

**IPOPEMA Securities S.A.
ul. Próźna 9
00-107 Warsaw, Poland**

**Auditor's
opinion and report
on the financial statements
for the period January 1st
-December 31st 2015**

AUDITOR'S OPINION

for the General Meeting and Supervisory Board of IPOPEMA Securities S.A.

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

- introduction to the financial statements,
- statement of financial position as at December 31st 2015,
- statement of profit or loss for the period January 1st-December 31st 2015,
- statement of changes in equity for the period January 1st-December 31st 2015,
- statement of cash flows for the period January 1st-December 31st 2015,
- notes.

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

The Company's Management Board and members of the Supervisory Board are responsible for ensuring that the 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 financial statements and issue an opinion on whether the financial statements comply with the applicable accounting policies, whether they fairly and clearly reflect, in all material respects, the assets, financial standing and financial result of the Company, and whether the accounting records which were the basis for the preparation of the financial statements were properly maintained.

Our audit of the 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 financial statements.

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

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

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

- a) present fairly and clearly all the information which is material for the assessment of the Company's assets and financial standing as at December 31st 2015, as well as of its financial result for the financial year January 1st-December 31st 2015,
- b) were prepared in compliance with the applicable accounting policies and on the basis of properly maintained accounting records,
- c) comply with the applicable laws and the relevant provisions of the Company's Articles of Association.

The Directors' Report on the Company's operations is complete within the meaning of Art. 49 of the Polish Accountancy Act and conforms to 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 February 19th 2009 (Dz. U. of January 28th 2014, item 133), and the information contained in the Directors' Report, sourced from the audited consolidated financial statements, is consistent with the financial statements.

Warsaw, March 18th 2016

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 financial statements of
IPOPEMA Securities S.A.**

**for the period January 1st
-December 31st 2015**

I. GENERAL INFORMATION

1. Details of the Company

The Company operates under the name IPOPEMA Securities Spółka Akcyjna (joint-stock company) and

its registered office is located at ul. Próżna 9, 00-107 Warsaw, Poland.

Pursuant to the entry in the relevant register and the Articles of Association, the Company'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 Company 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 in 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 2015, the Company's share capital amounted to PLN 2,994 thousand and was divided into 29,937,836 shares with a par value of PLN 0.10 per share.

In 2015 and by the date the audit was completed, there were no changes in the Company's share capital.

As at December 31st 2015, 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%
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 2015, the Company's equity was PLN 63,627 thousand.

The Management Board is responsible for the management of the Company.

As at December 31st 2015, the composition of the Company'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
- Daniel Ścigąła - Member of the Management Board

In the audited period and by the audit completion date, there was a change in the composition of the Company's Management Board: by Resolution No. 2 dated May 21st 2015, the Supervisory Board resolved to appoint Daniel Ścigąła as a new member of the Management Board.

2. Information on the auditing firm and the qualified auditor

The IPOPEMA Securities S.A.'s financial statements for 2015 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 (Krajowa Izba Biegłych Rewidentów) under Reg. No. 3355.

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

The audit was performed pursuant to an agreement for audit services, dated July 24th 2015, and was headed by lead auditor Anna Bernaziuk, PhD (Qualified Auditor Reg. No. 173). The audit was performed at the Company's registered office intermittently between March 1st 2016 and the date

of the auditor's opinion. The audit was preceded by a review of the Company's financial statements for H1 2015.

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 Company 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.

3. Information on the financial statements for the previous year

The opening balances were determined on the basis of the financial statements for the period January 1st-December 31st 2014, which were audited by BDO Sp. z o.o. and on which an unqualified opinion was issued.

The Company's financial statements for the period January 1st-December 31st 2014 were approved by virtue of Resolution No. 5 of the General Meeting, dated June 30th 2015.

By virtue of General Meeting's Resolution No. 20 of July 14th 2015, the Company's net profit of PLN 3,226 thousand, earned in the period January 1st-December 31st 2014, was allocated in full to statutory reserve funds.

The financial statements for 2014 were filed with the National Court Register on August 10th 2015.

II. FINANCIAL ANALYSIS OF THE COMPANY

Below are presented selected items of the Company's statement of financial position and statement of profit or loss, as well as key financial ratios, in comparison with the corresponding figures for previous years.

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

	Dec 31 2015	% of balance- sheet total	Dec 31 2014	% of balance- sheet total	Dec 31 2013	% of balance- sheet total
Cash and other financial assets	135,950	42.0	35,342	12.0	41,485	12.9
Current receivables	167,711	51.8	237,513	81.1	262,540	81.4
Financial instruments held for trading	1,214	0.4	1,463	0.5	218	0.1
Current prepayments and accrued income	794	0.2	891	0.3	665	0.2
Financial instruments available for sale	8,820	2.7	8,808	3.0	6,825	2.1
Non-current receivables	1,367	0.4	2,348	0.8	2,336	0.7
Non-current loans advanced	1	0.0	364	0.1	794	0.2
Intangible assets	2,495	0.8	2,030	0.7	2,121	0.7
Property, plant and equipment	4,136	1.3	3,455	1.2	4,212	1.3
Non-current prepayments and accrued income	1,096	0.3	821	0.3	1,290	0.4
Total assets	<u>323,575</u>	100.0	<u>293,035</u>	100.0	<u>322,486</u>	100.0
Current liabilities	254,254	78.6	229,000	78.1	249,870	77.5
Non-current liabilities	133	0.0	2	0.0	2	0.0
Accruals and deferred income	0	0.0	0	0.0	0	0.0
Provisions for liabilities	5,561	1.7	3,908	1.4	6,720	2.1
Equity	<u>63,627</u>	19.7	<u>60,125</u>	20.5	<u>65,894</u>	20.4
Total equity and liabilities	<u>323,575</u>	100.0	<u>293,035</u>	100.0	<u>322,486</u>	100.0

2. Key items of the statement of profit or loss (PLN' 000)

	Jan 1 2015- Dec 31 2015	% of revenue	Jan 1 2014- Dec 31 2014	% of revenue	Jan 1 2013- Dec 31 2013	% of revenue
Revenue from brokerage activities	47,425	100.0	46,627	100.0	57,700	100.0
Cost of brokerage activities	42,986	90.6	42,167	90.4	48,178	83.5
Profit (loss) on brokerage activities	4,439	9.4	4,460	9.6	9,522	16.5
Gain (loss) on transactions in financial instruments held for trading	(585)	(1.2)	(1,430)	(3.1)	(3,026)	(5.2)
Gain (loss) on transactions in financial instruments available for sale	1,400	3.0	3,001	6.4	970	1.7
Difference between provisions for and impairment losses on receivables	182	0.4	(341)	(0.7)	(21)	(0.0)
Net other income/expenses	79	0.2	111	0.2	(377)	(0.7)
Operating profit (loss)	5,515	11.6	5,801	12.4	7,068	12.2
Net finance income/costs	(1,359)	(2.9)	(2,076)	(4)	63	0.1
Pre-tax profit (loss)	4,156	8.8	3,725	8.0	7,131	12.4
Income tax	663	1.4	499	1.1	1,512	2.6
Net profit (loss)	3,493	7.4	3,226	6.9	5,619	9.7

3. Key financial ratios

	2015	2014	2013
Profitability ratios			
Net margin	7.4%	6.9%	9.7%
Return on assets	1.1%	1.1%	1.7%
Return on equity	5.5%	5.4%	8.5%
Liquidity ratios			
Current ratio	1.2	1.2	1.2
Share effectiveness			
Book value per share (PLN)	2.13	2.01	2.20
Earnings per share (PLN)	0.12	0.11	0.19

4. Comments

- Current receivables and cash and cash equivalents represented the largest items of assets, accounting for 51.8% and 42.0% of total assets, respectively. Current liabilities and equity, accounting for 78.6% and 19.7% of the balance-sheet total, respectively, represented the largest items of equity and liabilities.
- In the financial year ended December 31st 2015, the Company's net profit was PLN 3,493 thousand, up by PLN 267 thousand year on year.
- In 2015, the Company's revenue from brokerage activities increased to PLN 47,425 thousand compared with PLN 46,627 thousand in 2014, with the cost of brokerage activities up to PLN 42,986 thousand, from PLN 42,167 thousand in 2014.
- Profitability ratios improved year on year. Net margin was 7.4% (2014: 6.9%). Return on assets remained unchanged year on year, at 1.1%. Return on equity stood at 5.5% (2014: 5.4%).
- The increase in equity recorded in 2015 relative to 2014 resulted in a higher book value per share. In the period under review, the book value per share was 2.13 vs. 2.01 in 2014.
- Earnings per share increased to PLN 0.12 (2014: PLN 0.11).

During the audit of the financial statements, we found nothing that would suggest that as a result of discontinuation or material limitation of its existing operations the Company would not be able to continue as a going concern at least in the next reporting period.

III. DETAILED INFORMATION

1. Assessment of the accounting and internal audit system

The Company maintains documentation describing its accounting policies, as required by Art. 10 of the Polish Accountancy Act.

The Company's accounting records are maintained at its registered office. Accounting records are maintained electronically, using the Raks software.

During the audit of the financial statements, we used audit sampling to assess the correctness of functioning of the Company's accounting system. Our responsibility did not include expressing a comprehensive opinion on the functioning of the Company's accounting system.

During the audit, no irregularities were revealed in the accounting books which might have a material effect on the audited financial statements. The foregoing refers in particular to:

- appropriateness and consistency of the applied accounting policies, including the correctness of the opening of the accounting books;
- reliability, completeness and transparency of records documenting business transactions, and proper classification of business transactions for the purpose of their disclosure in the accounting books;
- measures designed to protect access to the data and the data processing system;
- completeness, correctness and continuity of entries posted therein, as well as matching of the entries with source documents and financial statements,
- proper protection of the accounting documentation, accounting books and financial statements.

Review of assets and liabilities carried out within the scope, and with the timing and frequency, prescribed by the Polish Accountancy Act may be deemed correct and any identified differences are accounted for in the accounting records for the audited period.

2. Highlights of the financial statements

The key items of the financial statements are discussed in the notes to the Company's financial statements and the Directors' Report on the Company's operations.

3. Notes to the consolidated financial statements

Information contained in the introduction and notes to the financial statements has been prepared in a complete and correct manner.

4. Directors' Report on the Company's operations

The Directors' Report on the Company's operations is complete within the meaning of Art. 49 of the Polish Accountancy Act and conforms to 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 February 19th 2009 (Dz. U. of January 28th 2014, item 133), and the information contained in the Directors' Report, sourced from the audited consolidated financial statements, is consistent with the financial statements.

5. Representation by the Company's management

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

Warsaw, March 18th 2016

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Lead auditor performing the audit:

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

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Qualified Auditor
Reg. No. 173

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