

INTERIM REPORT OF THE
GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A.
GROUP
FOR 6M 2022



Giełda Papierów Wartościowych w Warszawie S.A.
 Debiut giełdowy

Debiut giełdowy
Giełda Papierów Wartościowych w Warszawie S.A.

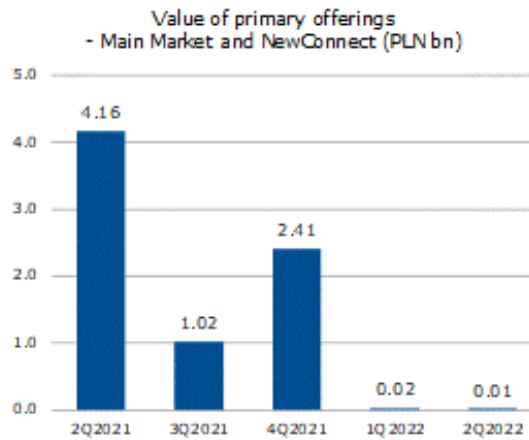
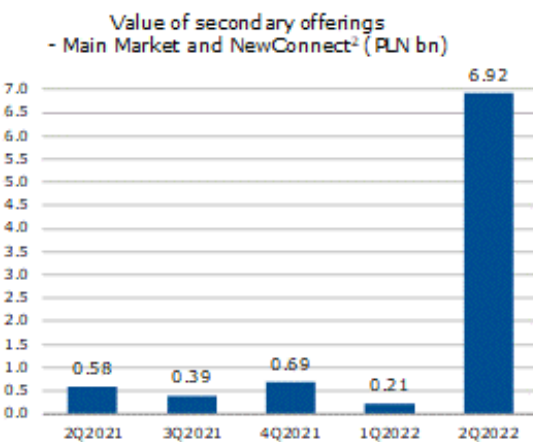
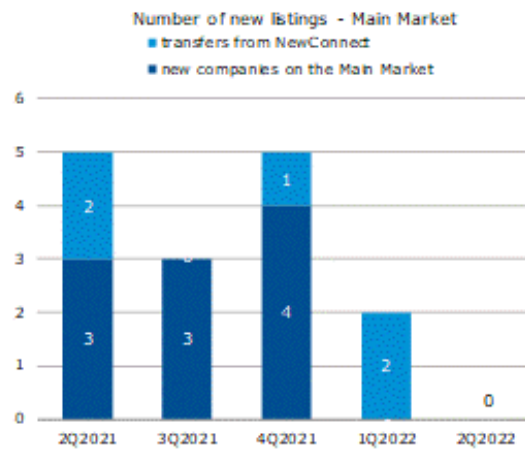
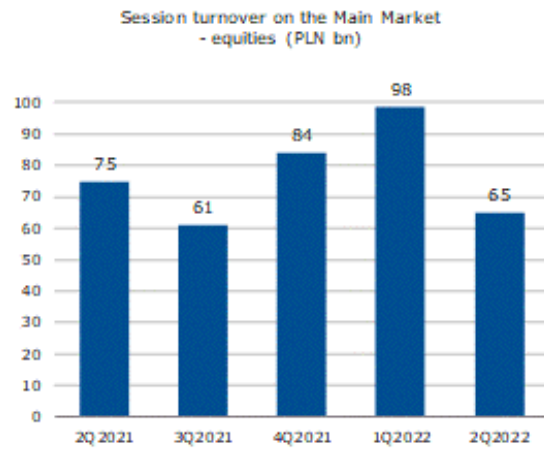
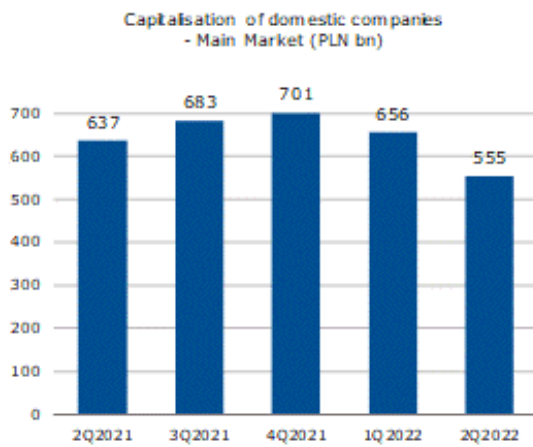


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1. Selected market data¹

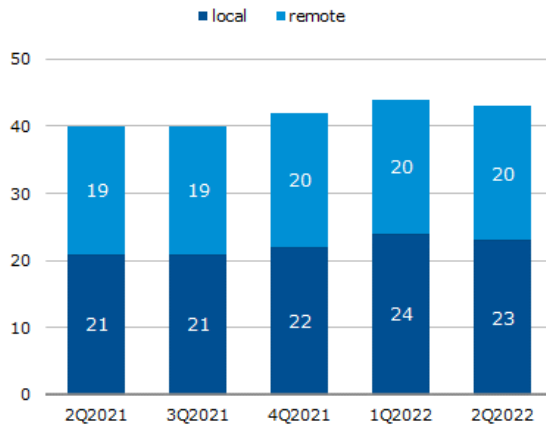


¹ All value and volume statistics in this Report are single-counted, unless indicated otherwise.

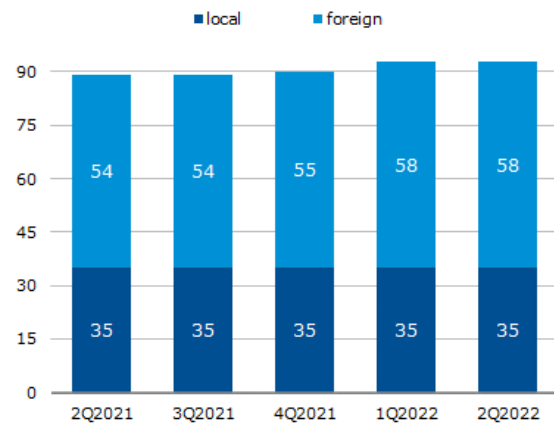
² Including IPOs of dual-listed companies.



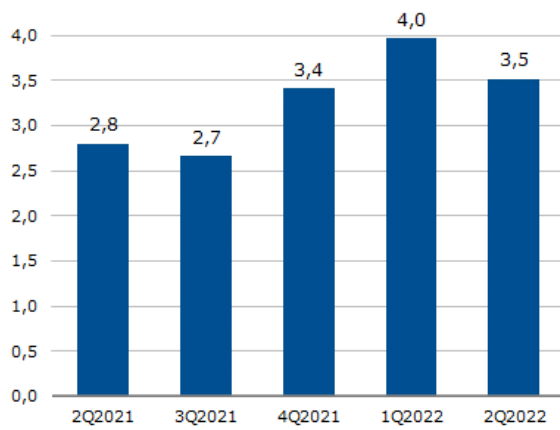
Number of Exchange Members



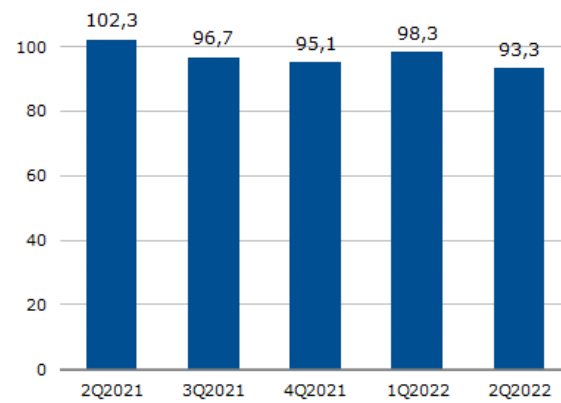
Number of data vendors



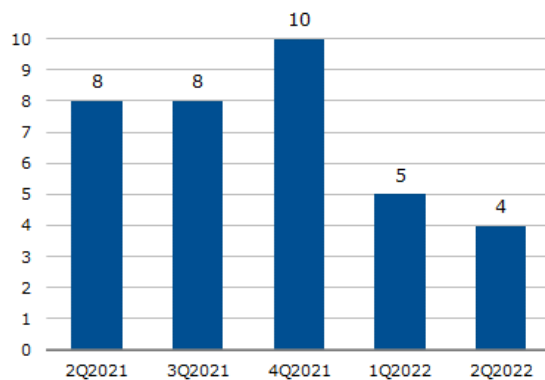
Turnover volume - futures contracts
(mn contracts)



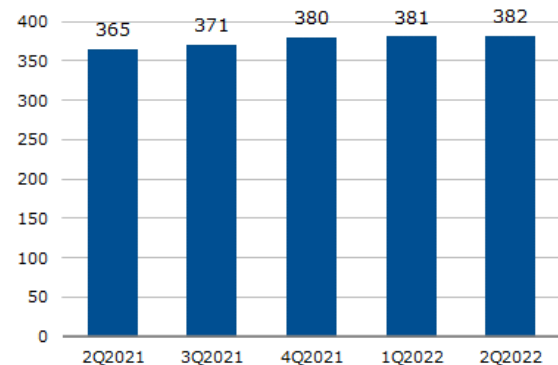
Catalyst - value of listed non-treasury
bond issues (PLN bn)⁴

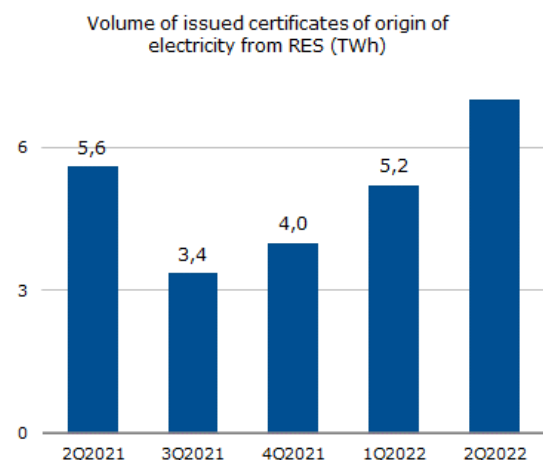
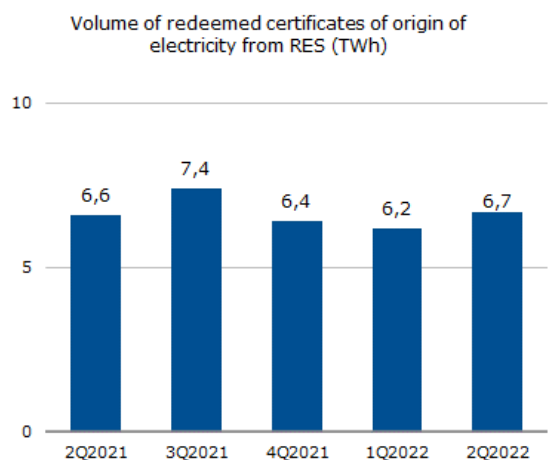
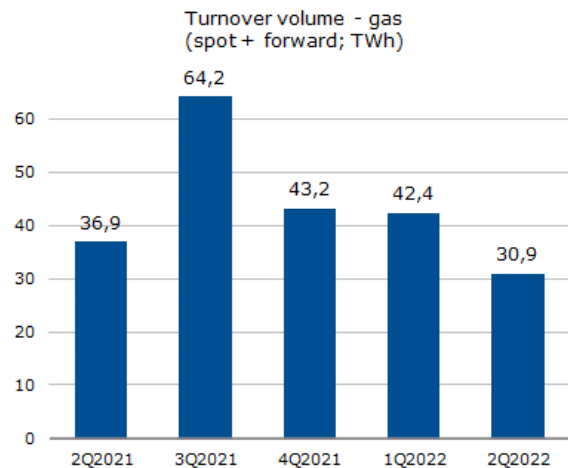
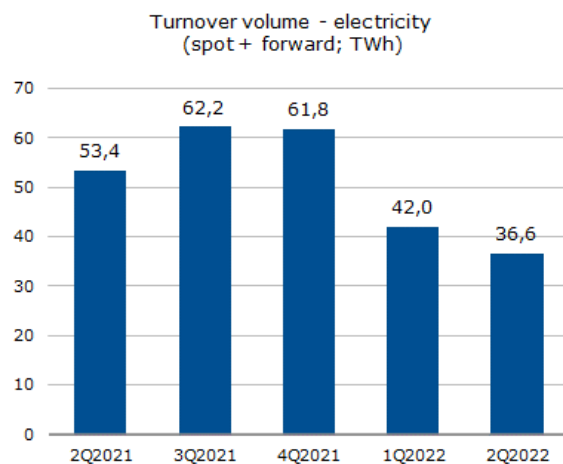
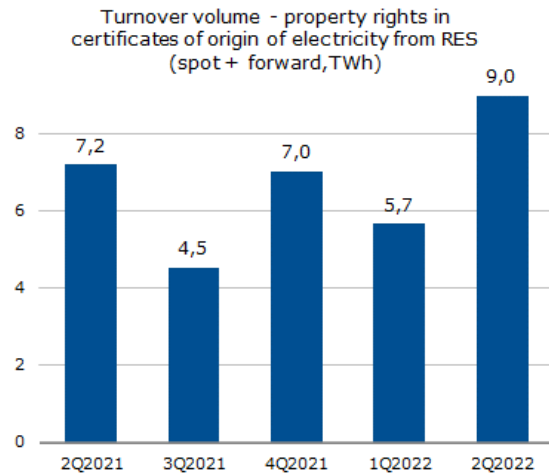
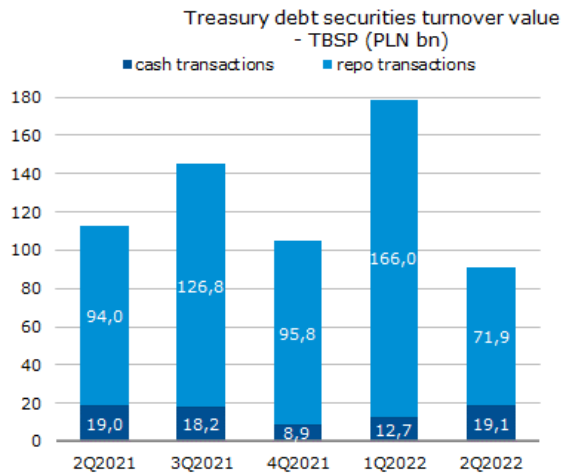


Number of new listings - NewConnect



Number of companies - NewConnect





2. Selected consolidated financial data

Table 1: Consolidated statement of comprehensive income, earnings per share, EBITDA

	Six-month period ended 30 June (unaudited)			
	2022	2021	2022	2021
	<i>PLN'000</i>		<i>EUR'000[1]</i>	
Sales revenue	209,314	209,437	45,145	46,123
Operating expenses	(131,350)	(116,787)	(28,330)	(25,719)
Gains on reversed impairment of receivables/(Losses) on impairment of receivables	265	1,302	57	287
Other revenue	967	679	209	150
Other expenses	(944)	(601)	(204)	(132)
Operating profit	78,252	94,030	16,877	20,708
Financial income	9,170	369	1,978	81
Financial expenses	(6,139)	(6,647)	(1,324)	(1,464)
Share of profit/(loss) of entities measured by the equity method	12,356	13,217	2,665	2,911
Profit before tax	93 639	100 969	20 196	22 236
Income tax expense	(17 519)	(17 052)	(3 778)	(3 755)
Net profit for the period	76,120	83,917	16,418	18,481
Basic/Diluted earnings per share[2] (PLN, EUR)	1,81	2,00	0,39	0,44
EBITDA[3]	97,503	111,422	21,029	24,538

[1] At the incremental average exchange rate EUR/PLN for six months published by the National Bank of Poland (1 EUR = 4.6365 PLN in 2022 and 1 EUR = 4.5408 PLN in 2021).

[2] Based on net profit.

[3] EBITDA = operating profit + depreciation/amortisation.

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: Consolidated statement of financial position

	As at			
	30 June 2022 (unaudited)	31 December 2021	30 June 2022 (unaudited)	31 December 2021
	<i>PLN'000</i>		<i>EUR'000[1]</i>	
Non-current assets:	608,199	603,573	129,940	131,229
Property, plant and equipment	90,195	91,887	19,270	19,978
Right-to-use assets	7 122	9 084	1 522	1 975
Intangible assets	266,007	264,022	56,832	57,404
Investment in entities measured by the equity method	225,954	230,825	48,275	50,186
Other non-current assets	18,921	7,755	4,042	1,686
Current assets:	756,859	807,115	161,701	175,483
Trade receivables and other receivables	93,284	177,077	19,930	38,500
Financial assets measured at amortised cost	212,276	277,322	45,352	60,295
Cash and cash equivalents	447,519	349,324	95,611	75,950
Other current assets	3,780	3,392	808	737
TOTAL ASSETS	1,365,058	1,410,688	291,642	306,711
Equity	921,877	967,857	196,957	210,431
Non-current liabilities:	45,413	44,206	9,702	9,611
Lease liabilities	2,100	4,170	449	907
Other liabilities	43,313	40,036	9,254	8,705
Current liabilities:	397,768	398,625	84,982	86,669
Liabilities on bond issue	125,862	246,278	26,890	53,546
Lease liabilities	5,513	5,393	1,178	1,173
Other liabilities	266,393	146,954	56,914	31,951
TOTAL EQUITY AND LIABILITIES	1,365,058	1,410,688	291,642	306,711

[1] At the average exchange rate EUR/PLN of the National Bank of Poland as at 30.06.2022 r. (1 EUR = 4,6806 PLN) and as at 31.12.2021 (1 EUR = 4.5994 PLN).

Table 3: Selected financial indicators

	Six-month period ended 30 June (unaudited)	
	2022	2021
EBITDA margin (EBITDA/Sales revenue)	46,6%	53,2%
Operating profit margin (Operating profit/Sales revenue)	37,4%	44,9%
Return on equity (ROE) (Net profit for last 12 months/Average equity at the beginning and at the end of the 12-month period)	16,9%	18,0%
Debt to equity (Lease liabilities and liabilities under bond issue/Equity)	14,5%	28,8%
Cost / income (GPW Group operating expenses / GPW Group sales revenue (for a 6-month period))	62,8%	55,8%



3. Information about the GPW Group

3.1. Information about the Group

3.1.1. 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 GPW Group comprises the most important capital and commodity market institutions in Poland and it is the biggest stock exchange in the region of Central and Eastern Europe. The main entity of the group is the Warsaw Stock Exchange, which organises trading in financial instruments and promotes economic knowledge among the general public through numerous educational initiatives. GPW is the most important source of capital for companies and local governments in the region and contributes to the dynamic development of the Polish economy, new jobs, the international competitiveness of Polish companies and, as a result, an increase in the wealth of Polish society. Presence on the capital market also brings other benefits to Polish entrepreneurs, such as increased recognition, credibility, efficiency and transparency of management. The Warsaw Stock Exchange has the highest capitalisation of any stock exchange in Central and Eastern Europe at EUR 133 billion. It is also one of Europe's largest markets. Towarowa Giełda Energii S.A. operates markets whose participants include the largest companies in the energy sector in Poland. The product offer on TGE is similar to the most developed commodity exchanges in the markets of the European Union countries. The volume of electricity and gas trading positions the Polish exchange not only as the largest in the region but also as a major player on a European scale.

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 trade in electricity, gas, property rights in certificates of origin of electricity from renewable energy sources and energy efficiency, CO2 emission allowances, 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;
- › administering regulated data benchmarks (Exchange Indices, WIG, CEEplus) and non-interest-rate benchmarks (TBSP.Index), as well as interest rate benchmarks including the WIBID and WIBOR Reference Rates,
- › design, development and commercialisation of IT solutions dedicated to the widely understood financial market,
- › conducting activities in capital market education, promotion and information.

Basic information about the parent entity:

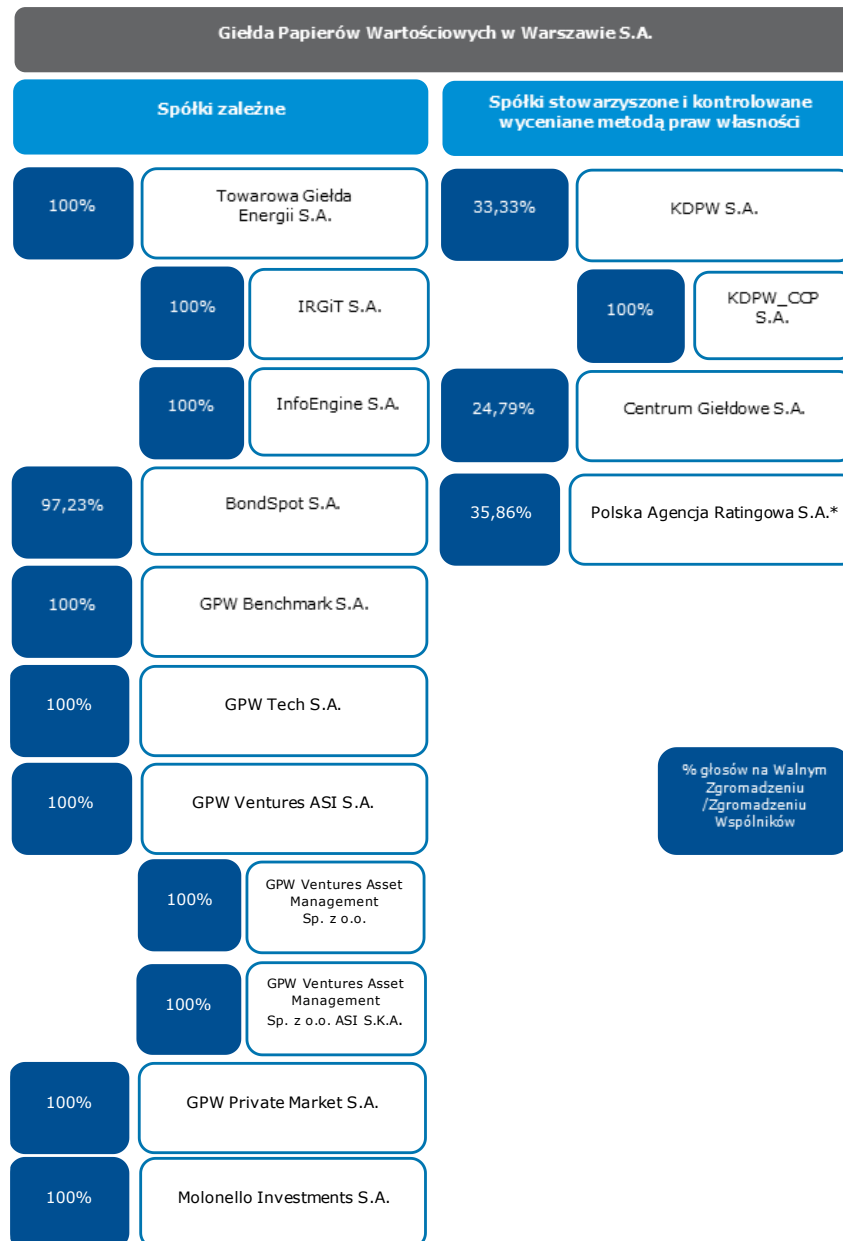
Name and legal status:	Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna
Abbreviated name:	Giełda Papierów Wartościowych w Warszawie S.A.
Registered office and address:	ul. Książęca 4, 00-498 Warszawa, Poland
Telephone number:	+48 (22) 628 32 32
Telefax number:	+48 (22) 628 17 54, +48 (22) 537 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



3.1.2. Organisation of the Group

As at 30 June 2022, the parent entity and 11 direct and indirect subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. GPW held shares in companies measured by the equity method: two associates (one of which has a subsidiary) and one joint venture.

Chart 1: GPW Group, associates and joint ventures as at 30 June 2022



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

Source: Company

Details of interest in other entities are presented below in section 8.

The Group does not hold any branches or establishments.



3.1.3. 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 14,695,470 Series A preferred registered shares, which represent 35.01% of total shares and give 29,390,940 votes, which represents 51.80% of the total vote. The total number of votes from Series A and B shares is 56,744,470.

As at 30 June, 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.

3.2. Main risks and threats

The operation of the GPW Group is exposed to external risks related to the market, legal, and regulatory environment, as well as internal risks related to operating activities. With a view to its strategic objectives, the GPW Group actively manages its business risks in order to mitigate or eliminate their potential adverse impact on the Group's results.

The Group considers the following risks in each category to be objectively the most material; however, the order in which they are presented does not reflect the materiality or scale of their impact on the activity of the Group. Additional risks, which are currently not identified or are considered to be immaterial, may in the future have an adverse impact on the activity of the Group, its financial standing and business results.

› Business risk:

- Risk related to geopolitics and the global economic conditions;
- Risk of the economic situation in Poland;
- Risk that the Company's majority shareholder may take steps which are not in the interest or go against the interest of the Company or its other shareholders;
- Risk of diminished benefits of the Company's investment in KDPW;
- Risk of variable amount of regulatory fees;
- Risk of concentration of turnover and dependence of a large part of sales revenue of the Group on turnover in shares by a limited number of issuers and in futures by a limited number of Exchange Members;
- Risk of concentration of turnover due to dependence of a large part of revenue of the Group from derivatives on turnover in WIG20 futures;
- Risk of non-implementation of the strategy by the Group;
- Risk of operating in the exchange and MTF sector;
- Risk of price competition;
- Risk of technological changes;
- Risk of termination of the agreement under which TBSP has been appointed the reference market;
- Risk of provision of the WIBID and WIBOR Reference Rates;
- Risk of provision of capital market indices and benchmarks.

› Operational risk:

- Risk of being capable of attracting and retaining qualified employees of the Group;
- Risk of industrial dispute;
- Risk of failure of the Group's trading systems;
- Risk of dependence of the Group's business on third parties;
- Risk of insufficient insurance cover;
- Climate risk related to the impact of extreme weather events;
- Risk of information security breach in connection with the integration of the Armenia Securities Exchange into the GPW Group.



- › Legal risk:
 - Risk of amendments to national laws;
 - Regulatory risk related to European Union law;
 - Risk of ineffective protection of intellectual property;
 - Risk of potential litigation concerning infringements of intellectual property rights of third parties by the Group;
 - Risk of regulations governing open-ended pension funds in Poland;
 - Risk of amendments and interpretations of tax regulations.

- › Compliance risk:
 - Risk of failure to meet regulatory requirements, guidelines on climate issues and the fight against climate change, and PFSA recommendations applicable to the activity of the Group;
 - Risk of potential violation of competition regulations by the Group;
 - Risk of the Benchmark Administrator;
 - Risk of non-alignment or delayed alignment with sustainable investing requirements.

- › Reputation risk:
 - Risk to the Group's reputation and clients' confidence in its ability to process exchange transactions.

Detailed information on the risks listed is provided in the GPW Group's Annual Report for 2021, Note 2.8. Supplementary information is presented below.

› Risk of provision of the WIBID and WIBOR Reference Rates

The Polish Financial Supervision Authority unanimously authorised GPW Benchmark S.A. on 16 December 2020 as an administrator of interest-rate benchmarks including critical benchmarks.

The benchmarks provided by GPW Benchmark S.A. include the Warsaw Interbank Offered Rate (WIBOR), entered into the critical benchmark register referred to in Article 20(1) of Regulation (EU) 2021/1011 of the European Parliament and of the Council of 10 February 2021 (BMR). The authorisation allows GPW Benchmark S.A. to provide other interest-rate benchmarks in accordance with the BMR requirements. Since 2020, GPW Benchmark has been developing alternative interest-rate benchmarks (WIRD, WIRF and WRR).

The key risks to a benchmark administrator include falling turnover, which could undermine representativeness required under the BMR; the risk is continuously monitored.

According to BMR, an entity which uses a benchmark should have a plan in place in case the benchmarks used are no longer provided. The best action plan is to have an alternative benchmark. This is related to the second risk of the administrator, i.e., the ability of GPW Benchmark S.A. to expand the offer of interest-rate benchmarks which are attractive for supervised entities under scenarios of cessation of the provision of existing benchmarks (i.e., an alternative benchmark). Additional risks include: a decrease in the number of data contributors, the emergence of competition in the provision of interest-rate benchmarks (alternative benchmarks from another source), operational risk, including the management of external services.

GPW Benchmark had no plans to cease the provision of the WIBOR index unless there were grounds to do so, taking into account the provisions of Articles 21 and 23 of the Regulation. However, given the global trend of shifting from IBOR-type indices to RFR indices (risk-free-rate, in the sense of purely transactions-based O/N indices), GPW Benchmark took into account such a possibility in the company's strategy, which was expected to happen not earlier than in 2025.

The risk of the statutory cessation of the use of the WIBOR index in mortgage loan contracts and other financial instruments, and its replacement by another index, became highly probable on 25 April 2022 with the announcement by the Prime Minister of the Government's plans to support borrowers, followed by the adoption of a law by the Sejm on 8 July 2022.

In the event that no alternative interest-rate index is provided by GPWB or it is not the replacement index for WIBOR/WIBID, GPWB is at risk of permanently losing revenue from one of its two main business lines.



Risk related to the cessation of the publication of the WIBOR index and the change in the way trading venues handle interest (short time to implement new solutions and high adjustment costs).

As work is underway to introduce a new index in place of WIBOR, the market is concerned about an adjustment/change on derivative transactions required at the year's end. If this were to happen, it would result in the removal of hedges on many bond trades. This could result in changes in the interest rate market which are difficult to assess.

➤ Risks related to the acquisition of the Armenia Securities Exchange by GPW

GPW has signed a Shares Purchase Agreement with the Central Bank of Armenia (CBoA) to acquire the Bank's stake in the Armenia Securities Exchange (AMX).

As a result of the transaction, GPW will become the majority shareholder of AMX with a block of 967 shares representing a 65.03% stake in the company's share capital. CBoA will hold 372 shares representing a 25.02% stake in the company's share capital. The remaining 9.95% i.e. 148 shares are AMX's treasury shares. In addition, GPW will indirectly take control of the Central Securities Depository of Armenia (CDA) in which AMX currently holds 100% of the share capital.

Given the tensions on the border between Armenia and Azerbaijan and the geographical distance between the companies' headquarters, the integration of AMX into GPW may generate potential risks for the GPW Group.

4. Financial position and assets

4.1. Summary of the GPW Group's results

The **GPW Group** generated a consolidated net profit of PLN 76.1 million in H1 2022 (-PLN 7.8 million i.e. -9.3% year on year), driven by an increase of operating expenses to PLN 131.4 million (+PLN 14.6 million i.e. +12.5%) combined with stable sales revenue at PLN 209.3 million in H1 2022 compared to PLN 209.4 million in H1 2021 (-PLN 0.1 million i.e. -0.1%). The operating profit stood at PLN 78.3 million (-PLN 15.8 million i.e. -16.8% year on year). EBITDA stood at PLN 97.5 million (-PLN 13.9 million i.e. -12.5% year on year). The SARS-CoV-2 pandemic was a key factor driving the increase in revenue in 2021: on the one hand, it caused uncertainty and high volatility on the markets; on the other hand, macroeconomic conditions boosted investor interest in the capital markets and turnover volumes. In H1 2022, the impact of the pandemic on the Group's results was no longer as strong as before; however, the outbreak of the armed conflict in Ukraine in late February contributed to an increase in turnover in the Group's markets in March 2022.

One-off (and cyclical) events impacting the GPW Group's results in H1 2022 included:

- an increase in interest on bank deposits and financial instruments (corporate bonds, bank deposits, loans granted) of PLN 8.4 million as a result of the NBP's decision to increase market interest rates;
- provisions against the cost of the capital market supervision fee at PLN 14.5 million.

Table 4: Consolidated statement of comprehensive income

tys. zł	As at/Year ended 31 March		Change (2022 vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Sales revenue	209,314	209,437	(123)	(0,1%)
Operating expenses	(131,350)	(116,787)	(14,563)	12,5%
Other revenue, other (expenses), gains on reversal of impairment of receivables/(losses) on impairment of receivables	288	1,380	(1,092)	(79,1%)
Operating profit	78,252	94,030	(15,778)	(16,8%)
Financial income	9,170	369	8,801	2 385,1%
Financial expenses	(6,139)	(6,647)	508	(7,6%)
Share of profit of entities measured by the equity method	12,356	13,217	(861)	(6,5%)
Profit before tax	93,639	100,969	(7,330)	(7,3%)
Income tax expense	(17,519)	(17,052)	(467)	2,7%
Net profit for the period	76,120	83,917	(7,797)	(9,3%)



The separate net profit of **GPW** in 6M 2022 stood at PLN 76.0 million (-PLN 68.6 million i.e. -47.4% year on year). The Company reported a decrease of sales revenue (-PLN 1.0 million i.e. -0.7%) and of financial income (-PLN 58.9 million) combined with an increase in operating expenses (+PLN 9.2 million i.e. +11.9%) and a decrease in financial expenses (-PLN 1.3 million i.e. -32.2%). The lower financial income was due to lower dividends from the subsidiaries, which was not offset by higher revenues from deposits following to the increase in interest rates in Poland. EBITDA stood at PLN 59.1 million (-PLN 9.1 million i.e. -13.4% year on year).

The net profit of **TGE** in 6M 2022 was down year on year and stood at PLN 42.7 million (-PLN 33.0 million i.e. -43.6% year on year). EBITDA stood at PLN 24.1 million (-PLN 2.1 million i.e. -8.2% year on year).

The net profit of **IRGIT** in 6M 2022 was PLN 7.3 million (-PLN 2.9 million i.e. -28.6% year on year). EBITDA stood at PLN 14.5 million (-PLN 1.1 million i.e. -7.3% year on year).

Table 5: Selected consolidated financial indicators

	0	
	2022	2021
Debt and financing ratios of the Group		
Net debt / EBITDA for 12 months	(1,6)	(1,7)
Debt to equity	14,5%	28,8%
Liquidity ratios		
Current liquidity	1,9	2,2
Coverage ratio of interest rate on bond issue	42,5	38,6
Profitability ratios		
EBITDA margin	46,6%	53,2%
Operating profit margin	37,4%	44,9%
Net profit margin	36,4%	40,1%
Cost / income	62,8%	55,8%
ROE	16,9%	18,0%
ROA	10,9%	11,1%

Net debt = interest-bearing liabilities less liquid assets (as at the balance-sheet date)

Liquid assets = financial assets measured at amortised cost and other financial assets + cash and cash equivalents

EBITDA = GPW Group operating profit plus depreciation/amortisation (for 6 months, net of the share of profit/loss of associates)

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

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

Coverage ratio of interest costs on the bond issue = EBITDA / interest cost on bonds (interest paid and accrued for a 6-month period)

EBITDA margin = EBITDA / GPW Group sales revenue (for a 6-month period)

Operating profit margin = operating profit / GPW Group sales revenue (for a 6-month period)

Net profit margin = net profit / GPW Group sales revenue (for a 6-month period)

Cost / income = GPW Group operating expenses / GPW Group sales revenue (for a 6-month period)

ROE = GPW Group net profit (for a 12-month period) / average equity at the beginning and at the end of the 12-month period

ROA = GPW Group net profit (for a 12-month period) / average total assets at the beginning and at the end of the 12-month period

Net debt to EBITDA was negative as at 30 June 2022 as liquid assets significantly exceeded interest-bearing liabilities. The debt to equity ratio decreased due to a decrease of interest-bearing liabilities.

Current liquidity decreased year on year due to a modest decrease of current liabilities while current assets decreased significantly. The coverage ratio of interest costs under the bond issue suggests that EBITDA was several times higher than interest costs on bonds as at 30 June 2022, similar to previous periods.



The EBITDA margin decreased year on year due to an increase of expenses by 12.5% combined with stable revenues year on year (-0.1% YoY). The net profit margin and the operating profit margin decreased as a result of a decrease of the Group's net profit year on year. The cost/income ratio increased year on year as a result of rising expenses (mainly PFSA fees, external service charges, and employee costs).

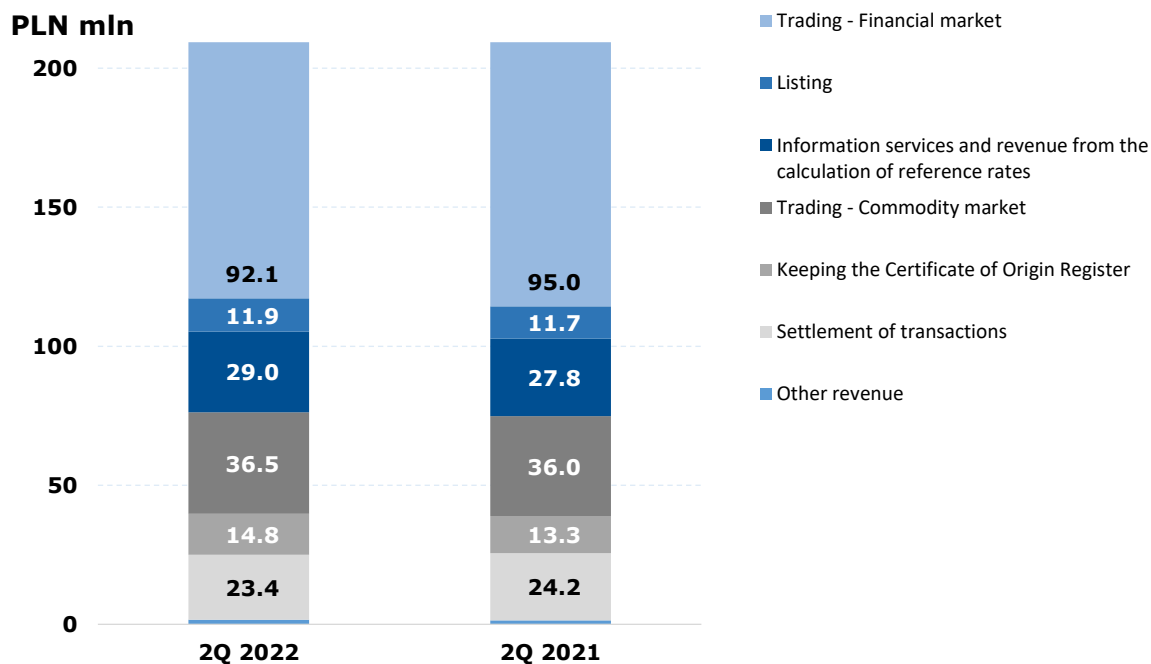
ROE and ROA remained stable year on year.

4.2. Consolidated statement of comprehensive income

4.2.1. Sales revenue – summary

The GPW Group's sales revenue in 6M 2022 was stable year on year and stood at PLN 209.3 million (-PLN 0.1 million i.e. -0.1% year on year). Revenue at the end of Q2 2022 was influenced by increased investor activity in the capital market caused by the outbreak of armed conflict in Ukraine. Among the business lines, a significant increase in 6M 2022 was recorded in revenues from trading in derivatives, which stood at PLN 9.8 million (+PLN 2.6 million i.e. +36.6%), revenues from other fees paid by market participants, which stood at PLN 4.9 million (+PLN 1.9 million i.e. +63.9%), and revenues from information services and revenues from the calculation of reference rates, which stood at PLN 28.3 million (+0.4 million i.e. +3.9% year on year). The commodity market segment's revenues in 6M 2022 increased slightly year on year (+PLN 1.2 million i.e. +1.7%).

Chart 1: Structure and value of consolidated sales revenue in 6M 2022



The main revenue streams in 6M 2022 included trading on the financial market (44.0%), trading on the commodity market (17.4%), and information services and revenues from the calculation of reference rates (13.5%). The share of those revenue streams in 6M 2021 was 45.3%, 17.2%, and 13.0%, respectively.

The share of sales revenue from foreign clients in total sales revenue in 6M 2022 increased modestly to 35.8% of total sales (+4.4 pps year on year). The share of remote Exchange Members in turnover on the cash and derivatives markets has been rising for several years, resulting in their bigger share in the GPW Group's total revenue.

The Group's sales revenue shows no concentration: the share of single clients in total sales revenue did not exceed 10% in 6M 2022.



4.2.2. Sales revenue – financial market

The Group's sales revenue on the financial market in 6M 2022 stood at PLN 132.4 million (-PLN 1.6 million i.e. -1.2% year on year), representing 63.2% of total sales revenue. The biggest stream of sales revenue on the financial market was trading revenue (69.6%), in particular trading in equities and equity-related instruments (53.1%). The second biggest stream of consolidated sales revenue on the financial market were information services and revenues from the calculation of reference rates (21.4% of total revenue on the financial market).

Table 6: Revenue on the financial market

PLN'000, %	Six-month period ended 30 June (unaudited)				Change (2022 vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	%	2021	%		
Financial market	132,375	100,0%	133,964	100,0%	(1,589)	(1,2%)
Trading revenue	92,096	69,6%	94,958	70,9%	(2,862)	(3,0%)
Equities and equity-related instruments	70,314	53,1%	78,583	58,7%	(8,269)	(10,5%)
Derivatives	9,786	7,4%	7,165	5,3%	2,621	36,6%
Other fees paid by market participants	4,858	3,7%	2,964	2,2%	1,894	63,9%
Debt instruments	5,782	4,4%	5,604	4,2%	178	3,2%
Other cash instruments	1,356	1,0%	642	0,5%	714	111,2%
Listing revenue	11,932	9,0%	11,736	8,8%	196	1,7%
Listing fees	9,912	7,5%	8,728	6,5%	1,184	13,6%
Fees for introduction and other fees	2,020	1,5%	3,008	2,2%	(988)	(32,8%)
Information services and revenue from the calculation of reference rates	28,347	21,4%	27,270	20,4%	1,077	3,9%
Real-time data and revenue from the calculation of reference rates	26,673	20,1%	25,562	19,1%	1,111	4,3%
Historical and statistical data and indices	1,674	1,3%	1,708	1,3%	(34)	(2,0%)

The Group's revenue from **trading in equities and equity-related instruments** stood at PLN 70.3 million in 6M 2022 (-PLN 8.3 million i.e. -10.5% year on year). The revenue in H1 2022 was driven by the stabilisation of trading on NewConnect at around PLN 1 billion after a phase of increased investor activity during the pandemic. At the same time, turnover on the Main Market decreased year on year and stood at PLN 165.8 billion (-PLN 15.9 billion i.e. -8.8%). In Q2 2022, the electronic order book turnover value on the Main Market decreased by -3.2% year on year to PLN 163.3 billion and the value of block trades decreased by 80.5% year on year to PLN 2.6 billion. The average daily EOB turnover value in equities on the Main Market was PLN 1,337.4 million in H1 2022 compared to PLN 1,477.7 million in H1 2021.



Table 7: Data for the markets in equities and equity-related instruments

	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Financial market, trading revenue: equities and equity-related instruments (PLN mn)	70,3	78,6	(8,3)	(10,5%)
Main Market:				
Turnover value - total (PLN bn)	165,8	181,8	(15,9)	(8,8%)
Value of trading - Electronic Order Book (PLN bn)	163,3	168,7	(5,4)	(3,2%)
Value of trading - block trades (PLN bn)	2,6	13,1	(10,5)	(80,5%)
Turnover volume (bn shares)	7,0	8,4	(1,4)	(16,9%)
NewConnect:				
Turnover value - total (PLN bn)	1,6	4,2	(2,5)	(60,8%)
Value of trading - Electronic Order Book (PLN bn)	1,6	4,1	(2,5)	(61,3%)
Value of trading - block trades (PLN bn)	0,1	0,2	(0,2)	(76,0%)
Turnover volume (bn shares)	1,4	3,2	(1,8)	(55,4%)

Revenue of the Group from **trading in derivatives on the financial market** (futures and options) stood at PLN 9.8 million in 6M 2022 (+PLN 2.6 million i.e. +36.6% year on year). The increase in revenue was mainly driven by increased volumes due to high volatility of the WIG20 and mWIG40 indices caused by the armed conflict in Ukraine. The total volume of turnover in derivatives was 7.5 million contracts, representing an increase year on year (+1.6 million contracts i.e. +26.8%), including an increase of the volume of turnover in WIG20 futures by 44.8% (to 4.2 million contracts vs. 2.9 million contracts in H1 2021) while the volume of turnover in mWIG40 futures was stable. The volume of turnover in currency futures increased to 2.03 million contracts in 6M 2022 vs. 1.64 million contracts in 6M 2021.

Table 8: Data for the derivatives market

	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Financial market, trading revenue: derivatives (PLN mn)	9,8	7,2	2,6	36,6%
Derivatives turnover volume (mn instruments), incl.:	7,5	5,9	1,6	26,8%
- WIG20 futures turnover volume (mn futures)	4,2	2,9	1,3	44,8%

Revenue of the Group from **other fees paid by market participants** stood at PLN 4.9 million (+PLN 1.9 million i.e. +63.9% year on year). The fees mainly included fees for access to and use of the trading system (among others, licence fees, connection fees, and maintenance fees).

Revenue of the Group from **trading in debt instruments** stood at PLN 5.8 million in 6M 2022 and remained stable year on year. The majority of the Group's revenue from debt instruments was generated by Treasury BondSpot Poland ("TBSP"). The revenue on TBSP stood at PLN 5.1 million (-PLN 0.2 million i.e. -4.7%). The value of turnover in Polish Treasury securities on TBSP was PLN 269.8 billion (+PLN 45.1 billion i.e. +20.1% year on year). The increase of the value of transactions was reported mainly in the conditional



transaction segment. The value of conditional transactions stood at PLN 237.9 billion (+PLN 50.2 billion i.e. +26.8% year on year) and the value of cash transactions stood at PLN 31.9 billion (-PLN 5.2 billion i.e. -13.9% year on year).

The value of turnover on Catalyst stood at PLN 4.8 billion (+PLN 3.1 billion i.e. +186.1% year on year), including turnover in non-Treasury instruments at PLN 1.4 billion compared to PLN 1.0 billion in 6M 2021.

Table 9: Data for the debt instruments market

	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Financial market, trading revenue: debt instruments (PLN mn)	5,8	5,6	0,2	3,2%
Catalyst, turnover value, incl.:	4,8	1,7	3,1	186,1%
Non-Treasury instruments (PLN bn)	1,4	1,0	0,3	31,9%
Treasury BondSpot Poland, turnover value:				
Conditional transactions (PLN bn)	237,9	187,7	50,2	26,8%
Cash transactions (PLN bn)	31,9	37,0	(5,2)	(13,9%)

The Group's revenue from trading in **other cash market instruments** stood at PLN 1.4 million, representing an increase of +PLN 0.7 million year on year. The revenue includes fees for trading in structured products, investment certificates, ETF units, and warrants.

The Group's **listing revenue** on the financial market stood at PLN 11.9 million in 6M 2022 (+PLN 0.2 million i.e. +1.7% year on year) and included:

- › revenue from listing fees, which stood at PLN 9.9 million (+PLN 1.2 million i.e. +13.6%). The main driver of revenue from listing fees is the number of issuers listed on the GPW markets and their capitalisation at previous year's end;
- › revenues from fees for introduction and other fees, which decreased to PLN 2.0 million (-PLN 1.0 million i.e. -32.8% year on year). The decrease was driven mainly by a decrease in the number of IPOs (IPOs on the Main Market of 2 companies with a capitalisation of PLN 0.4 billion in 6M 2022 compared to IPOs of 8 companies with a capitalisation of PLN 33.5 billion in 6M 2021).

Table 10: Listing revenue on the Main Market

	Six-month period ended 30 June (unaudited)		Change (2022 vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Main Market				
Listing revenue (PLN mn)	9,6	8,7	0,9	10,2%
Total capitalisation of listed companies (PLN bn), incl.:	1,093,4	1,228,2	(134,8)	(11,0%)
- Capitalisation of listed domestic companies	554,5	637,3	(82,7)	(13,0%)
- Capitalisation of listed foreign companies	538,9	590,9	(52,0)	(8,8%)
Total number of listed companies, incl.:	420	426	(6)	(1,4%)
- Number of listed domestic companies	375	379	(4)	(1,1%)
- Number of listed foreign companies	45	47	(2)	(4,3%)
Value of IPOs and SPOs (PLN bn)	7,0	2,8	4,2	151,0%
Number of newly listed companies (in the period)	2	8	(6)	(75,0%)
Capitalisation of newly listed companies (PLN bn)	0,4	33,5	(33,1)	(98,7%)
Number of delisted companies	11	14	(3)	(21,4%)
Capitalisation of delisted companies* (PLN bn)	4,3	55,4	(51,2)	(92,3%)

*capitalisation as at delisting

Listing revenue on the GPW **Main Market** increased to PLN 9.6 million in 6M 2022 (+PLN 0.9 million i.e. +10.2% year on year). The table above presents the key financial and operating figures for the Main Market.

There were no IPOs on the Main Market in 6M 2022, as compared to PLN 2.2 billion IPOs in 6M 2021. The value of SPOs increased from PLN 625 million in 6M 2021 to PLN 7.0 million in 6M 2022. Two companies were newly listed on the Main Market and 11 companies were delisted. The capitalisation of the companies delisted on the Main Market was PLN 4.3 billion.

Table 11: Listing revenue on NewConnect

	Six-month period ended 30 June (unaudited)		Change (2022 vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
NewConnect				
Listing revenue (PLN mn)	1,3	1,2	0,1	11,7%
Total capitalisation of listed companies (PLN bn), incl.:	15,0	21,2	(6,2)	(29,2%)
- Capitalisation of listed domestic companies	14,9	20,9	(6,0)	(28,9%)
- Capitalisation of listed foreign companies	0,1	0,3	(0,1)	(51,9%)
Total number of listed companies, incl.:	382	365	17	4,7%
- Number of listed domestic companies	378	361	17	4,7%
- Number of listed foreign companies	4	4	-	-
Value of IPOs and SPOs (PLN bn)	0,2	0,3	(0,1)	(43,0%)
Number of newly listed companies (in the period)	9	14	(5)	(35,7%)
Capitalisation of newly listed companies (PLN bn)	0,2	0,8	(0,6)	(73,0%)
Number of delisted companies*	7	22	(15)	(68,2%)
Capitalisation of delisted companies, (PLN bn) **	0,5	1,7	(1,2)	(68,6%)

* including transfers to the Main Market

** capitalisation as at delisting



Listing revenue on **NewConnect** increased modestly to PLN 1.3 million (+PLN 0.1 million i.e. +11.7% year on year).

The value of IPOs on NewConnect was PLN 34 million (-PLN 49.0 million year on year) while the value of SPOs decreased from PLN 236 million in 6M 2021 to PLN 148 million in 6M 2022. Nine companies were newly listed and seven companies were delisted in 6M 2022. The capitalisation of the companies delisted on NewConnect was PLN 534 million.

Table 12: Listing revenue on Catalyst

	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Catalyst				
Listing revenue (PLN mn)	1,0	1,8	(0,8)	(45,2%)
Number of issuers	134	129	5	3,9%
Number of listed instruments, incl.:	572	545	27	5,0%
- non-Treasury instruments	509	481	28	5,8%
Value of listed instruments (PLN bn), incl.:	1,167,4	1,131,2	36,2	3,2%
- non-Treasury instruments	93,2	102,3	(9,1)	(8,9%)

Listing revenue on **Catalyst** stood at PLN 1.0 million (-PLN 0.8 million i.e. -45.2% year on year) while the number of issuers increased modestly year on year and the value of issued instruments increased (+PLN 36.2 billion i.e. +3.2% year on year).

Revenue from **information services and calculation of reference rates** on the financial market and the commodity market in aggregate stood at PLN 29.0 million (+PLN 1.2 million i.e. +4.4% year on year).

Table 13: Data for information services

	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Information services and revenue from the calculation of reference rates* (PLN mn)	29,0	27,8	1,2	4,4%
Number of data vendors	93,0	89,0	4,0	4,5%
Number of subscribers (thou.)	513,5	438,8	74,7	17,0%

**Revenue from information services includes the financial market and the commodity market.*

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

- acquisition of new clients of GPW Group data (mainly non-display users and data vendors);
- strong increase in the number of subscribers (up by 74.7 thousand year on year in 6M 2022).

GPWB made a contribution to the increase of the revenue from information services and calculation of reference rates. GPWB generated revenue from the calculation of reference rates at PLN 5.2 million in 6M 2022 (+PLN 1.3 million i.e. +31.6% year on year).



4.2.3. Sales revenue – commodity market

Revenue of the Group on the commodity market stood at PLN 75.3 million in 6M 2022 (+PLN 1.2 million i.e. +1.7% year on year) accounting for 36.0% of the Group's total sales revenue. It included trading revenue (electricity, gas, property rights in certificates of origin, food and agricultural products, other fees paid by market participants), revenue from the operation of the Register of Certificates of Origin, revenue from clearing, and revenue from information services.

Table 14: Value and structure of revenue on the commodity market

PLN'000, %	Three-month period ended 31 March (unaudited)				Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	%	2021	%		
Commodity market	75,336	100,0%	74,092	100,0%	1,244	1,7%
Trading revenue	36,509	48,5%	36,080	48,7%	429	1,2%
Transactions in electricity:	7,240	9,6%	8,405	11,3%	(1,165)	(13,9%)
- Spot	2,482	3,3%	2,715	3,7%	(233)	(8,6%)
- Forward	4,758	6,3%	5,690	7,7%	(932)	(16,4%)
Transactions in gas:	5,878	7,8%	6,157	8,3%	(279)	(4,5%)
- Spot	1,113	1,5%	1,701	2,3%	(588)	(34,6%)
- Forward	4,765	6,3%	4,456	6,0%	309	6,9%
Transactions in property rights to certificates of origin	14,361	19,1%	14,079	19,0%	282	2,0%
Trade in food and agricultural products	6	0,0%	22	0,0%	(16)	100,0%
Other fees paid by market participants	9,024	12,0%	7,417	10,0%	1 607	21,7%
Operation of the register of certificates of origin	14,786	19,6%	13,338	18,0%	1 448	10,9%
Clearing	23,407	31,1%	24,176	32,6%	(769)	(3,2%)
Information services	634	0,8%	498	0,7%	136	27,3%

Revenue on the commodity market includes the revenue of the TGE Group which includes TGE, Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT"), and InfoEngine S.A. ("InfoEngine").

Revenue of the TGE Group is driven mainly by the volume of turnover 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; and revenue from clearing and settlement of transactions in exchange-traded commodities in clearing operated by IRGiT.

The Group's **trading revenue on the commodity market** stood at PLN 36.5 million in 6M 2022 (+PLN 0.4 million i.e. +1.2% year on year).

Table 15: Trading revenue on the commodity market

	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Commodity market, trading revenue (PLN mn)	36,5	36,1	0,4	1,2%
Electricity turnover volume:				
- Spot transactions (TWh)	17,0	18,2	(1,2)	(6,8%)
- Forward transactions (TWh)	61,6	82,9	(21,3)	(25,7%)
Gas turnover volume:				
- Spot transactions (TWh)	11,1	16,5	(5,4)	(32,9%)
- Forward transactions (TWh)	62,2	56,9	5,3	9,2%



Turnover volume in property rights (TGE) (TWh)

- Spot transactions (TWh)	14,6	14,4	0,3	1,7%
- transakcje spot (toe)	54,076,1	61,241,1	(7,165,0)	(11,7%)

The Group's revenue from **trading in electricity** stood at PLN 7.2 million in 6M 2022 (-PLN 1.2 million i.e. -13.9%). The total volume of turnover on the energy market operated by TGE was 78.6 TWh in 6M 2022 (-22.5 TWh i.e. -22.3% year on year). The decrease in electricity turnover in 6M 2022 was mainly driven by a decrease of forward trade by 25.7% to 61. TWh. The turnover decreased mainly due to smaller turnover in one-year contracts.

The Group's revenue from **trading in gas** stood at PLN 5.9 million in 6M 2022 (-PLN 0.3 million i.e. -4.5% year on year). The volume of turnover in natural gas on TGE was 73.2 TWh in 6M 2022 (-0.2 TWh i.e. -0.2%). The increase in the turnover volume on the gas market year on year was the result of a decrease on the spot market and an increase on the forward market. The spot turnover decreased by 32.9% year on year due to significantly lower temperatures in 6M 2022 compared to 6M 2021. The increase in turnover on the forward market was driven by continued high contracting for the longest delivery periods (one-year and seasonal instruments).

The Group's revenue from **trading in property rights in certificates of origin** stood at PLN 14.4 million in 6M 2022 (+PLN 0.3 million i.e. +2.0% year on year). The volume of turnover in property rights was 14.6 TWh in 6M 2022 (+0.3 TWh i.e. +1.7% year on year). The decrease in the turnover volume in property rights was driven by uncertainty regarding the future levels of green certificate cancellations and a lower turnover volume in energy efficiency rights (-11.7%). Trading in certificates issued by the Energy Regulatory Office (URE) at auction (PMEF, which was the most liquid instrument for energy efficiency certificates of origin) was discontinued in accordance with the law on 30 June 2021. The other three instruments related to white certificates (PMEF_F, PME-2021 and PME-2022) are issued by the Energy Regulatory Office in much lower volumes (as efficiency schemes are being phased out, and with some delay).

Revenue of the Group from **other fees paid by commodity market participants** stood at PLN 9.0 million in 6M 2022 (+PLN 1.6 million i.e. +21.7% year on year). Other fees paid by commodity market participants included fees paid by TGE market participants at PLN 5.4 million, revenue of InfoEngine as a trade operator at PLN 1.3 million, and revenue of IRGiT at PLN 2.3 million in 6M 2022. The year-on-year change of TGE's revenue in 6M 2022 is mainly due to changes in the activity of TGE Members in the various markets, as well as a change in the structure of fees for access to IT systems.

Revenue from the operation of the **Register of Certificates of Origin** stood at PLN 14.8 million in 6M 2022 (+PLN 1.4 million i.e. +10.9% year on year). The increase of the revenue from the operation of the Register was driven mainly by an increase in revenues from the register of RES certificates of origin. The main drivers of the increase included the lack of cancellations in February and June 2022, a year-on-year increase in issuances and a 1.7% year-on-year increase in the turnover of certificates in 6M 2022.

Table 16: Data for the Register of Certificates of Origin

	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
Commodity market, revenue from the operation of the Register of Certificates of Origin in electricity (PLN mn)	14,8	13,3	1,4	10,9%
Issued property rights (TWh)	13,4	12,3	1,1	8,8%
Cancelled property rights (TWh)	12,9	11,5	1,4	12,4%

The Group earns revenue from **clearing** operated by IRGiT. The revenue was PLN 23.4 million in 6M 2022 (-PLN 0.8 million i.e. -3.2% year on year). The revenue from clearing of transactions in electricity stood at



PLN 5.9 million, the revenue from clearing of transactions in gas stood at PLN 11.8 million, and the revenue from clearing of transactions in property rights stood at PLN 5.7 million.

4.2.4. Other sales revenue

The Group's other revenue stood at PLN 1.6 million in H1 2022 and remained stable year on year (+PLN 0.2 million i.e. +16.0%). The Group's other revenue includes revenue from educational and PR activities, office space lease, and sponsorship.

4.2.5. Operating expenses

Operating expenses stood at PLN 131.4 million in 6M 2022 (+PLN 14.6 million i.e. +12.5% year on year). Depreciation and amortisation charges, salaries, and external service charges increased substantially.

Chart 2: Structure and value of consolidated operating expenses

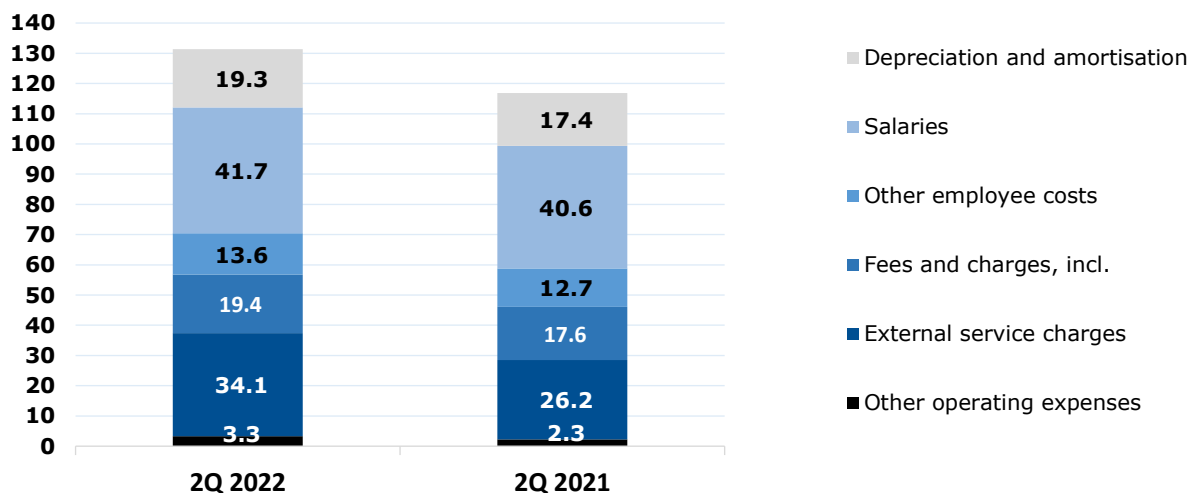


Table 17: Operating expenses

w tys. zł, %	As at/Year ended 31 March				Change (2022 vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	%	2021	%		
Depreciation and amortisation	19,251	14,7%	17,392	14,9%	1,859	10,7%
Salaries	41,674	31,7%	40,632	34,8%	1,042	2,6%
Other employee costs	13,642	10,4%	12,702	10,9%	940	7,4%
Maintenance fees	2,504	1,9%	2,337	2,0%	167	7,1%
Fees and charges, incl.	16,872	12,8%	15,258	13,1%	1,614	10,6%
PFSA fee	14,639	11,1%	14,198	12,2%	441	3,1%
External service charges	34,124	26,0%	26,190	22,4%	7,934	30,3%
Other operating expenses	3,283	2,5%	2,274	1,9%	1,009	44,4%
Total	131,350	100,00%	116,785	100,00%	14,565	12,5%

The capital market supervision fee due to the Polish Financial Supervision Authority in the amount of PLN 14.6 million was the only expense line relating to a single vendor and represented 11.1% of the Group's operating expenses in 6M 2022.

Depreciation and amortisation charges increased year on year in 6M 2022 and stood at PLN 19.3 million (+PLN 1.9 million i.e. +10.7% year on year), including depreciation charges for property, plant and equipment at PLN 6,0 million, amortisation charges for intangible assets at PLN 10,5 million, and depreciation



charges related to leases at PLN 2.7 million. The increase in depreciation charges was mainly the result of a reduction in the depreciation period of the UTP trading system due to the implementation of WATS.

Salaries and other employee costs of the Group stood at PLN 55.3 million in 6M 2022 and increased year on year (+PLN 2.0 million i.e. +3.7% year on year). The year-on-year increase in the Group's costs was driven by a gradual increase of the headcount due to increased workload and additional FTEs related to the implementation of strategic projects and development projects (two new projects were launched at the end of 2021: PCOL and Telemetry). Employee costs are also driven by the amount of costs incurred for project work carried out under civil law contracts.

Table 18: GPW Group FTEs

	Stan na dzień 30 czerwca	
	2022	2021
GPW	278	253
Subsidiaries	189	182
Total	466	435

Maintenance fees stood at PLN 2.5 million in 6M 2022 and remained stable year on year (+PLN 0.2 million i.e. +7.1% year on year). Maintenance fees included mainly maintenance fees at the Centrum Giełdowe building.

Fees and charges stood at PLN 16.9 million in 6M 2022 (+PLN 1.6 million i.e. +10.6% year on year), including provisions for PFSA capital market supervision fees in 2022 at PLN 14.6 million (+PLN 0.4 million i.e. +3.1% year on year). The PFSA fees increased the most for GPW (+PLN 0.4 million i.e. +5.4% year on year) and remained stable year on year for the other companies of the Group. The amount recognised in each financial year represents the annual fee, which is not evenly distributed in time. The Group cannot control the amount of PFSA fees.

External service charges stood at PLN 34.1 million (+PLN 7.9 million i.e. +30.3% year on year).

Table 19: External service charges

PLN'000, %	Six-month period ended 30 June (unaudited)				Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	%	2021	%		
IT costs:	17,405	51,0%	14,810	56,5%	2,595	17,5%
IT infrastructure maintenance	14,376	42,1%	11,608	44,3%	2,768	23,8%
TBSP market maintenance services	805	2,4%	632	2,4%	173	27,4%
Data transmission lines	1,887	5,5%	2,024	7,7%	(137)	(6,8%)
Software modification	337	1,0%	546	2,1%	(209)	(38,3%)
Building and office equipment maintenance:	1,929	5,7%	1,840	7,0%	89	4,8%
Repair, maintenance, service	322	0,9%	264	1,0%	58	22,0%
Security	1,022	3,0%	1,018	3,9%	4	0,4%
Cleaning	413	1,2%	399	1,5%	14	3,5%
Phone and mobile phone services	172	0,5%	159	0,6%	13	8,2%
International (energy) market services	1,429	4,2%	398	1,5%	1,031	259,0%
Car leases and maintenance	172	0,5%	201	0,8%	(29)	(14,4%)
Transport services	78	0,2%	101	0,4%	(23)	(22,8%)
Promotion, education, market development	3,271	9,6%	1,984	7,6%	1,287	64,9%
Market liquidity support	448	1,3%	449	1,7%	(1)	(0,2%)
Advisory (including audit, legal, business consulting)	5,583	16,4%	3,258	12,4%	2,325	71,4%
Information services	1,606	4,7%	1,946	7,4%	(340)	(17,5%)



Training	328	1,0%	307	1,2%	21	6,8%
Mail fees	41	0,1%	52	0,2%	(11)	(21,2%)
Bank fees	55	0,2%	68	0,3%	(13)	(19,1%)
Translation	217	0,6%	257	1,0%	(40)	(15,6%)
Other	1,562	4,6%	519	2,0%	1,043	201,0%
Total	34,124	100,0%	26,190	100,0%	7,934	30,3%

The year-on-year increase of external service charges in 6M 2022 was due to the following cost categories:

- › international energy market services – an increase of PLN 1.0 million (i.e. 259%), resulting from changes in the timeline of implementation of some of the projects and the related payments;
- › advisory – an increase of PLN 2.3 million (+71.4%) due to a higher cost of GPW’s advisory services in connection with ongoing projects, tax and process management advisory in the commodity companies segment;
- › promotion, education, market development – an increase of PLN 1.3 million (i.e. +64.9%) driven among others by an expansion of promotional events which had been limited in 2021 due to the pandemic.

Other operating expenses stood at PLN 3.3 million in 6M 2022 (+PLN 1.0 million i.e. +44.4% year on year). They included mainly the cost of electricity and heat, membership fees, insurance, and business travel which had been limited in 2021 due to the pandemic.

4.2.6. Other income, other expenses, loss on impairment of receivables

Other income of the Group stood at PLN 1.0 million in 6M 2022 (-PLN 0.3 million i.e. +42.4% year on year) and included mainly grants received, which are distributed over time, at PLN 0.2 million (see the Consolidated Financial Statements, Note 2.8.).

Other expenses stood at PLN 0.9 million (+PLN 0.3 million i.e. +57.1% year on year). The decrease of other expenses was due to donation costs paid in H1 2022 combined with a decrease of expenses related to the annual VAT correction (other income was recognised as a result of the annual VAT correction in 2022).

As at the balance-sheet date, the Group’s **profit on reversal of impairment of receivables** stood at PLN 0.3 million, compared to a profit of PLN 1.3 million in 6M 2021.

4.2.7. Financial income and expenses

Financial income of the Group stood at PLN 9.2 million (+PLN 8.8 million year on year) and included mainly interest on bank deposits and financial instruments (corporate bonds, bank deposits). The main driver of the increase in financial income on interest were the NBP’s decisions to increase market interest rates.

Financial expenses of the Group stood at PLN 6.1 million (-PLN 0.5 million i.e. -7.6% year on year). A key line of financial expenses is interest cost of GPW’s outstanding bonds (series C, D and E). The decrease of financial expenses in 6M 2022 year on year was driven by the redemption of series D and E bonds in January 2022.

4.2.8. Share of profit of entities measured by the equity method

The Group’s **share of profit of entities measured by the equity method** stood at PLN 12.4 million in 6M 2022 (-PLN 0.9 million i.e. -6.5% year on year). The lower share of profit of entities measured by equity method in 2022 was mainly driven by lower profits of the KDPW Group year on year.



Table 20: GPW's share of profit of entities measured by the equity method

PLN'000	Six-month period ended 30 June (unaudited)		Change (2022vs 2021)	Growth rate (%) (2022 vs 2021)
	2022	2021		
KDPW S.A. Group	11,758	13,082	(1,324)	(10,1%)
Centrum Giełdowe S.A.	599	135	464	343,7%
Total	12,357	13,217	1,095	9,7%

4.2.9. Income tax

Income tax of the Group was PLN 17.5 million in 6M 2022 (-PLN 0.5 million i.e. +2.7% year on year). The effective income tax rate was 18.3% in 6M 2022 (16.9% in 6M 2021), as compared to the standard Polish corporate income tax rate of 19%. The difference was chiefly due to the exclusion of the share of profit of entities measured by the equity method from taxable income. Income tax paid by the Group in 6M 2022 was PLN 25.2 million (-PLN 4.3 million i.e. +20.8% year on year).

4.3. Consolidated statement of financial position

The structure of the Group's statement of financial position is very stable: equity had a predominant share in the Group's sources of financing and current assets had a predominant share in total assets as at 30 June 2022 and as at 30 June 2021. The company's net working capital, equal to the surplus of current assets over current liabilities or the surplus of non-current capital over non-current assets, was positive at PLN 359.1 million as at 30 June 2022 (PLN 49.0 million i.e. +12.1% year to date and -PLN 105.7 million i.e. -22.7% year on year), which reflects the Group's safe capital position.

The balance-sheet total of the Group was PLN 1.4 billion as at 30 June 2022, representing a decrease of PLN 45 million (-3.2%) year to date, driven mainly by a decrease of current assets (-PLN 50.3 million i.e. -6.2%). The balance-sheet total of the Group decreased by PLN 78.8 million i.e. -5.5% year on year, mainly due to a decrease of financial assets measured at amortised cost (-PLN 287.0 million i.e. -57.5%).

Non-current assets stood at PLN 608.2 million as at 30 June 2022 (+PLN 4.6 million i.e. +0.8% year to date and +PLN 8.7 million i.e. +1.4% year on year) representing 44.6% of total assets as at 30 June 2022 compared to 42.8% as at 31 December 2021 and 41.5% as at 30 June 2021.

Current assets stood at PLN 756.9 million as at 30 June 2022 (-PLN 50.3 million i.e. -6.2% year to date and -PLN 87.5 million i.e. -10.4% year on year) representing 55.4% of total assets as at 30 June 2022 compared to 57.2% as at 31 December 2021 and 58.5% as at 30 June 2021. The decrease of current assets year to date was mainly driven by a decrease of trade receivables and other receivables (-PLN 83.8 million i.e. -47.3%) due to a decrease of the VAT refund receivable at TGE (-PLN 99.2 million i.e. -87%). The VAT refund receivable was caused by a reversal of the direction of trade on the international energy market, where exports were greater than imports.

Equity stood at PLN 921.9 million as at 30 June 2022 (-PLN 46 million i.e. -4.8% year to date and +PLN 24.7 million i.e. +2.8% year on year) representing 67.5% of the Group's total equity and liabilities as at 30 June 2022 compared to 68.6% as at 31 December 2021 and 62.1% as at 30 June 2021. Non-controlling interests remained stable at PLN 0.6 million as at 30 June 2022.

Non-current liabilities stood at PLN 45.4 million as at 30 June 2022 (-PLN 1.2 million i.e. -2.7% year to date and -PLN 121.7 million i.e. -72.8% year on year) representing 3.3% of total equity and liabilities as at 30 June 2022 compared to 3.1% as at 31 December 2021 and 11.6% as at 30 June 2022.

The biggest lines of non-current liabilities include deferred income. Deferred income in non-current liabilities includes payments under grants received for the following projects: PCR (PLN 3.7 million), Agricultural Market (PLN 0.4 million), New Trading Platform (PLN 18.0 million), GPW Data (PLN 3.0 million), and Private Market



(PLN 0.5 million). For more information on grants, see the Consolidated Financial Statements, Note 2.8 and Note 5.4.

Current liabilities stood at PLN 397.8 million as at 30 June 2022 (-PLN 0.9 million i.e. -0.2% year to date and +PLN 18.2 million i.e. +4.8% year on year) representing 29.1% of total equity and liabilities as at 30 June 2022 compared to 28.3% as at 31 December 2021 and 26.3% as at 30 June 2022. The decrease of current liabilities was driven mainly by the redemption of series D and E bonds in January 2022. For more information, see the Consolidated Financial Statements, Note 2.6.

4.4. Consolidated statement of cash flows

Table 21: Consolidated statement of cash flows

PLN'000	As at/Six-month period ended 30 June	
	2022	2021
Cash flows from operating activities	165,127	84,429
Cash flows from investing activities	57,280	(211,879)
Cash flows from financing activities	(124,311)	(7,327)
Increase (decrease) of net cash	98,096	(134,777)
Impact of FX changes on balance of FX cash	99	(319)
Cash and cash equivalents - opening balance	349,324	411,018
Cash and cash equivalents - closing balance	447,519	275,922

The Group generated positive cash flows from **operating activities** at PLN 165.1 million (+PLN 80.7 million i.e. +95.6% year on year) driven among others by a decrease of trade receivables and other receivables, a decrease of other current liabilities, and an increase of income tax paid.

Cash flows from **investing activities** were positive at PLN 57.3 million vs. negative cash flows at -PLN 211.9 million in H1 2021. The increase of the cash flows was mainly due to higher cash flows relating to investments in assets measured at amortised cost (-PLN 261.1 million i.e. -135% year on year).

Cash flows from **financing activities** were negative at -PLN 124.3 million vs. negative cash flows at -PLN 7.3 million in 6M 2021, and included mainly the redemption of series D and E bonds.

The Group's capital expenditure stood at PLN 20.0 million in 6M 2022, including expenditure for property, plant and equipment at PLN 5.7 million (PLN 1.7 million in 6M 2021) and expenditure for intangible assets at PLN 14.3 million (PLN 9.1 million in 6M 2021).

Capital expenditure for property, plant and equipment and intangible assets in 6M 2022 included the implementation of key projects: New Trading Platform, GPW Data, GRC System, Telemetry, and purchase of IT hardware.

Capital expenditure for property, plant and equipment in H1 2021 included among others investments in the Centrum Giełdowe building and the purchase of servers. Capital expenditure for intangible assets included among others investments in the projects: New Trading Platform, GPW Data, GRC System, New Index Calculator, New Billing System.



5. Seasonality and cyclicity of operations

5.1. Trading on the financial market

Share prices and turnover value 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 in the long term.

5.2. Trading on the commodity market

Trading in certificates of origin on TGE is subject to seasonality. The volume of turnover 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 preceding 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 (of each year in relation of electricity sold in the preceding year). As a result, turnover 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 market players and it is typically lower in H1. However, seasonality may be distorted because the strategies of market players also depend on the financial standing of companies, regulatory changes, and current energy and gas prices.

6. Atypical factors and events impacting the GPW Group's results in H1 2022

Atypical factors and events impacting the GPW Group's results in H1 2022 included:

- › provision for the cost of the capital market supervision fee,
- › implementation of projects with grants from NCBiR (see Note 5.4. to the Consolidated Financial Statements),
- › revaluation of provisions concerning VAT in IRGiT (see Note 5.9. to the Consolidated Financial Statements).
- › share of profit of associates,
- › COVID pandemic and outbreak of armed conflict in Ukraine.

7. Atypical factors and events impacting the GPW Group's results at least in the next quarter

7.1. External factors

Impact of the armed conflict in Ukraine on the GPW Group's business

The key factor which may affect the GPW Group's activity and results in the coming quarters is the war in Ukraine. GPW and its subsidiaries are monitoring the situation on an ongoing basis and taking measures to manage business continuity.

The war risks are described extensively in the Management Board Report on the Activity of the Parent Company and the Warsaw Stock Exchange Group, Note 2.7 and in the Consolidated Financial Statements of the GPW Group for the year ended 31 December 2021, Note 6.12. Additional information is presented below.

- › Risk of disruption of gas supplies to Poland

Towarowa Giełda Energii and Izba Rozliczeniowa Giełd Towarowych S.A. participate in gas trading. The transaction volume is based on a statutory obligation to trade at least 55% of gas on the exchange. The role of TGE and IRGiT is limited to trading and financial settlement of the transactions.



The entity responsible for supply and market balancing is the transmission system operator GAZ-System S.A., which handles supplies via a network of domestic pipelines and gas storage facilities. Disruptions or restrictions in gas supplies to Poland may affect the price of gas as quoted on TGE, which may contribute to an increase in the level of margins required by IRGiT and increase the risk of default on the market. On the other hand, lower volumes of the commodity may lead to a reduction of the volume of transactions which are handled by TGE and cleared by IRGiT and, consequently, a decrease in revenues.

On 27 April 2022, the risk of disruption of natural gas supplies under the long-term contract with Gazprom materialised. The Russian side stopped deliveries to Poland due to the lack of agreement to settle import payments in roubles.

At this time, the following risks related to the situation on the European markets may reduce Poland's natural gas supplies to Poland:

- On 16 June 2022, Gazprom reduced gas deliveries to Germany via the Nord Stream 1 pipeline by 40%. There is a risk that Russia may completely stop natural gas deliveries to Germany via the Nord Stream 1 pipeline. As a consequence of such a risk materialising, gas imports from Germany to Poland via the Lasów interconnector (1.5 bcm/year i.e. 15.8 TWh) and indirectly via the Cieszyn interconnector (0.5 bcm/year i.e. 5.3 TWh) will not be possible. A possible shortage of gas on the German market in the winter season 2022/2023 will deepen the gas crisis across Europe contributing to another wave of gas fuel price increases.
- Reduction or cessation of Russian gas supplies to Europe via the Ukrainian transmission system as a consequence of political decisions or failure/damage as a result of ongoing hostilities.
- The Russian Federation may decide to engage in acts of sabotage against gas infrastructure in the EU (storage facilities, LNG terminals, gas compressor stations, cyberattacks on control systems).

In the time horizon of 2023, the risks for the supply of natural gas to Poland will be determined by the status of contracted import supplies handled primarily through the Świnoujście LNG Terminal and the Baltic Pipe pipeline.

› Risk of suspension or reduction of the obligation to trade gas on the exchange

In view of the situation on the gas market, the draft law amending certain laws to strengthen the state's gas security provides for the suspension of the obligation to trade in gas on the exchange in the event of a declared state of emergency and for the authorisation for the minister responsible for energy to reduce the required volumes of natural gas sold through the commodity exchange in 2022 or 2023. This is due to the unprecedented situation on the gas market where high commodity prices require significantly higher trading margins than before. The high gas prices are a consequence of a reduction in the supply of gas to Europe. The risk of further supply constraints will persist in the coming months. In view of the above, a further risk is the introduction of a "state of crisis" in the gas market and the suspension of the obligation to trade in gas on the exchange or a temporary reduction of its level.

› Risk of sanction violations

In connection with the expansion of international sanctions imposed both on natural persons and legal entities, the GPW Group has taken steps under the sanctions to terminate its cooperation with several entities due to a reasonable risk of violation of generally applicable sanction lists, which could result in a threat to the safety of trading.

› **Risks relating to impact on issuers' activity and financial performance**

The increase in market risk accompanying the development of the conflict in Ukraine continues to affect the activity of participants in Treasury bond trading and the structure of the trading. A possible further increase in interest rates driving an increase in bond yields and a decrease in bond prices generates the risk of a decrease in Treasury securities market turnover; however, the scale of this risk will depend primarily on further developments, the time horizon of the conflict, and the combination of negative demand and supply shocks to the economy.

Given the adverse factors in the market environment, amplified by the impact of the conflict in Ukraine, a cautious approach should be taken to the revenue forecasts.



Other factors which may impact the GPW Group's results in the coming quarters include:

- › The PMI index, which reflects the level of activity and the degree of optimism in the sector, fell to 44.4 points for Polish industry in June 2022. Over the last ten years, this is the second worst result, second only to the period at the beginning of the Covid-19 pandemic in Poland. The downturn was a consequence of the war in Ukraine. In addition, the pandemic-induced disruptions to supply chains aggravated with the Russian invasion of Ukraine. Changes in the level and reversal of the positive economic conditions may have an impact on the turnover recorded on GPW;
- › Assets invested in investment funds which stand at PLN 268.4 billion as at 31 May 2022 (-PLN 21.2 billion since February as a result of Russia's military aggression against Ukraine, which led to high volatility in the equity and commodity markets, while high inflation and resulting expectations of monetary policy tightening by central banks triggered a massive revaluation in the bond market);
- › Change in assets invested in pension funds to PLN 158.78 billion as at 31 May 2022, affecting the activity of investors and the performance of the WIG20 index;
- › The growing net value of assets invested in employee capital plans (PPK), which exceeded PLN 8.75 billion as at 31 March 2022, may have a positive impact on the demand for instruments listed on the GPW markets and further boost the prices of assets listed on GPW;
- › Potential lifting of the obligation to trade in electricity and gas on the exchange;
- › Rising inflation;
- › Further interest rate hikes;
- › Legislative changes with a direct impact on benchmarks;
- › Another wave of coronavirus infections.

7.2. Internal factors

Internal factors and activities which may impact the GPW Group's results in the coming quarters include:

- › implementation of the cross-border energy market projects: Single Day Ahead Coupling – SDAC and Single Intraday Coupling – SIDC by TGE;
- › provisions for potential VAT interest payable in IRGiT (see Note 5.9 to the Consolidated Financial Statements);
- › acquisition of shares in the Armenia Securities Exchange (see Note 5.10 to the Consolidated Financial Statements);
- › review of strategic initiatives under the Strategy 2022 and commencement of work on defining initiatives for the coming years;
- › implementation of the Term Sheet with Towarowa Giełda Energii S.A., the National Bank of Hungary and the Budapest Stock Exchange concerning the planned establishment of Central Post-trade Solutions.

8. Other information

Contingent liabilities and assets

For details of contingent assets and liabilities, see the Consolidated Financial Statements, Note 5.8.

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

The Group neither granted nor terminated loans or advances in H1 2022.

In previous years, the Group granted loans to its related party, PAR – see Note 5.1.2 to the Consolidated Financial Statements.

Investment in and relations with other entities

GPW has organisational and equity relations with members of the Group, associates, and joint ventures. For a description of the Group and the associates, see section 3.1. of this Report.

GPW neither invested nor divested in any entities other than its related parties in H1 2022.

On 19 January 2022, GPW acquired a shelf company Teelgren Investments S.A. for PLN 118 thousand in order to simplify the incorporation and registration process. On 24 June 2022, the company changed its name to GPW Private Market S.A.. The company will operate the market in the Private Market project.

On 12 April 2022, GPW acquired a shelf company Molonello Investments S.A. for PLN 115 thousand in order to simplify the incorporation and registration process. The company was acquired to operate as a digital system operator in the Transport-Shipping-Logistics (TSL) industry in the PCOL project.

As at 30 June 2022, the GPW Group held an interest in the following entities:

- › Bucharest Stock Exchange (BVB) – 0.06%,
- › INNEX PJSC – 10%;
- › TransactionLink Sp. z o.o. – 2.16%;
- › IDM – 1.54% (acquired in a debt-to-equity conversion).

The carrying amount of GPW's interest in the Bucharest Stock Exchange stood at PLN 138 thousand as at 30 June 2022 (PLN 123 thousand as at 31 December 2021) and its interest in Innex and IDM at PLN 0.

In addition to interest in those companies, Group members, associates, and joint ventures, GPW's main local investments as at 30 June 2022 included bank deposits and corporate bonds.

For details of transactions of the Group with related parties, see the Consolidated Financial Statements, Note 5.1.

Guarantees and sureties granted

For a description of guarantees received by the Group, see the Consolidated Financial Statements, Note 5.8.2. The Group granted no guarantees or sureties to third parties in 6M 2022.

Related party transactions

The Exchange and the other entities of the GPW Group did not enter into transactions with related parties on terms other than market terms in H1 2022.

On 8 September 2021, GPW and TGE signed a revolving loan agreement up to PLN 40.0 million to be used to pay TGE's current liabilities arising from transactions in the international energy market. On 3 November 2021, GPW and TGE signed a revolving loan agreement up to PLN 240.0 million to be used to pay TGE's current liabilities arising from transactions in the international energy market. The new agreement replaced the agreement of 8 September 2021. The loan was granted in PLN. The loan has a floating interest rate equal to the reference rate WIBOR O/N plus a margin. The loan was to be repaid on or before 30 June 2022 and was repaid in full in Q1 2022.

Feasibility of previously published forecasts

The Group did not publish any forecasts of results for the six-month period ended 30 June 2022.



The Interim Report of the Giełda Papierów Wartościowych w Warszawie S.A. Group for the six-month period ended 30 June 2022 is presented by the GPW Management Board:

Marek Dietl – President of the Management Board

Izabela Olszewska – Member of the Management Board

Adam Młodkowski – Member of the Management Board

Warsaw, 9 - 10 August 2022

Appendix:

Condensed Consolidated Interim Financial Statements for the six-month period ended 30 June 2022

Condensed Separate Interim Financial Statements for the six-month period ended 30 June 2022