Separate
Financial Statements of
Giełda Papierów Wartościowych w Warszawie S.A.
for the year ended 31 December 2018

February 2019

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(all amounts in PLN'000 unless stated otherwise)

I. SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December		
		2018	2017 *(restated)*	2016 *(restated)*
Non-current assets		**426,635**	**462,760**	**472,942**
Property, plant and equipment	4	96,362	96,269	101,034
Intangible assets	5	56,439	64,741	71,696
Investment in joint arrangements and associates	7	13,825	36,959	36,959
Investment in subsidiaries	6	250,885	254,985	254,985
Available-for-sale financial assets	9	-	271	-
Financial assets measured at fair value through other comprehensive income	11	101	-	288
Prepayments	12	4,801	5,313	3,758
Other non-current assets		4,222	4,222	4,222
Current assets		**358,619**	**275,535**	**291,788**
Inventories		64	56	58
Trade and other receivables	14	25,483	26,272	23,153
Contract assets	15	1,015	-	788
Financial assets measured at amortised cost	10	310,090	-	-
Other financial assets		-	196,461	72,108
Cash and cash equivalents	16	21,967	52,746	195,681
TOTAL ASSETS		**785,254**	**738,295**	**764,730**

The attached Notes are an integral part of these Separate Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

I. SEPARATE STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December		
		2018	2017 *(restated)*	2016 *(restated)*
Equity		**498,237**	**438,873**	**457,442**
Share capital	17.1.	63,865	63,865	63,865
Other reserves	17.2.	(142)	(125)	(114)
Retained earnings	17.3.	434,514	375,133	393,691
Non-current liabilities		**263,237**	**264,574**	**148,808**
Liabilities on bonds issue	18	243,961	243,573	123,459
Employee benefits payable	19	595	883	1,435
Deferred tax liability	8	6,846	7,064	9,676
Other liabilities	21	11,835	13,054	14,238
Current liabilities		**23,780**	**34,848**	**158,480**
Liabilities on bonds issue	18	1,938	1,938	122,882
Trade payables	20	4,498	11,954	4,297
Employee benefits payable	19	9,095	8,481	6,490
Corporate income tax payable		1,373	5,685	14,445
Contract liabilities	15	11	-	300
Accruals and deferred income		-	21	1,412
Provisions for other liabilities and charges		68	211	317
Other current liabilities	21	6,797	6,558	8,337
TOTAL EQUITY AND LIABILITIES		**785,254**	**738,295**	**764,730**

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(all amounts in PLN'000 unless stated otherwise)

II. SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2018	2017 (restated)
Revenue	22	190,880	203,443
Operating expenses	23	(113,007)	(109,916)
Other income	24.1.	1,115	940
Impairment losses on receivables	14	(2,295)	(497)
Other expenses	24.2.	(1,633)	(1,686)
Operating profit		**75,060**	**92,284**
Financial income	25.1.	107,314	5,042
Financial expenses	25.2.	(10,112)	(8,871)
Profit before income tax		**172,262**	**88,455**
Income tax expense	27	(20,333)	(16,776)
Profit for the period		**151,929**	**71,679**
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income	17.2.	*(22)*	-
Total items that may be reclassified to profit or loss		(22)	-
Actuarial gains/(losses) on provisions for employee benefits after termination	17.2.	*5*	*(11)*
Total items that will not be reclassified to profit or loss		5	(11)
Other comprehensive income after tax		**(17)**	**(11)**
Total comprehensive income		**151,912**	**71,668**
Basic/Diluted earnings per share (PLN)	17.5.	**3.62**	**1.71**

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(all amounts in PLN'000 unless stated otherwise)

III. SEPARATE STATEMENT OF CASH FLOWS

	Note	Year ended 31 December	
		2018	2017 (restated)
Cash flows from operating activities:		**62,737**	**85,990**
Cash generated from operation before tax		89,456	115,089
Net profit of the period		151,929	71,679
Adjustments:		(62,473)	43,410
Income tax	27	20,333	16,776
Depreciation of property, plant and equipment	4	10,109	9,395
Amortisation of intangible assets	5	10,148	10,077
(Gains)/Losses on sale of property, plant and equipment and intangible assets		(353)	(264)
(Gains)/Losses on investing activities (gains on sale of interest in Aquis)	7	(32,239)	-
Revaluation of investments		2,069	17
Foreign exchange (gains)/losses (accounts and deposits)		(189)	(423)
Dividend (income)	25.1.	(69,697)	(1,266)
Interest (income) on deposits, certificates of deposit and corporate bonds (not classified as cash and cash equivalents)	25.1.	(3,747)	(1,640)
Interest (income) on loans	25.1.	-	(154)
Interest on bonds (adjustment of net profit for interest accrued on bonds issued)	18	7,300	7,234
(Gains)/Losses on fx rates (from investing activities)		(17)	-
Financial cost of the bond issue	18	390	390
Other adjustments		7	(272)
Change of assets and liabilities:		(6,587)	3,540
(Increase)/Decrease of inventories		*(8)*	*2*
(Increase)/Decrease of trade and other receivables	14	*2,400*	*(1,411)*
(Increase)/Decrease of contract assets	15	*(1,015)*	*-*
Increase/(Decrease) of non-current prepayments	12	*512*	*(1,555)*
Increase/(Decrease) of trade payables	20	*(7,456)*	*7,657*
Increase/(Decrease) of employee benefits payable	19	*326*	*1,439*
Increase/(Decrease) of accruals and deferred income		*-*	*(1,691)*
Increase/(Decrease) of contract liabilities	15	*(10)*	*-*
Increase/(Decrease) of other liabilities (excluding committed investments and dividend payable)	21	*(1,193)*	*(795)*
Increase/(Decrease) of net provisions for liabilities and other charges		*(143)*	*(106)*
Advances received from associates in the Tax Group		9,029	10,466
Income tax (paid)/refunded		(35,748)	(39,565)

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(all amounts in PLN'000 unless stated otherwise)

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Year ended 31 December 2018	Year ended 31 December 2017 (restated)
Cash flows from investing activities:		**5,883**	**(130,963)**
Purchase of property, plant and equipment and advances for property, plant and equipment		(9,851)	(6,393)
Purchase of intangible assets and advances for intangible assets		(2,034)	(4,002)
Proceeds from sale of property, plant and equipment and intangible assets		387	725
Proceeds from sale of financial assets held for sale (interest in the associate Aquis)	7	57,563	-
Interest received on financial assets measured at amortised cost (previously presented in the balance sheet as other financial assets)		2,748	1,287
Purchase of financial assets measured at amortised cost (previously presented in the balance sheet as other financial assets)		(637,867)	(378,000)
Sale of financial assets measured at amortised cost (previously presented in the balance sheet as other financial assets)		525,237	254,000
Loans granted		-	(10,000)
Repayment of loans granted		-	10,000
Interest received on loans granted	25.1.	3	154
Dividends received	25.1.	69,697	1,266
Cash flows from financing activities:		**(99,588)**	**(98,387)**
Dividends paid		(92,288)	(90,190)
Interest paid on bonds issued	18	(7,300)	(7,642)
Redemption of bonds	18	-	(120,484)
Proceeds from bond issues	18	-	119,929
Net (decrease)/increase in cash and cash equivalents		**(30,968)**	**(143,358)**
Impact of fx rates on cash balance in currencies		189	*423*
Cash and cash equivalents - opening balance		**52,746**	**195,681**
Cash and cash equivalents - closing balance		**21,967**	**52,746**

The attached Notes are an integral part of these Separate Financial Statements.

(all amounts in PLN'000 unless stated otherwise)

IV. SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2017 *(previously reported)*	**63,865**	**(125)**	**387,147**	**450,887**
Adjustment - donation to PFN	-	-	(12,014)	**(12,014)**
As at 31 December 2017 *(restated - adjusted for PFN)*	**63,865**	**(125)**	**375,133**	**438,873**
Adjustment - initial application of IFRS 9	-	-	(210)	**(210)**
As at 1 January 2018 *(restated - adjusted for PFN and IFRS 9)*	**63,865**	**(125)**	**374,923**	**438,663**
Dividends	-	-	(92,338)	**(92,338)**
Transactions with owners recognised directly in equity	**-**	**-**	**(92,338)**	**(92,338)**
Net profit for the year ended 31 December 2018	-	-	151,929	**151,929**
Other comprehensive income	-	(17)	-	**(17)**
Total comprehensive income for the year ended 31 December 2018	**-**	**(17)**	**151,929**	**151,912**
As at 31 December 2018	**63,865**	**(142)**	**434,514**	**498,237**

	Share capital	Other reserves	Retained earnings	Total equity
As at 31 December 2016 *(previously reported)*	**63,865**	**(125)**	**408,351**	**472,091**
Adjustment - donation to PFN	-	-	(14,660)	**(14,660)**
As at 31 December 2016 *(restated - adjusted for PFN)*	**63,865**	**(125)**	**393,691**	**457,431**
Dividends	-	-	(90,239)	**(90,239)**
Transactions with owners recognised directly in equity	**-**	**-**	**(90,239)**	**(90,239)**
Net profit for the year ended 31 December 2017	-	-	71,679	**71,679**
Total comprehensive income for the year ended 31 December 2017	**-**	**-**	**71,679**	**71,679**
Other changes in equity	-	-	**2**	**2**
As at 31 December 2017 *(restated - adjusted for PFN)*	**63,865**	**(125)**	**375,133**	**438,873**

The attached Notes are an integral part of these Separate Financial Statements.

V. NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General

1.1. Legal status and scope of operations of the entity

Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("the Warsaw Stock Exchange", "the Exchange", "GPW" or "the Company") with its registered office in Warsaw, ul. Książęca 4 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 Exchange include organising exchange trading in financial instruments and activities related to such trading. At the same time, the Exchange pursues activities in education, promotion and information concerning the capital market and organises an alternative trading system. The Company operates 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).

GPW also has a consultant in London 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 separate financial statements were authorised for issuance by the Management Board of GPW on 26 February 2019.

2. Summary of significant accounting policies

2.1. Basis of preparation of the separate financial statements

2.1.1. Statement of compliance

These separate financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The following amendments of existing standards adopted by the European Union are effective for the financial statements of the Company for the financial year started on 1 January 2018:

1) IFRS 9 *Financial Instruments*,
2) IFRS 15 *Revenue from Contracts with Customers,*
3) Annual Improvements to IFRS 2014-2016 - Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 28 *Investments in Associates and Joint Ventures,*
4) Amendments to IFRS 2 *Share-based Payment*,
5) IFRIC 22 *Foreign Currency Transactions and Advance Consideration*,

(all amounts in PLN'000 unless stated otherwise)

6) Amendments to IAS 40 *Investment Property*.

Following the implementation of IFRS 9 and IFRS 15 as of 1 January 2018, the Company's accounting policies described in sections 2.8 and 2.19 of these financial statements have been updated. The application of the new Standards is described in detail in Note 32.

According to the Company's assessment, the amendments to the standards have no material impact on the separate financial statements.

The key accounting policies applied in the preparation of these separate financial statements are described below. These policies were continuously followed in all presented periods, unless indicated otherwise.

2.1.1.1 New accounting Standards and Interpretations of the IFRS Interpretations Committee (IFRIC)

The Company did not use the option of early application of new Standards and Interpretations already published and adopted by the European Union or planned for adoption in the near future which will take effect after the balance sheet date.

A. Standards and Interpretations adopted by the European Union

Certain Standards, Interpretations and Amendments to published Standards are not yet mandatorily effective for the annual period ending 31 December 2018 and have not been applied in preparing these financial statements. The Company plans to adopt these pronouncements when they become effective. The following table presents:

- Standards and Interpretations adopted by the EU that are not yet effective for the annual period ending 31 December 2018;
- Type of the expected impact on accounting policies implemented by a new Standard/Interpretation;
- Impact of the changes described on the Company's financial statements;
- Effective date of the amendments.

Standard/ Interpretation adopted by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
1. IFRS 16 *Leases*	IFRS 16 supersedes IAS 17 *Leases* and related interpretations. For lessees, the new Standard eliminates the distinction between operating and finance leases. Bringing operating leases in balance sheet will result in recognizing a new asset – the right to use the underlying asset – and a new liability – the obligation to make lease payments. The right-of-use asset will be depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. Lessor accounting, however, shall remain largely unchanged and the distinction between operating and finance leases will be retained.	The impact is described in Note 2.1.2.	1 January 2019
2. IFRIC 23 *Uncertainty over Income Tax Treatments*	IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, whilst also aiming to enhance transparency. Under IFRIC 23, the key test is whether it is probable that the tax authority will accept the entity's chosen tax treatment. If it is probable that the tax authorities will	The Company does not expect IFRIC 23 to have material impact on the financial statements.	1 January 2019

(all amounts in PLN'000 unless stated otherwise)

Standard/ Interpretation adopted by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
	accept the uncertain tax treatment then the tax amounts recorded in the financial statements are consistent with the tax return with no uncertainty reflected in measuring current and deferred taxes. Otherwise, the taxable income (or tax loss), tax bases and unused tax losses shall be determined in a way that better predicts the resolution of the uncertainty, using either the single most likely amount or expected (sum of probability weighted amounts) value. An entity must assume the tax authority will examine the position and will have full knowledge of all the relevant information.		
3. Amendments to IFRS 9 *Financial Instruments*	The amendment enables entities to measure financial assets with a prepayment option, which under contractual terms are instruments with cash flows that are solely payments of the principal and interest on the principal amount outstanding, for negative compensation, at amortized cost or at fair value through other comprehensive income instead of fair value through profit or loss if such financial assets meet the other applicable requirements of IFRS 9.	The Company does not expect the Amendments to have material impact on the financial statements.	1 January 2019
4. Amendments to IAS 28 *Investments in Associates and Joint Ventures*	The Amendments clarify that an entity applies IFRS 9 *Financial Instruments* to interests in an associate or joint venture to which the equity method is not applied.	The Company does not expect the Amendments to have material impact on the financial statements.	1 January 2019
5. Annual Improvements to IFRS 2015-2017 Cycle	The Improvements to IFRSs (2015-2017) contains four amendments to standards. The main changes were to: ♦ clarify that the entity remeasures its previously held interest in a joint operation when it obtains control of the business in accordance with IFRS 3 *Business Combinations*; ♦ clarify that the entity does not remeasure its previously held interest in a joint operation when it obtains joint control of the joint operation in accordance with IFRS 11 *Joint Arrangements*; ♦ clarify that the entity should always account for income tax consequences of dividend payments in profit or loss, other comprehensive income or equity according to where the entity originally recognized past transactions or events that generated distributable profits; and ♦ clarify that the entity should exclude from the funds that the entity borrows generally borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete as borrowings made specifically for the purpose of obtaining a qualifying asset should not apply to a borrowing originally made specifically to obtain a qualifying asset if that asset is ready for its intended use or sale.	The Company does not expect the Improvements to have material impact on the financial statements.	1 January 2019
6. Amendments to IAS 19 *Employee Benefits*	The Amendments require entities to use updated assumptions when a defined benefit plan amendment occurs. The Amendments require entities to use updated assumptions for the calculation of current service cost and net interest for periods following a plan amendment to remeasure the net defined benefit liability (asset).	The Company does not expect the Amendments to have material impact on the financial statements.	1 January 2019

(all amounts in PLN'000 unless stated otherwise)

Standard/ Interpretation adopted by EU	Nature of impending change in accounting policy	Possible impact on financial statements	Effective date for periods beginning as the date or after that date
7. Amendments to IFRS 3 *Business Combinations*	The Amendments specify the definition of business to assist entities in determining whether they have acquired a business or a group of assets.	The Company does not expect the Amendments to have material impact on the financial statements.	1 January 2019

B. Standards and interpretations awaiting adoption by the European Union

IFRS adopted by the European Union are not significantly different from the regulations approved by the International Accounting Standards Board (IASB) with the exception of the following Standards, Interpretations and Amendments that are not yet effective as at the date of these financial statements.

The following Standards and Interpretations (not yet effective) do not apply to the Company or are not expected to have material impact on the financial statements:

Standard	Effective date*
IFRS 14 *Regulatory Deferral Accounts*	**
IFRS 17 *Insurance Contracts*	1 January 2021
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	TBD
Amendments to IAS 28 *Investments in Associates and Joint Ventures* – Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to IFRS 2015-2017	1 January 2019
Amendments to IAS 19 *Employee Benefits* – Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to IFRS 3 *Business Combinations*	1 January 2019
Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* – Definition of material	1 January 2019

** Annual periods starting on or after that date, defined by the International Accounting Standards Board (IASB), subject to change after adoption by the EU.*
*** The European Commission decided not to start the adoption of the temporary Standard for the EU until the final version of IFRS 14 is published.*

The Company plans to adopt these Amendments, as applicable to its business, when they become effective.

2.1.2. Impact of IFRS 16 on future financial statements

IFRS 16 was published in January 2016. For lessees, the new Standard eliminates the distinction between operating and finance leases. As a result, lessees will recognise nearly all lease contracts in the statement of financial position. According to the new Standard, a new asset – the right to use the underlying asset – and a new liability – the obligation to make lease payments are recognised in the statement of financial position. The only exceptions are short-term leases and low-value leases.

The Company has identified and analysed lease contracts effective as at the first-time adoption of IFRS 16 in the light of the new accounting standards for leases. The analysis revealed that the Standard will have impact on the accounting treatment of leases which were previously treated as operating leases.

As at the balance-sheet date, the Company's non-cancellable lease payments are PLN 20,122 thousand (see Note 32), including PLN 4,862 thousand of short-term leases and PLN 15,260 thousand of low-value leases. The cost of these two types of leases will be recognised on a straight-line basis in the statement of comprehensive income.

As at 1 January 2019, the Company expects to recognise right-of-use assets at PLN 24,059 thousand and liabilities in respect of lease at PLN 24,059 thousand. The Company will depreciate the right-of-use assets on a straight-line basis in the period of their useful life. Liabilities in respect of finance leases will accrue interest at the lessee's marginal interest rate. Depreciation of the right-of-use assets and the interest cost of leases will be charged to the costs of the period.

As previous fees under operating lease contracts will be presented as depreciation and financial expenses, the value and structure of the Company's expenses will change. After the implementation of the new Standard, the Company expects its net profit for 2019 to be PLN 93 thousand less than the net profit without the Standard. EBITDA is expected to increase because operating lease fees were included in the Company's operating expenses affecting the EBITDA while the depreciation of the right-of-use assets and the interest cost of leases will not. The Standard will have the biggest impact on the results of the Company in the first few periods after initial adoption. In the long term, provided that the value of leased assets remains stable, the differences will phase out to have little impact on the results of the Company.

The Company's net cash flows from operating activities will increase and its net cash flows from financing activities will decrease by PLN 636 thousand as principal lease payments will be shown in the net cash flows from financing activities.

The Company's business as a lessor is considered immaterial and the Company expects no material impact on the financial statements. The Company will present additional disclosures next year.

The Company implemented the Standard as of its effective date on 1 January 2019 retrospectively with the cumulative effect of initial application at initial application date.

2.1.3. Functional and presentation currency

These separate financial statements are presented in the Polish zloty (PLN), which is the functional currency of the Company, and all values are presented in thousands of Polish zlotys (PLN'000) unless stated otherwise.

2.1.4. Basis of valuation

The financial statements have been prepared on the historical cost basis except for available-for-sale financial assets which are measured at fair value.

2.1.5. Estimates

The preparation of financial statements in accordance with the IFRS requires making certain critical accounting estimates. Estimates are subject to on-going verification. Estimates and judgments adopted for the purpose of preparing the financial statements are based on historical experience, analyses and predictions of future events, which to the best knowledge of the Management Board of the Exchange are believed to be reasonable in the given situation.

2.1.5.1. Economic useful life for property, plant and equipment and intangible assets

The Company determines the estimated economic useful life and depreciation and amortisation rates for property, plant and equipment and intangible assets. These estimates are based on the anticipated periods for using the individual groups of property, plant and equipment and intangible assets. The adopted economic useful life may undergo considerable changes as a result of new technological solutions appearing on the market, plans of the Management Board of the Exchange or intensive use.

2.1.5.2. Goodwill and investment in subsidiaries and associates impairment tests

A cash flow generating unit, to which goodwill has been allocated, is subject to annual impairment tests. Impairment of investments in subsidiaries and associates is tested on the occurrence of indicators of potential impairment.

Impairment tests are conducted using the discounted cash flows method based on financial forecasts or estimated fair value less cost of sale. Forecasts of future financial results of cash flow generating units are based on a number of assumptions, of which some (among others those relating to observable market data such as macroeconomic conditions) are beyond control of the Company.

2.1.5.3. Provisions

The Company creates provisions when the Company has a current legal or customarily expected obligation resulting from past events and it is likely that the performance of such obligation will require an outflow of resources containing economic benefits and the amount of such obligation can be reliably estimated. The Company creates provisions based on the best estimates of the Management Board of the Exchange in the amount of expenditures necessary to perform the current obligation as at the balance sheet date. If the effect of change of the value of money in time is significant, the amount of provisions corresponds to the present value of expenditures which are expected to be necessary to perform the obligation.

2.2. Evaluation of balances presented in foreign currencies

Transactions presented in foreign currencies are booked at the transaction date at the following foreign exchange rate:

- the rate actually applied at such date, depending on the nature of the transaction – for sale or purchase of foreign currencies or payment of receivables or payables;
- the average rate published for the currency by the National Bank of Poland at the day preceding such date – for other operations.

As at the balance sheet date:

- monetary items presented in foreign currencies are converted with the closing foreign exchange (FX) rates;
- non-monetary items presented in foreign currencies valued at historical cost are converted at the FX rate prevailing at the transaction date;
- non-monetary items presented in foreign currencies at fair value are converted at the FX rate prevailing at the day of determining the fair value.

Foreign exchange gains and losses resulting from settlements of transactions in foreign currencies and from the conversions of monetary assets and liabilities denominated in foreign currencies are disclosed as profit / loss of the current period.

2.3. Segment reporting

Information about business segments is presented only in the consolidated financial statements of the Warsaw Stock Exchange Group.

2.4. Property, plant and equipment

Property, plant and equipment are disclosed at the cost of purchase or production, expansion or modernisation, net of accumulated depreciation and impairment losses (principle in Note 2.6).

Purchase cost includes the cost of purchase, expansion and/or modernisation as well as external financing costs.

Depreciation is calculated for property, plant and equipment items over their estimated useful life, taking into account their residual value and using the straight-line depreciation method.

(all amounts in PLN'000 unless stated otherwise)

Table 1 Estimated useful life periods of property, plant and equipment, by category

Property, plant and equipment category	Depreciation period
Buildings [1]	10-40 years
Leasehold improvements	10 years
Vehicles	5 years
Computer hardware	3-5 years
Other property, plant and equipment	5-10 years

Land is not subject to depreciation.

Individual components of property, plant and equipment with a different useful life are recognised separately and depreciated throughout the useful life taking into account their residual value.

The depreciation method, the depreciation rate and the residual value are subject to regular verification by the Company. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

A component of property, plant and equipment is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal / liquidation of property, plant and equipment are determined as the difference between the proceeds (if any) and the net book value of property, plant and equipment and included in the profit or loss of the period as net other profit/loss.

Property, plant and equipment under construction or development is disclosed at the cost of purchase or production net of impartment losses, if any, and is not depreciated until complete.

2.5. Intangible assets

2.5.1. Goodwill

Goodwill from acquisition is the difference between the purchase price and the fair value of the acquired net assets, liabilities and identifiable contingent commitments. After initial recognition, goodwill is disclosed at cost of purchase net of accumulated impairment losses (principle in Note 2.6). Goodwill is tested against potential impairment annually or more frequently in case of events or changes indicating potential impairment.

For impairment testing purposes, goodwill is allocated to cash generating units which are expected to benefit from the transaction responsible for the creation of goodwill.

2.5.2. Other intangible assets

Other intangible assets are disclosed at cost of purchase or production net of accumulated amortisation and impairment losses (principle in Note 2.6)

Amortisation is calculated with the straight-line method over the estimated useful life of other intangible assets. The estimated useful life of intangible assets varies from 1 to 5 years except for the intangible assets corresponding to the UTP trading system which have an expected useful life of 12 years.

Costs of intangible assets which do not improve or extend their useful life are recognised as cost when incurred. Otherwise, the costs are capitalised.

[1] The Company uses common areas of the "Centrum Giełdowe" building. Common areas (such as escalators, halls, corridors), owned in respective parts by the Exchange and other owners of the building, are managed by the "Książęca 4" Tenants Association appointed for this purpose. The common areas of the building in the part owned by the Company are recognised as assets in the separate financial statements. The maintenance costs incurred in respect of the use of those areas of the building (such as current maintenance, repairs and refurbishments of technical equipment and installations included in common areas, electricity, security, administrative services, etc.) are recognised in the statement of comprehensive income at the time when they incurred.

The amortisation method and the amortisation rate are subject to regular verification by the Company. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

A component of intangible assets is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal / liquidation of intangible assets are determined as the difference between the net proceeds (if any) and the book value of intangible assets and included in the profit or loss of the period.

2.6. Impairment of non-financial assets

At each balance sheet date, the Company reviews non-financial assets to determine whether there are indicators of impairment except for inventories (see Note 2.11) and deferred tax assets (see Note 2.16.3) to which other valuation procedures apply. If such indicators are identified, the recoverable amount of an asset is estimated (as the higher of: fair value less selling costs or value in use). Value in use corresponds to the discounted value of the estimated future economic benefits which would be generated by an asset. If an asset does not generate cash flows that are independent from the cash flows generated by other assets, the analysis is performed for the group of assets generating cash flows (a cash generating unit) to which the asset belongs.

The Company performs an annual test of impairment of intangible assets which are not yet available for use by comparing the carrying value and the recoverable amount. For impairment testing purposes, intangible assets which are not yet available for use are allocated to cash generating units which are expected to benefit from the transaction responsible for the creation of the assets.

If the carrying value of an asset (or a cash generating unit) is higher than its recoverable value, impairment is recognised and the asset value is written down to recoverable value. Impairment losses are charged to the profit or loss of the period.

At the end of every reporting period, the Company checks for conditions indicating that the impairment losses recognised in previous reporting periods may be redundant or excessive. In that case, impairment losses are reversed in whole or in part and the asset value is disclosed net of the impairment losses (but including amortisation or depreciation). Impairment reversal is recognised as other income in the statement of comprehensive income.

Impairment of goodwill is not subject to reversal.

2.7. Investment in subsidiaries and associates

The Company measures investment in subsidiaries and associates at purchase cost less impairment losses.

2.8. Financial assets

2.8.1. Classification and valuation of financial assets

The Company's financial assets are classified into one of three categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through profit or loss; or
- financial assets measured at fair value through other comprehensive income (OCI).

The assets are classified into those categories on initial recognition. Classification depends on:

- the business model of asset portfolio management; and
- the contractual terms of the financial asset.

2.8.1.1 Financial assets measured at amortised cost

A financial asset is classified as "Financial assets measured at amortised cost" if the following two conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

"Financial assets measured at amortised cost" other than trade receivables with no significant financing component are measured on initial recognition at fair value plus directly attributable transaction costs. Trade receivables with no significant financing component are measured on initial recognition at fair value (transaction price). "Financial assets measured at amortised cost" are subsequently measured at amortised cost according to the effective interest rate method net of impairment.

Interest on financial assets classified as "Financial assets measured at amortised cost" is measured using the effective interest rate method and recognised in the profit or loss of the period as part of financial income.

"Financial assets measured at amortised cost" include:

- cash and cash equivalents,
- trade receivables,
- other receivables, and
- other financial assets measured at amortised cost (including corporate bonds and certificates of deposit held to maturity).

2.8.1.2 Financial assets measured at fair value through other comprehensive income

A financial asset is classified as "Financial assets measured at fair value through other comprehensive income" if the following two conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and to sell financial assets; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

"Financial assets measured at fair value through other comprehensive income" comprise shares in entities over which the Company does not exercise control or exert significant influence. They are disclosed as non-current assets unless the Company intends to sell them within 12 months after the balance sheet date.

"Financial assets measured at fair value through other comprehensive income" are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at fair value and any effect of change in the fair value (other than impairment losses and FX differences) is recognised in other comprehensive income and presented in equity as reserves. On derecognition, the cumulative profit or loss recognised in equity is taken to the profit or loss of the period.

Dividends from equity instruments classified as "Financial assets measured at fair value through other comprehensive income" are disclosed in the profit or loss of the period as part of financial income when GPW acquires the rights to the respective payments unless the dividend is clearly paid in return for the cost of the shares.

The fair value of equity instruments listed on an active market derives from the current price. Fair value of shares is determined based on listed prices. If the market for a financial asset is not active (also in respect of non-listed securities), the Company determines the fair value using valuation techniques. These include the use of recent arm's length transactions, reference to transactions in other virtually identical instruments, discounted cash flow analysis, using market information to the maximum extent and relying on information from the Company to the minimum extent.

Fair value hierarchy

The Company classifies the valuation of fair value on the basis of a fair value hierarchy which reflects the significance of valuation input data. The fair value hierarchy includes the following levels:

- (unadjusted) trading prices on active markets for identical assets or liabilities (**level 1**);
- input data other than trading prices at level 1, which can be identified or observed for an asset or liability, directly (as prices) or indirectly (calculations based on prices) (**level 2**); and
- input data for an asset or liability not based on observable market data (non-observable data) (**level 3**).

2.8.2. Impairment of financial assets

At each balance sheet date, the Company recognises impairment (expected credit loss) of financial assets. If there has been a significant increase in credit risk of a financial asset since initial recognition, the Company recognises expected credit loss of the financial asset as an allowance equal to lifetime expected credit losses. If the credit risk of a financial asset has not increased significantly since initial recognition, the financial asset will attract a loss allowance equal to 12-month expected credit loss.

The Company's impairment allowance for financial assets measured at amortised cost other than trade receivables is equal to the 12-month expected credit loss in view of the low credit risk of such financial instruments. The Company considers cash and cash equivalents, other receivables and other financial assets measured at amortised cost to carry low credit risk because it only accepts entities, including banks and financial institutions, of a high rating and stable market position, i.e., rated above Baa2 by Moody's.

As receivables of the Company have no significant financing component, impairment is measured as an allowance equal to lifetime expected credit losses.

The Company measures expected credit loss of financial assets taking into account:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money;
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

As at the end of each reporting year, based on historical collection of debt from counterparties, the Company performs a statistical analysis of trade receivables by category of clients as follows:

- Exchange Members,
- issuers, and
- other clients.

In the next step, the Company performs a portfolio analysis and calculates for each category of clients a matrix of allowances by age group based on lifetime expected credit losses. The allowance for debt which is not overdue as at the balance sheet date for a group of clients in a time bracket (overdue) is equal to:

- value of trade receivables at the balance sheet date, times
- client's probability of default.

The expected credit loss (or released allowance) required to adjust the expected credit loss allowance as at the reporting date to the amount that should be recognised is presented in the Company's statement of comprehensive income as gains or losses on impairment.

The expected credit loss allowance for financial assets classified as "Financial assets measured at amortised cost" is shown as a reduction of the gross carrying amount of the financial asset in the statement of financial position.

The expected credit loss allowance for financial assets classified as "Financial assets measured at fair value through other comprehensive income" is shown in other comprehensive income; it does not reduce the carrying amount of the financial asset in the statement of financial position.

2.9. Non-current prepayments

Non-current prepayments include the right to perpetual usufruct of land with expected economic useful life longer than one year, which is equivalent to operating lease. Perpetual usufruct is initially recognised at cost and subsequently at the end of the reporting period at net carrying value, i.e., cost less incremental depreciation charges and impairment losses.

The rights to perpetual usufruct of land are equivalent to operating lease.

2.10. Other receivables

Other receivables mainly comprise prepayments and current payments for the rights to perpetual usufruct of land, which is equivalent to operating lease.

Prepayments are recorded when expenditures incurred relate to future reporting periods. Prepayments comprise:

- long-term balances relating to future reporting periods, more than 12 months from the balance sheet date; and
- short-term balances relating to future reporting periods, up to 12 months from the balance sheet date.

Prepayments are recognised in the statement of comprehensive income over the lifetime of the relevant contract.

2.11. Inventories

Inventories are disclosed at the cost of purchase or acquisition, not higher than their net realisable value.

As at the balance sheet date, materials are stated at the lower of purchase price and net realisable value, less impairment losses. Impairment losses are charged to other operating expenses.

2.12. Cash and cash equivalents recognised in the statement of cash flows

Cash and cash equivalents include cash in hand, on-demand deposits with banks, and term deposits with banks with maturities up to three months which are not classified as investments.

2.13. Equity

The equity comprises:

- share capital disclosed at par, adjusted for hyperinflation;
- other reserves, including the revaluation reserve;
- retained earnings, comprised of:
    - ✓ retained earnings from prior years (comprised of supplementary capital and other reserves formed from prior year profits); and
    - ✓ profit of the current period.

Equity items (except for retained earnings and any surpluses on revaluation of assets) have been restated using the general price index beginning from the date on which a given equity item was contributed or otherwise formed, for the period in which the economy in which the Company carries out its operations was a hyperinflationary economy, i.e., until 31 December 1996. The effect of recalculating the appropriate equity items using the inflation ratios was reflected in retained earnings and is presented in Note 16.

2.14. Financial liabilities

Financial liabilities include trade payables, liabilities under bond issues, finance leases and other liabilities.

Financial liabilities at the balance sheet date are valued at amortised cost. The valuation is based on cost at which the liability was initially recognised less the repayment of the nominal value, adjusted for the cumulative amount of the discounted difference between the initial value and the maturity value. For instruments at floating interest rates, in relation to the next agreed re-pricing date (on which the interest rate is determined), it is calculated using the effective interest rate method. The effective interest rate is the internal rate of return (IRR) of the liability, which is used for discounting future cash flows of the financial instrument to present value.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

2.15. Contingent liabilities

A contingent liability is:

- a possible obligation resulting from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully under the entity's control; or
- a present obligation resulting from past events, which however is not recorded in the financial statements because:
  - ✓ it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - ✓ the amount of the obligation (liability) cannot be reliably determined.

2.16. Income tax

2.16.1. Tax Group

On 3 October 2013, the Head of the First Mazovian Tax Office in Warsaw issued a decision registering the Tax Group for a period of three tax years from 1 December 2013 to 31 December 2016. The Tax Group was comprised of Giełda Papierów Wartościowych w Warszawie S.A. and GPW Centrum Usług S.A. (now GPW Benchmark S.A.) until 31 December 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. (now GPW Benchmark S.A.)

entered into a notarised agreement creating the GPW Tax Group ("GPW TG" or "TG") for a period of three 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 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.

In separate financial statements, the members of the Tax Group present income tax as if they were a separate taxpayer and present income tax payments to GPW within the Tax Group. GPW presents income tax payments from the subsidiaries within the Tax Group accordingly.

In the separate statement of cash flows, any change of such payments is presented in cash flows from operating activities as an advance received from/paid to associates in the Tax Group and the corporate income tax paid by GPW in the amount determined for the Tax Group is presented in GPW's separate statement of cash flows under income tax (paid)/refunded. The subsidiaries do not present such payments under income tax (paid)/refunded in their separate statements of cash flows.

The deferred tax assets and liabilities in the separate financial statements of the companies participating in the Tax Group are recognised as if they were a separate taxpayer.

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.

2.16.2. Current income tax

Current income tax is calculated on the basis of net taxable income of the Company for a given financial year determined in accordance with the binding tax regulations and using the tax rates provided in those regulations. Net taxable income (loss) differs from accounting profit (loss) for the year due to excluding taxable income and deductible costs relating to future periods as well as cost and income items that would never be deductible or taxable.

2.16.3. Deferred income tax

Deferred tax is calculated using the liability method as tax payable or reimbursable in the future in respect of differences between carrying amounts of assets and liabilities in the financial statements and the corresponding tax amounts used for the calculation of the tax base.

The deferred tax provisions are recorded in the full amount and are not subject to discounting.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences could be utilised.

The amount of the deferred tax asset is analysed at each balance sheet date, and it is written down if the expected future taxable income or taxable temporary differences are not sufficient to utilise the asset in full or in part.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The deferred tax is recognised in the statement of comprehensive income for the given period unless the deferred tax relates to transactions or events recognised in other comprehensive income or directly in equity, when it is also recognised as other comprehensive income or directly in equity.

The Company uses no deferred tax assets or liabilities for the differences between the taxable and accounting investment in subsidiaries and associates when the Company cannot control the date of reversal of temporary differences (for deferred tax liabilities) and such differences are unlikely to reverse in the foreseeable future.

Deferred tax assets and liabilities can be offset when the Company has an enforceable right to offset current income tax receivables and liabilities and when the deferred tax assets and liabilities relate to income tax imposed on the same taxpayer by the same tax authorities.

2.17. Employee benefits

2.17.1. Current employee benefits

Liabilities in respect of current employee benefits are charged to costs in the period when benefits are paid. Liabilities are charged to costs in the amount of expected payments to employees in respect of short-term cash bonuses or profit sharing plans when the Company has a legal or constructive obligation to make such payments as compensation for services provided by employees in the past and the amount of the obligation can be reliably estimated.

Furthermore, the Company has an incentive scheme, according to which employees have the right to an annual bonus dependent on GPW's sales profit and the implementation of bonus targets and an additional element linked to the employee's individual appraisal. The Company sets up provisions for bonuses in order to assign costs to the periods to which they relate. Provisions are estimated according to the best knowledge of the GPW Management Board concerning probable bonuses to be paid based on the framework of the incentive scheme.

2.17.2. Defined contributions scheme

The Exchange pays contributions to the Employee Pension Scheme, which employees join voluntarily based on an agreement. After payment of the contributions, the Company has no further obligations to make payments to the Employee Pension Scheme. These contributions are charged to costs of employee benefits as they are incurred. Paid pension benefits are recognised as a cost of the period they relate to.

Under the applicable legislation, the Company is required to charge and pay contributions to employees' pension benefits. Such benefits are a state scheme which is a defined contributions scheme. Consequently, the Company's obligation to pay contributions to the pension scheme for each period is recognised in the amount of contributions to be paid in the year.

2.17.3. Other non-current employee benefits

The present value of liabilities in respect of employee benefits is measured by an independent actuary at each balance sheet date. Liabilities equal discounted future payments, taking into account employee rotation, for the period up to the balance sheet date. Demographic and employee rotation statistics are historical data.

Actuarial gains and losses on employee benefits after the term of service are recognised in other comprehensive income.

2.17.4. Management remuneration system

As of April 2017, the remuneration of the Management Board is subject to the limitations and requirements of the Act of 9 June 2016 on the terms of determining remuneration of managers of certain companies ("New Remuneration Cap Act"). According to the New Remuneration Cap Act, the remuneration of the Company's management includes:

- a fixed monthly base salary determined depending on the scale of the Company's business, and
- a variable part ("bonus") which is supplementary remuneration for the financial year depending on the performance of management targets.

Depending on its appraisal of the performance of individual targets and the results of the Company, the Exchange Supervisory Board may award a bonus to Management Board members in the amount not greater than 100% of the base salary of the Management Board member in the previous financial year.

2.18. Provisions for other liabilities and other charges

Provisions are recorded when the Company has a current (legal or constructive) obligation resulting from past events and it is probable that settling the obligation will result in an outflow of resources embodying economic benefits and the amount of the liability can be reliably estimated.

Provisions are recorded in particular against the following (if the above-mentioned conditions for recording a provision have been met):

- results of pending litigation and disputes;
- restructuring costs.

Provisions are recorded based on the Exchange Management Board's best estimates of the expenditure necessary to settle the current obligation at the balance sheet date. If the effect of changes in the time value of money is material, the provision corresponds to the present value of the expenditure which as expected would be necessary to settle the obligation.

2.19. Revenue

2.19.1 Sales revenue

Sales revenue is recognised at transaction price when (or as) the entity transfers control of goods or services to a customer. All bundled goods or services that can be separated under the contract with the customer are recognised separately. Any discounts and rebates of the transaction price are, as a rule, allocated to individual components of bundled products or services. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the goods or services is transferred to the customer.

The Company analyses potential collectability of debt when entering into a contract. If, at the time of entering into a contract, the entity is not likely to receive the amount due for future performance of a commitment, no revenue is recognised until the doubt about the collectability of debt is clarified.

Furthermore, under IFRS 15, costs incurred to acquire the customer and secure the contract are recognised by the Company over time within the period when the benefits flow from the contract.

According to IFRS 15 C3 (b), the Exchange Management Board decided to implement the Standard retrospectively with the cumulative effect of initial application at initial application date, i.e., 1 January 2018, through equity according to C7-C8 of the Standard.

According to the simplification allowed by the Standard for retrospective application with the cumulative effect of initial application through equity, the Exchange Management Board decided to use the simplification under C7 (b), i.e., not to apply retrospective restatement of contracts which changed before the date of initial application (1 January 2018).

Sales revenue consists of three main categories:

- Financial market,
- Commodity market,
- Other (sales) revenue.

Sales revenue from the **financial market** consists of:

- **Revenue from trading**

Trading revenue consists of the fees collected from Exchange Members on the basis of the Exchange Rules and the Alternative Trading System Rules. Trading fees are the main revenue item in this category. Trading fees depend on the value of transactions, the number of executed orders and the volume of trade and type of traded instruments.

In addition to trading fees, flat-rate fees are charged for access to and use of the IT systems of the Exchange.

Trading revenue on the financial market also includes the revenue of BondSpot from trading on the debt instrument markets operated by BondSpot.

Trading revenue is recognised in the month when the service is provided.

- **Revenue from issuers**

Revenue from issuers comprises the revenue collected from issuers on the basis of the Exchange Rules and the Alternative Trading System Rules. Annual and quarterly fees for the listing of securities are the main revenue item in this category; they are recognised over time on a straight-line basis in the period when the service is provided by the Group. Annual and quarterly fees collected from customers which relate to future periods are presented in the interim financial statements under "Contract liabilities".

In addition, fees for admission to trading as well as other fees are collected from issuers and recognised on an up-front basis when the service is provided.

The Group's listing revenue also includes the revenue of BondSpot from issuers of instruments listed on the debt instrument markets operated by BondSpot. Such revenue is recognised in the month of the sale.

- **Revenue from information services**

Revenue from information services of the parent entity consists of revenue earned on the sale of stock exchange information: real-time stock exchange data and statistical and historical data in the form of a statistical e-mail daily bulletin, electronic publications, calculation of indices, as well as other stock exchange index licenses and calculations. The sale of stock exchange information is based on separate agreements signed with exchange data vendors, exchange members and other organisations, mainly financial institutions. The Group's revenue from information services also includes the revenue from BondSpot information services. Such revenue is recognised in the month of the sale.

Revenue from the **commodity market** includes mainly fees charged by TGE under the Towarowa Giełda Energii S.A. Market Rules, by IRGiT under the Exchange Clearing House Rules (mainly for clearing of transactions made on TGE), and by InfoEngine from its activity as trade operator and as technical trade operator.

Revenue from the **commodity market** includes:

- **Revenue from trading**

Trading revenue consists of fixed fees collected from TGE members for participation in markets and transaction fees on the markets operated by TGE including the Day-Ahead and Intra-Day Market, the Gas Market, the Property Rights Market, the Commodity Forward Instruments Market, the Emission Allowances Market.

Revenue from fixed fees is recognised over time on a straight-line basis in the period when the service is provided by TGE. Fees collected from customers which relate to future periods are presented in the interim financial statements under "Contract liabilities".

- **Revenue from operation of the Register of Certificates of Origin and the Register of Guarantees of Origin**

In its operation of the Registers, the Company charges fees for services provided to Register members including entry of certificates, issuance of rights, increase or reduction of the balances of rights, cancellation of certificates, entry of guarantees, notification of transfer of guarantees to the end consumer, acceptance of a sale offer, review of an application.

Revenue from operation of the Registers is recognised in the month when the service is provided.

- **Revenue from clearing**

Clearing revenue is the revenue of IRGiT including:

  - ✓ revenue from fixed fees collected from IRGiT members, which is recognised over time on a straight-line basis in the period when the service is provided by IRGiT. Fixed fees collected from customers which relate to future periods are presented in the interim financial statements under "Contract liabilities";
  - ✓ revenue from clearing and settlement of exchange transactions on the markets operated by TGE, which is recognised in the month when the service is provided.

- **Revenue from information services**

Revenue from information services on the commodity market is earned by the parent entity based on separate agreements signed with exchange data vendors, exchange members and other organisations, mainly financial institutions. Such revenue is recognised in the month of the sale.

Other sales revenue is earned on other services provided by the Company. Such revenue is recognised in the month when the service is provided.

2.19.2. Other revenue

Other revenue includes received damages and donations, gains on the sale of property, plant and equipment, reversed impairment of receivables and investments, annual correction of the input VAT, services reinvoiced to employees.

2.19.3. Financial income

Financial income is comprised of gains on sale of financial assets, revenue from interest on available-for-sale and held-to-maturity financial instruments, as well as dividend income.

Interest income is recognised on a time-proportionate basis using the effective interest rate (IRR) method. Dividend income is recognised at the moment of establishing the shareholders' right to receive the payment.

2.20. Expenses

Operating expenses include without limitation salaries and the cost of maintenance of the IT infrastructure of the trading system which supports trade in financial instruments and related activities on the financial market, as well as the cost of capital market education, promotion and information.

Expenses are a probable decrease of economic benefits in the reporting period, whose amount is reliably determined, that reduces the value of assets or increases liabilities and provisions, which will reduce equity or increase negative equity, other than due to withdrawal of funds by shareholders or owners.

The Company records expenses by type.

2.21. Bond issue expenses

As an issuer of bonds, GPW pays debt service costs. Interest on bonds is calculated using the effective interest rate method.

2.22. Leases

A lease agreement is classified as a finance lease when the terms of the agreement transfer substantially all risks and rewards of ownership to the lessee. All remaining leases are treated as operating leases.

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. If it is not expected that the legal title will be transferred to the lessee before the end of the lease term of land, it is classified as an operating lease. In particular, operating lease agreements comprise rights to perpetual usufruct of land owned by the State Treasury.

Payments made under operating leases (net of any incentives received from the lessor) are charged to costs on a straight-line basis over the period of the leases.

2.23. Statement of cash flows

The statement of cash flows is prepared using the indirect method.

3. Financial risk management

3.1. Financial risk factors

The Company's activities expose it to a variety of financial risks. The Company is exposed to the following financial risks: market risk (including cash flow and fair value interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on the Company's financial performance. The GPW Management Board is responsible for risk management. The Company has dedicated departments, responsible for ensuring its liquidity, including foreign currency liquidity, debt collection and timely payment of liabilities, particularly tax liabilities.

3.2. Market risk

3.2.1. Cash flow and fair value interest risk

The Company is moderately exposed to interest rate risk.

The Company holds short-term deposits where the interest rate is fixed, negotiated and determined when contracted at levels close to market rates at contracting. If market rates rise, GPW will earn higher interest income; if market rates fall, the Company will earn lower interest income.

Based on a sensitivity analysis of market interest rates, an increase/(decrease) in the market interest rate by 0.50 percentage point (assuming no other changes) would result in a change in the Company's financial income causing:

- in 2018, a decrease/(increase) in the profit before tax and cash flows by PLN 1,420 thousand,
- in 2017, a decrease/(increase) in the profit before tax and cash flows by PLN 1,123 thousand,
- in 2016, a decrease/(increase) in the profit before tax and cash flows by PLN 1,039 thousand.

The Company is also an issuer of bonds at floating interest rates based on WIBOR 6M. In the case of an increase in interest rates, GPW will be obligated to pay out interest coupons with a higher value; in the case of a decrease in interest rates, the value of those coupons will be lower. The Company calculates sensitivity to the market interest rate WIBOR 6M using as input data the level of debt and interest rates in the current reporting period.

Based on a sensitivity analysis, an increase/(decrease) in the market interest rate by 0.50 percentage point (assuming no other changes) would result in a change in the Company's financial costs causing:

- in 2018, a decrease/(increase) in the profit before tax and cash flows by PLN 852 thousand,
- in 2017, a decrease/(increase) in the profit before tax and cash flows by PLN 576 thousand,
- in 2016, a decrease/(increase) in the profit before tax and cash flows by PLN 1,225 thousand.

The other financial assets, not presented in the table below, as well as financial liabilities (other than bond issue liabilities) bear no interest.

(all amounts in PLN'000 unless stated otherwise)

Table 2 Analysis of financial assets and liabilities based on maturity from purchase

	As at 31 December 2018						
	Maturity up to 1 year				1-5 Y	> 5 Y	Total
	< 1 M	1-3 M	> 3 M	Total			
Corporate bonds	-	-	34,964	**34,964**	-	-	**34,964**
Certificates of deposit	-	-	38,159	**38,159**	-	-	**38,159**
Bank deposits	-	-	236,967	**236,967**	-	-	**236,967**
VAT current accounts (split payment)	93	-	-	**93**	-	-	**93**
Current accounts (other)	21,874	-	-	**21,874**	-	-	**21,874**
Total current	**21,967**	**-**	**310,090**	**332,057**	**-**	**-**	**332,057**
Total financial assets	**21,967**	**-**	**310,090**	**332,057**	**-**	**-**	**332,057**
Bonds issued	-	-	-	**-**	243,961	-	**243,961**
Total non-current	**-**	**-**	**-**	**-**	**243,961**	**-**	**243,961**
Bonds issued	-	-	1,938	**1,938**	-	-	**1,938**
Total current	**-**	**-**	**1,938**	**1,938**	**-**	**-**	**1,938**
Total financial liabilities	**-**	**-**	**1,938**	**1,938**	**243,961**	**-**	**245,899**

Table 3 Analysis of financial assets and liabilities based on maturity from purchase

	As at 31 December 2017 *(restated)*						
	Maturity up to 1 year				1-5 Y	> 5 Y	Total
	< 1 M	1-3 M	> 3 M	Total			
Bank deposits	-	20,016	196,461	**216,477**	-	-	**216,477**
VAT current accounts (split payment)	-	-	-	**-**	-	-	**-**
Current accounts (other)	32,729	-	-	**32,729**	-	-	**32,729**
Total current	**32,729**	**20,016**	**196,461**	**249,206**	**-**	**-**	**249,206**
Total financial assets	**32,729**	**20,016**	**196,461**	**249,206**	**-**	**-**	**249,206**
Bonds issued	-	-	-	**-**	243,573	-	**243,573**
Total non-current	**-**	**-**	**-**	**-**	**243,573**	**-**	**243,573**
Bonds issued	-	-	1,938	**1,938**	-	-	**1,938**
Total current	**-**	**-**	**1,938**	**1,938**	**-**	**-**	**1,938**
Total financial liabilities	**-**	**-**	**1,938**	**1,938**	**243,573**	**-**	**245,511**

Table 4 Analysis of financial assets and liabilities based on maturity from purchase

	As at 31 December 2016 *(restated)*						
	Maturity up to 1 year				1-5 Y	> 5 Y	Total
	< 1 M	1-3 M	> 3 M	Total			
Bank deposits	-	20,021	72,108	**92,129**	-	-	**92,129**
Current accounts (other)	175,659	-	-	**175,659**	-	-	**175,659**
Total current	**175,659**	**20,021**	**72,108**	**267,788**	**-**	**-**	**267,788**
Total financial assets	**175,659**	**20,021**	**72,108**	**267,788**	**-**	**-**	**267,788**
Bonds issued	-	-	-	**-**	-	123,459	**123,459**
Total non-current	**-**	**-**	**-**	**-**	**-**	**123,459**	**123,459**
Bonds issued	122,279	-	603	**122,882**	-	-	**122,882**
Total current	**122,279**	**-**	**603**	**122,882**	**-**	**-**	**122,882**
Total financial liabilities	**122,279**	**-**	**603**	**122,882**	**-**	**123,459**	**246,341**

3.2.2. Foreign exchange risk

The Company is exposed to moderate foreign exchange risk. To minimise FX risk, the Company covers the current cost denominated in EUR with cash deposited in a currency account, raised from clients who pay their debt in EUR.

(all amounts in PLN'000 unless stated otherwise)

Based on the results of an analysis of sensitivity as at 31 December 2018, a 10% change in the average exchange rate of PLN assuming no other changes would result in the following change in the profit before tax for 2018:

- EUR (decrease/increase of the exchange rate by PLN 0.4300) – decrease/increase in the net profit by PLN 1,348 thousand;
- GBP (increase/decrease of the exchange rate by PLN 0.4790) – decrease/increase in the net profit by PLN 7 thousand.

Based on the results of an analysis of sensitivity as at 31 December 2017, a 10% change in the average exchange rate of PLN assuming no other changes would result in the following change in the profit before tax for 2017:

- EUR (decrease/increase of the exchange rate by PLN 0.4171) – decrease/increase in the net profit by PLN 1,413 thousand;
- GBP (increase/decrease of the exchange rate by PLN 0.4700) – decrease/increase in the net profit by PLN 18 thousand.

Based on the results of an analysis of sensitivity as at 31 December 2016, a 10% change in the average exchange rate of PLN assuming no other changes would result in the following change in the profit before tax for 2016:

- EUR (decrease/increase of the exchange rate by PLN 0.4424) – decrease/increase in the net profit by PLN 1,867 thousand;
- GBP (increase/decrease of the exchange rate by PLN 0.5145) – decrease/increase in the net profit by PLN 8 thousand;
- USD (increase/decrease of the exchange rate by PLN 0.4179) – decrease/increase in the net profit by PLN 3 thousand.

Table 5 The Company's FX exposure

	As at 31 December 2018 *(converted to PLN at the FX rate of the balance-sheet date)*				
	PLN	**EUR**	**USD**	**GBP**	**Total carrying amount in PLN**
Financial assets measured at amortised cost	310,090	-	-	-	**310,090**
Cash and cash equivalents	14,396	7,571	-	-	**21,967**
Trade receivables (net)	10,442	8,693	1	-	**19,136**
Other receivables*	3,563	-	-	-	**3,563**
Total assets	**338,491**	**16,264**	**1**	**-**	**354,756**
Bonds issued	245,899	-	-	-	**245,899**
Trade payables	3,853	563	8	74	**4,498**
Other liabilities**	13,099	2,224	-	-	**15,323**
Total liabilities	**262,851**	**2,787**	**8**	**74**	**265,720**
Net balance (assets-liabilities)	**75,640**	**13,477**	**(7)**	**(74)**	**89,036**

** Net of prepayments and receivables from other taxes.*
*** Net of other taxes payable.*

(all amounts in PLN'000 unless stated otherwise)

Table 6 The Company's FX exposure

	As at 31 December 2017 (converted to PLN at the FX rate of the balance-sheet date) (restated)				
	PLN	EUR	USD	GBP	Total carrying amount in PLN
Other financial assets	196,461	-	-	-	**196,461**
Cash and cash equivalents	41,234	11,510	-	2	**52,746**
Trade receivables (net)	16,130	6,067	-	-	**22,197**
Other receivables*	1,166	-	-	-	**1,166**
Total assets	**254,991**	**17,577**	**-**	**2**	**272,570**
Bonds issued	245,511	-	-	-	**245,511**
Trade payables	10,551	1,220	-	183	**11,954**
Other liabilities**	13,970	2,224	-	-	**16,194**
Total liabilities	**270,032**	**3,444**	**-**	**183**	**273,659**
Net balance (assets-liabilities)	**(15,041)**	**14,133**	**-**	**(181)**	**(1,089)**

** Net of prepayments and receivables from other taxes.*
*** Net of other taxes payable.*

Table 7 The Company's FX exposure

	As at 31 December 2016 (converted to PLN at the FX rate of the balance-sheet date) (restated)				
	PLN	EUR	USD	GBP	Total carrying amount in PLN
Other financial assets	72,108	-	-	-	**72,108**
Cash and cash equivalents	179,579	16,100	-	2	**195,681**
Trade receivables (net)	14,775	6,394	-	-	**21,169**
Other receivables*	292	-	-	-	**292**
Total assets	**266,754**	**22,494**	**-**	**2**	**289,250**
Bonds issued	246,341	-	-	-	**246,341**
Trade payables	2,588	1,597	25	87	**4,297**
Other liabilities**	19,405	2,224	-	-	**21,629**
Total liabilities	**268,334**	**3,821**	**25**	**87**	**272,267**
Net balance (assets-liabilities)	**(1,580)**	**18,673**	**(25)**	**(85)**	**16,983**

** Net of prepayments and receivables from other taxes.*
*** Net of other taxes payable.*

3.2.3. Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified as available-for-sale in the statements of financial position. The Company is not exposed to any mass commodity price risk.

(all amounts in PLN'000 unless stated otherwise)

Debt securities purchased by the Company have a fixed redemption price and are characterised by low risk. Potential changes to their market prices depend on changes in interest rates, the impact of which is presented in Note 3.2.1.

3.3. Credit risk

Credit risk is defined as a risk of occurrence of losses due to the Company's counterparty's default of payments or as a risk of decrease in economic value of amounts due as a result of deterioration of a counterparty's ability to pay due amounts.

Credit risk connected with trade receivables is mitigated by the Exchange Management Board by performing assessment of counterparties' credibility. In the opinion of the Exchange Management Board, there is no material concentration of credit risk of trade receivables within the Company. Resolutions of the Exchange Management Board, which are binding in the Company, set payment dates that differ depending on groups of counterparties. These payment dates amount to 21 days for most counterparties, however, for data vendors, they are most often 45 days.

The credibility of counterparties is verified in accordance with internal regulations of GPW and good practice of the capital market as applicable to issuers of securities and Exchange Members. In the verification, GPW reviews in detail the application documents including financial statements, copies of entries in the National Court Register, and notifications of the Polish Financial Supervision Authority.

By decision of the Exchange Management Board, the portfolio of debt securities comprises only securities issued or guaranteed by the State Treasury or debt issued by investment-grade issuers. The issuer's credit standing is based on the rating provided by at least one of the following rating agencies: Fitch, Moody's, Standard & Poors. Liquid assets may only be invested in securities issued by an investment-grade issuer, which is rated AAA to BBB- or equivalent according to the rating scale of those rating agencies. In this way, exposure to the risk of potential loss is mitigated.

In the case of banks and financial institutions (especially term deposits and bank accounts), only entities with a high rating and stable market position are acceptable, i.e., rated AAA to BBB- or equivalent according to the rating scale of the aforementioned rating agencies. Credit risk of cash is managed by the Company by diversifying banks in which free cash is deposited.

The maximum exposure of the Company to credit risk is reflected in the carrying value of trade receivables, bank deposits held and the value of the portfolio of purchased debt securities.

Table 8 The Company's exposure to credit risk

	As at 31 December		
	2018	2017 *(restated)*	2016 *(restated)*
Trade receivables (net)	19,136	22,197	21,169
Other receivables*	3,563	1,166	292
Financial assets (current) and current accounts	332,057	249,206	267,788
Total	**354,756**	**272,569**	**289,249**

** Net of prepayments and receivables from other taxes.*

Note 14 presents in detail the calculation of impairment of trade receivables (according to the expected credit loss model under IFRS 9).

(all amounts in PLN'000 unless stated otherwise)

3.4. Liquidity risk

An analysis of the Company's financial position and assets shows that the Company is not materially exposed to liquidity risk.

An analysis of the structure of the Company's assets shows a considerable share of liquid assets and, thus, a very good position in terms of liquidity. Cash and cash equivalents of the Company amounted to PLN 21,967 thousand as at 31 December 2018 (PLN 52,746 thousand as at 31 December 2017, PLN 195,681 thousand as at 31 December 2016), representing 2.80% of the total assets as at 31 December 2018 (7.14% as at 31 December 2017, 25.59% as at 31 December 2016).

An analysis of the structure of liabilities shows the following share of equity in the financing of the operations of the Company: equity accounted for 63.49% of total liabilities and equity as at 31 December 2018 (59.44% as at 31 December 2017, 59.82% as at 31 December 2016).

The Exchange Management Board monitors, on an on-going basis, forecasts of the Company's liquidity on the basis of contractual cash flows, based on the current interest rates.

Table 9 Liquidity analysis

	As at 31 December 2018						
	>1 M	1-3 M	3-6 M	6-12 M	1-5 Y	> 5 Y	Total
Trade receivables (net)	17,725	923	488	-	-	-	**19,136**
Other receivables*	770	2,793	-	-	-	-	**3,563**
Financial assets measured at amortised cost	163,802	35,100	111,188	-	-	-	**310,090**
Cash and cash equivalents	21,967	-	-	-	-	-	**21,967**
Total assets	**204,264**	**38,816**	**111,676**	**-**	**-**	**-**	**354,756**
Bonds issued	1,256	-	682	-	243,961	-	**245,899**
Trade payables	4,347	149	1	1	-	-	**4,498**
Other liabilities**	3,489	-	-	-	8,885	2,949	**15,323**
Total liabilities	**9,092**	**149**	**683**	**1**	**252,846**	**2,949**	**265,720**
Liquidity surplus/gap	**195,172**	**38,667**	**110,993**	**(1)**	**(252,846)**	**(2,949)**	**89,036**

** Net of prepayments and receivables from other taxes.*
*** Net of other taxes payable.*

Table 10 Liquidity analysis

	As at 31 December 2017 *(restated)*						
	>1 M	1-3 M	3-6 M	6-12 M	1-5 Y	> 5 Y	Total
Trade receivables (net)	19,937	2,260	-	-	-	-	**22,197**
Other receivables*	246	920	-	-	-	-	**1,166**
Other financial assets (including loans granted)	70,270	126,191	-	-	-	-	**196,461**
Cash and cash equivalents	32,731	20,015	-	-	-	-	**52,746**
Total assets	**123,184**	**149,386**	**-**	**-**	**-**	**-**	**272,570**
Bonds issued	1,256	-	682	-	243,573	-	**245,511**
Trade payables	11,890	64	-	-	-	-	**11,954**
Other liabilities**	1,645	311	-	-	8,693	5,545	**16,194**
Total liabilities	**14,791**	**375**	**682**	**-**	**252,266**	**5,545**	**273,659**
Liquidity surplus/gap	**108,393**	**149,011**	**(682)**	**-**	**(252,266)**	**(5,545)**	**(1,089)**

** Net of prepayments and receivables from other taxes.*
*** Net of other taxes payable.*

(all amounts in PLN'000 unless stated otherwise)

Table 11 Liquidity analysis

	As at 31 December 2016 *(restated)*						
	>1 M	1-3 M	3-6 M	6-12 M	1-5 Y	> 5 Y	Total
Trade receivables (net)	17,919	3,250	-	-	-	-	**21,169**
Other receivables*	292	-	-	-	-	-	**292**
Other financial assets	12,103	-	-	60,005	-	-	**72,108**
Cash and cash equivalents	175,661	20,020	-	-	-	-	**195,681**
Total assets	**205,975**	**23,270**	**-**	**60,005**	**-**	**-**	**289,250**
Bonds issued	122,279	-	603	-	-	123,459	**246,341**
Trade payables	4,234	63	-	-	-	-	**4,297**
Other liabilities**	5,339	-	-	-	8,506	7,784	**20,683**
Total liabilities	**131,852**	**63**	**603**	**-**	**8,506**	**131,243**	**271,321**
Liquidity surplus/gap	**74,123**	**23,207**	**(603)**	**60,005**	**(8,506)**	**(131,243)**	**17,929**

** Net of prepayments and receivables from other taxes.*
*** Net of other taxes payable.*

3.5. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide optimal returns to the shareholders and benefits to other stakeholders. The Company uses external capital (interest-bearing liabilities) in order to optimise the structure and cost of capital.

The equity of the Company was PLN 498,237 thousand representing 63.48% of the total equity and liabilities of the Group as at 31 December 2018 and PLN 438,873 thousand representing 59.44% of the total equity and liabilities of the Group as at 31 December 2017. The Company paid a dividend of PLN 92,304 thousand in 2018 and PLN 90,239 thousand in 2017 (see the statement of changes in equity). The external capital includes mainly liabilities in respect of the issuance of GPW series C, D and E corporate bonds (see Note 18).

The indicators used by the Company in capital management include: net debt/EBITDA, debt to equity, current liquidity, bond interest coverage ratio.

Table 12 GPW capital management indicators

	As at/for the year ended 31 December			Optimum
	2018	2017 *(restated)*	2016 *(restated)*	
Debt and financing ratios:				
Net debt/EBITDA*	(1)	(0.0)	(0.3)	less than 3
Debt to equity**	49.4%	55.9%	53.9%	50-100%
Liquidity ratios:				
Current liquidity***	15.1	7.9	1.8	more than 1.5
Coverage of interest on bonds****	13.1	15.4	10.1	more than 1.5

** Net debt = interest-bearing liabilities - liquid assets (as at balance-sheet date)*
EBITDA = operating profit + depreciation and amortisation (for a period of 12 months)
*** Debt to equity = interest-bearing liabilities/equity (as at balance-sheet date)*
**** Current liquidity = current assets/current liabilities (as at balance-sheet date)*
***** Coverage of interest on bonds = EBITDA/interest on bonds*

(all amounts in PLN'000 unless stated otherwise)

4. Property, plant and equipment

Table 13 Change of the net carrying value of property, plant and equipment by category

	Year ended 31 December 2018				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying value - opening balance	**76,415**	**17,373**	**445**	**2,036**	**96,269**
Additions	-	-	-	10,236	**10,236**
Reclassification and other adjustments	4,524	4,255	286	(9,065)	**-**
Disposals	-	(34)	-	-	**(34)**
Depreciation charge	(2,996)	(6,750)	(363)	-	**(10,109)**
Net carrying value - closing balance	**77,943**	**14,844**	**368**	**3,207**	**96,362**
As at 31 December 2018					
Gross carrying value	125,837	80,853	3,897	3,207	**213,794**
Depreciation	(47,894)	(66,009)	(3,529)	-	**(117,431)**
Net carrying value	**77,943**	**14,844**	**368**	**3,207**	**96,362**

Table 14 Change of the net carrying value of property, plant and equipment by category

	Year ended 31 December 2017				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying value - opening balance	**78,321**	**12,258**	**322**	**10,133**	**101,034**
Additions	-	-	-	4,630	**4,630**
Reclassification and other adjustments	1,040	11,309	378	(12,727)	**-**
Depreciation charge	(2,946)	(6,194)	(255)	-	**(9,395)**
Net carrying value - closing balance	**76,415**	**17,373**	**445**	**2,036**	**96,269**
As at 31 December 2017					
Gross carrying value	121,313	79,841	3,865	2,036	**207,055**
Depreciation	(44,898)	(62,468)	(3,420)	-	**(110,786)**
Net carrying value	**76,415**	**17,373**	**445**	**2,036**	**96,269**

(all amounts in PLN'000 unless stated otherwise)

5. Intangible assets

Table 15 Change of the net carrying value of intangible assets by category

	Year ended 31 December 2018				
	Licences	Copyrights	Know-how	Goodwill	Total
Net carrying value - opening balance *(previously reported)*	**68,068**	**895**	**-**	**-**	**68,963**
Adjustment - trading system	(4,222)	-	-	-	**(4,222)**
Net carrying value - opening balance *(restated)*	**63,846**	**895**	-	-	**64,741**
Additions	1,788	58	-	-	**1,846**
Amortisation charge	(9,875)	(273)	-	-	**(10,148)**
Net carrying value - closing balance	**55,759**	**679**	**-**	**-**	**56,439**
As at 31 December 2018					
Gross carrying value	176,808	4,653	-	-	**181,461**
Amortisation	(121,050)	(3,974)	-	-	**(125,023)**
Net carrying value	**55,759**	**679**	**-**	**-**	**56,439**

Table 16 Change of the net carrying value of intangible assets by category

	Year ended 31 December 2017 *(restated)*				
	Licences	Copyrights	Know-how	Goodwill	Total
Net carrying value - opening balance *(previously reported)*	**75,587**	**331**	**-**	**-**	**75,918**
Adjustment - trading system	(4,222)	-	-	-	**(4,222)**
Net carrying value - opening balance *(restated)*	**71,365**	**331**	-	**-**	**71,696**
Additions	2,808	775	-	-	**3,583**
Disposals	(461)	-	-	-	**(461)**
Amortisation charge	(9,866)	(211)	-	-	**(10,077)**
Net carrying value - closing balance	**63,846**	**895**	**-**	**-**	**64,741**
As at 31 December 2017					
Gross carrying value	175,020	4,595	-	7,946	**187,561**
Impairment	-	-	-	(7,946)	**(7,946)**
Amortisation	(111,174)	(3,700)	-	-	**(114,874)**
Net carrying value	**63,846**	**895**	**-**	**-**	**64,741**

(all amounts in PLN'000 unless stated otherwise)

Table 17 Change of the net carrying value of intangible assets by category

	Year ended 31 December 2016 *(restated)*				
	Licences	**Copyrights**	**Know-how**	**Goodwill**	**Total**
Net carrying value - opening balance *(previously reported)*	**81,375**	**226**	**-**	**-**	**81,601**
Adjustment - trading system	(4,222)	-	-	-	**(4,222)**
Net carrying value - opening balance *(restated)*	**77,153**	**226**	-	**-**	**77,379**
Additions	4,013	198	-	-	**4,211**
Amortisation charge	(9,801)	(93)	-	-	**(9,894)**
Net carrying value - closing balance	**71,365**	**331**	**-**	**-**	**71,696**
As at 31 December 2016					
Gross carrying value	173,352	3,820	-	7,946	**185,118**
Impairment	-	-	-	(7,946)	**(7,946)**
Amortisation	(101,987)	(3,489)	-	-	**(105,476)**
Net carrying value	**71,365**	**331**	**-**	**-**	**71,696**

The UTP trading system licence presented under licences was commissioned on 15 April 2013. The useful life of the UTP trading system was determined at 12 years (until 31 March 2025). The net value of the UTP trading system was PLN 48,494 thousand as at 31 December 2018 (PLN 56,253 thousand as at 31 December 2017).

6. Investment in subsidiaries

The Company held investments in the following subsidiaries as at 31 December 2018 and as at 31 December 2017:

- Towarowa Giełda Energii S.A. ("TGE"), the parent entity of the Towarowa Giełda Energii S.A. Group ("TGE Group"),
- BondSpot S.A. ("BondSpot"),
- GPW Benchmark S.A. ("GPWB").

As at 31 December 2017, GPW held an investment in the subsidiary Instytut Analiz i Ratingu S.A. ("IAIR"). As at 31 December 2018, IAIR (currently: Polska Agencja Ratingowa S.A.) is shown in the separate financial statements under investments in associates. For more details, see Note 7.

The Company identified no indicators of impairment of investments in subsidiaries as at 31 December 2018. Impairment was only tested for cash generating units (corresponding to subsidiaries) linked to goodwill BondSpot S.A. and TGE S.A., shown in the consolidated financial statements of the GPW Group. The test identified no impairment. The test assumptions are described in Note 5 to the consolidated financial statements of the GPW Group for 2018.

(all amounts in PLN'000 unless stated otherwise)

Table 18 GPW subsidiaries

	As at 31 December 2018				
	Towarowa Giełda Energii S.A.	BondSpot S.A	GPW Benchmark S.A.	Polska Agencja Ratingowa S.A.	Total
Value at cost	214,582	34,394	1,909	*N/A*	**250,885**
Carrying value	**214,582**	**34,394**	**1,909**	*N/A*	**250,885**
Number of shares	1,450,000	9,698,123	38,000	*N/A*	
% of share capital	100.00	96.98	100.00	*N/A*	
% of votes	100.00	96.98	100.00	*N/A*	

Table 19 GPW subsidiaries

	As at 31 December 2017				
	Towarowa Giełda Energii S.A.	BondSpot S.A	GPW Benchmark S.A.	Polska Agencja Ratingowa S.A. *(formerly: IAiR)*	Total
Value at cost	214,582	34,394	1,909	4,100	**254,985**
Carrying value	**214,582**	**34,394**	**1,909**	**4,100**	**254,985**
Number of shares	1,450,000	9,698,123	38,000	4,100,000	
% of share capital	100.00	96.98	100.00	100.00	
% of votes	100.00	96.98	100.00	100.00	

7. Investment in associates

As at 31 December 2018, the Company held interest in the following associates:

- Krajowy Depozyt Papierów Wartościowych S.A. (parent entity of the KDPW Group),
- Centrum Giełdowe S.A.,
- Polska Agencja Ratingowa S.A. (formerly: IAIR).

As at 31 December 2017, the Company held interest in the following associates:

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

(all amounts in PLN'000 unless stated otherwise)

Table 20 Associates of GPW

	As at 31 December 2018				
	KDPW	Centrum Giełdowe S.A.	Aquis Exchange Limited	Polska Agencja Ratingowa S.A.	Total
Value at cost	7,000	4,652	*N/A*	4,100	**15,752**
Impairment loss	-	-	*N/A*	(1,927)	**(1,927)**
Carrying value	**7,000**	**4,652**	*N/A*	**2,173**	**13,825**
Number of shares	7,000	46,506	*N/A*	12,300,000	*N/A*
% of share capital	33.33	24.79	*N/A*	33.33	*N/A*
% of votes	33.33	24.79	*N/A*	33.33	*N/A*

Table 21 Associates of GPW

	As at 31 December 2017				
	KDPW	Centrum Giełdowe S.A.	Aquis Exchange Limited	Polska Agencja Ratingowa S.A.	Total
Value at cost	7,000	4,652	25,307	*N/A*	**36,959**
Impairment loss	-	-	-	*N/A*	**-**
Carrying value	**7,000**	**4,652**	**25,307**	*N/A*	**36,959**
Number of shares	7,000	46,506	384,025	*N/A*	*N/A*
% of share capital	33.33	24.79	22.99	*N/A*	*N/A*
% of votes	33.33	24.79	20.31	*N/A*	*N/A*

Investment in Polska Agencja Ratingowa S.A.

As at 31 December 2017, GPW held 100% of the subsidiary Instytut Analiz i Ratingu S.A. As at 30 June 2018, the Company wrote off the investment in IAiR at PLN 1,927 thousand, reducing the investment to PLN 2,173 thousand. The impairment loss was shown under financial expenses in the statement of comprehensive income.

According to an amendment of the entry in the National Court Register at 31 October 2018, the name of Instytut Analiz i Ratingu S.A. was changed to Polska Agencja Ratingowa S.A. ("PAR"). The capital of PAR was increased from PLN 2,173 thousand to PLN 6,519 thousand, resulting in a change of the shareholding structure. The shareholders of PAR are now, in equal parts, one-third each: Giełda Papierów Wartościowych w Warszawie S.A., Polski Fundusz Rozwoju S.A., and Biuro Informacji Kredytowej S.A. The mission of the joint rating agency is to build a rating culture in Poland by offering services to a broad group of entities, mainly small and mid-sized enterprises.

(all amounts in PLN'000 unless stated otherwise)

Investment in Aquis Exchange Limited

On 19 August 2013, the GPW Management Board and Aquis Exchange Limited signed an agreement to take up new issue shares of Aquis Exchange Limited. Aquis Exchange was established in the UK in 2012 and offers a pan-European market in shares on a multilateral trading platform. Its shares were taken up by GPW in two steps, closed on 18 February 2014. The total price was PLN 25,307 thousand (GBP 5 million).

Following the acquisition of the second tranche of shares of Aquis Exchange Limited, GPW held 384,025 ordinary shares representing 36.23% of the total number of shares and giving 30.00% of economic and voting rights in Aquis Exchange Limited as an associate of the GPW Group as at 31 December 2014.

Following an issue of a new tranche of shares in 2015, in which GPW did not participate, GPW's stake in the total number of shares of Aquis decreased from 36.23% as at 31 December 2014 to 31.01% as at 31 December 2015, and GPW's share in economic and voting rights decreased from 30.00% to 26.33%.

Following an issue of a new tranche of shares in 2016, in which GPW did not participate, GPW's stake in the total number of shares of Aquis decreased from 31.01% as at 31 December 2015 to 22.99% as at 31 December 2016, and GPW's share in economic and voting rights decreased from 26.33% to 20.31%.

As at 31 December 2017, GPW's share in economic and voting rights remained unchanged at 20.31%.

In connection with the planned sale of Aquis Exchange Limited, the GPW Management Board reclassified the investment in the associate Aquis to "Assets held for sale" at PLN 12,151 thousand as at 31 March 2018. The IPO of Aquis decreased the par value of Aquis shares. As a result, the number of shares held by GPW increased from 384,025 as at 31 December 2017 to 4,608,300. On 14 June 2018, GPW sold the shares at GBP 2.69 per share. The net receipts from the sale were PLN 57,546 thousand (net of the transaction cost of PLN 2,677 thousand). The gains on the sale of the shares at PLN 32,239 thousand are presented as financial income in the statement of comprehensive income.

8. Deferred tax

Table 22 Deferred tax (assets)/liabilities after offset

	Deferred tax (asset)/liability					
	As at 1 January 2018* *(restated)*	(Credited)/ Debited in profit	(Credited)/ Debited in other comprehensive income	As at 31 December 2018 (Asset)/ Liability	As at 31 December 2018 Deferred tax asset	As at 31 December 2018 Deferred tax liability
Difference between accounting and tax value of property, plant and equipment and intangible assets	**11,295**	(967)	-	**10,327**	-	10,327
Impairment allowance for interest	**(1,022)**	(27)	(5)	**(1,054)**	1,054	-
Annual and discretionary awards	**(1,364)**	(91)	-	**(1,455)**	1,455	-
Retirement benefits	**(99)**	(11)	-	**(110)**	110	-
Unused holiday	**(273)**	(2)	-	**(275)**	275	-
Other	**(1,522)**	934	1	**(587)**	1,314	727
Total deferred tax (asset)/liability	**7,015**	**(164)**	**(4)**	**6,846**	**4,210**	**11,054**

** Deferred tax asset in respect of impairment was adjusted as at 1 January 2018 for impact at the first application of IFRS 9 at PLN 49 thousand (equal to 19% of PLN 259 thousand; for details of the adjustment at the first application of IFRS 9, see Note 32).*

(all amounts in PLN'000 unless stated otherwise)

Table 23 Deferred tax (assets)/liabilities after offset

	Deferred tax (asset)/liability					
				As at 31 December 2017		
	As at 1 January 2017	(Credited)/ Debited in profit	(Credited)/ Debited in other comprehensive income	(Asset)/ Liability	Deferred tax asset	Deferred tax liability
Difference between accounting and tax value of property, plant and equipment and intangible assets	**12,685**	(1,390)	-	**11,295**	-	11,295
Impairment allowance for interest	**(1,019)**	(3)	-	**(1,022)**	(1,022)	-
Annual and discretionary awards	**(1,164)**	(200)	-	**(1,364)**	(1,364)	-
Retirement benefits	**(63)**	(33)	(3)	**(99)**	(99)	-
Unused holiday	**(250)**	(23)	-	**(273)**	(273)	-
Other	**(513)**	(960)	-	**(1,473)**	(2,065)	592
Total deferred tax (asset)/liability	**9,676**	**(2,609)**	**(3)**	**7,064**	**(4,823)**	**11,887**

9. Available-for-sale financial assets

Available-for-sale financial assets stood at PLN 271 thousand as at 31 December 2017, including the stake in Sibex at PLN 195 thousand and a stake in InfoStrefa at PLN 76 thousand.

Following the application of IFRS 9 as of 1 January 2018, GPW's minority interest in other companies is presented in financial assets measured at fair value through other comprehensive income as at 31 December 2018.

10. Financial assets measured at amortised cost

Table 24 Financial assets measured at amortised cost

	As at 31 December	
	31 December 2018	1 January 2018* *(restated)*
Corporate bonds	34,964	-
Certificates of deposit	38,159	-
Bank deposits (from 3 to 12 months)	236,967	196,461
Total current	**310,090**	**196,461**
Total financial assets measured at amortised cost	**310,090**	**196,461**

** The Company implemented IFRS 9 as of 1 January 2018. Presented retrospectively with the cumulative effect of initial application at 1 January 2018. Financial assets measured at amortised cost were presented as other financial assets as at 31 December 2017.*

(all amounts in PLN'000 unless stated otherwise)

The average maturity of financial assets measured at amortised cost was as follows:

- corporate bonds held in 2018 – 182 days,
- certificates of deposit held in 2018 – 180 days,
- bank deposits (from 3 to 12 months) opened in 2018 - 133 days (in 2017 - 126 days).

The presentation of deposits is described in detail in Note 33.

Table 25 Financial assets measured at amortised cost

	Year ended 31 December 2018		
	Interest received	**Interest accrued**	**Total recognised in financial income** *(see Note 25.1)*
Corporate bonds	763	334	1,097
Certificates of deposit	355	158	513
Bank deposits (from 3 to 12 months)	1,169	968	2,137
Total revenue from assets measured at amortised cost	**2,287**	**1,460**	**3,747**

Table 26 Financial assets measured at amortised cost

	Year ended 31 December 2017		
	Interest received	**Interest accrued**	**Total recognised in financial income** *(see Note 25.1)*
Bank deposits (from 3 to 12 months)	1,160	480	1,640
Total revenue from assets measured at amortised cost*	**1,160**	**480**	**1,640**

** Until 31 December 2018, presented as revenue from other financial assets.*

(all amounts in PLN'000 unless stated otherwise)

11. Financial assets measured at fair value through other comprehensive income

Table 27 Financial assets measured at fair value through other comprehensive income

	As at 31 December 2018			
	Infostrefa	Innex	Bucharest Stock Exchange	Total
Value at cost	487	3,820	1,343	**5,650**
Revaluation	-	-	(231)	**(231)**
Impairment	(487)	(3,820)	(1,011)	**(5,318)**
Carrying value	**-**	**-**	**101**	**101**

Table 28 Financial assets measured at fair value through other comprehensive income

	As at 1 January 2018* *(restated)*			
	Infostrefa	Innex	Sibex	Total
Value at cost	487	3,820	1,343	**5,650**
Revaluation	-	-	(137)	**(137)**
Impairment	(411)	(3,820)	(1,011)	**(5,242)**
Carrying value	**76**	**-**	**195**	**271**

** The Company implemented IFRS 9 as of 1 January 2018. Presented retrospectively with the cumulative effect of initial application at 1 January 2018. Investments in Infostrefa, Innex and Sibex were presented in available-for-sale financial assets as at 31 December 2017.*

Innex

GPW acquired a stake in the Ukrainian Stock Exchange Innex in July 2008. The intention of GPW was to transform Innex into a state-of-the-art platform of trading in Ukrainian securities and subsequently also derivatives. Impairment of the shares of Innex at PLN 3,820 thousand (equal to the total value of the investment) was written off in 2008 due to the following:

- deep economic crisis in Ukraine, which significantly affected the market outlook and prevented GPW from pursuing an active policy on the Ukrainian capital market; and
- significant decrease in the number of privatisations, which are Innex's main stream of revenue, which caused Innex's loss.

As the shares of Innex have no active market and it is not possible to reliably determine their fair value, they are recognised at cost less impairment losses.

The financial results of Innex for the previous periods do not meet the conditions of reversal of the impairment loss for the shares of Innex as at 31 December 2018.

(all amounts in PLN'000 unless stated otherwise)

Sibex

As at 31 December 2017, the Company held an interest in S.C. SIBEX – Sibiu Stock Exchange S.A. ("SIBEX") with its registered office in Romania since 2010. The company was listed on S.C. SIBEX – Sibiu Stock Exchange S.A. The cost of the investment in SIBEX was PLN 1,343 thousand and the fair value determined at the share price was PLN 195 thousand as at 31 December 2017. SIBEX merged with the Bucharest Stock Exchange (BVB) at 1 January 2018. Following the merger, GPW holds 5,232 BVB shares at a par value of RON 10 per share. BVB is listed on the Bucharest Stock Exchange. The interest held by GPW was PLN 101 thousand as at 31 December 2018.

InfoStrefa (formerly "IRK")

On 8 July 2015, GPW executed a conditional agreement to sell 80.02% of shares of InfoStrefa to Polska Agencja Prasowa S.A. The final selling price was PLN 382 thousand.

GPW held 19.98% of shares of InfoStrefa as at 31 December 2017. The carrying value of the investment was PLN 76 thousand. Following an impairment at PLN 76 thousand recognised in 2018, the carrying value of the investment was PLN 0 as at 31 December 2018.

Fair value hierarchy

The fair value of BVB as at 31 December 2018 was recognised at the share price (level 1 of the fair value hierarchy). The fair value of Sibex as at 31 December 2017 was recognised at the share price (level 1 of the fair value hierarchy). The value of InfoStrefa was recognised at the selling price of InfoStrefa shares to PAP less a discount for loss of control (level 3 of the fair value hierarchy).

12. Non-current prepayments

Table 29 Prepayments

	As at 31 December	
	2018	2017
Perpetual usufruct of land	2,331	2,437
IT equipment maintenance service	2,455	2,866
Other	15	10
Total non-current prepayments	**4,801**	**5,313**

The current part of prepayments in respect of the acquisition of the right of perpetual usufruct of land at PLN 106 thousand as at 31 December 2018 (PLN 106 thousand as at 31 December 2017) is presented in accruals in Note 14.

The right of perpetual usufruct of land is amortised over 40 years.

(all amounts in PLN'000 unless stated otherwise)

13. Other non-current assets

In June 2016, GPW signed an agreement with the supplier of the trading system concerning final payments under the 2010 agreement.

According to the agreement, GPW holds the option to acquire a new trading system until 31 December 2020. If the Company decides to implement the project, the existing expenses will represent an advance payment towards the cost of a licence; otherwise, they will expire.

As at 31 December 2018, the management of the Company reviewed the recognition of the asset in respect of the option under IAS 38 *Intangible Assets*.

The analysis revealed that the asset does not meet the definition of intangible assets. As a result, the accounting policy was changed retrospectively (reclassification from intangible assets to other non-current assets, see Note 33).

In the opinion of the Management Board of the Company, as at 31 December 2018, the option arising from the agreement signed by GPW is likely to be exercised; consequently, no indicator of impairment was identified.

14. Trade and other receivables

Table 30 Trade and other receivables

	As at 31 December	
	2018	2017
Gross trade receivables	23,752	24,421
Impairment allowances for receivables	(4,616)	(2,224)
Total trade receivables	**19,136**	**22,197**
Current prepayments	2,784	2,909
Receivables from subsidiaries in respect of the corporate income tax of the Tax Group	2,793	920
Other receivables	770	246
Total other receivables	**6,347**	**4,075**
Total trade and other receivables	**25,483**	**26,272**

(all amounts in PLN'000 unless stated otherwise)

Table 31 Trade receivables by credit quality

	As at 31 December	
	2018	**2017**
Receivables which are neither overdue nor impaired	**15,351**	**19,135**
1 to 30 days overdue	*2,374*	*871*
31 to 61 days overdue	*475*	*1,021*
61 to 90 days overdue	*448*	*-*
90 to 180 days overdue	*488*	*576*
More than 180 days overdue	*-*	*594*
Total overdue receivables (no impairment)	**3,785**	**3,062**
Impaired and overdue receivables	**4,616**	**2,224**
Total gross trade receivables	**23,752**	**24,421**

Trade receivables which are neither overdue nor impaired include mainly receivables from Exchange Members (banks and brokerage houses) and receivables from issuers of securities as well as receivables for other services.

Table 32 Trade receivables which are neither overdue nor impaired by type of debtor

	As at 31 December	
	2018	**2017**
Exchange Members/Members of markets operated by GPW	11,498	14,029
Issuers*	92	300
Other*	3,761	4,806
Total gross trade receivables not overdue	**15,351**	**19,135**

** Receivables from debtors who are at the same time Exchange Members and Issuers or Exchange Members and Data Vendors are presented under receivables from Exchange Members.*

Receivables from Exchange Members include receivables from Polish and foreign banks and brokerage houses, whose risk ratings are presented in the table below. Due to the fact that the Company does not have its own credit rating system, external credit ratings were used. If a single debtor had no credit rating, the rating of the parent company of the debtor was used.

Receivables from issuers include fees due from companies listed on GPW.

Other trade receivables include mainly fees for information services.

(all amounts in PLN'000 unless stated otherwise)

Table 33 Receivables from Exchange Members by Moody's ratings

	As at 31 December	
	2018	2017
Aa	1,243	630
A	4,510	7,816
Baa	2,421	1,875
B and BB	1,393	1,998
No rating	1,931	1,710
Total trade receivables from Exchange Members/ Members of markets operated by the GPW Group	**11,498**	**14,029**

As at 31 December 2018, trade receivables at PLN 8,401 thousand (31 December 2017 – PLN 5,286 thousand) were overdue. Of this amount, overdue receivables from debtors in bankruptcy or under creditor arrangements were PLN 1,504 thousand as at 31 December 2018 (31 December 2017 – PLN 1,322 thousand) and other past due receivables were PLN 6,897 thousand (31 December 2017 – PLN 3,964 thousand).

As at 31 December 2018, trade receivables which were overdue and impaired amounted to PLN 4,616 thousand (PLN 2,224 thousand as at 31 December 2017).

The Company has no collateral on receivables. None of the trade receivables were renegotiated.

Table 34 Change of impairment loss on receivables

	As at 31 December	
	2018	2017
Closing balance of previous year	**2,224**	**1,898**
Adjustment at first application of IFRS 9	259	*N/A*
Opening balance	**2,483**	**1,898**
Change of allowance balances - expected loss model (IFRS 9)	2,149	*N/A*
Initial allowances (IAS 39)	*N/A*	855
Receivables written off during the period as uncollectible	(16)	(272)
Reversal of impairment allowances (IAS 39)	*N/A*	(257)
Closing balance	**4,616**	**2,224**

Impairment as at 31 December 2017 was determined under IAS 39. Impairment losses were PLN 2,224 thousand, for which the Company had objective evidence that it will not receive the payment (incurred loss model).

Impairment as at 31 December 2018 was determined under IFRS 9 according to the expected loss model. At the first adoption, the Company adjusted the loss by PLN 259 thousand. The first adoption of IFRS 9 is described in Note 32.

The Company's trade receivables have no significant financing component. Consequently, impairment as at 31 December 2018 was determined according to lifetime expected credit losses. Based on historical data for 2017-2018, the Company performed a statistical analysis of the probability of payment of overdue trade receivables by receivables portfolio, i.e., Exchange Members, issuers, and other clients.

(all amounts in PLN'000 unless stated otherwise)

The estimated ratios are as follows:

- Exchange Members – from 0.10% for debt not yet due to 0.75% for debt overdue from 91 to 181 days,
- issuers – from 13.06% for debt not yet due to 45.62% for debt overdue from 91 to 181 days,
- other clients – from 5.14% for debt not yet due to 12.97% for debt overdue from 91 to 181 days.

The Company concluded that default ratios estimated on the basis of historical data represent the probability of default of trade receivables in the future and consequently the ratios were not adjusted. Based on the portfolio analysis, the impairment of receivables was PLN 4,616 thousand.

The change of the impairment of receivables in 2018 was PLN 2,133 thousand and PLN 2,295 thousand was charged to the 2018 results. The difference of PLN 162 thousand was written off against receivables in previous years and thus taken to the results of the previous years.

Table 35 Gross trade receivables by geographical concentration

	As at 31 December	
	2018	**2017**
Domestic receivables	11,218	14,120
Foreign receivables	12,534	10,301
Total gross trade receivables	**23,752**	**24,421**

In the opinion of the GPW Management Board, in view of the short due date of trade receivables (maximum 60 days), the carrying value of those receivables is similar to their fair value.

15. Contract assets and contract liabilities

Table 36 Contract assets

	As at	
	31 December 2018	**1 January 2018*** *(restated)*
Other revenue	1,015	896
Total contract assets	**1,015**	**896**

** The Company implemented IFRS 15 as of 1 January 2018. Presented retrospectively with the cumulative effect of initial application at 1 January 2018. Contract assets were presented as trade receivables as at 31 December 2017.*

Contract assets include mainly information services and the calculation of benchmarks. As at 31 December 2017, those were presented under trade and other receivables.

(all amounts in PLN'000 unless stated otherwise)

Table 37 Contract liabilities

	As at	
	31 December 2018	1 January 2018* (restated)
Other revenue	11	21
Total contract liabilities	**11**	**21**

** The Company implemented IFRS 15 as of 1 January 2018. Presented retrospectively with the cumulative effect of initial application at 1 January 2018. Contract liabilities were presented as current accruals and deferred income as at 31 December 2017.*

Contract liabilities include annual and quarterly fees paid by market participants. As at 31 December 2017, those were presented as deferred income. Of PLN 21 thousand recognised as contract liabilities as at 1 January 2018, PLN 21 thousand was recognised as revenue within the 12 months ended 31 December 2018.

For details of the application of IFRS 15 in the Company, see Note 32.

16. Cash and cash equivalents

Table 38 Cash and cash equivalents

	As at 31 December		
	2018	2017 (restated)	2016 (restated)
Cash in hand	-	1	1
Current accounts (other)	21,874	32,729	175,659
VAT current accounts (split payment)	93	-	-
Bank deposits (up to 3 months)	-	20,016	20,021
Total cash and cash equivalents	**21,967**	**52,746**	**195,681**

Cash and cash equivalents include short-term bank deposits, current accounts and cash in hand. For short-term bank deposits and current accounts, given their short realisation period, the carrying value is similar to the fair value. The average maturity of the Company's bank deposits (up to 3 months) was 2 days in 2018 and 3 days in 2017.

The presentation of deposits is described in detail in Note 33.

(all amounts in PLN'000 unless stated otherwise)

17. Equity

Table 39 Equity

	As at 31 December		
	2018	2017 (restated)	2016 (restated)
Share capital	63,865	63,865	63,865
Other reserves	(142)	(125)	(114)
Retained earnings	434,514	375,133	393,691
Total equity of the shareholders of the parent entity	**498,237**	**438,873**	**457,442**

17.1. Share capital

The share capital from before the year 1996 with a nominal value of PLN 6,000 thousand was restated by applying the general price index (compound inflation for the period from April 1991 to December 1996 at 464.9%). As at 31 December 2018, the share capital stood at PLN 41,972 thousand and the restatement of the share capital for inflation was PLN 21,893 thousand.

As at 31 December 2018, the share capital of GPW stood at PLN 41,972 thousand and was divided into 41,972,000 shares with a nominal value of PLN 1 per share including:

- 14,779,470 series A shares (35.21% of all shares);
- 27,192,530 series B shares (64.79% of all shares).

The Company's shares were fully paid up.

Series A shares are preferred registered shares which may be exchanged into bearer shares and become series B ordinary shares on exchange. Each series A share gives 2 votes.

Series B shares are bearer shares. Each series B share gives 1 vote.

Table 40 Shareholders in the Company

	As at 31 December 2018 and 31 December 2017		
	Value at par	% share	
		share capital	total vote
State Treasury	14,688	35.00%	51.76%
Banks	56	0.13%	0.20%
Brokers	35	0.08%	0.12%
Other	-	0.00%	0.00%
Total registered shares	**14,779**	**35.21%**	**52.08%**
Bearer shares	**27,193**	**64.79%**	**47.92%**
Total	**41,972**	**100.00%**	**100.00%**

(all amounts in PLN'000 unless stated otherwise)

17.2. Other reserves

Table 41 Other reserves

	As at 1 January 2018	Revaluation and disposal	As at 31 December 2018
Revaluation	6	(27)	**(21)**
Deferred tax	-	5	**5**
Total capital from revaluation of financial assets measured at fair value through other comprehensive income	**6**	**(22)**	**(16)**
Revaluation	(162)	6	**(156)**
Deferred tax	31	(1)	**30**
Total capital from actuarial gains/losses	**(131)**	**5**	**(126)**
Total other reserves	**(125)**	**(17)**	**(142)**

17.3. Retained earnings

Table 42 Retained earnings

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total
As at 31 December 2017 *(previously reported)*	**37,021**	**302,386**	**(21,293)**	**69,033**	**387,147**
Adjustment - donation to PFN	-	-	(14,660)	2,646	**(12,014)**
As at 31 December 2017 *(restated - adjusted for PFN)*	**37,021**	**302,386**	**(35,953)**	**71,679**	**375,133**
Adjustment - initial application of IFRS 9	-	-	(210)	-	**(210)**
As at 1 January 2018 *(restated - adjusted for PFN and IFRS 9)*	**37,021**	**302,386**	**(36,163)**	**71,679**	**374,923**
Distribution of the net profit for the year ended 31 December 2017	-	199	71,480	(71,679)	**-**
Dividends	-	(23,504)	(68,834)	-	**(92,338)**
Net profit for the year ended 31 December 2018	-	-	-	151,929	**151,929**
As at 31 December 2018	**37,021**	**279,081**	**(33,517)**	**151,929**	**434,514**

(all amounts in PLN'000 unless stated otherwise)

Table 43 Retained earnings

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total
As at 31 December 2016 *(previously reported)*	**37,020**	**276,539**	**(21,293)**	**116,085**	**408,351**
Adjustment - donation to PFN	-	-	-	(14,660)	**(14,660)**
As at 31 December 2016 *(restated - adjusted for PFN)*	**37,020**	**276,539**	**(21,293)**	**101,425**	**393,691**
Distribution of the net profit for the year ended 31 December 2016	-	25,846	75,579	(101,425)	**-**
Dividends	-	-	(90,239)	-	**(90,239)**
Net profit for the year ended 31 December 2017	-	-	-	71,679	**71,679**
Other changes in equity	1	1	-	-	**2**
As at 31 December 2017 *(restated - adjusted for PFN)*	**37,021**	**302,386**	**(35,953)**	**71,679**	**375,133**

As required by the Commercial Companies Code, which is binding upon the Company, the amounts to be divided between the shareholders may not exceed the net profit reported for the last financial year plus retained earnings, less accumulated losses and amounts transferred to reserves that are established in accordance with the law or the Articles of Association that may not be earmarked for the payment of dividend.

As required by the Articles of Association of GPW, reserve capital is earmarked for covering losses that may arise in the operations of the Company and for supplementing the share capital or for payment of dividends. Reserve capital should not be lower than one-third of the share capital. Transfers from distributed profit to reserve capital may not be lower than 10% of the profit. Transfers may be discontinued when reserve capital equals one-third of the share capital. One-third of reserve capital may only be used to cover losses reported in financial statements.

Reserves are maintained in the Company to ensure the ability of financing investments and other expenses connected with the operations of the Company. Reserves can be used towards share capital or payment of dividends.

17.4. Dividend

On 19 June 2018, the Ordinary General Meeting of GPW passed a resolution concerning the distribution of the Company's profit earned in 2017, including the allocation of PLN 92,338 thousand to the payment of dividend. The dividend was PLN 2.20 per share. The dividend record date was set at 19 July 2018. The dividend was paid out on 2 August 2018. The dividend paid to the State Treasury was PLN 32,315 thousand.

On 19 June 2017, the Ordinary General Meeting of GPW passed a resolution concerning the distribution of the Company's profit earned in 2016, including the allocation of PLN 90,239 thousand to the payment of dividend. The dividend was PLN 2.15 per share. The dividend record date was set at 19 July 2017. The dividend was paid out on 2 August 2017. The dividend paid to the State Treasury was PLN 31,580 thousand.

17.5. Earnings per share

Table 44 Calculation of earnings per share

	Year ended 31 December	
	2018	2017
Net profit for the period attributable to the shareholders of the parent entity	151,929	71,679
Weighted average number of ordinary shares (in thousands)	41,972	41,972
Basic/diluted earnings per share (in PLN)	**3.62**	**1.71**

18. Bond issue liabilities

Table 45 Bond issue liabilities

	As at 31 December	
	2018	2017
Series C bonds	124,303	124,050
Series D and E bonds	119,658	119,523
Total non-current	**243,961**	**243,573**
Series C bonds	683	682
Series D and E bonds	1,256	1,256
Total current	**1,938**	**1,938**
Total liabilities under bond issue	**245,899**	**245,511**

Table 46 Bond issue liabilities

	Year ended 31 December 2018							
	Opening balance	Bonds issued	Bonds redeemed	Interest accrued	Interest paid	Cost incurred	Cost settled	Closing balance
Principal	244,929	-	-	-	-	-	-	**244,929**
Interest	2,322	-	-	7,300	(7,300)	-	-	**2,322**
Cost of issuance	(1,740)	-	-	-	-	(2)	390	**(1,352)**
Total liabilities under bond issue	**245,511**	**-**	**-**	**7,300**	**(7,300)**	**(2)**	**390**	**245,899**

(all amounts in PLN'000 unless stated otherwise)

Table 47 Bond issue liabilities

	Year ended 31 December 2017							
	Opening balance	**Bonds issued**	**Bonds redeemed**	**Interest accrued**	**Interest paid**	**Cost incurred**	**Cost settled**	**Closing balance**
Principal	245,484	119,929	(120,484)	-	-	-	-	**244,929**
Interest	2,730	-	-	7,234	(7,642)	-	-	**2,322**
Cost of issuance	(1,873)	-	-	-	-	(257)	390	**(1,740)**
Total liabilities under bond issue	**246,341**	**119,929**	**(120,484)**	**7,234**	**(7,642)**	**(257)**	**390**	**245,511**

Series C bonds

On 29 September 2015, the GPW Management Board passed a resolution on the issue of series C unsecured bearer bonds. The bonds were issued on 6 October 2015.

On 6 October 2015, GPW issued 1,250,000 series C bearer bonds in a total nominal amount of PLN 125,000 thousand. The nominal amount and the issue price was PLN 100 per bond. The series C bonds bear interest at a fixed rate of 3.19 percent per annum. Interest on the bonds is paid semi-annually. The bonds are due for redemption on 6 October 2022 against the payment of the nominal value to the bond holders.

The series C bonds were introduced to the alternative trading system on Catalyst.

The fair value of the series C bonds was PLN 128,565 thousand as at 31 December 2018.

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.

The fair value of the series D and E bonds was PLN 122,492 thousand as at 31 December 2018.

(all amounts in PLN'000 unless stated otherwise)

19. Employee benefits payable

Table 48 Employee benefits payable by short-term and long-term liabilities

	As at 31 December	
	2018	2017
Retirement benefits	509	475
Other	86	408
Non-current	**595**	**883**
Retirement benefits	58	44
Other	9,037	8,437
Current	**9,095**	**8,481**
Total benefits in statement of financial position	**9,690**	**9,364**

19.1. Liabilities under retirement benefits

The Company records provisions for retirement benefits based on the actuarial valuation prepared as at the balance sheet date by an independent actuarial advisor.

Table 49 Employee benefits recognised in the statement of comprehensive income according to actuarial valuation

	As at 31 December	
	2018	2017
Total benefits in operating expenses	73	75
Total benefits in other comprehensive income	(6)	14
Total benefits in statement of comprehensive income	**67**	**89**

(all amounts in PLN'000 unless stated otherwise)

Table 50 Change of liabilities under retirement benefits

	As at 31 December	
	2018	**2017**
Retirement benefits - opening balance	**519**	**479**
Current service cost	57	58
Interest cost	16	17
Actuarial losses/(gains) shown in other comprehensive income due to change of:	(6)	14
- *financial assumptions*	*39*	*18*
- *demographic assumptions*	*(25)*	*(12)*
- *other assumptions*	*(20)*	*8*
Total change shown in comprehensive income	**67**	**89**
Benefits paid	**(19)**	**(49)**
Retirement benefits - closing balance	**567**	**519**

Table 51 Main actuarial assumptions at dates ending the reporting periods

	As at 31 December	
	2018	**2017**
Discount rate	2.6%	3.2%
Expected average annual increase of the base of retirement benefits	3.5%	3.5%
Inflation p.a.	2.5%	2.5%
Weighted average employee mobility	6.3%	5.1%

(all amounts in PLN'000 unless stated otherwise)

19.2. Other employee benefits payable

Table 52 Changes to short-term and long-term employee benefits payable

	Year ended 31 December 2018					
	Opening balance	Set up	Used	Reclass-ified	Released	Closing balance
Annual and discretionary bonuses	6,772	6,495	(5,737)	130	(85)	**7,575**
Unused holiday leave	1,438	1,313	-	-	(1,301)	**1,450**
Overtime	227	12	-	-	(227)	**12**
Total current	**8,437**	**7,820**	**(5,737)**	**130**	**(1,613)**	**9,037**
Annual and discretionary bonuses	408	-	-	(130)	(192)	**86**
Total non-current	**408**	**-**	**-**	**(130)**	**(192)**	**86**
Total other employee benefits payable	**8,845**	**7,820**	**(5,737)**	**-**	**(1,805)**	**9,123**

Table 53 Changes to short-term and long-term employee benefits payable

	Year ended 31 December 2017					
	Opening balance	Set up	Used	Reclass-ified	Released	Closing balance
Annual and discretionary bonuses	5,121	7,250	(4,818)	157	(938)	**6,772**
Unused holiday leave	1,315	433	-	-	(310)	**1,438**
Overtime	-	227	-	-	-	**227**
Car allowance	2	-	-	-	(2)	**-**
Total current	**6,438**	**7,910**	**(4,818)**	**157**	**(1,250)**	**8,437**
Annual and discretionary bonuses	1,007	253	-	(157)	(695)	**408**
Total non-current	**1,007**	**253**	**-**	**(157)**	**(695)**	**408**
Total other employee benefits payable	**7,445**	**8,163**	**(4,818)**	**-**	**(1,945)**	**8,845**

(all amounts in PLN'000 unless stated otherwise)

20. Trade payables

Table 54 Trade payables

	As at 31 December	
	2018	2017
Trade payables to associates and jointly controlled entities	37	197
Trade payables to subsidiaries/GPW Group members	85	255
BondSpot S.A.	*79*	*63*
Towarowa Giełda Energii S.A.	*18*	*15*
GPW Benchmark S.A.	*(12)*	*177*
Trade payables to other parties	4,376	11,502
Total trade payables	**4,498**	**11,954**

In the opinion of the Exchange Management Board, due to the short due dates of trade payables, the carrying value of trade payables is similar to the fair value.

21. Other liabilities

Table 55 Other liabilities by short-term and long-term liabilities

	As at 31 December		
	2018	2017 (restated)	2016 (restated)
Committed investments	2,224	2,224	-
Liabilities to the Polish National Foundation	9,611	10,830	12,014
Other liabilities	-	-	2,224
Total non-current	**11,835**	**13,054**	**14,238**
Dividend payable	210	194	179
VAT payable	2,187	2,313	38
Liabilities in respect of other taxes	1,122	1,105	908
Committed investments	1,827	1,630	4,428
Liabilities to the Polish National Foundation	1,219	1,184	2,646
Other liabilities	232	132	138
Total current	**6,797**	**6,558**	**8,337**
Total other liabilities	**18,632**	**19,612**	**22,575**

(all amounts in PLN'000 unless stated otherwise)

22. Sales revenue

Table 56 Sales revenue by business segment

	Year ended 31 December	
	2018	2017
Financial market	**181,150**	**196,229**
Trading:	114,277	129,749
Shares and other equity instruments	94,082	109,564
Derivatives	12,068	11,888
Other fees paid by market participants	7,398	7,498
Debt instruments	349	371
Other cash instruments	380	428
Listing:	22,000	24,027
Trading fees	19,305	19,570
Fees for admission and introduction and other fees	2,695	4,457
Information services and revenue from the calculation of benchmarks:	44,873	42,453
Real-time data and revenue from the calculation of benchmarks	41,224	39,412
Historical and statistical data and indices	3,649	3,041
Commodity market:	**423**	**348**
Information services	423	348
Other revenue	**9,307**	**6,866**
Total sales revenue	**190,880**	**203,443**

Table 57 Revenue by geographic distribution

	Year ended 31 December			
	2018	% share	2017	% share
Revenue from foreign customers	84,816	44.4%	75,610	37.2%
Revenue from local customers	106,064	55.6%	127,833	62.8%
Total sales revenue	**190,880**	**100.0%**	**203,443**	**100.0%**

(all amounts in PLN'000 unless stated otherwise)

23. Operating expenses

Table 58 Operating expenses by category

	Year ended 31 December	
	2018	2017
Depreciation and amortisation	20,257	19,472
Salaries	32,032	29,391
Other employee costs	9,302	7,968
Rent and other maintenance fees	8,299	7,472
Fees and charges	7,487	3,865
including fees paid to PFSA	*6,863*	*3,099*
External service charges	31,157	37,783
Other operating expenses	4,473	3,965
Total operating expenses	**113,007**	**109,916**

23.1. Salaries and other employee costs

Table 59 Salaries by category

	Year ended 31 December	
	2018	2017
Gross remuneration	24,756	22,304
Annual and discretionary bonuses	5,315	5,244
Retirement benefits	74	75
Reorganisation severance pay	64	192
Non-competition	205	-
Other (including: unused holiday leave, overtime)	225	969
Total payroll	**30,639**	**28,784**
Supplementary payroll	**1,393**	**607**
Total employee costs	**32,032**	**29,391**

Table 60 Other employee costs by category

	Year ended 31 December	
	2018	2017
Social security costs	4,673	4,553
Employee Pension Plan	972	486
Other benefits (including medical services, lunch subsidies, sports, insurance, etc.)	3,657	2,929
Total other employee costs	**9,302**	**7,968**

(all amounts in PLN'000 unless stated otherwise)

The Company offers its employees who retire a benefit equal to one month's salary.

The Company offers its employees defined contribution plans (Employee Pension Scheme). A defined contribution plan is financed with contributions paid by GPW and by an employee to a pension fund operating independently of the financial structure of GPW.

The remuneration system for the members of the Exchange Management Board is defined on the basis of the New Remuneration Cap Act (the details are described in Note 2.17.4).

GPW offers the employees an incentive program consisting of a fixed part (base salary) and a variable component (annual bonus as well as an additional bonus). The variable component of the incentive system – the annual bonus – is based on the employee's individual appraisal and tied to the results of GPW. The additional bonus is awarded under the remuneration rules by the GPW Management Board on request of a superior in an amount not higher than the maximum set additional bonus (fixed as a percentage of the amount of remuneration paid).

23.2. External service charges

Table 61 External service charges by category

	Year ended 31 December	
	2018	**2017**
IT infrastructure maintenance	*9,521*	*10,018*
Data transmission lines	*4,178*	*4,218*
Software modification	*95*	*9,486*
Total IT cost	13,794	23,722
Repair and maintenance of installations	*951*	*870*
Security	*1,325*	*1,181*
Cleaning	*502*	*449*
Phone and mobile phone services	*247*	*268*
Total office and office equipment maintenance	3,025	2,768
Leasing, rental and maintenance of vehicles	204	159
Transportation services	95	91
Promotion, education, market development	4,039	3,804
Market liquidity support	910	521
Advisory (including legal, business consulting, audit)	4,806	2,918
Information services	2,977	2,212
Training	516	621
Mail fees	35	40
Bank fees	60	42
Translation	289	318
Other	407	567
Total external service charges	**31,157**	**37,783**

(all amounts in PLN'000 unless stated otherwise)

23.3. Other operating expenses

Table 62 Other operating expenses by category

	Year ended 31 December	
	2018	2017
Consumption of materials and energy	2,419	2,436
Electricity and heat	*1,395*	*1,403*
Other	*1,024*	*1,033*
Membership fees	375	390
Insurance	262	232
Perpetual usufruct	106	106
Business trips	924	641
Conferences	161	142
Other	226	18
Total other operating expenses	**4,473**	**3,965**

24. Other income and expenses

24.1. Other income

Table 63 Other income by category

	Year ended 31 December	
	2018	2017
Damages received	15	3
Gains on sale of property, plant and equipment	353	264
Annual correction of input VAT	357	112
Medical services reinvoiced to employees	287	268
Other	103	293
Total other income	**1,115**	**940**

(all amounts in PLN'000 unless stated otherwise)

24.2. Other expenses

Table 64 Other expenses by category

	Year ended 31 December	
	2018	**2017***
Donations	478	579
Damages, penalties, fines	4	-
Impairment of investments and abandoned investments	828	-
Other	323	1,107
Total other expenses	**1,633**	**1,686**

** Other expenses related to receivables written off in the year ended 31 December 2017 were presented in impairment losses of receivables in the statement of comprehensive income for the sake of consistency with the presentation for the year ended 31 December 2018. Receivables written off in 2017 were determined under IAS 39. The Company implemented IFRS 15 as of 1 January 2018. Receivables written off in 2018 were determined under IFRS 15.*

In 2018, donations were made by the Company to:

- GPW Foundation – PLN 461 thousand;
- University of Warsaw – PLN 10 thousand;
- Europejska Fundacja na rzecz osób potrzebujących – PLN 5 thousand;
- Caritas – PLN 1 thousand.

In 2017, donations were made by the Company to:

- GPW Foundation – PLN 414 thousand;
- Archdiocese of Warsaw – PLN 140 thousand;
- Wolność i Demokracja Foundation – PLN 25 thousand.

(all amounts in PLN'000 unless stated otherwise)

25. Financial income and expenses

25.1. Financial income

Table 65 Financial income by category

	Note	Year ended 31 December	
		2018	2017
Interest on current accounts and bank deposits classified as cash and cash equivalents		887	1,978
Interest on bank deposits (from 3 to 12 months)	10	2,137	1,640
Interest on certificates of deposit	10	513	-
Interest on corporate bonds	10	1,097	-
Dividends		69,697	1,266
Gains on sale or increase in value of interests held (including interests in associates)	7	32,239	-
Interest on granted loans		3	154
Other financial income		742	4
Tota financial income		**107,315**	**5,042**

In 2018, GPW received dividends in the total amount of PLN 69,697 thousand from the following companies:

- Centrum Giełdowe S.A. – dividend of PLN 372 thousand paid on 30 May 2018,
- Towarowa Giełda Energii S.A. – dividend of PLN 69,325 thousand paid on 19 July 2018.

In 2017, GPW received dividends in the total amount of PLN 1,266 thousand from the following companies:

- BondSpot S.A. – dividend of PLN 1,164 thousand paid on 21 July 2017,
- Centrum Giełdowe S.A. – dividend of PLN 102 thousand paid on 31 May 2017.

25.2. Financial expenses

Table 66 Financial expenses by category

	Note	Year ended 31 December	
		2018	2017
Interest on bonds, including:	18	7,691	7,624
Accrued		*391*	*390*
Paid		*7,300*	*7,234*
Losses on sale or decrease in value of interests held		2,069	17
Intrest on tax payable		345	-
Other financial expenses		7	1,230
Total financial expenses		**10,112**	**8,871**

(all amounts in PLN'000 unless stated otherwise)

26. Financial instruments

Table 67 Material revenue, expense, profit and loss items in the statement of comprehensive income for 2018 by category of financial instruments

	Year ended 31 December 2018					
	Interest received/paid *(see: statement of cash flows)*	**Interest accrued, revaluation and cost of bond issue**	**Impairment loss**	**Total shown in the P&L** *(see Note 25.1 and 25.2)*	**Total shown in other comprehensive income**	**Total shown in statement of comprehensive income**
Trade receivables (gross)	-	-	(2,295)	**(2,295)**	**-**	**(2,295)**
Equity instruments (measured at fair value through other comprehensive income)	-	-	-	**-**	**(27)**	**(27)**
Corporate bonds	763	334	-	**1,097**	**-**	**1,097**
Certificates of deposit	354	159	-	**513**	**-**	**513**
Bank deposits	2,535	489	-	**3,024**	**-**	**3,024**
Total assets	**3,652**	**982**	**(2,295)**	**2,339**	**(27)**	**2,312**
Bonds issued	(7,300)	(390)	-	**(7,690)**	**-**	**(7,690)**
Total liabilities	**(7,300)**	**(390)**	**-**	**(7,690)**	**-**	**(7,690)**
Total shown in statement of comprehensive income for financial instruments	**10,952**	**1,372**	**(2,295)**	**10,029**	**(27)**	**10,002**

Table 68 Material revenue, expense, profit and loss items in the statement of comprehensive income for 2017 by category of financial instruments

	Year ended 31 December 2017 *(restated)*					
	Interest received/paid *(see: statement of cash flows)*	**Interest accrued, revaluation and cost of bond issue**	**Impairment loss**	**Total shown in the P&L** *(see Note 25.1 and 25.2)*	**Total shown in other comprehensive income**	**Total shown in statement of comprehensive income**
Trade receivables (gross)	(5)	(1)	(497)	**(503)**	**-**	**(503)**
Equity instruments	-	-	(24)	**(24)**	**-**	**(24)**
Bank deposits	3,267	349	-	**3,616**	**-**	**3,616**
Other financial assets (including loan granted)	154	-	-	**154**	**-**	**154**
Total assets	**3,416**	**348**	**(521)**	**3,243**	**-**	**3,243**
Bonds issued	(7,642)	18	-	**(7,624)**	**-**	**(7,624)**
Total liabilities	**(7,642)**	**18**	**-**	**(7,624)**	**-**	**(7,624)**
Total shown in statement of comprehensive income for financial instruments	**11,058**	**330**	**(521)**	**10,867**	**-**	**10,867**

(all amounts in PLN'000 unless stated otherwise)

Table 69 Material revenue, expense, profit and loss items in the statement of comprehensive income for 2016 by category of financial instruments

	Year ended 31 December 2016 *(restated)*					
	Interest received/paid *(see: statement of cash flows)*	**Interest accrued, revaluation and cost of bond issue**	**Impairment loss**	**Total shown in the P&L** *(see Note 25.1 and 25.2)*	**Total shown in other comprehensive income**	**Total shown in statement of comprehensive income**
Trade receivables (gross)	-	-	(1,898)	**(1,898)**	**-**	**(1,898)**
Equity instruments	-	-	(15)	**(15)**	**-**	**(15)**
Bank deposits	5,628	(1,636)	-	**3,992**	**-**	**3,992**
Total assets	**5,628**	**(1,636)**	**(1,913)**	**2,079**	**-**	**2,079**
Bonds issued	(5,770)	(1,859)	-	**(7,629)**	**-**	**(7,629)**
Total liabilities	**(5,770)**	**(1,859)**	**-**	**(7,629)**	**-**	**(7,629)**
Total shown in statement of comprehensive income for financial instruments	**11,398**	**223**	**(1,913)**	**9,708**	**-**	**9,708**

27. Income tax

Table 70 Income tax by current and deferred tax

	Year ended 31 December	
	2018	**2017** *(restated)*
Current income tax	20,497	19,385
Deferred tax	(164)	(2,609)
Total income tax	**20,333**	**16,776**

As required by the Polish tax regulations, the tax rate applicable in 2018 and 2017 is 19%.

Table 71 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

	Year ended 31 December	
	2018	**2017** *(restated)*
Profit before income tax	172,262	88,455
Income tax rate	19%	19%
Income tax at the statutory tax rate	**32,730**	**16,806**
Tax effect:	**(12,397)**	**(30)**
Non-tax-deductible expenses	845	211
Non-taxable dividend income	(13,242)	(241)
Total income tax	**20,333**	**16,776**

As the Company Representing the Tax Group, Giełda Papierów Wartościowych w Warszawie S.A. is responsible for the calculation and payment of corporate income tax advances of the Tax Group pursuant to the Corporate Income Tax Act. GPW's receivables from associates participating in the Tax Group in respect of income tax paid on their behalf were PLN 2,793 thousand as at 31 December 2018 (PLN 920 thousand as at 31 December 2017), presented under trade and other receivables in the statement of financial position.

28. Contracted investments and contingent liabilities

Contracted investments in plant, property and equipment were PLN 194 thousand as at 31 December 2018 including the acquisition of IT hardware and software (PLN 77 thousand as at 31 December 2017).

Contracted investments in intangible assets were PLN 479 thousand as at 31 December 2018 including mainly the trading surveillance system (PLN 1,203 thousand as at 31 December 2017).

The Company had no contingent liabilities as at 31 December 2018 and as at 31 December 2017.

29. Related party transactions

Related parties of the Company include:

- the subsidiaries,
- the associates,
- 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 31 December 2018),
- entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence,
- members of the key management personnel of the Company: the Exchange Management Board and the Exchange Supervisory Board.

29.1. Information about transactions with companies which are related parties of the State Treasury

Companies with a stake held by the State Treasury

The Company 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 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).

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.

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 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.

Fees paid to PFSA stood at PLN 6,863 thousand in 2018 and PLN 3,099 thousand in 2017.

(all amounts in PLN'000 unless stated otherwise)

Tax Office

The Company is subject to taxation under Polish law. Consequently, the Company pays taxes to the State Treasury, which is a related party. The rules and regulations applicable to the Company are the same as those applicable to other entities which are not related parties.

29.2. Transactions with subsidiaries

Revenue from transactions with subsidiaries in 2018 includes revenue from lease of office space at PLN 3,901 thousand (PLN 1,859 thousand in 2017) and revenue from other services provided to group members (including accounting, administrative, IT, marketing and other services) in a total amount of PLN 3,677 thousand (PLN 3,236 thousand in 2017).

Table 72 Transactions with subsidiaries

	As at 31 December 2018		Year ended 31 December 2018	
	Receivables	Liabilities	Sales revenue	Operating expenses
TGE S.A.	603	18	4,133	285
IRGiT S.A.	143	-	2,219	11
BondSpot S.A.	188	79	1,422	562
GPW Benchmark S.A.	49	(12)	413	2,170
InfoEngine S.A.	-	-	54	-
Polska Agencja Ratingowa S.A. *(up to October 2018)*	*N/A*	*N/A*	141	-
Total	**983**	**85**	**8,382**	**3,028**

Table 73 Transactions with subsidiaries

	As at 31 December 2017		Year ended 31 December 2017	
	Receivables	Liabilities	Sales revenue	Operating expenses
TGE S.A.	1,704	15	3,241	233
IRGiT S.A.	249	-	1,813	1
BondSpot S.A.	136	63	924	467
GPW Benchmark S.A.	27	192	879	679
WSEInfoEngine S.A.	6	-	56	11
Polska Agencja Ratingowa S.A. *(formerly IAiR)*	6	-	35	-
Total	**2,128**	**270**	**6,948**	**1,391**

The tables above do not include the dividends, disclosed in Note 25.1.

Receivables from subsidiaries were not written off as uncollectible from subsidiaries or provided for in the year ended 31 December 2018 and 31 December 2017.

(all amounts in PLN'000 unless stated otherwise)

29.3. Transactions with joint arrangements and associates

Table 74 Transactions of GPW with associates

	As at 31 December 2018		Year ended 31 December 2018	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW S.A. Group	62	-	279	71
Centrum Giełdowe S.A.	-	462	38	3,973
Aquis Exchange Limited *(up to March 2018)* *	*N/A*	*N/A*	1	-
Polska Agencja Ratingowa S.A. *(as of October 2018)* *	46	-	71	-
Total	**108**	**462**	**389**	**4,044**

** For details about Aquis Exchange Limited and Polska Agencja Ratingowa S.A., see Note 7.*

Table 75 Transactions of GPW with associates

	As a 31 December 2017		Year ended 31 December 2017	
	Receivables	Liabilities	Sales revenue	Operating expenses
KDPW S.A. Group	-	-	20	62
Centrum Giełdowe S.A.	-	244	-	2,012
Aquis Exchange Limited	9	20	14	20
Total	**9**	**264**	**34**	**2,094**

On 10 May 2018, the Ordinary General Meeting of Centrum Giełdowe decided to allocate PLN 1,501 thousand of the company's profit earned in 2017 to dividend. The dividend amount due to the Company was PLN 372 thousand. The dividend was paid on 30 May 2018.

In 2017, Centrum Giełdowe paid a dividend for 2016 in a total amount of PLN 413 thousand, of which the dividend amount due to the Company was PLN 102 thousand.

On 6 July 2018, the Ordinary General Meeting of Krajowy Depozyt Papierów Wartościowych S.A. decided to pay no dividend from the profit earned in 2017.

Receivables from associates were not written off as uncollectible from associates or provided for in the year ended 31 December 2018 and 31 December 2017.

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

(all amounts in PLN'000 unless stated otherwise)

29.4. Other transactions

Książęca 4 Street Tenants Association

In 2018, GPW concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 3,999 thousand in 2018 and PLN 4,023 thousand in 2017. Moreover, when the Tenants Association generates a surplus during a year, the Company receives refunds, and where there is a shortage, the Company is obliged to contribute an additional payment. The surplus payment amounted to PLN 40 thousand in 2018 and PLN 75 thousand in 2017.

Transactions with the key management personnel

The Company entered into no transactions with the Company's key management personnel in 2017 and in 2018.

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

The management personnel of the Company 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 2018 and 2017, respectively.

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

Table 76 Cost of remuneration and benefits of GPW's key management personnel (paid and due for 2016, 2017 and 2018, as presented in the statement of comprehensive income)

	Year ended 31 December	
	2018	2017
Base salary	1,620	1,879
Variable pay**	1,644	968
Holiday leave equivalent	-	177
Bonus - bonus bank*	(107)	(245)
Bonus - one-off payment*	(81)	(184)
Bonus - phantom shares*	(60)	(184)
Other benefits	26	38
Benefits after termination	192	-
Total remuneration of the Exchange Management Board	**3,234**	**2,449**
Remuneration of the Exchange Supervisory Board	**555**	**524**
Total remuneration of the key management personnel	**3,789**	**2,973**

**Negative bonus amounts in 2018 represent release of provisions for bonuses of the Exchange Management Board for 2017 at PLN 269 thousand (including one-off payment of PLN 81 thousand, bonus bank of PLN 107 thousand, phantom shares of PLN 81 thousand). In 2017, the corresponding provisions released amounted to PLN 947 thousand (including one-off payment of 284 thousand, bonus bank of PLN 379 thousand, phantom shares of PLN 284 thousand).*
*** The amount of provisions was calculated according to the New Remuneration Cap Act.*

As at 31 December 2018, due (not paid) bonuses and variable pay of the key management personnel stood at PLN 3,282 thousand including bonuses for 2016, 2017 and 2018. The cost of bonuses due for 2016, 2017 and 2018 was shown in the statement of comprehensive income for 2016, 2017 and 2018, respectively.

As at 31 December 2017, due (not paid) bonuses and variable pay of the key management personnel stood at PLN 1,617 thousand including bonuses for 2014, 2016 and 2017. The cost of bonuses due for 2014, 2016 and 2017 was shown in the statement of comprehensive income for 2014, 2016 and 2017, respectively.

(all amounts in PLN'000 unless stated otherwise)

31. Future minimum lease payments

Operating lease payments are charged to costs on a straight-line basis throughout the term of the leases.

GPW is a party to office space and server room rental agreements for a determined period (until 2019) and for an undetermined period (with a termination notice of a three months and twelve months). GPW pays fees for the right of perpetual usufruct of land. The Company is a party to car lease agreements for a determined period (until 2021).

Table 77 Total future minimum lease payments under non-cancellable operating leases – lessee

	Future minimum lease payments under non-cancellable operating lease			
	< 1 Y	1-5 Y	> 5 Y	Total
As at 31 December 2018	4,862	7,031	8,229	**20,122**
As at 31 December 2017	4,236	3,015	8,347	**15,598**

The amounts above include VAT. All operating lease payments are denominated in PLN. GPW's annual fees for perpetual usufruct of land are PLN 118 thousand. The costs of operating leases (space rentals) and perpetual usufruct of land are presented in Note 23.

Table 78 Total future minimum lease payments under non-cancellable operating leases – lessor

	Future minimum lease payments under non-cancellable operating lease			
	< 1 Y	1-5 Y	> 5 Y	Total
As at 31 December 2018	3,037	4,520	-	**7,557**
As at 31 December 2017	1,471	349	-	**1,820**

In 2018, GPW was a party to office space lease contracts with the following subsidiaries and associates: BondSpot S.A., Towarowa Giełda Energii S.A., Izba Rozliczeniowa Giełd Towarowych S.A., GPW Benchmark S.A. and Instytut Analiz i Ratingu.

32. Impact of initial application of new standards

The Company first applied IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* as of 1 January 2018.

Modifications of the accounting policy due to the initial adoption of IFRS 9 are described in Note 2.8. and modifications of the accounting policy due to the initial adoption of IFRS 15 are described in Note 2.19.

IFRS 9 Financial Instruments

Financial assets held by the Company, i.e., minority interest in Sibex, Innex and IRK (previously recognised as available-for-sale financial assets), are presented as of 1 January 2018 as financial assets measured at fair value through other comprehensive income because they are neither held for trading nor a conditional payment recognised by the acquiring entity in a business combination.

IFRS 9 introduces a fundamental change to the measurement of impairment of financial assets. Under the new Standard, entities recognise and measure impairment under the "expected credit loss" model replacing the "incurred loss" impairment model. The amendment mainly affects the estimation of write-offs of debt.

The Company performed a portfolio analysis and calculated, for each category of clients, a write-off matrix by age bracket on the basis of expected credit loss in the lifetime of debt. The Company concluded that default ratios estimated based on historical data represent the probability of default of trade receivables in the future and consequently the ratios were not adjusted.

As a result of the analysis, changes of the approach to the recognition and measurement of impairment resulted in an increase of impairment write-offs by PLN 259 thousand and a decrease of equity by PLN 210 thousand including the deferred tax asset as at the date of initial adoption of IFRS 9 (1 January 2018).

GPW decided to implement the Standard without a restatement of comparative data (exemption under 7.2.15 IFRS 9). Adjustments under IFRS 9 were implemented as of 1 January 2018 through equity (retained earnings).

IFRS 15 Revenue from Contracts with Customers

According to IFRS 15 C3 (b), the Company's Management Board decided to implement the Standard retrospectively with the cumulative effect of initial application at initial application date, i.e., 1 January 2018, through equity according to C7-C8 of the Standard. The analysis did not identify any adjustment of equity on initial application.

The implementation of the Standard changes the presentation of annual and quarterly fees charged to clients under agreements or rules in the interim financial statements. Such fees were previously presented as deferred income and are now presented under IFRS 15 as contract liabilities. The Company decided to change the presentation of revenue not yet invoiced from information services and the calculation of benchmarks, which was presented as trade and other receivables but is now presented as contract assets because the Company fulfils its obligation to the client before it receives payment while the contractual right to the payment arises in consecutive periods.

The Company's critical judgments in relation to IFRS 15 include its approach to the identification of performance obligations and the time when such obligations are performed in the context of the admission of securities to trading. Revenue from fees for the admission of securities to trading on the GPW markets were previously recognised up-front according to IAS 18. IFRS 15 requires the management of the Company to make a judgment whether the admission of securities to trading is a separate service or an inherent part of enabling trade in securities. In practice, this implies a choice between an up-front recognition of the fee or its recognition over time in the period when the service is provided.

As at the date of these financial statements, the management's analysis is still pending whether the existing interpretations of IFRS 15 allow for identification of the performance obligation with respect to fees for the admission of securities to trading. Considering the foregoing, these separate financial statements of GPW for the period of 12 months ended 31 December 2018 recognise the revenue from fees for the admission of securities to trading up-front at PLN 2,415 thousand (PLN 4,153 thousand for the year ended 31 December 2017).

The table below presents the impact of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* on the financial statements of the Company as at 1 January 2018.

(all amounts in PLN'000 unless stated otherwise)

Table 79 Impact of adjustments on selected items of the statement of financial position as at 1 January 2018

	Note	As at 31 December 2017 (restated; see Note 33)	Adjustment at first application		As at 1 January 2018 (restated under IFRS 9 and IFRS 15)
			IFRS 9	IFRS 15	
Non-current assets (selected items):					
Deferred tax asset	8	-	49	-	49
Available-for-sale financial assets	9	271	(271)	-	-
Financial assets measured at fair value through other comprehensive income	11	-	271	-	271
Current assets (selected items):					
Trade and other receivables	14	26,272	(259)	(896)	25,117
Contract assets	15	-	-	896	896
Financial assets measured at amortised cost	10	-	196,461	-	196,461
Other financial assets		196,461	(196,461)	-	-
TOTAL ASSETS (all items)		**738,295**	**(210)**	**-**	**738,085**
Equity (selected items):					
Retained earnings	17.3.	375,133	(210)	-	374,923
Current liabilities (selected items):					
Contract liabilities	15	-	-	21	21
Accruals and deferred income	22	21	-	(21)	-
TOTAL EQUITY AND LIABILITIES (all items)		**738,295**	**(210)**	**-**	**738,085**

(all amounts in PLN'000 unless stated otherwise)

Table 80 Changes of the classification of financial assets from IAS 39 to IFRS 9 as at 1 January 2018

Balance sheet category as of 1 January 2018	Classification under IAS 39	New classification under IFRS 9	As at 1 January 2018	
			Value under IAS 39	Value under IFRS 9
Financial assets measured at fair value through other comprehensive income	Available-for-sale financial assets	Financial assets measured at fair value through other comprehensive income	271	271
Trade and other receivables	Loans and receivables	Financial assets measured at amortised cost	26,272	25,117
Contract assets	Loans and receivables	Financial assets measured at amortised cost	-	896
Cash and cash equivalents	Assets held to maturity	Financial assets measured at amortised cost	52,746	52,746
Total financial assets under IAS 39 and IFRS 9			**79,289**	**79,030**

As of 1 January 2018, expected credit losses are shown in the statement of comprehensive income as impairment loss of receivables (in previous years, as other expenses).

33. Changes of the accounting treatment of liabilities to the Polish National Foundation, deposits with maturities over 3 months and investments in the trading system

33.1. Liabilities to the Polish National Foundation

As a co-founder of the Polish National Foundation established in 2016 ("Foundation" or "PFN"), GPW is required to contribute annual payments towards the statutory mission of the Foundation, totalling 11 payments from the establishment of the Foundation. According to the founding deed of the Foundation, the Company's total financial commitment towards PFN is PLN 19,500 thousand. Up to 30 September 2018, the Company paid PLN 7,500 thousand towards the endowment of the Foundation, including PLN 3,000 thousand in each of the first two years and PLN 1,500 thousand in the period of 12 months ended 31 December 2018. The payments to the Foundation were recognised in the Company's statement of comprehensive income at the due date of each donation as defined in the founding deed of the Foundation.

As at 30 September 2018, the Company's management reviewed the treatment of donations paid to PFN in the Company's financial statements for 2016-2018 in the light of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The analysis concluded that the payments to PFN are donations and that the liability of GPW to make all payments to PFN according to the founding deed of the Foundation arose when GPW joined the Foundation and signed its founding deed.

As a result, the Company decided to retrospectively change the accounting treatment of payments to PFN by discounting the future payments committed by GPW as at 31 December 2016 and by their one-off recognition in other expenses in the Company's statement of comprehensive income for the year ended 31 December 2016 and in other liabilities in Company's statement of financial position for the year ended 31 December 2016 (PLN 12,014 thousand non-current, PLN 2,464 thousand current). The liability was PLN 12,014 thousand as at 31 December 2017 (PLN 10,830 thousand non-current, PLN 1,184 thousand current). The Company adjusted the cost of the payments to PFN recognised in GPW's statements of comprehensive income for 2016 and 2017 accordingly. As a result of the adjustment, GPW's equity decreased by PLN 14,660 thousand as at 31 De ember 2016 and by PLN 12,014 thousand as at 31 December 2017. The net profit for the year ended 31 December 2016 decreased by PLN 14,660 thousand and the net profit for the year ended 31 December 2017 increased by PLN 2,464 thousand.

33.2. Deposits with maturities over 3 months

As at 31 December 2018, the Company's management reviewed the treatment of deposits with maturities over 3 months in the light of IAS 7 *Statement of Cash Flows*. The analysis concluded that only deposits with maturities up to 3 months should be presented in cash and cash equivalents in the statement of financial position.

As a result, the Company decided to retrospectively change the accounting treatment of deposits and to present deposits with maturities over 3 months in financial assets measured at amortised cost. As a result of the reclassification, cash and cash equivalents decreased by PLN 196,461 thousand as at 31 December 2017 and by PLN 72,108 thousand as at 31 December 2016.

33.3. Investments in the trading system

As at 31 December 2018, the Company's management reviewed the treatment of the asset in respect of investments in the trading system in the light of IAS 38 *Intangible Assets*. The analysis concluded that the asset did not meet the definition of intangible assets. As a result, the accounting policy was changed retrospectively (reclassification from intangible assets to other non-current assets). As a result of the reclassification, intangible assets decreased by PLN 4,222 thousand as at 31 December 2017 and as at 31 December 2016 (see Note 13).

(all amounts in PLN'000 unless stated otherwise)

Table 81 Impact of changes of the accounting treatment of liabilities to PFN, deposits with maturities over 3 months, and investments in the trading system on selected items of the statement of financial position in 2017

	Note	As at 31 December 2017 *(previously reported)*	Adjustments			As at 31 December 2017 *(restated)*
			PFN *(see Note 33.1)*	Deposits *(see Note 33.2)*	Trading system *(see Note 33.3)*	
Non-current assets (selected items):						
Intangible assets	5	68,963	-	-	(4,222)	**64,741**
Other non-current assets	13	-	-	-	4,222	**4,222**
Current assets (selected items):						
Other financial assets		-	-	196,461	-	**196,461**
Cash and cash equivalents	16	249,207	-	(196,461)	-	**52,746**
TOTAL ASSETS (all items)		**738,295**	**-**	**-**	**-**	**738,295**
Equity (selected items):						
Share capital	17.1.	63,865	**-**	**-**	**-**	**63,865**
Other reserves	17.2.	(125)	**-**	**-**	**-**	**(125)**
Retained earnings	17.3.	387,147	(12,014)	-	-	**375,133**
Reserve capital		*37,021*	-	-	-	***37,021***
Other reserves		*302,386*	-	-	-	***302,386***
Retained earnings		*(21,293)*	*(14,660)*	-	-	***(35,953)***
Profit for the period		*69,033*	*2,646*	-	-	***71,679***
Non-current liabilities (selected items):						
Other liabilities, including:	21	2,224	10,830	-	-	**13,054**
Liabilities to the Polish National Foundation		-	*10,830*	-	-	***10,830***
Current liabilities (selected items):						
Other liabilities, including:	21	5,374	1,184	-	-	**6,558**
Liabilities to the Polish National Foundation		-	*1,184*	-	-	***1,184***
TOTAL EQUITY AND LIABILITIES (all items)		**738,295**	**-**	**-**	**-**	**738,295**

(all amounts in PLN'000 unless stated otherwise)

Table 82 Impact of changes of the accounting treatment of liabilities to PFN, deposits with maturities over 3 months, and investments in the trading system on selected items of the statement of financial position in 2016

	Note	As at 31 December 2016 *(previously reported)*	Adjustments PFN *(see Note 33.1)*	Adjustments Deposits *(see Note 33.2)*	Adjustments Trading system *(see Note 33.3)*	As at 31 December 2016 *(restated)*
Non-current assets (selected items):						
Intangible assets	**5**	75,918	-	-	(4,222)	**71,696**
Other non-current assets	**13**	-	-	-	4,222	**4,222**
Current assets (selected items):						
Other financial assets		-	-	72,108	-	**72,108**
Cash and cash equivalents	**16**	267,789	-	(72,108)	-	**195,681**
					-	
TOTAL ASSETS (all items)		**764,730**	**-**	**-**	**-**	**764,730**
Equity (selected items):						
Share capital	**17.1.**	63,865	-	-	-	**63,865**
Other reserves	**17.2.**	(114)	-	-	-	**(114)**
Retained earnings	**17.3.**	408,351	(14,660)	-	-	**393,691**
Reserve capital		*37,020*	-	-	-	***37,020***
Other reserves		*276,539*	-	-	-	***276,539***
Retained earnings		*(21,293)*	-	-	-	***(21,293)***
Profit for the period		*116,085*	*(14,660)*	-	-	***101,425***
Non-current liabilities (selected items):						
Other liabilities, including:	**21**	2,224	12,014	-	-	**14,238**
Liabilities to the Polish National Foundation		-	*12,014*	-	-	***12,014***
Current liabilities (selected items):						
Other liabilities, including:	**21**	5,691	2,646	-	-	**8,337**
Liabilities to the Polish National Foundation		-	*2,646*	-	-	***2,646***
TOTAL EQUITY AND LIABILITIES (all items)		**764,730**	**-**	**-**	**-**	**764,730**

(all amounts in PLN'000 unless stated otherwise)

Table 83 Impact of changes of the accounting treatment of liabilities to PFN, deposits with maturities over 3 months, and investments in the trading system on selected items of the statement of comprehensive income in 2017

	Note	Year ended 31 December 2017* *(previously reported)*	Adjustments			Year ended 31 December 2017 *(restated)*
			PFN *(see Note 33.1)*	Deposits *(see Note 33.2)*	Trading system *(see Note 33.3)*	
Sales revenue	22	203,443	-	-	-	**203,443**
Operating expenses	23	(109,916)	-	-	-	**(109,916)**
Other revenue	24.1	940	-	-	-	**940**
Other expenses	24.2	(4,829)	2,646	-	-	**(2,183)**
Operating profit		**89,638**	**2,646**	**-**	-	**92,284**
Financial income	25.1.	5,042	**-**	**-**	-	**5,042**
Financial expenses	25.2.	(8,871)	**-**	**-**	-	**(8,871)**
Profit before income tax		**85,809**	**2,646**	**-**	-	**88,455**
Income tax expense	27	(16,776)	**-**	**-**	-	**(16,776)**
Profit for the period		**69,033**	**2,646**	**-**	-	**71,679**
Basic/Diluted earnings per share (PLN)	17.5.	**1.64**	**-**	**-**	-	**1.71**

** Other expenses related to receivables written off in the year ended 31 December 2017 were presented in impairment losses of receivables in the statement of comprehensive income for the sake of consistency with the presentation for the year ended 31 December 2018. Receivables written off in 2017 were determined under IAS 39. The Company implemented IFRS 15 as of 1 January 2018. Receivables written off in 2018 were determined under IFRS 15.*

(all amounts in PLN'000 unless stated otherwise)

Table 84 Impact of changes of the accounting treatment of liabilities to PFN, deposits with maturities over 3 months, and investments in the trading system on selected items of the statement of cash flows in 2017

	Note	Year ended 31 December 2017 *(previously reported)*	Adjustments			Year ended 31 December 2017 *(restated)*
			PFN *(see Note 33.1)*	**Deposits** *(see Note 33.2)*	**Trading system** *(see Note 33.3)*	
Cash flows from operating activities (selected items):						
Net profit of the period		69,033	2,646	-	-	**71,679**
Adjustments: Interest (income) on deposits, certificates of deposit and corporate bonds		(3,618)	-	1,978	-	**(1,640)**
Increase / (Decrease) of other liabilities (excluding committed investments and dividend payable)		1,851	(2,646)	-	-	**(795)**
Net cash flows from operating activities (all items):		**84,012**	**-**	**1,978**	**-**	**85,990**
Cash flows from investing activities (selected items):						
Interest received on deposits (presented as cash and cash equivalents)		3,618	-	(3,618)	-	**-**
Interest received on financial assets measured at amortised cost (previously presented in the balance sheet as other financial assets)		-	-	1,287	-	**1,287**
Purchase of financial assets measured at amortised cost (previously presented in the balance sheet as other financial assets)		-	-	(378,000)	-	**(378,000)**
Sale of financial assets measured at amortised cost (previously presented in the balance sheet as other financial assets)		-	-	254,000	-	**254,000**
Net cash flows from investing activities (all items):		**(4,632)**	**-**	**(126,331)**	**-**	**(130,963)**
Net (decrease)/increase in cash and cash equivalents		**(19,005)**	**-**	**(124,353)**	**-**	**(143,358)**
Impact of fx rates on cash balance in currencies		*423*	-	-	-	*423*
Cash and cash equivalents - opening balance		**267,789**	**-**	**(72,108)**	**-**	**195,681**
Cash and cash equivalents - closing balance		**249,207**	**-**	**(196,461)**	**-**	**52,746**

34. Events after the balance sheet date

The company GPW Ventures ASI S.A. was established on 13 February 2019. GPW S.A. is its sole founder and holds 100% of shares, i.e., 3,000,000 shares with a par value and issue value of PLN 1 per share. According to the articles of the company, the core business of GPW Ventures ASI S.A. is to collect assets from multiple investors and invest them in their interest according to the investment policy and to manage an alternative investment vehicle, including the introduction of the alternative investment vehicle to trading.

The separate financial statements are presented by the Management Board of the Warsaw Stock Exchange:

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

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

Izabela Olszewska – Member of the Management Board ....

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

Piotr Borowski – Member of the Management Board ....

Signature of the person responsible for keeping books of account:

Sylwia Sawicka – Chief Accountant ....

Warsaw, 26 February 2019