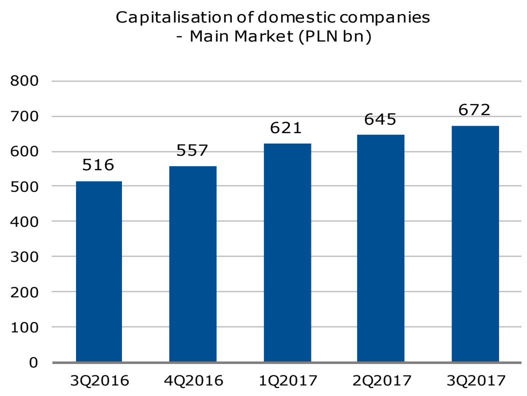
Giełda Papierów Wartościowych w Warszawie S.A. Group
(Warsaw Stock Exchange Group)

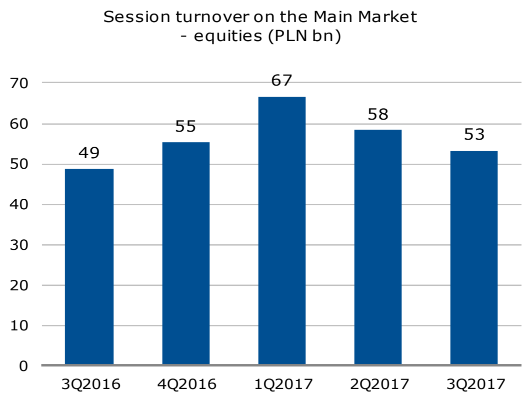
Interim Report Q1-3 2017

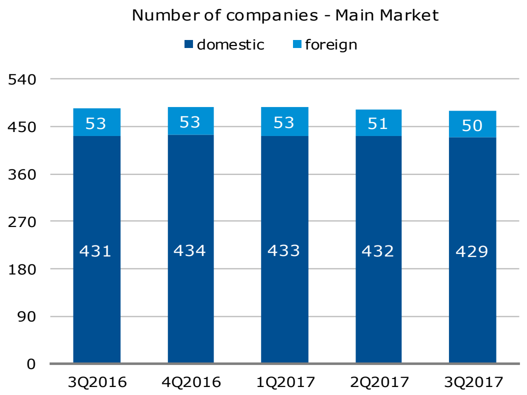
Warsaw, 30 October 2017

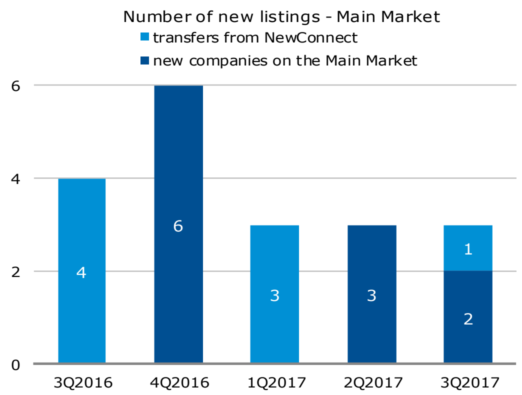
Table of Contents

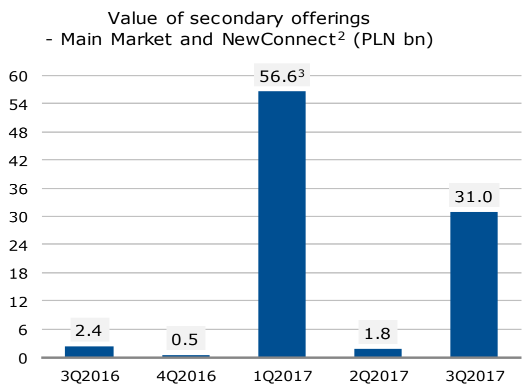
I. Selected market data[1]

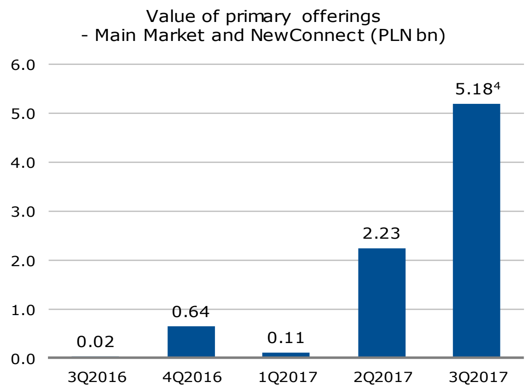




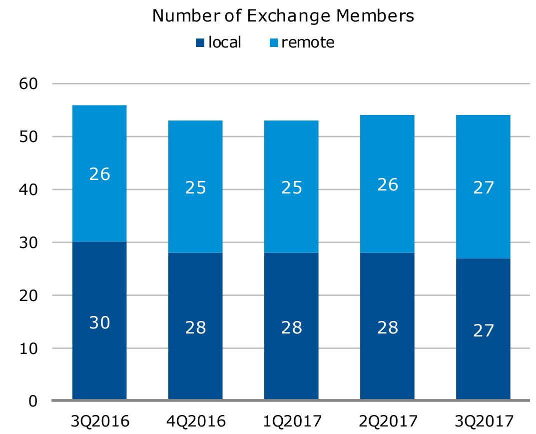


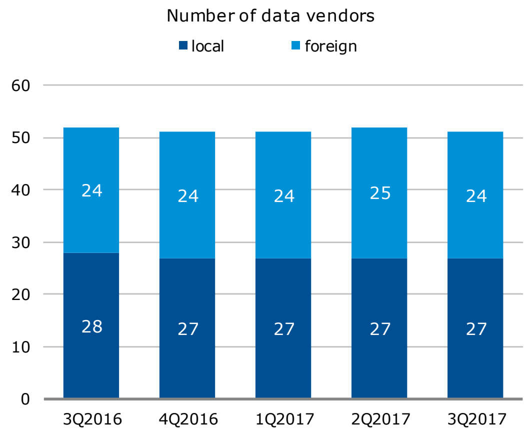


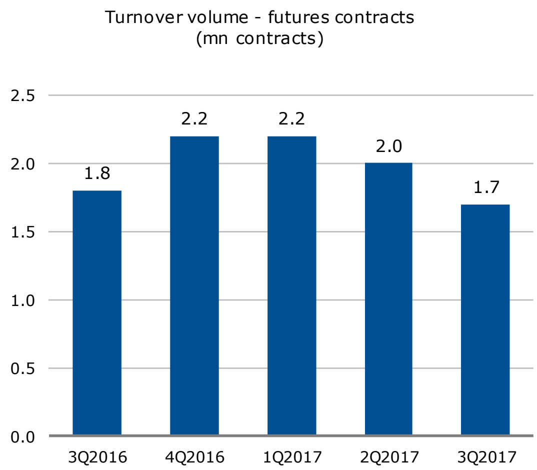


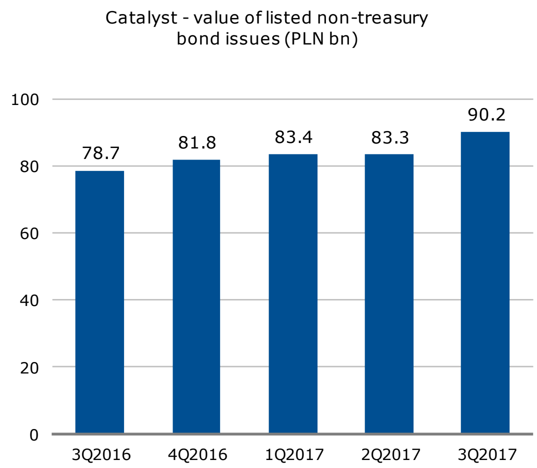


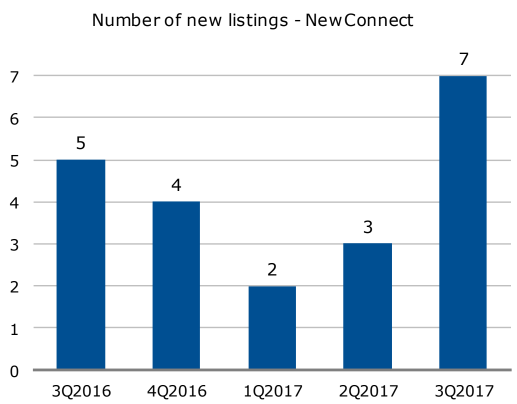
[1] All trading value and volume statistics presented in this Report are single-counted, unless indicated otherwise
[2] Including offerings of dual-listed companies
[3] UniCredit S.p.A. completed a PLN 55.9 billion SPO in Q1 2017.
[4] Play Communications S.A. completed a PLN 4,4 billion IPO in Q3 2017.

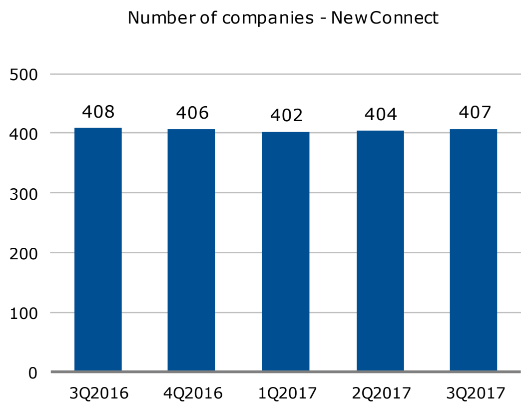

Number of Exchange Members
local
remote
60
50
40
30
20
10
0
26
25
25
26
27
30
28
28
28
27
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

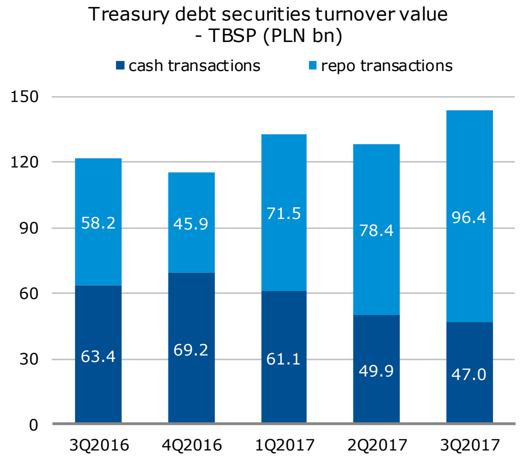

Number of data vendors
local
foreign
60
50
40
30
20
10
0
24
24
24
25
24
28
27
27
27
27
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

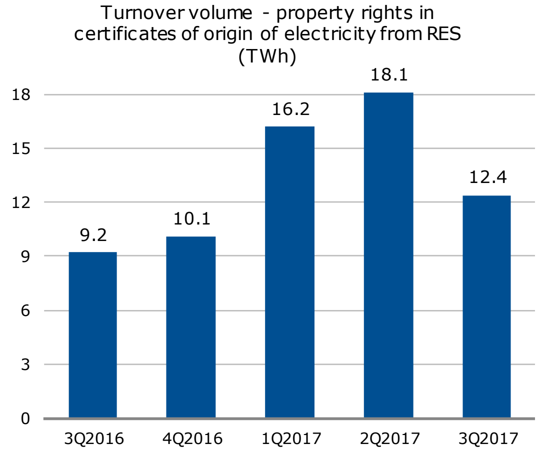

Turnover volume - futures contracts
(mn contracts)
2.5
2.0
1.5
1.0
0.5
0.0
1.8
2.2
2.2
2.0
1.7
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

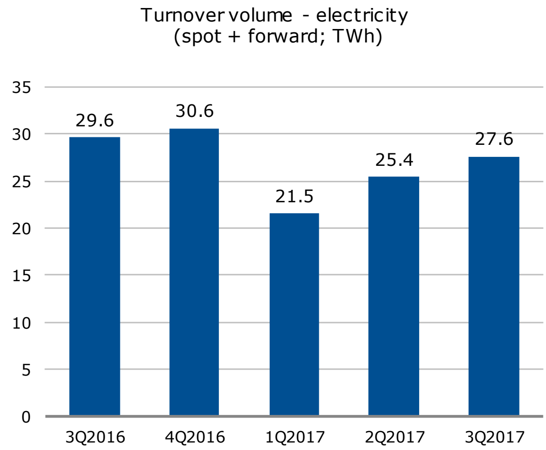

Catalyst - value of listed non-treasury
bond issues (PLN bn)
100
80
60
40
20
0
78.7
81.8
83.4
83.3
90.2
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

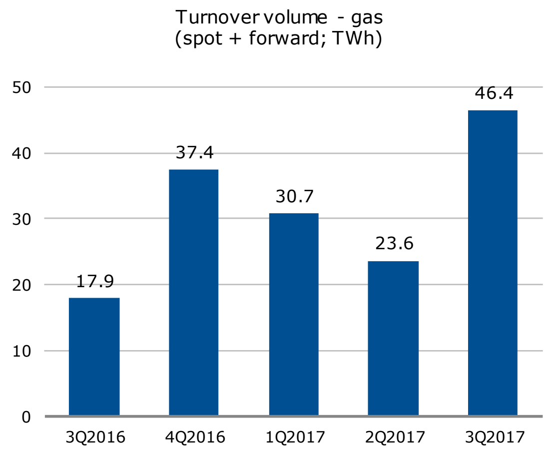

Number of new listings - NewConnect
7
6
5
4
3
2
1
0
5
4
2
3
7
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

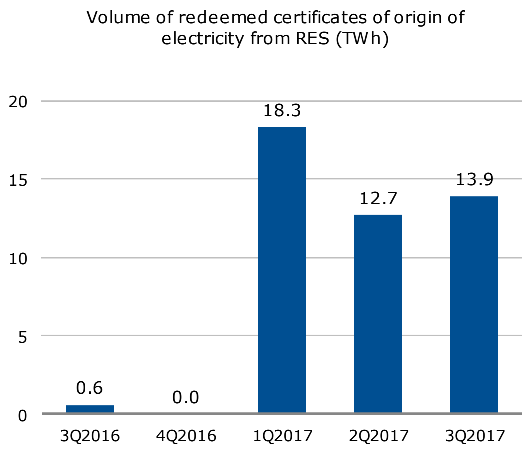

Number of companies - NewConnect
500
400
300
200
100
0
408
406
402
404
407
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

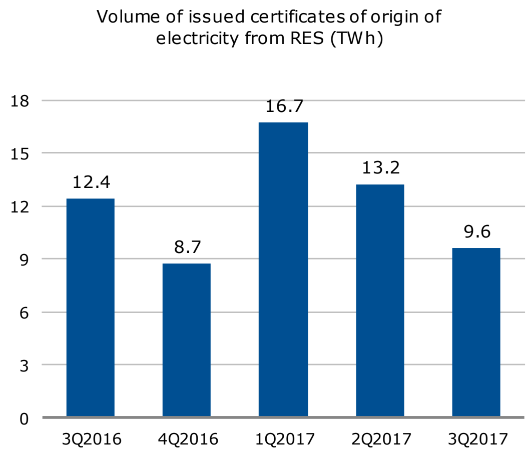

Treasury debt securities turnover value
- TBSP (PLN bn)
cash transactions
repo transactions
150
120
90
60
30
0
58.2
45.9
71.5
78.4
96.4
63.4
69.2
61.1
49.9
47.0
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017


Turnover volume - property rights in
certificates of origin of electricity from RES
(TWh)
18
15
12
9
6
3
0
9.2
10.1
16.2
18.1
12.4
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

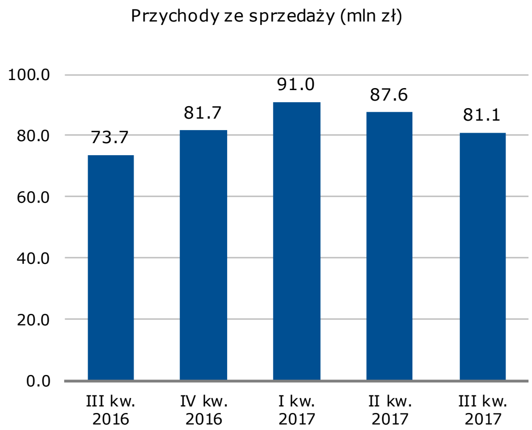

Turnover volume - electricity
(spot + forward; TWh)
35
30
25
20
15
10
5
0
29.6
30.6
21.5
25.4
27.6
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

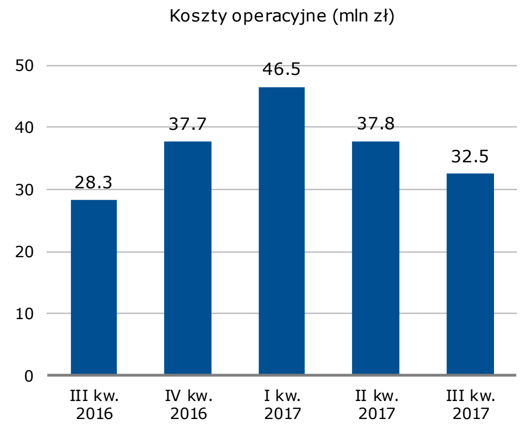

Turnover volume - gas
(spot + forward; TWh)
50
40
30
20
10
0
17.9
37.4
30.7
23.6
46.4
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

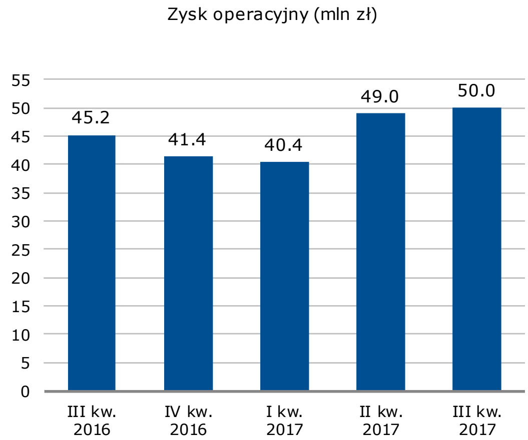

Volume of redeemed certificates of origin of
electricity from RES (TWh)
20
15
10
5
0
0.6
0.0
18.3
12.7
13.9
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

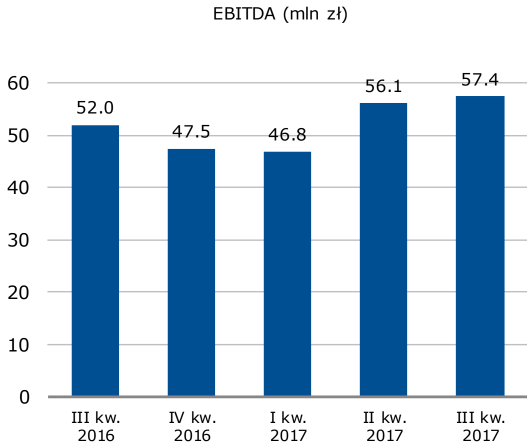

Volume of issued certificates of origin of
electricity from RES (TWh)
18
15
12
9
6
3
0
12.4
8.7
16.7
13.2
9.6
3Q2016
4Q2016
1Q2017
2Q2017
3Q2017

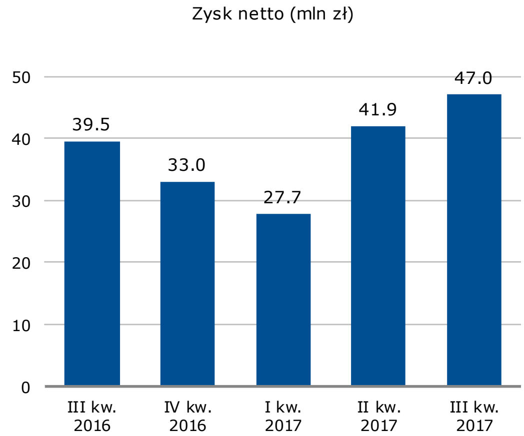
II. Selected financial data











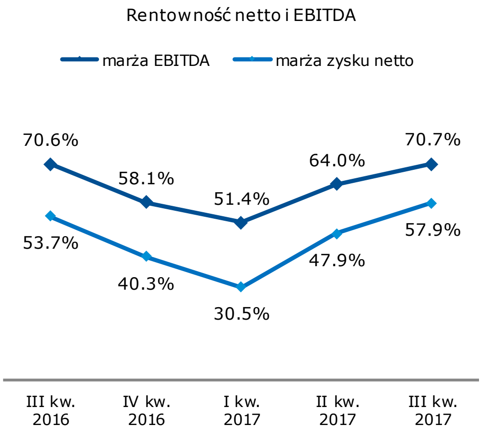


Table 1: Selected data in the consolidated statement of comprehensive income under IFRS, unaudited

	Nine-month period ended 30 September			
	2017	2016	2017	2016
	PLN'000		*EUR'000* [1]	
Sales revenue	**259,788**	**229,150**	**60,896**	**52,584**
Financial market	**156,974**	**133,973**	**36,796**	**30,743**
Trading	106,715	85,832	25,015	19,696
Listing	18,690	17,790	4,381	4,082
Information services	31,569	30,351	7,400	6,965
Commodity market	**101,874**	**93,936**	**23,880**	**21,556**
Trading	49,922	44,363	11,702	10,180
Register of certificates of origin	22,665	21,243	5,313	4,875
Clearing	29,029	28,081	6,805	6,444
Information services	258	249	60	57
Other revenue	**940**	**1,241**	**220**	**285**
Operating expenses	**116,785**	**112,419**	**27,375**	**25,797**
Other income	2,092	757	490	174
Other expenses	5,590	970	1,310	223
Operating profit	**139,505**	**116,518**	**32,701**	**26,738**
Financial income	4,266	10,639	1,000	2,441
Financial expenses	8,709	8,880	2,041	2,038
Share of profit of associates	8,149	2,282	1,910	524
Profit before income tax	**143,211**	**120,559**	**33,570**	**27,665**
Income tax expense	26,520	22,395	6,216	5,139
Profit for the period	**116,691**	**98,164**	**27,353**	**22,526**
Basic / Diluted earnings per share[2] (PLN, EUR)	2.78	2.34	0.65	0.54
EBITDA[3]	**160,264**	**136,226**	**37,567**	**31,260**

[1] Based on the nine-month average of EUR/PLN exchange rate published by the National Bank of Poland (1 EUR = 4,2661 PLN in the first nine months of 2017 and 1 EUR = 4.3578 PLN in the first nine months of 2016).

[2] Based on total net profit

[3] EBITDA = operating profit + depreciation and amortisation

Source: Condensed Consolidated Interim Financial Statements, Company

Note: For some items, the sum of the amounts in the columns or lines of the tables presented in this Report may not be exactly equal to the sum presented for such columns or lines due to rounding off. Some percentages presented in the tables in this Report have also been rounded off and the sums in such tables may not be exactly equal to 100%. Percentage changes between comparable periods were calculated on the basis of the original amounts (not rounded off).

Table 2: Selected data in the consolidated statement of financial position under IFRS, unaudited

	As at			
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	PLN'000		EUR'000 [1]	
Non-current assets	**594,774**	**597,287**	**138,027**	**135,011**
Property, plant and equipment	112,036	119,130	26,000	26,928
Intangible assets	268,916	273,815	62,406	61,893
Investment in associates	205,221	197,231	47,625	44,582
Deferred tax assets	1,796	1,809	417	409
Available-for-sale financial assets	280	288	65	65
Prepayments	6,525	5,014	1,514	1,133
Current assets	**513,493**	**560,561**	**119,165**	**126,709**
Corporate income tax receivable	95	428	22	97
Trade and other receivables	63,768	113,262	14,798	25,602
Cash and cash equivalents	449,576	446,814	104,332	100,998
Other current assets	54	57	13	13
TOTAL ASSETS	**1,108,267**	**1,157,848**	**257,192**	**261,720**
Equity attributable to the shareholders of the parent entity	771,051	744,727	178,935	168,338
Non-controlling interests	561	525	130	119
Non-current liabilities	260,449	143,422	60,442	32,419
Current liabilities	76,206	269,174	17,685	60,844
TOTAL EQUITY AND LIABILITIES	**1,108,267**	**1,157,848**	**257,192**	**261,720**

[1] Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 30.09.2017 (1 EUR = 4,3091 PLN) and 31.12.2016 (1 EUR = 4.4240 PLN).

Source: Condensed Consolidated Interim Financial Statements, Company

III. Information about the GPW Group

1. Information about the Group

1.1. Background information about the Group

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group", "the GPW Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("the Warsaw Stock Exchange", "the Exchange", "GPW", "the Company" or "the parent entity") with its registered office in Warsaw, ul. Książęca 4.

The Warsaw Stock Exchange is a leading financial instruments exchange in Emerging Markets Europe (EME)[5] and Central and Eastern Europe (CEE)[6]. The markets operated by GPW list stocks and bonds of more than a thousand local and international issuers. The Exchange also offers trade in derivatives and structured products, as well as information services. Its 25 years of experience, high safety of trading, operational excellence and a broad range of products make GPW one of the most recognised Polish financial institutions in the world.

The GPW Group conducts activity in the following segments:

- organising trade in financial instruments and conducting activities related to such trade;
- organising an alternative trading system;
- operating the wholesale Treasury bond market Treasury Bondspot Poland;
- operating a commodity exchange;
- operating a register of certificates of origin;
- providing the services of trade operator and entity responsible for balancing;
- operating a clearing house and settlement institution which performs the functions of an exchange clearing house for transactions in exchange commodities;
- organising reference rate WIBID and WIBOR fixings;
- conducting activities in capital market education, promotion and information.

Basic information about the parent entity:

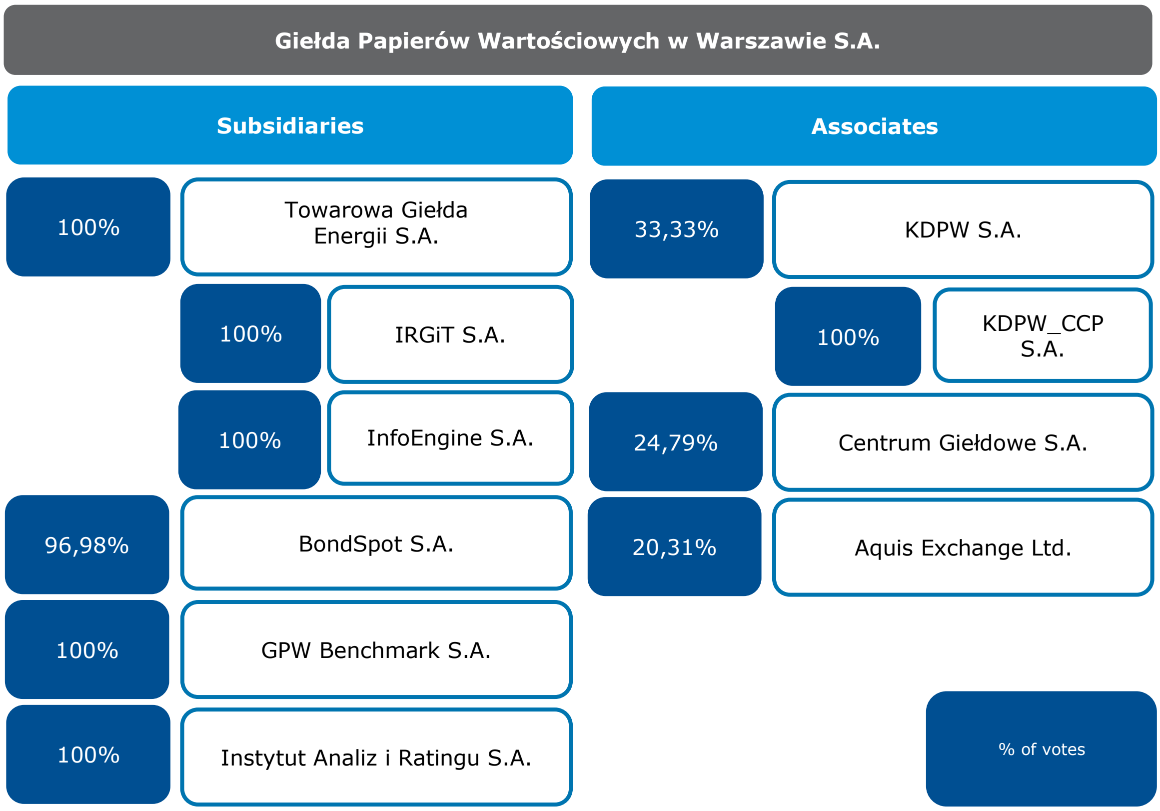
Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warszawa, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537 77 90
Website:	www.gpw.pl
E-mail:	gpw@gpw.pl
KRS (registry number):	0000082312
REGON (statistical number):	012021984
NIP (tax identification number):	526-02-50-972

[5] EME – Emerging Markets Europe: Czech Republic, Greece, Hungary, Poland, Russia, Turkey.
[6] CEE – Central and Eastern Europe: Czech Republic, Hungary, Poland, Austria, Bulgaria, Romania, Slovakia, Slovenia.

1.2. Organisation of the Group and the effect of changes in its structure

As at 30 September 2017, the parent entity and four consolidated subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. GPW held shares in three associates.

Figure 1 GPW Group and associates



Source: Company

The subsidiaries are consolidated using full consolidation as of the date of taking control while the associates are consolidated using equity accounting.

GPW holds 19.98% of InfoStrefa S.A. (formerly Instytut Rynku Kapitałowego WSE Research S.A.), 10% of the Ukrainian stock exchange INNEX PJSC and 1.3% of the Romanian stock exchange S.C. SIBEX – Sibiu Stock Exchange S.A. GPW has a permanent representative in London.

The Group does not hold any branches or establishments.

1.3. Ownership

As at the date of publication of this Report, the share capital of the Warsaw Stock Exchange was divided into 41,972,000 shares including 14,779,470 Series A preferred registered shares (one share gives two votes) and 27,192,530 Series B ordinary bearer shares.

As at the date of publication of this Report, according to the Company's best knowledge, the State Treasury holds 14,688,470 Series A preferred registered shares, which represent 35.00% of total shares and give 29,376,940 votes, which represents 51.76% of the total votes. The total number of votes from Series A and B shares is 56,751,470.

According to the Company's best knowledge, as at the date of publication of this Report, no shareholders other than the State Treasury held directly or indirectly at least 5% of the total vote in the parent entity. The ownership structure of material blocks of shares (i.e., more than 5%) did not change since the publication of the previous periodic report.

The table below presents GPW shares and allotment certificates held by the Company's and the Group's supervising and managing persons.

Table 3: GPW shares, allotment certificates and bonds held by the Company's and the Group's managing and supervising persons as at the date of publication of this Report

	Number of shares held	Number of allotment certificates held	Number of bonds held
Exchange Management Board			
Marek Dietl	-	-	-
Michał Cieciórski	-	-	-
Jacek Fotek	-	-	-
Dariusz Kułakowski	25	-	-
Exchange Supervisory Board			
Wojciech Nagel	-	-	-
Jakub Modrzejewski	-	-	-
Krzysztof Kaczmarczyk	-	-	-
Bogusław Bartczak	-	-	-
Filip Paszke	-	-	-
Piotr Prażmo	-	-	-
Eugeniusz Szumiejko	-	-	-

Source: Company

As at 30 September 2017, there were 25 shares held by the Company's and the Group's managing and supervising persons, all of which were held by GPW Management Board Member Dariusz Kułakowski.

2. Main risks and threats related to the remaining months of 2017

The operation of the Warsaw Stock Exchange and the GPW Group companies is exposed to external risks related to the market conditions, the legal and regulatory environment, as well as internal risks related to operating activities.

The risk factors presented below may impact the operation of GPW in the remaining months of 2017, however the order in which they are presented does not reflect their relative importance for the Group.

Risk factors related to the sector of the Group's business activity

The Group faces competition from other exchanges and alternative trading platforms; their entry to the Polish market may adversely impact the activity of the Group and its subsidiaries, their financial position and results of operations

The global exchange industry is strongly competitive. In the European Union, competition in the trade and post-trade sectors is amplified by legal amendments designed to harmonise legislation of the EU member states and integrate their financial markets. The GPW Group may face competition of multilateral trading facilities (MTF) and other venues of exchange and OTC trade. Their activity on the Polish market could take away part of the trading volumes handled by the platforms operated by the Group and exert additional pressures on the level of transaction fees.

Risk factors related to geopolitics and the global economic conditions

Adverse developments affecting the global economy may negatively affect the Group's business, financial condition and results of operations

The Group's business depends on conditions on the global financial markets. Economic trends in the global economy, especially in Europe and the USA, as well as the geopolitical situation in neighbouring countries impact investors' perception of risks and their activity on financial and commodity markets. As global investors evaluate geographic regions from the perspective of potential investment, their perception of Poland and GPW may decline in spite of a relatively stronger macroeconomic situation compared to other countries of the region. Less active trading by international investors on the markets operated by the GPW Group could make the markets less attractive to other market participants.

Risk factors relating to laws and regulations

Risk associated with amendments and interpretations of tax regulations

The Polish tax system is not stable. Tax regulations are frequently amended, often to the disadvantage of taxpayers. The interpretations of regulations also change frequently. Such changes may impose higher tax rates, introduce new specific legal instruments, extend the scope of taxation, and even impose new levies. Tax changes may result from the mandatory implementation of new solutions under EU law following the adoption of new or amended tax regulations. Frequent amendments of corporate tax regulations and different interpretations of tax regulations issued by different tax authorities may have an adverse impact on the GPW Group and affect its business and financial position.

The GPW Group operates in a highly regulated industry and regulatory changes may have an adverse effect on the Group's business, financial position and results of operations

The GPW Group companies operate primarily in Poland but they must comply with both national law and EU legislation. The legal system and regulatory environment can be subject to significant unanticipated changes and Polish laws and regulations may be subject to conflicting official interpretations. The capital market and the commodity market are widely subject to government regulation and may be subject to increasingly strict supervision. Regulatory change may affect GPW and its subsidiaries as well as existing and prospective customers of the GPW Group's services.

The European exchange industry including the Company will be largely impacted by MiFID II and its implementing regulations

MiFID II will take effect in January 2018 following transposition to national law and enactment of implementing regulations. MiFID II modifies the detailed requirements for the provision of investment services, the organisational requirements for investment firms and trading systems, providers of market data services, and access rights of supervision authorities.

There can be no guarantee that the cost to the Company in the implementation and application of MiFID II will have no material adverse impact on the activity of the Group, its financial position and results.

Amendment of regulations reducing the activity of open-ended pension funds or replacing them with other collective investment undertakings which are less active as investors, and reducing or eliminating cash flows from and to open-ended pension funds, could reduce or eliminate their investment activity on GPW

Open-ended pension funds are an important group of participants in the markets operated by the Group. As at the end of September 2017, open-ended pension funds held shares representing 21.1% of the capitalisation of domestic companies and 42.6% of shares traded on the Main Market (among shareholders holding less than 5% of the shares of a public company or classified as financial investors). In H1 2017, open-ended pension funds generated ca. 4.2% of trade in shares on the GPW Main Market. They could also augment the risk of a large surplus of shares listed on GPW and curb the interest of other investors in such shares.

As a consequence, this could cause a significant decrease of trade in financial instruments including shares on GPW, a reduction of the number and value of issues of shares and bonds admitted and introduced to trading on GPW, and consequently a reduction of the Group's revenue and profit.

In July 2016, the Government published a proposal of a further reform of the pension system involving the nationalisation of a part of savings in open-ended pension funds and a transfer of 25% of liquid assets (cash, foreign stocks, bonds) to a Demographic Reserve Fund. The remaining 75% of the assets (Polish stocks) would remain in open-ended pension funds, which would eventually be transformed into investment funds. The final reform framework is still under development but the changes are expected to take effect in early July 2018.

Amendments of Polish energy laws concerning the obligation of selling electricity and natural gas on the public market could have an adverse impact on the business of the Polish Power Exchange, its financial position and results of operations

The Energy Law requires energy companies which generate electricity to sell at least 15% of electricity produced within a year among others on commodity exchanges. Energy companies trading in gas fuels are required to sell at least 55% of high-methane natural gas introduced to the transmission grid within the year on an exchange. Amendments to or cancellation of these requirements could reduce the activity of certain participants of the Polish Power Exchange, restrict the liquidity of trade in electricity and natural gas and the attractiveness of the commodity market for other participants.

Furthermore, the Energy Law requires energy companies which generate electricity and are entitled to compensation (to cover stranded costs) for early termination of long-term power and electricity contracts[7] to sell the remaining amount of generated electricity (not covered by the 15 percent obligation) in a way that ensures equal public access to energy in an open tender on a market organised by the operator of a regulated market in Poland or on commodity exchanges. The number of entities subject to the obligation decreases with time, which could reduce their activity on the Polish Power Exchange, the liquidity of trade in electricity, and the attractiveness of the commodity market for other participants.

The Renewable Energy Sources Act, effective as of May 2015, could have an adverse impact on the business of the Polish Power Exchange, its financial position and results of operations

The Renewable Energy Sources Act of 20 February 2015 implements a new support scheme for the production of energy from renewable energy sources (RES) based on auctions, effective as of 2016. The existing system of green certificates of origin will expire on or before 31 December 2035. The support scheme may be phased out even earlier as certificates of origin are available within 15 years after the first day of power generation in an installation (confirmed with an issued certificate of origin). For RES installations which were the first to produce energy eligible for green certificates of origin (in 2005), the period of 15 years under the Act will expire in 2020, after which the existing support scheme will be gradually phased out over the years. Furthermore, the Act allows market players eligible for support under certificates of origin to move to the auction system earlier than after 15 years. Consequently, some of them may move to the auction system early (before 2020), which could affect the results of the TGE Group.

Furthermore, the Renewable Energy Sources Act limits the group of entities eligible for support under green certificates (by excluding large hydropower installations over 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants.

These modifications and other provisions of the Renewable Energy Sources Act of 20 February 2015 and its implementing regulations could affect the activity of participants of the Property Rights Market and the Register of Certificates of Origin operated by the Polish Power Exchange and thus affect the results of the TGE Group.

Risk factors related to the business activity of the Group

The Company cannot control regulatory fees which represent a significant share of the Group's expenses

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and changed the amount of contributions of entities. As a result, the cost of fees paid by the GPW Group was reduced significantly (from PLN 22.0 million in 2015 to PLN 9.1 million in 2016 and PLN 5.6 million in 2017). However, there is a risk of gradual increase of the cost in the coming years.

According to the interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the total amount of the annual fee due to PFSA is charged to the accounts of the GPW Group of the first quarter of each year..

However, the amount of the liability is not yet known at the time when it is recognised and charged because the Chairperson of the Polish Financial Supervision Authority publishes the rates and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

---

[7] Pursuant to the Act of 29 June 2007 on the terms of coverage of the cost of producers incurred due to early termination of long-term power and electricity contracts.

Consequently, the final amount of the fees due to the Polish Financial Supervision Authority may differ from the amount estimated by the GPW Group companies at the time of recognition.

The changes to the model of financing supervision on the Polish capital market resulted in a reduction of exchange fees as of the beginning of 2016 in order to offset the cost of supervision paid by other market participants as of 2016. The market could exert more pressures to reduce the exchange fees even further, which could reduce the revenue of the Group and have an adverse impact on the financial position of the Group and its financial results.

Risk of the take-over of the functions of fixing organiser

The Group acting through its subsidiary GPW Benchmark expanded its services as of 30 June 2017 following the take-over of the function of organiser of WIBID and WIBOR reference rate fixings from the Financial Markets Association ACI Polska and the functions of the calculation agent previously performed by Thomson Reuters. The Group will apply for authorisation as an administrator within the meaning of Regulation 2016/2011. In the opinion of the Company, the foregoing will not require material costs, and all the costs related to the take-over of the function of organiser and harmonisation with the requirements of Regulation 2016/2011 will be financed with the Group's own funds and contributions of participating banks paid under applicable agreements. There is a potential risk that the supervisory authority may refuse to issue the authorisation as an administrator.

Potential disputes or reservations concerning the performance of the functions of fixing organiser by a Group company could have an adverse impact on its perception by market participants and on its reputation, and entail third-party liability of the Group. Once the status of administrator is granted in connection with the application of Regulation 2016/2011 as of the beginning of 2018, any breach of the administrator's obligations could lead to civil, administrative or criminal liability.

IV. FINANCIAL POSITION AND ASSETS

1. Summary of results

The **GPW Group** generated EBITDA[8] of PLN 160.3 million in Q1-3 2017, an increase of PLN 24.0 million compared to PLN 136.2 million in Q1-3 2016.

The **GPW Group** generated an operating profit of PLN 139.5 million compared to PLN 116.5 million in Q1-3 2016. The increase of the operating profit by PLN 23.0 million year on year was mainly a result of higher revenue from the financial market (an increase of PLN 23.0 million) and higher revenue from the commodity market (an increase of PLN 7.9 million) as well as higher operating expenses (an increase of PLN 4.4 million). It should be noted that the increase of the revenue from the financial market was mainly driven by an increase of revenue from trading in equities and equity-related instruments.

The net profit of the **Group** stood at PLN 116.7 million in Q1-3 2017, an increase of 18.9% (PLN 98.2 million) compared to the net profit of the Group at PLN 18.5 million in Q1-3 2016.

GPW's EBITDA stood at PLN 87.1 million in Q1-3 2017, an increase of PLN 18.3 million compared to PLN 68.8 million in Q1-3 2016.

GPW generated a separate operating profit of PLN 72.5 million in Q1-3 2017 compared to PLN 53.7 million in Q1-3 2016. The increase of the net profit year on year in Q1-3 2017 was driven mainly by an increase of the revenue, which grew by PLN 24.3 million, i.e., 19.0% year on year.

GPW's net profit was PLN 56.4 million in Q1-3 2017 compared to PLN 102.9 million in Q1-3 2016. The decrease of the net profit by PLN 46.5 million year on year in Q1-3 2017 was mainly due to the non-payment of dividend by the subsidiary TGE in 2017. The non-payment of dividend was due to the obligation of TGE to pay the corrected VAT on its services. In 2016, TGE paid a dividend of PLN 59.5 million to its parent entity.

TGE's EBITDA stood at PLN 48.5 million in Q1-3 2017 compared to PLN 44.0 million in Q1-3 2016. Its operating profit was PLN 44.4 million in Q1-3 2017 compared to PLN 40.7 million in Q1-3 2016. The increase of the operating profit by PLN 3.8 million was driven mainly by an increase of revenue by PLN 6.1 million while operating expenses increased by PLN 3.3 million. The net profit stood at PLN 54.8 million in Q1-3 2017 compared to PLN 44.8 million in Q1-3 2016. The increase of the net profit in Q1-3 2017 at a rate much higher than the increase of operating profit was driven by higher financial income at PLN 20.7 million owing to a higher dividend paid by the subsidiary IRGiT.

IRGiT's EBITDA stood at PLN 22.2 million in Q1-3 2017 compared to PLN 22.6 million in Q1-3 2016. Its operating profit was PLN 20.8 million in Q1-3 2017 compared to PLN 22.2 million in Q1-3 2016. The decrease of the operating profit in Q1-3 2017 was driven by a lower growth rate of revenue (an increase of 3.1%., i.e., PLN 1.0 million) compared to the growth rate of operating expenses (an increase of 25.1%, i.e., PLN 2.1 million). The increase of the expenses was largely due to an increase of depreciation and amortisation charges following the implementation of the new clearing system in mid-2016. The net profit stood at PLN 17.2 million in Q1-3 2017 compared to PLN 18.7 million in Q1-3 2016.

BondSpot's EBITDA stood at PLN 3.3 million in Q1-3 2017 compared to PLN 1.5 million in Q1-3 2016. Its operating profit was PLN 2.8 million in Q1-3 2017 compared to PLN 0.8 million in Q1-3 2016. Its net profit stood at PLN 2.4 million in Q1-3 2017 compared to PLN 0.8 million in Q1-3 2016.

Detailed information on changes in revenues and expenses is presented in the sections below.

[8] Operating profit before depreciation and amortisation.

Table 4: Consolidated statement of comprehensive income of GPW Group by quarter in 2016 and 2017 and year to date in Q1-3 2016 and Q1-3 2017

	2017			2016				2017	2016
PLN'000	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q1-Q3	Q1-Q3
Sales revenue	**81,119**	**87,635**	**91,034**	**81,712**	**73,658**	**74,461**	**81,031**	**259,788**	**229,150**
Financial market	**48,851**	**52,500**	**55,623**	**49,725**	**46,673**	**42,891**	**44,409**	**156,974**	**133,973**
Trading	31,903	35,966	38,846	33,247	30,941	26,561	28,330	106,715	85,832
Listing	6,278	6,065	6,347	6,140	5,790	6,129	5,871	18,690	17,790
Information services	10,670	10,469	10,430	10,338	9,942	10,201	10,208	31,569	30,351
Commodity market	**31,989**	**34,770**	**35,115**	**31,318**	**26,732**	**31,003**	**36,201**	**101,874**	**93,936**
Trading	16,699	17,643	15,580	16,494	13,607	14,119	16,637	49,922	44,363
Register of certificates of origin	5,768	7,783	9,114	3,664	5,492	7,797	7,954	22,665	21,243
Clearing	9,435	9,258	10,336	11,082	7,543	9,007	11,531	29,029	28,081
Information services *	87	86	85	78	90	80	79	258	249
Other revenue	**279**	**365**	**296**	**669**	**253**	**567**	**421**	**940**	**1,241**
Operating expenses	**32,505**	**37,765**	**46,515**	**37,736**	**28,271**	**38,026**	**46,122**	**116,785**	**112,419**
Depreciation and amortisation	7,342	7,024	6,393	6,085	6,797	6,541	6,370	20,759	19,708
Salaries	12,239	11,897	12,506	11,835	9,060	15,128	13,837	36,642	38,025
Other employee costs	2,867	3,002	3,142	2,770	2,574	2,764	3,192	9,011	8,530
Rent and maintenance fees	2,187	2,613	2,607	2,549	2,425	2,250	2,220	7,407	6,895
Fees and charges	(5,524)	229	11,615	(11)	(2,123)	501	11,642	6,320	10,020
incl. PFSA fees	*(5,781)*	-	*11,357*	*45*	*(2,140)*	*3*	*11,213*	*5,576*	*9,076*
External service charges	12,183	11,650	9,014	13,178	8,395	9,456	7,558	32,847	25,409
Other operating expenses	1,209	1,350	1,238	1,329	1,143	1,386	1,303	3,797	3,832
Other income	1,731	31	330	979	205	204	348	2,092	757
Other expenses	308	868	4,414	3,583	360	46	564	5,590	970
Operating profit	**50,037**	**49,033**	**40,435**	**41,372**	**45,232**	**36,593**	**34,693**	**139,505**	**116,518**
Financial income	1,334	1,538	1,394	2,311	3,430	5,246	1,963	4,266	10,639
Financial expenses	(1,339)	2,497	7,551	3,199	2,971	2,928	2,981	8,709	8,880
Share of profit of associates	3,609	3,045	1,495	1,236	2,296	1,354	(1,368)	8,149	2,282
Profit before income tax	**56,319**	**51,119**	**35,773**	**41,720**	**47,987**	**40,265**	**32,307**	**143,211**	**120,559**
Income tax expense	9,320	9,173	8,027	8,750	8,457	7,147	6,791	26,520	22,395
Profit for the period	**46,999**	**41,946**	**27,746**	**32,970**	**39,530**	**33,118**	**25,516**	**116,691**	**98,164**

* a new segment was extracted on the commodity market, therefor the Information services data on the financial market were adjusted in previous quarters

Source: Condensed Consolidated Interim Financial Statements, Company

Table 5: Consolidated statement of financial position of GPW Group by quarter in 2016 and 2017

	2017			2016			
PLN'000	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Non-current assets	**594,774**	**597,220**	**597,334**	**597,287**	**584,694**	**579,574**	**577,028**
Property, plant and equipment	112,036	113,777	116,716	119,130	119,554	121,539	122,252
Intangible assets	268,916	271,380	272,490	273,815	262,401	258,057	259,870
Investment in associates	205,221	201,590	198,577	197,231	196,025	191,412	187,221
Deferred tax assets	1,796	3,349	3,261	1,809	1,749	3,041	2,947
Available-for-sale financial assets	280	278	278	288	288	290	285
Non-current prepayments	6,525	6,846	6,012	5,014	4,677	5,235	4,453
Current assets	**513,493**	**615,476**	**592,548**	**560,561**	**524,879**	**602,030**	**583,701**
Inventories	54	53	60	57	67	73	71
Corporate income tax receivable	95	71	559	428	300	234	490
Trade and other receivables	63,768	89,069	165,243	113,262	100,579	99,965	99,202
Cash and cash equivalents	449,576	526,283	426,686	446,814	423,933	501,758	483,935
Total assets	**1,108,267**	**1,212,696**	**1,189,882**	**1,157,848**	**1,109,573**	**1,181,604**	**1,160,729**
Equity	**771,612**	**724,591**	**772,849**	**745,252**	**712,325**	**672,818**	**738,734**
Share capital	63,865	63,865	63,865	63,865	63,865	63,865	63,865
Other reserves	1,128	1,106	1,035	1,184	1,537	1,560	1,481
Retained earnings	706,058	659,085	707,399	679,678	646,411	606,896	672,835
Non-controlling interests	561	535	550	525	512	497	553
Non-current liabilities	**260,449**	**258,780**	**258,516**	**143,422**	**137,504**	**137,632**	**134,571**
Liabilities under bond issue	243,475	243,378	243,281	123,459	123,733	123,669	123,606
Employee benefits payable	1,468	1,838	2,274	1,832	2,254	4,686	4,400
Finance lease liabilities	-	-	17	32	48	58	72
Accruals and deferred income	5,996	6,064	6,132	6,200	-	-	-
Deferred income tax liability	7,286	5,276	4,588	9,675	9,245	6,995	6,493
Other liabilities	2,224	2,224	2,224	2,224	2,224	2,224	-
Current liabilities	**76,206**	**229,325**	**158,517**	**269,174**	**259,744**	**371,154**	**287,424**
Liabilities under bond issue	2,100	1,896	2,069	122,882	123,002	121,047	122,881
Trade payables	6,169	3,496	6,199	6,387	2,841	6,288	6,182
Employee benefits payable	10,515	8,060	5,812	8,114	8,872	10,379	7,246
Finance lease liabilities	48	64	62	62	61	55	55
Corporate income tax payable	4,587	7,597	13,188	16,154	11,911	10,920	9,058
Credits and loans	20,021	59,958	59,798	-	-	-	-
Accruals and deferred income	15,641	37,194	41,722	7,144	11,630	31,021	38,966
Provisions for other liabilities and charges	191	318	317	333	179	649	649
Other current liabilities	16,934	110,742	29,350	108,098	101,248	190,795	102,387
Total equity and liabilities	**1,108,267**	**1,212,696**	**1,189,882**	**1,157,848**	**1,109,573**	**1,181,604**	**1,160,729**

Source: Condensed Consolidated Interim Financial Statements, Company

2. Presentation of the financials

REVENUE

The Group has three revenue-generating segments:

- financial market,
- commodity market,
- other revenues.

Revenues from the financial market include revenues from:

- trading,
- listing,
- information services.

Trading revenue includes fees paid by market participants in respect of:

- transactions on markets of equities and equity-related instruments,
- transactions in derivative financial instruments,
- transactions in debt instruments,
- transactions in other cash market instruments,
- other fees paid by market participants.

Revenues from transactions in equities and equity-related securities are the Group's main source of trading revenues and its main source of sales revenues in general.

Revenues from transactions in derivative financial instruments are the second biggest source of trading revenues on the financial market after revenues from transactions in equities. Transactions in WIG20 index futures account for the majority of revenues from transactions in derivatives.

Revenues from other fees paid by market participants include mainly fees for services providing access to the trading system.

Revenues from transactions in debt instruments were the third largest source of trading revenues on the financial market in Q1-3 2017. Revenues from transactions in debt instruments are generated by the Catalyst market as well as the Treasury BondSpot Poland market operated by BondSpot S.A., a subsidiary of GPW.

Revenues from transactions in other cash market instruments include fees for trading in structured products, investment certificates, warrants and ETF (Exchange Traded Fund) units.

Listing revenues include two elements:

- one-off fees paid for introduction of shares and other instruments to trading on the exchange,
- periodic listing fees.

Revenues from information services mainly include fees paid by data vendors for real-time market data as well as historical and statistical data. Real-time data fees include fixed annual fees and monthly fees based on the data vendor's number of subscribers and the scope of data feeds used by a subscriber.

Revenues of the Group in the commodity market segment include revenues of TGE and IRGiT as well as revenues of InfoEngine from its activity as a trade operator, the entity responsible for balancing, and the operation of the OTC commodity platform.

Revenue on the commodity market includes the following:

- trading,
- operation of the Register of Certificates of Origin,
- clearing,
- information services.

Trading revenue on the commodity market includes:

- revenue from trading in electricity (spot and forward),
- revenue from trading in natural gas (spot and forward),
- revenue from trading in property rights,
- other fees paid by market participants (members).

Other fees paid by market participants include TGE fees as well as revenues of InfoEngine as a trade operator, the entity responsible for balancing, and the operation of the OTC commodity platform.

Revenues of the sub-segment "clearing" include revenues of the company IRGiT, which clears and settles exchange transactions concluded on TGE, manages the resources of the clearing guarantee system and determines the amount of credits and debits of IRGiT members resulting from their transactions.

The Group's other revenues include revenues of GPW and the TGE Group, among others, from office space lease and promotion activities.

The **Group**'s sales revenues amounted to PLN 259.8 million in Q1-3 2017, an increase of 13.4% (PLN 30.6 million) compared to PLN 229.2 million in Q1-3 2016.

The increase in sales revenues year on year in Q1-3 2017 was driven by an increase in revenues from the **financial market** segment by PLN 23.0 million or 17.2%, mainly from transactions in equities and equity-related instruments. Listing revenue also increased by PLN 0.9 million or 5.1%, while the revenue from information services increased by PLN 1.2 million or 4.0%. The revenues from the **commodity market** also increased by PLN 7.9 million or 8.5% year on year. The increase of the revenue from the commodity market was mainly driven by an increase of the revenue from trade in property rights by PLN 4.2 million or 17.4% year on year in Q1-3 2017, an increase of revenue from trade in gas by PLN 1.6 million or 26.5%, an increase of the revenue from other fees paid by market participants by PLN 1.5 million or 22.3%, as well as an increase of the revenue from the operation of the register of certificates of origin by PLN 1.4 million or 6.7%. The revenue from clearing also increased by PLN 0.9 million. The revenues from trade in electricity decreased year on year in Q1-3 2017.

The revenue of **TGE** stood at PLN 70.3 million in Q1-3 2017 compared to PLN 64.2 million in Q1-3 2016, representing an increase of PLN 6.1 million or 9.5% year on year in Q1-3 2017. The revenue of **IRGiT** was PLN 31.4 million in Q1-3 2017, an increase of PLN 1.0 million or 3.1% year on year. The revenue of **BondSpot** increased and stood at PLN 9.9 million in Q1-3 2017 compared to PLN 8.2 million in Q1-3 2016.

The revenue of the GPW Group by segment is presented below.

Table 6: Consolidated revenues of GPW Group and revenue structure in the nine-month periods ended 30 September 2017 and 30 September 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	%	30 September 2016	%		
Financial market	**156,974**	**60%**	**133,973**	**58%**	**23,001**	**17.2%**
Trading revenue	106,715	41%	85,832	37%	20,883	24.3%
Equities and equity-related instruments	82,376	32%	63,945	28%	18,431	28.8%
Derivative instruments	9,216	4%	9,007	4%	209	2.3%
Other fees paid by market participants	5,649	2%	5,073	2%	576	11.4%
Debt instruments	9,157	4%	7,512	3%	1,645	21.9%
Other cash instruments	317	0%	295	0%	22	7.5%
Listing revenue	18,690	7%	17,790	8%	900	5.1%
Listing fees	15,030	6%	14,994	7%	36	0.2%
Introduction fees, other fees	3,659	1%	2,796	1%	863	30.9%
Information services	31,569	12%	30,351	13%	1,218	4.0%
Real-time information	29,303	11%	28,378	12%	925	3.3%
Indices and historical and statistical information	2,267	1%	1,973	1%	294	14.9%
Commodity market	**101,874**	**39%**	**93,936**	**41%**	**7,938**	**8.5%**
Trading revenue	49,922	19%	44,363	19%	5,559	12.5%
Electricity	5,951	2%	7,656	3%	(1,705)	-22.3%
Spot	1,962	1%	2,154	1%	(192)	-8.9%
Forward	3,989	2%	5,502	2%	(1,513)	-27.5%
Gas	7,822	3%	6,183	3%	1,639	26.5%
Spot	1,821	1%	1,638	1%	183	11.2%
Forward	6,001	2%	4,545	2%	1,456	32.0%
Property rights in certificates of origin	28,184	11%	24,012	10%	4,172	17.4%
Other fees paid by market participants	7,965	3%	6,512	3%	1,453	22.3%
Register of certificates of origin	22,665	9%	21,243	9%	1,422	6.7%
Clearing	29,029	11%	28,081	12%	948	3.4%
Information services	258	0%	249	0%	9	3.5%
Other revenue *	**940**	**0%**	**1,241**	**1%**	**(301)**	**-24.3%**
Total	**259,788**	**100%**	**229,150**	**100%**	**30,637**	**13.4%**

** Other revenues include the financial market and the commodity market.*

Source: Condensed Consolidated Interim Financial Statements, Company

The Group earns revenue both from domestic and foreign clients. The table below presents revenue by geographic segment.

Table 7: Consolidated revenues of the Group by geographical segment in the nine-month periods ended 30 September 2017 and 30 September 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	%	30 September 2016	%		
Revenue from foreign customers	92,182	35%	51,750	23%	40,432	78.1%
Revenue from local customers	167,606	65%	177,400	77%	(9,795)	-5.5%
Total	**259,788**	**100%**	**229,150**	**100%**	**30,637**	**13.4%**

Source: Condensed Consolidated Interim Financial Statements, Company

FINANCIAL MARKET

TRADING

The revenues of the Group from trading on the financial market stood at PLN 106.7 million in Q1-3 2017 compared to PLN 85.8 million in Q1-3 2016.

Equities and equity-related instruments

Revenues from trading in **equities and equity-related instruments** amounted to PLN 82.4 million in Q1-3 2017 and increased at the highest rate of 28.8% year on year compared to PLN 63.9 million in Q1-3 2016.

The increase of the revenues from trading in equities was driven by an increase of the value of trade on the Main Market. The value of trade increased by 38.7% year on year (including an increase of trade on the electronic order book by 32.9% and an increase of the value of block trades by 115.8%).

Table 8: Data for the markets in equities and equity-related instruments

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Financial market, trading revenue: equities and equity-related instruments *(PLN million)*	**82.4**	**63.9**	**18.4**	**28.8%**
Main Market:				
Value of trading (PLN billion)	199.9	144.2	55.7	38.7%
Volume of trading (billions of shares)	12.0	10.6	1.4	12.8%
NewConnect:				
Value of trading (PLN billion)	1.2	1.0	0.2	19.0%
Volume of trading (billions of shares)	2.1	2.7	(0.6)	-22.0%

Source: Condensed Consolidated Interim Financial Statements, Company

Derivatives

Revenues of the Group from transactions in **derivatives** on the financial market amounted to PLN 9.2 million in Q1-3 2017 compared to PLN 9.0 million in Q1-3 2016, representing an increase of PLN 0.2 million or 2.3%.

The total volume of trade in derivatives increased by 1.7% year on year in Q1-3 2017. The volume of trade in WIG20 futures, which account for the major part of the revenues from transactions in derivatives, increased by 0.5% year on year in Q1-3 2017.

Table 9: Data for the derivatives market

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Financial market, trading revenue: derivatives *(PLN million)*	**9.2**	**9.0**	**0.2**	**2.3%**
Volume of trading in derivatives (millions of contracts):	5.9	5.8	0.1	1.7%
incl.: Volume of trading in WIG20 futures (millions of contracts)	3.5	3.5	0.0	0.5%

Source: Condensed Consolidated Interim Financial Statements, Company

Other fees paid by market participants

Revenues of the Group from **other fees** paid by market participants stood at PLN 5.6 million in Q1-3 2017 compared to PLN 5.1 million in Q1-3 2016, representing an increase of PLN 0.6 million or 11.4%. The fees mainly include fees for access to the trading system (among others, licence fees, connection fees and maintenance fees) as well as fees for use of the system.

Debt instruments

Revenues of the Group from transactions in **debt instruments** stood at PLN 9.2 million in Q1-3 2017 compared to PLN 7.5 million in Q1-3 2016. The majority of the Group's revenues from the debt instruments segment is generated by Treasury BondSpot Poland (TBSP).

The year-on-year increase of the revenues on TBSP in Q1-3 2017 was driven by changes to the TBSP market price list effective.

The value of trade in Polish Treasury securities on TBSP was PLN 404.2 billion in Q1-3 2017, an increase of 35.8% year on year. The increase of the value of trade was mainly driven by conditional transactions. Conditional transactions stood at PLN 246.3 billion in Q1-3 2017, an increase of 119.0% year on year. Cash transactions stood at PLN 158.0 billion, a decrease of 14.7% year on year. The sharp increase of the value of conditional transactions (sell/buy back, repo) was driven by high liquidity in the Polish banking sector as well as more stable activity of banks in the market segment following a sharp drop in the value of transactions when banks were reducing their balance sheets after the new tax on certain financial institutions took effect in February 2016.

The value of trading on Catalyst at PLN 2.1 billion decreased by 13.5% year on year in Q1-3 2017. Revenues from Catalyst have a small share in the Group's total revenues from transactions in debt instruments.

Table 10: Data for the debt instruments market

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Financial market, trading revenue: debt instruments *(PLN million)*	**9.2**	**7.5**	**1.6**	**21.9%**
Catalyst:				
Value of trading (PLN billion)	2.1	2.4	(0.3)	-13.5%
incl.: Value of trading in non-Treasury instruments (PLN billion)	1.4	1.7	(0.4)	-21.4%
Treasury BondSpot Poland, value of trading:				
Conditional transactions (PLN billion)	246.3	112.5	133.8	119.0%
Cash transactions (PLN billion)	158.0	185.2	(27.3)	-14.7%

Source: Condensed Consolidated Interim Financial Statements, Company

Other cash market instruments

Revenues from transactions in **other cash market instruments** stood at PLN 317.0 thousand in Q1-3 2017 compared to PLN 295 thousand in Q1-3 2016. The revenues include fees for trading in structured products, investment certificates, and ETF units.

LISTING

Listing revenues on the financial market amounted to PLN 18.7 million in Q1-3 2017 compared to PLN 17.8 million in Q1-3 2016.

Revenues from **listing fees** were stable year on year and amounted to PLN 15.0 million in Q1-3 2017. The main driver of revenues from listing fees is the number of issuers listed on the GPW markets and their capitalisation at the year's end.

Revenues from **fees for introduction and other fees** amounted to PLN 3.7 million in Q1-3 2017 compared to PLN 2.8 million in Q1-3 2016. The revenues are driven mainly by the number and value of new listings of shares and bonds on the GPW markets. The value of IPOs and SPOs increased significantly year on year in Q1-3 2017.

Listing revenues on the GPW Main Market increased by 4.7% year on year in Q1-3 2017. The table below presents the key financial and operating figures.

Table 11: Data for the GPW Main Market

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Main Market				
Listing revenue (PLN million)	**15.2**	**14.6**	**0.7**	**4.7%**
Total capitalisation of listed companies *(PLN billion)*	1,428.5	948.6	480.0	50.6%
including: Capitalisation of listed domestic companies	672.1	515.7	156.4	30.3%
including: Capitalisation of listed foreign companies	756.5	432.9	323.6	74.7%
Total number of listed companies	479	484	(5.0)	-1.0%
including: Number of listed domestic companies	429	431	(2.0)	-0.5%
including: Number of listed foreign companies	50	53	(3.0)	-5.7%
Value of offerings *(IPO and SPO) (PLN billion)* *	96.7	3.8	92.9	2456.5%
Number of new listings *(in the period)*	9	13	(4.0)	-30.8%
Capitalisation of new listings *(PLN billion)*	15.9	3.5	12.4	357.7%
Number of delistings	17	16	1.0	6.3%
Capitalisation of delistings** (PLN billion)	7.9	5.4	2.5	46.0%

** including SPO of UniCredit S.p.A. at PLN 55,9 billion in Q1 2017 and SPO of Banco Santander S.A. at PLN 30,1 billion in Q3 2017*

*** based on market capitalisation at the time of delisting*

Source: Company

Listing revenues from NewConnect decreased by 4.9% year on year in Q1-3 2017. The table below presents the key financial and operating figures.

Table 12: Data for NewConnect

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
NewConnect				
Listing revenue *(PLN million)*	**1.6**	**1.7**	**(0.1)**	**-4.9%**
Total capitalisation of listed companies *(PLN billion)*	10.0	9.0	1.1	11.9%
including: Capitalisation of listed domestic companies	9.8	8.7	1.0	11.9%
including: Capitalisation of listed foreign companies	0.3	0.2	0.0	11.4%
Total number of listed companies	407	408	(1.0)	-0.2%
including: Number of listed domestic companies	400	399	1.0	0.3%
including: Number of listed foreign companies	7	9	(2.0)	-22.2%
Value of offerings *(IPO and SPO) (PLN billion)*	0.2	0.1	0.0	22.4%
Number of new listings *(in the period)*	12	12	-	0.0%
Capitalisation of new listings *(PLN billion)*	0.5	0.4	0.1	35.7%
Number of delistings*	11	22	(11.0)	-50.0%
Capitalisation of delistings** (PLN billion)	0.8	1.3	(0.5)	-36.5%

** includes companies which transferred to the Main Market*

*** based on market capitalisation at the time of delisting*

Source: Company

Listing revenues from Catalyst stood at PLN 1.8 million in Q1-3 2017 compared to PLN 1.5 million in Q1-3 2016. The table below presents the key financial and operating figures.

Table 13: Data for Catalyst

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Catalyst				
Listing revenue *(PLN million)*	**1.8**	**1.5**	**0.3**	**19.7%**
Number of issuers	167	181	(14)	-7.7%
Number of issued instruments	610	549	61	11.1%
including : non-Treasury instruments	569	512	57	11.1%
Value of issued instruments *(PLN billion)*	747.3	688.8	58.5	8.5%
including: non-Treasury instruments	90.2	78.7	11.5	14.6%

Source: Company

INFORMATION SERVICES

Revenues from **information services** amounted to PLN 31.8 million in Q1-3 2017 compared to PLN 30.6 million in Q1-3 2016. The increase in revenue was driven by an increase of the number of subscribers, including the launch of information services covering WIBID and WIBOR reference rate fixings.

Table 14: Data for information services

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Revenues from information services *(PLN million)*	**31.8**	**30.6**	**1.2**	**4.0%**
Number of data vendors	51	52	(1)	-1.9%
Number of subscribers ('000 subscribers)	238.2	222.1	16.1	7.3%

Source: Condensed Consolidated Interim Financial Statements, Company

COMMODITY MARKET

Revenues on the commodity market include mainly the revenues of the TGE Group.

Revenues of the TGE Group are driven mainly by the volume of transactions in electricity, natural gas and property rights, the volume of certificates of origin issued and cancelled by members of the Register of Certificates of Origin, as well as revenues from clearing and settlement of transactions in exchange-traded commodities in the clearing sub-segment operated by IRGiT.

Revenues of the GPW Group on the commodity market stood at PLN 101.9 million in Q1-3 2017 compared to PLN 93.9 million in Q1-3 2016.

The year-on-year increase of revenues on the commodity market in Q1-3 2017 was mainly driven by an increase in revenues from trade in property rights in certificates of origin, which stood at PLN 28.2 million compared to PLN 24.0 million in Q1-3 2016, representing an increase of 17.4% or PLN 4.2 million. The revenue from trading in gas reported a large percentage increase of 26.5%, i.e., by PLN 1.6 million. Revenues from other fees paid by market participants increased by 22.3% or PLN 1.5 million, and revenues from the operation of the Register of Certificates of Origin increased by 6.7% or PLN 1.4 million. The revenue from clearing increased by 3.4% or PLN 0.9 million. The revenue from transactions in electricity decreased by 22.3% year on year in Q1-3 2017.

A new segment was established on the commodity market: Information services, involving the sale of market data from TGE's electricity and gas markets. Data are supplied via GPW's channels. The revenue from information services on the commodity market stood at PLN 258 thousand in Q1-3 2017.

TRADING

Revenues of the GPW Group from trading on the commodity market stood at PLN 49.9 million in Q1-3 2017, including PLN 2.0 million of revenues from spot transactions in electricity, PLN 4.0 million of revenues from forward transactions in electricity, PLN 1.8 million of revenues from spot transactions in gas, PLN 6.0 million of revenues from forward transactions in gas, PLN 28.2 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 8.0 million of other fees paid by market participants. Revenues from trading increased by 12.5% or PLN 5.6 million year on year in Q1-3 2017.

The Group's revenues from **trade in electricity** amounted to PLN 6.0 million in Q1-3 2017 compared to PLN 7.7 million in Q1-3 2016. The total volume of trading on the energy markets operated by TGE amounted to 74.5 TWh in Q1-3 2017 compared to 96.0 TWh in Q1-3 2016 following a decrease in the level of mandatory sales of electricity on the regulated market in the gradual phase-out of support for long-term contracts.

The year-on-year decrease of the revenues from trade in electricity was driven by a lower volume of trade, especially forward transactions. The volume of forward transactions decreased by 26.1% year on year.

The Group's revenues from **trade in gas** amounted to PLN 7.8 million in Q1-3 2017 compared to PLN 6.2 million in Q1-3 2016. The volume of trade in natural gas on TGE was 100.7 TWh in Q1-3 2017 compared to 77.1 TWh in Q1-3 2016. The increase of the total volume resulted mainly from an increase of the volume of forward transactions by 33.8%.

The Group's revenue from the operation of **trading in property rights** stood at PLN 28.2 million in Q1-3 2017 compared to PLN 24.0 million in Q1-3 2016. The volume of trading in property rights stood at 46.8 TWh in Q1-3 2017, an increase of 14.9% year on year. Changes in the revenue from trading in property rights are not directly proportionate to changes in the trading volumes due to different fees charged for different types of property rights. Furthermore, the revenue from trading in property rights in energy efficiency (white certificates) increased considerably in 2017: the revenue stood at PLN 4.3 million in Q1-3 2017 compared to PLN 2.5 million in Q1-3 2016.

Revenues of the Group from **other fees paid by commodity market participants** amounted to PLN 8.0 million in Q1-3 2017 compared to PLN 6.5 million in Q1-3 2016. The increase of other fees paid by commodity market participants was driven by an increase of revenues from REMIT reporting, as well as an increase of InfoEngine's revenues from trade operator services.

Other fees paid by market participants are driven mainly by revenues from fixed market participation fees, fees for cancellation of transactions, fees for position transfers, fees for trade reporting in the RRM (Registered Reporting Mechanism), fees for access to the system, and fees for management of the resources of the guarantee fund. Other fees paid by market participants depend mainly on the activity of IRGiT Members, in particular the number of transactions, the number of new clients of brokerage houses, and the number of new users accessing the clearing system.

Of all the above, revenues from exchange fees have the biggest share. However, the share of revenues from trade reporting in the RRM (Registered Reporting Mechanism) is rising. Their share grew from 25% at the end of September 2016 to 33% at the end of September 2017 as fees for reporting stood at PLN 1.0 million at the end of September 2016 and PLN 1.5 million at the end of September 2017.

Table 15: Data for the commodity market

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Commodity market - trading revenue (PLN million)	**49.9**	**44.4**	**5.6**	**12.5%**
Volume of trading in electricity				
Spot transactions *(TWh)*	18.5	20.3	(1.8)	-9.0%
Forward transactions *(TWh)*	56.0	75.7	(19.7)	-26.1%
Volume of trading in gas				
Spot transactions *(TWh)*	17.9	15.2	2.7	17.6%
Forward transactions *(TWh)*	82.8	61.9	20.9	33.8%
Volume of trading in property rights (TGE) (TWh)	46.8	40.7	6.1	14.9%

Source: Condensed Consolidated Interim Financial Statements, Company

REGISTER OF CERTIFICATES OF ORIGIN

Revenues from the operation of the **Register of Certificates of Origin** amounted to PLN 22.7 million in Q1-3 2017 compared to PLN 21.2 million in Q1-3 2016. The year-on-year increase of the revenues was mainly driven by high revenues from cancellations of property rights, especially green certificates of origin, as well as an increase of issued property rights.

Table 16: Data for the Register of Certificates of Origin

	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)	**22.7**	**21.2**	**1.4**	**6.7%**
Issued property rights *(TWh)*	39.6	38.9	0.7	1.8%
Cancelled property rights *(TWh)*	45.0	43.0	2.0	4.6%

Source: Condensed Consolidated Interim Financial Statements, Company

CLEARING

The Group earns revenue from the **clearing activities** of IRGiT, which is a subsidiary of TGE. The revenue stood at PLN 29.0 million in Q1-3 2017 compared to PLN 28.1 million in Q1-3 2016. The revenue increased by 3.4% or PLN 0.9 million year on year in Q1-3 2017.

OTHER REVENUES

The Group's other revenues amounted to PLN 0.9 million in Q1-3 2017 compared to PLN 1.2 million in Q1-3 2016.

The decrease in other revenues was mainly driven by lower revenues from lease and sponsorship.

OPERATING EXPENSES

The total operating expenses of the **GPW Group** amounted to PLN 116.8 million in Q1-3 2017, representing an increase of PLN 4.4 million (3.9%) year on year. The year-on-year increase of operating expenses by PLN 4.4 million was driven by an increase of external service charges by 29.3% or PLN 7.4 million, an increase of rent and other maintenance fees by PLN 0.5 million, an increase of depreciation and amortisation charges by PLN 1.1 million, as well as a decrease of salaries by PLN 1.4 million or 3.6%.

Separate operating expenses of **GPW** amounted to PLN 75.9 million in Q1-3 2017, representing an increase of PLN 2.4 million (3.3%) year on year. The increase of the operating expenses over that period was mainly driven by an increase of external service charges by 25.9% or PLN 4.5 million.

Operating expenses of **TGE** amounted to PLN 26.9 million in Q1-3 2017 compared to PLN 23.6 million in Q1-3 2016. The year-on-year increase of the operating expenses in Q1-3 2017 was mainly driven by an increase of external service charges by 74.1% or PLN 3.8 million. Operating expenses of **IRGiT** stood at PLN 10.5 million in Q1-3 2017 compared to PLN 8.4 million in Q1-3 2016. The increase of its operating expenses was mainly driven by an increase of external service charges by PLN 1.1 million and an increase of depreciation and amortisation charges by PLN 1.0 million.

Operating expenses of **BondSpot** in the periods under review stood at PLN 7.2 million and PLN 7.3 million, respectively, representing a decrease of 2.5% or PLN 0.2 million.

Table 17: Consolidated operating expenses of the Group and structure of operating expenses in the nine-month periods ended 30 September 2017 and 30 September 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	%	30 September 2016	%		
Depreciation and amortisation	20,759	18%	19,708	18%	1,051	5.3%
Salaries	36,642	31%	38,025	34%	(1,383)	-3.6%
Other employee costs	9,011	8%	8,530	8%	481	5.6%
Rent and other maintenance fees	7,407	6%	6,895	6%	512	7.4%
Fees and charges	6,320	5%	10,020	9%	(3,700)	-36.9%
including: PFSA fees	*5,576*	*5%*	*9,076*	*8%*	*(3,500)*	*-38.6%*
External service charges	32,847	28%	25,409	23%	7,439	29.3%
Other operating expenses	3,797	3%	3,832	3%	(35)	-0.9%
Total	**116,784**	**100%**	**112,419**	**100%**	**4,365**	**3.9%**

Source: Condensed Consolidated Interim Financial Statements, Company

The increase of consolidated expenses year on year in Q1-3 2017 was mainly driven by a decrease of salaries by 3.6% or PLN 1.4 million and a decrease of fees and charged by 36.9% or PLN 3.7 million combined with an increase of external service charges by 29.3% or PLN 7.4 million. Furthermore, depreciation and amortisation, other employee costs, and rent and other maintenance fees also increased.

Table 18: Separate operating expenses of GPW and structure of operating expenses in selected periods of 2017 and 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	%	30 September 2016	%		
Depreciation and amortisation	14,596	19%	15,139	21%	(543)	-3.6%
Salaries	21,240	28%	21,794	30%	(554)	-2.5%
Other employee costs	5,845	8%	5,576	8%	269	4.8%
Rent and other maintenance fees	5,593	7%	4,596	6%	997	21.7%
Fees and charges	3,689	5%	6,030	8%	(2,341)	-38.8%
including: PFSA fees	*3,100*	*4%*	*5,441*	*7%*	*(2,341)*	*-43.0%*
External service charges	22,087	29%	17,548	24%	4,539	25.9%
Other operating expenses	2,852	4%	2,776	4%	76	2.7%
Total	**75,902**	**100%**	**73,458**	**100%**	**2,443**	**3.3%**

Source: Company

The comments below concerning operating expenses items are based on **consolidated figures of the GPW Group.**

Depreciation and amortisation

Depreciation and amortisation charges stood at PLN 20.8 million in Q1-3 2017 compared to PLN 19.7 million in Q1-3 2016. The increase in depreciation and amortisation charges year on year in Q1-3 2017 was driven by a decrease of depreciation and amortisation charges in GPW by PLN 0.5 million combined with an increase of depreciation and amortisation charges in TGE by PLN 0.8 million, an increase of depreciation and amortisation charges in IRGiT by PLN 1.0 million and a decrease of depreciation and amortisation charges in BondSpot by PLN 0.1 million. The increase of depreciation and amortisation charges in IRGiT was driven by the implementation of a new clearing system in June 2016.

Salaries and other employee costs

Salaries and other employee costs amounted to PLN 45.7 million in Q1-3 2017 compared to PLN 46.6 million in Q1-3 2016, representing a decrease of 1.9% or PLN 0.9 million.

The decrease of salaries and other employee costs in the GPW Group year on year in Q1-3 2017 was driven by a decrease of costs of GPW by PLN 0.3 million, a decrease of costs of TGE by PLN 0.9 million, a decrease of costs of InfoEngine by PLN 0.2 million, a decrease of costs of IAiR by PLN 0.3 million, an increase of costs of IRGiT by PLN 0.3 million, and an increase of costs of BondSpot by PLN 0.2 million.

The decrease of salaries in GPW year on year in Q1-3 2017 was mainly driven by workforce restructuring in mid-2016, as well as the release of unused provisions against annual bonuses of the Management Board for 2016 at PLN 1.0 million in Q1-3 2017. The decrease of salaries in TGE year on year in Q1-3 2017 was driven by a lower number of FTEs. The increase of salaries in BondSpot in Q1-3 2017 was driven by new provisions set up against bonuses of the Management Board for 2017; no such provisions were set up in 2016 by decision of the Company's Supervisory Board. The increase of salaries in IRGiT in the period under review was driven by a release of unused provisions against bonuses for the Management Board in 2016, which reduced the expenses of 2016. The decrease of salaries in InfoEngine and IAiR was also driven by a modest reduction of FTEs year on year as at 30 September 2017.

The headcount of the Group was 322 FTEs as at 30 September 2017.

Table 19: Employment in GPW Group

# FTEs	As at		
	30 September 2017	**31 December 2016**	**30 September 2016**
GPW	183	185	183
Subsidiaries	139	146	151
Total	**322**	**331**	**334**

Source: Company

Rent and other maintenance fees

Rent and other maintenance fees amounted to PLN 7.4 million in Q1-3 2017 compared to PLN 6.9 million in Q1-3 2016. The increase of the cost was driven by temporary higher rent paid by TGE, IRGiT, BondSpot and GPW due to the ongoing multi-faceted integration of the Group, including physical integration involving the relocation of the companies to GPW's head office.

Furthermore, GPW has leased additional space for its subsidiaries. The additional cost of rent paid by GPW is reinvoiced to the subsidiaries. The additional cost of the subsidiaries is temporary as they need to pay, over a short period of time, both the cost of previously leased and newly leased space. In the integration process, the GPW subsidiaries are taking over office space from GPW. The physical integration of the GPW Group will be completed in Q4 2017.

Fees and charges

Fees and charges stood at PLN 6.3 million in Q1-3 2017 compared to PLN 10.0 million in Q1-3 2016. The main component of fees and charges are fees paid to the Polish Financial Supervision Authority (PFSA) for capital market supervision. The fees paid to PFSA in 2017 following the final calculations for the GPW Group stood at PLN 5.6 million, representing a decrease of PLN 3.5 million year on year. After internal analysis we presume the significant decrease of the PFSA fee in 2017 was partly driven by an excess payment of the fee in 2016 due to lower PFSA fees in 2016 compared to the amount originally expected by PFSA.

External service charges

External service charges amounted to PLN 32.8 million in Q1-3 2017 compared to PLN 25.4 million in Q1-3 2016, representing an increase of 29.3% or PLN 7.4 million.

Table 20: Consolidated external service charges of the Group and structure of external service charges in the nine-month periods ended 30 September 2017 and 30 September 2016

PLN'000, %	Nine - month period ended				Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	%	30 September 2016	%		
IT cost:	18,442	56%	15,568	61%	2,874	18.5%
IT infrastructure maintenance	*11,556*	*35%*	*9,830*	*39%*	*1,726*	*17.6%*
TBSP maintenance service	*809*	*2%*	*1,135*	*4%*	*(326)*	*-28.7%*
Data transmission lines	*3,935*	*12%*	*4,464*	*18%*	*(529)*	*-11.8%*
Software modification	*2,142*	*7%*	*139*	*1%*	*2,003*	*1441.0%*
Office and office equipment maintenance:	2,376	7%	1,994	8%	383	19.2%
Repair and maintenance of installations	*637*	*2%*	*637*	*3%*	*0*	*0.0%*
Security	*1,042*	*3%*	*662*	*3%*	*380*	*57.4%*
Cleaning	*408*	*1%*	*372*	*1%*	*36*	*9.8%*
Phone and mobile phone services	*289*	*1%*	*323*	*1%*	*(34)*	*-10.6%*
International (energy) market services	*1,439*	*4%*	-	-	*1,439*	-
Leasing, rental and maintenance of vehicles	*469*	1%	365	1%	104	28.5%
Transportation services	91	0%	121	0%	(30)	-24.6%
Promotion, education, market development	3,607	11%	2,865	11%	743	25.9%
Market liquidity support	408	1%	354	1%	54	15.3%
Advisory (including: audit, legal services, business consulting)	3,884	12%	2,329	9%	1,555	66.8%
Information services	760	2%	585	2%	175	29.9%
Training	245	1%	307	1%	(62)	-20.2%
Mail fees	71	0%	59	0%	12	20.3%
Bank fees	98	0%	109	0%	(11)	-10.1%
Translation	254	1%	179	1%	75	41.9%
Other	702	2%	574	2%	128	22.3%
Total	**32,847**	**100%**	**25,409**	**100%**	**7,439**	**29.3%**

Source: Condensed Consolidated Interim Financial Statements

The increase of external service charges year on year in Q1-3 2017 was mainly driven by an increase of the following cost items:
1/ infrastructure maintenance – an increase of PLN 1.7 million driven by an increase of the cost in GPW by PLN 0.6 million with respect to maintenance of servers acquired in Q2 2016 as well as an increase of the cost in TGE by PLN 1.2 million, an increase of the cost in IRGiT by PLN 0.3 million following the implementation of a new clearing system and a decrease of the cost in BondSpot by PLN 0.1 million;
2/ software modification – an increase of PLN 2.0 million, mainly driven by the cost of the next phase of MiFID II implementation in the trading system UTP;
3/ international market services – an increase of PLN 1,4 million in TGE due to its participation in international projects on the electricity market;
4/ advisory – an increase of PLN 1.6 million, mainly driven by an increase of the cost of TGE in relation to a review of outstanding VAT payments as well as IRGiT's application for the status of a CCP.

Other operating expenses

Other operating expenses amounted to PLN 3.8 million in Q1-3 2017 and were stable year on year. Other operating expenses in Q1-3 2017 included the cost of material and energy consumption at PLN 2.3 million, industry organisation membership fees at PLN 0.5 million, insurance at PLN 0.2 million, business travel at PLN 0.6 million, and participation in conferences at PLN 0.2 million.

OTHER INCOME AND EXPENSES

Other income of the Group amounted to PLN 2.1 million in Q1-3 2017 compared to PLN 0.8 million in Q1-3 2016.Other income includes damages received, gains on the sale of property, plant and equipment, reversal of the revaluation write-downs of receivables, representing the biggest item at PLN 1.6 million following the payment of VAT correction invoices by TGE's counterparties to an extent exceeding the expectations.

Other expenses of the Group amounted to PLN 5.6 million in Q1-3 2017 compared to PLN 1.0 million in Q1-3 2016. Other expenses include donations paid, losses on the sale of property, plant and equipment, revaluation write-downs of receivables, and provisions against damages. Donations stood at PLN 3.4 million in Q1-3 2017, including GPW's donation of PLN 3.0 million to the Polish National Foundation, PLN 350 thousand to the GPW Foundation, PLN 25 thousand to the Foundation Wolność i Demokracja. In addition, expenses increased due to higher write-downs of receivables (PLN 0.6 million) as well as TGE's adjustment of VAT at PLN 0.9 million due to a change of the taxable sales indicator.

FINANCIAL INCOME AND EXPENSES

Financial income of the Group amounted to PLN 4.3 million in Q1-3 2017 compared to PLN 10.6 million in Q1-3 2016, representing a decrease of PLN 6.4 million. Financial income includes mainly interest on bank deposits, interest on loans granted, positive FX differences, and the revaluation of the investment in the affiliate Aquis following a capital increase. Income from interest on bank deposits and loans granted stood at PLN 4.1 million in Q1-3 2017 and decreased (by PLN 0.6 million) year on year. The revaluation of the investment in Aquis in Q1-3 2016 increased the income of the period by PLN 5.4 million. There was no revaluation of the investment in 2017.

GPW's associate Aquis Exchange Limited completed several new issues of shares and increased its capital in 2016 without the participation of GPW. As a result of the transactions, GPW's share in economic and voting rights decreased from 26.33% to 20.31% as at 31 December 2016. As a result of the issues, the net asset value of Aquis increased and GPW recognised gains at PLN 5.8 million shown under financial income in 2016.

Financial expenses of the Group amounted to PLN 8.7 million in Q1-3 2017 compared to PLN 8.9 million in Q1-3 2016, representing a decrease of PLN 0.2 million.

The decrease of financial expenses year on year in Q1-3 2017 was due to the recognition of interest on TGE's outstanding VAT for the years 2011 - 2016 following a correction of 2016 data.

In addition, the financial expenses of H1 2017 recognised PLN 3.8 million of additional interest imposed by the tax authorities in relation to a VAT correction following the change of the existing tax policy of TGE services.

On 15 March 2017, TGE filed a correction of VAT returns and paid PLN 68.3 million of overdue taxes plus interest of PLN 10.7 million, i.e., PLN 79 million in total. Of that amount, interest cost of PLN 0.8 million was charged to costs in Q1 2017. To make the payment, TGE took a loan of PLN 60 million from Bank DNB Polska. The interest on the loan is equal to WIBOR 1M plus a margin of 1.4%. The loan is due for repayment by March 2018. GPW granted a loan of PLN 10 million for TGE on the same terms as the DNB Polska bank loan.

In April 2017, the Head of the Second Mazovian Tax Office called for the payment of another PLN 3.8 million resulting from a correction of the interest rate used by TGE for tax liabilities of previous years. A reduced interest rate on overdue taxes is not available where the VAT correction results from an audit by a tax authority. TGE immediately paid the PLN 3.8 million. In the opinion of TGE, the correction and payment of VAT on 15 March 2017 together with interest was not a result of an audit by tax authorities. TGE filed an action against the tax authorities in order to have the overpaid taxes refunded, and lodged a complaint.

As a result of the complaint, the Company received a positive decision confirming the position of the Company. Consequently, it reversed the additional interest cost of PLN 3.8 million under financial expenses, which reduced the financial expenses both in relation to the balance as at the end of H1 2017 (when the financial expenses stood at PLN 10.0 million) and as at the end of H1 2016.

Net of the one-off cost of interest on overdue VAT in TGE, interest on GPW bonds was a major item of financial expenses in the GPW Group and stood at PLN 5.4 million in Q1-3 2017 compared to PLN 5.7 million in Q1-3 2016.

The series A and B bonds issued in December 2011 and February 2012 with a total nominal value of PLN 245.0 million were redeemed in full in Q1 2017 (on 2 January). The bonds were due for redemption on 2 January 2017. The bonds bore interest at a floating rate equal to WIBOR 6M + 1.17%, interest was paid semi-annually. The series A and B bonds were redeemed in part before maturity in 2015. On 6-12 October 2015, GPW bought back 1,245,163 bonds for a total price of PLN 126,010,495.60. The early redemption of the series A and B bonds was paid for with cash raised by GPW through the issue of series C bonds.

The series C bonds bear interest at a fixed rate of 3.19% p.a.

In view of the approaching maturity of the series A and B bonds, the GPW Management Board passed a resolution on 13 October 2016 to issue 1,200,000 bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120.0 million. The decision provided for the issue of two series of bonds: series D bonds with a total nominal value up to PLN 60 million and series E bonds with a total nominal value up to PLN 60 million. The bonds bear interest at a floating rate equal to WIBOR 6M plus a margin. The margin on series D and E bonds is 0.95%. The interest on the bonds is paid semi-annually. The series D and E bonds are due for redemption on 31 January 2022.

The issue of series D and E bonds started in 2016 but the bonds were registered in January 2017. Therefore, liabilities under the series D and E bonds were recognised on the books in January 2017.

The interest rate on the series D and E bonds was 2.76% in the first interest period (January 2017), in the second interest period (31.01.2017 – 31.07.2017) and in the third interest period (31.07.2017 – 31.01.2018).

The series D and E bonds were introduced to trading on the regulated market Catalyst operated by GPW and in the alternative trading system Catalyst operated by BondSpot.

SHARE OF PROFIT OF ASSOCIATES

The Group's share of profit of associates stood at PLN 8.1 million in Q1-3 2017 compared to a loss of PLN 2.3 million in Q1-3 2016.

The Group's share of the **KDPW Group** profit was PLN 9.8 million in Q1-3 2017 compared to PLN 5.6 million in Q1-3 2016. This was also driven by the fee due PFSA, which was lower than originally expected.

The share in the net profit of **Centrum Giełdowe** was PLN 0.7 million in Q1-3 2017 compared to PLN 0.3 million in Q1-3 2016. The volatility of the profit of Centrum Giełdowe in the periods under review resulted mainly from fx differences and payment amounts and dates of the company's US$ denominated loan.

The Group's share of the loss of **Aquis Exchange Ltd** was PLN 2.4 million in Q1-3 2017 compared to PLN 3.6 million in Q1-3 2016.

Following new share issues without the participation of GPW in 2016, GPW's share in Aquis measured by the number of shares decreased from 31.01% as at 31 December 2015 to 22.99% as at 31 December 2016. GPW's share in economic and voting rights decreased from 26.33% to 20.31%. Aquis issued no new shares in Q1-3 2017.

Table 21: Profit / (Loss) of associates

PLN'000	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
KDPW S.A. Group	29,302	17,479	11,823	67.6%
Centrum Giełdowe S.A.	3,005	1,107	1,898	171.6%
Aquis Exchange Ltd	(11,635)	(14,638)	3,003	-20.5%
Total	**20,673**	**3,948**	**16,725**	**423.7%**

Source: Company

Table 22: GPW's share of profit / (loss) of associates

PLN'000	Nine - month period ended		Change (Q1-Q3 2017 vs Q1-Q3 2016)	Change (%) (Q1-Q3 2017 vs Q1-Q3 2016)
	30 September 2017	30 September 2016		
KDPW S.A. Group	9,768	5,581	4,187	75.0%
Centrum Giełdowe S.A.	745	274	471	171.6%
Aquis Exchange Ltd	(2,363)	(3,573)	1,210	-33.9%
Total	**8,149**	**2,282**	**5,867**	**257.1%**

Source: Company

INCOME TAX

Income tax of the Group was PLN 26.5 million in Q1-3 2017 compared to PLN 22.4 million in Q1-3 2016. The **effective income tax rate** in the periods under review was 18.5% and 18.6%, respectively, as compared to the standard Polish corporate income tax rate of 19%.

Income tax **paid** by the Group was PLN 40.2 million in Q1-3 2017 compared to PLN 16.8 million in Q1-3 2016. The higher amount of income tax paid was due to the final payment of the income tax for 2016.

On 28 September 2016, the following companies: Giełda Papierów Wartościowych w Warszawie S.A., Towarowa Giełda Energii S.A., BondSpot S.A. and GPW Centrum Usług S.A., entered into a notarised agreement creating the GPW Tax Group ("GPW TG" or "TG") for a period of three tax years from 1 January 2017 to 31 December 2019.

The companies participating in TG are not treated individually but collectively as one corporate income taxpayer under the Corporate Income Tax Act. Such taxpayer's income is determined as the surplus of the sum of incomes of the companies participating in TG over the sum of their losses.

As the Company Representing the Tax Group, Giełda Papierów Wartościowych w Warszawie S.A. is responsible for the calculation and payment of quarterly corporate income tax advances of the Tax Group pursuant to the Corporate Income Tax Act.

While income taxes of the companies participating in TG are no longer paid individually, the companies are still required to individually pay other taxes including VAT and local taxes.

V. Atypical factors and events

SYSTEM OF FINANCING CAPITAL MARKET SUPERVISION

A modified system of calculation of fees due to PFSA took effect on 1 January 2016. As a result, the cost of fees paid by the GPW Group was reduced significantly. The fee to PFSA was reduced to PLN 9.1 million in 2016 and PLN 5.6 million for the Group, compared to PLN 22.0 million in 2015.

Following an amendment of regulations governing fees paid to cover the cost of supervision of the capital market and in view of the provisions of an interpretation of the International Financial Reporting Interpretations Committee (IFRIC 21), the GPW Group has decided to change the timing of recognition of liabilities in respect of fees due to PFSA and of charging the fees to costs. Until the end of 2015, GPW recognised 1/12 of the annual fee due to PFSA in each month of the year. According to IFRIC 21, the entity should recognise liabilities in respect of fees due to PFSA at the date of the obligating event. The obligating event is the business subject to the fees due to PFSA carried out as at the 1 January of each year. Consequently, the total estimated amount of the annual fees due to PFSA will be charged to the results of the GPW Group's results in the first quarter of each year.

The Chairperson of the Polish Financial Supervision Authority publishes the fees and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

In connection with the aforementioned changes related to supervision fees paid to PFSA and the method of their calculation, the amounts of the fees may change from year to year, as demonstrated by the amount of the fees paid in 2016 and 2017. The Group's fee due to PFSA stood at PLN 9.1 million in 2016 and PLN 5.6 million in 2017, impacting the year's financials of the Group.

GPW as the organiser of WIBID and WIBOR reference rate fixings

The GPW Group acting through its subsidiary GPW Benchmark expanded its services as of 30 June 2017 following the take-over of the function of organiser of WIBID and WIBOR reference rate fixings from the Financial Markets Association ACI Polska and the functions of the calculation agent previously performed by Thomson Reuters. The Group will apply for authorisation as an administrator within the meaning of Regulation 2016/2011.

The decision of GPW to take over the functions of the organiser of reference rate fixings followed a proposal extended by the Association ACI Polska to GPW. ACI Polska decided no longer to perform the functions of the organiser in view of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which takes effect in early 2018. The Regulation defines the three main categories of indices and imposes requirements on the entities which calculate the indices depending on such classification. In view of the Regulation, the Association ACI Polska decided that it would be unable to meet its requirements and approached GPW with a proposal to take over the functions of the organiser of WIBID and WIBOR reference rate fixings. Following an analysis, GPW decided to accept ACI Polska's proposal.

The transition will take place in phases including: starting the organisation of fixings, which took place on 30 June 2017; obtaining the authorisation to perform the functions of administrator; reviewing the rates methodology.

GPW's decision to take over the organisation of WIBID and WIBOR rate fixings is an important step in its history. While GPW previously focused on trade in capital and commodity market instruments, it now expands to financial market services.

GPW takes over the organisation of reference rate fixings in collaboration with the banks participating in the fixings. This is particularly relevant in view of the role of the banks in the process and the scope of use of reference rates in the banks' business.

VI. Group's assets and liabilities structure

The **balance-sheet total** of the Group was PLN 1,108.3 million as at 30 September 2017, a modest decrease compared to PLN 1,109.6 million as at 30 September 2016.

ASSETS

The Group's **non-current assets** stood at PLN 594.8 million representing 53% of total assets as at 30 September 2017 compared to PLN 597.3 million or 52% of total assets as at 31 December 2016 and PLN 584.7 million or 53% of total assets as at 30 September 2016.

The Group's **current assets** stood at PLN 513.5 million representing 47% of total assets as at 30 September 2017 compared to PLN 560.6 million or 48% of total assets as at 31 December 2016 and PLN 524.9 million or 47% of total assets as at 30 September 2016. Trade receivables as at 30 September 2017 decreased compared to both 31 December 2016 and 30 September 2016. The decrease in trade receivables was driven in part by the payment of receivables in respect of TGE's VAT correction invoices following the change of the VAT policy applicable to some of TGE's services. The receivables in respect of corrected VAT stood at PLN 69.7 million. As at 30 September 2017, PLN 67.1 million, i.e., 96.24% of the total receivables in respect of TGE's VAT correction, had been paid. The details of the change of the VAT policy applicable to TGE's services are presented in Section V, Note 18 of the Condensed Consolidated Interim Financial Statements of the GPW Group for the nine-month period ended 30 September 2017. Cash remained stable year to date in 2017, mainly due to GPW's payment of the dividend for 2016 in July 2016.

Table 23: Consolidated statement of financial position of the Group at the end of selected periods (assets)

	As at					
PLN'000	30 September 2017	%	31 December 2016	%	30 September 2016	%
Non-current assets	**594,774**	**53%**	**597,287**	**52%**	**584,694**	**53%**
Property, plant and equipment	112,036	10%	119,130	10%	119,554	11%
Intangible assets	268,916	24%	273,815	24%	262,401	24%
Investment in associates	205,221	19%	197,231	17%	196,025	18%
Deferred tax assets	1,796	0%	1,809	0%	1,749	0%
Available-for-sale financial assets	280	0%	288	0%	288	0%
Non-current prepayments	6,525	1%	5,014	0%	4,677	0%
Current assets	**513,493**	**47%**	**560,561**	**48%**	**524,879**	**47%**
Inventory	54	0%	57	0%	67	0%
Corporate income tax receivables	95	0%	428	0%	300	0%
Trade and other receivables	63,768	6%	113,262	10%	100,579	9%
Cash and cash equivalents	449,576	41%	446,814	39%	423,933	38%
Total assets	**1,108,267**	**100%**	**1,157,848**	**100%**	**1,109,573**	**100%**

Source: Condensed Consolidated Interim Financial Statements

EQUITY AND LIABILITIES

The **equity** of the Group stood at PLN 771.6 million representing 70% of the Group's total equity and liabilities as at 30 September 2017 compared to PLN 745.3 million or 64% of total equity and liabilities as at 31 December 2016 and PLN 712.3 million or 64% of the total equity and liabilities as at 30 September 2016.

Non-current liabilities of the Group stood at PLN 260.4 million representing 24% of the Group's total equity and liabilities as at 30 September 2017 compared to PLN 143.4 million or 12% of total equity and liabilities as at 31 December 2016 and PLN 137.5 million or 12% of the total equity and liabilities as at 30 September 2016. The Group's non-current liabilities include GPW's liabilities under outstanding bonds. The increase of non-current liabilities year to date in Q1-3 2017 was due to the issue of new bonds due for redemption in 2022. Non-current accruals stood at PLN 6.0 million as at 30 September 2017, the same as at 31 December 2016; there were no non-current accruals as at 30 September 2016. The non-current accruals included payments in respect of a subsidy received by TGE for assets in the PCR project in a carrying amount of PLN 6,267 thousand as at 30 September 2017, including PLN 5,996 thousand presented as non-current and PLN 271 thousand as current.

Current liabilities of the Group stood at PLN 76.2 million representing 7% of the Group's total equity and liabilities as at 30 September 2017 compared to PLN 269.2 million or 23% of total equity and liabilities as at 31 December 2016 and PLN 259.7 million or 23% of the total equity and liabilities as at 30 September 2016.

Liabilities under outstanding bonds decreased year on year following the redemption of the series A and B bonds on 2 January 2017. Liabilities under loans and advances were recognised as TGE took a loan to pay its VAT liabilities. The liabilities stood at PLN 20 million as at 30 September 2017, compared to PLN 60 million taken from the bank in Q1. Two-thirds of the liabilities have been repaid by TGE.

Deferred income increased year to date in respect of annual fees paid by issuers, which are booked in Q1 and recognised over time.

Other current liabilities as at 30 September 2017 decreased year to date as well as year on year. Other current liabilities stood at PLN 16.9 million as at 30 September 2017 compared to PLN 108.1 million as at 31 December 2016. As at the end of Q3, the liabilities mainly included current VAT liabilities as well as the Group's investment commitments. In previous periods, the high level of other liabilities was driven by TGE's VAT correction, paid on 15 March 2017 in a total amount of PLN 79.0 million.

Table 24: Consolidated statement of financial position of the Group at the end of selected periods (equity and liabilities)

	As at					
PLN'000	30 September 2017	%	31 December 2016	%	30 September 2016	%
Equity	**771,612**	**70%**	**745,252**	**64%**	**712,325**	**64%**
Share capital	63,865	6%	63,865	6%	63,865	6%
Other reserves	1,128	0%	1,184	0%	1,537	0%
Retained earnings	706,058	64%	679,678	59%	646,411	58%
Non-controlling interests	561	0%	525	0%	512	0%
Non-current liabilities	**260,449**	**24%**	**143,422**	**12%**	**137,504**	**12%**
Liabilities under bond issue	243,475	22%	123,459	11%	123,733	11%
Employee benefits payable	1,468	0%	1,832	0%	2,254	0%
Finance lease liabilities	-	0%	32	0%	48	0%
Accruals and deferred income	5,996	1%	6,200	1%	-	-
Deferred income tax liability	7,286	1%	9,675	1%	9,245	1%
Other liabilities	2,224	0%	2,224	0%	2,224	0%
Current liabilities	**76,206**	**7%**	**269,174**	**23%**	**259,744**	**23%**
Liabilities under bond issue	2,100	0%	122,882	11%	123,002	11%
Trade payables	6,169	1%	6,387	1%	2,841	0%
Employee benefits payable	10,515	1%	8,114	1%	8,872	1%
Finance lease liabilities	48	0%	62	0%	61	0%
Deferred income tax liability	4,587	0%	16,154	1%	11,911	1%
Credits and loans	20,021	2%	-	-	-	-
Accruals and deferred income	15,641	1%	7,144	1%	11,630	1%
Provisions for other liabilities and charges	191	0%	333	0%	179	0%
Other current liabilities	16,934	2%	108,098	9%	101,248	9%
Total equity and liabilities	**1,108,267**	**100%**	**1,157,848**	**100%**	**1,109,573**	**100%**

Source: Condensed Consolidated Interim Financial Statements

CASH FLOWS

The Group generated positive cash flows from **operating activities** at PLN 93.7 million in Q1-3 2017 compared to positive cash flows of PLN 169.01 million in Q1-3 2016. The positive cash flows from operating activities in Q1-3 2017 were mainly driven by the net profit, a decrease of receivables, and an increase of accruals and deferred income.

The cash flows from **investing activities** were negative at PLN 13.1 million in Q1-3 2017 compared to negative cash flows of PLN 2.9 million in Q1-3 2016. The negative cash flows were driven by investments in property, plant and equipment at PLN 6.9 million and intangible assets at PLN 10.3 million.

The cash flows from **financing activities** were negative at PLN 77.6 million in Q1-3 2017 compared to negative cash flows of PLN 102.9 million in Q1-3 2016. The negative cash flows from financing activities were driven by GPW's payment of the dividend to the shareholders at PLN 90,2 million following the resolution of the Ordinary General Meeting of 19 June 2017 concerning distribution of the profit for 2016, the repayment of the loan taken by TGE at PLN 40 million, and the payment of interest on loans and bonds.

Table 25: Consolidated cash flows

PLN'000	Cash flows for the nine-month period ended	
	30 September 2017	30 September 2016
Cash flows from operating activities	93,664	169,036
Cash flows from investing activities	(13,077)	(2,868)
Cash flows from financing activities	(77,614)	(102,934)
Net increase / (decrease) in cash	**2,973**	**63,234**
Impact of change of fx rates on cash balances in foreign currencies	*(211)*	*306*
Cash and cash equivalents - opening balance	**446,814**	**360,393**
Cash and cash equivalents - closing balance	**449,576**	**423,933**

Source: Condensed Consolidated Interim Financial Statements

CAPITAL EXPENDITURE

The Group's total capital expenditure in Q1-3 2017 amounted to PLN 17.2 million including expenditure for property, plant and equipment at PLN 6.9 million and expenditure for intangible assets at PLN 10.3 million. The Group's total capital expenditure in Q1-3 2016 amounted to PLN 8.2 million including expenditure for property, plant and equipment at PLN 5.9 million and expenditure for intangible assets at PLN 2.3 million.

Contracted investment commitments for property, plant and equipment were PLN 133 thousand as at 30 September 2017, including mainly restructuring of GPW offices. Contracted investment commitments for intangible assets were PLN 1,275 thousand, including mainly GPW's Microsoft licences, InfoEngine's software supporting services on the electricity market, as well as the implementation of the financial and accounting system AX 2012 with new modules: consolidation and budgeting.

Contracted investment commitments for property, plant and equipment were PLN 811.0 thousand as at 31 December 2016, including mainly restructuring of GPW offices.

Contracted investment commitments for intangible assets amounted to PLN 527 thousand as at 31 December 2016 and related mainly to implementation services for the financial and accounting system – controlling module as well as implementation of a document flow system in GPW.

Contracted investment commitments of the Group for intangible assets stood at PLN 499 thousand as at 30 September 2016, including:

- electronic document flow system,
- implementation of the financial and accounting system AX 2012 with new modules, consolidation and budgeting, in GPW;

while contracted investment commitments for property, plant and equipment stood at PLN 811 thousand, mainly for restructuring of GPW offices.

VII. Ratio analysis

DEBT AND FINANCING RATIOS

In the period covered by the financial statements, the debt of the Group posed no threat to its going concern and capacity to meet liabilities on time. The ratio of net debt to EBITDA remained negative in the periods under review as liquid assets of the GPW Group exceeded interest-bearing liabilities (negative net debt). The debt to equity ratio decreased modestly year on year compared to 30 September 2016 due to a decrease of the Group's debt.

LIQUIDITY RATIOS

The current liquidity ratio was 6.7 as at 30 September 2017. The increase of the ratio was due to a decrease of current liabilities following the redemption of series A and B bonds, as well as a decrease of other current liabilities including mainly VAT liabilities for the years 2011-2016. Non-current liabilities increased following the issue of series D and E bonds which are due for redemption in 2022. The current liquidity ratio remained safe.

The coverage ratio of interest costs under the bond issue increased year on year in Q1-3 2017 due to a decrease of interest expenses and an increase of operating profit. The Group generated cash flows from operating activities which were several times higher than necessary to cover current liabilities under the bond issue.

PROFITABILITY RATIOS

The profitability ratios increased year on year in Q1-3 2017 due to an increase of both operating profit and net profit.

Table 26: Key financial indicators of GPW Group

		As at / For the nine-month period ended	
		30 September 2017	30 September 2016
Debt and financing ratios			
Net debt / EBITDA (for a period of 12 months)	1), 2)	(0.9)	(1.0)
Debt to equity	3)	34.4%	34.7%
Liquidity ratios			
Current liquidity	4)	6.7	2.0
Coverage of interest on bonds	5)	28.5	23.9
Return ratios			
EBITDA margin	6)	61.7%	59.4%
Operating profit margin	7)	53.7%	50.8%
Net profit margin	8)	44.9%	42.8%
Cost / income	9)	45.0%	49.1%
ROE	10)	20.2%	18.0%
ROA	11)	13.5%	11.7%

1) Net debt = interest-bearing liabilities less liquid assets of GPW Group (as at balance-sheet date)

2) EBITDA = GPW Group operating profit + depreciation and amortisation (for a period of 12 months; net of the share of profit of associates)

3) Debt to equity = interest-bearing liabilities / equity (as at balance-sheet date)

4) Current liquidity = current assets / current liabilities (as at balance-sheet date)

5) Coverage of interest on bonds = EBITDA / interest on bonds (interest paid and accrued for a period of 9 months)

6) EBITDA margin = EBITDA / GPW Group revenue (for a period of 9 months)

7) Operating profit margin = GPW Group operating profit / GPW Group revenue (for a period of 9 months)

8) Net profit margin = GPW Group net profit / GPW Group revenue (for a period of 9 months)

9) Cost / income = GPW Group operating expenses / GPW Group revenue (for a period of 9 months)

10) ROE = GPW Group net profit (for a period of 12 months) / Average equity at the beginning and at the end of the last 12 month period

11) ROA = GPW Group net profit (for a period of 12 months) / Average total assets at the beginning and at the end of the last 12 month period

Source: Company

VIII. SEASONALITY AND CYCLICALITY OF OPERATIONS

Share prices and the value of trading are significantly influenced by local, regional and global trends impacting the capital markets, which determines the number and size of new issues of financial instruments and the activity of investors on GPW. As a result, the revenue of the Group is cyclical.

Trading in certificates of origin on TGE is subject to some seasonality. The volume of trade in property rights on the property rights market operated by TGE and the activity of participants of the register of certificates of origin are largely determined by the obligation imposed on energy companies which sell electricity to final consumers and have to cancel a certain quantity of certificates of origin in relation to the volume of electricity sold in the year. The percentage of certificates of origin which must be cancelled is fixed for every year in regulations of the Minister of the Economy.

According to the Energy Law applicable until April 2015, the obligation had to be performed until 31 March of the year following the year of the obligation. The Act of 20 February 2015 on renewable energy sources changed the deadlines, whereby the cancellation of green certificates of origin of renewable energy sources (or payment of a replacement fee) for the period from 1 January 2015 to 3 April 2015 was only possible until 31 March 2016. However, the obligation for the period from 4 April 2015 to 31 December 2015 could be performed until 30 June 2016. In subsequent years, the entire obligation will be performed until 30 June. For cogeneration (red, yellow, and purple certificates), as of 2015, the obligation can also be performed by 30 June of the year for the previous year (previously: until 31 March). As a result, trading in the first half of the year is relatively higher than in the second half of the year.

The issuance of certificates of origin also intensifies in Q1 and in Q4 of each year. Certificates of origin are subject to mandatory cancellation within time limits set in the energy market regulations.

Trading in energy on the Commodity Forward Instruments Market operated by TGE is not distributed evenly over the year. It is seasonal in that trading is relatively low in the first half of the year compared to the second half of the year. This is because the supply side is awaiting information about the costs of electricity generation (including the cost of fuel) in the first half of the year. The demand side, in turn, needs time to determine its demand for the next year based on the demand of its clients.

IX. Other information

CONTINGENT LIABILITIES AND ASSETS

The GPW Group had no contingent liabilities or assets as at 30 September 2017.

PENDING LITIGATION

According to the Company's best knowledge, there is no litigation pending against the parent entity or other companies of the Group before a court, an arbitration body or a public administration body concerning liabilities or debt with a value of at least 10% of the Company's equity.

RELATED PARTY TRANSACTIONS

In Q1-3 2017, GPW and the associates of GPW did not make any significant transactions on terms other than at arm's length.

In January 2017, TGE granted a loan of PLN 400 thousand to the subsidiary InfoEngine S.A. maturing on 31 December 2017. The interest rate on the loan is 2% p.a.

In May 2017, GPW granted to the subsidiary TGE a PLN 10 million loan maturing on 31 March 2018. The interest rate on the loan is WIBOR 1M plus a margin of 1.4%.

In June 2017, TGE granted to InfoEngine a PLN 835 thousand loan maturing on 30 June 2022. The interest rate on the loan is 3.3%.

GUARANTIES AND SURETIES GRANTED

As at 30 September 2017, the subsidiary TGE held a bank guarantee of EUR 7.8 million issued to Nord Pool by a bank in respect of payments between TGE and Nord Pool in Market Coupling for the period from 1 July 2017 to 30 June 2018.

The Group granted and accepted no other guarantees and sureties in Q1-3 2017.

DIVIDEND PAYMENT

On 19 June 2017, the Ordinary General Meeting of GPW passed a resolution to distribute the Company's profit for 2016, including a payment of dividend in the total amount of PLN 90.2 million. The dividend per share is PLN 2.15. The dividend record date is 19 July 2017 and the dividend payment date is 2 August 2017.

The dividend due to the State Treasury is PLN 31.6 million.

FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS

The Group did not publish any forecasts of 2017 results.

EVENTS AFTER THE BALANCE-SHEET DATE WHICH COULD SIGNIFICANTLY IMPACT THE FUTURE FINANCIAL RESULTS OF THE ISSUER

There were no other events after the balance-sheet date which could significantly impact the future financial results of the issuer.

FACTORS WHICH WILL IMPACT THE RESULTS AT LEAST IN THE NEXT QUARTER

- the Markets in Financial Instruments Directive II (MiFID II) drafted by the European Commission, which imposes new requirements on financial institutions. The harmonisation of the trading system and activity of the GPW Group with those regulations will require some additional capital expenditures and operating expenses in 2017.
- on 5 October 2015, the multilateral trading facility (MTF) Turquoise in London started to offer trade in Polish shares participating in WIG30. It cannot be ruled out that some investors will trade in shares of Polish companies on Turquoise.
- start of trade on the financial commodity market, which increases operating expenses and capital expenditure and should gradually increase revenue.
- the development of the financial instruments market on TGE: this will require IRGiT to obtain the status of central counterparty (CCP). IRGiT has to comply with capital requirements under the Commission Regulation on OTC derivatives, central counterparties and trade repositories (EMIR).
- the Act of 20 February 2015 on renewable energy sources introduces as of 2016 a new system of support for the production of energy from renewable energy sources (RES) based on auctions. Under the Act, entities previously benefiting from support in the form of certificates of origin may switch to the auction system, which would have an adverse impact on volumes on the Property Rights Market and in the Register of Certificates of Origin. In addition, the Act narrows down the group of entities eligible for support in the form of green certificates (excluding large hydropower installations above 5 MW) and imposes restrictions on the issuance of certificates of origin for multi-fuel combustion plants, which may largely limit the number of property rights to green certificates of origin issued by the Register. Furthermore, the Energy Law requires energy companies which produce electricity and are entitled to compensation (to cover stranded costs) for early termination of long-term power and electricity sale contracts to "publicly" sell generated electricity. The number of entities subject to the formal obligation diminishes over time.

OTHER MATERIAL INFORMATION

Changes on the Management Board of the Company

On 4 January 2017, the Extraordinary General Meeting of GPW passed a resolution dismissing Małgorzata Zaleska as President of the Management Board of the Warsaw Stock Exchange. On 14 March 2017, the Polish Financial Supervision Authority approved the change on the Exchange Management Board dismissing Małgorzata Zaleska, President of the Management Board of the Warsaw Stock Exchange, from the Management Board of the Company.

On 4 January 2017, the Extraordinary General Meeting of GPW acting at the request of the State Treasury, a shareholder representing 35.00% of the Company's share capital, passed a resolution appointing Rafał Antczak as President of the Management Board of the Warsaw Stock Exchange.

On 13 March 2017, GPW received Rafał Antczak's letter of resignation as President of the Management Board of the Warsaw Stock Exchange for personal reasons.

On 14 March 2017, the Polish Financial Supervision Authority approved the change on the Exchange Management Board appointing Jacek Fotek as Vice President of the Management Board of the Warsaw Stock Exchange. Jacek Fotek was appointed Vice President of the Management Board of the Warsaw Stock Exchange by the Supervisory Board on 16 December 2016.

On 15 March 2017, the Supervisory Board of GPW passed a resolution delegating Jarosław Grzywiński, Member of the Exchange Supervisory Board, to temporarily perform the duties of President of the Management Board of GPW for a period up to 3 months starting on 15 March 2017.

On 22 March 2017, Paweł Dziekoński resigned as Vice President of the Management Board of the Warsaw Stock Exchange.

The GPW Supervisory Board at its meeting on 13 June 2017 decided to appoint Jarosław Grzywiński as Vice President of the Management Board of the Warsaw Stock Exchange. The decision will take effect subject to the approval of the Polish Financial Supervision Authority for the change on the Exchange Management Board. The Company has not received PFSA's decision as at the date of approval of this Report.

On 19 June 2017, the General Meeting of the Warsaw Stock Exchange passed a resolution appointing Mr Marek Dietl as President of the Management Board of the Warsaw Stock Exchange. On 27 September 2017, the Company received the decision of the Polish Financial Supervision Authority approving the appointment of Mr Marek Dietl as President of the Management Board of the Warsaw Stock Exchange.

In the opinion of the Company, in Q1-3 2017, there were no significant events or circumstances, other than those presented in this Report, which would be material to an evaluation of the Company's or the Group's position with regard to its human resources, assets, financial position, financial results and capacity to meet obligations.

X. Quarterly financial information of the Warsaw Stock Exchange for Q3 2017

This quarterly financial information of the Warsaw Stock Exchange has been prepared in accordance with the accounting policy principles binding for the Condensed Consolidated Interim Financial Statements for the nine-month period ended 30 September 2017. The estimates did not change substantially in the nine-month period ended 30 September 2017, including adjustments of provisions, deferred tax provisions and deferred tax assets mentioned in the IFRS, and there were no significant asset revaluation write-offs. In the period under review, the Company and its subsidiaries did not make one or more significant transactions with related parties on terms other than at arm's length, and neither did they grant credit or loan sureties other than the surety and the loan described in section IX.

Table 27: Separate statement of comprehensive income (PLN'000)

	Nine-month period ended 30.09.2017	Nine-month period ended 30.09.2016	Three-month period ended 30.09.2017	Three-month period ended 30.09.2016
Revenue	**152,142**	**127,825**	**47,690**	**44,608**
Operating expenses	75,902	73,458	21,871	18,580
Other income	818	252	317	63
Other expenses	4,559	914	382	343
Operating profit	**72,500**	**53,705**	**25,755**	**25,748**
Financial income	4,195	65,069	893	60,092
Financial expenses	6,625	6,034	1,933	2,023
Profit before income tax	**70,070**	**112,739**	**24,715**	**83,817**
Income tax expense	13,717	9,881	4,751	4,655
Profit for the period	**56,353**	**102,858**	**19,964**	**79,161**
Other comprehensive income:	**-**	**-**	**-**	**-**
Effective portion of change of fair value of cash flow hedges	-	163	-	-
Income to be reclassified as gains or losses	-	163	-	-
Other comprehensive income after tax	**-**	**163**	**-**	**-**
Total comprehensive income	**56,353**	**103,022**	**19,964**	**79,161**
Basic / Diluted earnings per share (PLN)	**1.34**	**2.45**	**0.48**	**1.89**

Source: Company

Table 28: Separate statement of financial position (PLN'000)

ASSETS	30.09.2017	31.12.2016	30.09.2016
Non-current assets	**464,296**	**472,942**	**463,407**
Property, plant and equipment	96,672	101,034	91,303
Intangible assets	69,807	75,918	76,079
Investment in associates	36,959	36,959	36,959
Investment in subsidiaries	254,985	254,985	254,984
Available-for-sale financial assets	280	288	287
Non-current prepayments	5,593	3,758	3,795
Current assets	**259,360**	**291,788**	**283,451**
Inventory	54	58	62
Trade and other receivables	33,964	23,941	24,296
Other current financial assets	10,123	-	-
Cash and cash equivalents	215,219	267,789	259,094
TOTAL ASSETS	**723,656**	**764,730**	**746,859**

EQUITY AND LIABILITIES	30.09.2017	31.12.2016	30.09.2016
Equity	**438,216**	**472,102**	**458,849**
Share capital	63,865	63,865	63,865
Other reserves	(114)	(114)	(141)
Retained earnings	374,465	408,351	395,124
Non-current liabilities	**253,802**	**136,794**	**136,199**
Liabilities under bond issue	243,475	123,459	123,733
Employee benefits payable	837	1,435	1,187
Deferred tax liability	7,266	9,676	9,055
Other liabilities	2,224	2,224	2,224
Current liabilities	**31,638**	**155,834**	**151,812**
Liabilities under bond issue	2,100	122,882	123,003
Trade payables	4,040	4,297	1,511
Employee benefits payable	6,779	6,490	4,924
Deferred tax liability	4,226	14,445	11,473
Accruals and deferred income	9,972	1,712	9,151
Provisions for other liabilities and charges	190	317	-
Other liabilities	4,331	5,691	1,748
TOTAL EQUITY AND LIABILITIES	**723,656**	**764,730**	**746,859**

Source: Company

Table 29: Separate cash flow statement (PLN'000)

		Nine-month period ended 30.09.2017	Nine-month period ended 30.09.2016
A	**Cash flows from operating activities**	**56,615**	**67,797**
	Cash generated from operating activities	91,390	71,224
	Income tax (paid)/refunded	(34,775)	(3,427)
B	**Cash flows from investing activities**	**(12,586)**	**58,256**
	Purchase of property, plant and equipment	(4,623)	(4,224)
	Purchase of intangible assets	(2,749)	(2,347)
	Proceeds from sale of property, plant and equipment and intangible assets	718	51
	Loans granted	(10,000)	-
	Interest received	2,800	3,186
	Dividends received	1,266	61,590
	Others	2	-
C	**Cash flows from financing activities**	**(96,387)**	**(102,825)**
	Paid dividend	(90,190)	(99,054)
	Paid interest	(5,642)	(3,771)
	Proceeds from issuance of bonds	119,929	-
	Redemption of bonds issued	(120,484)	-
D	**Net (decrease) / increase in cash and cash equivalents**	**(52,358)**	**23,228**
	Impact of change of fx rates on cash balances in foreign currencies	(211)	306
	Cash and cash equivalents - opening balance	**267,789**	**235,560**
	Cash and cash equivalents - closing balance	**215,219**	**259,094**

Source: Company

Table 30: Separate statement of changes in equity (PLN'000)

	Attributable to the shareholders of the entity			Total equity
	Share capital	Other reserves	Retained earnings	
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**
Dividends	-	-	(99,054)	(99,054)
Transactions with owners recognised directly in equity	-	-	(99,054)	(99,054)
Net profit for the nine-month period ended 30 September 2016	-	-	102,858	102,858
Other comprehensive income	-	163	-	163
Total comprehensive income for the nine-month period ended 30 September 2016	-	163	102,858	103,021
As at 30 September 2016 (unaudited)	**63,865**	**(141)**	**395,124**	**458,849**
As at 31 December 2015	**63,865**	**(304)**	**391,320**	**454,881**
Dividends	-	-	(99,054)	(99,054)
Transactions with owners shown directly in equity	-	-	(99,054)	(99,054)
Net profit for the year ended 31 December 2016	-	-	116,085	116,085
Other comprehensive income	-	189	-	189
Total comprehensive income for the year ended 31 December 2016	-	189	116,085	116,274
As at 31 December 2016	**63,865**	**(114)**	**408,351**	**472,102**
As at 31 December 2016	**63,865**	**(114)**	**408,351**	**472,102**
Dividends	-	-	(90,239)	(90,239)
Transactions with owners shown directly in equity	-	-	(90,239)	(90,239)
Net profit for the nine-month period ended 30 September 2017	-	-	56,353	56,353
Total comprehensive income for the nine-month period ended 30 September 2017	-	-	56,353	56,353
As at 30 September 2017 (unaudited)	**63,865**	**(114)**	**374,465**	**438,216**

Source: Company

XI. Appendices

Condensed Consolidated Interim Financial Statements for the nine-month period ended 30 September 2017 and the auditor's review report

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
ul. Inflancka 4A
00-189 Warszawa, Polska
Tel. +48 (22) 528 11 00
Faks +48 (22) 528 10 09
kpmg@kpmg.pl

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2017 TO 30 SEPTEMBER 2017

To the Shareholders of Giełda Papierów Wartościowych w Warszawie S.A.

Introduction

We have reviewed the accompanying 30 September 2017 condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group, with its parent company's registered office in Warsaw, ul. Książęca 4 ("the condensed consolidated interim financial statements"), which comprise:

- the consolidated statement of financial position as at 30 September 2017,
- the consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017,
- the consolidated statement of changes in equity for the nine-month period ended 30 September 2017,
- the consolidated statement of cash flows for the nine-month period ended 30 September 2017, and
- notes to the condensed consolidated interim financial statements.

Management of the parent company is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements, based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as adopted by the resolution dated 10 February 2015 of the National Council of Certified Auditors as the National Standard on Assurance 2410. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with National Standards on Assurance or International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group as at 30 September 2017 are not prepared, in all material respects, in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
registration number 3546
ul. Inflancka 4A
00-189 Warsaw

Signed on the Polish original

....
Mirosław Matusik
Key Certified Auditor
Registration No. 90048
Limited Liability Partner with power of attorney

26 October 2017

Condensed Consolidated Interim
Financial Statements of the

Giełda Papierów Wartościowych w Warszawie S.A. Group

for the nine-month period ended 30 September 2017

October 2017

TABLE OF CONTENTS

(all amounts in PLN'000 unless indicated otherwise)

I. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 30 September 2017 (unaudited)	As at 31 December 2016
Non-current assets		**594,774**	**597,287**
Property, plant and equipment	**3**	112,036	119,130
Intangible assets	**4**	268,916	273,815
Investment in associates	**5**	205,221	197,231
Deferred tax asset		1,796	1,809
Available-for-sale financial assets		280	288
Non-current prepayments		6,525	5,014
Current assets		**513,493**	**560,561**
Inventories		54	57
Corporate income tax receivable		95	428
Trade and other receivables	**6**	63,768	113,262
Cash and cash equivalents	**8**	449,576	446,814
TOTAL ASSETS		**1,108,267**	**1,157,848**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 30 September 2017 *(unaudited)*	As at 31 December 2016
Equity		**771,612**	**745,252**
Equity of the shareholders of the parent entity		**771,051**	**744,727**
Share capital		63,865	63,865
Other reserves		1,128	1,184
Retained earnings		706,058	679,678
Non-controlling interests		**561**	**525**
Non-current liabilities		**260,449**	**143,422**
Liabilities on bonds issue	**9**	243,475	123,459
Employee benefits payable		1,468	1,832
Finance lease liabilities		-	32
Accruals and deferred income	**10**	5,996	6,200
Deferred tax liability		7,286	9,675
Other non-current liabilities		2,224	2,224
Current liabilities		**76,206**	**269,174**
Liabilities on bonds issue	**9**	2,100	122,882
Trade payables		6,169	6,387
Employee benefits payable		10,515	8,114
Finance lease liabilities		48	62
Corporate income tax payable		4,587	16,154
Liabilities under loans and advances	**12**	20,021	-
Accruals and deferred income	**10**	15,641	7,144
Provisions for other liabilities and charges		191	333
Other current liabilities	**11**	16,934	108,098
TOTAL EQUITY AND LIABILITIES		**1,108,267**	**1,157,848**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

II. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2017 *(unaudited)*	**2016** *(restated, unaudited)*	**2017** *(unaudited)*	**2016** *(restated, unaudited)*
Revenue		81,119	73,658	259,788	229,150
Operating expenses		(32,505)	(28,271)	(116,785)	(112,419)
Other income		1,731	205	2,092	757
Other expenses		(308)	(360)	(5,590)	(970)
Operating profit		**50,037**	**45,232**	**139,505**	**116,518**
Financial income		1,334	3,430	4,266	10,639
Financial expenses		1,339	(2,971)	(8,709)	(8,879)
Share of profit of associates	**5**	3,609	2,296	8,149	2,282
Profit before income tax		**56,319**	**47,987**	**143,211**	**120,560**
Income tax expense	**13**	(9,320)	(8,456)	(26,520)	(22,394)
Profit for the period		**46,999**	**39,531**	**116,691**	**98,166**
Effective portion of change of fair value of cash flow hedges		-	-	-	*163*
Zyski/(straty) z tytułu wyceny aktywów finansowych dostępnych do sprzedaży jednostek stowarzyszonych		*22*	*(23)*	*(56)*	*(81)*
Items that may be reclassified to profit or loss		22	(23)	(56)	82
Other comprehensive income after tax		**22**	**(23)**	**(56)**	**82**
Total comprehensive income		**47,021**	**39,508**	**116,635**	**98,248**
Profit for the period attributable to shareholders of the parent entity		*46,973*	*39,516*	*116,619*	*98,140*
Profit for the period attributable to non-controlling interests		*26*	*15*	*72*	*26*
Total profit for the period		46,999	39,531	116,691	98,166
Comprehensive income attributable to shareholders of the parent entity		*46,995*	*39,493*	*116,563*	*98,222*
Comprehensive income attributable to non-controlling interests		*26*	*15*	*72*	*26*
Total comprehensive income		47,021	39,508	116,635	98,248
Basic/Diluted earnings per share (PLN)		**1.12**	**0.94**	**2.78**	**2.34**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

III. CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine-month period ended 30 September	
	2017 (unaudited)	2016 (unaudited)
Cash flows from operating activities:	**93,664**	**169,036**
Cash generated from operation before tax	148,335	185,821
Net profit of the period	116,691	98,166
Adjustments:	31,644	87,655
Income tax	26,520	22,394
Depreciation of property, plant and equipment	10,255	10,466
Amortisation of intangible assets	10,504	9,242
Foreign exchange (gains)/losses	211	(306)
(Profit)/Loss on sale of property, plant and equipment and intangible assets	(238)	370
Financial (income) / expense of available-for-sale	8	-
Gain on dilution of shares of associate	-	(5,404)
Income from interest on deposits	(4,070)	(4,707)
Interest, cost and premium on issued bonds	5,431	6,025
Bank loan expense	1,135	-
Net change of provisions for liabilities and other charges	(144)	(442)
Change of non-current prepayments	(1,511)	159
Share of (profit)/loss of associates	(8,149)	(2,282)
Other	4,067	233
Change in current assets and liabilities:	(12,375)	51,907
(Increase)/Decrease of inventories	*4*	*68*
(Increase)/Decrease of trade and other receivables	*49,493*	*30,978*
Increase/(Decrease) of trade payables	*(218)*	*(5,761)*
Increase/(Decrease) of employee benefits payable	*2,401*	*(2,377)*
Increase/(Decrease) of accruals and deferred income	*8,497*	*4,367*
Increase/(Decrease) of other liabilities (excluding investment liabilities and dividend payable)	*(72,552)*	*24,632*
Interest on tax payable (paid)/refunded	(14,493)	-
Income tax (paid)/refunded	(40,178)	(16,785)

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Nine-month period ended 30 September	
	2017 *(unaudited)*	**2016** *(unaudited)*
Cash flows from investing activities:	**(13,077)**	**(2,868)**
Purchase of property, plant and equipment and advances for property, plant and equipment	(6,906)	(5,922)
Purchase of intangible assets and advances for intangible assets	(10,343)	(2,278)
Proceeds from sale of property, plant and equipment and intangible assets	-	475
Interest received	4,070	4,707
Dividends received	102	150
Cash flows from financing activities:	**(77,614)**	**(102,934)**
Dywidened paid	(90,257)	(99,114)
Paid interest on bonds	(5,642)	(3,770)
Paid interest on loans and advances	(814)	-
Loans and advances received	59,700	-
Loans and advances repaid	(40,000)	-
Proceeds from bond issue	119,929	-
Buy-back of bonds issued	(120,484)	-
Payment of finance lease liabilities	(46)	(50)
Net (decrease)/increase in cash and cash equivalents	**2,973**	**63,234**
Impact of fx rates on cash balance in currencies	*(211)*	*306*
Cash and cash equivalents - opening balance	**446,814**	**360,393**
Cash and cash equivalents - closing balance	**449,576**	**423,933**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

(all amounts in PLN'000 unless indicated otherwise)

IV. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2016	**63,865**	**1,184**	**679,678**	**744,727**	**525**	**745,252**
Dividends	-	-	(90,239)	**(90,239)**	(36)	**(90,275)**
Transactions with owners recognised directly in equity	**-**	**-**	**(90,239)**	**(90,239)**	**(36)**	**(90,275)**
Profit for the nine-month period ended 30 September 2017	-	-	116,619	**116,619**	72	**116,691**
Other comprehensive income	-	(56)	-	**(56)**	-	**(56)**
Total comprehensive income for the nine-month period ended 30 September 2017 *(unaudited)*	**-**	**(56)**	**116,619**	**116,563**	**72**	**116,635**
As at 30 September 2017 *(unaudited)*	**63,865**	**1,128**	**706,058**	**771,051**	**561**	**771,612**

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2015 *(previously reported)*	**63,865**	**1,455**	**655,401**	**720,721**	**546**	**721,267**
Adjustments	-	-	(8,075)	**(8,075)**	-	**(8,075)**
As at 31 December 2015 *(restated)*	**63,865**	**1,455**	**647,326**	**712,646**	**546**	**713,192**
Dividends	-	-	(99,054)	**(99,054)**	(61)	**(99,115)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**	**(61)**	**(99,115)**
Profit for the year ended 31 December 2016	-	-	131,094	**131,094**	40	**131,134**
Other comprehensive income	-	(272)	-	**(272)**	-	**(272)**
Total comprehensive income for the year ended 31 December 2016	**-**	**(272)**	**131,094**	**130,822**	**40**	**130,862**
Other changes in equity	-	-	313	**313**	-	**313**
As at 31 December 2016	**63,865**	**1,184**	**679,678**	**744,727**	**525**	**745,252**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements

(all amounts in PLN'000 unless indicated otherwise)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Attributable to the shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 31 December 2015 *(previously reported)*	**63,865**	**1,455**	**655,401**	**720,721**	**546**	**721,267**
Adjustments	-	-	(8,075)	**(8,075)**	-	**(8,075)**
As at 31 December 2015 *(restated)*	**63,865**	**1,455**	**647,326**	**712,646**	**546**	**713,192**
Dividends	-	-	(99,054)	**(99,054)**	(60)	**(99,114)**
Transactions with owners recognised directly in equity	**-**	**-**	**(99,054)**	**(99,054)**	**(60)**	**(99,114)**
Profit for the nine-month period ended 30 September 2016 *(restated, unaudited)*	-	-	98,140	**98,140**	26	**98,166**
Other comprehensive income	-	82	-	**82**	-	**82**
Total comprehensive income for the nine-month period ended 30 September 2016 *(restated, unaudited)*	**-**	**82**	**98,140**	**98,222**	**26**	**98,248**
As at 30 September 2016 *(restated, unaudited)*	**63,865**	**1,537**	**646,412**	**711,814**	**512**	**712,326**

The attached Notes are an integral part of these Condensed Consolidated Interim Financial Statements.

V. NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. General

1.1. Legal status and scope of operations of the entity

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("Warsaw Stock Exchange", "the Exchange", "GPW", "the Company" or "parent entity") with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, Tax Identification Number 526-025-09-72, Regon 012021984. GPW has been listed on GPW's Main Market since 9 November 2010.

The core activities of the Group include organising exchange trading in financial instruments and activities related to such trading. At the same time, the Group pursues activities in education, promotion and information concerning the capital market and organises an alternative trading system. The Group is active on the following markets:

- **GPW Main Market** (trade in equities, other equity-related financial instruments and other cash markets instruments as well as derivatives);
- **NewConnect** (trade in equities and other equity-related financial instruments of small and medium-sized enterprises);
- **Catalyst** (trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by GPW and BondSpot);
- **Treasury BondSpot Poland** (wholesale trade in Treasury bonds operated by BondSpot).

The Group also organises and operates trade on the markets operated by Towarowa Giełda Energii S.A. ("the Polish Power Exchange", "POLPX") and InfoEngine S.A.:

- **Energy Markets** (trade in electricity on the Intra-Day Market, Day-Ahead Market, Commodity Forward Instruments Market, Electricity Auctions),
- **Gas Market** (trade in natural gas with physical delivery on the Intra-Day and Day-Ahead Market and the Commodity Forward Instruments Market),
- **Property Rights Market** (trade in property rights in certificates of origin of electricity),
- **CO_2 Emission Allowances Market** (trade in CO_2 emission allowances),
- **OTC (Over-the-Counter) commodity trade platform** (complements the offer with OTC commodity trade in electricity, energy biomass and property rights in certificates of origin).

On 23 February 2015, POLPX received a decision of the Minister of Finance authorising POLPX to operate an exchange and start trade on the Financial Instruments Market. The POLPX Financial Instruments Market opened on 4 November 2015.

On 30 June, the GPW Group (acting through the subsidiary GPW Benchmark S.A.) started the activity of calculating and distributing WIBID and WIBOR reference rates, used by financial institutions as a benchmark in lending and deposit agreements and in the issuance of bonds.

The GPW Group also operates:

- **Clearing House and Settlement System** (performing the functions of an exchange settlement system for transactions in exchange-traded commodities),
- **Trade Operator and Balancing Entity services** – both types of services are offered by InfoEngine S.A., balancing involves the submission of power sale contracts for execution and clearing of non-balancing with the grid operator (differences between actual power production or consumption and power sale contracts accepted for execution).

GPW is also present in London through a consultant whose mission is to support acquisition on the London market, in particular the acquisition of new investors and Exchange Members.

1.2. Approval of the financial statements

The Condensed Consolidated Interim Financial Statements were authorised for issuance by the Management Board of the parent entity on 26 October 2017.

1.3. Composition and activity of the Group

The Warsaw Stock Exchange and its following subsidiaries:

- Towarowa Giełda Energii S.A. ("Polish Power Exchange", "POLPX"), the parent entity of the Towarowa Giełda Energii S.A. Group ("Polish Power Exchange Group", "POLPX Group");
- BondSpot S.A. ("BondSpot");
- GPW Benchmark S.A. ("GPWB"), formerly GPW Centrum Usług S.A.;
- Instytut Analiz i Ratingu S.A. ("IAiR")

comprise the Warsaw Stock Exchange Group.

The following are the associates over which the Group exerts significant influence:

- Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW"), parent entity of the KDPW Group;
- Centrum Giełdowe S.A. ("CG"),
- Aquis Exchange Limited ("Aquis").

2. Basis of preparation of the financial statements

These Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union.

In the opinion of the Management Board of the parent entity, in the notes to the Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("Group"), GPW included all material information necessary for the proper assessment of the assets and the financial position of the Group as at 30 September 2017 and its financial results in the period from 1 January 2017 to 30 September 2017.

These Condensed Consolidated Interim Financial Statements have been prepared on the assumption that the Group will continue as a going concern in the foreseeable future. As at the date of preparation of these Condensed Consolidated Interim Financial Statements, in the opinion of the Management Board of the parent entity, there are no circumstances indicating any threats to the Group's ability to continue operations.

The Group has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the audited Financial Statements for the year ended 31 December 2016 other than for changes resulting from the application of new standards as described below. The Condensed Consolidated Interim Financial Statements for the nine-month period ended 30 September 2017 should be read in conjunction with the audited Consolidated Financial Statements for the year ended 31 December 2016.

The following amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2017:

1) Amendments to IAS 12 Income Taxes – recognition of deferred tax assets for unrealised losses;
2) Amendments to IAS 7 Statement of Cash Flows – an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

According to the Group's assessment, these interpretations and amendments to the standards have no material impact on the Condensed Consolidated Interim Financial Statements.

The following new standards are effective for the financial statements of the Group for financial years started on 1 January 2018 and later:

1) IFRS 9 *Financial Instruments* adopted by the European Union and effective for the financial year started on 1 January 2018. The new standard eliminates the existing categories of held to maturity, available for sale and loans and receivables used to classify financial assets. Under the new standard, financial assets are to be classified into one of three categories: financial assets measured at amortized cost; financial assets measured at fair value through profit or loss; financial assets measured at fair value through other comprehensive income (OCI). A financial asset is classified depending on its business model and its contractual terms. In respect of the financial assets impairment requirements, IFRS 9 replaces the "incurred loss" impairment model with an "expected credit loss" model.

   The Group is analysing the impact of IFRS 9 on its future financial statements. The new financial assets impairment requirements will increase provisions, in particular for non-due receivables. It is not expected that the provisions should have a significant impact on the financial results of the Group. The new Standard will impact the aggregation and presentation of data in the statement of financial position and require additional disclosures in the financial statements.

2) IFRS 15 *Revenue from Contracts with Customers* adopted by the European Union and effective for the financial year started on 1 January 2018. Under the new Standard, entities will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognized when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled.

   Starting in Q2 2017, the Group is running a project to implement the Standard in partnership with a consultant, scheduled for completion in Q4 2017. The current work in the project focuses on a review of key contracts with customers, in particular rebates, complaints, corrections, and free-of-charge initial terms. The work to date has not identified any issues which could have a significant impact on revenue and financial results presented in the consolidated financial statements.

   The new standard requires much broader sales and revenue disclosures in the financial statements; hence, relevant changes may be expected.

3) IFRS 16 *Leases*, not yet adopted by the European Union. If it is adopted, the Group will apply the Standard starting on 1 January 2019. The new Standard for lessee eliminates the distinction between

(all amounts in PLN'000 unless indicated otherwise)

operating and finance leases. All leases (other than short-term leases and low-value leases) will be recognised similar to the existing method applicable to finance leases under IAS 17 *Leases*.

Starting in Q2 2017, the Group is running a project to implement the Standard in partnership with a consultant, scheduled for completion in Q4 2017. The current work in the project focuses on a review of all leases of the Group with its suppliers, including the separation of lease-related and other components of IT contracts. The Group has not yet made the key decisions about the method of IFRS 16 implementation:

- first recognition under IFRS 16 (full retrospective effect or retrospective with cumulative effect of first recognition);
- potential re-assessment whether a contract is or contains leases;
- simplifications for short-term and low-value leases;
- approach to leases of indefinite duration.

In the statement of financial position, the Group as a lessee will recognise a new asset: "right to use the leased asset" and a new liability: "lease liability". Consequently, the Group expects an increase of its balance sheet total, the share of non-current assets in its total assets, and liabilities, resulting in a deterioration of the debt-to-equity ratio. At this time, the Group has no reliable estimates of the value of the new assets and liabilities. The Group's future minimum lease payments in respect of irrevocable operating leases stood at PLN 19.6 million as at 31 December 2016.

In the statement of comprehensive income, operating expenses are expected to decrease and financial costs to increase in respect of interest on leases. The Group does not expect a significant impact of IFRS 16 on net profit; however, the Group's EBIT and EBITDA will increase due to the changes in the break-down of expenses.

The presentation of cash flows from operating and financing activities in the cash flow statement is expected to change, and additional disclosures of leases are expected in the financial statements.

The critical accounting estimates and judgements used by the Management Board of the parent entity in the application of the Group's accounting policy and the key sources of uncertainty were the same as those used in the audited Consolidated Financial Statements as at 31 December 2016.

3. Property, plant and equipment

Table 1: Change of the net carrying value of property, plant and equipment by category

	Period	
	Nine-month period ended 30 September 2017 *(unaudited)*	**Twelve-month period ended 31 December 2016**
Net carrying value - opening balance	**119,130**	**125,229**
Additions	4,524	17,230
Reclassification and other adjustments	-	(8,785)
Disposals	(27)	(581)
Depreciation charge	(11,591)	(13,964)
incl. accrued amortisation of intangible assets	*1,336*	*212*
Net carrying value - closing balance	**112,036**	**119,130**

(all amounts in PLN'000 unless indicated otherwise)

Contracted investment commitments for property, plant and equipment were PLN 133 thousand as at 30 September 2017, including mainly restructuring of GPW offices.

Contracted investment commitments for property, plant and equipment were PLN 811 thousand as at 31 December 2016, including mainly restructuring of GPW offices.

4. Intangible assets

Table 2: Change of the net carrying value of intangible assets by category

	Period	
	Nine-month period ended 30 September 2017 *(unaudited)*	Twelve-month period ended 31 December 2016
Net carrying value - opening balance	**273,815**	**261,728**
Additions*	6,065	17,523
Reclassification and other adjustments	-	8,975
Disposals	(460)	(2,370)
Amortisation charge	(10,504)	(12,041)
Net carrying value - closing balance	**268,916**	**273,815**

** Additions include accrued amortisation at PLN 1,366 thousand as at 30 September 2017 and PLN 212 thousand as at 31 December 2016*

Contracted investment commitments for intangible assets amounted to PLN 1,275 thousand as at 30 September 2017 and related mainly to software the implementation of the financial and accounting system AX 2012 with new modules: consolidation and budgeting in GPW.

Contracted investment commitments for intangible assets amounted to PLN 527 thousand as at 31 December 2016 and related mainly to GPW's financial and accounting system and document flow system.

5. Investment in associates

Table 3: Carrying value of investment in associates

	As at	
	30 September 2017 *(unaudited)*	31 December 2016
KDPW S.A. Group	174,259	164,549
Centrum Giełdowe S.A.	17,026	16,383
Aquis Exchange Limited	13,936	16,299
Total	**205,221**	**197,231**

(all amounts in PLN'000 unless indicated otherwise)

Table 4: Change of the value of investment in associates

	As at/For	
	Nine-month period ended 30 September 2017 *(unaudited)*	Twelve-month period ended 31 December 2016
Opening balance	**197,231**	**188,570**
Gain on dilution of shares of Aquis Exchange Limited	-	5,807
Dividends	(102)	(150)
Share of profit (after tax)	8,149	3,518
Share of net profit	*8,505*	*3,763*
Other increase/(decrease) of profits	*(354)*	*(245)*
Share in other comprehensive income	(57)	(514)
Closing balance	**205,221**	**197,231**

6. Trade and other receivables

Table 5: Trade and other receivables

	As at	
	30 September 2017	31 December 2016
*Gross trade receivable**	*38,455*	*102,221*
Impairment allowances for receivables	*(2,660)*	*(1,941)*
Total trade receivables	**35,795**	**100,280**
Current prepayments	6,186	3,837
Other receivables and advance payments	2,560	9,094
Receivables in respect of tax settlements**	19,227	51
including: VAT	*19,195*	*23*
Total other receivables	**27,973**	**12,982**
Total trade and other receivables	**63,768**	**113,262**

** Gross trade receivables as at 30 September 2017 include receivables in respect of corrections of POLPX counterparty payments following VAT corrections for 2011-2016 at PLN 896 thousand (estimated at PLN 66,246 thousand as at 31 December 2016).*
*** As at 30 September 2017, VAT receivables of the subsidiary IRGIT stood at PLN 14,970 thousand.*

(all amounts in PLN'000 unless indicated otherwise)

7. Provisions and impairment losses for assets

In the period from 1 January 2017 to 30 September 2017, impairment losses for assets were adjusted as follows:

- impairment allowances for receivables: an increase of PLN 719 thousand (provision additions of PLN 1,095 thousand, releases of PLN 237 thousand, receivables were written off as unenforceable at PLN 143 thousand).

Furthermore, in the period from 1 January 2017 to 30 September 2017, there were the following changes in estimates relating to provisions:

- provisions against employee benefits (mainly annual bonuses) were increased by PLN 2,037 thousand (releases of PLN 1,240 thousand, usage of PLN 5,319 thousand, provision additions of PLN 8,596 thousand).

8. Cash and cash equivalents

Table 6: Cash and cash equivalents

	As at	
	30 September 2017	31 December 2016
Cash	1	16
Current accounts	126,893	265,502
Bank deposits	322,682	181,296
Total cash and cash equivalents	**449,576**	**446,814**

9. Bond issue liabilities

Table 7: Bond issue liabilities

	As at	
	30 September 2017	31 December 2016
Liabilities under bond issue - non-current:	**243,475**	**123,459**
Series C bonds	123,986	123,459
Series D and E bonds	119,489	-
Liabilities under bond issue - current:	**2,100**	**122,882**
Series A and B bonds	-	122,279
Series C bonds	1,679	603
Series D and E bonds	421	-
Total liabilities under bond issue	**245,575**	**246,341**

Series A and B bonds

Series A and B bonds were partly redeemed before maturity in October 2015 in the nominal amount of PLN 124,516 thousand. The remaining series A and B bonds were redeemed on 2 January 2017.

(all amounts in PLN'000 unless indicated otherwise)

Series D and E bonds

On 13 October 2016, the GPW Management Board passed a resolution to issue 1,200,000 unsecured bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120,000 thousand. The bonds were issued in January 2017 in two series: series D bonds with a total nominal value of PLN 60,000 thousand and series E bonds with a total nominal value of PLN 60,000 thousand. The issue price of series D bonds addressed to institutional investors was PLN 100 per bond. The issue price of series E bonds addressed to individual investors was from PLN 99.88 to PLN 99.96 (depending on the date of subscription).

The bonds bear interest at a floating rate equal to WIBOR 6M plus a margin of 95 basis points. The interest on the bonds is paid semi-annually. The bonds are due for redemption on 31 January 2022.

The series D and E bonds were introduced to trading on the regulated market Catalyst operated by GPW and in the alternative trading system Catalyst operated by BondSpot.

10. Accruals and deferred income

Table 8: Accruals and deferred income

	As at	
	30 September 2017	**31 December 2016**
Deferred income	5,996	6,200
Non-current accruals and deferred income	**5,996**	**6,200**
Financial market	*8,466*	*-*
Commodity market	*3,821*	*4,300*
Other income	*478*	*571*
Deferred income	12,765	4,871
Accruals	2,876	2,273
Current accruals and deferred income	**15,641**	**7,144**
Total accruals and deferred income	**21,637**	**13,344**

Non-current accruals and deferred income include a subsidy received by POLPX for assets in the PCR project in a carrying amount of PLN 6,267 thousand as at 30 September 2017, of which PLN 5,996 thousand is presented as non-current and PLN 271 thousand as current (a detailed description of the recognition of the subsidy was published in Note 18 to the Consolidated Financial Statements of the GPW Group for the year ended 31 December 2016).

Current accruals and deferred income of the financial market and the commodity market include annual fees payable by market participants.

11. Other current liabilities

Other current liabilities as at 30 September 2017 include mainly POLPX's VAT liabilities of the current period.

POLPX paid VAT liabilities relating mainly to changes in POLPX' tax policy in the total amount of PLN 78,969 thousand at 15 March 2017. VAT liabilities as at 30 September 2017 were PLN 9,960 thousand in respect of current VAT liabilities. VAT liabilities as at 31 December 2016 were PLN 96,923 thousand, including PLN 77,397 thousand of liabilities in respect of the VAT correction for 2011-2016.

(all amounts in PLN'000 unless indicated otherwise)

12. Liabilities under loans and advances

On 15 March 2017, the subsidiary POLPX signed a PLN 60 million short-term loan agreement with the bank DNB Nord to pay the outstanding VAT liabilities in connection with the change in POLPX's VAT policy. The loan bears interest at the WIBOR 1M deposit rate; interest is accrued and paid monthly. The final repayment date of the loan is 30 March 2018. The liability under the loan according to the amortised cost method was PLN 20,021 thousand as at 30 September 2017.

13. Income tax

Table 9: Income tax by current and deferred tax

	Three-month period ended		Nine-month period ended 30 September	
	30 September 2017 *(unaudited)*	30 September 2016 *(unaudited)*	2017 *(unaudited)*	2016 *(restated, unaudited)*
Current income tax	5,759	4,914	28,900	25,936
Deferred tax	3,561	3,542	(2,380)	(3,542)
Total income tax	**9,320**	**8,456**	**26,520**	**22,394**

As required by the Polish tax regulations, the tax rate applicable in 2017 and 2016 is 19%.

Table 10: Reconciliation of the theoretical amount of tax arising from profit before tax and the statutory tax rate with the income tax expense presented in the statement of comprehensive income

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2017 *(unaudited)*	2016 *(restated, unaudited)*	2017 *(unaudited)*	2016 *(restated, unaudited)*
Profit before income tax	56,319	47,987	143,211	120,560
Income tax rate	19%	19%	19%	19%
Income tax at the statutory tax rate	**10,701**	**9,117**	**27,210**	**22,906**
Tax effect:	**(1,381)**	**(661)**	**(690)**	**(512)**
Non-tax-deductible expenses	(681)	13	852	222
Additional taxable income	-	(14)	-	(8)
(Gains) on dilution of investment in Aquis	-	(445)	-	(1,027)
Tax losses of subsidiaries not recognised in deferred tax	(16)	69	6	218
Non-taxable share of profit of associates	(686)	(437)	(1,548)	(434)
Other adjustments	2	153	-	517
Total income tax	**9,320**	**8,456**	**26,520**	**22,394**

14. Related party transactions

Related parties of the Group include its associates (KDPW S.A. Group, Centrum Giełdowe S.A., and Aquis Exchange Limited) and the State Treasury as the parent entity (holding 35.00% of the share capital and 51.76% of the total number of voting rights as at 30 September 2017), entities controlled and jointly controlled by the State Treasury and entities on which the State Treasury has significant influence. Furthermore, related parties include the key management personnel of the Group.

14.1. Information about transactions with entities which are related parties of the State Treasury

The Group keeps no records which would clearly identify and aggregate transactions with all entities which are related parties of the State Treasury.

Companies with a stake held by the State Treasury

Companies with a stake held by the State Treasury, with which the parent entity enters into transactions, include issuers (from which GPW charges introduction and listing fees) and Exchange Members (from which GPW charges fees for access to trade on the exchange market, fees for access to the GPW IT systems, and fees for trade in financial instruments).

Of the biggest clients of the parent entity, Powszechna Kasa Oszczędności Bank Polski S.A. was the only entity with a stake held by the State Treasury with which GPW entered into individually material transactions. The total sale to that company was PLN 9,640 thousand in the nine-month period ended 30 September 2017 and PLN 7,072 thousand in the nine-month period ended 30 September 2016.

Companies with a stake held by the State Treasury, with which POLPX and IRGiT enter into transactions, include members of the markets operated by POLPX and members of the Clearing House. Fees are charged from such entities for participation and for trade on the markets operated by POLPX, for issuance and cancellation of property rights in certificates of origin, and for clearing.

Of the biggest clients of the POLPX Group, Noble Securities S.A. ("Noble") entered individually into material transactions with the POLPX Group. The total revenue of POLPX and IRGiT from Noble was PLN 16,895 thousand in the nine-month period ended 30 September 2017 and PLN 9,172 thousand in in the nine-month period ended 30 September 2016. Noble Securities S.A. is a member of the markets operated by POLPX and a member of IRGiT.

No other companies with a stake held by the State Treasury which entered into individually or collectively material transactions with the Group were identified among suppliers of the Group.

All trade transactions with entities with a stake held by the State Treasury are concluded in the normal course of business and are carried out on an arm's length basis. According to the Group's estimates, the individual and aggregate impact of other trade transactions with entities with a stake held by the State Treasury was immaterial in the nine-month period ended 30 September 2017.

In accordance with the Polish law, the Group's companies are subject to tax obligations. Hence, they pay tax to the State Treasury, which is a related party. The rules and regulations applicable to the Group's companies in this regard are the same as those applicable to other entities which are not related parties.

Polish Financial Supervision Authority

The Regulation of the Minister of Finance which determines among others the calculation method as well as the terms and conditions of the payment of fees by relevant entities to the Polish Financial Supervision Authority took effect as of 1 January 2016. According to the Regulation, the Chairperson of the Polish Financial Supervision Authority publishes the rates and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. On that basis, the entities obliged to pay the fee will calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

(all amounts in PLN'000 unless indicated otherwise)

In the nine-month period ended 30 September 2017, the operating expenses of the GPW Group included the annual fee paid at PLN 5,576 thousand. The fee charged to the expenses of the GPW Group in the nine-month period ended 30 September 2016 was PLN 9,076 thousand.

14.2. Transactions with associates

Table 11: Transactions of GPW Group companies with associates

	As at 30 September 2017 *(unaudited)*		Nine-month period ended 30 September 2017 *(unaudited)*	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW S.A. Group	-	-	20	59
Centrum Giełdowe S.A.	-	220	-	1,370
Aquis Exchange Limited	-	-	14	-
Total	**-**	**220**	**34**	**1,429**

Table 12: Transactions of GPW Group companies with associates

	As at 30 September 2016 *(unaudited)*		Nine-month period ended 30 September 2016 *(unaudited)*	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW S.A. Group	-	-	-	39
Centrum Giełdowe S.A.	-	56	45	480
Aquis Exchange Limited	6	-	21	-
Total	**6**	**56**	**66**	**519**

During the first nine months of 2017 and 2016, there were no write-offs or material impairment allowances created for receivables from associates.

As owner and lessee of office space in the Centrum Giełdowe building, GPW pays rent and operating expenses, including for joint property, to the building manager, Centrum Giełdowe S.A.

In 2017 and 2016, GPW also concluded transactions with the Książęca 4 Street Housing Cooperative of which it is a member. The expenses amounted to PLN 2,985 thousand in the first nine months of 2017 and PLN 2,500 thousand in the first nine months of 2016.

14.3. Information on remuneration and benefits of the key management personnel

The management personnel of the Group includes the Exchange Management Board and the Exchange Supervisory Board. The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board who were in office in 2016 and 2017, respectively.

(all amounts in PLN'000 unless indicated otherwise)

The table does not present social security contributions paid by the employer.

Table 13: Remuneration and benefits to the key management personnel of the Group

	Three-month period ended 30 September *(unaudited)*		**Nine-month period ended 30 September** *(unaudited)*	
	2017	**2016**	**2017**	**2016**
Base salary	285	688	1,481	2,338
Holiday leave equivalent	-	-	177	80
Bonus - bonus bank*	-	(844)	(245)	(585)
Bonus - one-off payment*	431	(633)	391	(460)
Bonus - phantom shares*	-	(606)	(184)	(460)
Other benefits	10	21	35	71
Benefits after termination	-	37	-	217
Total remuneration of the Exchange Management Board	**726**	**(1,337)**	**1,656**	**1,201**
Remuneration of the Exchange Supervisory Board	**146**	**141**	**378**	**398**
Total remuneration of the key management personnel	**872**	**(1,196)**	**2,033**	**1,599**

** Negative bonus amounts in the nine-month period ended 30 September 2017 represent release of provisions for bonuses of the Exchange Management Board for 2016 at PLN 963 thousand (including one-off payment of PLN 289 thousand, bonus bank of PLN 385 thousand, phantom shares of PLN 289 thousand).*

15. Dividend

On 19 June 2017, the Ordinary General Meeting of GPW passed a resolution to distribute the Company's profit for 2016, including a payment of dividend in the total amount of PLN 90,239 thousand. The dividend per share is PLN 2.15. The dividend record date is 19 July 2017 and the dividend payment date is 2 August 2017. The dividend paid to the State Treasury was PLN 31,580 thousand.

16. Seasonality

The activity of the Group shows no significant seasonality except for the revenue from the Commodity Market which shows seasonality during the year (the revenue of the first months of the year is higher than the revenue for the other quarters of the year).

17. Segment reporting

These Condensed Consolidated Interim Financial Statements disclose information on segments based on components of the entity which are monitored by managers to make operating decisions. Operating segments are components of the entity for which discrete financial information is available and whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance.

For management purposes, the Group is divided into segments based on the type of services provided. The three main reporting segments are as follows:

1) **Financial Market** segment, which covers the activity of the Group including organising trade in financial instruments on the exchange as well as related activities. The Group also engages in capital market education, promotion and information activities and organises an alternative trading system.

The Financial Market includes three subsegments:

- Trading (mainly revenue from trading fees which depends on turnover on the exchange, fees for access to and use of exchange systems);
- Listing (revenue from annual securities listing fees and one-off fees, e.g., for introduction of securities to trading on the exchange);
- Information services (mainly revenue from information services for data vendors, historical data, and revenue from the calculation and distribution of WIBID and WIBOR reference rates).

The Financial Market segment includes the companies GPW S.A., BondSpot S.A., and GPW Benchmark S.A.

2) **Commodity Market** segment, which covers the activity of the Group including organising trade in commodities as well as related activities. The Group provides clearing and settlement on the commodity market through the company Warsaw Commodity Clearing House ("IRGiT") and offers exchange trade in commodities (electricity, gas) and operates the Register of Certificates of Origin of electricity through the company POLPX. The GPW Group also earns revenues from the activity of a trade operator on the electricity market.

The Commodity Market includes the following sub-segments:

- Trading (mainly revenue on the Energy Market from spot and forward transactions in electricity, revenue from spot and forward transactions in natural gas, revenue on the Property Rights Market from trade in certificates of origin of electricity);
- Operation of the Register of Certificates of Origin of electricity (mainly revenue from issuance and cancellation of property rights in certificates of origin of electricity);
- CO_2 Allowances Market (trade in property rights in certificates of origin of electricity);
- Clearing (revenue from other fees paid by market participants (members)).

The Commodity Market segment includes the POLPX Group.

3) The **segment Other** includes the company IAiR.

The accounting policies for the operating segments are the same as the accounting policies of the GPW Group.

The Management Board monitors separately the operating results of the segments to make decisions about resources to be allocated and assess the results of their allocation and performance. Each segment is assessed up to the level of net profit or loss.

Transaction prices of transactions between the operating segments are set at arm's length, as for transactions with non-related parties.

The Group's business segments focus their activities on the territory of Poland.

(all amounts in PLN'000 unless indicated otherwise)

The tables below present a reconciliation of the data analysed by the Management Board of the parent entity with the data shown in these Condensed Consolidated Interim Financial Statements.

Table 14: Business segments: Statement of comprehensive income

	Nine-month period ended 30 September 2017 *(unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	157,616	102,046	6,019	**265,681**	(5,893)	**259,788**
To third parties	*156,974*	*101,874*	*940*	***259,788***	-	***259,788***
Sales between segments and intragroup transactions	*642*	*172*	*5,079*	***5,893***	*(5,893)*	**-**
Operating expenses:	(83,065)	(38,735)	(469)	**(122,269)**	5,484	**(116,785)**
including depreciation and amortisation	*(15,174)*	*(5,561)*	*(24)*	***(20,759)***	-	***(20,759)***
Profit/(Loss) on sales	**74,551**	**63,311**	**5,550**	**143,412**	**(409)**	**143,003**
Profit/(Loss) on other operations	(3,721)	934	3	**(2,785)**	(713)	**(3,498)**
Operating profit/(loss)	**70,830**	**64,245**	**5,553**	**140,628**	**(1,122)**	**139,506**
Profit/(Loss) on financial operations:	(2,236)	19,022	34	**16,820**	(21,264)	**(4,444)**
interest income	*2,958*	*1,078*	*34*	***4,070***	*(150)*	***3,920***
dividend received	*1,266*	*20,000*	-	***21,266***	*(21,266)*	**-**
interest cost	*(5,692)*	*(1,061)*	-	***(6,753)***	*152*	***(6,601)***
Share of profit of associates	-	-	-	**-**	8,149	**8,149**
Profit before income tax	**68,594**	**83,267**	**5,587**	**157,448**	**(14,237)**	**143,211**
Income tax	(14,294)	(12,230)	4	**(26,520)**	-	**(26,520)**
Net profit	**54,300**	**71,037**	**5,591**	**130,928**	**(14,237)**	**116,691**

Table 15: Business segments: Statement of financial position

	As at 30 September 2017 *(unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjustments*	Total segments and exclusions
Total assets	744,167	344,073	6,529	**1,094,769**	13,498	**1,108,267**
Total liabilities	287,375	68,127	2,809	**358,311**	(21,656)	**336,655**
Net assets (assets - liabilities)	**456,792**	**275,946**	**3,720**	**736,458**	**35,154**	**771,612**

** Exclusions and adjustments include mainly an adjustment of the valuation of investments in associates at cost in the financial segment, as required for valuation under the equity method (PLN 168 million), net of the impact of consolidation adjustments (PLN 133 million).*

(all amounts in PLN'000 unless indicated otherwise)

Table 16: Business segments: Statement of comprehensive income

	Nine-month period ended 30 September 2016 *(unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	134,305	93,936	2,277	**230,518**	(1,368)	**229,150**
To third parties	*133,973*	*93,936*	*1,241*	***229,150***	-	***229,150***
Sales between segments and intragroup transactions	*332*	-	*1,036*	***1,368***	*(1,368)*	**-**
Operating expenses:	(80,807)	(32,369)	(613)	**(113,789)**	1,370	**(112,419)**
including depreciation and amortisation	*(15,782)*	*(3,831)*	*(97)*	***(19,710)***	-	***(19,710)***
Profit/(Loss) on sales	**53,498**	**61,567**	**1,664**	**116,729**	**2**	**116,731**
Profit/(Loss) on other operations	(657)	444	39	**(174)**	(39)	**(213)**
Operating profit/(loss)	**52,841**	**62,011**	**1,703**	**116,555**	**(37)**	**116,518**
Profit/(Loss) on financial operations:	59,250	(1,331)	27	**57,946**	(56,186)	**1,760**
interest income	*3,357*	*1,322*	*27*	***4,706***	-	***4,706***
dividend received	*61,590*	-	-	***61,590***	*(61,590)*	**-**
gains/(losses) on dilution of investment in subsidiary	-	-	-	**-**	*5,404*	***5,404***
interest cost	*(5,666)*	*(2,722)*	-	***(8,388)***	-	***(8,388)***
Share of profit of associates	-	-	-	**-**	2,282	**2,282**
Profit before income tax	**112,091**	**60,680**	**1,730**	**174,501**	**(53,941)**	**120,560**
Income tax	(10,095)	(12,299)	-	**(22,394)**	-	**(22,394)**
Net profit	**101,996**	**48,381**	**1,730**	**152,107**	**(53,941)**	**98,166**

Table 17: Business segments: Statement of financial position

	As at 31 December 2016					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjustments*	Total segments and exclusions
Total assets	783,586	343,360	3,763	**1,130,709**	27,139	**1,157,848**
Total liabilities	294,079	119,644	15	**413,738**	(1,142)	**412,596**
Net assets (assets - liabilities)	**489,507**	**223,716**	**3,748**	**716,971**	**28,281**	**745,252**

** Exclusions and adjustments include mainly an adjustment of the valuation of investments in associates at cost in the financial segment, as required for valuation under the equity method (PLN 160 million), net of the impact of consolidation adjustments (PLN 132 million).*

(all amounts in PLN'000 unless indicated otherwise)

Table 18: Business segments: Statement of financial position

	Nine-month period ended 30 September 2017 *(unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	49,180	32,161	2,190	**83,531**	(2,412)	**81,119**
To third parties	*48,851*	*31,989*	*279*	***81,119***	-	***81,119***
Sales between segments and intragroup transactions	*329*	*172*	*1,911*	***2,412***	*(2,412)*	**-**
Operating expenses:	(24,124)	(10,288)	(424)	**(34,836)**	2,331	**(32,505)**
including depreciation and amortisation	*(5,074)*	*(2,244)*	*(24)*	***(7,342)***	-	***(7,342)***
Profit/(Loss) on sales	**25,056**	**21,873**	**1,766**	**48,695**	**(81)**	**48,614**
Profit/(Loss) on other operations	(54)	1,719	3	**1,668**	(244)	**1,424**
Operating profit/(loss)	**25,002**	**23,592**	**1,769**	**50,363**	**(325)**	**50,037**
Profit/(Loss) on financial operations:	(956)	3,625	20	**2,689**	(17)	**2,672**
interest income	*825*	*391*	*20*	***1,236***	*(104)*	***1,132***
interest cost	*(1,947)*	*4,125*	-	***2,178***	*87*	***2,265***
Share of profit of associates	-	-	-	**-**	3,609	**3,609**
Profit before income tax	**24,046**	**27,217**	**1,789**	**53,052**	**3,267**	**56,319**
Income tax	(4,973)	(4,351)	4	**(9,320)**	-	**(9,320)**
Net profit	**19,073**	**22,866**	**1,793**	**43,732**	**3,267**	**46,999**

(all amounts in PLN'000 unless indicated otherwise)

Table 19: Business segments: Statement of financial position

	Nine-month period ended 30 September 2016 *(unaudited)*					
	Financial Market	Commodity Market	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	46,791	26,732	593	**74,116**	(458)	**73,658**
To third parties	*46,673*	*26,732*	*253*	***73,658***	-	***73,658***
Sales between segments and intragroup transactions	*118*	-	*340*	***458***	*(458)*	-
Operating expenses:	(20,797)	(7,758)	(172)	**(28,727)**	456	**(28,271)**
including depreciation and amortisation	*(5,453)*	*(1,347)*	-	***(6,800)***	-	***(6,800)***
Profit/(Loss) on sales	**25,994**	**18,974**	**421**	**45,389**	**(2)**	**45,387**
Profit/(Loss) on other operations	(277)	127	(5)	**(155)**	-	**(155)**
Operating profit/(loss)	**25,717**	**19,101**	**416**	**45,234**	**(2)**	**45,232**
Profit/(Loss) on financial operations:	58,126	(514)	7	**57,619**	(57,160)	**459**
interest income	*962*	*403*	*7*	***1,372***	-	***1,372***
dividend received	*61,590*	-	-	***61,590***	*(61,590)*	-
gains/(losses) on dilution of investment in subsidiary	-	-	-	-	*5,404*	***5,404***
interest cost	*(1,900)*	*(909)*	-	***(2,809)***	-	***(2,809)***
Share of profit of associates	-	-	-	-	2,296	**2,296**
Profit before income tax	**83,843**	**18,587**	**423**	**102,853**	**(54,866)**	**47,987**
Income tax	(4,768)	(3,688)	-	**(8,456)**	-	**(8,456)**
Net profit	**79,075**	**14,899**	**423**	**94,397**	**(54,866)**	**39,531**

18. Change of the VAT policy for services provided by the subsidiary POLPX

In 2011 – 2016, POLPX considered fees charged from Exchange Members on transactions concluded on the Property Rights Market, the Commodity Forward Instruments Market in Electricity and Gas and for the maintenance of the Register of Certificates of Origin (jointly "Fees") to be fees exempted from VAT.

POLPX's approach relied on an earlier opinion of an independent advisor which suggested that the VAT exemption was applicable to the Fees.

Following a detailed analysis of the issue in question, the POLPX Management Board decided in January 2017 to modify its tax policy applicable to the Fees, to treat them as subject to VAT at the basic rate, to correct VAT payments for the period from December 2011 to December 2016, and to treat income from such Fees earned as of January 2017 as taxable.

As a result of the decision, POLPX paid to the account of the tax office the amount of outstanding VAT to the extent of those tax liabilities which were not subject to limitation, for the Fees in that period, in a total amount of PLN 69,729 thousand on the basis of tax returns with corrections for each month, filed on 15 March 2017. At the same time, POLPX issued correction invoices for its counterparties and paid interest on outstanding tax liabilities according to a calculation as at 15 March 2017 using a reduced interest rate in the amount of PLN 10,652 thousand (including PLN 9,916 thousand for the years 2011-2016 and PLN 736 thousand for 2017). At the same time, POLPX exercised the right to adjust up to 100% of the amount of input VAT for the period from December 2011 to December 2016 with the VAT which was not deducted due to the applied sales ratio. The total correction of the input VAT was PL 1,412 thousand. The total amount paid to the tax office on 15 March 2017 was PLN 78,969 thousand.

The details of the recognition of the VAT correction for the years 2011-2016 were disclosed in Note 31 to the Consolidated Financial Statements of the GPW Group as at 31 December 2016.

On 3 April 2017, POLPX received a letter from the Tax Office imposing an increase of the tax interest rate, which required it to pay PLN 3,841 thousand of additional interest. POLPX filed a complaint with the Tax Administration Chamber against the decision of the Tax Office challenging the right of POLPX to use the reduced tax interest rate. On 21 September 2017, POLPX received a letter from the Tax Administration Chamber, cancelling the decision of the Tax Office, confirming the applicability of the reduced tax interest rate, and referring the case for re-examination. In October 2017, POLPX received a refund of the incorrectly charged additional interest of PLN 3,841 thousand. In the statement of comprehensive income for the nine-month period ended 30 September 2017, POLPX recognised a reduction by this amount under financial expenses; as a result, financial expenses for the three-month period ended 30 September 2017 were presented as a negative amount of PLN 1,339 thousand.

Following discussions conducted by the POLPX Management Board, POLPX's biggest counterparties have declared the intention to pay the correction invoices after obtaining a tax interpretation which confirms that they are eligible to deduct the input VAT under POLPX's correction invoices. Other counterparties should, as a rule, also be eligible to deduct VAT under the correction invoices in the current or future financial periods. Consequently, the correction should be neutral to POLPX's clients as the VAT under the correction invoices issued by POLPX should be fully deductible by the vast majority of POLPX's clients; in the opinion of the Management Board, this should ensure that the vast majority of the outstanding amounts will be paid.

In May 2017, POLPX received a positive interpretation from the National Tax Information Service ("KIS") confirming the eligibility of VAT deductions from correction invoices received by POLPX counterparties, which initiated the payment of amounts due by all categories of counterparties. In Q3 2017, the biggest counterparties of POLPX received positive interpretations from KIS, as well; as a result, over 90% of the amounts due were paid. As at 30 September 2017, PLN 67,106 thousand (96.24%) was paid out of the total amount of correction invoices issued to counterparties at PLN 69,729 thousand.

Furthermore, the POLPX Management Board has assessed the probability of receiving the payment of debt under the correction invoices in view of the fact that some entities no longer maintain ongoing relations with POLPX or have discontinued their activity.

As a result of this assessment, as at 31 December 2016, the Group did not recognise trade receivables resulting from the tax adjustment at PLN 3.5 million. That amount was reduced to PLN 1,759 thousand as at 30 September 2017. The amount represents the best estimate of the Management Board as at the reporting date, based in particular on POLPX's assumed ability to receive the payments from its counterparties.

(all amounts in PLN'000 unless indicated otherwise)

Table 20: Impact of corrections on selected items of the statement of comprehensive income

	Nine-month period ended 30 September		
	2016 *(previously reported, unaudited)*	*impact of changes*	**2016** *(restated, unaudited)*
Revenue	229,150		229,150
Operating expenses	(112,419)		(112,419)
Other income	445	312	757
Other expenses	(970)		(970)
Operating profit	**116,206**	**312**	**116,518**
Financial income	10,639		10,639
Financial expenses	(6,162)	(2,717)	(8,879)
Share of profit of associates	2,282		2,282
Profit before income tax	**122,965**	**(2,405)**	**120,560**
Income tax expense	(22,335)	(59)	(22,394)
Profit for the period	**100,630**	**(2,464)**	**98,166**
Basic/Diluted earnings per share (PLN)	**2.40**		**2.34**

Table 21: Impact of corrections on selected items of the statement of comprehensive income

	Three-month period ended 30 September		
	2016 *(previously reported, unaudited)*	*impact of changes*	**2016** *(restated, unaudited)*
Revenue	73,658		73,658
Operating expenses	(28,271)		(28,271)
Other income	101	104	205
Other expenses	(360)		(360)
Operating profit	**45,128**	**104**	**45,232**
Financial income	3,430		3,430
Financial expenses	(2,065)	(906)	(2,971)
Share of profit of associates	2,296		2,296
Profit before income tax	**48,789**	**(802)**	**47,987**
Income tax expense	(8,436)	(20)	(8,456)
Profit for the period	**40,353**	**(822)**	**39,531**
Basic/Diluted earnings per share (PLN)	**0.96**		**0.94**

19. Events after the balance sheet date

There were no events after the balance sheet date impacting these financial statements.

The Condensed Consolidated Interim Financial Statements are presented by the Management Board of the Warsaw Stock Exchange:

Marek Dietl – President of the Management Board ……………………………………

Michał Cieciórski – Vice-President of the Management Board ……………………………………

Jacek Fotek – Vice-President of the Management Board ……………………………………

Dariusz Kułakowski – Member of the Management Board ……………………………………

Signature of the person responsible for keeping the accounting records:

Sylwia Sawicka – Chief Accountant ……………………………………

Warsaw, 26 October 2017