INTERIM REPORT OF THE

GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. GROUP

FOR H1 2020

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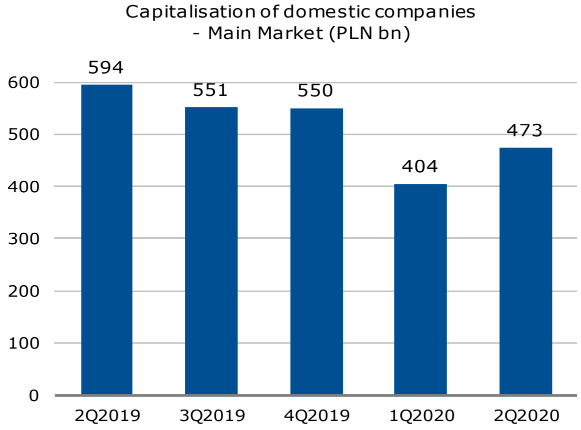
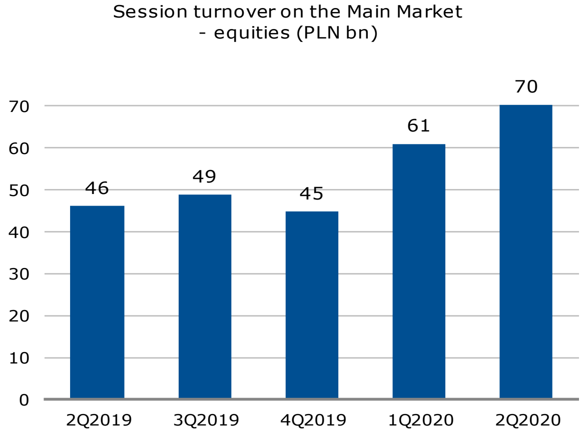
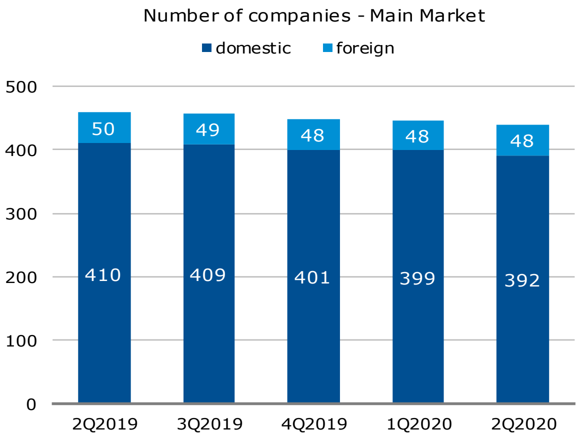
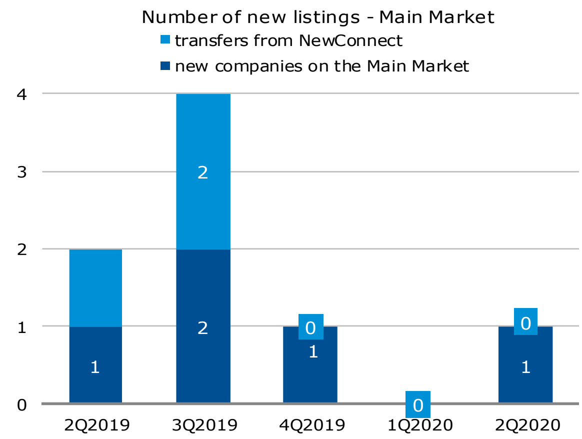
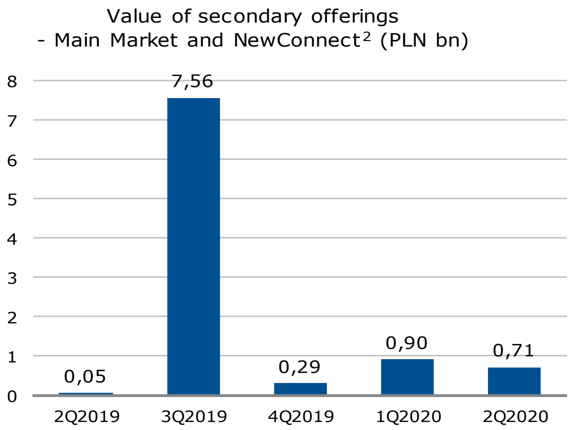
I. Selected market data[1]

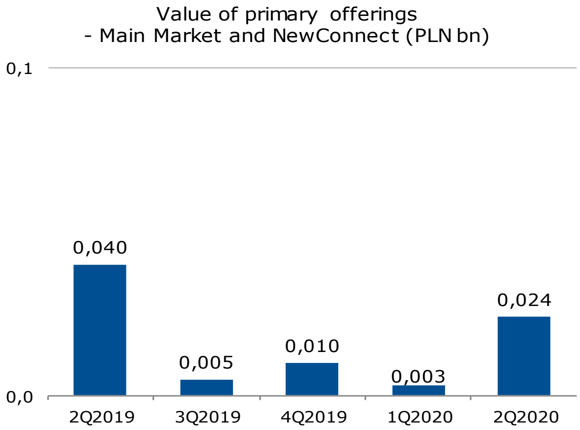




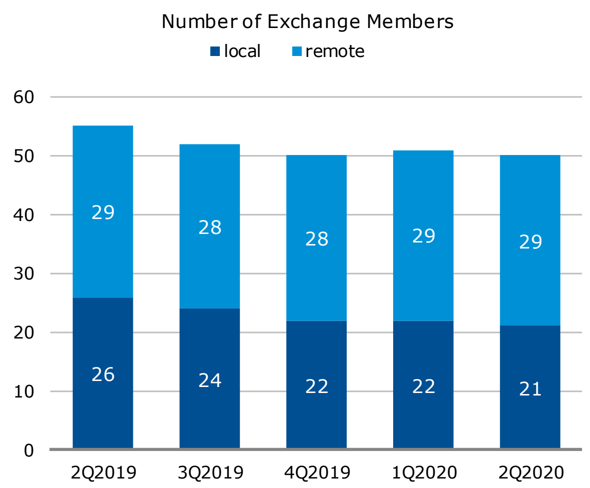


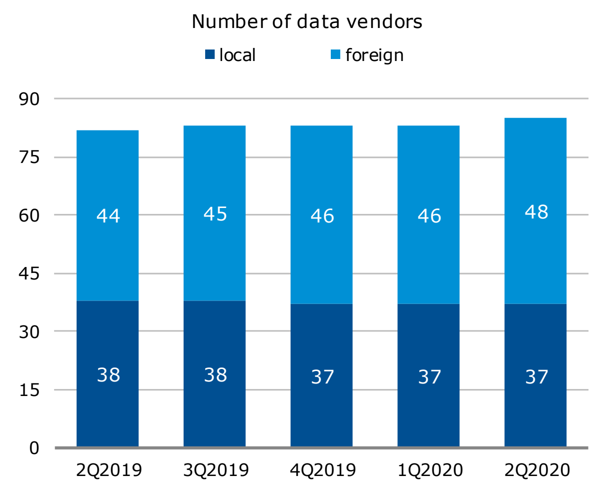


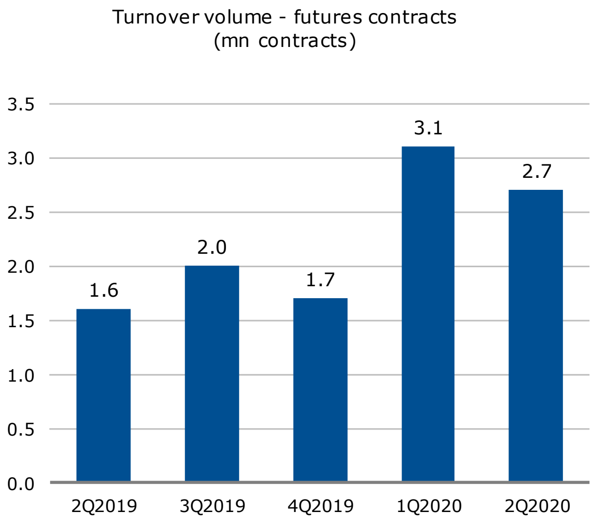


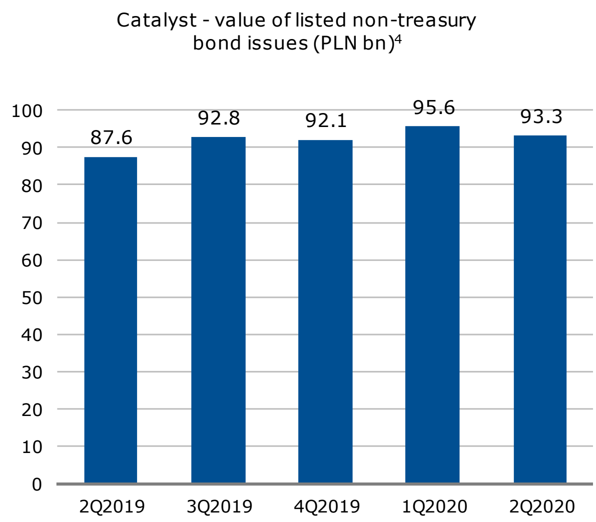


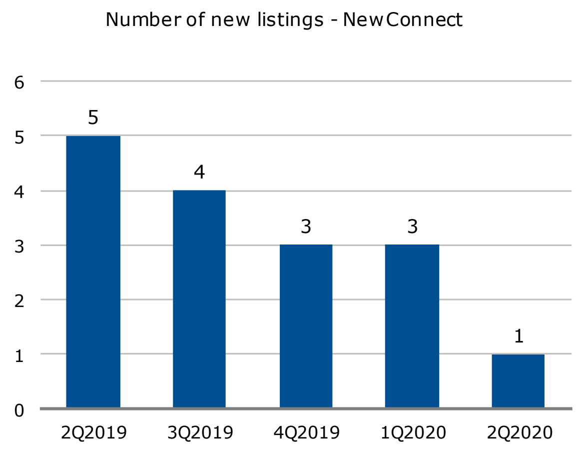
[1] All trading value and volume statistics presented in this Report are single-counted, unless indicated otherwise.
[2] Including offerings of dual-listed companies.

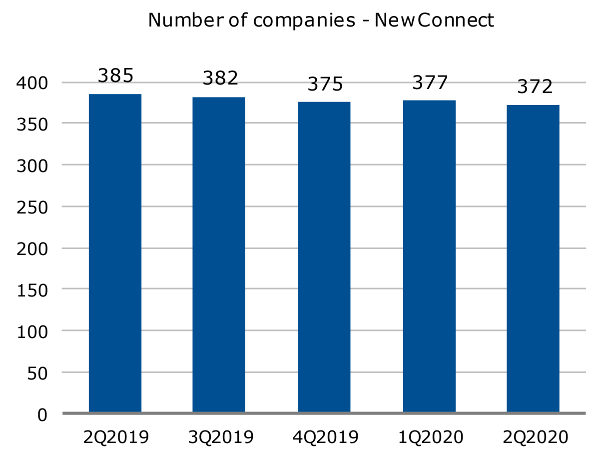

Number of Exchange Members
local
remote
60
50
40
30
20
10
0
29
28
28
29
29
26
24
22
22
21
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

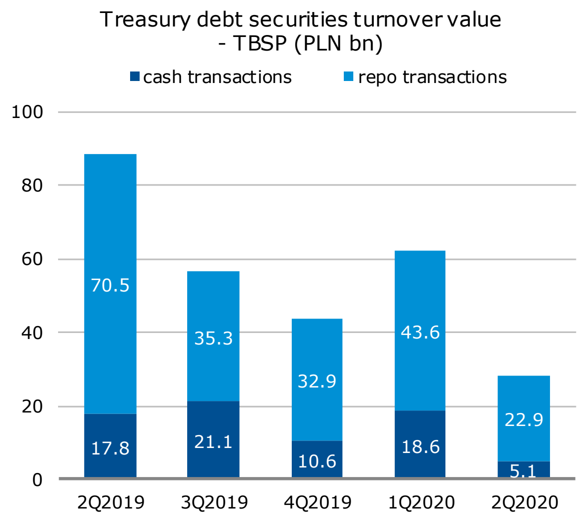

Number of data vendors
local
foreign
90
75
60
45
30
15
0
44
45
46
46
48
38
38
37
37
37
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

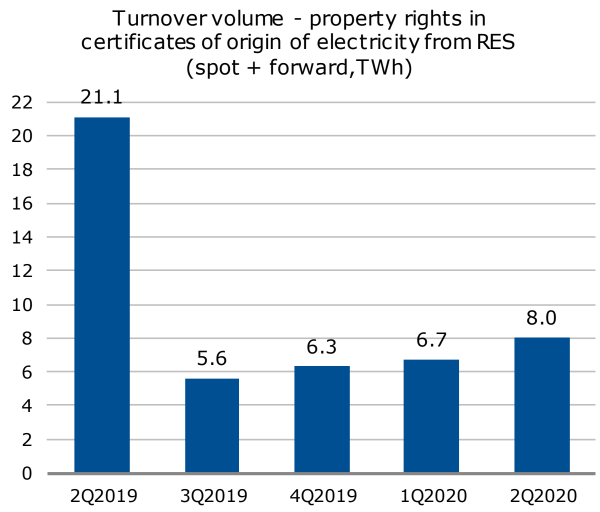

Turnover volume - futures contracts
(mn contracts)
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
1.6
2.0
1.7
3.1
2.7
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

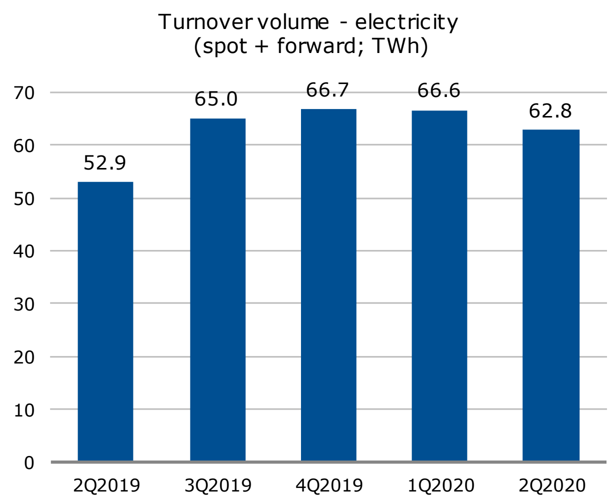

Catalyst - value of listed non-treasury
bond issues (PLN bn)4
100
90
80
70
60
50
40
30
20
10
0
87.6
92.8
92.1
95.6
93.3
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

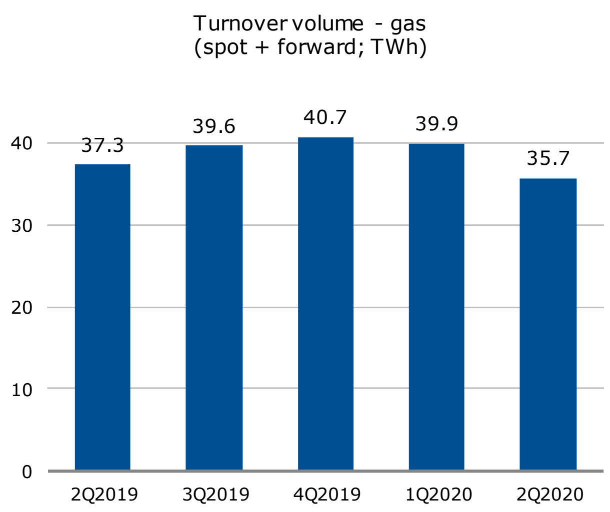

Number of new listings - NewConnect
6
5
4
3
2
1
0
5
4
3
3
1
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

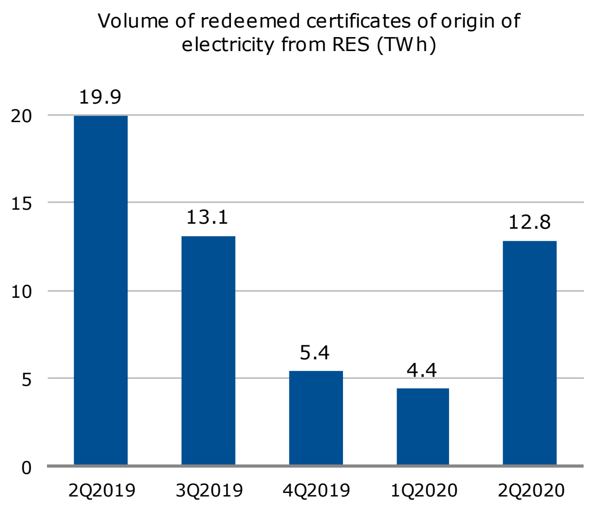

Number of companies - NewConnect
400
350
300
250
200
150
100
50
0
385
382
375
377
372
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

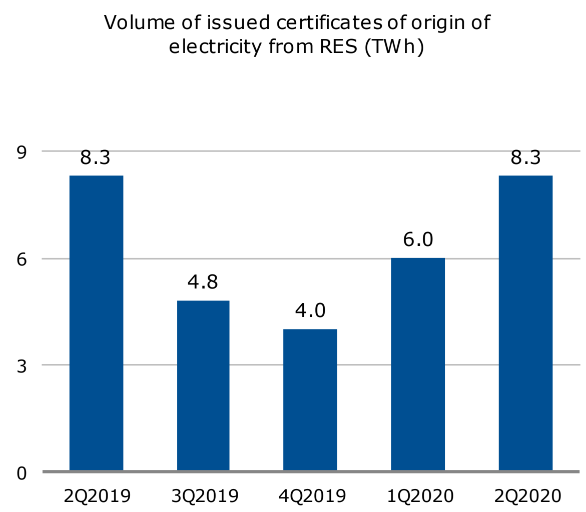

Treasury debt securities turnover value - TBSP (PLN bn)
cash transactions
repo transactions
100
80
60
40
20
0
70.5
35.3
32.9
43.6
22.9
17.8
21.1
10.6
18.6
5.1
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020


Turnover volume - property rights in certificates of origin of electricity from RES (spot + forward,TWh)
22
20
18
16
14
12
10
8
6
4
2
0
21.1
5.6
6.3
6.7
8.0
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

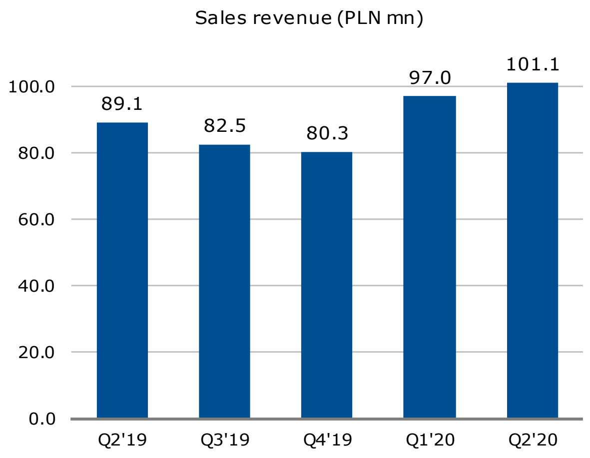

Turnover volume - electricity (spot + forward; TWh)
70
60
50
40
30
20
10
0
52.9
65.0
66.7
66.6
62.8
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

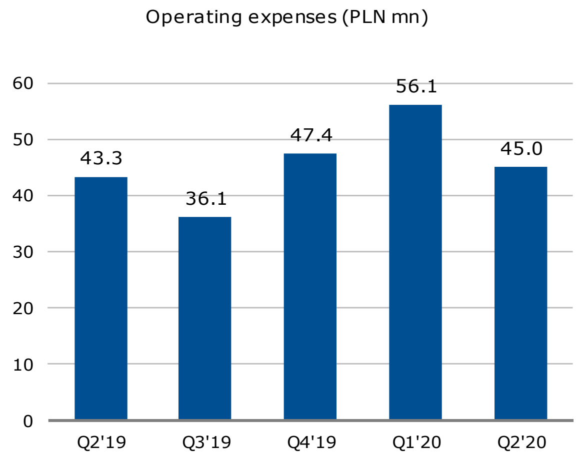

Turnover volume - gas (spot + forward; TWh)
40
30
20
10
0
37.3
39.6
40.7
39.9
35.7
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

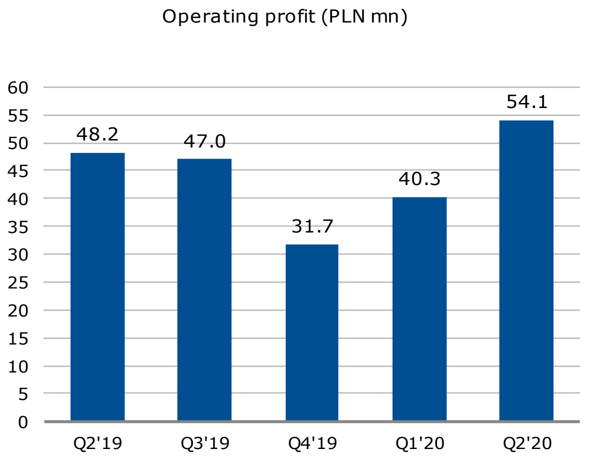

Volume of redeemed certificates of origin of electricity from RES (TWh)
20
15
10
5
0
19.9
13.1
5.4
4.4
12.8
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

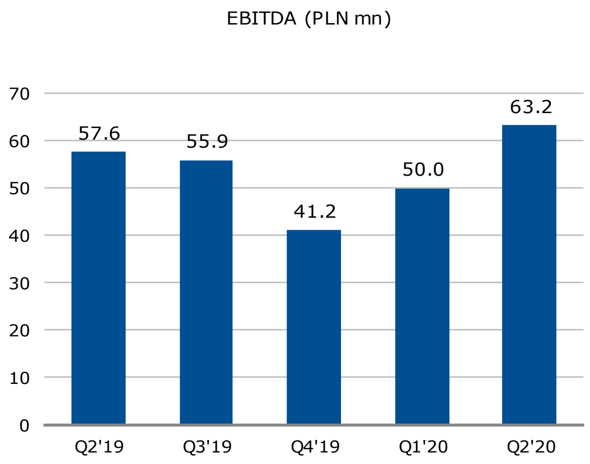

Volume of issued certificates of origin of electricity from RES (TWh)
9
6
3
0
8.3
4.8
4.0
6.0
8.3
2Q2019
3Q2019
4Q2019
1Q2020
2Q2020

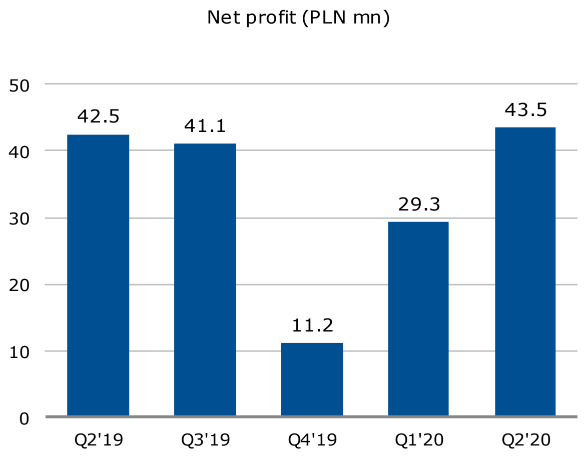
II. Selected financial data











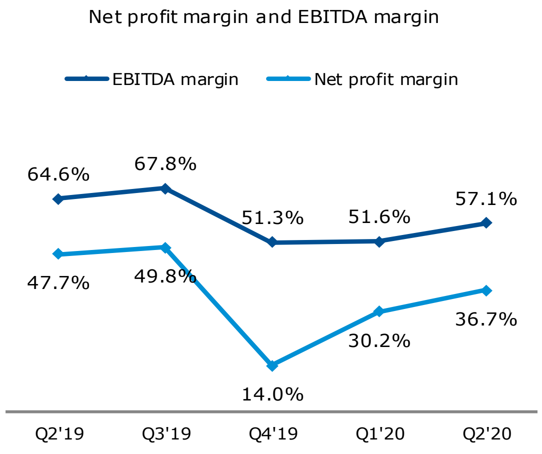


Table 1: Selected data in the consolidated statement of comprehensive income under IFRS, unaudited

	6-month period ended 30 June			
	2020	2019	2020	2019
	PLN'000		*EUR'000* [1]	
Sales revenue	**198,169**	**173,296**	**44,889**	**40,364**
Financial market	**119,390**	**94,934**	**27,044**	**22,112**
Trading	85,557	60,444	19,380	14,079
Listing	9,121	10,334	2,066	2,407
Information services and revenue from calculation of reference rates	24,712	24,156	5,598	5,626
Commodity market	**78,254**	**77,978**	**17,726**	**18,163**
Trading	38,259	38,004	8,666	8,852
Register of certificates of origin	14,967	16,560	3,390	3,857
Clearing	24,442	23,074	5,537	5,374
Information services	586	340	133	79
Other revenue	**525**	**384**	**119**	**90**
Operating expenses	**101,109**	**97,657**	**22,903**	**22,746**
Other income	3,061	3,206	693	747
Gain / (loss) on impairment of receivables	(278)	276	(63)	64
Other expenses	5,468	1,573	1,239	366
Operating profit	**94,375**	**77,548**	**21,378**	**18,063**
Financial income	5,423	4,497	1,228	1,047
Financial expenses	14,140	4,421	3,203	1,030
(Loss) on impairment of investment in other entities	(583)	-	(132)	-
Share of profit/(losses) of entities measured by equity method	6,385	4,628	1,446	1,078
Profit before income tax	**91,460**	**82,251**	**20,718**	**19,158**
Income tax	18,694	15,249	4,235	3,552
Profit for the period	**72,766**	**67,002**	**16,483**	**15,606**
Basic / Diluted earnings per share [2] (PLN, EUR)	1.73	1.60	0.39	0.37
EBITDA [3]	**113,212**	**96,150**	**25,645**	**22,395**

[1] Based on the 6M average EUR/PLN exchange rate published by the National Bank of Poland (1 EUR = 4.4146 PLN in 2020 and 1 EUR = 4.2933 PLN in 2019)

[2] Based on total net profit

[3] EBITDA = operating profit + depreciation and amortisation

Source: Condensed Consolidated Interim Financial Statements, Company

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

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

	As at			
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	PLN'000		EUR'000 [1]	
Non-current assets	**577,404**	**590,114**	**129,289**	**138,573**
Property, plant and equipment	95,597	101,968	21,406	23,945
Right-to-use assets	20,494	22,725	4,589	5,336
Intangible assets	241,868	246,649	54,158	57,919
Investment in entities measured by equity method	211,132	210,327	47,275	49,390
Investment in non-consolidated subsidiaries	4,000	4,000	896	939
Subleasing receivables	399	523	89	123
Deferred tax assets	1,219	464	273	109
Financial assets measured at fair value through other comprehensive income	116	120	26	28
Prepayments	1,409	2,043	315	480
Other non-current assets	1,170	1,295	262	304
Current assets	**804,764**	**666,680**	**180,198**	**156,553**
Inventories	16	47	4	11
Corporate income tax receivable	-	4,132	-	970
Trade and other receivables	62,087	45,232	13,902	10,622
Subleasing receivables	223	190	50	45
Contract assets	3,048	2,415	682	567
Financial assets measured at amortised cost	316,505	328,998	70,870	77,257
Other current assets	4,504	4,382	1,009	1,029
Cash and cash equivalents	418,381	281,284	93,681	66,052
TOTAL ASSETS	**1,382,168**	**1,256,794**	**309,487**	**295,126**
Equity of the shareholders of the parent entity	845,023	872,881	189,213	204,974
Non-controlling interests	610	605	137	142
Non-current liabilities	278,030	283,502	62,255	66,573
Current liabilities	258,504	99,807	57,883	23,437
TOTAL EQUITY AND LIABILITIES	**1,382,168**	**1,256,794**	**309,487**	**295,126**

[1] Based on the average EUR/PLN exchange rate of the National Bank of Poland as at 30.06.2020 (1 EUR = 4.4660 PLN) and 31.12.2019 (1 EUR = 4.2585 PLN).

Source: Condensed Consolidated Interim Financial Statements, Company

III. Information about the GPW Group

1. Information about the Group

1.1. Background information about the Group

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

The Warsaw Stock Exchange is a leading financial instruments exchange in Central and Eastern Europe (CEE)[3]. FTSE Russell announced the upgrade of Poland from Emerging Markets to Developed Markets on 29 September 2017. The decision took effect on 24 September 2018. Poland has all the features of a developed market, including secure trading and post-trade services, as well as an advanced infrastructure. The decision was largely driven by the functioning and status of the Warsaw Stock Exchange. GPW uses a state-of-the-art trading system and its listed companies meet the highest standards of corporate governance and disclosure requirements. The markets operated by GPW list stocks and bonds of nearly a thousand local and international issuers. The Exchange also offers trade in derivatives and structured products, as well as information services. More than 25 years of experience, high safety of trading, operational excellence and a broad range of products make GPW one of the most recognised Polish financial institutions in the world.

The GPW Group conducts activity in the following segments:

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

Basic information about the parent entity:

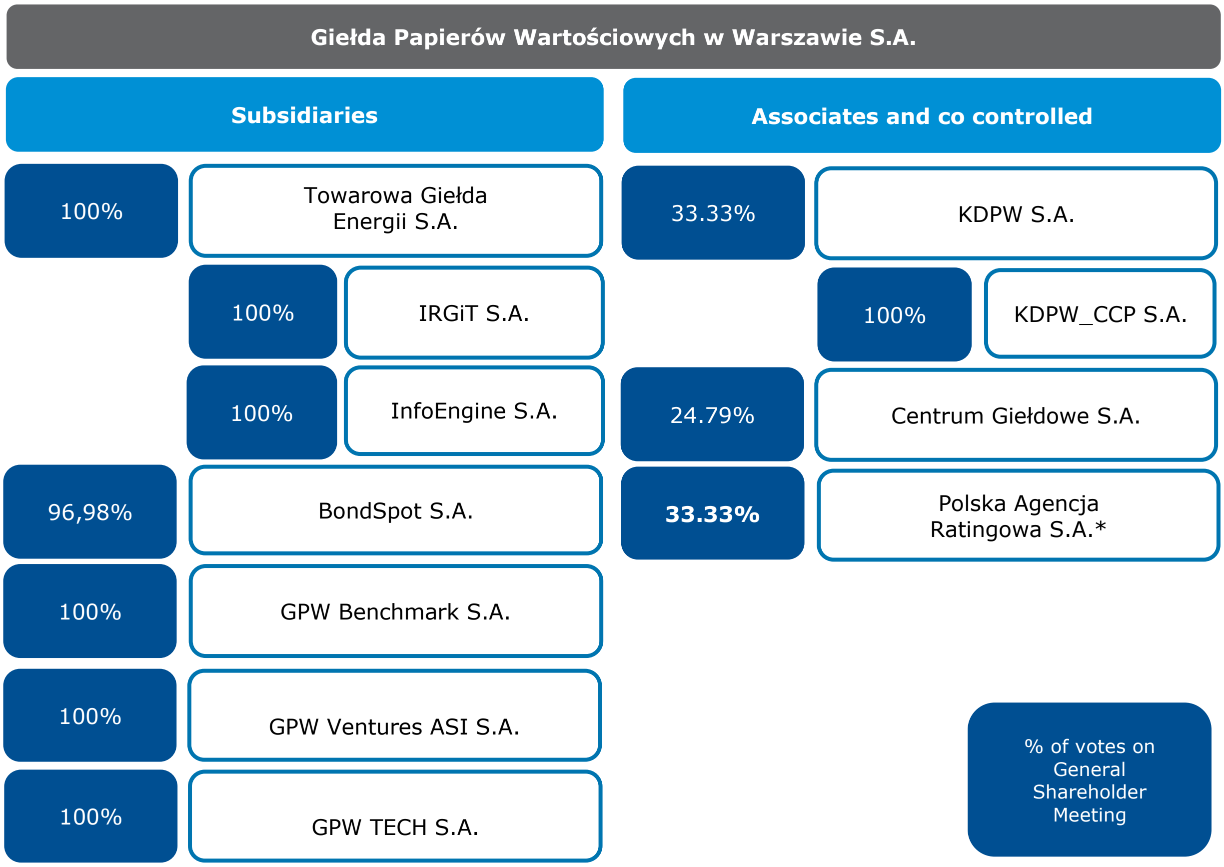
Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warszawa, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537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

[3] CEE – Central and Eastern Europe: Poland, Czech Republic, Slovakia, Hungary, Austria, Bulgaria, Romania, Slovenia.

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

As at 30 June 2020, the parent entity and seven consolidated direct and indirect subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. GPW held shares in companies measured by the equity method, including three associates and one joint venture.

Figure 1 GPW Group, associates and joint ventures



*Polska Agencja Ratingowa S.A. is a joint venture

Source: Company

The subsidiaries are consolidated using full consolidation as of the date of taking control while the associates and joint ventures are companies where the Group has significant influence or joint control.

GPW holds 10% of the Ukrainian exchange INNEX PJSC and 0.06% (5,232 shares) of the Bucharest Stock Exchange (BVB). BVB is listed on the Bucharest Stock Exchange.

The Group does not hold any branches or establishments.

1.3. Ownership

As at the date of publication of this Report, the share capital of the Warsaw Stock Exchange was divided into 41,972,000 shares including 14,772,470 Series A preferred registered shares (one share gives two votes) and 27,199,530 Series B ordinary bearer shares.

As at the date of publication of this Report, according to the Company's best knowledge, the State Treasury holds 14,688,470 Series A preferred registered shares, which represent 35.00% of total shares and give 29,376,940 votes, which represents 51.77% of the total vote. The total number of votes from Series A and B shares is 56,744,470.

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

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

Table 3: GPW shares, allotment certificates and bonds held by the Company's and the Group's managing and supervising persons as at 30 June 2020

	Number of shares held	Number of allotment certificates held	Number of bonds held
Exchange Management Board			
Marek Dietl	-	-	-
Dariusz Kułakowski	25	-	-
Izabela Olszewska	-	-	-
Piotr Borowski	-	-	-
Exchange Supervisory Board	-	-	-
Dominik Kaczmarski	-	-	-
Jakub Modrzejewski	-	-	-
Michał Bałabanow	-	-	-
Janusz Krawczyk	-	-	-
Filip Paszke	-	-	-
Adam Szyszka	-	-	-

Source: Company

As at 30 June 2020, there were 25 shares held by the Company's and the Group's managing and supervising persons, all of which were held by GPW Management Board Member Dariusz Kułakowski.

2. Main risks and threats related to the remaining months of 2020

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

The risk factors presented below may impact the operation of the GPW Group in the remaining periods of 2020, however the order in which they are presented does not reflect their relative importance for the Group.

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

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

The global exchange industry is strongly competitive. In the European Union, competition in the trade and post-trade sectors is amplified by legal amendments designed to harmonise legislation of the EU member states and integrate their financial markets. The Group is exposed to the risk of competition of exchanges and alternative trading venues whose emergence on the Polish market could adversely impact the activity of GPW. The issuer's competitors include multilateral trading facilities (MTF) and other venues of exchange and OTC trade. If alternative venues open trade in Polish stocks, it could impact the value of trade in shares on GPW. Their activity on the Polish market could take away part of the trading volumes handled by the platforms operated by the Group and exert additional pressures on the level of transaction fees, resulting in an adverse impact on the activity of the Group, its financial position and results.

Risk factors related to geopolitics and the global economic conditions

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

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

Risk of economic conditions in other countries

The economic situation and market conditions prevailing in other countries, in particular during the COVID-19 pandemic, could also have an adverse impact on the perception of Poland's economy and its financial markets. Although the economic situation in other countries could be significantly different than in Poland, investors' risk aversion due to the economic situation in other countries could cause a drop in the volume of trade in financial instruments on GPW. In particular, an economic slow-down or crisis in Europe or unexpected economic crises in other parts of the world, especially if certain countries cannot pay their debt, could impact the perception of investment risk in European economies, resulting in a quest for safe heavens, which could have an adverse impact on investor activity and sentiment and consequently the activity of the Group, its financial position and results.

Risk of the economic situation in Poland

Economic conditions in Poland, which may deteriorate in the coming period due to the COVID-19 pandemic, have a very strong impact on investors' activity and sentiment on the Polish market and consequently volumes on the Group's markets. Changes of economic conditions in Poland affect the economic and investment activity of issuers whose securities are listed on the markets operated by the Group and consequently their financial results, which could impact stock prices and trading volumes as well as new securities issues of companies. Changes of investors' activity and sentiment on the Polish market directly impact the GPW Group's trading revenue. In periods of economic instability and risk aversion, the Group's revenue may decrease, causing a drop of the GPW Group's profits even under conditions of strict cost discipline. Changes of prices of listed instruments have a direct impact on GPW's listing revenue. Perception of increased investment risk of Polish assets could curb the availability of capital which could be invested on the GPW Group markets and have an adverse impact on the prices of assets traded on the markets organised and operated by the Group. Changes of FX rates could have an adverse impact on investment decisions and consequently on the volumes, value, and numbers of transactions on the GPW Group markets and thus on the Group's revenue.

Risk factors related to laws and regulations

Risk associated with amendments and interpretations of tax regulations

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

Risk of inconsistency between Polish and EU tax regulations including VAT regulations

The risk of inconsistency between local (Polish) regulations and the EU VAT Directive may raise doubts about the accounting policies of a taxpayer who recognises purchase invoices and deducts input VAT on that basis in a financial period where such invoices include invoices received after that period but before the deadline for the submission of tax receipts, i.e., in practice, before the 25th day of the following month. This could cause the risk that tax authorities will literally follow Polish regulations and may challenge the timing of deduction of input VAT under Article 86(10b)(1) of the VAT Act (i.e., one of the conditions necessary to deduct input VAT is not met).

GPW Group's activity is strictly regulated and regulatory amendments could have an adverse impact on the activity of the Group, its financial position and results

GPW Group companies operate mainly in Poland; however, in addition to national law, they are also subject to EU regulations. European Union regulation increasingly impacts the Group and adds to the costs of compliance, especially in the area of trading and post-trade services. It could hurt the competitiveness of smaller European exchanges, such as GPW, in favour of larger market players. Changes to regulations could require the harmonisation of the Group's trading systems and operations, which could entail additional capital and operating expenditures, resulting in reduction of the Group's profit.

Amendment of regulations, in particular resulting in transfers of assets from open-ended pension funds OFE to individual pension accounts IKE, could change the size and management methods of such assets

Open-ended pension funds are an important group of participants in the markets operated by the Group. In Q2 2020, open-ended pension funds accounted for approx. 3.8% of turnover on the GPW Main Market and held shares representing 20.8% of the capitalisation of domestic companies and 41.9% of shares traded on the Main Market (among shareholders holding less than 5% of the shares of a public company or classified as financial investors).

On 13 February 2020, the Sejm approved the governmental draft law reforming the pension fund system by transferring savings to Individual Pension Accounts (IKE) or "depositing" savings with ZUS. The option of transferring savings from pension funds to IKE involves a 15% conversion fee. The fee is due to the fact that pensions paid by ZUS are subject to taxation. The solution proposed by the government allows individuals to freely dispose of their savings after reaching retirement age. In addition, IKE savings will be subject to succession. The law amending certain laws in connection with the transfer of assets from open-ended pension funds OFE to individual pension accounts IKE was tabled to the Senate, which rejected the draft. The law was referred back to the Sejm. However, due to the COVID-19 pandemic, the legislative work on the law was suspended and the conversion of OFE into IKE was postponed until 2021.

Regulatory amendments replacing OFE with other collective investment schemes may change the activity of such investors on GPW. They could also cause the risk of oversupply of shares listed in GPW and reduce other investors' interest in such shares. As a consequence, this could cause a decrease of trade in financial instruments including shares on GPW, a reduction of the number and value of issues of shares and bonds admitted and introduced to trading on GPW, and consequently a reduction of the Group's revenue and profit.

Changes to Polish energy law concerning the mandatory public sale of electricity and natural gas may have an adverse impact on the activity of Towarowa Giełda Energii, its financial standing and results

The Energy Law requires energy companies which generate electricity to sell no less than 100% of electricity produced within a year on commodity exchanges or via NEMOs (subject to certain exceptions). Energy companies trading in gas fuels are required to sell at least 55% of high-methane natural gas introduced to the transmission grid within the year on an exchange. Amendments to or cancellation of these requirements could reduce the activity of certain participants of TGE. This could restrict the liquidity of trade in electricity and natural gas and the attractiveness of the commodity market for other participants, affecting the volume of trade in such commodities and the resulting revenue.

The Renewable Energy Law, effective as of May 2015, could have an adverse impact on the activity of Towarowa Giełda Energii, its financial standing and results

TGE operates among other things trade in property rights to certificates of origin of electricity from renewable energy sources as well as the Register of Certificates or Origin. The Renewable Energy Sources Act implemented a new support scheme for the production of energy from renewable energy sources based on auctions, which is to replace the existing support system. The existing system of green certificates of origin will expire on or before 31 December 2035. The support scheme may be phased out even earlier as certificates of origin are available within 15 years after the first day of power generation in an installation. For RES installations which were the first to produce energy eligible for green certificates of origin in 2005, the period of 15 years under the Act will expire in 2020, after which the existing support scheme will be gradually phased out.

Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data

Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ("GDPR introduced a number of changes and extended the scope of obligations of data controllers and processors. The implementation of GDPR in the GPW Group has put in place uniform and coherent solutions including shared data controlling, data retention, and modified security of systems used to process personal data. GDPR introduces the obligation of reporting to the supervisory authority and personal data subjects in the event of any data protection violations with 72 hours of identification of the event.

In the case of non-compliance with the data disclosure prohibition under GDPR, personal data controllers may be subject to penalties up to EUR 20 million or 4% of the annual global turnover of the business concerned in the financial year preceding the violation.

Risk factors related to the business activity of the Group

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

The Act of 12 June 2015 amending the Capital Market Supervision Act and certain other Acts largely extended the list of entities required to finance supervision (by adding, among others, banks, insurers, investment funds, public companies, brokerage houses and foreign investment firms) and changed the amount of contributions of entities. As a result, the cost of fees paid by the GPW Group was reduced significantly in 2016-2019 (from PLN 22.0 million in 2015 to PLN 9.1 million in 2016, PLN 5.6 million in 2017, PLN 12.5 million in 2018, and PLN 6.8 million in 2019). The amount of fees due for supervision has been very volatile in the past years and is difficult to predict in the coming years. There is a risk of gradual increase of the cost in the coming years.

According to IFRIC 21, an entity recognises a liability for fees due to PFSA at the date of the obligating event. The obligating event is the fact of carrying out a business subject to fees due to PFSA as at 1 January of each year. Consequently, the estimated amount of the annual fees due to PFSA is charged to the accounts of the GPW Group of the first quarter of each year.

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

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

A new Regulation of the Minister of Finance of 17 December 2019 concerning fees covering the cost of capital market supervision took effect on 1 January 2020. Under the Regulation, the cost of capital market supervision will be financed without the intermediation of the public budget, directly from the revenue of the Office of the Polish Financial Supervision Authority. However, the Regulation does not change the existing system of covering supervision costs.

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

The GPW Group acting through its subsidiary GPW Benchmark S.A. took over the provision of WIBID and WIBOR reference rates in 2017 and initiated the alignment of the provision method with Regulation (EU) 2016/1011 (BMR). As a part of the alignment, GPW Benchmark conducted open consultations with financial market participants and key institutions, including regular consultations with the Fixing Participants. After the alignment, on 6 December 2019, GPW Benchmark applied to the Polish Financial Supervision Authority for authorisation as administrator of interest-rate benchmarks including the critical interest-rate benchmark WIBOR.

As the application was filed in December 2019, the WIBID and WIBOR Reference Rates may be used after 1 January 2020, i.e., after the transitional period for non-critical benchmarks (WIBID). In connection with the interest-rate benchmark activity of GPW Benchmark, the GPW Group faces the risk of potential delay in PFSA procedures and the risk of delayed alignment of Fixing Participants with the new requirements. The risk of refused authorisation for the WIBID and WIBOR Reference Rates has been largely mitigated thanks to the alignment of the benchmark method and the implementation of new requirements defined in the revised documentation; however, the Company continues to monitor such risk. Next steps in the alignment and verification of the WIBID and WIBOR Reference Rates method will follow BMR, including public consultations. As a part of its analyses, GPW Benchmark presented in 2019 the provision methods and simulation results of alternative interest-rate benchmarks. The provision of alternative benchmarks mitigates the systemic risk generated by the concentration of financial contracts and financial instruments which are mainly based on the WIBID and WIBOR Reference Rates.

Potential disputes or reservations concerning the provision of reference rates by a Group company could have an adverse impact on its perception by market participants and on its reputation, and entail third-party liability of the Group.

Risk of provision of capital market indices and benchmarks

On 27 November 2019, GPW Benchmark S.A. was authorised by the Polish Financial Supervision Authority as an administrator of significant and non-significant regulated data and non-interest-rate benchmarks and was entered in the ESMA register. As of the beginning of December 2019, GPW Benchmark took full control of the provision of indices of the GPW Main Market, NewConnect and TBSP including WIG20, mWIG40 and sWIG80.

The authorisation to operate as an administrator imposes the obligation to review and validate the methodology of benchmarks under BMR. As a result, GPW Benchmark will be exposed to operational risk and compliance risk due to oversight and control of the provision of benchmarks.

As a supervised entity, GPW Benchmark is exposed to the risk of non-compliance with the provisions of Regulation (EU) No 2016/1011 (BMR) which lay down the obligations of benchmark administrators, and to the risk of resulting supervisory sanctions. If such risks materialise, they could have an adverse effect to the reputation of the entire GPW Group.

Risks of TGE's participation in European electricity market projects

TGE's strategy for the spot electricity market follows from the decision of the European Council of February 2011 and the obligation defined by the EU Member States' governments to jointly build an integrated market. Unfortunately, according to the analysis of the financial impact of the participation of exchanges, including TGE, in the European market integration projects, their refinancing is exposed to risks.

However, TGE needs to engage in the European market projects in view of the political and regulatory decisions. In the absence of TGE's action or investment, TGE could suffer adverse market effects including declining trading on electricity markets, obstacles to the operation of the forward market and, in the longer term, also the financial market. TGE could miss the opportunity to grow, especially that big exchanges such as EPEX SPOT and NORD POOL will operate as competitive NEMOs on the Polish energy market.

Market solutions under implementation follow from the applicable regulations (CACM) and project documentation (MCO PLAN, MNA). The expected completion date of the current phase is 2020, including third-wave XBID and CORE. It should be noted that the key beneficiaries of an integrated market are market participants, especially energy consumers. Hence, the EU has agreed to respect a socially acceptable cost base, including under CACM.

Poland is the only CEE country to adopt a competitive NEMO model. Risks to TGE materialise with competitive operation of other exchanges on the Polish electricity market. The scale of risks to TGE is augmented by the fact that TGE is supervised by the Polish Financial Supervision Authority as a licensed commodity exchange while being supervised together with IRGiT by the Energy Regulatory Office as a NEMO.

TGE may also consider expanding to other markets. TGE will decide whether to launch as a NEMO on foreign markets following an in-depth financial analysis and risk analysis, for instance, return on investment in trade on new markets. Activity on other markets will require additional expenditures, including participation in NEMO costs on foreign markets, additional licence costs and HR expenses.

Risk generated by the SARS-CoV-2 pandemic

The Exchange Management Board and the Management Boards of the subsidiaries monitor the epidemiological situation in Poland and globally on an on-going basis and analyse its impact on the position of the Group companies. In the opinion of the Exchange Management Board, as an operator of Poland's capital market infrastructure, GPW is exposed to moderate operational and financial risk generated by the outbreak of the SARS-CoV-2 pandemic. The same assessment holds for TGE and IRGiT as electricity and gas infrastructure operators.

The Group identified the following operational risks and taken the following measures to mitigate the risks:

- periodic HR shortages caused by potential coronavirus infection and/or quarantine of Group employees or use of child-care benefits by some employees due to the closing of schools;

  To mitigate the risk of excessive absenteeism, most employees were delegated to work remotely with limited access to the companies' offices until the end of September 2020.

  The Group companies continuously monitor human resources across their departments. Key employees have been identified and their substitutes have been appointed. A total ban on business travel to affected countries and on the reception of employees from such regions has been imposed. The procedures in place provide for mitigating measures in the event of confirmed coronavirus infections among employees. The legal framework applicable at the Exchange supports continued operation even if at least a half of members of the Exchange Management Board were to be quarantined.

  Mitigating measures were taken to ensure business continuity and the implementation of projects. Education activities continue in the remote format. Although most employees work remotely since March 2020, all processes in the Group are executed without interruption.

  Advanced occupational safety and hygiene rules were imposed, including the use of adequate personal protection measures by employees in the companies' offices, as well as office space cleaning and disinfection.

- interruption of vendors' services;

  Group employees continuously monitor compliance with the scope and quality requirements for services provided by third-party vendors. We have not identified any interruption in the provision of services by telecommunication, energy, and banking suppliers. Business continuity of the companies is ensured among others by diversification of providers and recovery resources available at the back-up location.

- slow-down of processes due to limited availability of third-party contractors;
- restricted activity of market makers caused by potential higher COVID-19 incidence and/or quarantine, which could reduce the liquidity of financial instruments listed on GPW and the commodity market; trading in structured instruments could be suspended in the absence of market makers.

On the financial market, with a view to safety of Exchange employees and employees of Exchange Members and issuers, the Company has facilitated mutual communications and modified its procedures to limit face-to-face contacts, including the following measures:

- documentation may be submitted to GPW electronically;
- extension of the validity of supervising broker authorisations (in specific cases, the authorisation expires after 12 months) of investment firm employees until 30 days after the lifting of the state of epidemic threat in Poland or the state of epidemic in connection with SARS-CoV-2 infections;
- temporary modification of measures taken in the case of issuers in the NewConnect and Catalyst alternative trading system (ATS) who fail to publish periodic reports within the regulatory time limits

– waiver of the usual practice of imposing regulatory penalties, which have been replaced by other disciplinary measures, including suspension of trading in such issuers' securities.

The companies' procedures cover risk scenarios of the pandemic and include adequate legal solutions necessary to ensure business continuity.

As at the date of publication of this report, the operation of the Exchange and the subsidiaries continues without interruption. The Exchange has implemented all of the ESMA and KNF recommendations for regulated markets of 12 March 2020, the ESMA recommendations of 20 May 2020 concerning financial reporting, as well as the guidelines of the Chief Sanitary Inspectorate, including in particular recommendations concerning the safety, health and hygiene of the Company's employees.

The impact of the pandemic on the financial standing of the Exchange has been analysed and the following factors have been identified:

- in the case of a longer economic slow-down, the value of companies listed on GPW could decrease sharply, which could prompt flight of institutional and retail investors, delisting of companies, and fewer new listings. Falling numbers of investors and companies listed on GPW could reduce the liquidity of instruments traded on GPW and reduce the Exchange's revenue. Falling valuations of listed companies could reduce the revenue of the Exchange from annual listing fees;
- a long-term downtrend could discourage retail investors from investing on the capital markets, which could have an adverse impact on the Exchange's revenue;
- credit risk could materialise if Exchange Members, issuers, and members of other markets operated by GPW stop paying amounts due to the Exchange;
- the size and structure of the Exchange's financial assets suggest that the liquidity risk is low in the short and mid-term. According to the GPW investment policy, the Exchange's investment portfolio comprises only securities guaranteed by the State Treasury or issued (guaranteed) by institutions with a stable market position and high rating (rated above Baa2 by Moody's);
- thanks to natural hedging, the Exchange is not exposed to a high FX risk.

As a part of efforts designed to calm investor sentiment in connection with the coronavirus threat, on 10 March 2020, the Exchange issued a communication to Exchange Members announcing the steps being taken and giving assurance of continuity of the service.

On the commodity market, in view of the fact that the economic slow-down resulting from the SARS-CoV-2 pandemic directly affects demand for electricity, gas and related markets, it is likely to impact trading revenue and clearing revenue in the short term. Conclusions concerning the specific commodity markets are presented below:

- due to the specificity of the spot electricity and gas market, the impact of a temporary reduction of demand may be the most acute in this segment; on the other hand, in the case of electricity, those developments may be mitigated by a dynamic increase of turnover on the intra-day market driven by integration with European markets;
- due to the specificity of the spot gas market, which is growing dynamically in relation to domestic demand and gas storage capacities, the negative impact on the Company's revenue may be relatively smaller than in the case of electricity;
- considering potential changes of the hedging strategies of the biggest companies in view of the reduction of prices on the forward electricity market in H1 2020, renewed volatility of CO2 allowances on the European market, as well as with very limited options of an accurate assessment of the impact of those developments, the electricity and gas markets may either report growth or contraction; a potential economic slow-down caused by COVID-19 could also impact volumes contracted for future delivery in the coming years (upcoming series of OTF instruments);
- it is quite difficult to assess the impact of the economic slow-down on the property rights market. The market is strongly linked to demand for electricity due to the cancellation requirements.

Furthermore, it depends on the administrative process of issuance of new certificates. However, the mid-term impact should be considered, including a potential change in the turnover volume, which may be on the downturn. On the other hand, expected continuation of the RES property rights cancellation obligations may have a positive impact by stabilising the property rights market.

- low probability of the materialisation of credit risk if IRGiT and TGE Members stop to pay amounts due;
- the size and structure of TGE's and IRGiT's financial assets suggest that the liquidity risk is low in the short and mid-term;
- TGE and IRGiT are not exposed to a high FX risk.

IV. FINANCIAL POSITION AND ASSETS

1. Summary of results

The **GPW Group** generated EBITDA[4] of PLN 113.2 million in H1 2020, representing an increase of PLN 17.1 million compared to PLN 96.2 million in H1 2019.

The **GPW Group** generated an operating profit of PLN 94.4 million in H1 2020 compared to PLN 77.5 million in H1 2019. The increase of the operating profit by PLN 16.8 million year on year was a result of a bigger increase of revenue (up by 14.4% i.e. PLN 24.9 million) than operating expenses (up by 3.5% i.e. PLN 3.5 million). The increase of the revenue included mainly an increase of the revenue on the financial market (up by PLN 24.5 million). The revenue on the commodity market increased by PLN 0.3 million as certificates of origin of cogeneration were not traded in 2020. Trade in such certificates ended on 30 June 2019; as a result, the comparative period includes revenue from trading in such instruments. The increase of operating expenses in H1 2020 was mainly driven by an increase of salaries and other employee costs by PLN 5.8 million, an increase of external service charges by PLN 1.0 million, and a decrease of fees and charges by PLN 3.1 million.

The net profit of the **Group** stood at PLN 72.8 million in H1 2020, an increase of 8.6% (PLN 5.8 million) compared to the net profit of the Group at PLN 67.0 million in H1 2019. The increase of the net profit was driven by an increase of the operating profit by PLN 16,8 million and a much lower negative net balance of financial income less expenses at (PLN 8.7 million). The negative balance of financial income less expenses was driven by higher financial expenses at PLN 14.1 million in H1 2020 compared to PLN 4.4 million in H1 2019. The higher financial expenses in H1 2020 were mainly driven by provisions against potential VAT payable in the subsidiary IRGiT.

GPW's EBITDA stood at PLN 65.9 million in H1 2020, an increase of PLN 23.2 million compared to PLN 42.7 million in H1 2019. **GPW**'s operating profit stood at PLN 53.7 million in H1 2020 compared to PLN 31.7 million in H1 2019. The increase of **GPW**'s operating profit year on year was driven by an increase of revenue by PLN 26.9 million (29.1%) combined with an increase of operating expenses by PLN 3.9 million (6.5%) year on year. **GPW**'s net profit was PLN 123.8 million in H1 2020 compared to PLN 95.1 million in H1 2019. The increase of GPW's net profit by PLN 28.8 million year on year in H1 2020 was driven mainly by a higher sales revenue on the financial market in H1 2020 as well as a higher dividend paid by the subsidiary TGE, up by nearly PLN 11 million (PLN 75.1 million in 2020 vs. PLN 63.9 million in 2019). The sales revenue on the financial market stood at PLN 113.0 million in H1 2020, including revenue on the stock market which increased the most by PLN 22.5 million (49.9%), compared the sales revenue on the financial market at PLN 89.0 million in H1 2019.

TGE's EBITDA stood at PLN 31.2 million in H1 2020 compared to PLN 34.9 million in H1 2019. Its operating profit was PLN 26.4 million in H1 2020 compared to PLN 29.7 million in H1 2019. The net profit stood at PLN 21.7 million in H1 2020 compared to PLN 52.6 million in H1 2019. The decrease of TGE's net profit in H1 2020 was driven by a decrease of sales revenue by PLN 1.8 million combined with an increase of operating expenses by PLN 1.5 million and a decrease of financial income by PLN 28.3 million year on year. The decrease of financial income in 2020 was due to the absence of dividend from the subsidiary IRGiT. In 2019, TGE received a dividend of PLN 28.2 million. The decrease of revenue on the commodity market by PLN 1.3 million year on year was driven by an increase of revenue on the electricity market by 41.9% i.e. PLN 2.8 million, an increase of revenue on the gas market by 15.6% i.e. PLN 0.9 million, a decrease of revenue from trading in property rights by 21.6% i.e. PLN 4.3 million, and a decrease of the revenue from the operation of the register of certificates of origin by 9.6% i.e. PLN 1.6 million.

IRGiT's EBITDA stood at PLN 18.3 million in H1 2020 compared to PLN 17.4 million in H1 2019. Its operating profit was PLN 17.0 million in H1 2020 compared to PLN 15.9 million in H1 2019. The increase of the operating profit in H1 2020 was driven by an increase of revenue by 4.7% i.e. PLN 1.2 million and an increase of operating expenses by 2.2%, i.e., PLN 0.2 million year on year. The net profit stood at PLN 8.2 million in H1

[4] Operating profit before depreciation and amortisation

2020 compared to PLN 13.6 million in H1 2019. The decrease of the net profit was driven by an increase of financial expenses due to provisions for potential VAT payable.

BondSpot's EBITDA stood at PLN 0.9 million in H1 2020 compared to PLN 0.6 million in H1 2019. BondSpot's operating profit was PLN 0.1 million in H1 2020 compared to negative (PLN 0.1 million) in H1 2019. Its net profit was PLN 0.2 million in H1 2020 compared to (PLN 59 thousand) in H1 2019. The increase of the net profit and the operating profit was driven by an increase of revenue by 5.5% i.e. PLN 0.3 million combined with a decrease of operating expenses by 1.4% i.e. PLN 0.1 million year on year in H1 2020.

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

Table 4: Consolidated statement of comprehensive income of GPW Group, in six months and three months, in 2020 and 2019

	2020		2019				2020	2019
PLN'000	Q2	Q1	Q4	Q3	Q2	Q1		
Sales revenue	**101,130**	**97,039**	**80,268**	**82,517**	**89,140**	**84,156**	**198,169**	**173,296**
Financial market	**60,671**	**58,719**	**43,627**	**46,429**	**45,448**	**49,486**	**119,390**	**94,934**
Trading	44,045	41,512	27,110	29,901	28,429	32,015	85,557	60,444
Listing	3,750	5,371	4,282	5,013	5,063	5,271	9,121	10,334
Information services and revenue from the calculation of benchmarks	12,876	11,836	12,235	11,515	11,956	12,200	24,712	24,156
Commodity market	**40,105**	**38,149**	**35,951**	**36,011**	**43,428**	**34,550**	**78,254**	**77,978**
Trading	19,347	18,912	18,347	18,816	22,098	15,906	38,259	38,004
Register of certificates of origin	9,103	5,864	5,072	6,183	8,956	7,604	14,967	16,560
Clearing	11,360	13,082	12,356	10,840	12,203	10,871	24,442	23,074
Information services	295	291	176	172	171	169	586	340
Other revenue	**354**	**171**	**691**	**76**	**264**	**120**	**525**	**384**
Operating expenses	**45,048**	**56,061**	**47,373**	**36,119**	**43,335**	**54,322**	**101,109**	**97,657**
Depreciation and amortisation	9,077	9,760	9,417	8,899	9,415	9,187	18,837	18,602
Salaries	17,325	16,943	15,620	15,329	15,202	15,185	34,268	30,387
Other employee costs	4,954	5,314	4,325	3,856	4,095	4,219	10,268	8,314
Rent and maintenance fees	1,095	1,076	759	1,095	1,082	1,034	2,171	2,116
Fees and charges	279	10,340	448	(5,747)	434	13,285	10,619	13,719
incl. PFSA fees	*2*	*10,022*	*22*	*(6,159)*	*1*	*12,888*	*10,024*	*12,889*
External service charges	11,276	11,398	15,292	11,498	11,545	10,131	22,674	21,676
Other operating expenses	1,042	1,230	1,512	1,190	1,559	1,283	2,272	2,842
Other income	1,823	1,238	1,514	1,896	1,876	1,330	3,061	3,206
Gain / (loss) on impairment of receivables	783	(1,061)	(1,836)	(341)	1,407	(1,131)	(278)	276
Other expenses	4,602	866	839	933	919	654	5,468	1,573
Operating profit	**54,086**	**40,289**	**31,734**	**47,020**	**48,169**	**29,379**	**94,375**	**77,548**
Financial income	1,145	4,278	1,809	2,605	2,402	2,095	5,423	4,497
Financial expenses	5,039	9,101	17,845	3,283	2,306	2,115	14,140	4,421
(Loss) on impairment of investment in other entities	(583)	-	-	(1,089)	-	-	(583)	-
Share of profit/(losses) of entities measured by equity method	4,404	1,981	1,942	4,692	3,639	989	6,385	4,628
Profit before tax	**54,013**	**37,447**	**17,640**	**49,946**	**51,903**	**30,348**	**91,460**	**82,251**
Income tax	10,514	8,180	6,441	8,813	9,353	5,896	18,694	15,249
Profit for the period	**43,499**	**29,267**	**11,199**	**41,133**	**42,550**	**24,452**	**72,766**	**67,002**

Source: Condensed Consolidated Interim Financial Statements, Company

Table 5: Consolidated statement of financial position of GPW Group by quarter in 2020 and 2019

	2020		2019			
PLN'000	Q2	Q1	Q4	Q3	Q2	Q1
Non-current assets	**577,404**	**587,842**	**590,114**	**585,647**	**586,167**	**598,181**
Property, plant and equipment	95,597	98,234	101,968	97,303	100,642	104,498
Right-to-use assets	20,494	21,323	22,725	23,406	24,254	25,510
Intangible assets	241,868	246,011	246,649	247,314	246,780	250,073
Investment in entities measured by equity method	211,132	211,737	210,327	208,384	204,763	207,885
Investment in non-consolidated subsidiaries	4,000	4,000	4,000	-	0	-
Subleasing receivables	399	566	523	774	1,167	1,140
Deferred tax assets	1,219	2,844	464	706	1,432	1,934
Financial assets measured at fair value through other comprehensive income	116	113	120	130	105	103
Prepayments	1,409	1,719	2,043	1,953	2,801	2,816
Other non-current assets	1,170	1,295	1,295	5,677	4,222	4,222
Current assets	**804,764**	**740,208**	**666,680**	**645,424**	**771,938**	**733,234**
Inventories	16	13	47	46	47	52
Corporate income tax receivable	-	-	4,132	114	-	-
Trade and other receivables	62,087	68,068	45,232	56,169	73,154	66,452
Subleasing receivables	223	239	190	237	392	396
Contract assets	3,048	1,856	2,415	1,797	2,503	2,007
Financial assets measured at amortised cost	316,505	243,280	328,998	333,693	217,711	361,705
Other current assets	4,504	4,397	4,382	-	-	-
Cash and cash equivalents	418,381	422,355	281,284	253,368	478,131	302,622
Total assets	**1,382,168**	**1,328,050**	**1,256,794**	**1,231,071**	**1,358,105**	**1,331,415**
Equity	**845,634**	**901,577**	**873,486**	**859,105**	**821,208**	**911,884**
Share capital	63,865	63,865	63,865	63,865	63,865	63,865
Other reserves	1,204	514	1,089	1,185	1,145	898
Retained earnings	779,954	836,586	807,927	793,458	755,610	846,531
Non-controlling interests	610	612	605	597	588	590
Non-current liabilities	**278,030**	**276,854**	**283,502**	**282,639**	**281,172**	**281,049**
Liabilities under bond issue	244,545	244,448	244,350	244,253	244,156	244,058
Employee benefits payable	960	960	960	929	1,005	1,071
Lease liabilities	13,777	14,840	16,204	17,238	18,486	19,634
Contract liabilities	876	550	572	-	-	-
Accruals and deferred income	9,325	7,532	6,389	5,444	4,753	4,894
Deferred tax liability	417	360	5,386	4,257	2,314	994
Other liabilities	8,130	8,164	9,641	10,518	10,458	10,398
Current liabilities	**258,504**	**149,619**	**99,807**	**89,327**	**255,724**	**138,482**
Liabilities under bond issue	1,902	2,087	1,932	2,097	1,893	2,068
Trade payables	22,118	21,408	11,561	13,788	31,902	19,855
Employee benefits payable	14,886	15,788	17,175	16,474	13,624	12,970
Lease liabilities	5,349	5,207	5,181	5,051	5,011	5,359
Corporate income tax payable	1,751	2,367	1,555	5,241	8,552	10,388
Contract liabilities	25,315	35,629	4,364	12,015	22,219	32,676
Accruals and deferred income	2,753	1,080	767	559	559	559
Provisions for other liabilities and charges	25,353	22,474	15,563	95	95	48
Other liabilities	159,077	43,579	41,709	34,007	171,870	54,559
Total equity and liabilities	**1,382,168**	**1,328,050**	**1,256,794**	**1,231,071**	**1,358,105**	**1,331,415**

Source: Condensed Consolidated Interim Financial Statements, Company

2. Presentation of the financials

REVENUE

The Group has three revenue-generating segments:

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

Revenues from the financial market include revenues from:

- trading,
- listing,
- information services and revenue from the calculation of reference rates.

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

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

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

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

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

Revenues from transactions in debt instruments were the third largest source of trading revenues on the financial market in H1 2020. Revenues from transactions in debt instruments are generated by the Catalyst market as well as the Treasury BondSpot Poland market operated by BondSpot S.A., a subsidiary of GPW.

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

Listing revenues include two elements:

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

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

Revenues from real-time information services also include revenues from the sale of the reference rates WIBOR and WIBID.

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

Revenue on the commodity market includes the following:

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

Trading revenue on the commodity market includes:

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

Other fees paid by market participants include TGE fees, IRGiT fees as well as revenues of InfoEngine.

Other fees paid by commodity market participants include fixed market participation fees, transaction cancellation fees, position transfer fees, fees for trade reporting in the RRM (Registered Reporting Mechanism) system, system access fees, guarantee fund asset management fees, as well as revenues of InfoEngine as a trade operator and the entity responsible for balancing.

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

The **Group**'s sales revenues amounted to PLN 198.2 million in H1 2020, an increase of 14.4% (PLN 24.9 million) compared to PLN 173.3 million in H1 2019.

The increase in sales revenues year on year in H1 2020 was driven mainly by an increase of revenues from the **financial market** which grew by 25.8% or PLN 24.5 million. The biggest increase in revenue on the financial market was reported on the equity market, where the revenue increased by 49.9% or PLN 22.5 million. The revenue on the commodity market increased by 0.4% i.e. PLN 0.3 million. The increase of revenues from the commodity market was mainly driven by an increase of the revenue from forward trade in electricity by 64.4% or PLN 3.0 million and an increase of revenue from clearing by 5.9% or PLN 1.4 million. However, the revenue from trade in property rights in certificates of origin decreased by PLN 4.3 million or 21.6% due to the absence of revenue from trade in property rights in cogeneration. Trade in such instruments ended on 30 June 2019.

The revenues from the **financial market** increased by 25.8% or PLN 24.5 million year on year in H1 2020. The biggest increase on the financial market was reported on the equity market, as mentioned above. The revenue on the derivatives market increased by 61.6% i.e. PLN 3.2 million in H1 2020. The revenue from the debt market continued to increase: it grew by 6.4% i.e. PLN 0.3 million year on year in H1 2020. The biggest decrease by 25.3% i.e. PLN 1.3 million year on year in H1 2020 affected revenue from other fees paid by market participants.

The revenue of **GPW** was PLN 119.5 million in H1 2020, an increase of 29.1% or PLN 26.9 million year on year. The revenue of **TGE** stood at PLN 50.7 million in H1 2020 compared to PLN 52.4 million in H1 2019, representing a decrease of 3.4% or PLN 1.8 million year on year. The revenue of **IRGiT** was PLN 26.2 million in H1 2020, an increase of 4.7% or PLN 1.2 million year on year. The revenue of **BondSpot** increased and stood at PLN 5.7 million in H1 2020 compared to PLN 5.4 million in H1 2019.

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

Table 6: Consolidated revenues of GPW Group and revenue structure in the six-month periods ended 30 June 2020 and 30 June 2019

	Six - month period ended				Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
PLN'000, %	30 June 2020	%	30 June 2019	%		
Financial market	**119,390**	**60%**	**94,934**	**55%**	**24,456**	**25.8%**
Trading revenue	85,557	43%	60,444	35%	25,113	41.5%
Equities and equity-related instruments	67,482	34%	45,017	26%	22,465	49.9%
Derivative instruments	8,285	4%	5,127	3%	3,158	61.6%
Other fees paid by market participants	3,848	2%	5,148	3%	(1,300)	-25.3%
Debt instruments	5,262	3%	4,946	3%	316	6.4%
Other cash instruments	680	0%	206	0%	474	230.1%
Listing revenue	9,121	5%	10,334	6%	(1,213)	-11.7%
Listing fees	8,646	4%	8,932	5%	(286)	-3.2%
Introduction fees, other fees	475	0%	1,402	1%	(927)	-66.1%
Information services and revenue from calculation of reference rates	24,712	12%	24,156	14%	556	2.3%
Real-time information and revenue from calculation of reference rates	23,113	12%	22,215	13%	898	4.0%
Indices and historical and statistical information	1,599	1%	1,941	1%	(341)	-17.6%
Commodity market	**78,254**	**39%**	**77,978**	**45%**	**276**	**0.4%**
Trading revenue	38,259	19%	38,004	22%	255	0.7%
Electricity	9,519	5%	6,708	4%	2,811	41.9%
Spot	1,747	1%	1,980	1%	(233)	-11.8%
Forward	7,772	4%	4,728	3%	3,044	64.4%
Gas	6,321	3%	5,467	3%	854	15.6%
Spot	1,239	1%	1,193	1%	46	3.9%
Forward	5,082	3%	4,274	2%	808	18.9%
Property rights in certificates of origin	15,550	8%	19,830	11%	(4,280)	-21.6%
Other fees paid by market participants	6,869	3%	5,999	3%	870	14.5%
Register of certificates of origin	14,967	8%	16,560	10%	(1,593)	-9.6%
Clearing	24,442	12%	23,074	13%	1,368	5.9%
Information services	586	0%	340	0%	246	72.3%
Other revenue *	**525**	**0%**	**384**	**0%**	**141**	**36.6%**
Total	**198,169**	**100%**	**173,296**	**100%**	**24,873**	**14.4%**

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

Source: Condensed Consolidated Interim Financial Statements, Company

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

Table 7: Consolidated revenues of the Group by geographical segment in the six-month periods ended 30 June 2020 and 30 June 2019

PLN'000, %	Six - month period ended				Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	%	30 June 2019	%		
Revenue from foreign customers	56,470	28%	50,192	29%	6,278	12.5%
Revenue from local customers	141,698	72%	123,104	71%	18,594	15.1%
Total	**198,169**	**100%**	**173,296**	**100%**	**24,873**	**14.4%**

Source: Condensed Consolidated Interim Financial Statements, Company

FINANCIAL MARKET

TRADING

The revenues of the Group from trading on the financial market stood at PLN 85.6 million in H1 2020 compared to PLN 60.4 million in H1 2019, representing an increase of 41.5% or PLN 25.1 million.

Equities and equity-related instruments

Revenues from trading in **equities and equity-related instruments** amounted to PLN 67.5 million and increased by 49.9% or PLN 22.5 million year on year in H1 2020.

The increase of the revenues from trading in equities was driven by an increase of the value of trading on the Main Market. The total value of trading on the Main Market was PLN 134.3 billion in H1 2020, an increase of 34.8% year on year (including an increase of trade on the electronic order book by 34.7% and an increase of the value of block trades by 37.5%). The average daily turnover value on the Main market was EUR 241 million in H1 2020 (at the average cumulative fx rate of EUR/PLN 4.4146) compared to EUR 184 million in 2019 (at the average cumulative fx rate of EUR/PLN 4.2933 in H1 2019), representing an increase of 31%.

The increase in the value of trading is largely attributable to increased volatility caused by the outbreak of the pandemic. The outbreak of the pandemic resulted in strong market volatility and the materialisation of the risk of economic recession, resulting in:

- ✓ sell-out of assets (equities, bonds, commodities, as well as crypto-currencies);
- ✓ remodelling of portfolios of large investment funds;
- ✓ falling oil prices (WTI crude oil futures settled at negative prices for the first time ever);
- ✓ Fed and ECB interventions and assets purchase programmes at record-high USD 7 trillion;
- ✓ interest rate cuts imposed by central banks including the National Bank of Poland;
- ✓ mass-scale activity of retail investors: more than 70,000 new securities accounts were opened in Poland in H1 2020;
- ✓ investors were moving to exchanges as deposits started to generate losses; in particular, turnover on NewConnect dominated by retail investors rose six-fold year on year in H1 2020.

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

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Financial market, trading revenue: equities and equity-related instruments (PLN million)	**67.5**	**45.0**	**22.5**	**49.9%**
Main Market:				
Value of trading (PLN billion)	134.3	99.6	34.6	34.8%
Volume of trading (billions of shares)	8.7	6.0	2.7	45.3%
NewConnect:				
Value of trading (PLN billion)	4.1	0.7	3.4	516.5%
Volume of trading (billions of shares)	2.0	0.8	1.3	162.9%

Source: Condensed Consolidated Interim Financial Statements, Company

Derivatives

Revenues of the Group from transactions in **derivatives** on the financial market amounted to PLN 8.3 million in H1 2020 compared to PLN 5.1 million in H1 2019, representing an increase of 61.6% or PLN 3.2 million.

Similar to the spot market, the derivatives market reported sharp growth. The total volume of trading in derivatives increased by 76.6% year on year in H1 2020. The volume of trading in WIG20 futures, which account for the major part of the revenues from transactions in derivatives, increased by 76.9% year on year in H1 2020. The volume of trading in single-stock futures increased by 103.2% from PLN 0.6 million to PLN 1.2 million and the volume of trading in currency futures increased from 0.6 million in H1 2019 to 1.0 million in H1 2020, i.e., by 58.4%. However, fees on currency futures are the lowest among all futures, hence their impact on revenue is much smaller.

Table 9: Data for the derivatives market

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Financial market, trading revenue: derivatives (PLN million)	**8.3**	**5.1**	**3.2**	**61.6%**
Volume of trading in derivatives (millions of contracts):	5.8	3.3	2.5	76.6%
incl.: Volume of trading in WIG20 futures (millions of contracts)	3.3	1.9	1.4	76.9%

Source: Condensed Consolidated Interim Financial Statements, Company

Other fees paid by market participants

Revenues of the Group from **other fees** paid by market participants stood at PLN 3.8 million in H1 2020, a decrease of 25.3% or PLN 1.3 million year on year. The fees mainly include fees for access to and use of the trading system (among others, licence fees, connection fees and maintenance fees). The decrease of the revenue in H1 2020 was driven mainly by the Technology Development Support Programme, which was introduced in March 2019 and did not yet impact the revenue in H1 2019.

In March 2019, GPW launched the Exchange's Technology Development Support Programme which grants discount limits to exchange members who meet the criteria set in the rules for the purposes of technological development in the brokerage business. Members' applications for participation in the programme were accepted until 31 March 2019. The granted discount limit was PLN 6 million over a period of 3 years. The actual discount granted in H1 2020 was PLN 499.3 thousand. According to IFRS 15 Revenue from Contracts with Customers, the Exchange is required to recognise the discount for all members accepted in the Programme on a pro rata basis in the duration of the Programme. The amount charged to the income of the period under IFRS 15 was PLN 1,058.8 thousand in H1 2020.

Debt instruments

Revenues of the Group from transactions in **debt instruments** stood at PLN 5.3 million in H1 2020 compared to PLN 4.9 million in H1 2019. The majority of the Group's revenues from the debt instruments segment is generated by Treasury BondSpot Poland (TBSP).

The year-on-year increase of the revenues on TBSP in H1 2020 was driven by a change of the price list, i.e., an increase of the fixed subscription fee. The value of trade on TBSP decreased in the period under review.

The value of trading in Polish Treasury securities on TBSP was PLN 90.2 billion in H1 2020, a decrease of 50.6% year on year. The decrease of the value of trading was reported both in the cash segment and the conditional segment. The value of cash transactions stood at PLN 23.7 billion in H1 2020, a decrease of 56.3% year on year. Conditional transactions stood at PLN 66.5 billion in H1 2020, a decrease of 48.2% year on year.

The value of trading on TBSP until mid-February 2020, in particular the value of outright transactions, was mainly driven by market factors impacting the interest rate market, concerns with rising inflation, and expected limited supply of bonds at auctions held by the Ministry of Finance owing to a strong position of the public budget. Those factors stabilised market volatility, resulting in less active trading by banks on TBSP. In the latter half of February and in the following months, the market was mainly impacted by the spread of SARS-CoV-2 (initially resulting in a sharp increase of volatility and market risk, causing investors to withdraw from bond funds) and Monetary Policy Council decisions aiming to offset the adverse impact of the pandemic by means of interest rate cuts and the emergency purchase of government bonds by the National Bank of Poland. Those factors impacted turnover both on the cash and on the forward market.

The initial increase in volatility prompted the Ministry of Finance to widen the maximum spreads of market maker quotes on TBSP. Wider spreads curbed competitiveness of prices on TBSP compared with prices on competitive platforms (in particular, interbank brokers). While market volatility decreased in the following weeks, the Ministry of Finance decided to gradually reduce the spreads over the following months (the spreads were above the pre-pandemic levels until 22 July 2020).

The Monetary Policy Council decisions and the National Bank of Poland operations resulted in a sharp reduction of market interest rates, including yields across the Treasury curve, which curbed transactional activity of market participants. However, the key driver which reduced their activity were regular redemptions of Treasury bonds (and instruments issued by PFR and BGK) by the National Bank of Poland. On the one hand, they are an effective tool supporting liquidity in the banking system (as banks do not need to source liquidity by selling Treasury bonds); on the other hand, they reduce the value of outstanding Treasury bonds in trading. Furthermore, the National Bank of Poland operations reduce the volatility of Treasury bond prices, which encourages banks to opt for the aforementioned competitive forms of negotiating and executing transactions.

Trading on the market is also affected by the bank tax, whose structure encourages banks to keep Treasury securities in their assets as they reduce the balance of assets which is the tax base. This implies a higher share of local banks among all holders of Treasury securities and a falling share of active non-residents. The tax structure also affects the activity of banks on the secondary market in sell/buy-back and repo transactions: on the one hand, it shortens the tenor of transactions and, on the other hand, directly limits trading activity on the repo market at the end of each month in order to contain the potential impact of opening transactions on the assets which form the taxable base.

The value of trading on Catalyst was PLN 1.4 billion in H1 2020, representing a decrease of 1.8% year on year. Revenues from Catalyst have a small share in the Group's total revenues from transactions in debt instruments: Treasury BondSpot Poland has a predominant share in this market segment.

Table 10: Data for the debt instruments market

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Financial market, trading revenue: debt instruments (PLN million)	**5.3**	**4.9**	**0.3**	**6.4%**
Catalyst:				
Value of trading (PLN billion)	1.40	1.43	(0.03)	-1.8%
incl.: Value of trading in non-Treasury instruments (PLN billion)	0.95	0.93	0.01	1.3%
Treasury BondSpot Poland, value of trading:				
Conditional transactions (PLN billion)	66.5	128.4	(61.9)	-48.2%
Cash transactions (PLN billion)	23.7	54.2	(30.5)	-56.3%

Source: Condensed Consolidated Interim Financial Statements, Company

Other cash market instruments

Revenues from transactions in **other cash market instruments** stood at PLN 680 thousand in H1 2020 compared to PLN 206 thousand in H1 2019, representing an increase of 230.1% i.e. PLN 0.5 million. The revenues include fees for trading in structured products, investment certificates, and ETF units. Revenue from trade in structured certificates increased the most in nominal terms i.e. by PLN 322.2 thousand.

LISTING

Listing revenues on the financial market amounted to PLN 9.1 million in H1 2020 compared to PLN 10.3 million in H1 2019.

Revenues from **listing fees** amounted to PLN 8.6 million in H1 2020, a decrease of 3.2% or PLN 0.3 million year on year. The main driver of revenues from listing fees is the number of issuers listed on the GPW markets and their capitalisation at the year's end.

Revenues from **fees for introduction and other fees** decreased by PLN 0.9 million year on year in H1 2020. They amounted to PLN 0.5 million in H1 2020 compared to PLN 1.4 million in H1 2019. The revenues are driven mainly by the number and value of new listings of shares and bonds on the GPW markets, as well as the structure of IPOs. The value of IPOs and SPOs on the Main Market and NewConnect was PLN 1.6 billion in H1 2020 compared to PLN 0.3 billion in H1 2019. The amount of PLN 1.6 billion mainly included SPOs on the Main Market. The revenue from the introduction of new issues to the market decreased despite an increase of the value of introduced issues in H1 2020 due to the application of IFRS 15 Revenue from Contracts with Customers and the distribution of revenue from introduction over time.

The decision to no longer recognise revenue from the introduction of debt instruments to trading on a one-off basis took effect as of 1 January 2019. However, the entire correction of the recognition of fees under IFRS 15 for all of 2019 was recognised in Q4 2019. Consequently, the revenue reported for H1 2019 does not include the correction of the recognition of revenue in time.

The revenue of H1 2020 was adjusted down by PLN 653 thousand on a one-off basis due to a change of BondSpot's accounting policy under IFRS 15 and a different recognition of revenue from fees for the introduction of instruments to trading as of the beginning of 2020.

Listing revenues on the GPW Main Market decreased by PLN 0.3 million year on year in H1 2020. The table below presents the key financial and operating figures.

Table 11: Data for the GPW Main Market

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Main Market				
Listing revenue (PLN million)	**7.9**	**8.2**	**-0.3**	**-3.5%**
Total capitalisation of listed companies *(PLN billion)*	865.6	1,161.7	-296.1	-25.5%
including: Capitalisation of listed domestic companies	472.9	594.4	-121.5	-20.4%
including: Capitalisation of listed foreign companies	392.8	567.4	-174.6	-30.8%
Total number of listed companies	440	460	-20	-4.3%
including: Number of listed domestic companies	392	410	-18	-4.4%
including: Number of listed foreign companies	48	50	-2	-4.0%
Value of offerings *(IPO and SPO) (PLN billion)*	1.5	0.3	1.2	445.2%
Number of new listings *(in the period)*	1	4	-3	-75.0%
Capitalisation of new listings *(PLN billion)*	0.2	0.8	-0.5	-69.7%
Number of delistings	10	8	2	25.0%
Capitalisation of delistings* (PLN billion)	5.9	17.6	-11.7	-66.4%

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

Source: Company

Listing revenues from NewConnect increased by 8.9% year on year in H1 2020. The table below presents the key financial and operating figures.

Table 12: Data for NewConnect

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
NewConnect				
Listing revenue *(PLN million)*	**1.1**	**1.0**	**0.1**	**8.9%**
Total capitalisation of listed companies *(PLN billion)*	16.5	8.3	8.2	98.7%
including: Capitalisation of listed domestic companies	15.9	7.9	7.9	100.0%
including: Capitalisation of listed foreign companies	0.6	0.4	0.3	70.0%
Total number of listed companies	372	385	-13	-3.4%
including: Number of listed domestic companies	367	379	-12	-3.2%
including: Number of listed foreign companies	5	6	-1	-16.7%
Value of offerings *(IPO and SPO) (PLN million)*	0.1	0.0	0.1	225.2%
Number of new listings *(in the period)*	4	8	-4	-50.0%
Capitalisation of new listings *(PLN billion)*	0.1	0.3	(0.3)	-83.3%
Number of delistings*	7	10	-3	-30.0%
Capitalisation of delistings** (PLN billion)	0.1	0.9	-0.8	-87.1%

** includes companies which transferred to the Main Market*

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

Source: Company

Listing revenues from Catalyst stood at PLN 0.15 million in H1 2020 and decreased by 87.1% year on year. The table below presents the key financial and operating figures. The lower revenue in H1 2020 was due to the application of IFRS 15 (i.e., recognition of revenue over time) and the adjustment of 2019 figures in Q4 2019 (which implies that H1 2019 data include no such adjustment).

The lower revenue in H1 2020 was also due to the application of IFRS 15 (i.e., recognition of revenue over time) and a higher comparative base as H1 2019 data included no such recognition of revenue over time and were adjusted under IFRS 15 in Q4 2019. Furthermore, as mentioned above, the revenue of H1 2020 was adjusted down by PLN 653 thousand on a one-off basis due to a change of BondSpot's accounting policy under IFRS 15 and a different recognition of revenue from fees for the introduction of instruments to trading as of the beginning of 2020.

Table 13: Data for Catalyst

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Catalyst				
Listing revenue *(PLN million)* *	**0.15**	**1.16**	**-1.01**	**-87.1%**
Number of issuers	135	142	-7	-4.9%
Number of issued instruments	532	553	-21	-3.8%
including: non-Treasury instruments	478	504	-26	-5.2%
Value of issued instruments *(PLN billion)*	983.0	792.7	190.3	24.0%
including: non-Treasury instruments	93.3	87.6	5.8	6.6%

** the application of IFRS 15 and the adjustment of figures in Q4 2019*

Source: Company

INFORMATION SERVICES

Revenues from **information services** including the financial market and the commodity market amounted to PLN 25.3 million in H1 2020 compared to PLN 24.5 million in H1 2019.

Table 14: Data for information services

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Revenues from information services and WIBID and WIBOR reference rate services *** *(PLN million)***	**25.3**	**24.5**	**0.8**	**3.3%**
Number of data vendors	85	82	3	3.7%
Number of subscribers ('000 subscribers)	330.5	249.7	80.8	32.3%

** revenues from information services contein financial market data and commodity market data*

Source: Condensed Consolidated Interim Financial Statements, Company

The increase of revenue year on year was driven by the following factors:

- acquisition of new clients of GPW data (mainly data vendors and non-display users);
- sharp increase in the number of subscribers (up by 32.3%);

- offering a wide range of products containing processed data, client acquisition and change of fees in this product segment.

COMMODITY MARKET

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

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

Revenues of the GPW Group on the commodity market stood at PLN 78.3 million in H1 2020 compared to PLN 78.0 million in H1 2019.

The revenue on the commodity market increased modestly by PLN 0.3 million year on year in H1 2020 despite the termination of trade in cogeneration certificates, which expired as of 31 December 2018, were fully cancelled by 30 June 2019, and were delisted in June 2019. The increase of revenues was mainly driven by an increase in revenues from forward trading in electricity by PLN 3.0 million (64.4%) and from forward trading in gas by PLN 0.8 million (18.9%). Trading revenues from other fees paid by market participants increased by PLN 0.9 million (14.5%). The revenues and volumes are presented in detail below.

TRADING

Revenues of the GPW Group from trading on the commodity market stood at PLN 38.3 million in H1 2020, including PLN 1.7 million of revenues from spot transactions in electricity, PLN 7.8 million of revenues from forward transactions in electricity, PLN 1.2 million of revenues from spot transactions in gas, PLN 5.1 million of revenues from forward transactions in gas, PLN 15.6 million of revenues from transactions in property rights in certificates of origin of electricity, and PLN 6.9 million of other fees paid by market participants. Revenues from trading increased by 0.7% or PLN 0.3 million year on year in H1 2020.

The Group's revenues from **trading in electricity** amounted to PLN 9.5 million in H1 2020 compared to PLN 6.7 million in H1 2019. The total volume of trading on the energy markets operated by TGE amounted to 129.4 TWh in H1 2020 compared to 97.2 TWh in H1 2019. The year-on-year increase in the revenue from trading in electricity was driven by an increase in the volume of forward transactions. The volume of spot transactions was stable year on year and stood at 17.0 TWh vs. 16.9 TWh in H1 2019. However, the revenue was slightly lower due to two factors. First, price list options chosen by market participants differed between H1 2020 and H1 2019. Price list options either offer higher fixed fees combined with lower transaction fees or lower fixed fees combined with higher variable fees. Options are chosen every year and the revenue from transaction fees may differ from year to year even if trading volumes remain stable. Second, the share of the Intra-Day Market increased as international trade has been available on the market since November 2019. TGE charges no fees for international trade from counterparties who are members of other exchanges.

The Group's revenues from **trading in gas** amounted to PLN 6.3 million in H1 2020 compared to PLN 5.5 million in H1 2019. The volume of trading in natural gas on TGE was 75.7 TWh in H1 2020 compared to 65.8 TWh in H1 2020. The volume of trading on the Day-ahead and Intraday Market in gas was 12.1 TWh in H1 2020 compared to 11.5 TWh in H1 2019. The volume of trading on the Commodity Forward Instruments Market was 63.5 TWh in H1 2020, an increase of 17.0% year on year, driving the year-on-year increase in the revenue.

The Group's revenue from the operation of **trading in property rights** decreased year on year and stood at PLN 15.6 million compared to PLN 19.8 million in H1 2019. The volume of trading in certificates of origin stood at 14.8 TWh in H1 2020, a decrease of 54.1% year on year compared to 32.2 TWh in H1 2019. The decrease in trading was due to the expiry of certificates of energy from cogeneration as of 31 December 2018, their final cancellation by 30 June 2019 and discontinuation of trading in June 2019. As a result, property rights to cogeneration were still being traded in H1 2019.

On the other hand, the volume of trade in green certificates increased by 13.0% from 14.0 TWh in H1 2019 to 14.7 TWh in H1 2020. Given that fees on trade in green certificates are higher than fees on trade in cogeneration, the year-on-year drop of revenue from trading in property rights to certificates of origin was lower than the drop in volumes.

Revenues of the Group from **other fees paid by commodity market participants** amounted to PLN 6.9 million in H1 2020 compared to PLN 6.0 million in H1 2019. Other fees paid by commodity market participants included fees paid by TGE market participants at PLN 4.0 million, revenues of InfoEngine at PLN 1.2 million, including its revenue from the activity of trade operator at PLN 0.9 million, and revenues of IRGiT at PLN 1.7 million, including mainly, fees for participation in TGE markets, fees on assets of Clearing House members maintained in the clearing guarantee system, participation fees and other fees.

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

TGE's revenue from exchange fees had the biggest share of all these. The main contribution to the revenue from other fees paid by commodity market participants was that of annual fees, accounting for 63.0% of revenue from other fees. Revenue from annual fees stood at PLN 2.5 million in H1 2020, an increase of 17.3% year on year. The increase of the revenue was driven by the expiry of promotional fees on the gas market.

Table 15: Data for the commodity market

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Commodity market - trading revenue (PLN million)	**38.3**	**38.0**	**0.3**	**0.7%**
Volume of trading in electricity				
Spot transactions *(TWh)*	17.0	16.9	0.1	0.6%
Forward transactions *(TWh)*	112.4	80.3	32.1	40.0%
Volume of trading in gas				
Spot transactions *(TWh)*	12.1	11.5	0.6	5.5%
Forward transactions *(TWh)*	63.5	54.3	9.2	17.0%
Volume of trading in property rights (TGE) (TWh)	14.8	32.3	-17.4	-54.1%

Source: Condensed Consolidated Interim Financial Statements, Company

REGISTER OF CERTIFICATES OF ORIGIN

Revenues from the operation of the **Register of Certificates of Origin** amounted to PLN 15.0 million in H1 2020 compared to PLN 16.6 million in H1 2019. The year-on-year decrease of the revenues by PLN 1.6 million was driven by a decrease of the volumes of issued property rights (by 45.7%) and cancelled property rights (by 36.7%). The year-on-year decrease of the revenue was due to:

- an increase of the revenue from the RES register from PLN 10.7 million to PLN 13.6 million due to an increase of issued and cancelled green certificates,
- no revenue from cogeneration in H1 2020 compared to a revenue of PLN 3.8 million in H1 2019,
- a decrease of revenue from energy efficiency from PLN 1.2 million to PLN 0.5 million, and
- a modest increase of revenue from guarantees of origin from PLN 0.8 million to PLN 0.9 million.

Table 16: Data for the Register of Certificates of Origin

	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Commodity market - revenue from operation of the Register of Certificates of Origin of electricity (PLN million)	**15.0**	**16.6**	**-1.6**	**-9.6%**
Issued property rights *(TWh)*	14.4	26.4	-12.1	-45.7%
Cancelled property rights *(TWh)*	17.3	27.3	-10.0	-36.7%

Source: Condensed Consolidated Interim Financial Statements, Company

CLEARING

The Group earns revenue from the **clearing activities** of IRGiT, which is a subsidiary of TGE. The revenue stood at PLN 24.4 million in H1 2020 compared to PLN 23.1 million in H1 2019. The increase of the revenue by PLN 1.4 million or 5.9% was driven by an increase of revenue from clearing, settlement and registration of forward trade in electricity on the Commodity Forward Instruments Market by 50.0% i.e. PLN 2.1 million combined with an increase of revenue from clearing, settlement and registration of forward trade in gas on the Commodity Forward Instruments Market by 13.0% i.e. PLN 1.1 million.

OTHER REVENUES

The Group's other revenues amounted to PLN 0.5 million in H1 2020 compared to PLN 0.4 million in H1 2019. The Group's other revenues include mainly revenues from educational activities, PR, office space lease and sponsorship.

OPERATING EXPENSES

The total operating expenses of the **GPW Group** amounted to PLN 101.1 million in H1 2020, representing an increase of PLN 3.5 million or 3.5% year on year. The increase of operating expenses was driven by an increase of depreciation and amortisation charges by PLN 0.2 million, an increase of salaries and other employee costs by PLN 5.8 million i.e. 15.1%, a decrease of fees and charges by PLN 3.1 million or 22.6%, and an increase of external service charges by PLN 1.0 million i.e. 4.6%. The estimated annual supervision fee due to PFSA was calculated and recognised by the Group in the period under review; the fee due from the Group stood at PLN 10.0 million in 2020 compared to PLN 12.9 million in 2019.

Separate operating expenses of **GPW** amounted to PLN 64.7 million in H1 2020, representing an increase of PLN 3.9 million or 6.5% year on year. The year-on-year increase of operating expenses was mainly driven by an increase of salaries and other employee costs by PLN 3.0 million, an increase of external service charges by PLN 1.7 million, an increase of depreciation and amortisation charges by PLN 1.2 million, and a decrease of fees and charges by PLN 1.5 million. The provisions set up against the estimated annual supervision fees stood at PLN 5.5 million in 2020 compared to PLN 6.8 million in 2019.

Operating expenses of **TGE** amounted to PLN 26.0 million in H1 2020 compared to PLN 24.5 million in H1 2019, representing an increase of PLN 1.5 million. The year-on-year increase of operating expenses in H1 2020 was mainly driven by an increase of salaries and other employee costs by PLN 1.5 million and an increase of external service charges by PLN 1.1 million. On the other hand, fees and charges decreased by PLN 0.7 million i.e. 19.4%, and depreciation and amortisation charges decreased by PLN 0.4 million. The estimated annual supervision fee was PLN 2.7 million in 2020 compared to PLN 3.4 million in 2019.

Operating expenses of **IRGiT** stood at PLN 9.4 million in H1 2020, a small increase of 2.2% i.e. PLN 0.2 million year on year. Similar to other companies of the GPW Group, IRGiT set up lower provisions against the supervision fee due to PFSA year on year: PLN 1.8 million in 2020 v. PLN 2.6 million in 2019.

Operating expenses of **BondSpot** stood at PLN 5.6 million in H1 2020 compared to PLN 5.7 million in H1 2019, representing a decrease of 1.4% or PLN 0.1 million. The decrease was mainly driven by a decrease of salaries and other employee costs and external service charges.

Table 17: Consolidated operating expenses of the Group and structure of operating expenses

PLN'000, %	Six - month period ended				Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	%	30 June 2019	%		
Depreciation and amortisation	18,837	19%	18,602	19%	235	1.3%
Salaries	34,268	34%	30,387	31%	3,881	12.8%
Other employee costs	10,268	10%	8,314	9%	1,954	23.5%
Rent and other maintenance fees	2,171	2%	2,116	2%	55	2.6%
Fees and charges	10,619	11%	13,719	14%	(3,101)	-22.6%
including: PFSA fees	10,024	*10%*	12,889	*13%*	(2,865)	*-22.2%*
External service charges	22,674	22%	21,676	22%	998	4.6%
Other operating expenses	2,272	2%	2,842	3%	(571)	-20.1%
Total	**101,109**	**100%**	**97,657**	**100%**	**3,452**	**3.5%**

Source: Condensed Consolidated Interim Financial Statements, Company

The table above presents changes in the structure of expenses by six-month period in 2020 and 2019 and changes between H1 2020 and H1 2019.

Table 18: Separate operating expenses of GPW and structure of operating expenses

PLN'000, %	Six - month period ended				Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	%	30 June 2019	%		
Depreciation and amortisation	12,198	19%	10,991	18%	1,207	11.0%
Salaries	19,713	30%	17,708	29%	2,005	11.3%
Other employee costs	6,474	10%	5,478	9%	996	18.2%
Rent and other maintenance fees	2,146	3%	2,083	3%	63	3.0%
Fees and charges	5,891	9%	7,436	12%	(1,545)	-20.8%
including: PFSA fees	5,464	*8%*	6,842	*11%*	(1,378)	*-20.1%*
External service charges	16,607	26%	14,871	24%	1,736	11.7%
Other operating expenses	1,694	3%	2,211	4%	(517)	-23.4%
Total	**64,723**	**100%**	**60,778**	**100%**	**3,945**	**6.5%**

Source: Company

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

Depreciation and amortisation

Depreciation and amortisation charges stood at PLN 18.8 million in H1 2020 compared to PLN 18.6 million in H1 2019, representing an increase of PLN 0.2 million. The increase in depreciation and amortisation charges year on year in H1 2020 was driven by an increase of the depreciation and amortisation charges in GPW by PLN 1.2 million, a decrease of depreciation and amortisation charges in TGE by PLN 0.4 million and in IRGiT by PLN 0.2 million. The increase of charges in GPW was due to depreciation of purchased property, plant and equipment (mainly network devices) initiated in H2 2019. Depreciation and amortisation charges representing right-to-use assets and subleases stood at PLN 2.6 million in H1 2020 compared to PLN 2.5 million in H1 2019.

Salaries and other employee costs

Salaries and other employee costs amounted to PLN 44.5 million in H1 2020 compared to PLN 38.7 million in H1 2019, representing an increase of 15.1% or PLN 5.8 million.

The increase of salaries and other employee costs in the GPW Group year on year in H1 2020 was driven by an increase of salaries and other employee costs in GPW by PLN 3.0 million, in TGE by PLN 1.5 million, in IRGiT by PLN 0.6 million, in IE by PLN 0.2 million, and in GPW Benchmark by PLN 0.6 million.

The increase of GPW's salaries and other employee costs year on year in H1 2020 was driven by an increase in remuneration by PLN 0.4 million, an increase of supplementary salary costs by PLN 1.6 million, and an increase of other employee costs, including social security, by PLN 1.0 million. In view of active development projects in GPW, a part of salaries are capitalised and will be recognised in expenses after the projects are rolled out. Capitalised salaries and other employee costs stood at PLN 3.6 million in H1 2020. The increase in supplementary salary costs was driven by short-term contracts concerning projects in the development of the Group's strategy.

TGE's personnel costs increased by PLN 0.9 million and its other employee costs, including social security charges and employee pension plan contributions, increased by PLN 0.6 million. The increase of salaries in TGE was driven by an increase of the headcount in connection with the implementation of strategic projects, including the expansion of participation in international markets as well as the launch of the Agricultural Market. In addition, TGE introduced an employee pension plan (PPE) in Q4 2019, which was not yet in place in H1 2019. The increase of salaries in IRGiT was driven mainly by an increase of base salary in 2020 due to the Com[any's bigger headcount. The increase of salaries in the subsidiary GPW Benchmark was also driven by an increase of the headcount.

The headcount of the GPW Group was 416 FTEs as at 30 June 2020.

Table 19: Employment in GPW Group

# FTEs	As at		
	30 June 2020	31 December 2019	30 June 2019
GPW	237	223	218
Subsidiaries	178	174	155
Total	**416**	**397**	**373**

Source: Company

Rent and other maintenance fees

Rent and other maintenance fees amounted to PLN 2.2 million in H1 2020 compared to PLN 2.1 million in H1 2019, representing a small increase of 2.6% i.e. PLN 55 thousand.

Fees and charges

Fees and charges stood at PLN 10.6 million in H1 2020 compared to PLN 13.7 million in H1 2019. The main component of fees and charges are fees paid to the Polish Financial Supervision Authority (PFSA) for capital market supervision. Provisions set up against the estimated PFSA fee due from the Group set up in January 2020 stood at PLN 10.0 million compared to PLN 12.9 million set up in January 2019.

Following the change of the system of financing the cost of market supervision and of the range of entities participating in the financing as of the beginning of 2016, and considering IFRIC 21, the full estimated amount of the annual PFSA fee is recognised early in the year. The exact, final amount of the annual fee may only be calculated after the Chairperson of the Polish Financial Supervision Authority publishes the fees and the indicators necessary to calculate the fees in a public communique promulgated in the Official Journal of the Polish Financial Supervision Authority by 31 August of each calendar year. The calculated fee is to be paid by 30 September of the calendar year.

External service charges

External service charges amounted to PLN 22.7 million in H1 2020 compared to PLN 21.7 million in H1 2019, representing an increase of 4.6% or PLN 1.0 million.

Table 20: Consolidated external service charges of the Group and structure of external service charges in the six-month periods ended 30 June 2020 and 30 June 2019

PLN'000, %	Six - month period ended				Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	%	30 June 2019	%		
IT cost:	12,440	55%	11,441	53%	999	8.7%
IT infrastructure maintenance	9,433	*42%*	8,408	*39%*	1,025	*12.2%*
TBSP maintenance service	778	*3%*	751	*3%*	27	*3.6%*
Data transmission lines	1,855	*8%*	2,111	*10%*	(256)	*-12.1%*
Software modification	374	*2%*	172	*1%*	202	*117.7%*
Office and office equipment maintenance:	1,734	8%	1,496	7%	239	16.0%
Repair and maintenance of installations	287	*1%*	228	*1%*	59	*25.9%*
Security	926	*4%*	786	*4%*	140	*17.9%*
Cleaning	389	*2%*	325	*1%*	64	*19.8%*
Phone and mobile phone services	132	*1%*	157	*1%*	(25)	*-16.1%*
International (energy) market services	1,760	*8%*	775	*4%*	985	*127.2%*
Leasing, rental and maintenance of vehicles	198	1%	239	1%	(42)	-17.4%
Transportation services	70	0%	64	0%	6	9.2%
Promotion, education, market development	1,089	5%	2,379	11%	(1,290)	-54.2%
Market liquidity support	709	3%	686	3%	23	3.4%
Advisory (including: audit, legal services, business consulting)	2,286	10%	2,811	13%	(525)	-18.7%
Information services	1,134	5%	557	3%	578	103.8%
Training	494	2%	385	2%	109	28.2%
Mail fees	51	0%	70	0%	(19)	-27.1%
Bank fees	123	1%	93	0%	30	32.3%
Translation	233	1%	208	1%	25	12.0%
Other	354	2%	473	2%	(119)	-25.1%
Total	**22,674**	**100%**	**21,676**	**100%**	**998**	**4.6%**

Source: Condensed Consolidated Interim Financial Statements

The increase of external service charges year on year in H1 2020 was mainly driven by changes in the following cost items:

1/ IT infrastructure maintenance – an increase of PLN 1.0 million due to the cost of IT hardware and software maintenance services;

2/ data transmission lines – a decrease of PLN 0.3 million driven by a decrease of the cost in GPW and TGE. The decrease of the cost was due to optimisation of infrastructure services in the GPW Group;

3/ building and office equipment maintenance – an increase of PLN 0.2 million due to rising costs of security and cleaning services following a minimum wage raise and an hourly rate raise year after year under the Regulation of the Council of Ministers;

4/ international energy market services – an increase of PLN 1.0 million due to participation in the integration of the European energy market, continued development work including development of the intra-day market XBiD (the third wave of XBiD is scheduled in 2020) and other projects including the day-ahead market. In addition, part of the expense is reinvoiced due to the specificity of payments in the aforementioned international projects. Reinvoiced expenses are shown in other operating income. They stood at PLN 1.0 million in H1 2020. As a result, net income was stable year on year;

5/ promotion, education, market development – a decrease of PLN 1.3 million mainly due to the absence of the cost of organisation of annual events including the Annual Exchange Gala, the Trading Forum, and lower costs of participation in conferences due to the COVID-19 epidemic;

6/ advisory – a decrease of PLN 0.5 million due mainly to a higher cost of advisory for strategic projects in 2019 including GPW Ventures advisory, TGE Gas Hub and secondary power market research, as well as the Group's tax advisory. No such costs were paid in H1 2020;

7/ information services – an increase of PLN 0.6 million due mainly to the implementation of GPW's Analytical Coverage Support Pilot Programme

The Analytical Coverage Support Pilot Programme aims to:

1. Increase the number of published analytical reports covering companies participating in mWIG40 and sWIG80;
2. Improve the availability of up-to-date analytical reports to local and international investors;
3. Improve the liquidity of trading in stocks participating in the Programme.

The Programme was open to members who met the criteria defined in the programme rules until 22 April 2019. Twelve members joined the Programme who jointly cover 40 issuers. The cost of analytical support is PLN 100 thousand net per company covered over a period of 2 years. The expected cost of the Programme is ca. PLN 4.0 million net in the two years. The costs of the Programme recognised in H1 2020 was PLN 638.0 thousand.

Other operating expenses

Other operating expenses amounted to PLN 2.3 million in H1 2020 compared to PLN 2.8 million in H1 2019, representing a decrease of 20.1% or PLN 0.6 million.

Other operating expenses in H1 2020 included mainly the cost of material and energy consumption at PLN 1.4 million, industry organisation membership fees at PLN 0.4 million, insurance at PLN 0.1 million, business travel at PLN 0.1 million and conference participation at PLN 0.1 million. The cost of business travel reported the highest nominal decrease year on year in H1 2020 and fell by 74.4% or PLN 0.4 million.

OTHER INCOME AND EXPENSES

Other income of the Group amounted to PLN 3.1 million in H1 2020 compared to PLN 3.2 million in H1 2019, a decrease of 4.5%, i.e., PLN 0.1 million. Other income includes mainly medical services reinvoiced to employees (PLN 0.2 million), an annual correction of input VAT at PLN 0.4 million, TGE's revenue from PSE in respect of the PCR (Price Coupling of Regions) project at PLN 0.4 million, TGE's revenue from a grant of PLN 0.4 million received for the Agricultural Market project, revenue from a grant of PLN 0.5 million for the New Trading Platform project, as well as revenue from the reinvoicing of costs incurred by TGE due to its participation in international projects at PLN 1.1 million.

Other expenses of the Group amounted to PLN 5.5 million in H1 2020 compared to PLN 1.6 million in H1 2019.

The main item of other expenses was a write-off of the goodwill of BondSpot at PLN 3.5 million following an impairment test due to a decrease of TBSP turnover, which was strongly augmented in the conditions of a crisis triggered by the COVID-19 pandemic. The turnover value and the conditions on the debt market are described in chapter Financial Market – Debt Instruments. The valuation parameters are presented in Note 2.2 to the Consolidated Financial Statements of the GPW Group for the six-month period ended 30 June 2020. The goodwill of BondSpot after the write-off was PLN 19.4 million vs. close to PLN 23.0 million as at 31 December 2019.

Other expenses also included donations. In H1 2020, the cost of donations stood at PLN 1.8 million vs. PLN 1.4 million in H1 2019.

Donations in H1 2020 included mainly PLN 1 million donated in connection with the COVID-19 pandemic: GPW's donations in the form of medical equipment for COVID-19 testing for the Sanitary Epidemiological Stations in Siedlce and Radom, as well as barrier tents for two hospitals in Pruszków, and IRGiT's donation to the Warsaw Medical University Clinical Centre. GPW also donated PLN 0.9 million to the GPW Foundation.

Both in H1 2020 and in H1 2019, GPW provided a cash donation of PLN 1.5 million to the Polish National Foundation (PFN). The expenses of those periods only present the difference between the amount paid in the period and the liability relating to 2020 discounted as at 31 December 2016. As a result, other expenses of the period include the discounted donation to PFN at PLN 123.3 thousand in H1 2020 and PLN 141.2 thousand in H1 2019.

GAINS ON REVERSAL OF IMPAIRMENT OF RECEIVABLES OR LOSSES ON IMPAIRMENT OF RECEIVABLES

Due to the application of IFRS 9, the Group's consolidated statement of comprehensive income includes a dedicated line "Gains on reversal of impairment of receivables or losses on impairment of receivables". The impairment of receivables is determined on the basis of lifetime expected credit loss. The ECL impairment charged to the results of the Group stood at PLN 0.3 million in H1 2020 compared to PLN 0.3 million in H1 2019.

FINANCIAL INCOME AND EXPENSES

Financial income of the Group amounted to PLN 5.4 million in H1 2020 compared to PLN 4.5 million in H1 2019, representing an increase of PLN 0.9 million.

Financial income includes mainly interest on bank deposits and financial instruments (corporate bonds and certificates of deposit) as well as positive FX differences. Interest income stood at PLN 3.4 million in H1 2020 compared to PLN 4.5 million in H1 2019. The sharp decrease in interest income in H1 2020 was due to reference rate cuts, resulting in very low interest on bank deposits and other instruments including corporate bonds and certificates of deposit. The Group earned a higher other financial income in H1 2020 (up by PLN 2.0 million), which included positive FX differences at PLN 2.0 million in H1 2020.

Financial expenses of the Group amounted to PLN 14.1 million in H1 2020 compared to PLN 4.4 million in H1 2019, representing an increase of PLN 9.7 million.

The increase of financial expenses year on year in H1 2020 was due to the recognition of additional provisions against potential VAT payable for 2014-2020 at PLN 9.8 million.

The second biggest line of financial expenses in H1 2020 was interest cost of GPW's series C, D and E bonds (including the cost of the issue recognised over time), which stood at PLN 3.8 million in H1 2020 and remained stable year on year.

The series C bonds bear interest at a fixed rate of 3.19% p.a. The series D and E bonds bear interest at a floating rate equal to WIBOR 6M plus a margin. The margin of series D and E bonds is 0.95%. The interest on the bonds is paid semi-annually. The series D and E bonds are due for redemption on 31 January 2022

The interest rate on the series D and E bonds was 2.74% in H1 2020 and in H1 2019.

GAINS ON INVESTMENTS/(LOSSES) ON IMPAIRMENT OF INVESTMENTS IN OTHER ENTITIES

Gains on investments/(losses) on impairment of investments in other entities stood at (PLN 583 thousand) in H1 2020 compared to PLN 0 in H1 2019. The loss of PLN 583 thousand constituted the impairment of the investment in PAR. The investment in PAR is presented in Chapter XI "Other information", section "Investment in and relations with other entities".

SHARE OF PROFIT OF ENTITIES MEASURED BY EQUITY METHOD

The Group's share of profit of entities measured by equity method stood at PLN 6.4 million in H1 2020 compared to PLN 4.6 million in H1 2019. The higher gains in H1 2020 were driven by higher profits of the KDPW Group.

The share of the GPW Group in the profits of the **KDPW Group** stood at PLN 6.1 million in H1 2020 compared to PLN 4.8 million in H1 2019.

The share in the net profit of **Centrum Giełdowe** was PLN 0.3 million in H1 2020, an increase of 10.5% i.e. PLN 29 thousand year on year.

Polska Agencja Ratingowa (formerly IAiR) was recognised in the profit of entities measured by equity method as at 30 June 2019 as it became a joint venture following a change of shareholders in Q4 2018. The share of loss of PAR was no longer recognised in 2020 as the investment was fully impaired in 2019.

Table 21: Profit/Loss of associates

PLN'000	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Grupa KDPW S.A.	18,241	14,506	3,735	25.7%
Centrum Giełdowe S.A.	1,226	1,111	115	10.4%
Polska Agencja Ratingowa S.A.	-	(1,449)	1,449	-
Razem	**19,467**	**14,168**	**5,299**	**37.4%**

Source: Company

Table 22: GPW's share of profit of associates

PLN'000	Six - month period ended		Change (H1 2020 vs H1 2019)	Change (%) (H1 2020 vs H1 2019)
	30 June 2020	30 June 2019		
Grupa KDPW S.A.	6,080	4,835	1,245	25.8%
Centrum Giełdowe S.A.	304	275	29	10.5%
Polska Agencja Ratingowa S.A.	-	(483)	483	-
Razem	**6,384**	**4,627**	**1,757**	**38.0%**

Source: Company

INCOME TAX

Income tax of the Group was PLN 18.7 million in H1 2020 compared to PLN 15.2 million in H1 2019. The **effective income tax rate** in the periods under review was 20.4% and 18.5%, respectively, as compared to the standard Polish corporate income tax rate of 19%. Income tax **paid** by the Group was PLN 20.0 million in H1 2020 compared to PLN 18.6 million in H1 2019.

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

On 7 November 2019, GPW and the aforementioned subsidiaries signed a notarised agreement extending the operation of the GPW Tax Group for one fiscal year, i.e., from 1 January 2020 to 31 December 2020. In December 2019, GPW received a decision of the tax office which registered the agreement extending the Tax Group.

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

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

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

V. Atypical factors and events

Capital market supervision fee due from the GPW Group

According to IFRIC 21, the entity recognised in full a liability for fees due to PFSA at the date of the obligating event. The obligating event is the fact of carrying out a business subject to fees due to PFSA as at 1 January of each year. Consequently, the estimated amount of the annual fees due to PFSA is charged to the accounts of the GPW Group of the first quarter of each year. The estimated PFSA fee due from the Group was PLN 10.0 million in 2020.

The exact amount of the PFSA fee will be known when 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.

Launch of the Food Platform

In the first half of March 2020, the GPW Group launched the Food Platform ("Agricultural Market") dedicated to trade in agricultural commodities. The Agricultural Market is operated by TGE. The Market will be run as a pilot until the end of August 2020: the Platform will charge no fees as it finetunes all operations. The first product traded on the Platform is consumption wheat, to be followed in the future by other agricultural commodities: rye, maize, rape, concentrated apple juice, sugar, milk powder. The Agricultural Market is co-ordinated by Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR). The project is financed by the National Centre for Research and Development.

Start of research and development work on the development of a proprietary Trading Platform (New Trading System) with co-financing from NCBR grants

On 3 July 2019, the Exchange Management Board decided to launch a project aimed at research and development work on the development of a proprietary trading system with co-financing from grants of the National Centre for Research and Development (NCBR). At this stage of project, the total amount of expenditure connected with the implementation of the project is estimated at PLN 90 million. The Exchange Management Board decided to conclude an agreement with the National Centre for Research and Development concerning the co-financing of the project "Research and development work for the development and implementation of a state-of-the-art integrated Trading Platform of ground-breaking performance and capacity parameters and innovative communication protocols and trading algorithms" in the amount of PLN 30.3 million.

The Company has used the Universal Trading Platform (UTP) since 2013. The decision to initiate research and development work in order to develop a proprietary Trading Platform is significant to continued operation of the Exchange among others due to:

- the strategic impact of the decision which determines the competitive position of GPW;
- the amount of capital expenditures and operating expenses for the Trading Platform;
- impact on the market environment, in particular Exchange Members.

The development and implementation of a new trading system will diversify the revenue thanks to potential sale of the system to other exchanges, help to launch new products added to the offer of GPW, and make GPW more attractive to capital market participants. The development of the New Trading System will boost the reputation of GPW, as well.

According to the project timeline, the New Trading System will be implemented by the end of June 2023.

"GPW Data Platform" project

On 21 August 2019, the National Centre for Research and Development (NCBR) published a list of evaluated projects proposed in the Operational Programme Smart Development 2014-2020. The projects selected for co-financing include the project of the Warsaw Stock Exchange "GPW Data platform: an innovative Artificial Intelligence system supporting investment decisions on the capital market". The project cost is estimated at PLN 8.3 million, including NCBR co-financing at PLN 4.2 million. The GPW Data project is a part of GPW's strategic initiatives in the Exchange's information services business segment. The project is aligned with the Capital Market Development Strategy which provides among others for the introduction of electronic reporting standards in the Inline eXtensible Business Reporting Language (iXBRL). The GPW Data project is based on machine learning and artificial intelligence. It will enable capital market participants to make faster decisions when investing on the exchange. The GPW Data system will support fast access to, analysis and processing of market data, as well as the development of investors' proprietary trading algorithms based on AI. The project is scheduled to be rolled out in 2021.

Implementation of the Private Market project

The strategic initiatives implemented by GPW include the Private Market project which aims to develop a blockchain platform matching start-ups with potential investors. The project involves work on trade in digital assets. The platform will allow companies to raise funding by means of security tokens, i.e., tokenisation of interest and trade in tokens on the secondary market. Innovative solutions will be developed for investors to use such platforms and ensure safe trading and regulatory compliance. The project is being developed by a consortium comprised of GPW, the Silesian University of Technology, and VRTechnology sp. z o.o. The total project budget is approx. PLN 12.6 million. The project received a PLN 8.5 million grant from NCBR.

Provisions against VAT corrections in IRGiT

According to the tax risk management policy of the GPW Group, as of 2017, tax accounts of all Group members, including IRGiT, have been reviewed on an annual basis by an independent tax advisor. In addition, following one of such reviews, in order to verify the tax risk identified in the review, the IRGiT Management Board requested independent advisors to provide opinions concerning the recognition of the date of origination of a VAT tax payable in respect of deliveries of electricity and gas and the recognition of the date of origination of the right to an input VAT deduction and to calculate the potential impact of a potential change to IRGiT's current approach on IRGiT's tax payable.

On the basis of opinions presented by independent tax advisors, IRGiT's approach was found to be correct in the light of Union law but potentially controversial under national tax regulations. Based on the literal wording of national tax regulations, it could be found that IRGiT occasionally recognises the tax payable in respect of electricity and gas sale invoices too early and that in some financial periods it recognises the right to an input VAT deduction too early. The application of the literal wording of such regulations would result in a correction of VAT accounts since December 2014 (for all periods not subject to the statute of limitation), giving rise to a VAT payable and interest to be paid by IRGiT.

Furthermore, the opinions point out that the matter is not unequivocal and may give rise to different interpretations. According to the advisors, there are arguments to conclude among others that:

- according to the VAT Directive, the methodology of input VAT deductions currently applied by IRGiT is correct and all conditions of input VAT deductions are met;
- potential payable in respect of prior uncorrected periods, subject to the statute of limitation, could be considered to be in breach of the principle of value added tax neutrality.

In view of the uncertainty concerning the amount of the potential VAT payable, guided by the principle of prudence, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, it was decided to set up provisions of PLN 15.5 million as at 31 December 2019. The provisions were charged to financial expenses (including interest on tax payable). As at 30 June 2020, the provisions were increased to PLN 25.4 million. The estimated interest on tax due at PLN 9.8 million was charged to the results of H1 2020. The provision amount is the best possible estimate of the potential payable as at 30 June 2020 due in the case of a potential change of the methodology of recognising the date of origination of tax payable. IRGiT is planning to confirm the adequacy of its approach.

There is a relatively low risk due to the expiration of the five-year statute of limitation. In the case of a potential correction of tax accounts for the period not subject to the statute of limitation (December 2014), IRGiT would be required to report once again the output VAT originally declared in the tax accounts submitted for November 2014 and paid when due, which is no longer subject to a correction due to the expiration of the statute of limitation. According to the tax opinion received by IRGiT, the risk that the competent authorities may decide that IRGiT should report and pay the output VAT twice when making such potential correction is relatively low because the interpretation of national law, not subject to harmonisation, would result in a breach of a higher-rank norm arising from Union law. Acting in the interest of GPW shareholders, pursuant to IAS 37.92, the Company is not disclosing the estimated amount of the potential payable as it is in the process of confirming the adequacy of its approach.

COVID-19 pandemic

The GPW Management Board and the Management Boards of the subsidiaries monitor the epidemiological situation in Poland and globally on an on-going basis and analyse its impact on the position of the companies. In H1 2020, the impact of the COVID-19 pandemic on the position of the Group in different areas materialised to a different extent, as presented in this section.

a) The impact of the COVID-19 pandemic on the Group's financial position

Atypical events in Poland and globally in 2020 included the outbreak of the COVID-19 pandemic which resulted in turbulences in global and national economies and on financial markets. In the early stage of the pandemic, concerns about the impact of the spread of the contagion (looming economic collapse) triggered mass sell-out of assets by institutional and individual investors while prices on global exchanges including GPW were in an all-time downtrend. The main index WIG20 lost 29.6% year to date as at 31 March 2020. However, in view of a combination of multiple economic factors, including sharp rate cuts imposed by central banks and the low valuations of assets, many investors quickly turned to the exchange markets to take advantage of those conditions (more than 70,000 new securities accounts were opened in H1 2020). As investors returned to the exchange, GPW's main index bounced back. WIG20 gained 16.3% quarter on quarter as at 30 June 2020. Thus, the financial markets witnessed strong volatility in H1 2020 caused by uncertainty unleashed by the pandemic. Turnover increased in particular on equity and derivatives markets. Turnover in shares and equity-related instruments increased by 34.8% year on year on the Main Market and by 516.9% on NewConnect. The total derivatives turnover volume increased by 76.6%. As a result of growing turnover, sales revenues grew by 14.4% year on year, driven mainly by an increase of revenues in the financial segment (up by 25.8%). In addition to shares and derivatives, trading in other cash instruments, including structured certificates, investment certificates and ETFs, also increased. As a result of their higher turnover, revenues grew by 230.1% year on year.

As regards the turnover value in the equity and derivatives segments, the impact of the developments on the financial market triggered by the pandemic was positive for the revenue. However, the impact of market developments caused by the COVID-19 pandemic was not necessarily positive for the Group's activities and financial results in all areas.

While the equity and derivatives markets were rising, the debt market was unfortunately in retreat. Due to strong uncertainty about the condition of companies, investors started to sell out corporate bonds and exit bond funds in fear of mass insolvencies. Bond prices plummeted and market volatility peaked. The increase in volatility prompted the Ministry of Finance to widen the maximum spreads of market maker quotes on TBSP. Wider spreads curbed competitiveness of prices on TBSP compared with prices on competitive platforms. As a result, TBSP turnover dropped. Interest rate cuts and regular redemptions of Treasury bonds (and instruments issued by PFR and BGK) by the National Bank of Poland aiming to support market liquidity curbed investor activity on the debt market. The market developments triggered by the spread of COVID-19 led to a sharp drop in TBSP turnover. Turnover on the cash market dropped by 56.3% year on year and turnover of conditional transactions by 48.2%.

Due to sharp interest rate cuts in H1 2020, in particular Q2 2020, the Group's financial income from the investment of free cash dropped by 23% year on year. Looking forward, in the low rate environment, the drop may be even deeper because rates offered on deposits and other instruments are around 0%.

As at 30 June 2020, the Group held PLN 734.9 million in cash and cash equivalents and assets measured at amortised cost including bank deposits and guaranteed corporate bonds; in the opinion of the Management Board, those financial resources are sufficient to conclude that the Group's short-term and mid-term liquidity risk is low.

b) Measures taken to prevent and mitigate the impact of the COVID-19 pandemic

The financial position of the Group is strong, which is why the Group did not use public support measures or schemes offered by the Government of Poland.

The Management Board of GPW and the Management Boards of the subsidiaries identified potential operational risks caused by the COVID-19 pandemic and took mitigating measures to prevent their adverse impact. The identified risks and mitigating measures across the Group are presented in Chapter II, section "Risk generated by the SARS-CoV-2 pandemic".

c) Expected future impact on financial results, assets, and cash flows, and identified risks and uncertainties

The market conditions which triggered strong volatility in H1 2020 have so far had a positive impact, boosting turnover on the exchange markets, which helped to grow revenue and profits. However, a deeper economic crisis could in a longer term adversely impact the Group's business segments, causing a drop of revenue and profits in the coming quarters. At this time, it is not possible to assess future market behaviour and its impact on turnover on the markets operated by the Group.

Further economic slow-down resulting in lower revenue and profits of listed companies could reduce their valuation; a deteriorating position of listed companies could result in their delisting; all those factors could lead to a lower capitalisation. As already mentioned, the key driver of listing revenue is the number of issuers listed on the GPW markets and their capitalisation at the year's end. If the number of issuers drops and the capitalisation of listed companies decreases, the revenue generated by issuers may be lower.

Furthermore, given that interest rates on deposits and corporate instruments are close to 0, financial income will continue to decline in the coming quarters as compared to H1 2019 and H1 2020. It should be noted that the financial income generated in H1 2020 was based on interest rates available before the cuts or rates affected only by the early cuts.

Given the strong financial position and safe cash position, liquidity risk is very low. However, considering a mounting and persistent economic slow-down due to a continued pandemic, the Company cannot rule out that the regularity of payment of receivables could decline, which may require new provisions.

The measures, indicators, and calculations presented in this report are a fair representation of the financial position and assets of the GPW Group.

VI. Group's assets and liabilities structure

The balance-sheet total of the Group was PLN 1.4 billion as at 30 June 2020, representing an increase of PLN 1.3 billion year to date and a stable position year on year.

ASSETS

The Group's **non-current assets** stood at PLN 577.4 million representing 42% of total assets of the Group as at 30 June 2020 compared to PLN 590.1 million or 47% of total assets as at 31 December 2019 and PLN 586.2 million or 43% of total assets as at 30 June 2019.

In the implementation of IFRS 16 Leases, the Group recognised a right-to-use asset of PLN 20.5 million in non-current assets as at 30 June 2020 (including the right of perpetual usufruct of land at PLN 4.1 million, reclassified from prepayments). The Group recognised sublease receivables at PLN 0.4 million as at 30 June 2020.

The Group recognised investments in non-consolidated subsidiaries at PLN 4.0 million as at 30 June 2020 including the investment in GPW Ventures (PLN 3.0 million) and GPW TECH (PLN 1.0 million). The companies were established in 2019.

Financial assets measured at fair value through other comprehensive income included minority interest in Bucharest Stock Exchange (BVB, formerly SIBEX), recognised at PLN 116.0 thousand as at 30 June 2020.

Other non-current assets included margins securing energy market transactions in InfoEngine at PLN 1.2 million as at 30 June 2020 and the option to acquire a trading system at PLN 4.2 million as at 30 June 2019. Prepayments mainly include IT hardware support.

The Group's **current assets** stood at PLN 804.8 million representing 58% of total assets of the Group as at 30 June 2020 compared to PLN 666.7 million or 53% of total assets as at 31 December 2019 and PLN 771.9 million or 57% of total assets as at 30 June 2019.

Current assets as at 30 June 2020 increased by 4.3% or PLN 32.8 million year on year and by 20.7% or PLN 138.1 million year to date. The increase of current assets year to date and year on year in H1 2019 was mainly driven by an increase in cash by PLN 124.6 million year to date and by PLN 39.0 million year on year. The increase of current assets relates to the sum of cash and cash equivalents as well as financial assets measured at amortised cost, which jointly increased to PLN 734.9 million from PLN 610.3 million as at 31 December 2019 and PLN 695.8 million as at 30 June 2019. The base of comparison is 30 June 2019, which was before the payment of the dividend to the shareholders. The increase of cash as at 30 June 2019 combined with lower receivables suggests that the Group generated higher cash flows while paying expenditure to invest in the implementation of the Group's strategy.

Looking at an increase or decrease of the Group's cash assets, those lines need to be considered in conjunction because they represent the total amount of cash held by the Group. At a given point in time, such funds may be invested in larger part in instruments with maturities over 3 months, and such larger part is then presented under assets measured at amortised cost; or they may be invested in larger part in instruments with maturities up to 3 months, and such larger part is then presented under cash and cash equivalents. As at 30 June 2020, financial assets measured at amortised cost stood at PLN 316.5 million including corporate bonds at PLN 90.0 million and bank deposits at PLN 226.5 million.

As at 30 June 2020, the Group recognised current sublease receivables at PLN 0.2 million. Other current assets at PLN 4.5 million included an advance payment for the acquisition of a new licence from the UTP vendor under the 2010 agreement with the system vendor at PLN 4.2 million and the short-term portion of margins securing energy market transactions in InfoEngine at PLN 0.3 million.

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

PLN'000	As at					
	30 June 2020	%	31 December 2019	%	30 June 2019	%
Non-current assets	**577,404**	**42%**	**590,114**	**47%**	**586,167**	**43%**
Property, plant and equipment	95,597	7%	101,968	8%	100,642	7%
Right-to-use assets	20,494	1%	22,725	2%	24,254	2%
Intangible assets	241,868	17%	246,649	20%	246,780	18%
Investment in entities measured by equity method	211,132	15%	210,327	17%	204,763	15%
Investment in non-consolidated subsidiaries	4,000	0%	4,000	0%	0	0%
Sublease receivables	399	0%	523	0%	1,167	0%
Deferred tax assets	1,219	0%	464	0%	1,432	0%
Available-for-sale financial assets	-	0%	-	0%	-	0%
Financial assets measured at fair value through other comprehensive income	116	0%	120	0%	105	0%
Prepayments	1,409	0%	2,043	0%	2,801	0%
Other non-current assets	1,170	0%	1,295	0%	4,222	0%
Current assets	**804,764**	**58%**	**666,680**	**53%**	**771,938**	**57%**
Inventory	16	0%	47	0%	47	0%
Corporate income tax receivable	-	0%	4,132	0%	-	0%
Trade receivables and other receivables	62,087	4%	45,232	4%	73,154	5%
Sublease receivables	223	0%	190	0%	392	0%
Contract assets	3,048	0%	2,415	0%	2,503	0%
Financial assets measured at amortised cost	316,505	23%	328,998	26%	217,711	16%
Other financial assets	4,504	0%	4,382	0%	-	0%
Cash and cash equivalents	418,381	30%	281,284	22%	478,131	35%
Total assets	**1,382,168**	**100%**	**1,256,794**	**100%**	**1,358,105**	**100%**

Source: Condensed Consolidated Interim Financial Statements

EQUITY AND LIABILITIES

The **equity** of the Group stood at PLN 845.6 million representing 61% of the Group's total equity and liabilities as at 30 June 2020 compared to PLN 873.5 million or 70% of total equity and liabilities as at 31 December 2019 and PLN 821.2 million or 60% of the total equity and liabilities as at 30 June 2019.

Non-current liabilities of the Group stood at PLN 278.0 million representing 20% of the Group's total equity and liabilities as at 30 June 2020 compared to PLN 283.5 million or 23% of total equity and liabilities as at 31 December 2019 and PLN 281.2 million or 21% of the total equity and liabilities as at 30 June 2019. The Group's non-current liabilities include mainly GPW's liabilities under outstanding series C bonds due for redemption on 6 October 2022 and series D and E bonds due for redemption on 31 January 2022. The series D and E bonds were issued on 2 January 2017, which is when the company recognised the liability on the books.

As at 30 June 2020, lease liabilities decreased by 25.5% i.e. PLN 4.7 million year on year. Accruals and deferred income increased from PLN 4.7 million to PLN 9.3 million.

Non-current deferred income included the grant received by TGE for assets in the PCR project at a carrying value of PLN 4.3 million as at 30 June 2020 and the grant for the Agricultural Market project at PLN 0.8 million, as well the grant received by GPW for the New Trading Platform project at PLN 3.7 million and the grant for the GPW Data project at PLN 0.3 million.

Other non-current liabilities as at 30 June 2020 included mainly the liability of the parent entity to the Polish National Foundation at PLN 7.0 million (PLN 8.4 million as at 30 June 2019). Payments related to InfoEngine energy market transaction margins were recognised at PLN 1.2 million.

Current liabilities of the Group stood at PLN 258.5 million representing 19% of the Group's total equity and liabilities as at 30 June 2020 compared to PLN 99.8 million or 8.0% of total equity and liabilities as at 31 December 2019 and PLN 255.7 million or 19% of the total equity and liabilities as at 30 June 2019.

The year-on-year increase in current liabilities as at 30 June 2020 was mainly driven by an increase of:

- contract liabilities,
- provisions against liabilities and other charges,
- other liabilities.

The main item of provisions against liabilities is the provision against VAT payable in IRGiT at PLN 25.4 million.

Other current liabilities as at 30 June 2020 included mainly GPW's dividend payable at PLN 100.9 million, VAT payable of the current period at PLN 30.2 million in TGE and PLN 19.3 million in IRGiT, contracted investments at PLN 3.1 million in GPW, current liabilities to PFN at PLN 1.3 million, and liabilities in respect of other taxes in GPW at PLN 1.6 million.

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

PLN'000	As at					
	30 June 2020	%	31 December 2019	%	30 June 2019	%
Equity	**845,634**	**61%**	**873,486**	**70%**	**821,208**	**60%**
Share capital	63,865	5%	63,865	5%	63,865	5%
Other reserves	1,204	0%	1,089	0%	1,145	0%
Retained earnings	779,954	56%	807,927	64%	755,610	56%
Non-controlling interests	610	0%	605	0%	588	0%
Non-current liabilities	**278,030**	**20%**	**283,502**	**23%**	**281,172**	**21%**
Liabilities under bond issue	244,545	18%	244,350	19%	244,156	18%
Employee benefits payable	960	0%	960	0%	1,005	0%
Lease liabilities	13,777	1%	16,204	1%	18,486	1%
Contract liabilities	876	0%	572	0%	-	0%
Accruals and deferred income	9,325	1%	6,389	1%	4,753	0%
Deferred income tax liability	417	0%	5,386	0%	2,314	0%
Other liabilities	8,130	1%	9,641	1%	10,458	1%
Current liabilities	**258,504**	**19%**	**99,807**	**8%**	**255,724**	**19%**
Liabilities under bond issue	1,902	0%	1,932	0%	1,893	0%
Trade payables	22,118	2%	11,561	1%	31,902	2%
Employee benefits payable	14,886	1%	17,175	1%	13,624	1%
Lease liabilities	5,349	0%	5,181	0%	5,011	0%
CIT payable	1,751	0%	1,555	0%	8,552	1%
Contract liabilities	25,315	2%	4,364	0%	22,219	2%
Accruals and deferred income	2,753	0%	767	0%	559	0%
Provisions for other liabilities and charges	25,353	2%	15,563	1%	95	0%
Other current liabilities	159,077	12%	41,709	3%	171,869	13%
Total equity and liabilities	**1,382,168**	**100%**	**1,256,794**	**100%**	**1,358,105**	**100%**

Source: Condensed Consolidated Interim Financial Statements

VII. Statement of cash flows and capital expenditure

CASH FLOWS

The Group generated positive cash flows from operating activities at PLN 138.5 million in H1 2020 compared to positive cash flows of PLN 137.7 million in H1 2019. The slight increase of the positive cash flows from operating activities in H1 2020 was driven by a higher net profit in H1 2020 as well as positive income tax adjustments and impairment of investments. The positive adjustment of the change of assets was lower in H1 2020 year on year.

The cash flows from investing activities were negative at PLN 1.5 million in H1 2020 compared to positive cash flows of PLN 158.3 million in H1 2019. The negative cash flows from investing activities were driven by outflows exceeding inflows. Outflows included the investment of financial assets measured at amortised cost as well as the purchase of property, plant and equipment and intangible assets.

The cash flows from financing activities were negative at PLN 0.25 million in H1 2020 compared to negative cash flows of PLN 6.7 million in H1 2019. The lower negative cash flows from financing activities in 2020 were driven a grant of PLN 6.4 million while outflows included the payment of interest on bonds at PLN 3.7 million and the payment of leases (IFRS 16) at PLN 3.0 million, similar to H1 2019.

Table 25: Consolidated cash flows

	Cash flows for the 6-month period ended	
PLN'000	**30 June 2020**	**30 June 2019**
Cash flows from operating activities	138,511	137,745
Cash flows from investing activities	(1,548)	158,341
Cash flows from financing activities	(252)	(6,654)
Net increase / (decrease) in cash	**136,711**	**289,432**
Impact of change of fx rates on cash balances in foreign currencies	*386*	*(25)*
Cash and cash equivalents - opening balance	**281,284**	**188,724**
Cash and cash equivalents - closing balance	**418,381**	**478,131**

Source: Condensed Consolidated Interim Financial Statements

CAPITAL EXPENDITURE

The Group's total capital expenditure in H1 2020 amounted to PLN 16.4 million including expenditure for property, plant and equipment at PLN 5.3 million and expenditure for intangible assets at PLN 11.1 million. The Group's total capital expenditure in H1 2019 amounted to PLN 5.9 million including expenditure for property, plant and equipment at PLN 1.9 million and expenditure for intangible assets at PLN 4.0 million.

The capital expenditure in H1 2020 included mainly the projects GCR System, GPW Data, and New Trading Platform, investment in the new index calculator and the central data bus, as well as hardware system maintenance in GPW; and system maintenance and the projects Food Platform, intra-day market XBiD, OTF, and Data Commercialisation in TGE.

Contracted investment commitments for property, plant and equipment were PLN 425 thousand as at 30 June 2020, including mainly the acquisition of IT hardware for the New Trading system project and the GPW Data project. Contracted investment commitments for intangible assets stood at PLN 1,428 thousand including mainly the acquisition of the GCR System, server time synchronisation software and the new

Indexator in GPW, as well as the EPIA and XBID platform in TGE and the Food Platform (contracted investments in intangible assets amounted to PLN 1,287 thousand as at 31 December 2019 and related to the same investments).

Contracted investment commitments for property, plant and equipment stood at PLN 115 thousand as at 31 December 2019 including mainly the acquisition of IT hardware for the New Trading Platform. Contracted investment commitments for intangible assets stood at PLN 1,287 thousand as at 31 December 2019 including mainly the GRC system, server time synchronisation software and the new Indexator in GPW, as well as the EPIA, XBiD and Food Platform projects in TGE.

Contracted investment commitments for intangible assets stood at PLN 2.0 million as at 30 June 2019 including mainly TGE's Data Commercialisation Platform and Food Platform. The Group reported no contracted investment commitments for property, plant and equipment.

VIII. Ratio analysis

DEBT AND FINANCING RATIOS

In the period covered by the financial statements, the debt of the Group posed no threat to its going concern and capacity to meet liabilities on time. The ratio of net debt to EBITDA remained negative in the periods under review as liquid assets of the GPW Group significantly exceeded interest-bearing liabilities (negative net debt). The debt to equity ratio as at 30 June 2020 decreased modestly year on year due to an increase of equity.

LIQUIDITY RATIOS

The current liquidity ratio was 3.1 as at 30 June 2020, stable year on year. The ratio is safe and the Group has no liquidity issues.

The coverage ratio of interest costs under the bond issue increased year on year in H1 2020 due to a higher EBITDA. The ratio suggests that the Group generated cash flows from operating activities which were several times higher than necessary to cover current liabilities under the bond issue.

PROFITABILITY RATIOS

The profitability ratios increased year on year, as shown in the table below, due to an increase of the operating profit and EBITDA. The Cost/Income ratio dropped from 56.4% to 51.0%. ROE and ROA decreased slightly due to a lower net profit of the last 12 months and higher average equity.

Table 26: Key financial indicators of GPW Group

		As at / For the 6-month period ended	
		30 June 2020	30 June 2019
Debt and financing ratios			
Net debt / EBITDA (for a period of 12 months)	1), 2)	(1.8)	(2.0)
Debt to equity	3)	31.4%	32.8%
Liquidity ratios			
Current liquidity	4)	3.1	3.0
Coverage of interest on bonds	5)	31.2	26.7
Return ratios			
EBITDA margin	6)	57.1%	55.5%
Operating profit margin	7)	47.6%	44.7%
Net profit margin	8)	36.7%	38.7%
Cost / income	9)	51.0%	56.4%
ROE	10)	15.0%	17.3%
ROA	11)	9.1%	10.8%

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

2) EBITDA = GPW Group operating profit + depreciation and amortisation (for a period of 6 months; net of the share of profit of associates)

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

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

5) Coverage of interest on bonds = EBITDA / interest on bonds (interest paid and accrued for a period of 6 months)

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

7) Operating profit margin = GPW Group operating profit / GPW Group revenue (for a period of 6 months)

8) Net profit margin = GPW Group net profit / GPW Group revenue (for a period of 6 months)

9) Cost / income = GPW Group operating expenses / GPW Group revenue (for a period of 6 months)

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

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

Source: Company

IX. SEASONALITY AND CYCLICALITY OF OPERATIONS

TRADING ON THE FINANCIAL MARKET

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

TRADING ON THE COMMODITY MARKET

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

According to the Energy Law, the obligation has to be performed until 30 June. As a result, trading in the first half of the year is relatively higher than in the second half of the year.

Trade in electricity on the Commodity Forward Instruments Market operated by TGE is not spread equally throughout the year. It is seasonal in that it depends on hedging strategies of large players; it is typically lower in H1 but not always so as it also depends on the financial standing of companies, regulatory changes, and current energy and gas prices.

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

The GPW Group presented the updated strategy #GPW2022 in June 2018. Under the strategy, the GPW Management Board acting with the approval of the Exchange Supervisory Board presented 14 strategic initiatives. The key objectives of the updated strategy #GPW2022 include the development of new platforms matching buyers and sellers on the Warsaw trading floor and supporting the national economy more than ever before. The document is a continuation of the existing strategic framework. A detailed presentation of the #GPW2022 strategic initiatives is available on the GPW website at https://www.gpw.pl/pl-spolka-strategia-i-misja.

The Company's financial targets approved by the Exchange Supervisory Board under the "Update of the GPW Group Strategy #GPW2022" defined up to 2022 are as follows:

- Revenue: PLN 470 million in 2022,
- EBITDA: PLN 250 million in 2022,
- ROE: 19% in 2022 (it may temporarily fall below 19% due to expenditures in connection with the implementation of the strategy);
- C/I under 50% after 2022 (it may temporarily range from 63% to 55% due to expenditures in connection with the implementation of the strategy);
- Annual increase in the dividend from the 2020-2022 profits by at least PLN 0.1 per share; however, the dividend will be no less than 60% of the annual consolidated net profit of the GPW Group attributable to the GPW shareholders, adjusted for the share of profit of entities measured by the equity method.

According to the targets, the dividend from the profits of 2019 was to be at least PLN 2.4 per share, and that target was delivered. The Exchange Management Board tabled a 2019 profit distribution proposal to the Exchange Supervisory Board. On 27 April 2020, the Exchange Supervisory Board passed a positive opinion concerning the Management Board's profit distribution proposal. Based on the Management Board's proposal and the positive opinion of the Exchange Supervisory Board, the General Meeting of 22 June 2020 approved a dividend payment of PLN 2.4 per share.

Furthermore, the Group announced that these strategic objectives and targets are not a forecast or estimate of results, including financial results, and concern only the intended directions of activities in 2020-2022.

Below are the key factors and initiatives which will impact the results of the GPW Group at least in the next quarter:

External factors

A number of external factors have a direct or indirect impact on the results of the GPW Group including:

- expected GDP contraction by -7.4% on average in the EU according to the European Commission. The GDP forecast for Poland is -4.3%. However, according to a broad consensus, the economies will not recover to pre-pandemic levels in 2021. GDP growth in 2022 should be similar to that reported in late 2019 and early 2020;

- relatively well contained COVID-19 contagion, in particular in Q2 2020, combined with gradual unlocking of the economies, which boosted stock valuations and turnover;

- the concern is that the expectations concerning a COVID-19 vaccine or treatment are overly optimistic and the contagion may strike back in Q4. A potential second wave of the COVID-19 pandemic could adversely impact valuations and boost turnover;

- capital has recently made a come-back to Emerging Markets after an initial flight of investors from EM to DM (Developed Markets) and APAC (Asia-Pacific). At the outset of the pandemic, analysts did not expect Emerging Markets to handle the looming crisis as effectively as Developed Markets. CEE economies are a positive example;
- turbulences on the global capital markets combined with high volatility bolster investor activity on the exchange but affect the valuations of most stocks, which impacts the revenue earned by the Group;
- pension funds – the net transfers totalled (PLN 821 million) in 2020 to the disadvantage of pension funds;
- net assets of Employee Pension Plans (PPK) crossed the mark of PLN 1.4 billion as at 30 June 2020.

GPW Benchmark as an organiser of fixings of the WIBID and WIBOR reference rates

GPW Benchmark is the licensed administrator of significant and non-significant regulated data benchmarks and significant and non-significant non-interest-rate benchmarks under the decision of the Polish Financial Supervision Authority of 27 November 2019.

GPW Benchmark took over operational control of the provision of the Exchange Indices of the GPW Main Market, NewConnect and TBSP including WIG20, mWIG40 and sWIG80 as of 1 December 2019.

As an index administrator, GPW Benchmark is required to align with Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (BMR). The alignment involves the establishment of the adequate management framework for the calculation of the indices according to the requirements of the Regulation.

As of 1 January 2020, as a benchmark administrator within the meaning of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (BMR), GPW Benchmark took over control of the indices WIG-ESG and CEEplus from GPW. The WIG-ESG index has been published since 3 September 2019 based on a portfolio of stocks of socially responsible companies according to environmental, social and governance factors. The index is a member of a family of exchange indices. CEEplus has been published since 4 September 2019 based on a portfolio of the biggest and most liquid stocks listed on exchanges in Central Europe including Croatia, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia.

GPW Benchmark is in the process of getting authorised as a licensed administrator of interest rate benchmarks including the critical benchmark WIBOR. The application for the authorisation as administrator of the WIBID and WIBOR Reference Rates was lodged on 6 December 2019. The complete documentation of the WIBID and WIBOR Reference Rates aligned with the Benchmark Regulation was attached to the application.

The WIBID and WIBOR Reference Rates are currently covered by a transitional period which remains in effect until the date of PFSA's authorisation decision provided that the application is lodged before 1 January 2020. This ensures the continuity of the use of WIBID and WIBOR by supervised entities in financial contracts and financial instruments, both contracted before and after 1 January 2020.

OTF

TGE results will be impacted by the transformation of the Commodity Forward Instruments Market into an OTF (Organised Trading Facility) under MiFiD2. On 16 April 2020, the PFSA authorised TGE to operate an Organised Trading Facility. The TGE OTC Trading Rules took take effect on 1 May 2020. The first trading day on the OTF took place on 4 May 2020.

Launch of the Food Platform

In the first half of March 2020, the GPW Group launched the Food Platform ("Agricultural Market") dedicated to trade in agricultural commodities. The Agricultural Market is operated by TGE. The Market will be run as a pilot in the first months (until the end of August 2020): the Platform will charge no fees as it finetunes all operations. The first product to be traded on the Platform is consumption wheat; rye was added to the offering in July 2020; other agricultural commodities to be added in the future include: maize, rape, concentrated apple juice, sugar, milk powder. The Agricultural Market is co-ordinated by Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR). The project is financed by the National Centre for Research and Development.

GPW's continued development of the New Trading System

GPW's continued work on the development of a proprietary New Trading System with co-financing from NCBR. The development of a proprietary New Trading System is significant to continued operation of the Exchange among others due to the strategic impact of the decision which determines the competitive position of GPW; the amount of capital expenditures and operating expenses for the Trading System; and impact on the market environment, in particular Exchange Members. On the other hand, the development and implementation of a new trading system will diversify the revenue thanks to potential sale of the system to other exchanges, help to launch new products added to the offer of GPW, and make GPW more attractive to capital market participants. The development of the New Trading System will boost the reputation of GPW, as well.

GPW's continued development of the GPW Data Platform

The GPW Data project is a part of GPW's strategic initiatives in the Exchange's information services business segment. The project is relevant to the diversification of the GPW Group's revenue.

Employee Capital Plans (PPK)

PPK will replace the existing pension funds (OFE). The PPK Act took effect on 1 January 2019. It provides for four steps of mandatory PPK implementation by several categories of companies required to implement PPK. Companies with at least 250 employees as at 31 December 2018 are required to implement PPK by 1 July 2019. Companies with at least 50 employees as at 30 June 2019 are required to implement PPK by 1 January 2020. Companies with at least 20 employees as at 31 December 2020 are required to implement PPK by 1 July 2020. The other companies are required to implement PPK by 1 January 2021. In addition to those time limits, the PPK Act sets time limits for companies to execute PPK management agreements. Companies which are required to implement PPK the earliest have to execute such agreements by 25 October 2019. Hence, the first employee capital plans launched in Q3 and Q4 2019. Capital invested in PPK is expected to increasingly support the capital market and generate demand for stocks, including IPOs and SPOs, as well as demand for other financial instruments.

However, due to the pandemic and the introduction of emergency support regulations, the deadlines for employers in PPK phase 2 have been extended. According to the new regulations, companies with at least 50 employees as at 30 June 2019 are required to sign PPK management contracts by 27 October 2020 and

PPK administration contracts by 10 November 2020. The PPK Act contains provisions applicable where employers and PPK participants pay no contributions, including periods of economic lockdown and periods of reduced working hours. This could slow down the investment of assets in Employee Capital Plans.

Co-operation with the Lithuanian gas exchange GET Baltic

Co-operation established by IRGiT with the Lithuanian gas exchange GET Baltic. GPW's subsidiary IRGiT and the Baltic-Finnish gas exchange GET Baltic signed an advisory service agreement in Vilnius on 16 September 2019. The scope of IRGiT's services includes the development of a risk management system and a collateral and clearing model for the gas exchange operated by GET Baltic for Lithuania, Latvia, Estonia and, from 1 January 2020, Finland. GET Baltic is working to develop a new collateral and clearing model which will open better conditions of spot and forward trade for Baltic and Finnish market participants, improving the liquidity, competitiveness and attractiveness of the region. The integration of gas markets in the Baltic region is a process aimed at connecting gas markets into homogeneous balancing zones. It takes place at many levels: infrastructural, regulatory and business. With its central location, Poland will establish in the near future a physical connection to Denmark and Sweden via the Baltic Pipe, and to Lithuania, Latvia, Estonia and Finland via the GIPL. This will create new opportunities for the development of cross-border trade and the creation of a liquid regional gas market.

COVID-19 pandemic

The Group's results in the coming quarters will certainly be impacted by the economic conditions in Poland and globally imposed by the COVID-19 pandemic. The behaviour of the financial markets in the face of the continued pandemic will determine the turnover on the markets operated by GPW and the subsidiaries, as well as the number of issuers and IPOs, and market capitalisation. The impact on the financial position of the Group companies is presented in Chapters II and V.

XI. Other information

CONTINGENT LIABILITIES AND ASSETS

The GPW Group had no contingent liabilities or assets as at 30 June 2020 other than described below.

Contingent liabilities

"State-of-the-art Trading Platform" project

On 15 July 2019, GPW presented an own blank bill of exchange to NCBR securing obligations under the Agreement concerning the co-financing of a project financed under the Operational Programme Smart Development Sub-measure 1.1.1 Industrial research and development work implemented by enterprises. The project co-financed in the amount of PLN 30.3 million is "Research and development work for the development and implementation of a state-of-the-art integrated Trading Platform of ground-breaking performance and capacity parameters and innovative communication protocols and trading algorithms".

According to the agreement and the bill-of-exchange declaration, NCBR may complete the bill of exchange with the amount of provided co-financing which may be subject to refunding, together with interest accrued at the statutory rate of overdue taxes from the date of transfer of the amount to GPW's account to the day of repayment. NCBR may also complete the bill of exchange with the payment date and insert a "no protest" clause. The bill of exchange may be completed upon the fulfilment of conditions laid down in the Agreement of 3 July 2019 between GPW and NCBR. The bill of exchange shall be returned to GPW or destroyed at the written request of GPW after the project sustainability period defined in the project co-financing agreement.

"GPW Data platform" project

On 14 October 2019, GPW presented an own blank bill of exchange to NCBR securing obligations under the Agreement of 30 September 2019 concerning the co-financing of the project "GPW Data platform: an innovative Artificial Intelligence system supporting investment decisions on the capital market" financed under the Operational Programme Smart Development Sub-measure 1.1.1 Industrial research and development work implemented by enterprises. The type of security and the terms of the agreement and the bill of exchange follow from the general terms of project finance under the Operational Programme Smart Development 2014-2020. According to the agreement and the bill-of-exchange declaration, NCBR may complete the bill of exchange with the amount of provided co-financing which may be subject to refunding, together with interest accrued at the statutory rate of overdue taxes from the date of transfer of the amount to GPW's account to the day of repayment. NCBR may also complete the bill of exchange with the payment date and insert a "no protest" clause. The bill of exchange may be completed upon the fulfilment of conditions laid down in the Agreement of 30 September 2019 between GPW and NCBR. The bill of exchange shall be returned to GPW or destroyed at the written request of GPW after the project sustainability period defined in the project co-financing agreement.

IRGiT VAT correction

As at 30 June 2020, the Group recognised contingent liabilities in respect of a correction of VAT past the statute of limitation. Acting in the interest of GPW shareholders, pursuant to IAS 37.92 Provisions, Contingent Liabilities and Contingent Assets, the Group is not disclosing the estimated amount of the potential payable as it is in the process of confirming the adequacy of its approach.

Contingent assets

TGE's CIT payable

In September 2019, TGE submitted a correction of CIT receipts for 2012-2016 and paid the resulting amounts due to the tax office and interest. The correction concerned among others a conversion of IRGiT's debt to TGE into shares of IRGiT at PLN 10 million in 2013. In view of inconsistent interpretations of the tax authorities regarding the tax treatment of the transaction, TGE took steps to recover the paid amount of tax at PLN 1.9 million.

Due to uncertainty of the recovery, the Group recognised a contingent asset of PLN 1.9 million as at 30 June 2020.

PENDING LITIGATION

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

LOANS AND ADVANCES

On 28 February 2020, the Exchange and Polski Fundusz Rozwoju S.A. signed a PLN 400 thousand loan agreement with PAR to finance the borrower's short-term liquidity gap. The amount of the loan was paid to PAR on 28 February 2020. Under the initial agreement, PAR was required to pay the entire loan back to the lenders plus interest at 3.4% per annum on or before 30 June 2020.

In Q2 2020, the Exchange and Polski Fundusz Rozwoju S.A. signed an annex to the loan agreement with PAR, extending the repayment period until 30 June 2021.

INVESTMENT IN AND RELATIONS WITH OTHER ENTITIES

To maintain PAR's liquidity, under the agreement of 24 April 2020, the Exchange took up 1,100,000 series C new issue shares of PAR with a nominal value of PLN 0.53 per share and a total nominal value of PLN 583 thousand in exchange for a cash contribution of PLN 0.53 per series C share, i.e., PLN 583 thousand in total. The cash contribution was paid to PAR in April 2020.

The increase of PAR's capital was not yet registered in the National Court Register as at 30 June 2020. As a result, the Exchange held 33.33% of PAR shares as at 30 June 2020 and as at 31 December 2019. The increase of the share capital was registered in the National Court Register after the balance-sheet date, as described in the section "Events after the balance-sheet date".

GUARANTIES AND SURETIES GRANTED

On 5 July 2017, TGE granted a surety of PLN 1.0 million for its subsidiary InfoEngine S.A. in favour of Polskie Sieci Energetyczne S.A. against the clearing of transactions on the balancing energy market. On 25 January 2019, the surety issued by TGE to PSE for InfoEngine was annexed in order to extend it and raise the surety amount from PLN 1 million to PLN 2 million. On 21 February 2020, the agreement concerning TGE's surety in favour of PSE issued to InfoEngine was annexed to extend it until 28 February 2022.

The Group granted and accepted no other guarantees and sureties in H1 2020.

RELATED PARTY TRANSACTIONS

In H1 2020, GPW and the associates of GPW did not make any significant transactions on terms other than at arm's length.

FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS

The Group did not publish any forecasts of 2020 results.

DIVIDEND PAYMENT

On 22 June 2020, the Annual General Meeting of GPW passed a resolution to distribute the Company's profit for 2019, including a dividend payment of PLN 100,732,800.00. The dividend record date was 28 July 2020 and the dividend payment date was 11 August 2020. The dividend per share was PLN 2.40. The dividend was paid from 41,972,000 shares. The dividend payout ratio is 84.4% of the consolidated net profit (93.22% of the new profit attributable to shareholders of the parent entity adjusted for the share of profit of associates).

On 18 June 2020, the Annual General Meeting of Centrum Giełdowe S.A. decided to allocate a part of the profit equal to PLN 2.1 million to a dividend payment. The dividend attributable to GPW was PLN 0.5 million. The dividend was paid on 30 June 2020.

On 29 June 2020, the Annual General Meeting of Krajowy Depozyt Papierów Wartościowych S.A. decided to allocate a part of the profit equal to PLN 15.6 million to a dividend payment. The dividend attributable to GPW was PLN 5.2 million. The dividend payment date will be set by the KDPW Supervisory Board.

On 30 June 2020, the Annual General Meeting of Towarowa Giełda Energii S.A. passed a resolution to distribute the Company's profit for 2019, including a dividend payment of PLN 75.1 million. The entire dividend was due to GPW and was paid on 23 July 2020. Dividend receivable of PLN 75.1 million was recognised under Trade receivables and other receivables in GPW's separate financial statements as at 30 June 2020.

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

Memorandum of Understanding between KOWR and GPW Ventures

GPW Ventures, a subsidiary of the Warsaw Stock Exchange, and Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR) signed a memorandum of understanding concerning co-operation in the development of innovation in the broadly understood agricultural sector on 14 July 2020.

The partnership between GPW Ventures and KOWR will support the development of agriculture, the food and agricultural industry, renewable energy sources in agriculture, and rural areas by financing innovation and development including through venture capital (VC) funds. In the project, GPW Ventures will establish KOWR Ventures, an investment fund dedicated to KOWR. KOWR will be the sole investor of the KOWR Ventures Fund. The fund manager will be GPW Ventures.

KOWR is planning to invest up to PLN 25 million of assets managed by GPW Ventures in 2020 and possibly more in the coming years. KOWR Ventures Fund assets will be invested in companies whose business helps to improve the competitiveness of agriculture and the profitability of agricultural establishments, supports effective management of resources and prevents climate change, including renewable energy sources and the development of non-agricultural activity in rural areas.

Increase of the share capital of PAR

As at 6 August 2020, the amendment of PAR's Articles of Association incorporating an increase of its share capital by the Exchange and Polski Fundusz Rozwoju was registered in the National Court Register. As a result, the Exchange's interest in PAR increased from 33.33% as at 30 June 2020 to 36.86% as at 6 August 2020.

GPW adds new companies to the Analytical Coverage Support Programme

On 2 July 2020, the Management Board of the Warsaw Stock Exchange approved another twelve companies for the Analytical Coverage Support Programme in the supplementary edition of the Programme initially launched in June 2019. The objective of the Programme is to improve the availability of analytical coverage of less liquid companies and consequently to facilitate investment decisions based on a credible, independent source of information about issuers. In the supplementary part of the Programme, each of the twelve participating Exchange Members (brokers) nominated one additional company for analytical coverage. As a result, the existing 39 participants of GPW's Analytical Coverage Support Programme will be joined by another 12 companies. The cost of the extension of the Programme is PLN 550 thousand.

Bill of exchange issued under the Private Market project

In connection with the implementation of the Private Market project, on 31 July 2020, the Exchange presented a blank bill of exchange to NCBR to secure liabilities under the project co-financing agreement. NCBR may complete the bill of exchange with the amount of provided co-financing which may be subject to refunding, together with interest accrued at the statutory rate of overdue taxes from the date of transfer of the amount to GPW's account to the day of repayment (separately for each project). NCBR may also complete the bill of exchange with the payment date and insert a "no protest" clause. The bill of exchange may be completed upon the fulfilment of conditions laid down in the co-financing agreement. The bill of exchange shall be returned to the Exchange or destroyed after the project sustainability period defined in the co-financing agreement.

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

OTHER MATERIAL INFORMATION

On 2 March 2020, Mr Jacek Fotek, Vice-President of the Exchange Management Board, resigned from the Exchange Management Board effective on 30 April 2020.

On 6 May 2020, the General Meeting appointed Piotr Zawistowski President of TGE for a new three-year joint term of office starting on the day following the date of the General Meeting which approved the Company's financial statements for the financial year ended 31 December 2019.

On 18 May 2020, the Supervisory Board of Towarowa Giełda Energii S.A. appointed the Company's Vice-Presidents for a new term starting on the day following the General Meeting held to approve the financial statements for the year ended 31 December 2019. The Supervisory Board re-appointed Mr Piotr Listwoń as Vice-President and COO and appointed Mr Adam Młodkowski as Vice-President and CFO, replacing Mr Paweł Ostrowski. The appointment of Mr Adam Młodkowski is effective subject to the approval of the Polish Financial Supervision Authority.

On 22 June 2020, the Annual General Meeting of GPW appointed the following members of the Exchange Supervisory Board for a new term of office starting on 23 June 2020:

- Mr Filip Paszke,
- Mr Michał Bałabanow,
- Mr Dominik Kaczmarski,
- Mr Janusz Krawczyk,
- Mr Adam Szyszka,
- Mr Jakub Modrzejewski,
- Mr Eugeniusz Szumiejko.

On 6 July 2020, the Warsaw Stock Exchange was informed about the death of Mr Eugeniusz Szumiejko, Member of the Exchange Supervisory Board. Mr Eugeniusz Szumiejko was a Member of the Exchange Supervisory Board from 22 February 2017.

The Exchange Supervisory Board currently has six members.

In the opinion of the Company, in H1 2020, there were no significant events or circumstances, other than those presented in this Report, which would be material to an evaluation of the Company's or the Group's position with regard to its human resources, assets, financial position, financial results and capacity to meet obligations.

XII. Appendices

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2020

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This document is a translation.
The Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITOR'S REVIEW REPORT

ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SHAREHOLDERS AND SUPERVISORY BOARD OF

GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of the Giełda Papierów Wartościowych w Warszawie Group, where the parent company is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna with its registered office in Warsaw, at ul. Książęca 4, comprising the condensed consolidated statement of financial position prepared as at 30 June 2020, the condensed consolidated statement of comprehensive income for the period from 1 January 2020 to 30 June 2020, the condensed consolidated statement of changes in equity for the period from 1 January 2020 to 30 June 2020, the condensed consolidated statement of cash flows for the period from 1 January 2020 to 30 June 2020, and other explanatory information ("interim condensed consolidated financial statements").

The parent company's Management is responsible for the preparation and presentation of the interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standards 34 Interim Financial Reporting, announced in the form of European Commission regulations.

Our responsibility is to form a conclusion on the interim condensed consolidated financial statements based on our review.

Scope of Review

We performed the review in accordance with National Standard on Review Engagements 2410 in the wording of International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", adopted in a resolution passed by the National Council of Certified Auditors.

A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Standards on Auditing in the wording of International Standards on Auditing. In consequence, a review is not sufficient to obtain assurance that all significant matters that might be identified in an audit, have been identified. Accordingly, we do not express an audit opinion on the accompanying interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting, announced in the form of European Commission regulations.

BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw

entered on the list of audit firms in number **3355**

on behalf of which the review

of financial statements was performed by

Artur Staniszewski
Certified Auditor No. 9841

Dr. André Helin
Managing Partner
Certified Auditor No. 90004

Warsaw, 12 August 2020

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE

GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. GROUP

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2020 *(unaudited)*	31 December 2019
Non-current assets:		**577,404**	**590,114**
Property, plant and equipment	2.1.	95,597	101,968
Right-to-use assets		20,494	22,725
Intangible assets	2.2.	241,868	246,649
Investment in entities measured by equity method	2.4.	211,132	210,327
Investment in non-consolidated subsidiaries	2.3.	4,000	4,000
Sublease receivables		399	523
Deferred tax asset		1,219	464
Financial assets measured at fair value through other comprehensive income		116	120
Prepayments		1,409	2,043
Other non-current assets		1,170	1,295
Current assets:		**804,764**	**666,680**
Inventories		16	47
Corporate income tax receivable		-	4,132
Trade receivables and other receivables	2.5.1.	62,087	45,232
Sublease receivables		223	190
Contract assets		3,048	2,415
Financial assets measured at amortised cost	2.5.2.	316,505	328,998
Other current assets		4,504	4,382
Cash and cash equivalents	2.5.3.	418,381	281,284
TOTAL ASSETS		**1,382,168**	**1,256,794**

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

2 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2020 *(unaudited)*	31 December 2019
Equity:		**845,634**	**873,486**
Equity of shareholders of the parent entity:		845,023	872,881
Share capital		*63,865*	*63,865*
Other reserves		*1,204*	*1,089*
Retained earnings		*779,954*	*807,927*
Non-controlling interests		610	605
Non-current liabilities:		**278,030**	**283,502**
Liabilities on bonds issue	2.7.	244,545	244,350
Employee benefits payable		960	960
Lease liabilities		13,777	16,204
Contract liabilities	2.8.	876	572
Accruals and deferred income	2.9.	9,325	6,389
Deferred tax liability		417	5,386
Other liabilities	2.10.	8,130	9,641
Current liabilities:		**258,504**	**99,807**
Liabilities on bonds issue	2.7.	1,902	1,932
Trade payables		22,118	11,561
Employee benefits payable		14,886	17,175
Lease liabilities		5,349	5,181
Corporate income tax payable		1,751	1,555
Contract liabilities	2.8.	25,315	4,364
Accruals and deferred income	2.9.	2,753	767
Provisions for other liabilities and other charges, incl.:		25,353	15,563
VAT correction	5.9.	*25,353*	*15,468*
Other liabilities	2.10.	159,077	41,709
TOTAL EQUITY AND LIABILITIES		**1,382,168**	**1,256,794**

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

3 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Sales revenue		101,130	89,140	198,169	173,296
Operating expenses		(45,048)	(43,335)	(101,109)	(97,657)
Gain / (loss) on impairment of receivables	2.6.	783	1,407	(278)	276
Other income		1,823	1,876	3,061	3,206
Other expenses		(4,602)	(919)	(5,468)	(1,573)
Operating profit		**54,086**	**48,169**	**94,375**	**77,548**
Financial income		1,145	2,402	5,423	4,497
Financial expenses, incl.:		(5,039)	(2,306)	(14,140)	(4,421)
VAT correction	5.9.	*(2,880)*	*-*	*(9,886)*	*-*
(Loss) on impairment of investment in other entities		(583)	-	(583)	-
Share of profit/(losses) of entities measured by equity method	2.4.	4,404	3,639	6,385	4,628
Profit before tax		**54,013**	**51,903**	**91,460**	**82,251**
Income tax	3.1.	(10,514)	(9,353)	(18,694)	(15,249)
Profit for the period		**43,499**	**42,550**	**72,766**	**67,002**
Gain / (loss) on valuation of financial assets measured at fair value through other comprehensive income		*1*	*-*	*(3)*	*2*
Gain / (loss) on valuation of financial assets measured at fair value through other comprehensive income (entities measured by equity method)		*689*	*249*	*118*	*(123)*
Total items that may be reclassified to profit or loss		690	249	115	(121)
Total other comprehensive income after tax		**690**	**249**	**115**	**(121)**
Total comprehensive income		**44,190**	**42,799**	**72,882**	**66,881**
Profit for the period attributable to shareholders of the parent entity		*43,500*	*42,552*	*72,761*	*67,004*
Profit for the period attributable to non-controlling interests		*(1)*	*(2)*	*5*	*(2)*
Total profit for the period		**43,499**	**42,550**	**72,766**	**67,002**
Comprehensive income attributable to shareholders of the parent entity		*44,191*	*42,801*	*72,877*	*66,883*
Comprehensive income attributable to non-controlling interests		*(1)*	*(2)*	*5*	*(2)*
Total comprehensive income		**44,190**	**42,799**	**72,882**	**66,881**
Basic / Diluted earnings per share (PLN)		**1.04**	**1.01**	**1.73**	**1.60**

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

4 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Six-month period ended 30 June	
		2020 (unaudited)	2019 (unaudited)
Total net cash flows from operating activities		**138,511**	**137,745**
Net profit of the period		**72,766**	**67,002**
Adjustments:		**85,717**	**89,355**
Income tax	3.1.	18,694	15,249
Depreciation and amortisation	4	18,952	18,604
Share of (profit)/loss of entities measured by equity method	2.4.	(6,385)	(4,628)
(Gains) on financial assets measured at amortised cost		(2,048)	(2,594)
Interest on bonds		3,627	3,601
Other adjustments		(2,093)	664
Change of assets and liabilities:		54,970	58,458
Inventories		*29*	*17*
Trade receivables and other receivables (excluding dividend receivable)	2.5.1.	*(12,135)*	*3,677*
Trade payables		*10,557*	*23,327*
Contract assets		*(633)*	*(1,288)*
Contract liabilities	2.8.	*21,255*	*18,638*
Non-current prepayments		*634*	*391*
Accruals and deferred income	2.9.	*4,922*	*(280)*
Employee benefits payable		*(2,289)*	*(796)*
Other liabilities (excluding contracted investments and dividend payable)	2.10.	*22,840*	*14,745*
Provisions for liabilities and other charges		*9,790*	*27*
Income tax (paid)/refunded		**(19,972)**	**(18,612)**

5 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

	Note	Six-month period ended 30 June	
		2020 *(unaudited)*	2019 *(unaudited)*
Total cash flows from investing activities:		**(1,548)**	**158,341**
In:		**451,371**	**507,809**
Sale of property, plant and equipment and intangible assets		-	1,274
Dividends received	5.3.	512	441
Sale of financial assets measured at amortised cost		447,675	502,630
Interest on financial assets measured at amortised cost		2,852	3,346
Sublease payments (interest)		12	17
Sublease payments (principal)		320	101
Out:		**(452,919)**	**(349,468)**
Purchase of property, plant and equipment and advances for property, plant and equipment		(5,295)	(1,909)
Purchase of intangible assets and advances for intangible assets		(11,056)	(3,968)
Purchase of financial assets measured at amortised cost		(435,785)	(343,591)
Loan granted to a related party	5.1.3.	(200)	-
Purchase of shares in a related party	5.1.3.	(583)	-
Total cash flows from financing activities:		**(252)**	**(6,654)**
In:		**6,391**	**-**
Grants received		6,391	-
Out:		**(6,643)**	**(6,654)**
Interest paid on bonds		(3,656)	(3,644)
Lease payments (interest)		(328)	(369)
Lease payments (principal)		(2,659)	(2,641)
Net (decrease)/increase in cash and cash equivalents		**136,711**	**289,432**
Impact of fx rates on cash balance in currencies		*386*	*(25)*
Cash and cash equivalents - opening balance	2.5.3.	**281,284**	**188,724**
Cash and cash equivalents - closing balance	2.5.3.	**418,381**	**478,131**

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

6 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity of shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2020	**63,865**	**1,089**	**807,927**	**872,881**	**605**	**873,486**
Dividend	-	-	(100,733)	**(100,733)**	-	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(100,733)**	**(100,733)**	**-**	**(100,733)**
Net profit for the six-month period ended 30 June 2020	-	-	72,761	**72,761**	5	**72,766**
Other comprehensive income	-	115	-	**115**	-	**115**
Comprehensive income for the six-month period ended 30 June 2020	**-**	**115**	**72,761**	**72,876**	**5**	**72,882**
As at 30 June 2020 *(unaudited)*	**63,865**	**1,204**	**779,954**	**845,023**	**610**	**845,634**

	Equity of shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2019	**63,865**	**1,267**	**822,078**	**887,210**	**590**	**887,800**
Dividend	-	-	(133,471)	**(133,471)**	-	**(133,471)**
Transactions with owners recognised directly in equity	**-**	**-**	**(133,471)**	**(133,471)**	**-**	**(133,471)**
Net profit for 2019	-	-	119,320	**119,320**	14	**119,334**
Other comprehensive income	-	(178)	-	**(178)**	-	**(178)**
Comprehensive income for 2019	**-**	**(178)**	**119,320**	**119,142**	**14**	**119,156**
As at 31 December 2019	**63,865**	**1,089**	**807,927**	**872,881**	**605**	**873,486**

	Equity of shareholders of the parent entity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2019	**63,865**	**1,267**	**824,816**	**889,948**	**590**	**890,538**
Dividend	-	-	(133,471)	**(133,471)**	-	**(133,471)**
Transactions with owners recognised directly in equity	**-**	**-**	**(133,471)**	**(133,471)**	**-**	**(133,471)**
Net profit for the six-month period ended 30 June 2019	-	-	67,004	**67,004**	(2)	**67,002**
Other comprehensive income	-	(121)	-	**(121)**	-	**(121)**
Comprehensive income for the six-month period ended 30 June 2019	**-**	**(121)**	**67,004**	**66,883**	**(2)**	**66,881**
As at 30 June 2019 *(unaudited)*	**63,865**	**1,145**	**758,349**	**823,359**	**588**	**823,947**

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

7 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS, ACCOUNTING POLICIES

1.1. LEGAL STATUS

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

1.2. SCOPE OF ACTIVITIES OF THE GROUP

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

The Group 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 the Exchange and BondSpot S.A. ("BondSpot");
- **Treasury BondSpot Poland**: wholesale trade in Treasury bonds operated by BondSpot.

The Group also organises and operates trade on the markets operated by Towarowa Giełda Energii S.A. ("TGE"), Izba Rozliczeniowa Giełd Towarowych ("IRGiT") and InfoEngine S.A. ("IE", "InfoEngine"):

- **Energy Market**: trade in electricity on the Intra-Day Market, the Day-Ahead Market, the Commodity Forward Instruments Market, Electricity Auctions,
- **Gas Market**: trade in natural gas with physical delivery on the Intra-Day and Day-Ahead Market, the Commodity Forward Instruments Market, Gas Auctions,
- **Property Rights Market**: trade in property rights in certificates of origin of electricity and energy efficiency,
- **Financial Instruments Market**: trade in CO_2 emission allowance,
- **Market Operator Platform**: InfoEngine provides market operator services and balancing services to electricity traders, producers and large industrial customers,
- **Agricultural Market**: electronic trading platform for agricultural commodities operated by TGE and IRGiT.

On 4 May, TGE opened trading on the **Organised Trading Facility** ("OTF") comprising the following markets: Electricity Forwards Market, Gas Forwards Market and Property Rights Forward Market, where products became financial instruments.

The GPW Group also operates:

- **Clearing House and Settlement System** operated by IRGiT, performing the functions of an exchange settlement system for transactions in exchange-traded commodities,
- **Trade Operator and Balancing Entity services** – both types of services are offered by InfoEngine (balancing involves the submission of power sale contracts for execution and clearing of non-balancing with the grid operator, i.e., differences between actual power production or consumption and power sale contracts accepted for execution),
- **WIBID and WIBOR benchmark** calculation and distribution (the benchmarks are used by financial institutions in credit and deposit agreements and in the issuance of bonds),
- Activities in education, promotion and information concerning the capital market and the commodity market.

1.3. APPROVAL OF THE FINANCIAL STATEMENTS

These Condensed Consolidated Interim Financial Statements were authorised for issuance by the Management Board of the Exchange on 12 August 2020.

1.4. COMPOSITION AND ACTIVITY OF THE GROUP

The Exchange and its following subsidiaries:

- Towarowa Giełda Energii S.A. ("TGE"), the parent entity of the Towarowa Giełda Energii S.A. Group ("TGE Group") which includes TGE, Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT") and InfoEngine S.A. ("InfoEngine"),
- BondSpot S.A.,
- GPW Benchmark S.A. ("GPWB"),
- GPW Ventures ASI S.A. ("GPWV"),
- GPW Tech S.A. ("GPWT")

comprise the Warsaw Stock Exchange Group.

The results of GPWV and GPWT, which are immaterial, are not consolidated in these financial statements of the GPW Group as at 30 June 2020.

The following are the associates over which the Group exerts significant influence and joint ventures over which the Group has joint control:

- Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW"), the parent entity of the KDPW S.A. Group ("KDPW Group"),
- Centrum Giełdowe S.A. ("CG"),
- Polska Agencja Ratingowa S.A. ("PAR").

1.5. STATEMENT OF COMPLIANCE

These Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union. These Financial Statements do not contain all information required of complete financial statements prepared under the EU IFRS.

In the opinion of the Management Board of the parent entity, in the notes to the Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group, the Company included all material information necessary for the proper assessment of the assets and the financial position of the Group as at 30 June 2020 and its financial results in the period from 1 January 2020 to 30 June 2020.

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

The Group has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the audited Consolidated Financial Statements for the year ended 31 December 2019 other than for changes resulting from the application of new standards as described below. The Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2020 should be read in conjunction with the Consolidated Financial Statements for the year ended 31 December 2019.

The following standards and amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2020:

- Update to references of the IFRS Conceptual Framework,

  The Update includes a reference to the principle of substance over form and a definition of reporting entity. The Update of the Conceptual Framework improves the definition of assets and liabilities, defines income (as increases in assets or decreases in liabilities) and expenses (as decreases in assets or increases in liabilities). The Update directly links the disclosure criteria for information with qualitative characteristics. The Update modifies measurement methods (historical cost and current value) and measurement guidelines. The Update includes a new chapter dedicated to the presentation and disclosure of information in financial statements and the recognition of income and expenses in the statement of comprehensive income.
- Amendments to IFRS 3 Business Combinations – definition of a business,
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material,
- Interest Rate Benchmark Reform - Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, and IFRS 7 Statement of Cash Flows.

2. NOTES TO THE STATEMENT OF FINANCIAL POSITION

2.1. PROPERTY, PLANT AND EQUIPMENT

	Period of	
	six months ended 30 June 2020 *(unaudited)*	12 months ended 31 December 2019
Net carrying amount - opening balance	**101,968**	**108,158**
Additions	1,542	10,214
Reclassification and other adjustments	4	(12)
Disposals	(23)	(181)
Depreciation charge*	(7,893)	(16,210)
Net carrying amount - closing balance	**95,597**	**101,968**

**Depreciation charges capitalised to intangible assets under construction (licences) were PLN 103 thousand in the six-month period ended 30 June 2020 and PLN 163 thousand in 2019.*

Contracted investments in plant, property and equipment amounted to PLN 426 thousand as at 30 June 2020, including mainly the acquisition of IT hardware for the New Trading System the GPW Data project.

Contracted investments in plant, property and equipment amounted to PLN 115 thousand as at 31 December 2019, including mainly the acquisition of IT hardware for the New Trading System.

2.2. INTANGIBLE ASSETS

	Period of	
	six months ended 30 June 2020 *(unaudited)*	twelve months ended 31 December 2019
Net carrying amount - opening balance	**246,649**	**254,564**
Additions	7,128	11,639
Reclassification and other adjustments	(92)	-
Impairment	(3,524)	-
Capitalised amortisation	117	168
Disposals	-	(3,955)
Amortisation charge*	(8,410)	(15,767)
Net carrying amount - closing balance	**241,868**	**246,649**

**Depreciation charges capitalised to intangible assets under construction (licences) were PLN 14 thousand in the six-month period ended 30 June 2020 and PLN 5 thousand in 2019.*

Contracted investments in intangible assets amounted to PLN 1,428 thousand as at 30 June 2020, including mainly the acquisition of the GRC system and server time synchronisation software in GPW, as well as the EPIA and XBID platform in TGE and the Food Platform (contracted investments in intangible assets amounted to PLN 1,287 thousand as at 31 December 2019 and related to the same investments).

Impairment of the goodwill of BondSpot

10 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

In the latter half of March and in the following months of 2020, the key driver of BondSpot's financial position was the outbreak of the SARS-CoV-2 pandemic and its economic impact. Initially, volatility and market risk increased sharply, investors pulled out from bond funds, while the Monetary Policy Council and the National Bank of Poland took measures aiming to mitigate the adverse impact of the pandemic. The Monetary Policy Council decisions and the National Bank of Poland operations resulted in a sharp reduction of market interest rates, including yields across the Treasury curve, which curbed transactional activity of market participants. However, the key driver which reduced their activity were regular redemptions of Treasury bonds and instruments issued by Polski Fundusz Rozwoju and BGK, carried out by the National Bank of Poland. On the one hand, they are an effective tool supporting liquidity in the banking system (as banks do not need to source liquidity by selling Treasury bonds); on the other hand, they reduce the value of outstanding Treasury bonds in trading. Those drivers caused a reduction of the turnover on Treasury BondSpot Poland, a decrease of BondSpot revenues and a downgrade of BondSpot's revenue guidance for 2020 and beyond.

The deterioration of the financial position of BondSpot was a criterion that required a new impairment test of goodwill generated by the acquisition of BondSpot by GPW, previously carried out as at 31 December 2019. The value in use of a cash generating unit, which was considered to be the entire company, i.e., BondSpot, was carried out as a DCF valuation on the basis of a forecast of BondSpot's results for 2020-2024. The forecast was reduced as compared to the forecast used in the impairment test of the investment in BondSpot as at 31 December 2019. The other assumptions of the test as at 30 June 2020 included: weighted average cost of capital at 6%, revenue CAGR at 5%, expenses CAGR at 2%, growth rate after the projection time horizon at 0%.

Following the analysis, goodwill impairment charges were recognised at PLN 3,524 thousand in other expenses of the Group. After the recognition of impairment, the goodwill generated by the acquisition of BondSpot by GPW stood at PLN 19,462 thousand in the statement of financial position of the Group as at 30 June 2020 (PLN 22,986 thousand as at 31 December 2019).

The table below presents the sensitivity of the DCF valuation of the cash-generating unit to changes of assumptions.

Test of sensitivity of BondSpot impairment to change of assumptions		
	+0.5 p.p.	-0.5 p.p.
WACC	(2,030)	2,390
Revenue CAGR	3,522	(3,475)
Expenses CAGR	(3,162)	3,118
Growth rate after the projection time horizon	1,905	(1,622)

2.3. INVESTMENT IN SUBSIDIARIES EXCLUDED FROM CONSOLIDATION

The subsidiaries GPWT and GPWV were excluded from consolidation as immaterial as at 30 June 2020 and as at 31 December 2019.

Further to the foregoing, the investment in GPWT and GPWV is presented in the consolidated statement of financial position as at 30 June 2020 and as at 31 December 2019 at cost, i.e., PLN 4,000 thousand in aggregate.

2.4. INVESTMENT IN ENTITIES MEASURED BY EQUITY METHOD

The Group's entities measured by equity method include:

- Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW") (parent entity of the KDPW Group),
- Centrum Giełdowe S.A. ("CG"),
- Polska Agencja Ratingowa S.A. ("PAR").

The shareholders of PAR as at 30 June 2020 and as at 31 December 2019 were in equal parts: the Exchange, Polski Fundusz Rozwoju S.A. ("PFR"), and Biuro Informacji Kredytowej S.A. ("BIK").

Under the agreement of 24 April 2020, GPW took up 1,100,000 series C shares of PAR with a nominal value of PLN 0.53 per share and a total nominal value of PLN 583 thousand in exchange for a cash contribution of PLN 0.53 per share, i.e., PLN 583 thousand in total. The cash contribution was paid to PAR in April 2020.

The increase of PAR's capital was not yet registered in the National Court Register as at 30 June 2020. As at 30 June 2020, the Group recognised impairment of the investment in PAR at PLN 583 thousand, which was recognised in the statement of comprehensive income under "Impairment loss on investment in other entities". The impairment was recognised due to uncertainty in connection with the postponed launch of PAR's planned business activity. As a result, the value of the investment in PAR was equal to 0 in the Group's statement of financial position as at 30 June 2020 and as at 31 December 2020.

11 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at / Period ended	
	30 June 2020 *(unaudited)*	31 December 2019
KDPW S.A. Group	194,210	193,197
Centrum Giełdowe S.A.	16,922	17,129
Polska Agencja Ratingowa S.A.	-	-
Total	**211,132**	**210,327**

	As at / Period ended	
	30 June 2020 *(unaudited)*	31 December 2019
Opening balance	**210,327**	**207,267**
Purchase of shares in entities measured by equity method	583	-
Dividends due to GPW S.A.	(5,699)	(7,007)
Share of net profit/(loss)	*6,601*	*11,479*
Other increase/(decrease) of profit	*(217)*	*(217)*
Total Group share of profit/(loss) after tax	6,385	11,262
Share in other comprehensive income	118	(107)
Impairment of investment in an entity measured by equity method	(583)	(1,089)
Closing balance	**211,132**	**210,327**

2.5. FINANCIAL ASSETS

2.5.1. TRADE RECEIVABLES AND OTHER RECEIVABLES

	Note	As at	
		30 June 2020 *(unaudited)*	31 December 2019
Gross trade receivables		51,234	41,039
Impairment allowances for trade receivables	2.6.	(6,307)	(6,039)
Total trade receivables		**44,927**	**35,000**
Dividend receivable		5,187	-
Current prepayments		8,735	5,290
VAT refund receivable		-	113
Sublease receivables		20	13
Grants receivable		270	562
Other receivables		2,947	4,254
Total other receivables		**17,159**	**10,232**
Total trade receivables and other receivables		**62,087**	**45,232**

In the opinion of the Exchange Management Board, in view of the short due date of trade receivables, the carrying value of those receivables is close to their fair value. Details concerning an update of the provision matrix applicable to trade receivables are presented in Note 5.7.

12 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

2.5.2. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at	
	30 June 2020 (unaudited)	31 December 2019
Corporate bonds	89,953	89,958
Bank deposits	226,350	239,040
Loans granted	202	-
Total current	**316,505**	**328,998**
Total financial assets measured at amortised cost (over 3 months)	**316,505**	**328,998**

The carrying value of financial assets measured at amortised cost is close to their fair value.

2.5.3. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2020 (unaudited)	31 December 2019
Current accounts (other)	109,877	135,119
VAT current accounts (split payment)	162	3,265
Bank deposits	308,342	142,900
Total cash and cash equivalents	**418,381**	**281,284**

The carrying value of cash and cash equivalents is close to their fair value in view of their short maturity.

At the commencement of the development projects: New Trading System and GPW Data (see Note 5.4), the Group opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 4,441 thousand as at 30 June 2020 (PLN 627 thousand as at 31 December 2019). Cash in such accounts is classified by the Group as restricted cash.

Current accounts (other) included restricted cash at PLN 10 million which is IRGiT's additional risk management tool and secures the liquidity of IRGiT's clearing of exchange transactions under the GIR Rules.

Cash in VAT accounts is also restricted cash due to regulatory restrictions on the availability of cash in such accounts for current payments.

2.6. CHANGE OF ESTIMATES

In the period from 1 January 2020 to 30 June 2020, impairment losses for assets were adjusted as follows:

	As at	
	30 June 2020 (unaudited)	31 December 2019
Opening balance	**6,039**	**5,349**
Change of allowance balances - expected loss model (IFRS 9)	278	1,542
Receivables written off during the period as uncollectible	(8)	(852)
Closing balance	**6,307**	**6,039**

In the period from 1 January 2020 to 30 June 2020, there were the following changes in estimates:

- provisions against employee benefits were reduced by PLN 2,289 thousand (provision additions of PLN 9,353 thousand, usage of PLN 11,320 thousand, released provisions of PLN 322 thousand);
- provisions against litigation were reduced by PLN 95 thousand (provisions released at PLN 60 thousand, usage of PLN 35 thousand);
- provisions against a VAT correction were increased by PLN 9,886 thousand (see Note 5.9).

13 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

2.7. BOND ISSUE LIABILITIES

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Series C bonds	124,683	124,556
Series D and E bonds	119,861	119,794
Total non-current	**244,545**	**244,350**
Series C bonds	671	683
Series D and E bonds	1,231	1,250
Total current	**1,902**	**1,932**
Total liabilities under bond issue	**246,447**	**246,282**

Series C bonds

On 6 October 2015, the Exchange issued 1,250,000 series C unsecured bearer bonds in a total nominal amount of PLN 125 million. 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 trading in the alternative trading system on Catalyst.

Series D and E bonds

On 13 October 2016, the Exchange issued 1,200,000 unsecured bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120 million. The bonds were issued in January 2017 in two series: series D bonds with a total nominal value of PLN 60 million and series E bonds with a total nominal value of PLN 60 million. 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 series D and E 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 Catalyst regulated market.

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Fair value of series C bonds	129,441	128,265
Fair value of series D and E bonds	121,900	122,470
Total fair value of bonds in issue	**251,341**	**250,735**

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2.8. CONTRACT LIABILITIES

Contract liabilities include income of future periods from annual fees charged from market participants and information vendors, which are recognised over time.

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Listing	*876*	*572*
Total financial market	876	572
Total non-current	**876**	**572**
Trading	*1,679*	*1,115*
Listing	*9,091*	*192*
Information services and revenue from the calculation of reference rates	*10,558*	*762*
Total financial market	21,328	2,069
Trading	*3,894*	*2,216*
Total commodity market	3,894	2,216
Other revenue	94	79
Total current	**25,315**	**4,364**
Total contract liabilities	**26,191**	**4,936**

The increase of contract liabilities as at 30 June 2020, as compared to 31 December 2019, resulted from monthly pro-rata distribution of annual fees invoiced by the Group in the first days of the year.

2.9. ACCRUALS AND DEFERRED INCOME

Accruals and deferred income include income of future periods from grants in the part relating to assets (the part of grants relating to incurred expenses is recognised in other income).

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
PCR	4,332	4,520
Agricultural Market	981	1,060
New Trading System Project	3,744	809
GPW Data Project	268	-
Total non-current deferred income from grants	**9,325**	**6,389**
Total non-current	**9,325**	**6,389**
PCR	421	513
Agricultural Market	989	23
New Trading System Project	1,343	231
Total current deferred income from grants	**2,753**	**767**
Total current	**2,753**	**767**
Total accruals and deferred income	**12,078**	**7,156**

15 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

As at 30 June 2020, the Group recognised over time the following deferred income:

- reimbursement of part of the PCR project expenses received from Polskie Sieci Energetyczne,
- revenue received from Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR) in the Food Platform project,
- grant received from Narodowe Centrum Badań i Rozwoju (National Centre for Research and Development, NCBR) in the development of the New Trading System,
- revenue in the GPW Data project.

Details of grants are presented in Note 5.4.

2.10. OTHER LIABILITIES

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Liabilities to the Polish National Foundation	6,960	8,355
Other liabilities	1,170	1,285
Total non-current	**8,130**	**9,641**
Dividend payable	100,968	270
VAT payable	50,389	25,493
Liabilities in respect of other taxes	2,566	3,335
Contracted investments	3,446	11,127
Liabilities to the Polish National Foundation	1,274	1,255
Other liabilities	435	229
Total current	**159,077**	**41,709**
Total other liabilities	**167,207**	**51,350**

3. NOTE TO THE STATEMENT OF COMPREHENSIVE INCOME

3.1. INCOME TAX

	Three-month period ended 30 June		Six-month period ended 30 June	
	2020 *(unaudited)*	2019 *(unaudited)*	2020 *(unaudited)*	2019 *(unaudited)*
Current income tax	8,833	7,532	24,417	20,753
Deferred tax	1,681	1,821	(5,723)	(5,504)
Total income tax	**10,514**	**9,353**	**18,694**	**15,249**

As required by the Polish tax regulations, the tax rate applicable in 2020 and 2019 is 19%.

16 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Profit before income tax	54,013	51,903	91,460	82,251
Income tax rate	19%	19%	19%	19%
Income tax at the statutory tax rate	**10,262**	**9,862**	**17,377**	**15,628**
Tax effect of:	**252**	**(509)**	**1,317**	**(379)**
Costs which are not tax-deductible	1,472	183	2,265	491
VAT correction interests	547	-	1,878	-
Tax losses of subsidiaries not recognised in deferred tax	-	21	-	21
Non-taxable share of (profit) of entities measured by equity method	(837)	(690)	(1,213)	(879)
Grants which are not taxable	(47)	-	(93)	-
Tax credit from previous years	(48)	-	(48)	-
Other adjustments	(835)	(23)	(1,472)	(12)
Total income tax	**10,514**	**9,353**	**18,694**	**15,249**

A Tax Group ("TG") has been set up in 2017. The TG comprised of the Exchange, TGE, BondSpot, and GPWB. 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.

4. NOTE TO THE STATEMENT OF CASH FLOWS

	Six-month period ended 30 June	
	2020 (unaudited)	2019 (unaudited)
Depreciation of property, plant and equipment*	7,893	8,381
Depreciation of intangible assets**	8,410	7,769
Depreciation of right-to-use assets	2,649	2,454
Total depreciation	**18,952**	**18,604**

**Depreciation charges capitalised to property, plant and equipment under construction were PLN 103 thousand in the six-month period ended 30 June 2020.*

***Depreciation charges capitalised to intangible assets under construction (licences) were PLN 14 thousand in the six-month period ended 30 June 2020*

5. OTHER NOTES

5.1. RELATED PARTY TRANSACTIONS

Related parties of the Group include:

- the associates and joint ventures,
- the State Treasury as the parent entity,
- 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 Exchange.

17 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

5.1.1. INFORMATION ABOUT TRANSACTIONS WITH THE STATE TREASURY AND ENTITIES WHICH ARE RELATED PARTIES OF THE STATE TREASURY

Companies with a stake held by the State Treasury

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

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

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

All trade transactions with entities with a stake held by the State Treasury are concluded by the Group in the normal course of business and are carried out on an arm's length basis.

Polish Financial Supervision Authority ("PFSA")

The PFSA Chairperson publishes the rates and the indicators necessary to calculate capital market supervision fees by 31 August of each calendar year. On that basis, the entities obliged to pay the fee calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

The GPW Group's operating expenses in the six-month period ended 30 June 2020 include an estimate cost of the annual fee at PLN 10,024 thousand. The fee charged to the expenses of the GPW Group in the six-month period ended 30 June 2019 was PLN 12,889 thousand.

Tax Office

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

5.1.2. TRANSACTIONS WITH SUBSIDIARIES EXCLUDED FROM CONSOLIDATION

Transactions with subsidiaries excluded from consolidation include administrative services and space lease.

	As at 30 June 2020 *(unaudited)*		Six-month period ended 30 June 2020 *(unaudited)*	
	Receivables	Liabilities	Sales revenue or sublease interest	Operating expenses *(including: decrease of depreciation and amortisation due to subleases)*
GPW Tech:	**137**	**-**	**32**	**22**
leases	*121*	*-*	*2*	*22*
other	*16*	*-*	*30*	*-*
GPW Ventures:	**120**	**-**	**37**	**18**
leases	*110*	*-*	*2*	*18*
other	*10*	*-*	*35*	*-*
Total	**257**	**-**	**69**	**40**

18 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2019		Six-month period ended 30 June 2019 *(unaudited)*	
	Receivables	**Liabilities**	**Sales revenue or sublease interest**	**Operating expenses** *(including: decrease of depreciation and amortisation due to subleases)*
GPW Tech:	**163**	**-**	**N/A**	**N/A**
leases	*141*	-	*N/A*	*N/A*
other	*22*	-	*N/A*	*N/A*
GPW Ventures	**-**	**-**	**N/A**	**N/A**
Total	**163**	**-**	**N/A**	**N/A**

The table above includes no comparative data because GPW Tech and GPW Ventures were registered in the National Court Register in Q4 2019.

5.1.3. TRANSACTIONS WITH ENTITIES MEASURED BY EQUITY METHOD

Space lease

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

Transactions with PAR included office space lease and related fees.

Dividends

The Group received PLN 5,699 thousand in dividend income from associates in the six-month period ended 30 June 2020 (30 June 2019: PLN 7,007 thousand).

On 18 June 2020, the Annual General Meeting of CG decided to allocate a part of the profit equal to PLN 2,067 thousand to a dividend payment. The dividend attributable to GPW was PLN 512 thousand. The dividend was paid on 30 June 2020.

On 20 May 2019, the Annual General Meeting of CG decided to allocate a part of the profit equal to PLN 1,779 thousand to a dividend payment. The dividend attributable to GPW was PLN 441 thousand. The dividend was paid on 31 May 2019.

On 29 June 2020, the Annual General Meeting of KDPW decided to allocate a part of the profit equal to PLN 15,561 thousand to a dividend payment. The dividend attributable to GPW was PLN 5,187 thousand. The dividend was paid on 10 August 2020.

On 10 June 2019, the Annual General Meeting of KDPW decided to allocate a part of the profit equal to PLN 19,697 thousand to a dividend payment. The dividend attributable to GPW was PLN 6,566 thousand. The dividend was paid on 4 September 2019.

Loans and advances

On 28 February 2020, the Exchange and Polski Fundusz Rozwoju S.A. signed a PLN 400 thousand loan agreement with PAR to finance the borrower's short-term liquidity gap. The amount of the loan (advanced in equal parts by each of the lenders) was paid to PAR on 28 February 2020. Under the initial agreement, PAR was required to pay the entire loan back to the lenders plus interest at 3.4% per annum on or before 30 June 2020.

In Q2 2020, the Exchange and Polski Fundusz Rozwoju S.A. signed an annex to the loan agreement with PAR, extending the repayment period until 30 June 2021.

Other transactions

Under the agreement of 24 April 2020, GPW took up 1,100,000 series C shares of PAR with a nominal value of PLN 0.53 per share and a total nominal value of PLN 583 thousand in exchange for a cash contribution of PLN 0.53 per series C share, i.e., PLN 583 thousand in total.

The increase of PAR's capital was not yet registered in the National Court Register as at 30 June 2020. As a result, the Exchange held 33.33% of PAR shares as at 30 June 2020 and as at 31 December 2019.

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	As at 30 June 2020 *(unaudited)*		Six-month period ended 30 June 2020 *(unaudited)*	
	Receivables	**Liabilities**	**Sales revenue or sublease interest**	**Operating expenses** *(including: decrease of depreciation and amortisation due to subleases)*
KDPW Group	**6**	**3**	**9**	**8**
Centrum Giełdowe:	**-**	**7,029**	**-**	**1,812**
leases	-	6,995	-	1,183
other	-	34	-	629
PAR:	**311**	**-**	**66**	**-**
loan	200	-	2	-
leases	96	-	47	-
other	15	-	17	-
Total	**316**	**7,032**	**75**	**1,820**

	As at 31 December 2019		Six-month period ended 30 June 2019 *(unaudited)*	
	Receivables	**Liabilities**	**Sales revenue or sublease interest**	**Operating expenses** *(including: decrease of depreciation and amortisation due to subleases)*
KDPW Group	**44**	**1**	**33**	**10**
Centrum Giełdowe:	**-**	**7,806**	**-**	**1,690**
leases	-	7,516	-	1,177
other	-	290	-	513
PAR:	**456**	**75**	**97**	**-**
leases	456	-	15	-
other	-	75	82	-
Total	**500**	**7,882**	**130**	**1,699**

Receivables from associates and entities measured by equity method were not written off as uncollectible or provided for as at 30 June 2020 and as at 30 June 2019.

5.1.4. OTHER TRANSACTIONS

Transactions with the key management personnel

The Exchange entered into no transactions with the key management personnel as at 30 June 2020 and as at 31 December 2019.

Książęca 4 Street Tenants Association

In 2020 and in 2019, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 1,914 thousand in the six-month period ended 30 June 2020 and PLN 2,016 thousand in the six-month period ended 30 June 2019.

5.2. INFORMATION ON REMUNERATION AND BENEFITS OF THE KEY MANAGEMENT PERSONNEL

The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board, as well as members of the Management Boards and the Supervisory Boards of the subsidiaries, who were in office in the six-month period ended 30 June 2020 and in the six-month period ended 30 June 2019.

The table concerning remuneration of the key management personnel does not present social security contributions paid by the employer.

20 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Base salary	439	503	934	1,003
Variable pay	445	512	958	1,025
Other benefits	36	11	154	24
Benefits after termination	204	-	204	-
Total remuneration of the Exchange Management Board	**1,124**	**1,026**	**2,250**	**2,052**
Remuneration of the Exchange Supervisory Board	**144**	**126**	**290**	**252**
Remuneration of the Management Boards of other GPW Group companies	**962**	**856**	**1,766**	**1,648**
Remuneration of the Supervisory Boards of other GPW Group companies	**207**	**224**	**421**	**444**
Total remuneration of the key management personnel	**2,437**	**2,232**	**4,727**	**4,396**

The table above does not include the remuneration of the Management Boards of GPWV and GPWT, which were excluded from full consolidation as immaterial.

As at 30 June 2020, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 4,908 thousand including bonuses for 2018-2020. The cost was shown in the statement of comprehensive income for 2018-2020.

As at 31 December 2019, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 5,357 thousand including bonuses for 2016-2019. The cost was shown in the statement of comprehensive income for 2016-2019.

5.3. DIVIDEND

As required by the Commercial Companies Code, 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.

On 22 June 2020, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2019, including a dividend payment of PLN 100,733 thousand. The dividend per share was PLN 2.40. The dividend record date was 28 July 2020. The dividend for 2019 was not yet paid as at the balance-sheet date.

On 17 June 2019, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2018, including a dividend payment of PLN 133,471 thousand. The dividend per share was PLN 3.18. The dividend record date was 19 July 2019 and the dividend was paid on 2 August 2019. The dividend paid to the State Treasury was PLN 46,709 thousand.

5.4. GRANTS

New Trading System

The New Trading System is a development project of a new trading platform which will in the future help to reduce transaction costs and implement new functionalities and types of orders for Exchange Members, issuers, and investors.

The project expenditure is estimated at approx. PLN 90 million including PLN 30.3 million to be financed by the National Centre for Research and Development (grant amount). The project work was initiated on 1 September 2019.

GPW Data

The GPW Data project is an innovative Artificial Intelligence system supporting investment decisions of capital market participants.

The cost of the development of the new system is estimated at PLN 8.3 million including PLN 4.2 million to be financed by the National Centre for Research and Development (grant amount).

Price Coupling of Regions ("PCR")

PCR ensures co-ownership of system software of the day-ahead market by a group of European energy exchanges. The project is aimed at harmonisation of the European market using a shared calculation algorithm.

21 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

In 2016, TGE received a refund of part of the PCR cost from the Polish power transmission system operator Polskie Sieci Energetyczne S.A. in the implementation of international projects (aiming among others to implement European regulations applicable to cross-border energy exchange).

The total amount of the refund stood at PLN 7.0 million.

Agricultural Market

A consortium comprised of GPW, TGE and IRGiT signed an agreement with Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR) on 29 January 2019 concerning the Food Platform project which will launch an electronic trading platform for certain agricultural commodities. The platform will be operated by TGE and IRGiT (without the participation of the Exchange). As the consortium leader and the parent entity of the GPW Group, the Exchange only participates in project management and is paid a fee by the other consortium members which covers its expenses.

The Food and Agricultural Commodity Market opened as a pilot in March 2020.

5.5. SEASONALITY

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

5.6. SEGMENT REPORTING

Segment information is disclosed in these Condensed Consolidated Interim Financial Statements based on components of the entity which are monitored by the Group's chief decision maker (Exchange Management Board) to make operating decisions. Operating segments are based on categories of services with common characteristics for which discrete financial information is available and which are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess the Group's performance. The presentation of financial data by operating segment is consistent with the management approach at Group level.

For management purposes, the Group is divided into segments based on the type of services provided. The two main reporting segments are the financial segment and the commodity segment.

The financial segment covers the activity of the Group including organising trade in financial instruments on the exchange and in the alternative trading system as well as related activities.

The financial market includes three subsegments:

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

The commodity segment covers the activity of the Group including organising trade in commodities as well as related activities, e.g., operation of a clearing house and a settlement system, activity of a trade operator and the entity responsible for trade balancing.

The commodity segment includes the following sub-segments:

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

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

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

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

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

The tables below present a reconciliation of the data analysed by the Exchange Management Board with the data shown in these consolidated financial statements.

	Six-month period ended 30 June 2020 (unaudited)					
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	122,152	78,463	6,076	206,691	(8,522)	198,169
To third parties	*119,390*	*78,254*	*525*	*198,169*	-	*198,169*
Between segments	*2,762*	*209*	*5,551*	*8,522*	*(8,522)*	-
Operating expenses, including:	(73,086)	(36,234)	-	(109,320)	8,211	(101,109)
depreciation and amortisation	*(13,329)*	*(6,174)*	-	*(19,503)*	*668*	*(18,837)*
Profit/(Loss) on sales	**49,066**	**42,229**	**6,076**	**97,371**	**(311)**	**97,060**
Gain / (loss) on impairment of receivables	(148)	(130)	-	(278)	-	(278)
Other income	1,033	2,029	-	3,062	(1)	3,061
Other expenses	(5,393)	(75)	-	(5,468)	-	(5,468)
Operating profit/(loss)	**44,558**	**44,053**	**6,076**	**94,687**	**(312)**	**94,375**
Financial income, including:	84,916	1,414	-	86,330	(80,907)	5,423
interest income	*2,239*	*1,355*	-	*3,594*	*(141)*	*3,453*
dividend income	*80,766*	-	-	*80,766*	*(80,766)*	-
Financial expenses, including:	(4,188)	(10,193)	-	(14,381)	241	(14,140)
interest cost	*(4,186)*	*(201)*	-	*(4,387)*	*241*	*(4,146)*
VAT correction	-	*(9,886)*	-	*(9,886)*	-	*(9,886)*
Share of profit/(loss) of entities measured by equity method	-	-	-	-	6,385	6,385
(Loss) on impairment of investment in other entities	(583)	-	-	(583)	-	(583)
Profit before income tax	**124,703**	**35,274**	**6,076**	**166,053**	**(74,593)**	**91,460**
Income tax	(10,160)	(8,534)	-	(18,694)	-	(18,694)
Net profit	**114,543**	**26,740**	**6,076**	**147,359**	**(74,593)**	**72,766**

	As at 30 June 2020 (unaudited)						
	Financial segment	Commodity segment	Other	Total segments	Adjustments for investments measured by equity method	Other exclusions and adjustments	Total segments and exclusions
Total assets	963,318	448,634	-	1,411,952	199,478	(229,262)	1,382,168
Total liabilities	436,870	197,044	-	633,914	-	(97,380)	536,534
Net assets (assets - liabilities)	**526,448**	**251,590**	**-**	**778,038**	**199,478**	**(131,882)**	**845,634**

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	Six-month period ended 30 June 2019					
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	96,294	78,212	3,864	**178,370**	(5,074)	**173,296**
To third parties	*94,934*	*77,978*	*384*	***173,296***	-	***173,296***
Between segments	*1,360*	*234*	*3,480*	***5,074***	*(5,074)*	***-***
Operating expenses, including:	(68,463)	(34,394)	-	**(102,857)**	5,200	**(97,657)**
depreciation and amortisation	*(11,944)*	*(6,780)*	-	***(18,724)***	*120*	***(18,604)***
Profit/(Loss) on sales	**27,831**	**43,818**	**3,864**	**75,513**	**126**	**75,639**
Gain / (loss) on impairment of receivables	373	(97)	-	**276**	-	**276**
Other income	1,316	1,921	-	**3,237**	(31)	**3,206**
Other expenses	(1,581)	(21)	-	**(1,602)**	29	**(1,573)**
Operating profit/(loss)	**27,939**	**45,621**	**3,864**	**77,424**	**124**	**77,548**
Financial income, including:	73,906	30,001	-	**103,907**	(99,410)	**4,497**
interest income	*2,926*	*1,768*	-	***4,694***	*(227)*	***4,467***
dividend income	*70,951*	*28,218*	-	***99,169***	*(99,169)*	***-***
Financial expenses, including:	(4,324)	(346)	-	**(4,670)**	249	**(4,421)**
interest cost	*(4,205)*	*(200)*	-	***(4,405)***	*237*	***(4,165)***
Share of profit/(loss) of entities measured by equity method	-	-	-	**-**	4,628	**4,628**
Profit before income tax	**97,521**	**75,276**	**3,864**	**176,661**	**(94,410)**	**82,251**
Income tax	(6,142)	(9,107)	-	**(15,249)**	-	**(15,249)**
Net profit	**91,379**	**66,169**	**3,864**	**161,412**	**(94,410)**	**67,002**

	As at 31 December 2019						
	Financial segment	Commodity segment	Other	Total segments	Adjustments for investments measured by equity method	Other exclusions and adjustments	Total segments and exclusions
Total assets	1,020,346	188,193	-	**1,208,539**	198,675	(150,420)	**1,256,794**
Total liabilities	369,957	34,971	-	**404,928**	-	(21,620)	**383,308**
Net assets (assets - liabilities)	**650,389**	**153,222**	**-**	**803,611**	**198,675**	**(128,800)**	**873,486**

24 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Three-month period ended 30 June 2020 *(unaudited)*					
	Financial segment	**Commodity segment**	**Other**	**Total segments**	**Exclusions and adjustments**	**Total segments and exclusions**
Sales revenue:	62,494	40,209	3,127	**105,830**	(4,700)	**101,130**
To third parties	*60,671*	*40,105*	*354*	***101,130***	*-*	***101,130***
Between segments	*1,823*	*104*	*2,773*	***4,700***	*(4,700)*	***-***
Operating expenses, including:	(33,517)	(15,791)	-	**(49,308)**	4,260	**(45,048)**
depreciation and amortisation	*(6,463)*	*(2,945)*	*-*	***(9,408)***	*668*	***(8,742)***
Profit/(Loss) on sales	**28,977**	**24,418**	**3,127**	**56,522**	**(439)**	**56,082**
Gain / (loss) on impairment of receivables	589	194	-	**783**	-	**783**
Other income	351	1,445	-	**1,796**	27	**1,823**
Other expenses	(4,513)	(67)	-	**(4,580)**	(22)	**(4,602)**
Operating profit/(loss)	**25,404**	**25,990**	**3,127**	**54,521**	**(435)**	**54,086**
Financial income, including:	81,580	400	-	**81,980**	(80,835)	**1,145**
interest income	*951*	*437*	*-*	***1,388***	*(69)*	***1,319***
dividend income	*80,766*	*-*	*-*	***80,766***	*(80,766)*	***-***
Financial expenses, including:	(2,095)	(3,066)	-	**(5,161)**	122	**(5,039)**
interest cost	*(2,095)*	*(105)*	*-*	***(2,200)***	*128*	***(2,072)***
VAT correction	*-*	*(2,880)*	*-*	***(2,880)***	*-*	***(2,880)***
Share of profit/(loss) of entities measured by equity method	-	-	-	**-**	4,404	**4,404**
(Losses) on impairment of investment in other entities	(583)	-	-	**(583)**	-	**(583)**
Profit before income tax	**104,306**	**23,324**	**3,127**	**130,757**	**(76,744)**	**54,013**
Income tax	(5,589)	(4,925)	-	**(10,514)**	-	**(10,514)**
Net profit	**98,717**	**18,399**	**3,127**	**120,243**	**(76,744)**	**43,499**

25 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Three-month period ended 30 June 2019 (unaudited)					
	Financial segment	**Commodity segment**	**Other**	**Total segments**	**Exclusions and adjustments**	**Total segments and exclusions**
Sales revenue:	46,135	43,546	2,095	**91,776**	(2,636)	**89,140**
To third parties	*45,448*	*43,428*	*264*	***89,140***	-	***89,140***
Between segments	*687*	*118*	*1,831*	***2,636***	*(2,636)*	***-***
Operating expenses, including:	(31,345)	(14,727)	-	**(46,072)**	2,737	**(43,335)**
depreciation and amortisation	*(6,284)*	*(3,490)*	-	***(9,774)***	*120*	***(9,654)***
Profit/(Loss) on sales	**14,790**	**28,819**	**2,095**	**45,704**	**101**	**45,805**
Gain / (loss) on impairment of receivables	1,264	143	-	**1,407**	-	**1,407**
Other income	202	1,702	-	**1,904**	(28)	**1,876**
Other expenses	(933)	(15)	-	**(948)**	29	**(919)**
Operating profit/(loss)	**15,323**	**30,649**	**2,095**	**48,067**	**102**	**48,169**
Financial income, including:	72,503	29,189	-	**101,692**	(99,290)	**2,402**
interest income	*1,724*	*1,159*	-	***2,883***	*(107)*	***2,776***
dividend income	*70,951*	*28,218*	-	***99,169***	*(99,169)*	***-***
Financial expenses, including:	(2,242)	(190)	-	**(2,432)**	126	**(2,306)**
interest cost	*(2,365)*	*(152)*	-	***(2,517)***	*117*	***(2,400)***
Share of profit/(loss) of entities measured by equity method	-	-	-	**-**	3,639	**3,639**
Profit before income tax	**85,584**	**59,648**	**2,095**	**147,327**	**(95,424)**	**51,903**
Income tax	(3,265)	(6,088)	-	**(9,353)**	-	**(9,353)**
Net profit	**82,319**	**53,560**	**2,095**	**137,974**	**(95,424)**	**42,550**

26 DATA FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

5.7. ADDITIONAL INFORMATION CONCERNING THE SARS-COV-2 PANDEMIC

As a key new circumstance which markedly impacted the Group's activity in H1 2020, the outbreak of the SARS-CoV-2 pandemic exerted an economic impact due to limitations imposed on economic activity as required to keep social distance, combined with support schemes and tax credits offered by governments including Poland.

The Exchange Management Board monitors the epidemiological situation in Poland and globally on an on-going basis and analyses its impact on the position of the Company. In the opinion of the Exchange Management Board, as an operator of Poland's capital market and commodity exchange infrastructure, the Group is exposed to moderate operational and financial risk generated by the outbreak of the SARS-CoV-2 pandemic.

In view of the new economic situation in Poland, the Group identified a number of operational risks (including periodic HR shortages, interruption of vendors' services, and restricted activity of market makers) and took adequate risk mitigating measures. Furthermore, with a view to safety of Group employees and employees of the Group's contractors, the Group's companies facilitated mutual communications and modified their procedures to limit face-to-face contacts. The Group implemented all of the ESMA and KNF recommendations for regulated markets of 12 March 2020, the ESMA recommendations concerning financial reporting of 20 May 2020, as well as the guidelines of the Chief Sanitary Inspectorate, including in particular recommendations concerning the safety, health and hygiene of employees. As at the date of publication of these financial statements, the operation of the Group continues without interruption.

The potential adverse impact of the pandemic on the financial position of the Group was analysed and the following issues were identified: a decrease of the Company's revenue in the case of a longer economic slow-down discouraging investors from investing on the capital markets, as well as materialisation of credit risk if counterparties stop paying amounts due.

None of the risks identified by the Group in connection with the outbreak of pandemic materialised in H1 2020. The financial results of the Group in H1 2020 improved compared to the results of H2 2019 and H1 2019 as a result of an increase in sales revenue driven by an increase of trade in financial instruments on the markets operated by the Exchange. The key drivers included high volatility on the financial markets correlated with strong investor activity (in particular, the initial sell-out of assets followed by a rally as investors were encouraged by falling valuations), as well as the presence of many new individual investors (73.5 thousand new securities accounts were opened in H1 2020).

In the six-month period ended 30 June 2020, the Group did not use any of the support schemes offered by the government to Polish companies due to the pandemic. External sources of financing used by the Group as at 30 June 2020 include leases and bonds in issue (see Note 2.6). The outbreak of the pandemic did not change the terms of the Group's external financing.

Due to the fact that the outbreak of the pandemic caused uncertainty in many areas of the Polish and global economy, the Exchange Management Board and the Management Boards of the subsidiaries decided, in accordance with the ESMA recommendations, to review their judgments and estimates as at 31 December 2019 as well as other assumptions used in the application of the Group's accounting policies. In particular, the following issues were considered:

- Indications of impairment of goodwill recognised in the Group's statement of financial position as at 30 June 2020 were reviewed. An indication requiring an impairment test was identified only for the company BondSpot, resulting in a charge of PLN 3,524 thousand. More details concerning the valuation are presented in Note 2.2.
- No need was identified to change any of the estimates concerning the useful life and the depreciation rate of property, plant and equipment and intangible assets.
- The judgments used in the valuation of lease liabilities were not modified. The Exchange Management Board decided in particular that the term of leases used in the valuation of lease liabilities under lease agreements with no fixed term (5 years, i.e., by the end of 2023) is an adequate representation of the most probable term of leases taking into account all facts and circumstances in connection with the outbreak of the pandemic.
- The Company carried out an in-depth analysis of the regularity of payment of trade receivables due from Exchange Members, issuers, and data vendors and modified its assumptions used in the valuation of expected credit loss of trade receivables as at 30 June 2020. No adverse impact was identified of the economic slow-down on the regular payment of receivables due from the Exchange's counterparties. The impairment provisions for trade receivables based on an updated provision matrix did not increase as compared to trade receivables as at 31 December 2019.

- The Exchange Management Board and the Management Boards of the subsidiaries considered whether the outbreak of the pandemic and its impact affected the companies' ability to continue as a going concern. As at 30 June 2020, the Group held PLN 734,886 thousand in cash and cash equivalents and short-term financial assets including bank deposits and guaranteed corporate bonds; in the opinion of the Exchange Management Board and the Management Boards of the subsidiaries, those financial resources are sufficient to conclude that the Group's short-term and mid-term liquidity risk is low.

In summary, in the opinion of the Exchange Management Board, the SARS-CoV-2 pandemic poses no threat to continued operation of the Group.

5.8. CONTINGENT ASSETS AND LIABILITIES

5.8.1. CONTINGENT ASSETS

In September 2019, TGE submitted a correction of CIT returns and paid the resulting amounts due to the tax office and interest.

The correction concerned among others a conversion of IRGiT's debt to TGE into shares of IRGiT at PLN 10 million in 2013. In view of inconsistent interpretations of the tax authorities regarding the tax treatment of the transaction, TGE took steps to recover the paid amount of tax at PLN 1.9 million.

Due to uncertainty of the recovery, the Group recognised a contingent asset of PLN 1.9 million as at 30 June 2020.

5.8.2. CONTINGENT LIABILITIES

In connection with the implementation of the New Trading System project and GPW Data, the Exchange presented two own blank bills of exchange to NCBR securing obligations under the projects' co-financing agreements. According to the agreements and the bill-of-exchange declarations, NCBR may complete the bills of exchange with the amount of provided co-financing which may be subject to refunding, together with interest accrued at the statutory rate of overdue taxes from the date of transfer of the amount to the Exchange's account to the day of repayment (separate for each project). NCBR may also complete the bills of exchange with the payment date and insert a "no protest" clause. The bills of exchange may be completed upon the fulfilment of conditions laid down in the co-financing agreement. Each of the bills of exchange shall be returned to the Exchange or destroyed after the project sustainability period defined in the project co-financing agreement.

As at 30 June 2020, the Group recognised contingent liabilities in respect of a correction of overdue VAT. Acting in the interest of GPW shareholders, pursuant to IAS 37.92 Provisions, Contingent Liabilities and Contingent Assets, the Group is not disclosing the estimated amount of the potential payable as it is in the process of confirming the adequacy of its approach (see Note 5.9.).

5.9. UNCERTAINTY CONCERNING VAT

According to the tax risk management policy of the GPW Group, as of 2017, tax accounts of all Group members, including IRGiT, have been reviewed on an annual basis by an independent tax advisor. In addition, following one of such reviews, in order to verify the tax risk identified in the review, the IRGiT Management Board requested independent advisors to provide opinions concerning the recognition of the date of origination of a VAT tax payable in respect of deliveries of electricity and gas and the recognition of the date of origination of the right to an input VAT deduction and to calculate the potential impact of a potential change to IRGiT's current approach on IRGiT's tax payable.

On the basis of the received opinions, IRGiT's approach was found to be correct in the light of Union law but potentially controversial under national tax regulations. Based on the literal wording of national tax regulations, it could be found that IRGiT occasionally recognises the tax payable in respect of electricity and gas sale invoices too early and that in some financial periods it recognises the right to an input VAT deduction too early. The application of the literal wording of such regulations would result in a correction of VAT returns since December 2014 (for all periods not subject to the statute of limitation), giving rise to a VAT payable and interest to be paid by IRGiT.

Furthermore, the opinions point out that the matter is not unequivocal and may give rise to different interpretations. According to the advisors, there are arguments to conclude among others that:

- according to the VAT Directive, the methodology of input VAT deductions currently applied by IRGiT is correct and all conditions of input VAT deductions are met;
- potential payable in respect of prior uncorrected periods, subject to the statute of limitation, could be considered to be in breach of the principle of value added tax neutrality.

In view of the uncertainty concerning the amount of the potential VAT payable, guided by the principle of prudence, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, it was decided to set up provisions of PLN 15.5 million as at 31 December 2019. The provisions were charged to financial expenses (including interest on tax payable). As at 30 June 2020, the provisions were increased to PLN 25.4 million. As a result, estimated interest on tax payable at PLN 9.9 million was charged to the results of H1 2020. The provision amount is the best possible estimate of the potential payable as at 30 June 2020 due in the case of a potential change of the methodology of recognising the date of origination of tax payable. IRGiT is planning to confirm the adequacy of its approach.

There is a relatively low risk due to the expiration of the five-year statute of limitation. In the case of a potential correction of tax returns for the period not subject to the statute of limitation (December 2014), IRGiT would be required to report once again the output VAT originally declared in the tax return submitted for November 2014 and paid when due, which is no longer subject to a correction due to the expiration of the statute of limitation. According to the tax opinion received by IRGiT, the risk that the competent authorities may decide that IRGiT should report and pay the output VAT twice when making such potential correction is relatively low because the interpretation of national law, not subject to harmonisation, would result in a breach of a higher-rank norm arising from Union law. Acting in the interest of GPW shareholders, pursuant to IAS 37.92, the Group is not disclosing the estimated amount of the potential payable as it is in the process of confirming the adequacy of its approach.

5.10. EVENTS AFTER THE BALANCE SHEET DATE

As at 6 August 2020, the amendment of PAR's Articles of Association incorporating an increase of its share capital by the Exchange (see Note 2.4) and Polski Fundusz Rozwoju was registered in the National Court Register. As a result, the Exchange's interest in PAR increased from 33.33% as at 30 June 2020 to 35.86% as at 6 August 2020.

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

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

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

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

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

Signature of the person responsible for keeping books of account:

Małgorzata Gola - Radwan, Chief Accountant ....

Warsaw, 12 August 2020

Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares to the best of its knowledge that:

- The Condensed Consolidated Interim Financial Statements of the Warsaw Stock Exchange Group for the period from 1 January 2020 to 30 June 2020, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange Group ("Group"),

- The Management Board Report on the Activity of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2020 gives the true view of the Group's development, achievements and situation, including the main threats and risks.

Marek Dietl President of the Management Board	Piotr Borowski Member of the Management Board
Izabela Olszewska Member of the Management Board	Dariusz Kułakowski Member of the Management Board

Warsaw, 12th August 2020

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This document is a translation.
The Polish original should be referred to in matters of interpretation.

INDEPENDENT AUDITOR'S REVIEW REPORT

ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE SHAREHOLDERS AND SUPERVISORY BOARD OF

GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A.

Introduction

We have reviewed the accompanying interim condensed financial statements of Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna with its registered office in Warsaw, at ul. Książęca 4, comprising the condensed statement of financial position prepared as at 30 June 2020, the condensed statement of comprehensive income for the period from 1 January 2020 to 30 June 2020, the condensed statement of changes in equity for the period from 1 January 2020 to 30 June 2020, the condensed statement of cash flows for the period from 1 January 2020 to 30 June 2020, and other explanatory information ("interim condensed financial statements").

The parent company's Management is responsible for the preparation and presentation of the interim condensed financial statements in accordance with the requirements of International Accounting Standards 34 Interim Financial Reporting, announced in the form of European Commission regulations.

Our responsibility is to form a conclusion on the interim condensed financial statements based on our review.

Scope of Review

We performed the review in accordance with National Standard on Review Engagements 2410 in the wording of International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", adopted in a resolution passed by the National Council of Certified Auditors.

A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with National Standards on Auditing in the wording of International Standards on Auditing. In consequence, a review is not sufficient to obtain assurance that all significant matters that might be identified in an audit, have been identified. Accordingly, we do not express an audit opinion on the accompanying interim condensed financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting, announced in the form of European Commission regulations.

BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw

entered on the list of audit firms in number **3355**

on behalf of which the review

of financial statements was performed by

Artur Staniszewski
Certified Auditor No. 9841

Dr. André Helin
Managing Partner
Certified Auditor No. 90004

Warsaw, 12 August 2020

Condensed Separate Interim Financial Statements of
Giełda Papierów Wartościowych w Warszawie S.A.
for the six-month period ended 30 June 2020

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SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2020 *(unaudited)*	31 December 2019
Non-current assets:		**428,309**	**435,342**
Property, plant and equipment	2.1.	91,085	95,416
Right-to-use assets		13,127	14,329
Intangible assets	2.2.	50,059	49,829
Investment in associates and entities measured by equity method	2.3.	11,652	11,652
Investment in subsidiaries	2.3.	255,885	255,885
Sublease receivables		5,153	6,363
Financial assets measured at fair value through other comprehensive income		116	120
Prepayments		1,232	1,748
Current assets:		**502,599**	**357,422**
Inventories		8	47
Corporate income tax receivable		-	4,132
Trade receivables and other receivables	2.4.1.	121,414	30,128
Sublease receivables		2,361	2,302
Contract assets		1,964	940
Financial assets measured at amortised cost	2.4.2.	267,285	267,687
Other current assets		4,222	4,222
Cash and cash equivalents	2.4.3.	105,345	47,964
TOTAL ASSETS		**930,908**	**792,764**

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

2 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2020 *(unaudited)*	31 December 2019
Equity:		**502,919**	**479,843**
Share capital		63,865	63,865
Other reserves		(190)	(187)
Retained earnings		439,244	416,165
Non-current liabilities:		**270,509**	**275,299**
Liabilities on bonds issue	**2.6.**	244,545	244,350
Employee benefits payable		682	682
Lease liabilities		13,347	15,826
Contract liabilities	**2.7.**	876	572
Accruals and deferred income		4,012	809
Deferred tax liability		87	4,705
Other liabilities	**2.8.**	6,960	8,355
Current liabilities:		**157,480**	**37,622**
Liabilities on bonds issue	**2.6.**	1,902	1,932
Trade payables		12,238	7,970
Employee benefits payable		9,089	10,579
Lease liabilities		5,202	5,024
Corporate income tax payable		843	-
Contract liabilities	**2.7.**	19,443	1,390
Accruals and deferred income		1,343	231
Provisions for other liabilities and other charges		-	95
Other liabilities	**2.8.**	107,420	10,401
TOTAL EQUITY AND LIABILITIES		**930,908**	**792,764**

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

3 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Sales revenue		61,348	44,345	119,464	92,516
Operating expenses		(29,415)	(27,590)	(64,724)	(60,778)
Gain / (loss) on iimpairment of receivables		589	1,264	(148)	373
Other income		346	168	1,019	1,172
Other expenses		(987)	(932)	(1,864)	(1,578)
Operating profit		**31,881**	**17,255**	**53,747**	**31,705**
Financial income	**3.1.**	81,685	72,423	84,751	73,748
Financial expenses		(2,190)	(2,215)	(4,140)	(4,272)
(Losses) on impairment of investment in other entities		(583)	-	(583)	-
Profit before tax		**110,793**	**87,463**	**133,775**	**101,181**
Income tax	**3.2.**	(5,507)	(3,241)	(9,965)	(6,121)
Profit for the period		**105,286**	**84,222**	**123,810**	**95,060**
Gain / (loss) on valuation of financial assets measured at fair value through other comprehensive income		*1*	*-*	*(3)*	*2*
Total items that may be reclassified to profit or loss		1	-	(3)	2
Total other comprehensive income after tax		**1**	**-**	**(3)**	**2**
Total comprehensive income		**105,287**	**84,222**	**123,807**	**95,062**
Basic / Diluted earnings per share (PLN)		**2.51**	**2.01**	**2.95**	**2.26**

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

4 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CASH FLOWS

	Note	Six-month period ended 30 June	
		2020 *(unaudited)*	2019 *(unaudited)*
Total net cash flows from operating activities		**65,794**	**45,227**
Net profit of the period		**123,810**	**95,060**
Adjustments:		**(47,140)**	**(40,138)**
Income tax	3.2.	9,965	6,121
Depreciation and amortisation	4	12,199	10,991
Dividend (income)	3.1.	(80,766)	(70,951)
(Gains) of financial assets measured at amortised cost		(1,713)	(2,118)
Interest on bonds		3,627	3,601
Other adjustments		410	510
Change of assets and liabilities:		9,138	11,709
Inventories		*39*	*16*
Trade receivables and other receivables (excluding dividend receivable)	2.4.1.	*(9,798)*	*(7,707)*
Trade payables		*4,268*	*6,850*
Contract assets		*(1,024)*	*(705)*
Contract liabilities	2.7.	*18,357*	*17,473*
Non-current prepayments		*516*	*478*
Employee benefits payable		*(1,490)*	*(1,338)*
Other liabilities (excluding contracted investments and dividend payable)		*(240)*	*(2,006)*
Provisions for liabilities and other charges		*(95)*	*27*
Other non-current liabilities	2.8.	*(1,395)*	*(1,379)*
Advances for income tax received from related parties in TG		**4,719**	**5,291**
Income tax (paid)/refunded		**(15,595)**	**(14,986)**

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

5 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CASH FLOWS

	Six-month period ended 30 June	
	2020 *(unaudited)*	2019 *(unaudited)*
Total cash flows from investing activities:	**(6,760)**	**132,891**
In:	**385,301**	**435,458**
Sale of property, plant and equipment and intangible assets	-	5
Dividends received	512	441
Sale of financial assets measured at amortised cost	381,175	430,630
Interest on financial assets measured at amortised cost	2,325	2,850
Sublease payments (interest)	142	244
Sublease payments (principal)	1,147	1,288
Out:	**(392,061)**	**(302,567)**
Purchase of property, plant and equipment and advances for property, plant and equipment	(4,915)	(922)
Purchase of intangible assets and advances for intangible assets	(5,178)	(1,854)
Purchase of financial assets measured at amortised cost	(381,185)	(299,791)
Loan granted to a related party	(200)	-
Purchase of shares in a related party	(583)	-
Total cash flows from financing activities:	**(1,943)**	**(6,557)**
In:	**4,598**	**-**
Grants received	4,598	-
Out:	**(6,541)**	**(6,557)**
Interest paid on bonds	(3,656)	(3,644)
Lease payments (interest)	(317)	(359)
Lease payments (principal)	(2,568)	(2,554)
Net (decrease)/increase in cash and cash equivalents	**57,091**	**171,561**
Impact of fx rates on cash balance in currencies	*290*	*(48)*
Cash and cash equivalents - opening balance	**47,964**	**21,967**
Cash and cash equivalents - closing balance	**105,345**	**193,480**

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

6 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings	Total equity
As at 1 January 2020	**63,865**	**(187)**	**416,165**	**479,843**
Dividend	-	-	(100,733)	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(100,733)**	**(100,733)**
Net profit for the six-month period ended 30 June 2020	-	-	123,810	**123,810**
Other comprehensive income	-	(3)	-	**(3)**
Comprehensive income for the six-month period ended 30 June 2020	**-**	**(3)**	**123,810**	**123,807**
As at 30 June 2020 *(unaudited)*	**63,865**	**(190)**	**439,244**	**502,919**

	Share capital	Other reserves	Retained earnings	Total equity
As at 1 January 2019	**63,865**	**(142)**	**434,514**	**498,237**
Dividend	-	-	(133,471)	**(133,471)**
Transactions with owners recognised directly in equity	**-**	**-**	**(133,471)**	**(133,471)**
Net profit for 2019	-	-	115,123	**115,123**
Other comprehensive income	-	(45)	-	**(45)**
Comprehensive income for 2019	**-**	**(45)**	**115,123**	**115,078**
As at 31 December 2019	**63,865**	**(187)**	**416,165**	**479,843**

	Share capital	Other reserves	Retained earnings	Total equity
As at 1 January 2019	**63,865**	**(142)**	**434,514**	**498,237**
Dividend	-	-	(133,471)	**(133,471)**
Transactions with owners recognised directly in equity	**-**	**-**	**(133,471)**	**(133,471)**
Net profit for the six-month period ended 30 June 2019	-	-	95,060	**95,060**
Other comprehensive income	-	2	-	**2**
Comprehensive income for the six-month period ended 30 June 2019	**-**	**2**	**95,060**	**95,062**
As at 30 June 2019 *(unaudited)*	**63,865**	**(140)**	**396,103**	**459,828**

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

7 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. GENERAL INFORMATION, BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS, ACCOUNTING POLICIES

These Condensed Separate Interim Financial Statements were approved for publication by the Exchange Management Board on 12 August 2020.

These Condensed Separate Interim Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. ("Company", "the Exchange") have been prepared according to the International Accounting Standard 34 "Interim Financial Reporting" approved by the European Union. These Financial Statements do not contain all information required of complete financial statements prepared under the EU IFRS.

In the opinion of the Exchange Management Board, in the notes to the Condensed Separate Interim Financial Statements, the Company included all material information necessary for the proper assessment of the assets and the financial position of the Company as at 30 June 2020 and its financial results in the period from 1 January 2020 to 30 June 2020.

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

The Company has prepared the Financial Statements in accordance with the same accounting policies as those described in the audited Financial Statements for the year ended 31 December 2019 other than for changes resulting from the application of new standards as described below. The Condensed Separate Interim Financial Statements for the six-month period ended 30 June 2020 should be read in conjunction with the Separate Financial Statements of the Company for the year ended 31 December 2019.

The following amendments of existing standards adopted by the European Union are effective for the financial statements of the Exchange for the financial year started on 1 January 2020:

- Update to references of the IFRS Conceptual Framework,

  The Update includes a reference to the principle of substance over form and a definition of reporting entity. The Update of the Conceptual Framework improves the definition of assets and liabilities, defines income (as increases in assets or decreases in liabilities) and expenses (as decreases in assets or increases in liabilities). The Update directly links the disclosure criteria for information with qualitative characteristics. The Update modifies measurement methods (historical cost and current value) and measurement guidelines. The Update includes a new chapter dedicated to the presentation and disclosure of information in financial statements and the recognition of income and expenses in the statement of comprehensive income.

- Amendments to IFRS 3 Business Combinations – definition of a business,
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material,
- Interest Rate Benchmark Reform - Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, and IFRS 7 Statement of Cash Flows.

2. NOTES TO THE STATEMENT OF FINANCIAL POSITION

2.1. PROPERTY, PLANT AND EQUIPMENT

	Period of	
	six months ended 30 June 2020 *(unaudited)*	twelve months ended 31 December 2019
Net carrying amount - opening balance	**95,416**	**96,362**
Additions	1,387	9,492
Disposals	(23)	(35)
Depreciation charge*	(5,695)	(10,403)
Net carrying amount - closing balance	**91,085**	**95,416**

**Depreciation of PLN 103 thousand is capitalised to intangible assets under construction (licences) in the six-month period ended 30 June 2020 and PLN 148 thousand in the 12-month period ended 31 December 2019.*

Contracted investments in plant, property and equipment amounted to PLN 426 thousand as at 30 June 2020, including mainly the acquisition of IT hardware for the New Trading System and the GPW Data project.

Contracted investments in plant, property and equipment amounted to 115 PLN thousand as at 31 December 2019 included mainly the acquisition of IT hardware for the New Trading System.

2.2. INTANGIBLE ASSETS

	Period of	
	six months ended 30 June 2020 *(unaudited)*	twelve months ended 31 December 2019
Net carrying amount - opening balance	**49,829**	**56,439**
Additions	5,267	3,574
Capitalised depreciation	117	152
Depreciation charge*	(5,154)	(10,335)
Net carrying amount - closing balance	**50,059**	**49,829**

**Depreciation of PLN 14 thousand is capitalised to intangible assets under construction (licences) in the six-month period ended 30 June 2020 and PLN 4 thousand in the 12-month period ended 31 December 2019.*

Contracted investments in intangible assets amounted to PLN 885 thousand as at 30 June 2020, including mainly MS licences and the GRC system.

Contracted investments in intangible assets amounted to 1 287 PLN thousand as at 31 December 2019 included mainly the GRC system and server time synchronisation software.

2.3. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Exchange held investments in the following subsidiaries as at 30 June 2020:

- 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"),
- GPW Ventures ASI S.A. ("GPWV"),
- GPW Tech S.A. ("GPWT").

GPWV and GPWT were established in 2019. The Exchange is their sole shareholder. The total value of GPW's investment in GPWV and GPWT is recognised in GPW's statement of financial position at cost and stood at PLN 4 million as at 30 June 2020 and as at 31 December 2020.

Due to the occurrence of the conditions described in Note 5.5, the investment in BondSpot was tested for impairment as at 30 June 2020. No impairment was identified.

Entities in which the Company has significant influence or joint control include:

- Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW") (parent entity of the KDPW Group),
- Centrum Giełdowe S.A. ("CG"),
- Polska Agencja Ratingowa S.A. ("PAR").

The shareholders of PAR as at 30 June 2020 and as at 31 December 2019 were in equal parts: the Exchange, Polski Fundusz Rozwoju S.A. ("PFR"), and Biuro Informacji Kredytowej S.A. ("BIK").

Under the agreement of 24 April 2020, GPW took up 1,100,000 series C shares of PAR with a nominal value of PLN 0.53 per share and a total nominal value of PLN 583 thousand in exchange for a cash contribution of PLN 0.53 per series C share, i.e., PLN 583 thousand in total. The cash contribution was paid to PAR in April 2020.

The increase of PAR's capital was not yet registered in the National Court Register as at 30 June 2020. The Exchange recognised the expense in the line "Investment in associates and joint ventures". As at 30 June 2020, the Exchange recognised impairment of the investment in PAR at PLN 583 thousand, which was recognised in the statement of comprehensive income under "Impairment loss on investment in other entities". The impairment was recognised due to uncertainty in connection with the postponed launch of PAR's planned business activity. As a result, the value of the investment in PAR was equal to 0 in the Group's statement of financial position as at 30 June 2020 and as at 31 December 2019.

In addition, the Company holds interest in Innex (carrying value PLN 0 as at 30 June 2020) and the Bucharest Stock Exchange (carrying value PLN 116 thousand as at 30 June 2020), presented in the statement of financial position as financial assets measured at fair value through other comprehensive income.

2.4. FINANCIAL ASSETS

2.4.1. TRADE RECEIVABLES AND OTHER RECEIVABLES

	Note	As at	
		30 June 2020 *(unaudited)*	31 December 2019
Gross trade receivables		34,773	26,792
Impairment allowances for trade receivables		(4,726)	(4,587)
Total trade receivables		**30,047**	**22,205**
Dividend receivable	**3.1.**	80,254	-
Current prepayments		6,149	3,985
CIT receivable from TG subsidiaries		3,353	2,119
Sublease receivables		284	372
Grants receivable		204	-
Other receivables		1,123	1,446
Total other receivables		**91,367**	**7,922**
Total trade receivables and other receivables		**121,414**	**30,128**

In the opinion of the Exchange Management Board, in view of the short due date of trade receivables, the carrying value of those receivables is close to their fair value. Details concerning an update of the provision matrix applicable to trade receivables are presented in Note 5.5.

10 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

2.4.2. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Corporate bonds	89,953	89,958
Bank deposits	177,130	177,729
Loans granted	202	-
Total current	**267,285**	**267,687**
Total financial assets measured at amortised cost (over 3 months)	**267,285**	**267,687**

The carrying value of financial assets measured at amortised cost is close to their fair value.

2.4.3. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Current accounts (other)	35,230	47,840
VAT current accounts (split payment)	53	124
Bank deposits	70,062	-
Total cash and cash equivalents	**105,345**	**47,964**

The carrying value of cash and cash equivalents is close to their fair value in view of their short maturity.

At the commencement of the development projects: New Trading System and GPW Data (see Note 5.3.), the Exchange opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 4,433 thousand as at 30 June 2020 (PLN 627 thousand as at 31 December 2019). Cash in such accounts is classified by the Exchange as restricted cash.

Cash in VAT accounts is also restricted cash due to regulatory restrictions on the availability of cash in such accounts for current payments.

2.5. CHANGE OF ESTIMATES

In the period from 1 January 2020 to 30 June 2020, impairment losses for assets were adjusted as follows:

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Opening balance	**4,587**	**4,616**
Change of allowance balances - expected loss model (IFRS 9)	147	722
Receivables written off during the period as uncollectible	(8)	(751)
Closing balance	**4,726**	**4,587**

In the period from 1 January 2020 to 30 June 2020, there were the following changes in estimates:

- provisions against employee benefits were increased by PLN 1,491 thousand (provision additions of PLN 5,603 thousand, usage of PLN 7,094 thousand);
- provisions against litigation were reduced by PLN 95 thousand (provisions released at PLN 60 thousand, usage of PLN 35 thousand).

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2.6. BOND ISSUE LIABILITIES

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Series C bonds	124,683	124,556
Series D and E bonds	119,861	119,794
Total non-current	**244,545**	**244,350**
Series C bonds	671	683
Series D and E bonds	1,231	1,250
Total current	**1,902**	**1,932**
Total liabilities under bond issue	**246,447**	**246,282**

Series C bonds

On 6 October 2015, the Exchange issued 1,250,000 series C unsecured bearer bonds in a total nominal amount of PLN 125 million. 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 trading in the alternative trading system on Catalyst.

Series D and E bonds

On 13 October 2016, the Exchange issued 1,200,000 unsecured bearer bonds with a nominal value of PLN 100 per bond and a total nominal value of PLN 120 million. The bonds were issued in January 2017 in two series: series D bonds with a total nominal value of PLN 60 million and series E bonds with a total nominal value of PLN 60 million. 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 series D and E 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 Catalyst regulated market.

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Fair value of series C bonds	129,441	128,265
Fair value of series D and E bonds	121,900	122,470
Total fair value of bonds in issue	**251,341**	**250,735**

12 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

2.7. CONTRACT LIABILITIES

Contract liabilities include income of future periods from annual fees charged from market participants and information vendors, which are recognised over time.

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Listing	*876*	*572*
Total financial market	876	572
Total non-current	**876**	**572**
Trading	*1,675*	*1,115*
Listing	*8,227*	*192*
Information services and revenue from the calculation of reference rates	*9,469*	*5*
Total financial market	19,371	1,312
Other revenue	72	78
Total current	**19,443**	**1,390**
Total contract liabilities	**20,319**	**1,962**

The increase of contract liabilities as at 30 June 2020, as compared to 31 December 2019, resulted from monthly pro-rata distribution of annual fees invoiced by the Group in the first days of the year.

2.8. OTHER LIABILITIES

	As at	
	30 June 2020 *(unaudited)*	31 December 2019
Liabilities to the Polish National Foundation	6,960	8,355
Total non-current	**6,960**	**8,355**
Dividend payable	100,930	232
VAT payable	376	226
Liabilities in respect of other taxes	1,555	1,708
Contracted investments	3,133	6,572
Liabilities to the Polish National Foundation	1,274	1,255
Other liabilities	152	408
Total current	**107,420**	**10,401**
Total other liabilities	**114,380**	**18,756**

In accordance with its capital management policy, the Exchange pays an annual dividend to the shareholders. The details of the dividend payments in 2019 and 2020 are presented in Note 5.3.

13 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3. NOTE TO THE STATEMENT OF COMPREHENSIVE INCOME

3.1. FINANCIAL INCOME

	Three-month period ended 30 June		Six-month period ended 30 June	
	2020 *(unaudited)*	2019 *(unaudited)*	2020 *(unaudited)*	2019 *(unaudited)*
Income on financial assets presented as cash and cash equivalents	111	161	296	289
Income on financial assets presented as financial assets measured at amortised cost	739	1,187	1,713	2,259
Interest on subleases	69	121	141	244
Dividends	80,766	70,951	80,766	70,951
Other financial income	-	2	1,835	4
Total financial income	**81,685**	**72,423**	**84,751**	**73,748**

Dividend

The Exchange received PLN 80,766 thousand in dividend income from related parties in the six-month period ended 30 June 2020.

On 18 June 2020, the Annual General Meeting of CG decided to allocate a part of the profit equal to PLN 2,067 thousand to a dividend payment. The dividend attributable to GPW was PLN 512 thousand. The dividend was paid on 30 June 2020.

On 29 June 2020, the Annual General Meeting of KDPW decided to allocate a part of the profit equal to PLN 15,561 thousand to a dividend payment. The dividend attributable to GPW was PLN 5,187 thousand. The dividend was paid on 10 August 2020.

On 30 June 2020, the Annual General Meeting of TGE passed a resolution to distribute TGE's profit for 2019 including a dividend payment of PLN 75,067 thousand. The entire dividend was attributable to the Exchange and was paid on 23 July 2020.

The Exchange received PLN 70,951 thousand in dividend income from related parties in the six-month period ended 30 June 2020.

On 20 May 2019, the Annual General Meeting of CG decided to allocate a part of the profit equal to PLN 1,779 thousand to a dividend payment. The dividend attributable to GPW was PLN 441 thousand. The dividend was paid on 31 May 2019.

On 10 June 2019, the Annual General Meeting of KDPW decided to allocate a part of the profit equal to PLN 19,697 thousand to a dividend payment. The dividend attributable to GPW was PLN 6,566 thousand. The dividend was paid on 4 September 2019.

On 28 June 2019, the Annual General Meeting of TGE passed a resolution to distribute TGE's profit for 2018 including a dividend payment of PLN 63,945 thousand. The entire dividend was attributable to the Exchange and was paid on 19 July 2019.

3.2. INCOME TAX

	Three-month period ended 30 June		Six-month period ended 30 June	
	2020 *(unaudited)*	2019 *(unaudited)*	2020 *(unaudited)*	2019 *(unaudited)*
Current income tax	3,839	1,969	14,582	10,918
Deferred tax	1,668	1,272	(4,617)	(4,797)
Total income tax	**5,507**	**3,241**	**9,965**	**6,121**

As required by the Polish tax regulations, the tax rate applicable in 2020 and 2019 is 19%.

14 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Three-month period ended 30 June		Six-month period ended 30 June	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Profit before income tax	110,793	87,463	133,775	101,181
Income tax rate	19%	19%	19%	19%
Income tax at the statutory tax rate	**21,050**	**16,618**	**25,417**	**19,224**
Tax effect of:	**(15,543)**	**(13,377)**	**(15,452)**	**(13,103)**
Costs which are not tax-deductible	542	104	679	378
Non-taxable dividend income	(15,346)	(13,481)	(15,346)	(13,481)
Grants which are not taxable	(47)	-	(93)	-
Others	(692)	-	(692)	-
Total income tax	**5,507**	**3,241**	**9,965**	**6,121**

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. As at 30 June 2020, GPW's net receivables from its related parties participating in the Tax Group in respect of income tax payable on their behalf was PLN 3,353 thousand, shown under trade receivables and other receivables in the statement of financial position.

4. NOTE TO THE STATEMENT OF CASH FLOWS

	Six-month period ended 30 June	
	2020 (unaudited)	2019 (unaudited)
Depreciation of property, plant and equipment*	5,592	5,107
Depreciation of intangible assets**	5,140	5,184
Depreciation of right-to-use assets	1,467	700
Total depreciation	**12,199**	**10,991**

**Depreciation of PLN 103 thousand is capitalised to intangible assets under construction (licenses) in the six-month period ended 30 June 2020.*
***Depreciation of PLN 14 thousand is capitalised to intangible assets under construction (licences) in the six-month period ended 30 June 2020.*

5. OTHER NOTES

5.1. RELATED PARTY TRANSACTIONS

Related parties of the Exchange include:

- the subsidiaries,
- the associates and joint ventures (KDPW Group, CG, PAR),
- the State Treasury as the parent entity (holding 35.00% of the GPW share capital and 51.77% of the total number of voting rights as at 30 June 2020),
- 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 Exchange.

15 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

5.1.1. INFORMATION ABOUT TRANSACTIONS WITH THE STATE TREASURY AND ENTITIES WHICH ARE RELATED PARTIES OF THE STATE TREASURY

Companies with a stake held by the State Treasury

The Exchange 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 which are parties to transactions with the Exchange include issuers (from which the Exchange charges introduction and listing fees) and Exchange Members (from which the Exchange charges fees for access to trade on the exchange market, fees for access to the IT systems, and fees for trade in financial instruments).

All trade transactions with entities with a stake held by the State Treasury are concluded by the Exchange in the normal course of business and are carried out on an arm's length basis.

Polish Financial Supervision Authority ("PFSA")

The PFSA Chairperson publishes the rates and the indicators necessary to calculate capital market supervision fees by 31 August of each calendar year. On that basis, the entities obliged to pay the fee calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year.

In the six-month period ended 30 June 2020, the operating expenses of the Company included an estimated amount of the annual fee at PLN 5,464 thousand. The fee charged to the expenses of the GPW Group in the six-month period ended 30 June 2019 was PLN 6,842 thousand.

Tax Office

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

Details concerning income tax are presented in Note 3.2.

5.1.2. TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

All trade transactions with subsidiaries, associates and joint ventures are concluded by the Exchange in the normal course of business and are carried out on an arm's length basis. The Group's revenue from such entities include lease of office space, passenger car leases, space maintenance, cleaning services, security services, accounting services, HR services, administrative services, IT services, and marketing services. Operating expenses paid by the Exchange to such entities mainly cover information services which are distributed by GPW.

Dividend

Details concerning dividend are presented in Note 3.1.

Loans and advances

On 28 February 2020, the Exchange and Polski Fundusz Rozwoju S.A. signed a PLN 400 thousand loan agreement with PAR to finance the borrower's short-term liquidity gap. The amount of the agreement (advanced in equal parts by each of the lenders) was paid to PAR on 28 February 2020. Under the agreement, PAR is required to pay the entire loan back to the lenders plus interest at 3.4% per annum on or before 30 June 2020.

In Q2 2020, the Exchange and Polski Fundusz Rozwoju S.A. signed an annex to the loan agreement with PAR, extending the repayment period until 30 June 2021.

Other transactions

To maintain PAR's liquidity, under the agreement of 24 April 2020, the Exchange took up 1,100,000 series C new issue shares of PAR with a nominal value of PLN 0.53 per share and a total nominal value of PLN 583 thousand in exchange for a cash contribution of PLN 583 thousand. The cash contribution was paid to PAR in April 2020.

The increase of PAR's capital was not yet registered in the National Court Register as at 30 June 2020. As a result, the Exchange held 33.33% of PAR shares as at 30 June 2020 and as at 31 December 2019.

5.2. INFORMATION ON REMUNERATION AND BENEFITS OF THE KEY MANAGEMENT PERSONNEL

	Three-month period ended 30 June		Six-month period ended 30 June	
	2020 *(unaudited)*	**2019** *(unaudited)*	**2020** *(unaudited)*	**2019** *(unaudited)*
Base salary	439	503	934	1,003
Variable pay	445	512	958	1,025
Bonus - bonus bank	-	-	-	-
Other benefits	36	11	154	24
Benefits after termination	204	-	204	-
Total remuneration of the Exchange Management Board	**1,124**	**1,026**	**2,250**	**2,052**
Remuneration of the Exchange Supervisory Board	**144**	**126**	**290**	**252**
Total remuneration of the key management personnel	**1,268**	**1,152**	**2,540**	**2,304**

As at 30 June 2020, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 3,363 thousand including bonuses for 2016-2020. The cost was shown in the statement of comprehensive income for 2016-2020 (PLN 4,058 thousand including bonuses for 2016-2019 as at 30 June 2019 and PLN 3,282 thousand including bonuses for 2016-2019 as at 31 December 2019).

5.3. DIVIDEND

As required by the Commercial Companies Code, 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.

On 22 June 2020, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2019, including a dividend payment of PLN 100,733 thousand. The dividend per share was PLN 2.40. The dividend record date was set at 28 July 2020 and the dividend payment date was set at 11 August 2020. The dividend due to the State Treasury is PLN 35,252 thousand.

On 17 June 2019, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2018, including a dividend payment of PLN 133,471 thousand. The dividend per share was PLN 3.18. The dividend record date was 19 July 2019 and the dividend was paid on 2 August 2019. The dividend paid to the State Treasury was PLN 46,709 thousand.

5.4. GRANTS

New Trading System

The New Trading System is a development project of a new trading platform which will in the future help to reduce transaction costs and implement new functionalities and types of orders for Exchange Members, issuers, and investors.

The project expenditure is estimated at approx. PLN 90 million including PLN 30.3 million to be financed by the National Centre for Research and Development (grant amount). The project work was initiated on 1 September 2019.

GPW Data

The GPW Data project is an innovative Artificial Intelligence system supporting investment decisions of capital market participants.

The cost of the development of the new system is estimated at PLN 8.3 million including PLN 4.2 million to be financed by the National Centre for Research and Development (grant amount).

Agricultural Market

A consortium comprised of GPW, TGE and IRGiT signed an agreement with Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR) on 29 January 2019 concerning the Food Platform project which will launch an electronic trading platform for certain agricultural commodities. The platform will be operated by TGE and IRGiT (without the participation of the Exchange).

From the perspective of the separate financial statements of the Exchange, the Agricultural Market project is not a grant; instead, the Exchange provides project management services to TGE and IRGiT.

17 DATA FOR SIX-MONTH PERIOD ENDED 30 JUNE 2020. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

5.5. ADDITIONAL INFORMATION CONCERNING THE SARS-COV-2 PANDEMIC

As a key new circumstance which markedly impacted the Company's activity in H1 2020, the outbreak of the SARS-CoV-2 pandemic exerted an economic impact due to limitations imposed on economic activity as required to keep social distance, combined with support schemes and tax credits offered by governments including Poland.

The Exchange Management Board monitors the epidemiological situation in Poland and globally on an on-going basis and analyses its impact on the position of the Company. In the opinion of the Exchange Management Board, as an operator of Poland's capital market infrastructure, the Company is exposed to moderate operational and financial risk generated by the outbreak of the SARS-CoV-2 pandemic.

In view of the new economic situation in Poland, the Company identified a number of operational risks (including periodic HR shortages, interruption of vendors' services, and restricted activity of market makers) and took adequate risk mitigating measures. Furthermore, with a view to safety of Exchange employees and employees of Exchange Members and issuers, the Company facilitated mutual communications and modified its procedures to limit face-to-face contacts. The Exchange implemented all of the ESMA and KNF recommendations for regulated markets of 12 March 2020, the ESMA recommendations concerning financial reporting of 20 May 2020, as well as the guidelines of the Chief Sanitary Inspectorate, including in particular recommendations concerning the safety, health and hygiene of employees. As at the date of publication of these financial statements, the operation of the Exchange continues without interruption.

The potential adverse impact of the pandemic on the financial position of the Exchange was analysed and the following issues were identified: a decrease of the Company's revenue in the case of a longer economic slow-down discouraging investors from investing on the capital markets, as well as materialisation of credit risk if Exchange counterparties stop paying amounts due to the Exchange.

None of the risks identified by the Company in connection with the outbreak of pandemic materialised in H1 2020. The financial results of the Exchange in H1 2020 improved compared to the results of H2 2019 and H1 2019 as a result of an increase in sales revenue driven by an increase of trade in financial instruments on the markets operated by the Company. The key drivers included high volatility on the financial markets correlated with strong investor activity (in particular, the initial sell-out of assets followed by a rally as investors were encouraged by falling valuations), as well as the presence of many new individual investors (73.5 thousand new securities accounts were opened in H1 2020).

In the six-month period ended 30 June 2020, the Company did not use any of the support schemes offered by the government to Polish companies due to the pandemic. External sources of financing used by the Exchange as at 30 June 2020 include leases and bonds in issue (see Note 2.6). The outbreak of the pandemic did not change the terms of the Exchange's external financing.

Due to the fact that the outbreak of the pandemic caused uncertainty in many areas of the Polish and global economy, the Exchange Management Board decided, in accordance with the ESMA recommendations, to review its judgments and estimates as at 31 December 2019 as well as other assumptions used in the application of the Exchange's accounting policies. In particular, the following issues were considered:

- Indications of impairment of the Company's financial assets, including interest in other entities, were reviewed. An indication requiring an impairment test was identified only for the company BondSpot. That indication was a significant decrease of turnover on the secondary market in Treasury bonds, Treasury BondSpot Poland, in Q2 2020 driven by National Bank of Poland interventions including regular redemptions of Treasury bonds and instruments issued by Polski Fundusz Rozwoju and Bank Gospodarstwa Krajowego. The reduction of the turnover caused a decrease of BondSpot revenues and a downgrade of BondSpot's revenue guidance for 2020 and beyond. The impairment test based on DCF valuation was carried out on the basis of a forecast of BondSpot's results for 2020-2024, which were reduced as compared to the forecast used in the impairment test of the investment in BondSpot as at 31 December 2019. The other assumptions of the test as at 30 June 2020 included: weighted average cost of capital at 6%, revenue CAGR at 5%, expenses CAGR at 2%, growth rate after the projection time horizon at 0%. The test showed that, despite the deterioration of financial conditions, the DCF value of BondSpot is greater than the value of the investment in BondSpot recognised at cost in the Exchange's statement of financial position in the amount of PLN 34.4 million as at 30 June 2020. As a result, no impairment of the investment in BondSpot was identified as at 30 June 2020.
- No need was identified to change any of the estimates concerning the useful life and the depreciation rate of property, plant and equipment and intangible assets.
- The judgments used in the valuation of lease liabilities were not modified. The Exchange Management Board decided in particular that the term of leases used in the valuation of lease liabilities under lease agreements with no fixed term (5 years, i.e., by the end of 2023) is an adequate representation of the most probable term of leases taking into account all facts and circumstances in connection with the outbreak of the pandemic.
- The Company carried out an in-depth analysis of the regularity of payment of trade receivables due from Exchange Members, issuers, and data vendors and modified its assumptions used in the valuation of expected credit loss of trade receivables as at 30 June 2020. No adverse impact was identified of the economic slow-down on the regular

payment of receivables due from the Exchange's counterparties. The impairment provisions for trade receivables based on an updated provision matrix did not increase as compared to trade receivables as at 31 December 2019.

- The Exchange Management Board considered whether the outbreak of the pandemic and its impact affected the Company's ability to continue as a going concern. According to the GPW investment policy, the Exchange's investment portfolio comprises only securities guaranteed by the State Treasury or issued (guaranteed) by institutions with a stable market position and high rating (rated above Baa2 by Moody's). As at 30 June 2020, the Exchange held PLN 372,428 thousand in cash and cash equivalents and short-term financial assets including bank deposits and guaranteed corporate bonds; in the opinion of the Exchange Management Board, those financial resources are sufficient to conclude that the Company's short-term and mid-term liquidity risk and risk to its ability to continue as a going concern is low.

In summary, in the opinion of the Exchange Management Board, the SARS-CoV-2 pandemic poses no threat to continued operation of the Company.

5.6. CONTINGENT LIABILITIES

In connection with the implementation of the New Trading System project and GPW Data (see Note 5.4), the Exchange presented two own blank bills of exchange to NCBR securing obligations under the projects' co-financing agreements. According to the agreements and the bill-of-exchange declarations, NCBR may complete the bills of exchange with the amount of provided co-financing which may be subject to refunding, together with interest accrued at the statutory rate of overdue taxes from the date of transfer of the amount to the Exchange's account to the day of repayment (separate for each project). NCBR may also complete the bills of exchange with the payment date and insert a "no protest" clause. The bills of exchange may be completed upon the fulfilment of conditions laid down in the co-financing agreement. Each of the bills of exchange shall be returned to the Exchange or destroyed after the project sustainability period defined in the project co-financing agreement.

5.7. EVENTS AFTER THE BALANCE SHEET DATE

As at 6 August 2020, the amendment of PAR's Articles of Association incorporating an increase of its share capital by the Exchange (see Note 2.3) and Polski Fundusz Rozwoju was registered in the National Court Register. As a result, the Exchange's interest in PAR increased from 33.33% as at 30 June 2020 to 35.86% as at 6 August 2020.

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

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

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

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

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

Signature of the person responsible for keeping books of account:

Małgorzata Gola - Radwan, Chief Accountant ....

Warsaw, 12 August 2020

Management Board's Statement

The Management Board of the Warsaw Stock Exchange declares to the best of its knowledge that:

- The Condensed Separate Interim Financial Statements of the Warsaw Stock Exchange for the period from 1 January 2020 to 30 June 2020, including comparative information, have been prepared in accordance with the binding accounting policies and that these give a true, fair and clear view of the financial position and results of the Warsaw Stock Exchange,

- The Management Board Report on the Activity of the Warsaw Stock Exchange Group for the six-month period ended 30 June 2020 gives the true view of the Warsaw Stock Exchange development, achievements and situation, including the main threats and risks.

Marek Dietl President of the Management Board	Piotr Borowski Member of the Management Board
Izabela Olszewska Member of the Management Board	Dariusz Kułakowski Member of the Management Board

Warsaw, 12th August 2020