, and that no material events occurred after the reporting date.

7. Directors' Report on the Group's operations

The Directors' Report on the Group's operations in the financial year ended December 31st 2014 is complete within the meaning of Art. 49.2 of the Polish Accountancy Act and the provisions of the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated January 28th 2014, and the information contained in the Directors' Report, sourced from the audited consolidated financial statements, is consistent with the financial statements.

Warsaw, March 20th 2015

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Qualified to audit financial statements, Reg. No. 3355

Lead auditor performing the audit:

Anna Bernaziuk, PhD
Qualified Auditor
Reg. No. 173

Person acting on behalf of BDO Sp. z o.o.:

André Helin, PhD
President of the Management Board
Qualified Auditor, Reg. No. 90004