ANNUAL SEPARATE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 1 JANUARY 2023 TO 31 DECEMBER 2023

CASPAR ASSET MANAGEMENT S.A.

CASPAR
ASSET MANAGEMENT S.A.

Poznań, 27 March 2024

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Name of the Company:	***CASPAR ASSET MANAGEMENT S.A.***		
Reporting period:	***01.01.2023 – 31.12.2023***	**Reporting currency:**	***Polish zloty (PLN)***
Rounding level:	***all amounts are stated in thousands of Polish zloty (unless specified otherwise)***		

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	IFRS **from 01.01 to 31.12.2023**	IFRS **from 01.01 to 31.12.2022**
Continuing operations			
Revenue from core operations	**1.**	**19 843**	**22 682**
Core business expenses	**2.1**	**14 834**	**16 164**
Gross profit (loss) from core operations		**5 009**	**6 518**
Other operating revenues	2.3	28	94
Other operating expenses	2.4	5	56
Operating profit (loss)		**5 032**	**6 556**
Financial revenues	3.2	655	696
Financial expenses	3.3	455	324
Losses due to expected credit losses	3,1	6	-
Profit (loss) before tax		**5 226**	**6 928**
Income tax	4.	1 023	1 354
Net profit (loss) from continuing operations		**4 203**	**5 574**
Discontinued operations			
Net profit (loss) from discontinued operations	15.		-
Net profit (loss)		**4 203**	**5 574**

Other comprehensive income			
Available-for-sale financial assets:			
- income (loss) recognised in the period in other comprehensive income	14.	413	(752)
Other comprehensive income to be reclassified to profit or loss, before taxation		413	(752)
Other comprehensive income, before tax		413	(752)
- income tax relating to components of other comprehensive income		(78)	(143)
Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	14.	(78)	(143)
Other comprehensive income after tax		335	(609)
Comprehensive income		**4 538**	**4 965**

NET PROFIT (LOSS) PER COMMON SHARE (PLN)

Item	Note	IFRS **from 01.01 to 31.12.2023** PLN / share	IFRS **from 01.01 to 31.12.2022** PLN / share
from continuing operations			
- basic	5.1	0.43	0.57
- diluted	5.1	0.43	0.57
from continuing and discontinued operations			
- basic	5.1	0.43	0.57
- diluted	5.1	0.43	0.57

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

STATEMENT OF FINANCIAL POSITION

Assets	Note	IFRS 31.12.2023	IFRS 31.12.2022
Cash and cash equivalents	10.	2 016	2 854
Trade and other receivables	7.	2 829	3 322
Current income tax receivables		-	-
Financial assets	6.	8 583	9 746
Lease receivables		2 979	2 685
Right-of-use assets	11.	2 962	2 310
Intangible assets	12.	516	523
Property, plant and equipment	13.	382	355
Investments in subsidiaries	9.	5 801	3 801
Deferred income tax assets	14.	143	205
Assets classified as held for sale	15.	-	-
Total assets		**26 211**	**25 801**

Equity and liabilities	Note	IFRS 31.12.2023	IFRS 31.12.2022
Liabilities			
Trade and other liabilities	16.	1 840	1 577
Current income tax liabilities		42	72
Lease	11.	5 864	4 787
Deferred tax liability	14.	23	38
Provisions for employee benefits	18.	17	17
Other provisions	19.	-	-
Accruals and prepayments	17.	599	500
Liabilities related to held-for-sale assets		-	-
Liabilities		8 385	6 991
Equity capital			
Basic capital	20.1	1 972	1 972
Share premium	20.2	7 803	7 803
Other reserve capitals	20.3	46	(288)
Retained earnings:		8 005	9 323
Equity capital		17 826	18 810
Total equity and liabilities		**26 211**	**25 801**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

STATEMENT OF CHANGES IN EQUITY

	Note	Basic capital	Share premium	Other reserve capitals	Retained earnings	Total equity
Balance as at 01.01.2023		**1 972**	**7 803**	**(288)**	**9 323**	**18 810**
Changes in accounting principles (policy)						-
Basic error correction						-
Balance as amended		**1 972**	**7 803**	**(288)**	**9 323**	**18 810**
Dividends	5.2	-	-	-	(5 523)	(5 523)
Net profit for the period from 01.01 to 31.12.2023		-	-	-	4 203	4 203
Other comprehensive income after tax for the period 01.01 to 31.12.2023		-	-	335	-	335
Total comprehensive income		-	-	335	(1 320)	(985)
Balance as at 31.12.2023		**1 972**	**7 803**	**46**	**8 005**	**17 826**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

STATEMENT OF CHANGES IN EQUITY (CONT.)

	Note	Basic capital	Share premium	Other reserve capitals	Retained earnings	Total equity
Balance as at 01.01.2022		**1 972**	**7 803**	**320**	**10 457**	**20 552**
Changes in accounting principles (policy)		-	-	-	-	-
Basic error correction		-	-	-	-	-
Balance as amended		**1 972**	**7 803**	**320**	**10 457**	**20 552**
Dividends	5.2	-	-	-	(6 706)	(6 706)
Net profit for the period from 01.01 to 31.12.2022		-	-	-	5 574	5 574
Other comprehensive income after tax for the period 01.01 to 31.12.2022		-	-	(609)	-	(609)
Total comprehensive income		-	-	(609)	(1 132)	(1 741)
Balance as at 31.12.2022		**1 972**	**7 803**	**(288)**	**9 323**	**18 810**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

CASH FLOW STATEMENT

	Note	IFRS **from 01.01 to 31.12.2023**	IFRS **from 01.01 to 31.12.2022**
Cash flows from operations			
Profit (loss) before tax		**5 226**	**6 928**
Adjustments:			
Amortisation and depreciation		926	866
Profit (loss) on sale of non-financial fixed assets		(1)	-
Profit (loss) from the sale of financial assets (other than derivatives)		(26)	(185)
Profit (loss) on foreign exchange differences		-	-
Interest expense		445	316
Interest and dividend revenue		(218)	(215)
Share of profits (losses) of associated entities		-	-
Other adjustments		-	-
Change in receivables		342	231
Change in liabilities		263	(295)
Change in provisions and prepayments and accruals		98	175
Cash flows from operations		**7 055**	**7 821**
Income tax paid		(1 084)	(1 396)
Net cash from operating activities		**5 971**	**6 425**
Cash flows from investment operations			
Expenditure on the acquisition of intangible assets		(208)	(221)
Proceeds from the sale of intangible assets		-	-
Expenditure on the acquisition of property, plant and equipment		(70)	(164)
Proceeds from sale of property, plant and equipment		1	-
Expenditure on capital increases of subsidiaries		(2 000)	-
Loans granted		(500)	(500)
Received repayments of borrowings granted		1 000	-
Expenditure on the acquisition of other financial assets		-	(2 000)
Proceeds from the sale of other financial assets		1 583	5 671
Interest received		208	135
Dividends received		30	27
Net cash from investment activities		**44**	**2 948**
Cash flows from financial operations			
Transactions with non-controlling entities without loss of control		-	-
Repayment of finance lease liabilities		(885)	(789)
Interest paid		(445)	(316)
Dividends paid		(5 523)	(6 706)
Net cash from financial activities		**(6 853)**	**(7 811)**
Net change in cash and cash equivalents		**(838)**	**1 562**
Opening balance of cash and cash equivalents	**10.**	**2 854**	**1 292**
Closing balance of cash and cash equivalents	**10.**	**2 016**	**2 854**

NOTES TO THE FINANCIAL STATEMENTS

General information

a) Information on the Company

CASPAR Asset Management Spółka Akcyjna (hereinafter referred to as the "Company" or "Parent Company") was established under a Notarial Deed dated 3 August 2009. The Parent Company is registered in the Register of Entrepreneurs of the National Court Register in the District Court Poznań - Nowe Miasto and Wilda in Poznań, 8th Commercial Division under KRS number 0000335440. The Parent Company was assigned tax identification number NIP 7792362543 and statistical number REGON 301186397.

The Company's registered office is located at 32 Półwiejska Street in Poznań (61-888). The Company's registered office is also its primary place of business.

b) Composition of the Management Board and Supervisory Board of the Company

As at the date of approval hereof, the Company's Management Board consisted of:

- Ms Hanna Kijanowska – President of the Management Board,
- Mr Błażej Bogdziewicz - Vice President of the Management Board,
- Mr Krzysztof Jeske - Vice President of the Management Board.

In the period from 1 January 2022 to the date the financial statements were approved for publication, the following changes in the Parent Company's Management Board took place:

On 24 April 2023, Mr Leszek Kasperski tendered his resignation as President of the Management Board and member of the Management Board of Caspar Asset Management S.A. with effect from the date of the next Annual General Meeting of Shareholders. The Annual General Meeting of Shareholders was held on 15 June 2023. The Annual General Meeting held on 15 June 2023 appointed the following persons to the Management Board: Ms Hanna Kijanowska (Member of the Management Board; acting as President of the Management Board for the period from 16 June 2023 until the date of the approval by the FSA referred to in Art. 102a of the Act of 29 July 2005 on trading in financial instruments - consolidated text of the Polish Journal of Laws of 2023, item 646, as amended), Mr Błażej Bogdziewicz (Vice-President of the Management Board) and Mr Krzysztof Jeske (Vice-President of the Management Board, Member of the Management Board responsible for supervising the risk management system at the brokerage house, subject to the consent of the Polish Financial Supervision Authority) - with effect from 16 June 2023.

In view of the above, the composition of the Company's Management Board in 2023 was as follows:

1) from 1 January 2023 to 15 June 2023:

Mr Leszek Kasperski - President of the Management Board,

Mr Błażej Bogdziewicz - Vice President of the Management Board,

Ms Hanna Kijanowska - Vice President of the Management Board.

2) from 16 June 2023 to 31 December 2023:

Ms Hanna Kijanowska - Member of the Management Board, acting as President of the Management Board,

Mr Błażej Bogdziewicz - Vice President of the Management Board,

Mr Krzysztof Jeske - Vice President of the Management Board.

By a decision dated 29 December 2023 and delivered on 5 January 2024, the PFSA approved the appointment of Ms Hanna Kijanowska as President of the Management Board, and by a decision dated 8 March 2024 and delivered on 22 March 2024, it approved the appointment of Mr Krzysztof Jeske as a member of the Management Board responsible for supervising the risk management system of the brokerage house.

As at the date the financial statements were approved for publication, the Company's Supervisory Board consisted of:

- Rafał Litwic – Chairman of the Supervisory Board,
- Maciej Czapiewski – Vice Chairman of the Supervisory Board
- Katarzyna Fabiś – Member of the Supervisory Board,
- Leszek Kasperski - Member of the Supervisory Board,
- Piotr Kaźmierczak – Member of the Supervisory Board,

- Rafał Płókarz – Member of the Supervisory Board,
- Andrzej Tabor – Member of the Supervisory Board.

Between 1 January 2022 and the date the consolidated financial statements were approved for publication, the composition of the Supervisory Board changed. On 10 March 2022, the entire existing Supervisory Board was dismissed and, at the same time, a Supervisory Board was appointed for a new term of office composed of:

- Rafał Litwic – Member of the Supervisory Board,
- Maciej Czapiewski – Member of the Supervisory Board,
- Katarzyna Fabiś – Member of the Supervisory Board,
- Piotr Kaźmierczak – Member of the Supervisory Board,
- Maciej Mizuro – Member of the Supervisory Board,
- Rafał Płókarz – Member of the Supervisory Board,
- Andrzej Tabor – Member of the Supervisory Board.

At the Supervisory Board meeting held on 15 March 2022, the Supervisory Board elected Mr Rafał Litwic as Chairman of the Supervisory Board and Mr Maciej Czapiewski as Vice Chairman of the Supervisory Board.
On 31 December 2022, Mr Maciej Mizuro resigned as a member of the Supervisory Board of the Parent Company.
The Annual General Meeting of Shareholders held on 15 June 2023 appointed Mr Leszek Kasperski to the Supervisory Board of the Company as of 16 June 2023.
In view of the above, the composition of the Supervisory Board of the Company in 2023 was as follows:

1) from 1 January 2023 to 15 June 2023:

- Rafał Litwic – Chairman of the Supervisory Board,
- Maciej Czapiewski – Vice Chairman of the Supervisory Board
- Katarzyna Fabiś – Member of the Supervisory Board,
- Piotr Kaźmierczak – Member of the Supervisory Board,
- Rafał Płókarz – Member of the Supervisory Board,
- Andrzej Tabor – Member of the Supervisory Board.

2) from 16 June 2023 to 31 December 2023:

- Rafał Litwic – Chairman of the Supervisory Board,
- Maciej Czapiewski – Vice Chairman of the Supervisory Board
- Katarzyna Fabiś – Member of the Supervisory Board,
- Leszek Kasperski - Member of the Supervisory Board,
- Piotr Kaźmierczak – Member of the Supervisory Board,
- Rafał Płókarz – Member of the Supervisory Board,
- Andrzej Tabor – Member of the Supervisory Board.

c) Nature of the Company's activities

The Company's core business is, pursuant to the decision of the Polish Financial Supervision Authority of 26 May 2010, brokerage activities with respect to the management of portfolios comprising one or more brokerage financial instruments. Following a decision by the Polish Financial Supervision Authority on 1 August 2017, the Company was authorised to carry out new activities: receiving and transmitting orders to acquire or dispose of financial instruments, investment consultancy and offering financial instruments. The company commenced operations under the extended licence in January 2018.
The duration of the Company is indefinite.

Basis of preparation and accounting principles

a) Basis for the preparation of the annual financial statements

The Company's annual financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS") as endorsed by the European Union. IFRS comprises standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the Financial Reporting Interpretations Committee ("IFRIC").

The financial statements present data with comparative figures for the following periods:

- 1 January 2023 to 31 December 2023,
- 1 January 2022 to 31 December 2022.

The Company's functional currency and the presentation currency of these financial statements is the Polish zloty, and all amounts are expressed in thousands of Polish zloty (unless specified otherwise). The financial data contained in these separate financial statements have been rounded off, and for this reason, in some of the tables presented in the report, the sum of the amounts in a column or row may differ slightly from the total given for that column or row.

The financial statements have been prepared based on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of these financial statements for publication, there are no material uncertainties relating to events or circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

On 24 February 2022, the Russian Federation launched its invasion of Ukraine. At the date of approval of these statements for publication, the Management Board has considered the impact of the ongoing war in Ukraine and has concluded that it does not pose a threat to the Company's operations. Nevertheless, it continues to affect investor sentiment and the financial and capital market situation, which may consequently result in investors withdrawing some of their funds as well as lowering the valuations of the assets managed and administered by the Company. At the same time, the environment of persistently high inflation and high interest rates has, in the Management Board's view, a potential impact on the attractiveness of the products offered by the Company.

b) Changes to standards or interpretations

<u>New or revised standards and interpretations that are effective from 1 January 2023 and their impact on the Company's financial statements:</u>

- New IFRS 17 “Insurance Contracts“” (published on 18 May 2017), with amendments published on 25 June 2020.
  A new standard governing the recognition, measurement, presentation and disclosure of insurance and reinsurance contracts. The standard replaces the existing IFRS 4.

- Amendment to IAS 1 “Presentation of financial statements” (published on 19 December 2023).
  The IAS Board clarified the principles for classifying liabilities into long-term or short-term primarily in two respects:
  - it has been clarified that the classification depends on the rights held by the entity at the balance sheet date,
  - management's intentions with regard to accelerating or delaying payment of the obligation are not taken into account.

- Amendment to IAS 1 “Presentation of Financial Statements” and Practice Statement 2: Disclosure of Accounting Policies (issued 12 February 2021).
  The IASB has clarified which information about an entity's accounting policies is material and requires disclosure in the financial statements. The principles focus on tailoring disclosures to the individual circumstances of the entity. The Board cautions against the use of standardised provisions copied from IFRS and expects the basis of measurement of financial instruments to be considered as relevant information.

- Amendment to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (issued 12 February 2021).
  The Board has introduced a definition of an accounting estimate into the standard: *Accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty*.

- Amendment to IAS 12 “Income Taxes” (issued 7 May 2021)
  The Board has introduced the principle that if a transaction results in simultaneous taxable and deductible temporary differences of the same amount, a deferred tax asset and deferred tax liability should be recognised even if the transaction does not result from a merger or affect the accounting or tax result. This implies the recognition of deferred tax assets and liabilities, e.g. when temporary differences of equal amounts occur for leases (separate temporary difference on the liability and on the right of use) or for reclamation liabilities. The rule that deferred tax assets and liabilities are offset if current tax assets and liabilities are offset has not been changed.

- Amendment to IFRS 17 “Insurance Contracts”.
  The Board has established transitional provisions on comparative information for entities that simultaneously implement IFRS 17 and IFRS 9 to reduce potential accounting mismatches arising from differences between these standards.
  The change had no impact on the Company's financial statements as it does not enter into insurance agreements.

- Amendment to IFRS 16 “Lease”
  The amendment clarifies the requirements in relation to the measurement of the lease liability arising from sale and leaseback transactions. It is intended to prevent inappropriate recognition of the result on a transaction for the retained right-of-use portion when the lease payments are variable and do not depend on an index or rate. The amendment is effective for annual periods beginning on or after 1 January 2024.

The above amendments to the standards did not have a significant impact on the financial statements of the Company.

<u>New standards, interpretations and amendments to published standards that have been issued by the International Accounting Standards Board (IASB) and have been endorsed by the European Union but are not yet effective</u>

- There were no new standards, interpretations or amendments to published standards that have been issued by the IASB and endorsed by the European Union, but are not yet effective.

<u>Application of a standard or interpretation before its effective date</u>

Voluntary early application of a standard or interpretation has not been used in these financial statements.

<u>New standards, interpretations and amendments to published standards that have been issued by the IASB and are awaiting endorsement by the European Union and their impact on the Company's statements</u>

Up to the date of these financial statements, new or revised standards and interpretations have been issued, effective for annual periods after 2023. The list also includes amendments, standards and interpretations published but not yet adopted by the European Union.

- IAS 7 (Amendment) “Statement of Cash Flows” and IFRS 7 (Amendment) “Financial Instruments: Disclosures” on vendor finance agreements - applicable for annual periods beginning on or after 1 January 2024;

- IAS 21 (amendment) The Effects of Changes in Foreign Exchange Rates on non-exchangeability - applicable for annual periods beginning on or after 1 January 2024.

Based on the analyses carried out up to the date of these statements (though partly unfinished), the Company anticipates that the new standards and interpretations and amendments to existing standards that are pending EU approval will not have a material impact on the Company's financial statements. However, the Company's position may change for individual standards once the analyses have been completed. The Company intends to implement the above regulations within the timeframes prescribed for application by the standards or interpretations.

c) Accounting principles

The annual financial statements have been prepared for the period from 1 January 2023 to 31 December 2023, together with comparative figures for the period from 1 January 2022 to 31 December 2022, in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as endorsed by the European Commission. IAS and IFRS comprise standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the Financial Reporting Interpretations Committee ("IFRIC").

During the period covered by the financial statements, the Company did not change its accounting policies or the presentation of the financial statements.

The financial statements have been prepared on a historical cost basis, except for equity instruments designated at fair value through other comprehensive income, which are measured at fair value.

<u>Presentation of financial statements</u>
The financial statements are presented in accordance with IAS 1. The Company presents the Statement of Profit and Loss together with the Statement of Profit and Loss and Other Comprehensive Income.
The Statement of Profit and Loss is presented on a comparative basis, while the Cash Flow Statement is prepared using the indirect method.
In the case of retrospective changes in accounting policies, presentation or correction of errors, the Company presents a statement of financial position prepared additionally at the beginning of the comparative period if the above changes are material to the data presented at the beginning of the comparative period. In this situation, the presentation of the notes to the third statements of financial position is not required.

<u>Operating segments</u>
The Company identifies operating segments in the consolidated financial statements. Therefore, in accordance with IFRS 8, there is no requirement to present segment information in the Parent Company's separate financial statements.

<u>Business combinations</u>
Business combination transactions falling within the scope of IFRS 3 are accounted for using the acquisition method.
At the date control is obtained, the assets and liabilities of the acquiree are generally measured at fair value and assets and liabilities are identified in accordance with IFRS 3, whether or not they were disclosed in the acquiree's pre-acquisition financial statements.

The consideration transferred in exchange for control comprises assets issued, liabilities incurred and equity instruments issued, measured at fair value at the date of acquisition. Contingent consideration, measured at fair value at the date of acquisition, is also an element of consideration. Costs related to the acquisition (consultancy, valuations, etc.) do not constitute consideration for the acquisition, but are recognised as an expense on the date they are incurred.

Goodwill (profit) is calculated as the difference of two values:

- the sum of the consideration transferred for control, the non-controlling interests (measured as a proportion of the net assets acquired) and the fair value of the interests (shares) held in the acquiree prior to the acquisition date; and
- the fair value of the identifiable net assets of the entity acquired.

The excess of the sum calculated as indicated above over the fair value of the identifiable net assets of the entity acquired is recognised as goodwill in the assets of the statement of financial position. Goodwill represents the payments made by the acquirer in anticipation of future economic benefits from assets that cannot be individually identified or separately recognised. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

If the aforementioned sum is less than the fair value of the identifiable net assets of the entity acquired, the difference is recognised immediately in the result. The Company recognises the gain from the acquisition under other operating income.

For business combinations under common control, the Company does not apply the regulations under IFRS 3, but accounts for such transactions using the pooling of interests method as follows:

- the assets and liabilities of the acquiree are recognised at their carrying amount. The carrying amount is considered to be that originally determined by the controlling party, rather than the values derived from the separate financial statements of the acquiree,
- intangible assets and contingent liabilities are recognised on the entity's pre-merger basis, in accordance with the relevant IFRS,
- no goodwill arises - the difference between the consideration transferred and the net assets of the controlled entity acquired is recognised directly in equity, under retained earnings,
- non-controlling interests are measured in proportion to the carrying amount of the net assets of the controlled entity,
- comparative figures are restated as if the merger had taken place at the beginning of the comparative period. Where the date on which the relationship of subordination over the entity arises is later than the beginning of the comparative period, comparative figures are presented from the time when the relationship of subordination first arose.

Investments in associates
Associates are those entities over which the Company does not exercise control but over which it exercises significant influence by participating in the determination of financial and operating policies.
Investments in associates are recognised at cost, taking into account any impairment.

Transactions in foreign currencies
The financial statements are presented in the Polish zloty (PLN), which is also the Parent Company's functional currency.

As a general rule, transactions expressed in currencies other than the Polish zloty are converted into Polish zlotys using the exchange rate prevailing on the date of the transaction (spot rate). However, if a sale or purchase transaction is preceded by the receipt or payment of an advance in foreign currency, respectively, the advance at the date of payment is recognised at the exchange rate at that date. Subsequently, when revenue earned in currency or an expense or asset purchased is recognised in the statement of profit or loss, these transactions are recognised at the exchange rate on the date the advance payment is recognised, rather than at the rate on the date the revenue or expense or asset is recognised.

At the balance sheet date, monetary items expressed in currencies other than the Polish zloty are translated into the Polish zloty using the closing exchange rate prevailing at the end of the reporting period, i.e. the average exchange rate set for the currency in question by the National Bank of Poland.
Non-monetary items recognised at historical cost, denominated in foreign currency, are recorded at the historical exchange rate on the date of the transaction.
Non-monetary items recorded at fair value expressed in a foreign currency are measured at the exchange rate on the date the fair value is determined, i.e. the average rate set for the currency in question by the National Bank of Poland.

Exchange differences arising from the settlement of transactions or from the translation of monetary items other than derivatives are recognised in net financial income or expenses, as appropriate, with the exception of exchange differences capitalised in the value of assets in cases specified in the accounting rules (presented in the section on borrowing costs).

Borrowing costs
Financing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Borrowing costs consist of interest and foreign exchange gains or losses to the extent that they adjust interest expense.

Intangible assets
Intangible assets include licences, computer software, development costs and other intangible assets that meet the recognition criteria set out in IAS 38. Intangible assets that have not yet been placed in service (intangible assets under development) are also recognised under this heading.

Intangible assets at the balance sheet date are stated at cost less accumulated amortisation and impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their useful economic lives. The useful lives of individual intangible assets are reviewed annually and, if necessary, adjusted since the estimate has changed.
The expected useful life for each group of intangible assets is:

Group	Period
Computer software	5 years
Development costs	5 years
Other intangible assets	5 years

Intangible assets with indefinite useful lives are not amortised, but are tested annually for impairment. The Company has no intangible assets with indefinite useful lives.

Software maintenance costs incurred in later periods are recognised as an expense for the period as they are incurred.

Research costs are recognised in the result as they are incurred.

Expenditure directly related to development work is recognised as an intangible asset only when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it is suitable for use or sale,
- the Company intends to complete the asset and use or sell it,
- the Company is able to use or sell the intangible asset,
- the intangible asset will generate economic benefits and the Company can demonstrate this benefit through, among other things, the existence of a market or the utility of the asset to the Company's needs,
- the technical, financial and other resources necessary to complete the development in order to sell or use the asset are available,
- expenditure incurred in the course of development work can be reliably measured and attributed to the intangible asset.

Expenditure incurred on development work performed as part of a project is carried forward if it can be considered that it will be recovered in the future. The assessment of future benefits is based on the principles set out in IAS 36. After initial recognition of development expenditure, the historical cost model is applied, whereby assets are recognised at cost less accumulated depreciation and accumulated impairment losses. Completed development work is amortised on a straight-line basis over the expected period of benefit.

Gains or losses arising from the disposal of intangible assets are determined as the difference between the net proceeds from the sale and the carrying amount of the intangible asset disposed of. These gains and losses are recognised in profit or loss in other operating income or expenses when the purchaser acquires control of the intangible asset disposed of in accordance with the requirements of IFRS 15 (see subsection “Sales proceeds” in this section of the notes to the financial statements). The amount of consideration in the disposal of an intangible asset is determined in accordance with the requirements of IFRS 15 on the determination of the transaction price.

<u>Property, plant and equipment</u>

Property, plant and equipment are initially recognised at cost. The purchase price is increased by all costs directly related to the purchase and the adaptation of the asset to a usable condition.

After initial recognition, property, plant and equipment, with the exception of land, are stated at cost less accumulated depreciation and impairment losses. Tangible assets in the course of manufacture are not depreciated until construction or assembly is completed and the asset is put into use.
Depreciation is calculated using the straight-line method over the estimated useful life of the asset, which is on average for each group of property, plant and equipment:

Group	Period
Buildings and structures (investment in third-party fixed assets)	10 years
Computer sets	3 years
Means of transport	3-5 years
Other tangible assets	5-7 years

Depreciation begins in the month in which the fixed asset is available for use. Economic useful lives and depreciation methods are reviewed annually, resulting in a possible adjustment of depreciation in subsequent years.

Fixed assets are subdivided into components that are items of significant value for which a separate economic life can be assigned. The costs of general maintenance and essential spare parts and equipment, if used for more than one year, are also a component. Ongoing maintenance costs incurred after the date the asset is placed in service, such as maintenance and repair costs, are recognised in the income statement as they are incurred.

An item of property, plant and equipment may be removed from the statement of financial position upon disposal or when no economic benefits are expected from the continued use of such an asset. Gains or losses arising from the sale, liquidation or discontinued use of fixed assets are determined as the difference between the sales proceeds and the net value of those fixed assets. These gains and losses are recognised in profit or loss in other operating income or expenses when the purchaser acquires control of the disposed item of property, plant and equipment in accordance with the requirements of IFRS 15 (see subsection “Sales proceeds” in this section of the notes to the financial statements). The amount of consideration in the disposal of an item of property, plant and equipment is determined in accordance with the requirements of IFRS 15 on the determination of the transaction price.

<u>Lease</u>
Company as lessee
For each concluded agreement, the Company decides whether the agreement is a lease or contains a lease. A lease has been defined as an agreement or part of an agreement that transfers the right to control the use of an identified asset (the underlying asset) for a given period in exchange for consideration. To this end, three main aspects are analysed:

- whether the agreement relates to an identified asset, which is either explicitly stated in the agreement or implied when the asset is made available to the Company,
- whether the Company is entitled to receive substantially all of the economic benefits from the use of the asset over its useful life to the extent specified in the agreement,
- whether the Company has the right to direct the use of the identified asset throughout its useful life.

At the commencement date, the Company recognises a right-of-use asset and a lease liability. The right of use is initially measured at cost, consisting of the initial lease liability, initial direct costs, an estimate of the costs expected to be incurred in dismantling the underlying asset and lease payments made at or before the commencement date, less lease incentives.
The Company amortises rights of use on a straight-line basis from the earlier of the commencement date to the end of the right of use or the end of the lease term. If there are indications to do so, the rights of use are tested for impairment in accordance with IAS 36.
At the commencement date, the Company measures the lease liability at the present value of the lease payments outstanding using the interest rate on the lease if this can be readily determined. Otherwise, the lessee's marginal interest rate is used.
Lease payments included in the value of the lease liability consist of fixed lease payments, variable lease payments dependent on an index or rate, amounts expected to be paid as guaranteed residual value and call option payments if their exercise is reasonably certain.
In subsequent periods, the lease liability is reduced by repayments made and increased by accrued interest. The measurement of the lease liability is updated to reflect changes in the agreement and the reassessment of the lease term, the exercise of the call option, the guaranteed residual value or index or rate-dependent lease payments. As a general rule, the revaluation of a liability is recognised as an adjustment to the right-of-use asset.
The Company presents rights of use in a separate item in the statement of financial position.

<u>Impairment of non-financial fixed assets</u>

For intangible assets with finite useful lives, property, plant and equipment, interests in related entities and right-of-use assets, an assessment is made as to whether there are indications of impairment. If it is determined that any events or circumstances may identify difficulty in recovering the carrying amount of an asset, an impairment test is performed.

For the purpose of impairment testing, assets are grouped at the lowest level at which they generate cash flows independently of other assets or groups of assets (so-called cash-generating units). Assets that independently generate cash flows are tested individually.

If the carrying amount exceeds the estimated recoverable amount of the assets or cash-generating units to which the assets are attached, then the carrying amount is reduced to the recoverable amount. The recoverable amount corresponds to the higher of fair value less costs to sell or value in use. In determining value in use, estimated future cash flows are discounted to present value using a discount rate that reflects current market assessments of the time value of money and the risks associated with the asset.

The impairment loss of the facility is primarily attributed to goodwill, if any. The remaining amount of the write-down reduces proportionately the carrying amount of the assets entering the cash-generating unit.
Impairment losses are recognised in the result under other operating expenses.
Impairment losses on goodwill are not reversed in subsequent periods. For other assets, indications of the possibility of reversal of impairment losses are assessed at subsequent balance sheet dates. The reversal of the write-down is recognised in the result under other operating income.

<u>Financial instruments</u>
A financial instrument is any agreement that gives rise to a financial asset for one party and, at the same time, a financial liability or equity instrument for the other party.

A financial asset or financial liability is recognised in the statement of financial position when the Company becomes a party to an agreement for that instrument. Standardised purchases and sales of financial assets and liabilities are recognised on the trade date.

A financial asset is derecognised from the statement of financial position when the contractual rights to the cash flows from the financial asset expire or when the financial asset and substantially all the risks and rewards associated with it are transferred to another party.
The Company derecognises a financial liability from the statement of financial position when the liability no longer exists, that is, when the obligation specified in the contract is discharged, cancelled or expired.

Financial assets and liabilities are valued according to the principles outlined below.

Financial assets
At the date of acquisition, the Company measures financial assets at fair value, i.e. usually at the fair value of the consideration paid. The Company includes transaction costs in the initial measurement of all financial assets, except for the category of assets measured at fair value through profit or loss. The exception to this rule is for trade receivables, which the Company measures at their transaction price as defined in IFRS 15, with the exception of those trade receivable items with a maturity of more than one year that contain a significant financing component as defined in IFRS 15.

For the purposes of measurement after initial recognition, financial assets other than hedging derivatives are classified by the Company as follows:

- financial assets measured at amortised cost,
- financial assets measured at fair value through other comprehensive income,
- financial assets at fair value through profit or loss and
- equity instruments at fair value through other comprehensive income.

These categories determine the valuation rules at the balance sheet date and the recognition of valuation gains or losses in profit or loss or other comprehensive income. The Company classifies financial assets into categories on the basis of the business model operating within the Company for managing financial assets and the contractual cash flows specific to the financial asset.

A financial asset is measured at amortised cost if both of the following conditions are met (and have not been designated on initial recognition as at fair value through profit or loss):

- the financial asset is held in accordance with a business model that seeks to hold the financial asset to generate contractual cash flows,
- the terms of the agreement relating to the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the outstanding nominal amount.

The Company's categories of financial assets measured at amortised cost include:
- trade and other receivables (excluding those for which the principles of IFRS 9 do not apply),

These classes of financial assets are presented on a liquidity basis in the statement of financial position. The valuation of short-term receivables is carried out at the value to be paid due to the insignificant effects of discounting. Due to the immaterial amounts involved, the Company does not separate interest income as a separate item, but recognises it in financial income.
Impairment losses on financial assets measured at amortised cost less gains on reversals of impairment losses are recognised by the Company in profit or loss under “Losses on expected credit losses”. Gains and losses arising from the exclusion of assets attached to this category from the statement of financial position are recognised by the Company in the result under the heading “Gain (loss) on discontinued recognition of financial assets measured at amortised cost”. Other gains and losses on financial assets recognised in profit or loss, including exchange rate differences, are presented as financial income or expenses.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
- financial asset is held in accordance with a business model that aims to both receive contractual cash flows and sell financial assets,
- the terms of the agreement relating to the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the outstanding nominal amount.

Interest income, impairment gains and losses and foreign exchange gains and losses related to these assets are calculated and recognised in profit or loss in the same way as for financial assets measured at amortised cost. Other changes in the fair value of these assets are recognised through other comprehensive income. When a financial asset measured at fair value through other comprehensive income is no longer recognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from capital to profit or loss.

A financial asset is measured at fair value through profit or loss if it does not meet the criteria for measurement at amortised cost or fair value through other comprehensive income and is not an equity instrument designated on initial recognition as at fair value through other comprehensive income. In addition, the Company includes in this category financial assets designated on initial recognition to be measured at fair value through profit or loss due to meeting the criteria set out in IFRS 9.

This category includes:
- debt securities at fair value constituting investments
- shares of companies other than subsidiaries and associates,
- investment fund units and investment certificates

The bonds are valued at market value according to the quotations published on Catalyst by the Warsaw Stock Exchange. For debt instruments, the interest payable calculated on the basis of the adjusted purchase price is also determined at the balance sheet date. The valuation difference is reported separately in the financial statements: the difference between the purchase price and the value at adjusted cost is recognised in profit or loss and the difference between the value at adjusted cost and fair value is recognised in comprehensive income.

FIO units are valued at fair value according to the valuation published by the Investment Fund Company. The difference between the purchase price and fair value is recognised in comprehensive income.

Equity instruments measured at fair value through other comprehensive income comprise investments in equity instruments that are neither financial assets held for trading nor contingent consideration in a business combination for which, on initial recognition, the Company has made an irrevocable election to present subsequent changes in the fair value of those instruments in other comprehensive income. This choice is made by the Company on an individual and separate basis for each equity instrument.
Accumulated fair value gains or losses previously recognised by other comprehensive income are not reclassified to profit or loss under any circumstances, including the discontinuation of recognition of these assets. Dividends from equity instruments included in this category are recognised in profit or loss under 'Financial income' once the conditions for recognition of dividend income set out in IFRS 9 have been met, unless the dividends clearly represent the recovery of part of the investment costs.

Financial assets classified as measured at amortised cost and measured at fair value through other comprehensive income due to their business model and the nature of their flows are assessed at each balance sheet date to recognise expected credit losses, regardless of whether there is any indication of impairment. The manner in which this assessment and the estimation of the allowance for expected credit losses is made differs for different classes of financial assets:
- Trade receivables - the nature of the Company's business means that over 90% of receivables are paid within 7-14 days of the receivable arising. The Company has assumed that a meaningful increase in risk occurs when overdue payments exceed 90 days. The Company assumes that a default occurs when overdue is 180 days. For trade receivables with a significant increase in risk from unrelated entities, the

Company uses a simplified approach of calculating the allowance for expected credit losses for the entire life of the instrument. Allowance estimates are made on a pooled basis and receivables have been grouped by overdue period. The estimate of the allowance is based primarily on historical past due amounts taking into account available forward-looking information.

- Treasury debt securities - based on the models and methods adopted to analyse credit risk, the Company assesses the degree of this risk, taking into account the nature of the issuer and the associated risk of issuer insolvency, which in the case of Treasury debt securities is close to zero.

Financial liabilities

Financial liabilities are shown under the following items in the statement of financial position:

- leases (other than IFRS 9),
- trade and other liabilities.

At the date of acquisition, the Company measures financial liabilities at fair value, i.e. usually at the fair value of the amount received. The Company includes transaction costs in the initial measurement of all financial liabilities, except for the category of liabilities measured at fair value through profit or loss.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated as at fair value through profit or loss. In the category of financial liabilities measured at fair value through profit or loss, the Company includes derivatives other than hedging instruments. Short-term trade liabilities are measured at the value to be paid due to insignificant discounting effects. Gains and losses on the valuation of financial liabilities are recognised in profit or loss under financing activities.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and in bank accounts, demand deposits and highly liquid short-term investments (up to 3 months) that are readily convertible to cash and for which the risk of changes in value is negligible.

fixed assets classified as held for sale

fixed assets (groups of fixed assets) are classified by the Company as held for sale if their carrying amount will be recovered primarily through a sale transaction rather than through continued use. This condition is only deemed to be met if the asset (group of assets) is available for immediate sale in its present condition subject to normal and customary conditions of sale and it is highly probable that a sale transaction will occur within one year of the reclassification.

fixed assets classified as held for sale are measured at the lower of carrying value or fair value less costs of disposal. Certain fixed assets classified as held for sale, such as financial assets and deferred tax assets, are measured using the same accounting policies as those applied by the Company prior to their classification as fixed assets held for sale. fixed assets classified as held for sale are not depreciated.

Equity capital

The share capital is recognised at the nominal value of the issued shares, in accordance with the Company's articles of association and the entry in the National Court Register.

Shares of the Company acquired and retained by the Company reduce equity. Treasury shares are measured at cost.

Share premium is formed from the excess of the issue price over the nominal value of the shares, less issue costs.

Other reserves include:

- capital from the recognition of valuation of share-based payment schemes
- capital from the accumulation of other comprehensive income comprising:
  - measurement of equity instruments measured at fair value through other comprehensive income,
  - measurement of other financial assets at fair value through other comprehensive income

Retained earnings include:

- results from previous years
- financial result of the current year.

Share-based payments

The Company operates an incentive scheme under which key executives of Caspar Asset Management and its subsidiaries are granted options convertible into Parent Company shares.

The value of executive remuneration is determined indirectly by reference to the fair value of the equity instruments granted. The fair value of the options is measured at the date of grant, except that non-market vesting conditions (achievement of the assumed level of financial performance) are not taken into account in estimating the fair value of the share options.

The cost of remuneration and secondarily the increase in other reserves is recognised on the basis of the best available estimate of the number of options that will vest in the period. In determining the number of options that will vest, non-market vesting conditions are taken into account.

The company adjusts these estimates if, on the basis of subsequent information, it turns out that the number of options granted differs from previous estimates. Adjustments to estimates of the number of options granted are recognised in the current period's profit or loss; no adjustments are made to prior periods.
When convertible options are exercised, the amount of capital from the valuation of the options granted is transferred to the share premium account, net of share issue costs.

Employee benefits
The liabilities and provisions for employee benefits reported in the statement of financial position include the following titles:
- short-term employee benefits for salaries and social security contributions,
- other long-term employee benefits, where the Company includes one-time retirement benefits.

Short-term employee benefits
The value of short-term employee benefit obligations is determined without discounting and is recognised in the statement of financial position at the amount payable.

Provisions for unused leaves
The Company makes a provision for the cost of accumulating compensated absences that it will have to incur as a result of employees' unused entitlement, which has accrued at the balance sheet date. The provision for unused leave is a short-term provision and is not discounted.
The provision for unused leave is presented in accruals.

One-time retirement benefits
In accordance with the Company's remuneration systems, employees are entitled to one-time retirement benefits. One-time retirement benefits are paid as a one-off payment upon retirement. The amount of one-time retirement benefits depends on the employee's length of service and average salary. These one-time retirement benefits represent other long-term employee benefits.
The Company makes a provision for future one-time retirement benefit obligations in order to allocate costs to employees' vesting periods.
The present value of the provisions at each balance sheet date is estimated using actuarial methods. The accrued provisions are equal to the discounted payments to be made in the future and relate to the period up to the balance sheet date. Demographic information and employment turnover information are based on historical data.
The effects of the valuation of the provision for future one-time retirement benefit obligations are recognised in the result.

Provisions, contingent liabilities and assets
Provisions are created when the Company has an existing obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The timing of the incurrence and the amount to be paid may be uncertain.

Provisions are made for, among other things, the following:
- pending legal proceedings and litigation,
- losses from agreements with clients,
- restructuring, only if under separate regulations the Company is obliged to carry it out or binding agreements have been concluded in this regard.

No provisions for future operating losses are made.

Provisions are recognised at the value of the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the date of the financial statements, including the risks and uncertainties. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the projected future cash flows to present value, using a discount rate that reflects current market assessments of the time value of money and the risks, if any, associated with the liability. If the discounting method is used, the increase in the provision due to the passage of time is recognised as a finance expense.

If the Company expects that the costs covered by the provision will be reimbursed, for example under an insurance agreement, then the reimbursement is recognised as a separate asset, but only if there is reasonable assurance that the reimbursement will actually occur. However, the value of this asset may not exceed the amount of the provision.

Where expenditure to meet a present obligation is not probable, the amount of the contingent liability is not recognised in the statement of financial position, except for contingent liabilities identified in a business combination in accordance with IFRS 3.
Information on contingent liabilities is disclosed in the narrative section of the financial statements in note 21.

Possible proceeds containing economic benefits for the Company that do not yet meet the criteria for recognition as assets are contingent assets that are not recognised in the statement of financial position. Information on contingent assets is disclosed in the notes.

<u>Accruals and prepayments</u>
The Company recognises prepaid costs relating to future reporting periods under the asset heading “Trade and other receivables”.

The “Accruals and prepayments” item included in liabilities presents deferred income, bonus payables, provision for unused leave, provision for distributor costs and provision for the audit of financial statements. Accruals are disclosed as a separate liability item.

<u>Sales revenues</u>
Sales revenue represents only revenue from agreements with clients falling within the scope of IFRS 15. The method of recognising sales revenue in the Company's financial statements, including both the value and timing of revenue recognition, is determined by a five-step model comprising the following steps:

- identification of the agreement with the client,
- identification of performance obligations,
- determination of the transaction price,
- the attribution of the transaction price to performance obligations,
- revenue recognition during or after the fulfilment of performance obligations.

Identification of an agreement with a client
The Company only recognises an agreement with a client if all of the following criteria are met:

- the parties have entered into an agreement (whether in writing, orally or in accordance with other customary commercial practice) and are bound to perform their obligations;
- the Company is able to identify the rights of each party regarding the goods or services to be transferred;
- the Company is able to identify payment terms for the goods or services to be transferred;
- the agreement has economic substance (i.e. the risk, time distribution or amount of the Company's future cash flows can be expected to change as a result of the agreement); and
- it is probable that the Company will receive the consideration to which it is entitled in exchange for the goods or services to be provided to the client.

Identification of performance obligations
At the conclusion of the agreement, the Company assesses the services promised in the agreement with the client and identifies as a performance obligation any promise to transfer to the client a service (or bundle of services) that can be distinguished or a group of separate goods or services that are substantially the same and transferred to the client in the same way.
A good or service is singled out if it meets both of the following conditions:

- the client can benefit from the service either directly or through links to other resources that are readily available to them, and
- the Company's obligation to transfer the service to the client can be distinguished from other obligations set out in the agreement.

The Company provides financial instrument intermediation services, offering of financial instruments, portfolio management services, fund management services, order acceptance and transmission services, investment advisory services. Revenue from financial instrument offering and investment fund portfolio management services is recognised on a one-off basis when the Company fulfils its performance obligation.

Revenue from consultancy services is measured according to the degree of measurement of the total fulfilment of the service obligation over time.

Revenues for investment fund portfolio management are recognised at the amount specified in the funds' articles of association or other binding document.

Determination of the transaction price
To determine the transaction price, the Company takes into account the terms of the agreement and its customary business practices. The transaction price is the amount of remuneration that the Company expects to receive in return for providing the promised services to the client, excluding amounts collected on behalf of third parties. The remuneration specified in the agreement with the client may include fixed amounts, variable amounts or both.

If the remuneration specified in the Agreement includes a variable amount, the Company estimates the amount of remuneration to which it will be entitled in exchange for the transfer of the promised services to the client. The Company estimates the amount of variable remuneration using the most likely value method, representing the single most likely amount within the range of possible remuneration amounts (i.e. the single most likely outcome of the agreement).

The Company includes part or all of the amount of variable remuneration in the transaction price only to the extent that it is highly probable that a significant portion of the amount of previously recognised cumulative revenue will not be derecognised as uncertainty about the amount of variable remuneration gradually decreases.

Where an agreement includes a significant financing component, the Company adjusts the promised contractual consideration for the effect of the change in the time value of money.

The attribution of the transaction price to performance obligations.

The Company assigns a transaction price to each performance obligation at an amount that reflects the amount of consideration that the Group expects to be entitled to in exchange for providing the promised services to the client.

Recognition of revenue during or after performance obligations are fulfilled

The Company recognises revenue when it fulfils (or is in the process of fulfilling) a performance obligation through the transfer of a promised service to a client, as described above in the "Identification of performance obligations" section. When a performance obligation is satisfied (or in the process of being satisfied), the Company recognises as revenue an amount equal to the transaction price that has been allocated to that performance obligation.

<u>Operating expenses</u>
Operating expenses are recognised in the result in accordance with the principle of matching revenues and expenses. In the financial statements, the Company presents expenses by type.

<u>Income tax (including deferred tax)</u>
The tax charge on the financial result includes current and deferred income taxes that have not been recognised in other comprehensive income or directly in capital.

The current tax charge is calculated on the basis of the tax result (tax base) of the financial year. Tax profit (loss) differs from accounting profit (loss) before tax due to the temporary reallocation of taxable income and deductible expenses to other periods and the exclusion of expense and revenue items that will never be taxable. Tax charges are calculated based on the tax rates applicable for the financial year.

Deferred tax is calculated using the balance sheet method as the tax payable or refundable in the future on the differences between the carrying amounts of assets and liabilities and the corresponding tax values used to calculate the tax base.
A deferred tax liability is recognised on all taxable temporary differences, while a deferred tax asset is recognised to the extent that it is probable that future taxable profits will be able to be reduced by the recognised deductible temporary differences. No asset or provision is recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time it occurs, affects neither taxable nor accounting profit. No deferred tax liability is recognised on goodwill that is not amortised under tax legislation.
Deferred tax is calculated using the tax rates that will apply when the asset item is realised or the liability settled, based on the legislation in force at the balance sheet date.

The value of the deferred tax asset is reviewed at each balance sheet date and a write-down is made if the expected future taxable profits are insufficient to realise the asset or part of it.

Subjective assessments by the Management Board and estimation uncertainty
In preparing the financial statements, the Parent Company's Management Board uses its judgement in making a number of estimates and assumptions that affect the accounting policies used and the reported amounts of assets, liabilities, income and expenses. Actually realised values may differ from those estimated by the Management Board. Information on estimates and assumptions made that are significant to the financial statements is presented hereinbelow.

Economic useful lives of fixed assets
The Company's Management Board reviews the economic useful lives of depreciable fixed assets on an annual basis. The Management Board assesses that, as at the balance sheet date, the useful lives of the assets adopted by the Company for depreciation purposes reflect the expected period of future economic benefit of the assets. However, the actual benefit periods of these assets in the future may differ from those assumed, including due to technical obsolescence. The carrying amount of depreciable fixed assets is presented in notes 11, 12 and 13.

Provisions

Provisions for employee benefits - one-time retirement benefits - are estimated using actuarial methods. The level of provisions is influenced by assumptions regarding the discount rate and the wage growth rate.

Current income tax, deferred tax assets and liabilities, other taxes
The tax regulations in force in Poland are subject to frequent changes, causing significant differences in their interpretation and significant uncertainties in their application. The tax authorities have control instruments that enable them to verify tax bases (in most cases over the previous five financial years), and to impose penalties and fines. Since 15 July 2016, the Tax Code has also incorporated the provisions of the General Anti-Abuse Clause (GAAR), which is intended to prevent the creation and use of artificial legal structures created to avoid taxation. The GAAR clause should be applied both to transactions carried out after its entry into force and to transactions that were carried out before the GAAR clause came into force but for which benefits were or are still being realised after the effective date of the clause. Consequently, the determination of tax liabilities, deferred tax assets and liabilities may require significant judgement, including on transactions that have already occurred, and the amounts presented and disclosed in the financial statements may change in the future as a result of audits by tax authorities.

The probability of a deferred tax asset being settled against future tax profits is based on the Company's budget approved by the Management Board. If the forecast financial results identify that the Company will generate sufficient taxable income, deferred tax assets are recognised in full.

Impairment of assets
To determine value in use, the Management Board estimates the projected cash flows and the rate at which the flows are discounted to present value. In the process of valuing the present value of future flows, assumptions are made about projected financial performance. These assumptions relate to future events and circumstances. Actual realised values may differ from estimated values, which in subsequent reporting periods may contribute to significant adjustments in the value of the Company's assets.
When assessing the potential impairment of assets, the Management Board considered the impact of the war in Ukraine and concluded that no additional adjustments to the valuations of balance sheet items were required and that any impact of this event was reflected in the results realised during the financial year.

Lease period
In determining the lease liability, the Company estimates the lease term, which includes:
- irrevocable lease term,
- the periods during which there is an option to extend the lease, if it can be assumed with sufficient certainty that the lessee will exercise that option,
- periods during which there is an option to terminate the lease if it can be assumed with reasonable certainty that the lessee will not exercise that option.

In assessing whether the Company will exercise the option to renew or not exercise the termination option, the Company takes into account all relevant facts and circumstances that give it an economic incentive to exercise or not exercise the option. Considerations include:
- contractual terms for lease payments during option periods,
- significant investments in the leased property,
- costs associated with the termination of the agreement,
- the importance of the underlying asset to the Company's business,
- conditions for exercising options.

The lease liability presented in the statement of financial position reflects the best estimate of the lease term, but a change in circumstances in the future may result in an increase or decrease in the lease liability and the recognition of a corresponding adjustment to the right-of-use asset. Changes in estimates made in 2023 are disclosed in note 11.

Incentive scheme
In order to recognise the costs of the incentive scheme, the Management Board values the share options by making a number of assumptions ranging from the fair valuation model adopted to an estimate of the number of options granted.

Climate risk
Caspar Asset Management S.A. carries out brokerage activities in the field of managing portfolios comprising one or more brokerage financial instruments. The Company is also active in: accepting and transmitting orders to buy or sell financial instruments, providing investment counselling and offering financial instruments. Given the nature of its operations, the Company has a limited impact on the environment. For the same reason, climate change does not significantly affect the Company's operations.

Climate change may affect the Company's operations in the following areas:
▪extreme weather events may limit the ability to provide services in direct contact with clients;
▪the introduction of new climate legislation may introduce new obligations on the Company which may affect the cost of operations;

▪increases in electricity costs may affect the Company's operating costs.

Instead, the Company's operations may affect climate change in the following areas:
▪fuel consumption of company cars,
▪the use of energy required to run the servers and maintain the infrastructure associated with the services provided,
▪the use of electricity and heat and air conditioning in business premises;
▪waste management.

The 2023 risk management process focused more on assessing the risks and opportunities associated with climate change.
The Company took climate risks into account and analysed the impact of climate change on the financial statements, focusing on the following issues:
▪asset life,
▪expected credit losses including mainly allowances for receivables;
▪impairment of financial assets,
▪provisions, contingent assets and liabilities,
▪impact on the income and expenses of the period in question.

The changes have no material impact on this Company report.

Correction of an error and change in accounting policy
No material error corrections have been made to the financial statements that would affect the financial data presented for the comparable periods.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

1. Sales revenues

The Company identifies operating segments in the consolidated financial statements. Therefore, in accordance with IFRS 8, there is no requirement to present segment information in the Parent Company's separate financial statements.

The Company generates revenue from its brokerage business. A detailed breakdown by type of service provided is presented below.

BREAKDOWN OF REVENUE BY TYPE OF SERVICE

	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
Sales revenues, including:	**19 843**	**22 682**
- portfolio management	18 205	21 008
- investment consultancy	24	24
- offering of financial instruments	1 614	1 650

All of the Company's sales are made in Poland.

2. Operating revenues and expenses

2.1. Expenses by type

	Note	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
Amortisation and depreciation	12.,13.	926	866
Employee benefits	2.2	6 430	6 205
Materials and energy consumption		931	1 056
Distribution expenses		4 381	4 916
IT services		602	469
Legal, advisory, accounting services		552	1 244
Marketing and promotion services		104	211
Other third-party services		314	597
Costs of maintenance and lease of buildings		98	141
Taxes and fees		244	287
Research and development expenses not included in intangible assets		-	-
Other expenses by type		252	172
Total expenses by type		**14 834**	**16 164**

2.2. Employee benefits expenses

	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
Salary expenses	5 428	5 179
Social security expenses	707	638
Costs of Employee Capital Plans (ECPs)	48	43
Costs of share-based payment schemes	-	-
Costs of future benefits (provisions for one-time retirement benefit, for bonuses, for unused leave)	77	175
Employee benefits	171	170
Total employee benefits expenses	6 430	6 205

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

2.3. Other operating revenues

	Note	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
Profit on disposal of non-financial fixed assets	12.,13.	1	-
Reversal of impairment losses on tangible and intangible assets	12.,13.	-	-
Reversal of impairment losses on financial receivables	7.	-	-
Reversal of impairment losses on non-financial receivables	7.	-	-
Release of unused provisions	18.,19.	-	-
Penalties and damages received		-	-
Grants received	17.	-	-
Other revenues		27	94
Total other operating revenue		28	94

There were no revenues of extraordinary value or incidental nature.

2.4. Other operating expenses

	Note	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
Loss on disposal of non-financial fixed assets	12.,13.	-	-
Impairment losses on tangible and intangible assets	12.13.		-
Creation of provisions	18.,19.		-
Paid client compensation			-
Other expenses		5	56
Total other operating expenses		5	56

There were no expenses of an extraordinary value or incidental nature.

3. Finance revenue and expenses, losses on expected credit losses, gains and losses on discontinued recognition of financial assets measured at amortised cost

3.1. Losses due to expected credit losses

The table below shows expected credit losses by financial asset class. The amounts in the table take into account the deduction of losses from the reversal of write-downs.

Losses due to expected credit losses:	Note	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
Trade and other financial receivables	7.	6	-
Total losses due to expected credit losses		**6**	**-**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

3.2. Financial revenues

	Note	**from 01.01 to 31.12.2023**	**from 01.01 to 31.12.2022**
Interest revenue calculated using the effective interest rate:			
Cash and cash equivalents (deposits)	10.	172	63
Loans and receivables	6.1	224	164
Debt securities	6.2	129	187
Interest revenue calculated using the effective interest rate		**525**	**414**
Gains on measurement and realisation of financial instruments at fair value through profit or loss		-	-
Gains on foreign exchange differences		**16**	**-**
Dividends on equity instruments		30	27
Profit on sale / redemption of other financial assets		26	185
Other financial revenues		58	70
Total financial revenues		**655**	**696**

The Company has no financial assets or liabilities in the categories designated on initial recognition as measured at fair value through profit or loss.

3.3. Financial expenses

	Note	**from 01.01 to 31.12.2023**	**from 01.01 to 31.12.2022**
Interest expense relating to financial instruments not at fair value through profit or loss:			
Finance lease liabilities	11.	445	316
Trade and other liabilities	6.1		
Interest expense relating to financial instruments not at fair value through profit or loss	11.	445	316
Losses on measurement and realisation of financial instruments measured at fair value through the statement of profit or loss		-	-
Loss on foreign exchange differences		**10**	8
Other financial expenses		-	-
Total financial expenses		**455**	324

4. Income tax

	Note	**from 01.01 to 31.12.2023**	**from 01.01 to 31.12.2022**
Current tax:			
Tax settlement for the reporting period		1 054	1 428
Adjustments to the tax burden for previous periods			-
Current tax		1 054	1 428
Deferred tax:			
Origination and reversal of temporary differences	14.	(31)	(74)
Settlement of unused tax losses	14.		
Deferred tax		(31)	(74)
Total income tax		1 023	1 354

A reconciliation of income tax calculated at a rate of 19% on the result before tax to the income tax reported in the statement of profit or loss is as follows:

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

	Note	**from 01.01 to 31.12.2023**	**from 01.01 to 31.12.2022**
Result before tax		5 226	6 929
Tax rate applied by the Company		19%	19%
Income tax at the Company's domestic rate		993	1 316
Reconciliation of income tax on account of:			
Non-taxable income (-)		(6)	(5)
Permanent non-deductible expenses (+)		35	43
Use of previously unrecognised tax losses (-)	14.	-	-
Unrecognised deferred tax asset on tax losses (+)	14.	-	-
Adjustments to the tax burden for previous periods (+/-)		-	-
Income tax		1 023	1 354
Average tax rate applied		20%	20%

The company applies a tax rate of 19%.

Information on income tax recognised in other comprehensive income is presented in note 14.

Uncertainties in the determination of deferred tax assets and liabilities are described in the Management Board's subjective assessments and estimation uncertainties note.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

5. Earnings per share and dividends paid

5.1. Earnings per share

Earnings per share is calculated using the formula net profit attributable to equity holders of the parent entity divided by the weighted average number of ordinary shares outstanding during the period.

In calculating both basic and diluted earnings (loss) per share, the Company uses the amount of net profit (loss) attributable to equity holders of the parent entity in the numerator, i.e. there is no dilutive effect affecting the amount of profit (loss).

The calculation of basic and diluted earnings (loss) per share, together with a reconciliation of the diluted weighted average number of shares, is set out below.

	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Number of shares used as the denominator of the formula		
Weighted average number of ordinary shares	9 861 865	9 861 865
Dilutive impact of convertible options		
Diluted weighted average number of ordinary shares	9 861 865	9 861 865
Continuing operations		
Net profit (loss) from continuing operations	4 203	5 574
Basic earnings (loss) per share (PLN)	0.43	0.57
Diluted earnings (loss) per share (PLN)	0.43	0.57
Discontinued operations		
Net profit (loss) from discontinued operations	-	-
Basic earnings (loss) per share (PLN)	-	-
Diluted earnings (loss) per share (PLN)	-	-
Continuing and discontinued operations		
Net profit (loss)	4 203	5 574
Basic earnings (loss) per share (PLN)	0.43	0.57
Diluted earnings (loss) per share (PLN)	0.43	0.57

5.2. Dividends

Pursuant to the resolution of the Annual General Meeting of 15.06.2023, the Company paid a dividend to shareholders for 2022 in the amount of PLN 5,523 thousand, which amounts to PLN 0.56 per share.

Pursuant to the resolution of the Annual General Meeting of 27.06.2022, the Company paid a dividend to shareholders for 2021 in the amount of PLN 6,706 thousand, which amounts to PLN 0.68 per share.

Item	**Current year**	**Previous year**
Dividends recognised as distributions to owners per share	0.56	0,68

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

6. Financial assets and liabilities

6.1. Categories of financial assets and liabilities

The value of financial assets presented in the statement of financial position as at 31 December 2023 and 31 December 2022 relates to the following categories of financial instruments as defined in IFRS 9:

- financial assets measured at amortised cost (AZK),
- financial assets measured at fair value through other comprehensive income (AFWGP),
- equity instruments designated on initial recognition to be measured at fair value through other comprehensive income (IKWGP),
- assets outside the scope of IFRS 9 (Other than IFRS9).

The Company did not classify any assets in the period presented as:

- financial assets at fair value through profit or loss, designated as such on initial recognition or subsequently;
- financial assets measured at fair value through profit or loss - mandatorily measured in this way under IFRS 9;
- financial instruments designated as hedging instruments.

	Note	Categories of financial instruments according to IFRS 9				Total
		AZK	AFWGP	IKWGP	Other than IFRS 9	
As at 31.12.2023						
Trade and other receivables	7.	2 343			487	2 829
Loans		-				-
Derivative financial instruments						-
Financial assets - debt securities	6.2		3 268			3 268
Financial assets - investment fund units	6.2			5 314		5 314
Lease receivables					2 979	2 979
Investments in subsidiaries					5 801	5 801
Cash and cash equivalents	10.				2 016	2 016
Category of total financial assets		2 343	3 268	5 314	11 283	22 208
As at 31.12.2022						
Trade and other receivables	7.	2 305			517	2 822
Loans		500				500
Derivative financial instruments						-
Financial assets - debt securities	6.2		4 148			4 148
Financial assets - investment fund units	6.2			5 597		5 597
Lease receivables					2 685	2 685
Investments in subsidiaries					3 801	3 801
Cash and cash equivalents	10.				2 854	2 854
Category of total financial assets		2 805	4 148	5 597	9 857	22 407

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

The value of financial liabilities presented in the statement of financial position as at 31 December 2023 and 31 December 2022 relates to the following categories of financial instruments as defined in IFRS 9:

- financial liabilities measured at amortised cost (ZZK),
- liabilities outside the scope of IFRS 9 (Other than IFRS9).

	Note	Categories of financial instruments according to IFRS 9		Total
		ZZK	Other than IFRS 9	
As at 31.12.2023				
Long-term liabilities:				
Lease	11.		4 571	4 571
Other liabilities	16.			-
Short-term liabilities:				
Trade and other liabilities	16.	1 049	833	1 882
Lease	11.		1 293	1 293
Category of total financial liabilities		1 049	6 697	7 746
As at 31.12.2022				
Long-term liabilities:				
Lease	11.		3 902	3 902
Other liabilities	16.			-
Short-term liabilities:				
Trade and other liabilities	16.	813	836	1 649
Lease	11.		885	885
Category of total financial liabilities		813	5 623	6 436

6.2. Other financial assets

Within other financial assets, the Company presents the following investments as at 31 December 2023:

	Short-term assets		Long-term assets	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
financial assets measured at fair value through other comprehensive income:				
Shares of listed companies	-	-	-	-
Shares, stocks of unlisted companies	-	-	-	-
Debt securities	-	-	3 268	4 148
Other	-	-	-	-
Financial assets at fair value through other comprehensive income	**-**	**-**	**3 268**	**4 148**
Equity instruments designated on initial recognition to be measured at fair value through other comprehensive income:				
Shares of listed companies	-	-	-	-
Debt securities	-	-	-	-
Investment fund units	-	-	5 314	5 597
Other	-	-		-
Equity instruments designated on initial recognition to be measured at fair value through other comprehensive income:	**-**	**-**	**5 314**	**5 597**
Total other financial assets	**-**	**-**	**8 583**	**9 745**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

Financial assets at fair value through other comprehensive income
These investments include treasury bonds WZ0126 of 840 units and DS0725 of 2,500 units with a carrying value of PLN 3268 thousand (2022: PLN 4148 thousand). For the WZ0126 bonds, interest payments are made twice a year. The interest rate is determined separately for each interest period as the arithmetic average for a period of three consecutive business days of the WIBOR 6M index plus a margin (with the last day of the three-day period falling on the day of determination of rights for the preceding interest period). For the DS0725 bonds, interest payments are made once a year and the interest rate is fixed (3.25%).

The bonds will mature between 2025 and 2026 (2022: between 2025 and 2026).

The bonds are valued at market value according to the quotations published on Catalyst by the Warsaw Stock Exchange. For debt instruments, the interest payable calculated on the basis of the adjusted purchase price is also determined at the balance sheet date. The valuation difference is reported separately in the financial statements: the difference between the purchase price and the value at adjusted cost is recognised in profit or loss and the difference between the value at adjusted cost and fair value is recognised in comprehensive income.

	31.12.2023	31.12.2022
Purchase price of the bonds	3 338	4 439
Revenues from interest recognised in the income statement by the effective interest rate	59	79
Bonds value at the adjusted purchase price	3 397	4 518
Revaluation to fair value	(129)	(370)
Bonds value at fair value	3 268	4 148

Equity instruments designated on initial recognition to be measured at fair value through other comprehensive income
All investments within this category have been designated as measured at fair value through other comprehensive income on initial recognition.

The Company has designated as at fair value through other comprehensive income the investment in units in the Open Investment Fund (OIF). The carrying amount of these assets is PLN 5,314 thousand (2022: PLN 5,597 thousand).

FIO units are valued at fair value according to the valuation published by the Investment Fund Company.

Units in the Open-Ended Investment Fund are subject to the risk of changes in unit valuation and low liquidity risk. Investment fund participation units as equity instruments are not subject to credit risk as defined by IFRS.

The changes that took place during the period covered by the financial statements of other financial assets, presented as “Financial assets”, are shown in the table below:

	31.12.2023	31.12.2022
Gross value of financial assets at the beginning of the period	9 745	13 931
Increases (due to)	394	2 000
- purchase	-	2 000
- balance sheet valuation by the market value	394	-
Decreases (due to)	1 556	6 186
- sale	1 556	5 487
- balance sheet valuation by the market value	-	699
Gross value of financial assets at the end of the period	8 583	9 745
Impairment losses at the beginning of period	-	-
- increases	-	-
- decreases	-	-
Impairment losses at the end of period	-	-
Net value of financial assets at the end of the period	**8 583**	**9 745**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

6.3. Security for repayment of liabilities

In addition to the deposits paid, the Company's lease commitments are covered by the following repayment security (as at the balance sheet date):

- assignment of rights under the property insurance policies for capital expenditures and fixed items of equipment up to PLN 2,100 thousand (2022: PLN 2,100 thousand),
- a declaration of voluntary submission to enforcement.

6.4. Other information on financial instruments

Information on the fair value of financial instruments

The comparison of the carrying value of financial assets and liabilities with their fair value is as follows:

Class of financial instrument	31.12.2023		31.12.2022	
	Fair value	Carrying amount	Fair value	Carrying amount
Assets:				
Trade and other receivables	2 343	2 343	2 305	2 305
Borrowing	-	-	500	500
Financial assets - debt securities	3 268	3 268	4 148	4 148
Financial assets - investment fund units	5 314	5 314	5 597	5 597
Investments in subsidiaries	5 801	5 801	3 801	3 801
Cash and cash equivalents	2 016	2 016	2 854	2 854
Liabilities:				
Trade and other liabilities	1 049	1 049	813	813

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in a transaction conducted under normal terms between market participants at the measurement date.

The Company determines the fair value of financial assets and financial liabilities in such a way as to take market factors into account as far as possible. Fair value valuations are divided into three groups depending on the origin of the valuation inputs:

- level 1– level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities available to the entity at the measurement date,
- level 2 – level 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly,
- level 3 – level 3 inputs are unobservable inputs for an asset or liability.

For financial assets and liabilities that, in accordance with the Company's accounting policies, are recognised at fair value in the statement of financial position, additional information on valuation methods and fair value levels is presented below.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

Additional information on valuation methods for financial instruments measured at fair value in the statement of financial position

Class of financial instrument	Level 1	Level 2	Level 3	Total fair value
As at 31.12.2023				
Assets:				
Investment fund units		5 314		5 314
Debt securities measured at fair value	3 268			3 268
Other classes of other financial assets				-
Total assets	3 268	5 314	-	8 583
As at 31.12.2022				
Assets:				
Investment fund units		5 597		5 597
Debt securities measured at fair value	4 148			4 148
Other classes of other financial assets				-
Total assets	4 148	5 597	-	9 745

During the reporting period, there were no transfers between level 1, 2 and 3 of the fair value of financial assets and liabilities.

a) Debt securities measured at fair value

The Company invests in Treasury bonds. The bonds are valued at market value according to the quotations published on Catalyst by the Warsaw Stock Exchange. For debt instruments, the interest payable calculated on the basis of the adjusted purchase price is also determined at the balance sheet date. The valuation difference is reported separately in the financial statements: the difference between the purchase price and the value at adjusted cost is recognised in profit or loss and the difference between the value at adjusted cost and fair value is recognised in comprehensive income.

b) Investment fund units

The Company acquired units in an Open End Investment Fund. FIO units are valued at fair value according to the valuation published by the Investment Fund Company. The difference between the purchase price and fair value is recognised in comprehensive income.

6.5. Additional information on valuation methods for financial instruments measured at amortised cost in the statement of financial position

The Company has not measured the fair value of trade receivables and trade payables - their carrying value is considered by the Company to be a reasonable approximation of fair value.

6.6. Reclassification

Neither in 2023 nor in previous reporting period has the Company changed its business model for managing financial assets in such a way that a change would result in the need to reclassify these assets between the categories of assets measured at fair value through profit or loss or measured at amortised cost.

6.7. Discontinued recognition of financial assets in the statement of financial position

As at 31.12.2023, the Company had no financial assets whose transfers do not qualify for cessation of recognition in the statement of financial position.

6.8. Financial assets and financial liabilities subject to offsetting

The Company does not report financial assets and financial liabilities on a net basis.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

7. Trade and other receivables

Trade and other receivables are as follows:

Long-term receivables:

	31.12.2023	31.12.2022
Deposits paid for other purposes	372	382
Other receivables		-
Write-downs on receivables (-)		-
Long-term receivables	**372**	**382**

Short-term receivables:

	31.12.2023	31.12.2022
Financial assets (IFRS 9):		
Trade receivables from clients	874	1 068
Trade receivables from related parties	1 469	1 234
Write-downs on trade receivables (-)	(6)	
Net trade receivables	**2 337**	**2 302**
Loans	**-**	500
Receivables from the sale of fixed assets		-
Other receivables	6	2
Write-downs on other financial receivables (-)		-
Other net financial receivables	**6**	**502**
Financial receivables	**2 343**	**2 804**
Non-financial assets (other than IFRS 9):		
Receivables from taxes and other benefits	-	-
Prepayments and advances	10	-
Other non-financial receivables	**-**	-
Accruals and prepayments	105	136
Write-downs on non-financial receivables (-)	**(0)**	
Non-financial receivables	**115**	**136**
Total short-term receivables	**2 458**	**2 940**

The carrying amount of trade receivables is considered by the Company to be a reasonable approximation of fair value (see note 6.4).

The Company assessed the receivables for impairment in accordance with the accounting policy applied (see subsection c) under “Basis of preparation and accounting policies”). With regard to trade receivables, the amounts of impairment losses on these receivables amounted to PLN 6 thousand in 2023 (2022: PLN 0 thousand), which in 2023 were charged to the item “Losses from expected credit losses” in the statement of profit and loss. With regard to other items of long-term and short-term financial receivables, these amounts amounted to PLN 0 thousand in 2023 (2022: PLN 0 thousand).

Write-downs on other financial receivables items (i.e. other than trade receivables), long-term and short-term combined:

	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
Opening balance	-	-
Write-downs recognised as an expense during the period	6	-
Reversals recognised as income in the period (-)	-	-
Write-downs used (-)	-	-
Other changes (net exchange differences on translation)	-	-
Closing balance	**6**	**-**

As at 31.12.2023 and in the comparative periods, receivables did not serve as security for the Company's liabilities.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

8. Investments in subsidiaries

CASPAR Asset Management S.A. is the parent company of the following subsidiaries:

Name of the subsidiary	**CASPAR Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna**		
Place of business and registration number	Poznań (61-888), Półwiejska 32 KRS 0000387202		
Type of activity	Creation and management of investment funds		
	31.12.2023	31.12.2022	31.12.2021
Company's share in capital	98.75%	98.75%	98.75%
Balance sheet value of investments	1 975	1 975	1 975
Name of the subsidiary	**F-Trust Spółka Akcyjna**		
Place of business and registration number	Poznań (61-888), Półwiejska 32 KRS 0000397407		
Type of activity	Intermediation, financial service activities		
	31.12.2023	31.12.2022	31.12.2021
Company's share in capital	100.0%	100.0%	100.0%
Balance sheet value of investments	3 773	1 773	1 773

During the period covered by the financial statements, there were no transactions that affected the shape of the Capital Group. Nevertheless, the Company increased the share capital of its subsidiary F-Trust S.A. by PLN 2,000 thousand. The increase in the subsidiary's share capital was registered with the National Court Register on 18 December 2023.

On 25 October 2023, subsidiary F-Trust S.A. signed a letter of intent to merge F-Trust SA and iWealth Management Sp. z o.o. The letter does not create any obligation for any of the parties to finalize the transaction. No merger transactions had taken place by the date the 2023 financial statements were authorised for publication.

On 11 March 2024, the Company signed a loan agreement with F-Trust S.A., under which the Company provided a loan of PLN 500 thousand granted for a period of 12 months at an interest rate of 8.7%.

The core business of the subsidiaries is:

- Financial intermediation, financial service activities, insurance agents and brokers carried out by F-Trust S.A.,
- Creation and management of investment funds, including intermediation in the disposal and repurchase of participation units; intermediation in the disposal and repurchase of participation units of investment funds established by other investment fund companies or participation titles of foreign funds; acting as a representative of foreign funds carried out by Caspar Towarzystwo Funduszy Inwestycyjnych S.A.

The duration of the consolidated subsidiaries is indefinite.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

The basic financial data of the subsidiaries are as follows:

	Assets	Liabilities	Equity capital	Net financial result	Sales revenues
as at 31.12.2023					
CASPAR Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	7 367	2 526	4 840	(527)	16 542
F-Trust S.A.	4 493	1 899	2 594	(1 076)	10 916
Total	***11 860***	**4 425**	***7 434***	***(1 603)***	***27 458***
as at 31.12.2022					
CASPAR Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	7 634	2 288	5 346	149	16 694
F-Trust S.A.	4 357	2 687	1 670	(1 401)	11 056
Total	**11 991**	**4 975**	**7 016**	**(1 252)**	**27 750**

There are no contingent liabilities of the Company for all or part of the liabilities of subsidiaries.

F-Trust's shares were tested for impairment at the end of the financial year due to losses incurred by the subsidiary in the last two years. The impairment test was carried out using the discounted cash flow (DCF) income approach. The detailed assumptions for the estimates carried out are as follows:
- flow projections cover the period from 01 January 2024 to 31 December 2028 on an annual basis,
- the free cash flow forecast and the discount rate forecast are prepared in nominal terms, assuming that the inflation rate remains constant throughout the projection period, equal to the level at the valuation date,
- the earnings forecast assumes that the company will make a loss in the first year, only to generate a positive result in the following years, which will increase in the following years,
- the flow in the residual period is assumed at the cash flow level of the last year of the projection period, taking into account the adjusted relationship between capital expenditure and depreciation and changes in net working capital, and the growth rate after the projection period is assumed at 2.5%, - the discount rate forecast is set on the basis of an estimate of the weighted average cost of capital (WACC) and is 10.65-10.66% over the entire projection period.
The parameters adopted above are in line with the Company's past experience and consistent with information from external sources for the other volumes.
As a result of the tests carried out, it was determined that no impairment losses on the shares were necessary. The Company emphasises that the test result gives a positive result even without taking into account the residual value.

9. Investments in associates

All of the Company's investments in associates are measured at purchase price (see section c “Basis of preparation and accounting policies”).

Information on associates is presented below:

	Registered office of associate	Share in the share capital	31.12.2023	31.12.2022
			Carrying amount	Carrying amount
ECOMMERCE TEAM Spółka z o.o.	Poznań	30.0%	3	3
BABECKA KIJANOWSKA KANCELARIA RADCÓW PRAWNYCH Spółka komandytowa	Poznań	-	50	50
Balance sheet value of investments			**53**	**53**

<u>Shareholding in companies</u>
In 2021, the Company became a shareholder in a new company - the limited partner of Babecka Kijanowska Kancelaria Radców Prawnych Spółka komandytowa. The Company's contribution is PLN 50 thousand, the limited

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partnership sum PLN 50 thousand. The associated company was registered with the National Court Register on 29 March 2021.

In 2019, CASPAR Asset Management S.A. subscribed for 60 shares with a nominal value of PLN 3,000 thousand in ECOMMERCE TEAM Spółka z ograniczoną odpowiedzialnością, accounting for a 30% share in the share capital and 30% of the total number of votes at the Shareholders' Meeting. The associated company was registered with the National Court Register on 25 June 2019.

The basic financial data of the associates are as follows:

	Assets	Liabilities	Equity capital	Net financial result	Sales revenues
as at 31.12.2023					
ECOMMERCE TEAM Sp. z o.o.	587	102	485	123	1 410
BABECKA KIJANOWSKA KANCELARIA RADCÓW PRAWNYCH Sp. komandytowa	37	1	35	(6)	-
Total	**624**	**103**	**520**	**117**	**1 410**
as at 31.12.2022					
ECOMMERCE TEAM Sp. z o.o.	541	78	463	205	1 271
BABECKA KIJANOWSKA KANCELARIA RADCÓW PRAWNYCH Sp. komandytowa	42	0	41	(4)	-
Total	**583**	**79**	**504**	**201**	**1 271**

In 2023, the Company received a dividend from Ecommerce Team Spółka z ograniczoną odpowiedzialnością of PLN 30 thousand (2022: PLN 27 thousand)

There are no contingent liabilities of the Company for all or part of the liabilities of associates.

10. Cash and cash equivalents

	31.12.2023	**31.12.2022**
Cash at bank accounts held in PLN	2 007	65
Cash in foreign currency bank accounts	2	5
Cash in hand	0	0
Short-term deposits	-	2 606
Other - funds in brokerage accounts	7	178
Total cash and cash equivalents	**2 016**	**2 854**

As at 31.12.2023, cash with a carrying amount of PLN 0 thousand (2022: PLN 0 thousand) was subject to restrictions on disposal in the VAT account related to split payment.

For the purpose of preparing the statement of cash flows, the Company classifies cash in the manner adopted for presentation in the statement of financial position. The cash values reported in the statement of financial position and the statement of cash flows are the same.

Differences in changes in balances of balance sheet items reported in the statement of cash flows:

	31.12.2023	**31.12.2022**
Balance sheet change in receivables	841	(1 970)
Loan granted	(500)	500
Increase in lease receivables under new agreements	-	1 701
Change in receivables	**342**	**231**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

11. Lease

The value of property, plant and equipment includes right-of-use assets with the following carrying amount, which relate to the following classes of underlying assets and which were subject to the following depreciation charges:

	Buildings and structures	Means of transport	Total
As at 31.12.2023			
Gross carrying amount	4 106	855	4 961
Accumulated depreciation and write-downs	(1 630)	(369)	(1 999)
Net carrying amount	2 476	487	2 962
As at 31.12.2022			
Gross carrying amount	3 332	397	3 729
Accumulated depreciation and write-downs	(1 183)	(236)	(1 419)
Net carrying amount	2 149	161	2 310

Amortisation of rights of use is presented in full in the statement of comprehensive income under the heading of core business expenses in the amounts below:

	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Buildings and structures	(447)	(395)
Means of transport	(133)	(123)
Total	**(580)**	**(518)**

Property leases

The most significant lease agreements under development in the periods presented include the lease of office space in two locations with a carrying value of the right to use of PLN 3,738 thousand in Poznań and PLN 1,610 thousand in Warsaw as at 31.12.2023. Part of the leased space is subleased to subsidiaries, so these values are presented in the appropriate proportion under Right-of-use assets and Lease receivables.

The agreement for the office space lease in Poznań was concluded in September 2017 for a period of seven years, initially with an option to extend for a further three years. On 19 December 2023, the Company concluded an addendum to the agreement, which extended the lease term by six years, until 25 September 2030. The office space leased under the aforementioned agreement is further subleased to subsidiaries. The lease instalments are secured by a guarantee deposit paid to the Lessor. The company is obliged to insure the underlying assets and maintain them in the condition specified in the agreement. The company is not obliged to meet any additional covenants during the term of the agreement.

The agreement to lease office space in Warsaw was concluded in November 2021 for a period of six years from the date of handover of the premises, which took place in April 2022. Office space is further subleased to subsidiaries. The lease instalments are secured by a guarantee deposit paid to the Lessor. The company is obliged to insure the underlying assets and maintain them in the condition specified in the agreement. The company is not obliged to meet any additional covenants during the term of the agreement.

The lease instalments of both agreements are revalued on an annual basis and, as a result of these changes and the extension of one of the agreements until 2030, the value of lease liabilities and right-of-use assets increased by PLN 1503 thousand at the end of 2023 (2022: PLN 296 thousand).

Car lease

In addition, the Company uses passenger cars under 3 lease agreements with a total carrying amount of leased assets as at 31.12.2023 of PLN 487 thousand. The cars are leased for a period of 2 to 4 years with the option to buy them back at the end of the agreement. Lease instalments bear a variable interest rate calculated on the basis of WIBOR. Some lease agreements include additional variable lease payments due when the agreed annual mileage limit is exceeded. To date, the Company has not incurred fees on this account.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

The outstanding future minimum lease payments as at the balance sheet date amount to:

	Payments under finance leases payable over the period of:				
	up to 1 year	from 1 year to 3 years	from 3 years to 5 years	over 5 years	total
As at 31.12.2023					
Future minimum lease payments	1 666	2 294	1 940	1 174	7 074
Financial expenses (-)	(44)	(304)	(465)	(398)	(1 210)
Present value of future minimum lease payments	1 623	1 990	1 475	777	5 864
As at 31.12.2022					
Future minimum lease payments	1 286	2 382	2 077	123	5 868
Financial expenses (-)	(401)	(521)	(158)	(1)	(1 081)
Present value of future minimum lease payments	885	1 861	1 919	122	4 787

The Company does not recognise liabilities for short-term leases and leases for which the underlying asset is of low value. In addition, contingent lease payments that depend on factors other than the index or rate are not recognised in the value of lease liabilities. There were no costs from these titles in the periods presented.

Interest expenses related to leases are presented in note 3.3.

Total lease expenses amounted to:

	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Repayment of lease liabilities	885	789
Interest repayment	445	316
Lease of low-value assets	-	-
Variable lease payments not included in the lease liability	-	-
Other expenses	-	-
Total expenses	**1 330**	**1 105**

<u>Lease receivables</u>

The office space leased under the concluded agreement is further subleased to subsidiaries. Lease receivables are presented on this account in the statement of financial position, with a value of PLN 2,979 thousand at the end of 2023 (2022: PLN 2,685 thousand). Agreements for subleases are concluded for the same periods as the main leases.

The value of future minimum lease payments under sublease agreements to subsidiaries is as follows:

	Payments under finance leases payable over the period of:				
	up to 1 year	from 1 year to 3 years	from 3 years to 5 years	over 5 years	total
As at 31.12.2023					
Future minimum lease payments	678	1 318	1 060	552	3 609
Financial revenues (-)	(25)	(171)	(247)	(187)	(630)
Present value of future minimum lease payments	653	1 148	813	365	2 979
As at 31.12.2022					
Future minimum lease payments	660	1 340	1 210	89	3 299
Financial revenues (-)	(32)	(212)	(340)	(30)	(615)
Present value of future minimum lease payments	628	1 129	870	58	2 685

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

12. Intangible assets

Intangible assets used by the Company include computer software, internally developed software, development work and other intangible assets. Intangible assets that have not been placed in service by the balance sheet date are presented under “Intangible assets under development”.

	Computer software	Development costs	Other intangible assets	Intangible assets under development	Total
As at 31.12.2023					
Gross carrying amount	1 806	54	50	-	1 910
Accumulated depreciation and write-downs	(1 290)	(54)	(50)		(1 394)
Net carrying amount	516	-	-	-	516
As at 31.12.2022					
Gross carrying amount	1 598	54	50	-	1 702
Accumulated depreciation and write-downs	(1 084)	(54)	(41)		(1 179)
Net carrying amount	514	-	9	-	523

The Company does not use intangible assets with indefinite useful lives in its operations.

Amortisation of intangible assets was presented in full in the statement of comprehensive income under expenses for core operations in the amount of PLN 215 thousand : (2022: PLN 148 thousand).

No impairment of the Company's intangible asset items was identified in 2023 and 2022.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

CHANGE IN CARRYING AMOUNT OF INTANGIBLE ASSETS

	Computer software	Development costs	Other intangible assets	Intangible assets under development	Total
for the period from 01.01 to 31.12.2023					
Net carrying amount as at 01.01.2023	514	-	9	-	523
Increases (acquisition, production, lease)	208				208
Decreases (disposal, liquidation) (-)				-	-
Amortisation and depreciation (-)	(206)		(9)		(215)
Impairment losses (-)					-
Net carrying amount as at 31.12.2023	516	-	-	-	516
for the period from 01.01 to 31.12.2022					
Net carrying amount as at 01.01.2022	326	-	18	106	450
Increases (acquisition, production, lease)	327			-	327
Decreases (disposal, liquidation) (-)				(106)	(106)
Amortisation and depreciation (-)	(139)		(9)		(148)
Impairment losses (-)					-
Net carrying amount as at 31.12.2022	514	-	9	-	523

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

13. Property, plant and equipment

	Land	Buildings and structures	Computer sets	Means of transport	Other tangible assets	Property, plant and equipment under construction	Total
As at 31.12.2023							
Gross carrying amount	-	36	365	608	503		1 512
Accumulated depreciation and write-downs	-	(17)	(294)	(456)	(363)		(1 130)
Net carrying amount	-	19	71	152	140	-	382
As at 31.12.2022							
Gross carrying amount	-	36	369	458	494		1 357
Accumulated depreciation and write-downs	-	(14)	(246)	(432)	(310)		(1 002)
Net carrying amount	-	22	123	26	184	-	355

CHANGE IN CARRYING AMOUNT OF PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and structures	Computer sets	Means of transport	Other tangible assets	Property, plant and equipment under construction	Total
for the period from 01.01 to 31.12.2023							
Net carrying amount as at 01.01.2023	-	22	123	26	184	-	355
Increases (acquisition, production, lease)	-	-	-	150	9		159
Decreases (disposal, liquidation) (-)	-		-				-
Amortisation and depreciation (-)	-	(3)	(52)	(24)	(53)		(132)
Impairment losses (-)	-						-
Net carrying amount as at 31.12.2023	-	19	71	152	140	-	382
for the period from 01.01 to 31.12.2022							
Net carrying amount as at 01.01.2022	-	26	85	114	157	-	382
Increases (acquisition, production, lease)	-	-	85		79	-	164
Decreases (disposal, liquidation) (-)	-						-
Amortisation and depreciation (-)	-	(4)	(47)	(88)	(52)		(191)
Impairment losses (-)	-						-
Net carrying amount as at 31.12.2022	-	22	123	26	184	-	355

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

Depreciation and amortisation of property, plant and equipment was recognised in full in the statement of comprehensive income under costs of core operations in the amount of PLN 132 thousand (2022: PLN 191 thousand).

No impairment of the Company's property, plant and equipment items was identified in 2023 and 2022.

14. Deferred tax assets and liabilities and income tax recognised in other comprehensive income

Deferred tax assets and liabilities affect the financial statements as follows:

	31.12.2023	31.12.2022
Opening balance:		
Deferred income tax assets	205	70
Deferred tax liability	38	121
Deferred tax per opening balance	167	(50)
Change for the period affecting:		
Profit or loss (+/-)	31	74
Other comprehensive income (+/-)	(78)	143
Accounting for business combinations		
Other (including net exchange differences on translation)		
Deferred tax per closing balance, including:	120	167
Deferred income tax assets	143	205
Deferred tax liability	23	38

DEFERRED INCOME TAX ASSETS

Titles of temporary differences	Opening balance	Change in: result	Change in: other comprehensive income	Closing balance
As at 31.12.2023				
Assets:				
Financial assets	68		(68)	-
Liabilities:				
Employee benefits liabilities	37	(13)		24
Provisions for employee benefits	44	(12)		32
Other provisions	2	(2)		-
Accruals and prepayments	54	30		84
Trade liabilities	-	2		2
Other:	-	-		-
Unrelieved tax losses	-	-		-
Total	205	6	(68)	143
As at 31.12.2022				
Assets:				
Financial assets	-	-	68	68
Liabilities:				
Employee benefits liabilities	4	33	-	37
Provisions for employee benefits	35	9	-	44
Other provisions	2	0	-	2
Accruals and prepayments	30	24	-	54
Trade liabilities	-	-	-	-
Other:	-	-	-	-
Unrelieved tax losses	-	-	-	-
Total	70	67	68	205

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

DEFERRED INCOME TAX LIABILITIES

Titles of temporary differences	Opening balance	Change in:		Closing balance
		result	other comprehensive income	
As at 31.12.2023				
Assets:				
Property, plant and equipment	23	(22)		1
Financial assets - debt securities	15	(3)	10	22
Trade receivables	-			-
Other assets	-			-
Liabilities:	-			
Trade liabilities	-			-
Other liabilities	-			-
Total	38	(25)	10	23
As at 31.12.2022				
Assets:				
Property, plant and equipment	41	(18)		23
Financial assets	80	10	(75)	15
Trade receivables	-			-
Other assets	-			-
Liabilities:	-			
Trade liabilities	-			-
Other liabilities	-			-
Total	120	(7)	(75)	38

As at 31.12.2023, there were no amounts of deductible temporary differences, unused tax losses or tax credits for which the Company has not recognised deferred tax assets in the financial statements.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

Income tax relating to each item of other comprehensive income is as follows:

	from 01.01 to 31.12.2023			from 01.01 to 31.12.2022		
	Gross	Tax	Net	Gross	Tax	Net
Other comprehensive income:						
Available-for-sale financial assets:						
- income (loss) recognised in the period in other comprehensive income	413	78	335	(752)	(143)	(609)
- amounts transferred to profit or loss	-	-	-	-	-	-
Total	413	78	335	(752)	(143)	(609)

Uncertainties in the determination of deferred tax assets and liabilities are described in the Management Board's subjective assessments and estimation uncertainties note.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

15. Fixed assets held for sale and discontinued operations

The Company did not classify any assets for sale. There are also no discontinued operations planned.

16. Trade and other liabilities

Trade and other liabilities (see also note 6.1) are as follows:

There are no long-term liabilities in the Company.

Short-term liabilities:

	31.12.2023	31.12.2022
Financial liabilities (IFRS 9):		
To clients	-	-
To related entities	-	-
To banks conducting brokerage activities, other brokerage houses and commodity brokerage houses	-	-
To entities operating regulated markets and commodity exchanges	-	-
To National Depository and clearing houses and settlement houses	-	-
To CCP	-	-
To the Chamber of Commerce	-	-
To issuers of securities and offering parties	-	-
Negative valuation on financial instruments held for trading	-	-
Promissory notes	-	-
With respect to investment and pension fund societies and investment and pension funds	-	-
Resulting from the concluded securities lending contracts	-	-
On account of deliveries and services	1 049	813
On account of the purchase of fixed assets	-	-
Other financial liabilities	-	-
Financial liabilities	**1 049**	**813**
Non-financial liabilities (other than IFRS 9):		
On account of taxes and other employee benefits	723	682
On account of corporate income tax	42	72
On account of other taxes	60	79
Prepayments and advances received for deliveries	-	-
Other non-financial liabilities	8	**4**
Non-financial liabilities	**833**	**836**
Short-term liabilities, including:	**1 882**	**1 649**
Up to 1 year	1 496	1 611
For which the due date has expired	386	38

The carrying amount of trade liabilities is considered by the Company to be a reasonable approximation of fair value (see note 6.4).
Liabilities maturing on 31 December 2023 were repaid after the balance sheet date.
The Company does not have any liabilities to the state or local government budget in respect of the acquisition of ownership rights to buildings and structures.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

17. Accruals and prepayments

	Short-term settlements		Long-term settlements	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Liabilities - prepayments and accruals:				
Grants received	-	-	-	-
Deferred revenue	-	-	-	-
Provision for the audit of the financial statements	61	40	-	-
Provision for bonuses	385	245	-	-
Provision for unused leaves	153	215	-	-
Accrued expenses for the preceding year		-	-	-
Other settlements		-	-	-
Liabilities - total prepayments and accruals	**599**	**500**	**-**	**-**

18. Employee benefits liabilities and provisions

Employee benefit liabilities and provisions recognised in the statement of financial position include:

	Short-term liabilities and provisions		Long-term liabilities and provisions	
	31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Short-term employee benefits:				
Payroll liabilities	321	324	-	-
Social security liabilities	255	231	-	-
Personal income tax liabilities	130	109	-	-
ECP liabilities	18	18	-	-
Provision for bonuses*	385	245	-	-
Provisions for unused leaves*	153	215	-	-
Short-term employee benefits	**1 262**	**1 141**	**-**	**-**
Other long-term employee benefits:				
Provisions for one-time retirement benefits			17	17
Other provisions			-	-
Other long-term employee benefits			**17**	**17**
Total liabilities and provisions for employee benefits	**1 262**	**1 141**	**17**	**17**

* *items presented in accruals and prepayments*

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

Provisions for employee benefits are presented in the statement of financial position under two headings: Provisions for employee benefits and under Prepayments and accruals. The change in other employee benefits was affected by the following items:

	Provisions for employee benefits and prepayments and accruals				
	Provision for one-time retirement benefits	Provision for bonuses	Provision for unused leaves	Other (not related to employee benefits)	total
for the period from 01.01 to 31.12.2023					
Opening balance	17	245	215	40	517
Expense recognised during the year		385	153	61	599
Utilisation		(245)	(215)	(40)	(500)
Release					-
Present value of provisions as at 31.12.2023	**17**	**385**	**153**	**61**	**616**
for the period from 01.01 to 31.12.2022					
Opening balance	22	117	162	40	341
Expense recognised during the year		245	215	40	500
Utilisation		(117)	(162)	(40)	(319)
Release	(5)				(5)
Present value of provisions as at 31.12.2022	**17**	**245**	**215**	**40**	**517**

The present value of provisions is recognised based on the Company's own estimates made to the best of its knowledge at the time of preparing the financial statements. The estimates are subject to uncertainty as to the timing of implementation and the accuracy of the reserve amount. The following assumptions were made in determining the estimates:

	31.12.2023	**31.12.2022**
Discount rate	6.9%	6.9%
Anticipated salary increase rate	1%	1%

19. Other provisions

This item does not occur.

20. Equity capital

20.1. Basic capital

As at 31.12.2023, the Company's share capital amounted to PLN 1972 thousand (2022: PLN 1972 thousand) and was divided into 9861865 shares (2022: 9861865 shares) with a nominal value of PLN 0.2 each (2022: PLN 0.2). All shares were fully paid up.

All shares equally participate in the distribution of dividends and each share entitles the holder to one vote at the General Meeting of Shareholders.

At the balance sheet date, the Company's shares were not held by the Company or its subsidiaries and associates.

20.2. Share premium

The share premium at the end of each period presented amounted to PLN 7803 thousand.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

20.3. Other reserve capitals

Other reserve capitals arose from the recognition of:

- measurement of financial assets at fair value through other comprehensive income and equity instruments designated on initial recognition at fair value through other comprehensive income. At the end of the period, the value of the valuation recognised in capital amounted to PLN 46 thousand
- capital from the recognition of valuation of share-based payment schemes. In connection with the establishment of the Incentive Scheme in the Caspar Asset Management S.A., which will be implemented in the period 2022-2024, the Extraordinary General Meeting of Shareholders of Caspar Asset Management S.A. on 10 March 2022 adopted Resolution No. 6 on the issue of registered A series subscription warrants with complete exclusion of the pre-emptive right of the existing shareholders, conditional increase of the Company's share capital, issue of I series ordinary bearer shares with complete exclusion of the pre-emptive right of the existing shareholders, amendments to the Company's Articles of Association and on applying for admission of I series shares to trading on the regulated market operated by the Warsaw Stock Exchange S.A. No Incentive Scheme costs were recognised in 2023 and 2022 as the conditions of the Incentive Scheme were not met.

Other reserve capital as at 31.12.2023 amounted to PLN 46 thousand (31.12.2022: PLN (-)288 thousand).

21. Contingent assets and liabilities

There are no contingent assets or liabilities in the Company.

22. Transactions with related parties

Company related parties include subsidiaries, associates and other related parties, which the Company includes key management personnel, shareholders and their relatives and related parties.

Outstanding balances of receivables and liabilities are usually settled in cash.

All transactions entered into by the Company are concluded on an arm's length basis.

22.1. Remuneration of key management personnel

The Company's key management personnel include the members of the management and supervisory boards, as well as directors with authority and responsibility for planning, directing and controlling the Company's activities. The remuneration of key personnel during the period covered by the financial statements amounted to:

	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Benefits for management personnel		
Short-term employee benefits	1 935	2 206
Other benefits	37	-
Total benefits	**1 972**	**2 206**

Details of the Company's Management Board's remuneration are presented in Note 27.3.

The Group has an incentive scheme for key personnel to be implemented in financial years 2022 - 2024, established by Resolution No. 5 of the Company's Extraordinary General Meeting of March 10, 2022 (the “Incentive Scheme”). Participants in the Incentive Scheme may be members of the Management Board of the Company and the management boards of other Group companies, persons performing managerial functions in the Group, of critical importance for the achievement of the Group's strategic objectives, as well as persons who are key employees and co-workers of the Company or Group entities, perform functions, perform work, perform orders, provide services or perform specific work in the Company or Group entities - on the basis of legal relations defined in Art. 12 or 13 of the Personal Income Tax Act of 2 December 2022 (Polish Journal of Laws of 2024 item 226 as amended), or, as part of their non-agricultural business activities, cooperating with the Group. Participation in the Incentive Scheme is contingent upon the Company designating a person to participate in the Incentive Scheme and entering into an agreement with the Company to participate in the Incentive Scheme (“Participants”).

The agreements entered into for participation in the Incentive Scheme provide for the Participant's obligation not to dispose of the Series I Shares awarded under the Incentive Scheme for a period of 12 months from the date they are recorded in the Participant's securities account (lock-up agreement).

The total number of Incentive Scheme Participants will not exceed 149 people. The Incentive Scheme will be implemented through the issuance of dematerialized registered series A subscription warrants entitling to subscribe for new series I shares with exclusion of subscription rights of other Company shareholders (the “Warrants”), issued pursuant to Resolution No. 6 of the Company's Extraordinary General Meeting of 10 March 2022. Under the Incentive Scheme, the Company will offer the Participants to acquire no more than 147,927 (one hundred and forty-seven thousand nine hundred and twenty-seven) Warrants free of charge, with the Warrants being offered in three equal tranches, and the number of Warrants that may be offered for a given financial year will not exceed 49,309 (forty-nine thousand three hundred and nine) Warrants. Each Warrant will entitle the holder to acquire one dematerialized series I bearer share of the Company with a nominal value of PLN 0.20 (twenty groszy), which will be issued under the Company's conditional share capital increase, at an issue price of PLN 7 (seven zloty) per share (“Series I Shares”). The subscription of Series I Shares in exercise of rights under the Warrants may take place within 1 year from the date the Warrants are recorded in the Participants' securities accounts, but no later than 31 December 2025.

Series I Shares will be subject to application for admission and listing on a regulated market operated by the WSE if, on the date of their award, Company Shares are admitted to trading on a regulated market operated by the WSE. If, on the date of award of the Series I Shares, the Company's Shares are not admitted to trading on a regulated market operated by the WSE, the Series I Shares will be the subject of a request for listing on the Alternative Trading System on the NewConnect market.

The vesting of the Warrants by the Participants is contingent upon meeting: (i) the Company's financial performance target set by the Supervisory Board, which will be set annually with respect to each financial year (the “Financial Target”), or (ii) the non-financial target set by the Supervisory Board for a given financial year (the “Non-Financial Target”) and the simultaneous fulfilment of the loyalty criterion, understood as holding a position or remaining with the Company or a Group company in the aforementioned legal relationships governing the employment or cooperation of Participants with the Group during the period from the date of the participation agreement, at least until the date of the Supervisory Board's resolution stating the achievement or failure to achieve the set Financial Target or Non-Financial Target (“Loyalty Criterion”). Resolutions of the Supervisory Board setting Financial Targets and Non-Financial Targets for a given financial year shall be adopted by the end of February of a given financial year.

In the case of financial year 2023, the Financial Target set by the Supervisory Board for all Participants was to achieve PLN 4 million in gross profit as reported in the Company's consolidated financial statements for financial year 2023. In addition, the Supervisory Board also set individual Financial Targets and Non-Financial Targets for each Participant. Verification of the Participants' achievement of the Financial Target and Non-Financial Target set for the Incentive Scheme, as well as verification of the Participant's fulfilment of the Loyalty Criterion, will be carried out by the Supervisory Board in the form of a resolution, within 15 business days after the date of the Company's Annual General Meeting approving the Company's consolidated financial statements for the financial year of the Incentive Scheme.

In the case of financial year 2022, the Financial Target set by the Supervisory Board for all Participants was to achieve PLN 8 million in gross profit as reported in the Company's consolidated financial statements for financial year 2022. In addition, the Supervisory Board also set individual Financial Targets and Non-Financial Targets for each Participant. Verification of the Participants' achievement of the Financial Target and Non-Financial Target set for the Incentive Scheme, as well as verification of the Participant's fulfilment of the Loyalty Criterion, will be carried out by the Supervisory Board in the form of a resolution, within 15 business days after the date of the Company's Annual General Meeting approving the Company's consolidated financial statements for the financial year of the Incentive Scheme.

For the financial year 2023 and for the financial year 2022, the Financial Target set jointly for all Incentive Scheme Participants was not met.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

22.2. Transactions with subsidiaries, associates and other related parties

The following amounts of sales revenue and receivables from associates and other related parties were recognised in the period covered by the financial statements:

	Operating revenue	
	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Sales to:		
Subsidiary	11 687	11 363
Affiliated entity	3	3
Other related entities	56	81
Total	**11 746**	**11 447**

	Receivables	
	31.12.2023	**31.12.2022**
Sales to:		
Subsidiary	1 464	1 226
Affiliated entity	1	0
Other related entities	4	8
Total trade and other receivables	**1 469**	**1 234**
Lease to:		
Subsidiary:	2 979	2 685
Total lease receivables	**2 979**	**2 685**

There were no write-downs of receivables from related parties and therefore no expense was recognised in the result.

The following amounts of purchases from and liabilities to subsidiaries, associates and other related parties were recognised in the period covered by the financial statements:

	Purchase (costs, assets)	
	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Purchase from:		
Subsidiary	3 242	3 361
Affiliated entity	65	59
Other related entities	200	-
Total	**3 507**	**3 420**

	Liabilities	
	31.12.2023	**31.12.2022**
Purchase from:		
Subsidiary	578	316
Affiliated entity	8	10
Other related entities	18	-
Total	**604**	**326**

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

The Company granted a loan of PLN 500 thousand to a subsidiary in 2022 and another loan of up to PLN 500 thousand in 2023. Both loans were repaid in the second half of 2023. The Company did not receive any loans from subsidiaries, associates and other related parties during the period covered by the financial statements.

	Financial revenues	
	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Interest from:		
Subsidiary	63	11
Affiliated entity	-	-
Other related entities	-	-
Total	**63**	**11**

	Financial assets	
	31.12.2023	**31.12.2022**
Loan to:		
Subsidiary	-	500
Affiliated entity	-	-
Other related entities	-	-
Total	**-**	**500**

The value of dividends received from associates is shown in note 9.

23. Adopted objectives and principles of risk management

Caspar Asset Management S.A. (hereinafter: Company or Caspar AM), in accordance with applicable regulations, is obliged to comply with capital adequacy standards at the individual level and at the consolidated level comprising Caspar AM, Caspar Towarzystwo Funduszy Inwestycyjnych S.A and F-Trust S.A. (hereinafter: Group or Capital Group).

Caspar AM has implemented a risk management system related to the operated business and the processes used therein. The Company's risk management system sets out the principles for managing the various categories of risk that have been identified as significant in the Company's operations and related procedures.

Risk monitoring constitutes a part of the current risk monitoring process and reporting on the risk present in the Company's operations.

The management board of the Company approves all the risk-related procedures, as well as strategies and principles of risk identification, measurement, monitoring and control. The company investigates and assesses, as part of the internal audit, the adequacy and effectiveness of the implemented system, as well as the level of its use. Risk-related procedures are verified regularly in order to adapt them to changes in risk profile of the operations conducted by the Company and the economic environment in which the Company operates. Procedures are verified by the governing bodies of Caspar AM not less frequently than once a year. All material assumptions regarding the Company's risk management system are communicated to the Supervisory Board.

As part of the risk management policy, a risk chart, internal limits, stress scenarios, measures of individual risks and an algorithm for calculating risk, internal capital and liquid assets are defined in addition to procedures for individual risk categories. The Company considers the loss it may incur if a given risk with certain scenarios materialises and the probability of the risk materialising; as a result of this tool, the Company can determine the estimated value of funds to cover the risk. If this amount exceeds a certain amount or has a significant impact on the capital and liquidity position, the Company considers the risk to be material.

As part of the financial risk, the following risk categories may be distinguished:

• Market risk

The Company is exposed to market risk, which includes the risk of changes in interest rates, the risk of changes in the price of debt instruments. The Company has exposure to unit price risk and related currency risk.

The Company invests exclusively in shares in subsidiaries, shares in commercial companies, deposits, bank deposits and debt financial instruments issued, guaranteed or underwritten by the State Treasury, as well as units in open-ended investment funds and units in foreign investment funds operating as UCITS. The Company does not

apply collateral for financial transactions due to the low level of the risk of investment in the aforementioned instruments.
The Company manages market risk through a system of internal limits and monitors risk with a designated set of indicators. The quality of the non-trading portfolio is reviewed periodically.

• Interest rate risk
The Company invests funds exclusively in shares in subsidiaries, shares in commercial companies, deposits, bank deposits and debt financial instruments issued, guaranteed or underwritten by the State Treasury and units in investment funds that meet certain criteria. The debt securities held by the Company are WZ0126 and DS0725 - medium-maturity government debt securities. WZ bonds are instruments with a variable interest coupon (based on semi-annual WIBOR) payable twice a year. In case of debt securities with medium maturities and interest based on a variable and short interest rate (such as those mentioned above), the interest rate risk may be considered as negligible, as the rate of such bonds depends on changes in interest rates only to a little extent. In the case of the latter DS0725 bond, interest payments are based on a fixed interest rate of 3.25 per cent per annum, so the instrument indicated is exposed to rate risk in the event of interest rate fluctuations in the market. The Company does not hedge its investment portfolio with the use of derivative financial instruments.

• Foreign exchange risk
In the period from 01 January 2023 to 31 December 2023 and in previous financial years, the Company was not exposed to any significant foreign exchange risk from its transactions. The Company indirectly recognises currency risk in respect of its investment fund units whose assets are denominated in foreign currencies and calculates its exposure to this risk.

• Credit risk
Credit risk is primarily the risk associated with receivables from clients/investment funds, term deposits and the purchase of treasury bonds (in this case it can be assumed to be non-existent). The maximum loss on investment is limited to the amounts of receivables, term deposits and purchase costs of securities. Receivables from Company's individual clients are collected directly from the clients' accounts. The Company invests available funds in one-day bank deposits in bank with high credit ratings. Debt treasure bills are one of the safest financial instruments, burdened with very low risk of the issuer's insolvency.
The Company has implemented numerous measures to mitigate credit risk. These include:

- The Company does not grant loans as a rule, exceptionally a loan may be granted on the basis of a resolution of the Management Board of the Company with simultaneous definition of the entity's credit risk management rules, including limits and rules for monitoring exposures,
- investing the Company's spare funds in bank accounts and placing funds in deposits and deposits with a maturity of less than one year,
- investing funds in addition to those mentioned above in Polish treasury bonds, where the liquidity risk is low and the credit risk is very low,
- fees related to the portfolio management service provided are charged directly to the client's account.

• Liquidity risk
The Company invests spare funds in debt instruments and units on a long-term basis. However, there are no restrictions on the transferability of these securities, such securities may be sold at any time, then the need arises. The Company has no debt with credit institutions. In addition, the Company has a liquidity buffer against stressful situations in terms of liquidity risk. The Company has implemented measures to mitigate and monitor liquidity risk, for instance:

- development and updating of the business plan, liquidity risk management procedures,
- introduction of appropriate sub-accounts that reduce liquidity risk to the relevant entities,
- ongoing monitoring of Company's accounts,
- introduced obligation of notification in case of incurring liabilities exceeding PLN 5,000,
- established rules for introducing new products and carrying out projects.

In accordance with the procedures in place in the Company, the following categories of risk have been identified as significant in the Company's operations:

- Operating risk,
- Credit risk,
- Concentration risk,
- Interest rate risk in the non-trading portfolio,
- Market risk,
- Business risk.

The Company manages operational risk by monitoring operational events and implementing process improvements to reduce or eliminate risks categorised as operational risk. Particular attention is paid to the activities and tasks entrusted to external bodies, for which specific rules have been introduced for the handling, evaluation and control of outsourced activities. The Company always considers operational risks to be material.

Concentration risk is understood as the risk of default by a single entity, entities related by capital or organisation, and groups of entities where the probability of default is dependent on common factors. As the Company qualifies as a “small and unaffiliated investment firm” under the IFR Regulation, it is not required to calculate concentration risk exposure in accordance with the aforementioned Regulation.
Interest rate risk in the non-trading portfolio is described above under market risk.
Business risk is understood to be the risk associated with the lack of or difficulty in implementing the business strategy, or the occurrence of unexpected consequences. Within business risk, we can distinguish between macroeconomic risk, strategic risk, financial result risk, reputation risk and the risk identified under the IFR Regulation: risk for the client. The latter risk is managed by conducting cyclical procedural reviews and monitoring investment activity on behalf of Company clients.
When managing individual risks, the Company takes into account sustainability risks and ESG factors in general.
The Company has a capital buffer to cover other risks that occur or may occur in the operations of the Company which, as a result of the analysis, were considered to be negligible risks or unidentified risks. The table below identifies examples of the measures that the Company has implemented to manage each type of risk.

Examples of risk mitigation activities and management principles	Risks
- according to the procedures mitigating the risk of fraud, in particular: systems for security, control, surveillance, access to IT systems and operation authorisation, - physical protection of security, - firewall and anti-virus protection system - measures of cryptographic protection of data, - configuration of the active devices of the IT network, - password and login system, - detailed verification of documents, - relevant internal regulations, - strict control and internal supervision over the compliance with internal procedures, - business continuity plans, - concluded insurance contracts for property and equipment.	Operating risk
- the Company only holds funds necessary for the current payment of receivables, - the possibility of diversification with regard to entities holding Company's own funds (bonds).	Counterparty risk
- when providing asset management services to a client with a share of more than 15% of the total assets managed by the Company, the Company safeguards itself by applying the relevant contractual clauses and procedures provided for in the agreement with the entity providing custody services to the client.	Concentration risk
The Company collects and analyses macroeconomic information on a global and sectoral basis, - risk transfer in the form of appropriate product selection for the client, - appropriate capital levels and capital contingency and emergency liquidity plans, - avoiding misselling - ensuring that clients buy the right products, - the ability to apply appropriate marketing and sales tools during an economic downturn, - making efforts to ensure that the products of the Company are attractive to clients, - expanding the product offering of the Company (investment advice, acceptance and transmission of orders, offering of financial instruments, new investment strategies), - conducting media monitoring of information appearing about the Company, - responding promptly to any information about the Company that may put it in a bad light, - conducting promotional and public relations activities, - maintaining ongoing contact with journalists to provide information and material related to the Company's activities, - publication of reliable information on the Company's structure and performance, - participation of key employees of the Company as financial and investment experts in professional press publications and television programmes, - continuous monitoring of the effectiveness of risk mitigation, in particular of the risks considered significant, - including reputation risk within individual operational risks, - PR insurance, - developing strategic plans, - ongoing monitoring of the status of implementation of strategic plans,	Business risk

- ongoing monitoring of the human and financial resources required to implement strategic plans, - collecting and analysing macroeconomic data on a global and sectoral basis, - cyclical procedural and investment reviews.	

24. Risk related to financial instruments

The Company is exposed to a number of risks associated with financial instruments. The Company's financial assets and liabilities by category are presented in note 6. The risks to which the Company is exposed include:
- market risk comprising currency risk and interest rate risk,
- credit risk and
- liquidity risk.

The management of the Company's financial risks is coordinated by the Management Board. The following objectives are of paramount importance in the risk management process:
- hedging short-term and medium-term cash flows,
- stabilising fluctuations in the financial result,
- delivering the projected financial forecasts by meeting the budget assumptions,
- achieving a rate of return on long-term investments with the acquisition of optimal sources of financing for investment activities.

The Company does not enter into transactions on the financial markets for speculative purposes. On the economic side, the transactions carried out are hedging against a specific risk.
The most significant risks that the Company faces are set out below.

24.1. Market risk

Analysis of sensitivity to currency risk
The majority of the Company's transactions are carried out in PLN. The Company's exposure to currency risk arises from overseas sales and purchase transactions, which are primarily concluded in EUR and USD.

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The Company's financial assets and liabilities, other than derivatives denominated in foreign currencies, translated into PLN at the closing rate prevailing at the balance sheet date are as follows:

	Note	Value denominated in foreign currency (in '000):		Value after translation
		EUR	USD	
As at 31.12.2023				
Financial assets (+):				
Trade and other financial receivables	7.	28	-	124
Cash and cash equivalents	10.	0	0	2
Financial liabilities (-):				-
Finance lease	11.	(1 237)		(5 380)
Trade and other financial liabilities	16.	(3)	(35)	(151)
Total currency risk exposure		(1 211)	(35)	(5 405)
As at 31.12.2022				
Financial assets (+):				
Trade and other financial receivables	7.	28	-	133
Cash and cash equivalents	10.	0	1	5
Financial liabilities (-):				-
Finance lease	11.	(990)		(4 641)
Trade and other financial liabilities	16.	(3)	(35)	(165)
Total currency risk exposure		(965)	(34)	(4 668)

A sensitivity analysis of the financial result and equity in relation to the Company's financial assets and liabilities and fluctuations in the EUR/PLN and USD/PLN exchange rates is presented below.
The sensitivity analysis assumes a 5% increase or decrease in the EUR/PLN and USD/PLN exchange rates relative to the closing rate prevailing at the respective balance sheet dates. Such a fluctuation was assumed to be reasonable based on an analysis of historical exchange rate fluctuations.

	Exchange rate fluctuations	Impact on the financial result:			Impact on other comprehensive income:		
		EUR	USD	total	EUR	USD	total
As at 31.12.2023							
Exchange rate increase	5	(263)	(7)	(270)	-	-	-
Exchange rate decrease	-5%	263	7	270	-	-	-
As at 31.12.2022							
Exchange rate increase	5	(226)	(8)	(234)	-	-	-
Exchange rate decrease	-5%	226	8	234	-	-	-

Exposure to currency risk fluctuates during the year depending on the volume of transactions carried out in a foreign currency. Nevertheless, the above sensitivity analysis can be considered representative of the Company's exposure to currency risk at the balance sheet date.

<u>Interest rate risk sensitivity analysis</u>
Interest rate risk management focuses on minimising fluctuations in interest flows on financial assets and liabilities bearing a variable interest rate. The Company is exposed to interest rate risk in connection with the following categories of financial assets and liabilities:

- debt securities (other financial assets),
- lease.

The Company invests funds exclusively in shares in subsidiaries, shares in commercial companies, deposits, bank deposits and debt financial instruments issued, guaranteed or underwritten by the State Treasury and units in investment funds that meet certain criteria. The debt securities held by the Company are WZ0126 and DS0725 - medium-maturity government debt securities. WZ bonds are instruments with a variable interest coupon (based on semi-annual WIBOR) payable twice a year. In case of debt securities with medium maturities and interest based on a variable and short interest rate (such as those mentioned above), the interest rate risk may be considered as negligible, as the rate of such bonds depends on changes in interest rates only to a little extent. In the case of the latter DS0725 bond, interest payments are based on a fixed interest rate of 3.25 per cent per annum, so the instrument indicated is exposed to rate risk in the event of interest rate fluctuations in the market. The Company does not hedge its investment portfolio with the use of derivative financial instruments.

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A sensitivity analysis of the financial result and equity in relation to a potential 2 percentage point upward and downward variation in the interest rate is presented below. The calculation was made on the basis of a change in the average interest rate in force during the period of (+/-) 2 percentage points and for interest-sensitive assets, i.e. those bearing a variable interest rate.

	Rate fluctuations	Impact on the financial result:		Impact on other comprehensive income:	
		31.12.2023	**31.12.2022**	**31.12.2023**	**31.12.2022**
Interest rate increase	2.0%	67	89	72	150
Interest rate decrease	-2.0%	(67)	(89)	(72)	(150)

<u>Sensitivity analysis for other market risks</u>

24.2. Credit risk

Credit risk is primarily the risk associated with receivables from clients/investment funds, fund management companies, term deposits and the purchase of treasury bonds (in this case it can be assumed to be close to zero). The maximum loss on investment is limited to the amounts of receivables, term deposits and purchase costs of securities.

	Note	**31.12.2023**	**31.12.2022**
Trade and other financial receivables	7.	2 343	2 305
Debt securities	6.2	3 268	4 148
Other classes of other financial assets		-	-
Cash and cash equivalents	10.	2 016	2 854
Total credit risk exposure		**7 627**	**9 307**

Receivables from the Company's individual clients for client asset management are taken directly from client accounts. The Company invests available funds in one-day bank deposits in bank with high credit ratings.
The Company holds debt securities issued exclusively by the Treasury, which are among the safest financial instruments, with a risk of issuer default close to zero.
In the case of individual clients of the portfolio management service provided by Caspar Asset Management S.A., the Company holds powers of attorney over the bank accounts of the clients for whom it provides services, so that the remuneration due is collected directly from the client's account by the Company on the first days of the following month. For the other services provided by the Company, receivables are generally paid on time. The Company has full information on the status of receivables at the balance sheet date. As at 31.12.2023 the Company had overdue receivables. Overdue receivables from unrelated parties did not exceed one year and these receivables amounted to PLN 11 thousand. The Company also has overdue receivables from related parties, but assesses the risk of non-payment as low.

Within trade receivables, the most significant asset class exposed to credit risk, the Company is not exposed to credit risk due to the absence of a single significant non-Group counterparty.

Due to overdue receivables after taking into account the overdue period, the Company created write-downs of PLN 6 thousand for receivables over 30 days past due.

In assessing credit risk, the Company's Management Board considered the potential impact of Russia's invasion in Ukraine on the financial statements and concluded that no additional adjustments to the valuations of balance sheet items were required and that any impact of this event was reflected in the results realised during the financial year.

24.3. Liquidity risk

The Company is exposed to liquidity risk, i.e. the ability to settle financial obligations in a timely manner. The Company manages liquidity risk by monitoring payment terms and cash requirements in terms of servicing short-term payments (current transactions monitored on a weekly basis) and long-term cash requirements based on cash

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flow forecasts updated on a monthly basis. Cash requirements are compared with available sources of funds (including, in particular, by assessing the ability to obtain loan financing) and confronted with the investment of free funds.
The Company invests spare funds in debt instruments and units on a long-term basis. However, there are no restrictions on the transferability of these securities, such securities may be sold at any time, then the need arises.

In assessing liquidity risk, the Company's Management Board took into account Russia's invasion in Ukraine and, as a result of this assessment, did not identify any resulting threats to the Company's liquidity.

The following is an analysis of the maturities of financial liabilities at the end of each of the reporting periods presented, within the timeframes adopted by the Company as appropriate and sufficient for a proper analysis of the Company's liquidity risk.

	Short-term:		Long-term:			Total flows before discounting
	up to 1 month	2 to 12 months	1 to 3 years	3 to 5 years	over 5 years	
As at 31.12.2023						
Finance lease	90	1 532	1 990	1 475	777	5 864
Trade and other financial liabilities	1 882	-	-	-	-	1 882
Total liquidity risk exposure	1 972	1 532	1 990	1 475	777	7 746
As at 31.12.2022						
Finance lease	57	828	1 861	1 919	122	4 787
Trade and other financial liabilities	1 649	-	-	-	-	1 649
Total liquidity risk exposure	1 706	828	1 861	1 919	122	6 436

25. Capital management

The objective of the Policy for capital management and capital planning is to define the conditions for meeting the standards of capital adequacy, consisting in providing the capital necessary to cover the capital requirements due to individual types of risk, to identify the current and future capital requirements in relation to the identified risks and the risk profile, as well as to take necessary measures in case of non-compliance with capital requirements or high risk of non-compliance with capital requirements in the near future. In order to achieve these objectives, the Company maintains adequate capital resources, while taking into account the risk profile, the law and the objectives and tasks defined in the financial and capital plans of the Company.

The Company's long-term capital objective is to maintain the risk ratio above the warning level set by the Management Board. Short- and medium-term capital objectives are defined in the financial and capital (budgets) plans implemented in the Company.

From 28 June 2021, the provisions of the IFR/IFD regulatory package (Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on prudential requirements for investment firms and Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms) apply.

Pursuant to Art. 12 of the IFR Regulation, the Company is recognised as a small and unaffiliated investment firm, meeting all the conditions listed in the aforementioned article. The Company presents relevant data on compliance with capital and liquidity requirements.

	31.12.2023	31.12.2022
OWN FUNDS	10 801	11 134
CAPITAL TIER 1	10 801	11 134
BASIC CAPITAL TIER 1	10 801	11 134
ADDITIONAL CAPITAL TIER I	-	-

CAPITAL TIER II	-	-

Requirement for own funds	3 320	2 231
Permanent minimum capital requirement	326	352
Requirement for fixed indirect costs	3 320	2 231
Basic capital ratio Tier I	325%	499%
Surplus (+) / shortfall (-) of basic capital Tier I	8 941	9 884
Capital ratio Tier I	325%	499%
Surplus (+) / shortfall (-) of capital Tier I	8 311	9 460
Own funds ratio	325%	499%
Surplus (+) / shortfall (-) of total capital	7 481	8 902
Liquidity requirement	1 107	744
Guarantees granted to clients	-	-
Total liquid assets	8 044	9 769

ACTIVITY LEVEL - THRESHOLDS OVERVIEW	**31.12.2023**	**31.12.2022**
(Total) assets under management	592 986	747 246
(Total) client orders handled - spot market transactions	9 988	7 828
(Total) client orders handled - derivatives market transactions	-	-
Secured and administered assets	-	-
Client funds held	-	-
Daily transaction flows for spot and derivatives market transactions	-	-
Net risk position	-	-
Settlement deposit paid	-	-
Default of a transactional counterparty	-	-
(Total) on- and off-balance sheet sum	25 801	25 881
Total gross annual income	23 136	34 067
Total gross annual income	23 136	34 067
(-) Intra-group share of gross annual income	-	-
Including: income from acceptance and transmission of orders	-	-
Including: income from assignments	-	-
Including: income from proprietary trading	-	-
Including: income from portfolio management	21 402	31 842
Including: income from investment consultation	24	23
Including: income from underwriting of financial instruments without a firm commitment basis	1 710	2 202

In all periods, there were no breaches of capital adequacy ratios or the large exposure limit during the financial year.

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The amount of expenses for the financial year, detailing fixed indirect expenses:

Total expenditure in previous year after distribution of profit	21 260
(-) Total deductions	(7 980)
Annual fixed indirect costs in the previous year after profit sharing	13 280

26. Events after the balance sheet date

On 11 March 2024, the Company signed a loan agreement with F-Trust S.A., under which the Company provided a loan of PLN 500 thousand granted for a period of 12 months at an interest rate of 8.7%.

Between the balance sheet date and the date of approval of the financial statements, there were no other significant events requiring disclosure.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

27. Other information

27.1. Selected financial data translated into EUR

In the periods covered by the financial statements, the following average PLN/EUR exchange rates, as determined by the National Bank of Poland, were used to translate selected financial data:

- exchange rate in force on the last day of the reporting period: 31.12.2023 r.: 4.3480 PLN/EUR, 31.12.2022: 4.6899 PLN/EUR,
- average rate for the period, calculated as the arithmetic average of the rates in force on the last day of each month in the period: 01.01 - 31.12.2023 r.: 4.5284 PLN/EUR, 01.01 - 31.12.2022: 4.6883 PLN/EUR.

The highest and lowest rates applicable in each period were as follows : 01.01 - 31.12.2023: 4.3053 - 4.7895 PLN/EUR, 01.01 - 31.12.2022: 4.4879 - 4.9647 PLN/EUR.

The main items in the statement of financial position, statement of profit or loss and statement of cash flows, translated into euro, are presented in the table:

	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022	from 01.01 to 31.12.2023	from 01.01 to 31.12.2022
	PLN '000		EUR '000	
Revenue from core operations	19 843	22 682	4 382	4 838
Operating profit (loss)	5 032	6 556	1 111	1 398
Profit (loss) before tax	5 226	6 928	1 154	1 478
Net profit (loss)	4 203	5 574	928	1 189
Earnings per share (PLN)	0.43	0.57	0.09	0.12
Diluted earnings per share (PLN)	0.43	0.57	0.09	0.12
Average PLN/EUR exchange rate in the period	X	X	4.5284	4.6883
Net cash from operating activities	5 971	6 425	1 319	1 370
Net cash from investment activities	44	2 948	9	629
Net cash from financial activities	(6 853)	(7 811)	(1 513)	(1 666)
Net change in cash and cash equivalents	(838)	1 562	(185)	333
Average PLN/EUR exchange rate in the period	X	X	4.5284	4.6883

	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	PLN '000		EUR '000	
Assets	26 211	25 801	6 028	5 501
Long-term liabilities	4 611	3 957	1 060	844
Short-term liabilities	3 774	3 034	868	646
Equity capital	17 826	18 811	4 100	4 011
PLN/EUR exchange rate at the end of the period	X	X	4.3480	4.6899

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

27.2. Ownership structure of share capital

	Number of shares	Number of votes	Nominal value of shares	Share in capital
As at 31.12.2023				
Piotr Przedwojski	2 818 389	2 818 389	564	28.58%
Leszek Kasperski	2 799 571	2 799 571	560	28.39%
Błażej Bogdziewicz	2 710 633	2 710 633	542	27.49%
Other shareholders	1 533 272	1 533 272	306	15.54%
Total	9 861 865	9 861 865	1 972	100.00%
As at 31.12.2022				
Piotr Przedwojski	2 816 389	2 816 389	563	28.56%
Leszek Kasperski	2 801 328	2 801 328	560	28.41%
Błażej Bogdziewicz	2 710 633	2 710 633	542	27.49%
Other shareholders	1 533 515	1 533 515	307	15.54%
Total	9 861 865	9 861 865	1 972	100.00%

In the period 2022 - 2023, there were no changes in the ownership of shareholdings representing more than 5% of the share capital.

27.3. Remuneration of members of the Company's Management Board

The total value of remuneration and other benefits for members of the Company's Management Board amounted to:

	Remuneration	Other benefits	Total
Period from 01.01 to 31.12.2023			
Hanna Kijanowska	460	8	468
Błażej Bogdziewicz	462	9	471
Krzysztof Jeske	267	3	270
Leszek Kasperski	212	4	216
Total	1 400	24	1 424
Period from 01.01 to 31.12.2022			
Leszek Kasperski	462	8	470
Błażej Bogdziewicz	462	8	470
Hanna Kijanowska	462	8	470
Total	1 386	24	1 410

Other information on key management personnel, including loans, is presented in note 22.1.

all amounts are stated in thousands of Polish zloty (unless specified otherwise)

27.4. Remuneration of members of the Supervisory Board of the Company

The total value of remuneration and other benefits for members of the Supervisory Board of the Company amounted to:

	Remuneration	Other benefits	Total
Period from 01.01 to 31.12.2023			
Rafał Litwic	24		24
Maciej Czapiewski	36	1	37
Katarzyna Fabiś	36		36
Leszek Kasperski	13		13
Piotr Kaźmierczak	24		24
Rafał Płókarz	24		24
Andrzej Tabor	36	1	37
Total	193	2	195
Period from 01.01 to 31.12.2022			
Rafał Litwic	24	-	24
Maciej Czapiewski	34	-	34
Piotr Kaźmierczak	24	-	24
Maciej Mizuro	24	-	24
Rafał Płókarz	24	-	24
Katarzyna Fabiś	29		29
Andrzej Tabor	29		29
Total	188	-	188

27.5. Remuneration of the audit firm

The auditor auditing the financial statements of the Company is 4AUDYT spółka z ograniczoną odpowiedzialnością. The auditor's remuneration by title amounted to:

	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
Audit of annual financial statements	55	41
Other attestation services, including review of the financial statements	30	29
Tax advisory services	-	-
Other services	6	151
Total	**91**	**220**

* data for 2022 refer to the Company's previous auditor

27.6. Employment

Average employment in the Company by occupational group was as follows:

	from 01.01 to 31.12.2023	**from 01.01 to 31.12.2022**
White-collar workers (FTE)	22.56	22.40
Total	**22.56**	**22.40**

28. Approval for publication

The financial statements prepared for the year ended 31 December 2023 (including comparative figures for the year ended 31 December 2022) were approved for publication by the Management Board of the Company on 27.03.2024.

Signatures of all Members of the Management Board	
Hanna Kijanowska	President of the Management Board
Błażej Bogdziewicz	Vice President of the Management Board
Krzysztof Jeske	Vice President of the Management Board
Signature of the person responsible for the preparation of the financial statements:	
Magdalena Jeske	