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The IPOPEMA Securities S.A. Group

Directors' Report

**on the activities of IPOPEMA Securities S.A.
and the IPOPEMA Securities S.A. Group
in the period of 9 months
ended September 30, 2024**

Warsaw, November 14, 2024

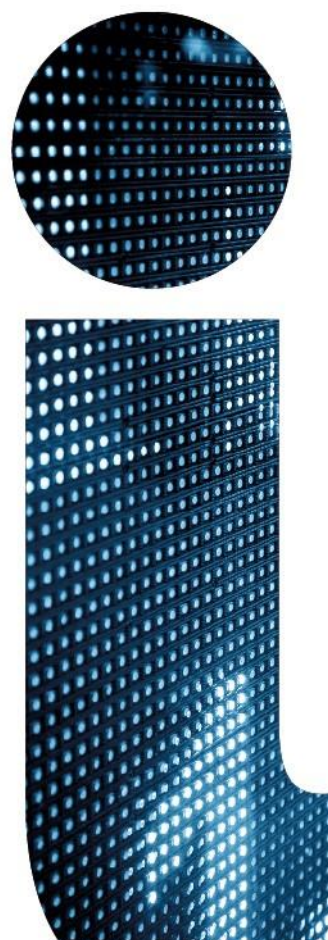


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Part I

1. Financial result

Selected consolidated financial data* (in thousands of PLN)	Q1-Q3 2024	Q1-Q3 2023
Total revenue, including	188.116	225.260
<i>Brokerage and related services</i>	46.935	46.759
<i>Investment fund management</i>	117.298	158.316
<i>Consulting services</i>	23.883	20.185
Total operating costs	183.456	215.757
Profit from core operations	4.660	9.503
Net profit for the period	7.274	10.265

*Unaudited data

Selected consolidated financial data (in thousands of PLN)	1q24*	2q24*	3q24*	1-3q2024*
Total revenue, including	66.245	64.982	56.889	188.116
<i>Brokerage and related services</i>	13.983	18.910	14.042	46.935
<i>Investment fund management and client asset management</i>	44.444	37.697	35.157	117.298
<i>Consulting services</i>	7.818	8.375	7.690	23.883
Total operating costs	65.719	61.106	56.631	183.456
Profit from core operations	526	3.876	258	4.660
Net profit for the period	1.463	4.905	906	7.274

*Unaudited data

Revenue

In the first three quarters of 2024, the IPOPEMA Group's consolidated revenues (PLN 188,116 thousand) were 16.5% lower than a year earlier (PLN 225,260 thousand), primarily due to lower revenues in the fund management segment (down 25.9%), despite maintaining revenues in the brokerage services segment and higher revenues in the advisory services segment (up 18.3%).

Revenues realized in the brokerage services segment (PLN 46,935 thousand; 25.0% of consolidated revenues) were maintained at virtually the same level as a year ago (PLN 46,759 thousand). However, revenues from investment banking services were noticeably higher (PLN 17,966,468 thousand vs. PLN 15,631 thousand in Q1-Q3 2023), while the Company recorded a lower market share in trading on the WSE (1.72% vs. 2.09%), which, combined with slightly lower revenues from bond trading, translated into a decrease in the level of revenues from securities trading (PLN 24,424 thousand vs. PLN 27,474 thousand).

IPOPEMA TFI (fund and portfolio management segment) recorded revenues PLN 117,298 thousand (62.4% of consolidated revenues) in January-September 2024, down 25.9% compared to the first three quarters of 2023 (PLN 158,316 thousand). The lower revenues of IPOPEMA TFI are mostly the result of the termination of the management of several debt funds in Q1 2024.

IPOPEMA Business Consulting (consulting services segment) recorded revenues of PLN 23,883 thousand in Q1-Q3 2024 (12.7% of consolidated revenues), up 18.3% from PLN 20,185 thousand a year earlier.

Costs

The IPOPEMA Group's total operating expenses in Q1-Q3 2024 amounted to PLN 183,456 thousand and were 15.0% lower than last year (PLN 215,757 thousand).

In the brokerage services segment, total operating expenses in January-September 2024 amounted to PLN 45,183 thousand and were 4.3% higher than in the first three quarters of 2023 (PLN 43,313 thousand).

Lower operating expenses in the investment funds and portfolio management segment (PLN 114,572 thousand vs. PLN 152,779 thousand in Q1-November 2023) were mainly due to a lower level of expenses related to the management of debt funds (due to the termination of the management of several such funds in Q1 2024).

In the consulting services segment, the level of costs recorded in the first nine months of 2024 (PLN 23,701 thousand) was 20.5% higher than a year earlier (PLN 19,665 thousand).

Financial result

Profits on core operations recorded in Q1-Q3 2024 in all segments translated into a consolidated profit on core operations of PLN 4,660 thousand (vs. PLN 9,503 thousand a year earlier). At the same time, net gains in the brokerage services and fund management segments (despite a net loss in the advisory services segment) translated into a consolidated net profit of PLN 7,274 thousand (vs. PLN 10,265 thousand a year earlier).

Due to the fact that IPOPEMA Securities' stake in IPOPEMA Business Consulting is 50.02% and 77% in IPOPEMA Financial Advisory, net profit attributable to shareholders of the parent company amounted to PLN 7,315 thousand, and PLN 41 thousand was net loss attributable to non-controlling interests.

In the brokerage services segment, the virtually unchanged level of revenues (with operating expenses higher by 4.3%) translated into lower levels of segment profits in Q1-Q3 2024. - Profit from core operations amounted to PLN 1,752 thousand (vs. PLN 3,446 thousand a year earlier), and net profit was PLN 2,825 thousand (vs. PLN 4,440 thousand in the first three quarters of 2023). Nevertheless, on a standalone basis (i.e. excluding intragroup sales and other consolidation exclusions), IPOPEMA Securities recorded a net profit of PLN 5,994 thousand in Q1-9 2024 (vs. PLN 6,688 thousand a year earlier).

The fund management segment reported a 25.9% decrease in revenue, which, despite operating expenses being 25.0% lower, translated into lower levels of profit from core operations (PLN 2,726 thousand vs. PLN 5,537 thousand in Q1-Q3 2023) and net profit (PLN 4,821 thousand vs. PLN 5,539 thousand a year earlier).

In the consulting services segment, despite an increase in the level of revenues (by 18.3%), higher operating costs (by 20.5%) translated into a deterioration in profitability - profit from core operations amounted to PLN 182 thousand (against PLN 520 thousand a year earlier), and a net loss of PLN 372 thousand (against a net profit of PLN 286 thousand in Q1-Q3 2023).

2. Significant events and factors that influenced the achieved financial results

Situation on the stock trading market and in the area of investment banking

The stock trading market on the WSE in the first three quarters of this year saw significantly higher investor activity than a year earlier - total turnover in the period was 27.8% higher than in the same period of 2023. At the same time, IPOPEMA Securities recorded a lower market share in trading on the WSE (1.72% vs. 2.09%). Revenue from bond trading was also slightly lower than a year earlier. These factors, among others, translated into lower total level of revenue from securities trading in January-September 2024 (PLN 24,242 thousand vs. PLN 27,474 thousand a year ago).

The situation was better in the market for equity transactions - a slightly higher activity of companies and investors was observed since the beginning of the year. As a result, revenues from investment banking services in January-September 2024 amounted to PLN 17,966 thousand, 14.9% higher than in the same period of 2023 (PLN 15,631 thousand).

The above factors caused the brokerage services segment to record lower profits in Q1-Q3 2024 than a year earlier (PLN 1,752 thousand vs. PLN 3,446 thousand profit on operations and PLN 2,825 thousand vs. PLN 4,440 thousand profit net). On the other hand, on a standalone basis (i.e. excluding intragroup sales and other consolidation exclusions), IPOPEMA Securities recorded a net profit of PLN 5,994 thousand in the period (vs. PLN 6,688 thousand a year earlier).

Activities of IPOPEMA TFI

The termination of the management of several debt funds in Q1 2024 translated into lower levels of IPOPEMA TFI's revenues and expenses - revenues for the entire Q1-Q3 2024 period were lower by 25.9% (PLN 117,298 thousand vs. PLN 158,316 thousand), and expenses by 25.0% (PLN 114,572 thousand vs. PLN 152,779 thousand). At the same time, the total value of assets in actively managed funds of IPOPEMA TFI amounted at the end of September 2024. PLN 1.1 billion (i.e., the same as a year earlier). Nevertheless, taking into account the assets accumulated also in dedicated funds, IPOPEMA TFI invariably remains the largest Polish mutual fund company - total assets under management at the end of September 2024 amounted to PLN 53.6 billion (versus PLN 57.9 billion a year earlier).

Activities of IPOPEMA Business Consulting

Despite the still difficult market situation, consistent execution of projects from the order book allowed IPOPEMA Business Consulting to increase revenues by 18.3% compared to Q1-Q3 2023 (PLN 23,883 thousand vs. PLN 20,185 thousand). However, as a result of a higher level of costs (by 20.5%), the segment recorded a deterioration in profitability - profit from core operations amounted to PLN 182 thousand (vs. PLN 520 thousand a year earlier), and net loss amounted to PLN 372 thousand (against a net profit of PLN 286 thousand in Q1-Q3 2023).

3. Factors that may affect results in Q4 2024

The situation in the secondary market

Although the upward trend on the WSE has continued since mid-October 2022 (at the end of October this year, the value of the WIG was nearly 40% higher compared to the end of 2022), it was only the first quarters of this year that brought a more significant recovery - turnover on the WSE stock market in January-September 2024 was 27.8% higher than a year earlier. Although IPOPEMA Securities recorded a lower market share in turnover (1.72% vs. 2.09%), it still maintains high activity in bond trading and foreign markets. However, it is difficult to predict how the situation in this area will unfold in future periods.

Situation in the area of capital transactions

In the first three quarters of 2024, relative optimism returned to the equity transactions market and a slight recovery was observed. At the same time, IPOPEMA Securities scored a fairly good period in terms of transactions handled. In the fourth quarter of the year, the Company continues to work on transactions currently in the pipeline, the implementation of which may depend on market sentiment

Situation in the investment fund management segment

Since the beginning of 2023, the mutual fund market has seen growing investor optimism - September 2024 was the twenty-first month with a positive balance of inflows and outflows. Moreover, in the first three quarters of this year, the balances of inflows to retail funds were significantly higher than in the respective months of last year. Most of the inflows are directed to companies in the banking groups and within the debt fund strategy. At the same time, it should be noted that part of IPOPEMA TFI's revenue (from closed-end fund management) does not depend on the value of the funds' assets, and thus on the economic situation and the stock market. In addition, in the first quarter of 2024, the Society terminated the management of several debt funds, which in subsequent periods will result in both a lower value of revenues for the management of the funds and a lower level of costs associated with the management of these funds.

Situation in the consulting services segment

In the consulting business segment, IPOPEMA Business Consulting is implementing started and new projects. Expectations for demand for services in the business sector of IPOPEMA Business Consulting will be closely linked to the economic climate in the coming months of this year.

Variable fund and portfolio management fee (investment fund and brokerage portfolio management segment)

In subsequent periods of the current year, IPOPEMA TFI may see income from the variable management fee for selected funds (and the costs of managing these funds), which is settled on the last day of the fiscal year and will not be recognized in the income statement until December 2024. Accordingly, interim, it is not recognized in the income of the 'segment for the management of investment funds and portfolios of brokerage financial instruments' representing only an estimated value, subject to current updating determined by investment results and the amount of assets under management. As of the end of the last calendar month preceding the date of this report, i.e. October 31 this year, the impact of the variable management fee on the segment's gross profit would be PLN 1.4 million.

War in Ukraine

An invariably significant risk factor concerning, among other things, the economic situation is the war in Ukraine. It is difficult to reliably predict its further course and duration, let alone its consequences. The uncertainty regarding further developments and Russia's behavior and actions makes it difficult to assess the real impact of the current situation on the Company's and its group's operations in future periods.

4. Implementation of forecasts

The company did not publish financial forecasts.

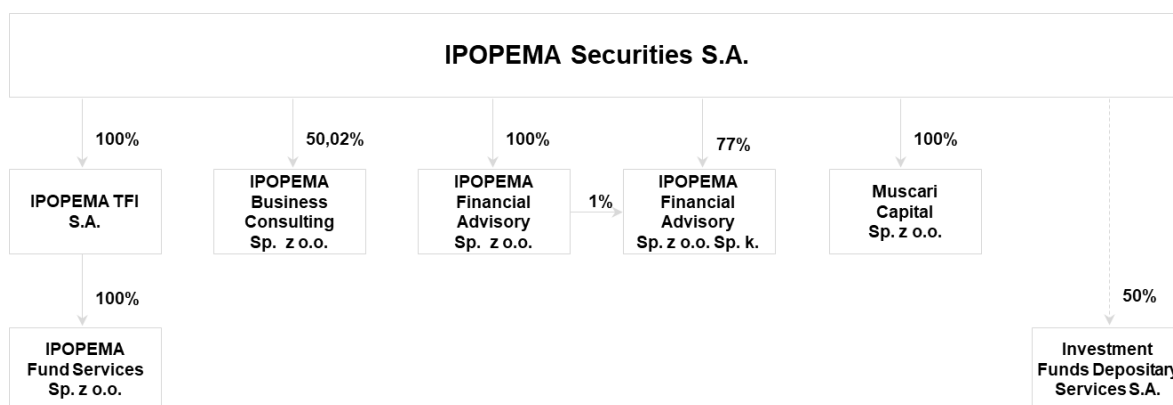
Part II

1. Organizational structure of the IPOPEMA Securities Group

As of September 30, 2024, the IPOPEMA Securities Group consisted of IPOPEMA Securities S.A. as the parent company and subsidiaries: IPOPEMA Towarzystwo Funduszy Inwestycyjnych S.A., IPOPEMA Business Consulting Sp. z o.o., IPOPEMA Financial Advisory Sp. z o.o., IPOPEMA Financial Advisory Sp. z o.o. Sp. k., Muscari Capital Sp. z o.o. and IPOPEMA Funds Services Sp. z o.o.

IPOPEMA Securities, IPOPEMA TFI, IPOPEMA Business Consulting and IPOPEMA Financial Advisory Sp. z o.o. are consolidated. Sp. k., while IPOPEMA Financial Advisory Sp. z o.o., Muscari Capital Sp. z o.o. and IPOPEMA Funds Services Sp. z o.o. were excluded from consolidation due to immateriality of financial data.

In addition, IPOPEMA Securities holds 50% of the shares and rights in Investment Funds Depository Services S.A. ("IFDS"), i.e. a company established together with ProService Finteco sp. z o.o.. Given that, in principle, the distribution of power and voting rights is equal among the aforementioned shareholders, in accordance with applicable regulations, none of them has the status of a parent company. Consequently, IFDS also formally does not constitute a subsidiary of IPOPEMA Securities and is not subject to consolidation.



2. Changes in the organizational structure of the IPOPEMA Securities Group

There were no significant changes in the organizational structure of the IPOPEMA Securities Group in Q1-Q3 2024.

3. Shareholders of IPOPEMA Securities S.A.

As of September 30, 2024, the Company's shareholders holding more than 5% of IPOPEMA Securities S.A. shares were as follows:

Shareholder	Number of shares and votes at the AGM	% of the total number of votes at the AGM
OFE PZU "Złota Jesień "**.	2.993.684	9,99%
Value FIZ*.	2.992.824	9,99%
IPOPEMA PRE-IPO FIZAN Fund ¹	2.990.789	9,98%
Quercus Funds ^{2*}	2.955.369	9,87%
IPOPEMA 10 FIZAN Fund ³	2.851.420	9,52%
Katarzyna Lewandowska	2.136.749	7,13%
Jaroslaw Wikalinski ⁴	1.499.900	5,01%
Total shareholders over 5%	18.420.735	61,52%

*Data based on notifications received by the Company from shareholders or as reported at the Company's AGM.

¹The main participant in the Fund is Jacek Lewandowski - President of the Management Board of the Company, as well as Katarzyna Lewandowska

²Total funds managed by QUERCUS

³The only participant in the Fund is Stanislaw Waczkowski - Vice President of the Management Board of the

⁴Based on a verbal agreement on consensual voting at the AGM, Jaroslaw Wikalinski together with Malgorzata Wikalinski have a total of 2,770,789 votes, or 9.25% of the total number of votes at the AGM

As of the date of this report, the aforementioned holdings had not changed.

4. Change in the number of shares held by managing or supervising persons

As of September 30, 2024 (and as of the date of this document), the management and supervisory persons indicated below held - directly or indirectly through subsidiaries or affiliates (dedicated funds) - shares in IPOPEMA Securities S.A.. The shareholding of the above-mentioned persons has not changed that presented in the report for the first half of 2024.

Person	number of shares and votes	% of capital and votes
Jacek Lewandowski - CEO ¹	3.330.079	11,12%
Stanislaw Waczkowski - Vice President of the Management Board	3.142.855	10,49%
Miroslaw Borys - Vice President of the Management Board	696.428	2,32%
Mariusz Piskorski - Vice President of the Management Board	515.000	1,72%
Total	7.684.362	25,66%

¹ According to the information in the table in point 3, shares in IPOPEMA Securities S.A. are also held by Jacek Lewandowski's wife, Katarzyna Lewandowska.

5. Information on issuance, redemption and repayment of non-equity and equity securities

In the first three quarters of 2024 (nor in the comparative period), IPOPEMA Securities S.A. did not issue non-equity or equity securities. At the same time, the Company redeemed bonds in connection with the implementation of the variable remuneration policy for a total amount of PLN 0.8 thousand (the same as in the comparative period).

6. Loans, guarantees, warranties

During Q1-Q3 2024, the Company did not receive or grant any sureties or loans (other than loans to Group companies, employees and associates), while information on guarantees issued to the Company is provided in Note 12 to the separate financial statements of IPOPEMA Securities.

7. Selected corporate events

Implementation of the Incentive Program

In the second quarter of this year. The Company's Supervisory Board, acting pursuant to the authorization granted to it by the Annual General Meeting ("AGM") of IPOPEMA Securities S.A. dated May 23, 2023, approved the implementation of an incentive program (the "Incentive Program") by the Management Board. Pursuant to the resolutions of the AGM, in particular Resolution No. 18 on conditional capital and Resolution No. 19 on the Incentive Program in the IPOPEMA Group, the Company is authorized, subject to certain requirements, to issue for the purposes of implementing the Incentive Program a maximum of 2,993,783 series D shares, i.e. 10% of the share capital, at a unit issue price of PLN 1.50.

In view of the above, the Management Board decided this year to launch the Incentive Program under a separate option plan (Option Plan I) , and the Supervisory Board - as indicated at the outset - approved the Management Board's decision. Option Plan I is addressed to two persons from IPOPEMA TFI, including its CEO, and covers a maximum of 798,342 series D shares, i.e. 2.67% of the Company's current share capital. The possibility of taking up the aforementioned shares depends on IPOPEMA TFI achieving certain financial parameters in 2024 and 2025 (regardless of meeting the criterion indicated in § 11 of the aforementioned Resolution No. 19 of the AGM).

In accordance with the requirements of the International Financial Reporting Standards, the Incentive Program, in terms of Option Plan I, has been valued, and its cost is included in the IPOPEMA Group's consolidated financial statements prepared in accordance with IFRS. However, the cost is not charged to the Company's result in the separate financial statements, due to the absence of such requirements in the Accounting Act. More detailed information on the above valuation is provided in sec. 17 of the consolidated financial statements.

Change in the composition of the Supervisory Board

On June 6, 2024, the Annual General Meeting appointed the Company's Supervisory Board for a new term, which included Marcin Dyl, replacing Janusz Diemko, who resigned to run for re-election.

Capital increase in IFDS

In Q3 2024, the shareholders of IFDS (i.e., the Company and ProService Finteco) decided (in the form of a resolution of an extraordinary general meeting of IFDS) to increase the share capital by a total of PLN 1,000,000 through the issuance of series C shares. These shares were taken up and fully paid for in equal shares, i.e. PLN 500,000 each, by each shareholder. After the aforementioned changes, IPOPEMA Securities and ProService hold shares constituting invariably 50% each of the share capital and total number of votes in IFDS.

8. Significant court proceedings

In 2016. IPOPEMA TFI received a copy of a lawsuit filed by Górnośląskie Przedsiębiorstwo Wodociągów S.A., headquartered in Katowice ("GPW"), seeking payment of PLN 20.6 million for alleged property damage suffered by GPW in connection with GPW's investment in investment certificates of one of the so-called dedicated funds managed by the Society (closed-end investment fund of non-public assets). The Society considers the WSE's claim

to be unfounded and has taken legal steps to dismiss it by filing a response to the lawsuit with the court and participating in further litigation. As of the date of this report, some of the scheduled hearings have been held in the case, during which some of the procedural activities were carried out. Further procedural activities are scheduled to be carried out at a later stage of the court proceedings. In view of this, and in view of the complicated factual and legal situation and the specifics of the Polish judicial system, at this stage it is not possible to authoritatively determine the outcome of the ongoing proceedings.

Four lawsuits were also filed against IPOPEMA TFI concerning funds that were previously managed by Saturn TFI and Lartiq TFI, the management of which was taken over by IPOPEMA TFI as a result of the Financial Supervision Commission's decision to revoke permits for the above investment fund companies to carry out their activities. Three of the claims, with a total claim value of approximately PLN 2.6 million, were filed in December 2022 and January 2023, while the last one was filed in October 2023. This is a class action lawsuit against IPOPEMA TFI and the bank acting as depositary for the fund to which the lawsuit relates. The resulting value of the subject matter of the dispute is PLN 25.3 million, and the case is at the stage of the court's examination of the admissibility of the class action. IPOPEMA TFI strongly disputes the claims in question in their entirety as completely unfounded and groundless. This is because the allegations raised in them relate to circumstances that are a consequence of the management of the funds in question and their situation prior to the period when IPOPEMA TFI took over their management. In connection with the above, the Management Board of IPOPEMA TFI is taking legal steps to dismiss the lawsuits, as well as to protect the good name of IPOPEMA TFI.

In addition, in the first half of 2022, a lawsuit was filed against IPOPEMA Business Consulting by one of its clients regarding an implementation agreement between the parties executed in the normal course of IPOPEMA Business Consulting's business. The amount of the claim indicated by the plaintiff was PLN 14.5 million, but given the facts, supported by legal analyses, the Management Board of IPOPEMA Business Consulting did not recognize the above claim, treating it as completely unfounded and without any factual and legal basis. IPOPEMA Business Consulting also filed a lawsuit against this client for a total amount of PLN 12.6 million to enforce its remuneration for completed and delivered work, contractual penalties and damages. In May 2024, a settlement was reached in front of a mediator, according to which the parties retained the contractual benefits fulfilled to date, while waiving any further claims related to the contract and the implementation of the entire project. As of the date of publication of this report, the parties had been served with a court order approving the settlement and discontinuing both proceedings, which definitively ended both lawsuits.

Other than the above, the IPOPEMA Group was not a party to any significant legal or administrative proceedings.

9. Transactions with related parties

During Q1-Q3 2024, the Company did not enter into any significant transactions with related parties on other than arm's length terms. For more information on related party transactions, please refer to the interim condensed consolidated financial statements in Note 25

10. Significant events after the balance sheet date

In the period between September 30, 2024 and the date of publication of the financial statements, there were no significant events with a significant impact on the Company's operations.

Warsaw, November 14, 2024

Management Board of IPOPEMA Securities S.A.:

Jacek Lewandowski
CEO

Mariusz Piskorski
Vice President

Stanislaw Waczkowski
Vice President

Mirosław Borys
Vice President