

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE

GIEŁDA PAPIERÓW WARTOŚCIOWYCH

W WARSZAWIE S.A. GROUP

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

TABLE OF CONTENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4
CONSOLIDATED STATEMENT OF CASH FLOWS	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	7
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....	8
1. General information, basis of preparation of the financial statements, accounting policies	8
1.1. Legal status	8
1.2. Scope of activities of the Group.....	8
1.3. Approval of the financial statements.....	9
1.4. Composition and activity of the Group.....	9
1.5. Statement of compliance.....	9
2. Notes to the statement of financial position	10
2.1. Property, plant and equipment	10
2.2. Intangible assets	11
2.3. Investment in entities measured by the equity method	12
2.4. Financial assets	13
2.4.1. Trade receivables and other receivables	13
2.4.2. Financial assets measured at amortised cost	13
2.4.3. Cash and cash equivalents.....	14
2.5. Change of estimates	14
2.6. Bond issue liabilities.....	14
2.7. Contract liabilities	15
2.8. Accruals and deferred income	15
2.9. Other liabilities.....	16
3. Notes to the statement of comprehensive income	16
3.1. Income tax	16
4. Note to the statement of cash flows.....	17
4.1. Depreciation and amortisation	17
5. Other notes	17
5.1. Related party transactions.....	17
5.1.1. Information about transactions with the State Treasury and entities which are related parties of the State Treasury.....	17
5.1.2. Transactions with entities measured by the equity method	18
5.1.3. Other transactions	19
5.2. Information on remuneration and benefits of the key management personnel	19
5.3. Dividend	20
5.4. Grants	20
5.5. Seasonality	21
5.6. Segment reporting	21
5.7. Additional information concerning the SARS-CoV-2 pandemic and the outbreak of armed conflict in Ukraine.....	23
5.8. Contingent liabilities	24
5.8.1. Contingent liabilities	24
5.9. Uncertainty about VAT	24
5.10. Events after the balance sheet date	25



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 March 2023 (unaudited)	31 December 2022
Non-current assets:		672,861	651,608
Property, plant and equipment	2.1.	106,158	107,605
Right-to-use assets		3,929	4,685
Intangible assets	2.2.	287,900	282,892
Investment in entities measured by equity method		248,601	241,313
Sublease receivables		268	290
Deferred tax asset		17,463	6,526
Financial assets measured at fair value through other comprehensive income		6,947	6,681
Prepayments		859	781
Other non-current assets		736	835
Current assets:		669,026	530,648
Corporate income tax receivable		105	6,652
Trade receivables and other receivables	2.4.1.	92,298	79,348
Sublease receivables		78	94
Contract assets		2,745	1,949
Financial assets measured at amortised cost	2.4.2.	208,246	63,964
Cash and cash equivalents	2.4.3.	365,554	378,641
TOTAL ASSETS		1,341,887	1,182,256

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 March 2023 (unaudited)	31 December 2022
Equity:		1,030,976	1,000,827
Equity of shareholders of the parent entity:		1,020,510	990,780
Share capital		63,865	63,865
Other reserves		(8,750)	(11,941)
Foreign exchange translation reserve		(58)	-
Retained earnings		965,453	938,856
Non-controlling interests		10,466	10,047
Non-current liabilities:		53,166	53,814
Employee benefits payable		1,522	1,524
Lease liabilities		696	495
Contract liabilities	2.7.	7,473	7,276
Accruals and deferred income	2.8.	34,545	30,899
Deferred tax liability		2,147	2,158
Other liabilities	2.9.	6,783	11,462
Current liabilities:		257,745	127,615
Trade payables		21,746	17,927
Employee benefits payable		33,865	31,109
Lease liabilities		3,731	4,852
CIT payable		1,595	401
Contract liabilities	2.7.	47,007	4,406
Accruals and deferred income	2.8.	1,161	4,755
Provisions for other liabilities and other charges		37,305	32,098
- VAT provision	5.9.	35,481	30,691
Other liabilities	2.9.	111,335	32,067
TOTAL EQUITY AND LIABILITIES		1,341,887	1,182,256

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three months period ended 31 March (unaudited)	
		2023	2022
Sales revenue		112,275	110,242
Operating expenses		(86,179)	(68,831)
Gains on reversed impairment of receivables/ (Loss) on impairment of receivables		(228)	(534)
Other income		987	497
Other expenses		(307)	(426)
Operating profit		26,548	40,948
Financial income, incl.:		8,147	2,605
interest income under the effective interest rate method		7,968	1,953
Financial expenses, incl.:		(5,461)	(1,515)
financial cost of VAT risk	5.9.	(4,790)	-
Share of profit of entities measured by equity method		4,331	4,553
Profit before tax		33,565	46,591
Income tax	3.1.	(6,529)	(8,532)
Profit for the period		27,036	38,059
Share of other comprehensive income/(expense) of entities measured by equity method (net)		2,957	(3,950)
Exchange differences on translation of foreign subsidiaries		(89)	-
Total items that may be reclassified to profit or loss		2,868	(3,950)
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net		234	(216)
Total items that will not be reclassified to profit or loss		234	(216)
Total other comprehensive income after tax		3,102	(4,166)
Total comprehensive income		30,138	33,893
Profit for the period attributable to shareholders of the parent entity		26,597	38,055
Profit for the period attributable to non-controlling interests		439	4
Total profit for the period		27,036	38,059
Comprehensive income attributable to shareholders of the parent entity		29,730	33,889
Comprehensive income attributable to non-controlling interests		408	4
Total comprehensive income		30,138	33,893
Basic / Diluted earnings per share (PLN)		0.63	0.91

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Three months period ended 31 March (unaudited)	
		2023	2022
Total net cash flows from operating activities		138,577	150,663
Net profit for the period		27,036	38,059
Adjustments:		121,315	122,302
Income tax	3.1.	6,529	8,532
Depreciation and amortisation	4.1.	8,350	9,797
Impairment allowances		66	(32)
Share of profit of entities measured by equity method		(4,331)	(4,554)
(Gains) on financial assets measured at amortised cost		(1,701)	(856)
Interest on bonds		-	1,174
Other adjustments		(2,044)	(266)
Change of assets and liabilities:		114,446	108,507
Inventories		-	8
Trade receivables and other receivables	2.4.1.	(12,950)	82,840
Trade payables		3,819	(972)
Contract assets		(796)	742
Contract liabilities	2.7.	42,798	39,356
Prepayments		(78)	564
Accruals and deferred income	2.8.	52	1,443
Employee benefits payable		2,754	5,513
Other current liabilities (excluding contracted investments and dividend payable)	2.9.	78,319	(19,060)
Provisions for liabilities and other charges		5,207	(486)
Other non-current liabilities		(4,679)	(1,441)
Income tax (paid)/refunded		(9,774)	(9,698)

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

CONSOLIDATED STATEMENT OF CASH FLOWS – CONTINUED

	Three months period ended 31 March (unaudited)	
	2023	2022
Total cash flows from investing activities:	(149,941)	(43,574)
In:	172,032	179,572
Sale of property, plant and equipment and intangible assets	-	640
Inflow related to the expiry of deposits and the maturity of bonds	168,602	178,657
Interest on financial assets measured at amortised cost	1,377	247
Grants received	1,996	-
Sublease payments (interest)	3	-
Sublease payments (principal)	54	28
Out:	(321,973)	(223,146)
Purchase of property, plant and equipment and advances for property, plant and equipment	(3,971)	(4,095)
Purchase of intangible assets and advances for intangible assets	(5,377)	(7,415)
Establishing deposits and subscription of bonds	(312,625)	(206,636)
Purchase of financial assets at fair value through other comprehensive income	-	(5,000)
Total cash flows from financing activities:	(1,652)	(121,405)
In:	-	1,605
Grants received	-	1,605
Out:	(1,652)	(123,010)
Interest paid on bonds	-	(721)
Redemption of issued bonds	-	(120,000)
Settlement of a grant advance	-	(803)
Lease payments (interest)	(45)	(55)
Lease payments (principal)	(1,607)	(1,431)
Net increase in cash and cash equivalents	(13,016)	(14,316)
Impact of fx rates on cash balance in currencies	(71)	(17)
Cash and cash equivalents - opening balance	2.4.3. 378,641	349,324
Cash and cash equivalents - closing balance	2.4.3. 365,554	334,991

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity					Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign exchange translation reserve	Retained earnings	Total		
As at 1 January 2023	63,865	(11,941)	-	938,856	990,780	10,047	1,000,827
Net profit for the three months period ended 31 March 2023	-	-	-	26,597	26,597	439	27,036
Other comprehensive income	-	3,191	(58)	-	3,133	(31)	3,102
Comprehensive income for the three months period ended 31 March 2023	-	3,191	(58)	26,597	29,730	408	30,138
Other changes	-	-	-	-	-	11	11
Increase of capital of a related company	-	-	-	-	-	11	11
As at 31 March 2023 (unaudited)	63,865	(8,750)	(58)	965,453	1,020,510	10,466	1,030,976

	Equity					Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign exchange translation reserve	Retained earnings	Total		
As at 1 January 2022	63,865	(5,557)	-	908,903	967,211	646	967,857
Dividend	-	-	-	(115,003)	(115,003)	(28)	(115,031)
Transactions with owners recognised directly in equity	-	-	-	(115,003)	(115,003)	(28)	(115,031)
Net profit for year ended 31 December 2022	-	-	-	144,956	144,956	20	144,976
Other comprehensive income	-	(6,384)	-	-	(6,384)	-	(6,384)
Comprehensive income for year ended 31 December 2022	-	(6,384)	-	144,956	138,572	20	138,592
Other changes	-	-	-	-	-	9,409	9,409
Obtaining control over subsidiaries	-	-	-	-	-	9,409	9,409
As at 31 December 2022	63,865	(11,941)	-	938,856	990,780	10,047	1,000,827

	Equity					Non-controlling interests	Total equity
	Share capital	Other reserves	Foreign exchange translation reserve	Retained earnings	Total		
As at 1 January 2022	63,865	(5,557)	-	908,903	967,211	646	967,857
Net profit for the three months period ended 31 March 2022	-	-	-	38,055	38,055	4	38,059
Other comprehensive income	-	(4,166)	-	-	(4,166)	-	(4,166)
Comprehensive income for the three months period ended 31 March 2022	-	(4,166)	-	38,055	33,889	4	33,893
As at 31 March 2022 (unaudited)	63,865	(9,723)	-	946,958	1,001,100	650	1,001,750

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

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 is a joint-stock company listed on GPW's Main Market since 9 November 2010. The Company has not changed its name or other identification details since the end of the previous reporting period.

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") 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 from Renewable Energy Sources and energy efficiency,
- › **Financial Instruments Market:** trade in CO₂ emission allowances,
- › **Market Operator Platform:** InfoEngine provides market operator services and balancing services to electricity traders, producers and large industrial customers,
- › **Agricultural Market:** electronic platform of agricultural commodity trade operated by TGE and IRGIT,
- › **Organised Trading Facility ("OTF")** comprising the following markets: Electricity Forwards Market, Gas Forwards Market and Property Rights Forwards Market, where financial instruments are traded.

The GPW Group also operates:

- › **Clearing House and Settlement System** operated by Izba Rozliczeniowa Giełd Towarowych S.A. ("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 S.A. (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 Reference Rates** calculation and publication (they are used as benchmarks in financial contracts and instruments, including credit and bond contracts) operated by GPW Benchmark S.A. ("GPWB"),
- › Provision and publication of **indices and non-interest rate benchmarks** including the Exchange Indices, TBSP.Index and CEEplus, operated by GPWB,
- › Activities in education, promotion and information concerning the capital and 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 17-18 May 2023.

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 and: Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT") and InfoEngine S.A. ("InfoEngine") – 100%,
- › BondSpot S.A. ("BondSpot") – 97.23%,
- › GPW Benchmark S.A. ("GPWB") – 100%,
- › GPW Ventures ASI S.A. ("GPV"), the parent entity of the GPW Ventures ASI S.A. Group ("GPV Group") which includes GPV and: GPW Ventures Asset Management Sp. z o.o. ("GPV AM") and GPW Ventures SKA ("GPV SKA") – 100%,
- › GPW Tech S.A. ("GPWT") – 100%,
- › GPW Private Market S.A. – 100%,
- › GPW Logistics S.A. – 95.0%,
- › GPW DAI S.A. (the company name was changed from Tanerstille Investments S.A. on 10 February 2023, the company was acquired on 13 October 2022),
- › Armenia Securities Exchange OJSC ("AMX") – 65.03% (the company was acquired on 27 December 2022), the parent entity of the AMX Group which includes AMX and Central Depository of Armenia OJSC ("CDA") – 100% held by AMX

comprise the Warsaw Stock Exchange Group.

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

- › Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW"), the parent entity of the KDPW S.A. Group ("KDPW Group") – 33.33%,
- › Centrum Giełdowe S.A. ("CG") – 24.79%.

Polska Agencja Ratingowa S.A. ("PAR") is a joint venture in which the Group holds 35.86%.

Increase of the share capital of GPW Private Market S.A.

On 28 March 2023, the General Meeting of GPW Private Market S.A. adopted a resolution to increase the share capital by PLN 3,600 thousand as a result of the issue of 3,600,000 series C ordinary registered shares with a nominal value and an issue price of PLN 1. The shares were fully taken up by GPW.

Increase of the share capital of GPW Logistics S.A.

On 24 February 2023, the Extraordinary General Meeting of GPW Logistics S.A. adopted a resolution to increase the share capital by PLN 10,527 as a result of the issue of 10,527 series C ordinary registered shares with a nominal value of PLN 1. The shares were fully taken up by KGHM Polska Miedź S.A.

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 International Financial Reporting Standards adopted by the European Union ("EU IFRS"¹).

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 31 March 2023 and its financial results in the period from 1 January 2023 to 31 March 2023.

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

¹ The International Accounting Standards, the International Financial Reporting Standards and related interpretations published in Regulations of the European Commission.

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 Consolidated Financial Statements for the year ended 31 December 2022 other than for changes other than for changes resulting from the application of new standards as described below. The Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2023 should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2022.

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 2023:

- › Amendment to IAS 1 Presentation of Financial Statements, Practice Statement IFRS 2 Disclosure of Accounting Policies;
- › Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;
- › IFRS 17 Insurance Contracts (including Amendment to IFRS 17 (published on 25 June 2020) and Amendment to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (published on 9 December 2021));
- › Amendment to IAS 12 Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Those amendments to the International Financial Reporting Standards had no significant impact on data presented in these condensed consolidated interim financial statements.

Amendments to IAS 1 Presentation of Financial Statements – presentation of liabilities as current or non-current, Amendment to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants, and Amendment to IFRS Leases – Lease Liability in a Sale and Leaseback have been adopted by the European Union but have not yet entered into force for annual periods starting on 1 January 2023.

Those standards and interpretations (not yet adopted) are not applicable to the activities of the Group or have no significant impact on the consolidated financial statements of the Group.

The Group intends to apply amendments which are applicable to its activities as of their effective date.

2. NOTES TO THE STATEMENT OF FINANCIAL POSITION

2.1. PROPERTY, PLANT AND EQUIPMENT

	Three months period ended 31 March 2023 (unaudited)				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance	69,501	28,499	1,318	8,287	107,605
Additions (+)	114	5,397	98	2,317	7,926
Purchase and modernisation	114	89	98	2,317	2,618
Transfer to PPE from Assets under construction	-	5,308	-	-	5,308
Disposals (-)	(824)	(3,099)	(137)	(5,308)	(9,368)
Transfer from Assets under construction	-	-	-	(5,308)	(5,308)
Depreciation charge*	(824)	(3,099)	(137)	-	(4,060)
Differences on foreign currency translation of subsidiaries (+)/(-)		(1)	(4)		(5)
Net carrying amount - closing balance	68,791	30,796	1,275	5,296	106,158
As at 31 March 2023 (unaudited)					
Gross carrying amount	130,649	135,936	8,652	5,296	280,533
Accumulated depreciation	(61,858)	(105,140)	(7,377)	-	(174,375)
Net carrying amount	68,791	30,796	1,275	5,296	106,158

* Depreciation of PLN 1095 thousand is capitalised to intangible assets (development work)

	Year ended 31 December 2022				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance	72,320	16,528	383	2,656	91,887
Additions (+)	550	20,988	1,243	12,076	34,857
Purchase and modernisation	496	14,451	258	12,076	27,281
Transfer to PPE from Assets under construction	54	6,392	-	-	6,446
Obtaining control over subsidiaries	-	145	985	-	1,130
Disposals (-)	(3,369)	(9,017)	(308)	(6,445)	(19,139)
Transfer from Assets under construction	-	-	-	(6,446)	(6,446)
Depreciation charge*	(3,301)	(9,017)	(293)	-	(12,611)
Other changes	(68)	-	(15)	1	(82)
Net carrying amount - closing balance	69,501	28,499	1,318	8,287	107,605
As at 31 December 2022					
Gross carrying amount	130,535	130,554	8,558	8,287	277,934
Accumulated depreciation	(61,034)	(102,055)	(7,240)	-	(170,329)
Net carrying amount	69,501	28,499	1,318	8,287	107,605

* Depreciation of PLN 1070 thousand is capitalised to intangible assets (development work)

2.2. INTANGIBLE ASSETS

	Three months period ended 31 March 2023 (unaudited)							
	Licences	Copyrights	Know-how	Goodwill	Development work	Perpetual usufruct of land	Intangible assets recognised in business combinations	Total
Net carrying amount - opening balance	35,136	2,660	3,963	157,669	65,815	5,731	11,918	282,892
Additions (+)	3,084	3	-	-	9,924	-	-	13,011
Purchase and modernisation	(252)	3	-	-	8,033	-	-	7,784
Capitalised depreciation	-	-	-	-	1,891	-	-	1,891
Transfer to Intangibles form Development work (+)	3,336	-	-	-	-	-	-	3,336
Disposals (-)	(4,217)	(92)	(136)	-	(3,336)	(20)	(198)	(7,999)
Transfer from Development work (-)	-	-	-	-	(3,336)	-	-	(3,336)
Amortisation charge*	(4,217)	(92)	(136)	-	-	(20)	(198)	(4,663)
Differences on foreign currency translation of subsidiaries (+)/(-)	(2)	(2)	-	-	-	-	-	(4)
Net carrying amount - closing balance	34,001	2,569	3,827	157,669	72,403	5,711	11,720	287,900
As at 31 March 2023 (unaudited)								
Gross carrying amount	257,269	9,789	6,498	172,429	72,449	5,973	11,918	536,325
Impairment	-	-	-	(14,760)	(46)	-	-	(14,806)
Accumulated amortisation	(223,268)	(7,220)	(2,671)	-	-	(262)	(198)	(233,619)
Net carrying amount	34,001	2,569	3,827	157,669	72,403	5,711	11,720	287,900

* Amortisation of PLN 796 thousand is capitalised to intangible assets (development work)

	Year ended 31 December 2022							Total
	Licences	Copyrights	Know-how	Goodwill	Development work	Perpetual usufruct of land	Intangible assets recognised in business combinations	
Net carrying amount - opening balance	44,299	2,445	4,352	167,446	39,669	5,811	-	264,022
Additions (+)	10,627	579	182	55	29,683	-	11,918	53,044
Purchase and modernisation	6,910	135	4	55	27,611	-	-	34,715
Capitalised depreciation	-	-	-	-	2,072	-	-	2,072
Transfer to Intangibles form Development work (+)	3,225	-	178	-	-	-	-	3,403
Obtaining control over subsidiaries	492	444	-	-	-	-	11,918	12,854
Disposals (-)	(19,790)	(364)	(571)	(9,832)	(3,537)	(80)	-	(34,174)
Transfer from Development work (-)	-	-	-	-	(3,403)	-	-	(3,403)
Recognition of impairment	-	-	-	(9,832)	(46)	-	-	(9,878)
Amortisation charge*	(19,790)	(364)	(571)	-	-	(80)	-	(20,805)
Other changes	-	-	-	-	(88)	-	-	(88)
Net carrying amount - closing balance	35,136	2,660	3,963	157,669	65,815	5,731	11,918	282,892
As at 31 December 2022								
Gross carrying amount	254,187	9,788	6,498	172,429	65,861	5,973	11,918	526,654
Impairment	-	-	-	(14,760)	(46)	-	-	(14,806)
Accumulated amortisation	(219,051)	(7,128)	(2,535)	-	-	(242)	-	(228,956)
Net carrying amount	35,136	2,660	3,963	157,669	65,815	5,731	11,918	282,892

* Amortisation of PLN 1002 thousand is capitalised to intangible assets (development work)

For detailed information on capitalised costs of development work, see Note 5.4.

Goodwill recognised in these financial statements was reviewed for indications of impairment as at 31 March 2023. As regards the goodwill from the acquisition of BondSpot S.A. and the goodwill from taking control of the TGE Group, no indications were identified which would require an impairment test.

2.3. INVESTMENT IN ENTITIES MEASURED BY THE EQUITY METHOD

The entities measured by the equity method by the Group included:

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

As a result of the recognition of impairment of the investment in PAR at PLN 583 thousand as at 30 September 2020, the value of the investment in PAR was nil in the consolidated statement of financial position as at 31 March 2023 and as at 31 December 2022.

A loan granted by the Exchange to PAR is disclosed in Note 5.1.2.

	Three months period ended 31 March 2023 (unaudited)	Year ended 31 December 2022
Opening balance	241,313	230,825
Dividends due to GPW S.A.	-	(10,556)
Share of net profit/(loss)	4,498	28,485
Other increase/(decrease) of profit	(167)	(230)
Total Group share of profit/(loss) after tax	4,331	28,255
Gains on valuation of financial assets measured at fair value through other comprehensive income	2,957	(7,211)
Closing balance	248,601	241,313

	As at	
	31 March 2023 (unaudited)	31 December 2022
Grupa Kapitałowa KDPW S.A.	232,236	224,801
Centrum Giełdowe S.A.	16,365	16,512
Total carrying amount of entities measured by equity method	248,601	241,313

2.4. FINANCIAL ASSETS

2.4.1. TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at	
	31 March 2023 (unaudited)	31 December 2022
Gross trade receivables	53,555	48,846
Impairment allowances for trade receivables	(3,765)	(4,009)
Total trade receivables	49,790	44,837
Current prepayments	16,898	7,243
VAT refund receivable	1,435	10,012
Sublease receivables	307	12
Grants receivable	6,043	3,889
Other receivables	17,825	13,355
Total other receivables	42,508	34,511
Total trade receivables and other receivables	92,298	79,348

In the opinion of the Exchange Management Board, in view of the short due date of trade receivables, the carrying amount of those receivables is similar to their fair value.

2.4.2. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at	
	31 March 2023 (unaudited)	31 December 2022
Corporate bonds	93,848	53,737
Bank deposits	104,196	-
Other assets	10,314	10,273
Total current	208,358	64,010
Allowance for losses on debt instruments measured at amortised cost	(112)	(46)
Total financial assets measured at amortised cost	208,246	63,964

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

2.4.3. CASH AND CASH EQUIVALENTS

	As at	
	31 March 2023 (unaudited)	31 December 2022
Current accounts (other)	104,433	114,844
VAT current accounts (split payment)	296	604
Bank deposits	261,042	263,430
Expected credit loss	(217)	(237)
Total cash and cash equivalents	365,554	378,641

Cash and cash equivalents include current accounts and short-term bank deposits (up to 3 months). The carrying amount of short-term bank deposits and current accounts is close to the fair value in view of their short maturity.

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

At the commencement of the projects: New Trading System, GPW Data, GPW Private Market, TeO, PCOL and Gospostrateg (see Note 5.4), the Group opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 4,740 thousand as at 31 March 2023 (PLN 7,698 thousand as at 31 December 2022). Cash in such accounts is classified as restricted cash.

Cash in VAT accounts at PLN 296 thousand (PLN 604 thousand as at 31 December 2022) 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 2023 to 31 March 2023, impairment losses for trade receivables were adjusted as follows:

	Three months period ended	
	31 March 2023 (unaudited)	31 December 2022
Opening balance	4,009	4,516
Creating a write-off	407	1,453
Dissolution of the write-off	(181)	(2,018)
Utilisation of the write-off	(1)	(39)
Increase due to business combination	-	102
Receivables written off during the period as uncollectible	(469)	(5)
Closing balance	3,765	4,009

In the period from 1 January 2023 to 31 March 2023, there were the following changes in estimates:

- › provisions against employee benefits were increased by PLN 2,753 thousand (provision additions of PLN 7,557 thousand, usage of PLN 4,230 thousand, released provisions of PLN 575 thousand);
- › provisions against interest on a VAT correction were increased by PLN 4,790 thousand (see Note 5.9).

2.6. BOND ISSUE LIABILITIES

On 31 January 2022, GPW redeemed series D and E bonds issued on 18 January 2017 with a total nominal value of PLN 120,000 thousand. On 6 October 2022, GPW redeemed series C bonds issued on 6 October 2015 with a total nominal value of PLN 125,000 thousand. In connection with the redemption of the bonds, PLN 4.7 million of interest was paid in the year ended 31 December 2022. In Q1 2023, the Group had no bonds in issue and incurred no related costs.

2.7. CONTRACT LIABILITIES

Contract liabilities include annual fees charged from market participants and data vendors, which are recognised over time, as well as fees for the introduction of financial instruments to trading.

	As at	
	31 March 2023 (unaudited)	31 December 2022
Listing	7,274	7,048
Total financial market	7,274	7,048
Other revenue	199	228
Total non-current	7,473	7,276
Trading	616	730
Listing	16,222	3,182
Information services and revenue from the calculation of reference rates	19,552	-
Total financial market	36,390	3,912
Trading	9,159	249
Total commodity market	9,159	249
Other revenue	1,458	245
Total current	47,007	4,406
Total contract liabilities	54,480	11,682

The year-to-date increase of contract liabilities as at 31 March 2023 was due to pro-rata distribution over time of annual fees invoiced by the Group in the first days of the financial year.

2.8. 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	
	31 March 2023 (unaudited)	31 December 2022
PCR	3,467	3,537
Agricultural Market	259	316
New Trading System Project	22,094	19,753
GPWT Data Project	3,934	3,934
Telemetry Project	2,509	1,671
Private Market Project	878	814
Project PCOL	1,404	874
Total non-current deferred income from grants	34,545	30,899
PCR	280	280
Agricultural Market	226	226
Private Market	-	3,127
Total non-current deferred income from grants	506	3,633
Other deferred liabilities	655	1,122
Total other deferred liabilities	655	1,122
Total current	1,161	4,755
Total accruals and deferred income	35,706	35,654

As at 31 March 2023, 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 Agricultural Market project,
- › grant received from Narodowe Centrum Badań i Rozwoju (National Centre for Research and Development, NCBR) in the development of the New Trading System,
- › grant received from Narodowe Centrum Badań i Rozwoju in the GPW Data project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the GPW Private Market project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the Telemetry project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the PCOL project,
- › grant received from Narodowe Centrum Badań i Rozwoju in the Gospostrateg project.

Details of grants are presented in Note 5.4.

2.9. OTHER LIABILITIES

	As at	
	31 March 2023 (unaudited)	31 December 2022
Liabilities to the Polish National Foundation	2,886	4,361
Perpetual usufruct liabilities	3,453	3,989
Liabilities due to the purchase of subsidiary	-	3,112
Other liabilities	444	-
Total non-current	6,783	11,462
Dividend payable	9	15
VAT payable	76,754	14,140
Liabilities in respect of other taxes	5,507	4,497
Contracted investments	4,655	8,558
Liabilities to the Polish National Foundation	1,381	1,371
Liabilities to the Polish Financial Supervision Authority	15,469	-
Other liabilities	7,560	3,486
Total current	111,335	32,067
Total other liabilities	118,118	43,529

Other liabilities as at 31 March 2023 included mainly payments to and from the tax office relating to current reporting periods, a liability to the Polish National Foundation, as well as significant liabilities to the Polish Financial Supervision Authority (KNF) in respect of capital market supervision fees.

3. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

3.1. INCOME TAX

	Three months period ended 31 March (unaudited)	
	2023	2022
Current income tax	17,394	17,608
Deferred tax	(10,865)	(9,076)
Total income tax	6,529	8,532

As required by the Polish tax regulations, the corporate income tax rate applicable in 2023 and 2022 is 19%.

	Three months period ended 31 March (unaudited)	
	2023	2022
Profit before income tax	33,565	46,591
Income tax rate	19%	19%
Income tax at the statutory tax rate	6,377	8,852
Tax effect of:	152	(320)
Non tax-deductible costs	(91)	878
Non-taxable share of profit of entities measured by the equity method	(823)	(865)
VAT provision	910	-
Other adjustments	156	(333)
Total income tax	6,529	8,532

The Group established a Tax Group ("TG") in 2017. The Tax Group is comprised of the Exchange, TGE, BondSpot, and GPWB. As the Company Representing the Tax Group, GPW is responsible for the calculation and payment of quarterly corporate income tax advances pursuant to the Corporate Income Tax Act.

4. NOTE TO THE STATEMENT OF CASH FLOWS

4.1. DEPRECIATION AND AMORTISATION

	Three months period ended 31 March (unaudited)	
	2023	2022
Depreciation of property, plant and equipment*	2,965	3,170
Amortisation of intangible assets**	3,867	5,273
Depreciation and amortisation of right-to-use assets	1,518	1,354
Total depreciation and amortisation charges	8,350	9,797

* In the three months period ended in 31 March 2023, depreciation was reduced by depreciation capitalized to intangible assets of PLN 1095 thousand, and in three months period ended in 31 March 2022, of PLN 114 thousand.

** In the three months period ended in 31 March 2023, depreciation was reduced by depreciation capitalized to intangible assets of PLN 796 thousand, and in three months period ended in 31 March 2022, of PLN 20 thousand.

5. OTHER NOTES

5.1. RELATED PARTY TRANSACTIONS

Related parties of the Group include:

- › the entities measured by the equity method,
- › 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.

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 Exchange 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 fee for 2023 charged to the GPW Group's operating expenses in the first three months of 2023 was PLN 15,472 thousand, equal to the annual 2023 fee.

The fee for 2022 charged to the Group's operating expenses in the first three months of 2022 was PLN 14,637 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.

Polish National Foundation

As one of the founders of the Polish National Foundation ("PFN"), established in 2016 by 17 state-owned companies, the Exchange is obliged to make an annual contribution towards the statutory activities of PFN in the form of 11 annual payments starting from the date of establishment of the Foundation. This liability was recognised in 2016 costs and is accrued over time. As at 31 March 2023, the liability of the Exchange to PFN amounted to PLN 4,267 thousand (31 December 2022: PLN 5,732 thousand).

5.1.2. TRANSACTIONS WITH ENTITIES MEASURED BY THE EQUITY METHOD

Dividend

The Group received no dividends from associates in the three-month period ended 31 March 2023.

Loans and advances

As at 31 March 2023, the carrying amount of loans granted to PAR was nil (impairment allowance for the entire loan amount). PAR repaid the loan of PLN 200 plus interest on 30 September 2022, resulting in release of the allowance of PLN 210 thousand.

S

	As at 31 March 2023 (unaudited)		Three months period ended 31 March 2023 (unaudited)	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	3	-	21	8
other	3	-	21	8
Centrum Gieldowe:	-	10	-	953
leases	-	-	-	660
other	-	10	-	293
PAR:	6	-	13	9
leases	-	-	9	-
other	6	-	4	9
Total	9	10	34	970

	As at 31 December 2022		Year ended 31 December 2022	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	53	-	132	120
other	53	-	132	120
Centrum Geldowe:	-	2,500	-	4,581
leases	-	2,188	-	2,329
other	-	312	-	2,252
PAR:	5	10	84	40
leases	-	-	1	-
other	5	10	83	40
Total	58	2,510	216	4,741

Receivables from associates and joint ventures were not provided for or written off as uncollectible in the three months of 2023 and 2022.

5.1.3. OTHER TRANSACTIONS

Transactions with the key management personnel

The Group entered into no transactions with the key management personnel as at 31 March 2023 and as at 31 December 2023 other than those disclosed in Note 5.2.

Książęca 4 Street Tenants Association

In 2023 and 2022, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 1,036 thousand in the three-month period ended 31 March 2023 and PLN 1,379 thousand in the three-month period ended 31 March 2022.

GPW Foundation

In the three months of 2023, GPW made no donations to the GPW Foundation (in the three months of 2022 – nil), received an income of PLN 14 thousand from the Foundation (in the three months of 2022 – PLN 13 thousand), and paid no costs of the Foundation in the three months of 2023 and 2022. As 31 March 2023, the Exchange's receivables from the GPW Foundation stood at PLN 18 thousand (as at 31 December 2022 – PLN 40 thousand) and its payables to the Foundation were nil (as at 31 December 2022 – nil).

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, the Management Boards and the Supervisory Boards of the subsidiaries who were in office in the three-month period ended 31 March 2023 and 31 March 2022.

	Three months period ended 31 March (unaudited)	
	2023	2022
Base salary	647	403
Variable pay	459	411
Other benefits	35	41
Benefits after termination	34	-
Total remuneration of the Exchange Management Board	1,175	855
Remuneration of the Exchange Supervisory Board	236	149
Remuneration of the Management Boards of other GPWT Group companies	1,603	1,199
Remuneration of the Supervisory Boards of other GPW Group companies	299	252
Total remuneration of the key management personnel	3,313	2,455

As at 31 March 2023, unpaid bonuses and variable remuneration of the key management personnel stood at PLN 3,881 thousand including bonuses and remuneration for 2018-2023. The cost was shown in the consolidated statements of comprehensive income for 2018-2022.

As at 31 March 2022, unpaid bonuses and variable remuneration of the key management personnel stood at PLN 3,011 thousand including bonuses and remuneration for 2017-2021. The cost was shown in the consolidated statements of comprehensive income for 2017-2020.

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.

As of the date of publication of this report, the General Meeting has not passed a resolution on the distribution of GPW S.A.'s profit for 2022.

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 offer new functionalities and types of orders for Exchange Members, issuers and investors. The system will provide superior reliability and security according to advanced technical parameters.

GPW Data

The GPW Data project is an innovative Artificial Intelligence system supporting investment decisions of capital market participants. The core of the system is a repository of a broad range of structured exchange data. Such information will support investments on the capital market based on classical and innovative analysis models.

GPW Private Market

On 23 September 2020, acting as the leader of a consortium comprised of the Silesian University of Technology and VRTechnology sp. z o.o., GPW signed a co-financing agreement with the National Centre for Research and Development for the project "Development of an innovative blockchain platform".

The objective of the project is to develop a platform for the issuance of tokens representing digital rights (digital assets). The platform will also support trade in such assets.

The Group participates in the transfer of grants from NCBiR to the other participants in the consortium. Respective cash flows are presented on a net basis in the statement of cash flows from 2022 onwards.

Telemetry ("TeO")

On 4 October 2021, GPW signed an agreement with the National Centre for Research and Development ("NCBiR") to co-finance work related to the development of the TeO system - a multi-module auction platform designed for comprehensive handling of media market transactions.

The aim of the project is to develop an innovative TeO Platform. The new solution will be designed to profile TV users and sell and display targeted advertising on linear TV.

Gospostrateg

On 27 October 2021, as a member of a consortium comprising the Mazowieckie Voivodeship as Leader and the Warsaw School of Economics, GPW concluded an agreement with the National Centre for Research and Development for the implementation of the Gospostrateg project.

The main objective of the project is to transform the Mazowieckie Voivodeship into an accelerator of global enterprises by building a knowledge repository of key global markets and developing and implementing an effective model of co-operation between administration, science and business taking into account the conditions of the Mazowieckie Voivodeship.

Polish Digital Logistics Operator ("PCOL")

On 4 November 2021, GPW signed an agreement with the National Centre for Research and Development to co-finance the Polish Digital Logistics Operator ("PCOL") project.

PCOL is a project for an innovative logistics platform based on artificial intelligence to optimise costs in areas related to transport and logistics services for State-owned companies as well as private companies which will in the future use the services and solutions offered. The grant will be used to finance research and development work related primarily to the development of innovative technologies based on artificial intelligence.

The table below provides key information on the amount of the grants received by project:

	As at/for the period ended 31 March 2023			
	Value of grants awarded (PLN thousand)	Value of grants received in 2023 (PLN thousand)	Amount recognised in income (PLN thousand)	Amount included in Accruals and deferred income (PLN thousand)
New Trading System Project	39,320	1,609	142	22,094
GPWT Data Project	4,200	-	-	3,934
Private Market Project	8,514	-	-	878
Telemetry Project	13,338	-	-	2,509
Project PCOL	5,401	387	55	1,404
Gospostrateg Project	7,801	-	38	-
Total	78,574	1,996	235	30,819

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). Stock prices and turnover depend largely on local, regional, and global trends impacting the capital markets, which makes revenue from the financial market cyclical.

5.6. SEGMENT REPORTING

	Three months period ended 31 March 2023 (unaudited)					
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	68,728	41,565	8,358	118,651	(6,376)	112,275
To third parties	66,485	41,367	4,423	112,275	-	112,275
Between segments	2,243	198	3,935	6,376	(6,376)	-
Operating expenses, including:	(61,952)	(25,586)	(4,818)	(92,356)	6,177	(86,179)
depreciation and amortisation	(6,308)	(2,005)	(105)	(8,418)	68	(8,350)
Profit/(loss) on sales	6,776	15,979	3,540	26,295	(199)	26,096
Loss on impairment of receivables	(177)	(51)	-	(228)	-	(228)
Other income	1,915	374	-	2,289	(1,302)	987
Other expenses	(173)	(242)	-	(415)	108	(307)
Operating profit (loss)	8,341	16,060	3,540	27,941	(1,393)	26,548
Financial income, including:	3,601	4,417	156	8,174	(27)	8,147
interest income	3,509	4,332	150	7,991	(23)	7,968
Financial expenses, including:	(228)	(5,278)	(35)	(5,541)	80	(5,461)
interest cost	(101)	(101)	(4)	(206)	100	(106)
VAT provision	-	(4,790)	-	(4,790)	-	(4,790)
Share of profit/(loss) of entities measured by equity method	-	-	-	-	4,331	4,331
Profit before income tax	11,714	15,199	3,661	30,574	2,991	33,565
Income tax	(4,697)	(1,828)	(47)	(6,572)	43	(6,529)
Net profit	7,017	13,371	3,614	24,002	3,034	27,036

As at 31 March 2023 (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	815,140	442,592	27,047	1,284,779	236,949	(179,841)	1,341,887
Total liabilities	158,399	160,264	7,821	326,484	-	(15,573)	310,911
Net assets (assets - liabilities)	656,741	282,328	19,226	958,295	236,949	(164,268)	1,030,976

Three months period ended 31 March 2022 (unaudited)							
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions	
Sales revenue:	75,537	36,040	3,717	115,294	(5,052)	110,242	
To third parties	73,741	35,871	630	110,242	-	110,242	
Between segments	1,796	169	3,087	5,052	(5,052)	-	
Operating expenses, including:	(51,031)	(22,481)	(605)	(74,117)	5,286	(68,831)	
depreciation and amortisation	(7,051)	(2,922)	(37)	(10,010)	213	(9,797)	
Profit/(loss) on sales	24,506	13,559	3,112	41,177	234	41,411	
Loss on impairment of receivables	(528)	(6)	-	(534)	-	(534)	
Other income	549	230	-	779	(282)	497	
Other expenses	(475)	(49)	-	(524)	98	(426)	
Operating profit (loss)	24,052	13,734	3,112	40,898	50	40,948	
Financial income, including:	1,978	623	2	2,603	2	2,605	
interest income	1,623	596	2	2,221	(268)	1,953	
Financial expenses, including:	(1,422)	(1,820)	(3)	(3,245)	1,730	(1,515)	
interest cost	(1,332)	(274)	(3)	(1,609)	305	(1,304)	
VAT provision	-	(1,269)	-	(1,269)	1,269	-	
Share of profit/(loss) of entities measured by equity method	-	-	-	-	4,553	4,553	
Profit before income tax	24,608	12,537	3,111	40,256	6,335	46,591	
Income tax	(7,313)	(1,241)	-	(8,554)	22	(8,532)	
Net profit	17,295	11,296	3,111	31,702	6,357	38,059	

As at 31 December 2022							
	Financial segment	Commodity segment	Other	Total segments	Adjustments for investments measured by equity method	Other exclusions and adjustments	Total segments and exclusions
Total assets	750,983	352,558	17,470	1,121,011	229,661	(168,416)	1,182,256
Total liabilities	107,297	81,397	1,783	190,477	-	(9,048)	181,429
Net assets (assets - liabilities)	643,686	271,161	15,687	930,534	229,661	(159,368)	1,000,827

5.7. ADDITIONAL INFORMATION CONCERNING THE SARS-CoV-2 PANDEMIC AND THE OUTBREAK OF ARMED CONFLICT IN UKRAINE

In the first three months of 2023, the Group did not identify any new risks related to the pandemic and took no new measures to mitigate the impact of the pandemic on the Group's operations and results.

In February 2022, armed conflict broke out in Ukraine. In view of the impact of the conflict on the political and economic situation in Europe and the world, the GPW Group took into account the recommendations of the Polish Financial Supervision Authority issued on 2 March 2022 for issuers of securities and carried out an analysis of the impact of the war on current operations and on the ability of the GPW Group companies to continue as a going concern in the next 12 months.

As the GPW Group companies do not have business operations in Russia and Ukraine, the war in this region does not directly affect the presented and future financial results of the Group. The Group's financial results may be affected by the situation on the gas and electricity market in connection with the operation of a commodity exchange for trading in these commodities.

The GPW Group analysed the depreciation rates for property, plant and equipment and intangible assets applied to assets held as at 31 March 2023 and identified no need to change the estimates used.

The Group considers that the outbreak of war did not affect the judgements made in the measurement of lease liabilities or the existing classification of financial assets under IFRS 9.

As at 31 March 2023, the GPW Group held PLN 573.8 million of cash and cash equivalents and short-term financial assets in the form of bank deposits and guaranteed corporate bonds. These represent sufficient financial resources to conclude that the Group's liquidity risk in the short to medium term is low.

The Group does not hold any material foreign currency assets and therefore exchange rate fluctuations due to uncertainty in the foreign exchange markets would be immaterial to the financial statements.

The GPW Group monitors the amount of trade receivables on an ongoing basis, especially trade receivables from counterparties related to parties involved in the armed conflict. As at 31 March 2023, no significant receivables were identified in this group of counterparties.

Details of the identified risks related to the pandemic and the outbreak of the armed conflict in Ukraine on the Company's and the Group's operations and financial position are presented in Note 2.7 to the Management Board Report on the Activity of the Parent Company and the Warsaw Stock Exchange Group for 2022 and in Note 7.1 to the Interim Report of the Warsaw Stock Exchange Group for the three months of 2023.

The Exchange Management Board and the Management Boards of the Group companies monitor the situation related to the above-mentioned factors on an ongoing basis and will take appropriate action, including informing the market, if new factors emerge that could have a material impact on the GPW Group's operations and financial results.

In the opinion of the GPW Management Board, at the time of publication of this report, the Group has not identified any material uncertainties relating to events or circumstances that might cast significant doubt on its ability to continue as a going concern. The prolonged conflict, actions taken by the Polish government, the European Union authorities and NATO, and the related uncertainty on the financial markets may affect the operations and financial results of the GPW Group companies in the future. As at the date of publication of this report, it is not possible to estimate that impact.

5.8. CONTINGENT LIABILITIES

5.8.1. CONTINGENT LIABILITIES

In connection with the implementation of the projects New Trading System, GPW Data, GPW Private Market, TeO and PCOL, the Exchange presented five 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 31 March 2023, the Group recognised a contingent liability in respect of an overdue VAT correction. Acting in the interest of GPW shareholders, pursuant to point 92 of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, the Group is not disclosing the estimated amount of the potential payable (see: Note 5.9).

As at 31 March 2023, the Group held bank guarantees issued in favour of:

- › NordPool in the amount of EUR 30.0 million effective to 16 June 2023,
- › Slovenská Električná Prenosová Sústava (SEPS) in the amount of EUR 1.6 million effective to 30 June 2023,
- › ČEPS in the amount of EUR 4.5 million effective to 30 June 2023,
- › European Commodity Clearing AG (ECC) in the amount of EUR 4.5 million effective to 30 June 2023.

The Group has an agreement with Santander Bank Polska S.A for a guarantee limit of EUR 90.0 million. The agreement was concluded on 14 June 2022. During the year 2022, an annex was concluded under which the limit was increased to EUR 140.0 million. The limit in this amount was valid until 31 January 2023, and the amount was reduced to EUR 90.0 million after that date.

The Group also guarantees the due performance by the subsidiary InfoEngine of its payment obligations under the Transmission Agreement concluded between InfoEngine and PSE. The guarantee amount is PLN 2.0 million.

5.9. UNCERTAINTY ABOUT VAT

In accordance with the GPW Group's tax risk management policy, tax accounts of all Group companies including IRGiT have been subject to an annual tax review carried out by an independent tax advisor since 2017. In addition, following one such review, with a view to verification of tax risk identified in the review, the IRGiT Management Board requested independent advisors to provide an analysis concerning the time of origination of input VAT from transactions in electricity and gas deliveries and the time of origination of the right to deduct input VAT and to calculate potential impact on IRGiT's tax payable of a potential amendment of IRGiT's tax policy which follows the general rules concerning the time of origination of tax liabilities regarding output VAT and the direct application of Directive 112 to the extent of input VAT.

According to the provided opinions, IRGiT's tax policy may be considered correct in the light of EU law, in particular to the extent of input VAT, and considering the specificity of IRGiT's business in relation to output VAT. However, under the literal wording of applicable national tax law, such approach could be challenged by tax authorities.

On 9 October 2020, the Regional Administrative Court in Warsaw dismissed IRGiT's appeal and upheld the individual interpretation issued by the Director of the National Tax Information dated 12 November 2019 concerning the principles of determining the time of origination of the right to deduct input VAT from invoices for electricity and gas. On 5 December 2020, IRGiT filed for cassation with the Supreme Administrative Court in Warsaw, and followed up with a supplementary submission of 15 April 2021 which referred to recent CJEU case-law, not yet available when the cassation appeal was filed, which fully supports the pleas raised by IRGiT. IRGiT is waiting for the date of the hearing before the Supreme Administrative Court to be set.

IRGiT has developed a tax strategy in that regard in partnership with independent tax advisors.

Due to uncertainty concerning the time of settlement of input and output VAT in all open periods and the amount of the aforementioned VAT payable, guided by the principles of prudence, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, provisions were set up at PLN 35.0 million as at 31 March 2023 (PLN 30.2 million as at 31 December 2022) against interest that will arise in the event of a shift in the VAT deduction period. After updating the provisions, the Group recognised financial expense of PLN 4.8 million (financial income of PLN 0.4 million in three months of 2022). The provisions represent the best possible estimate of the potential liability as at 31 March 2023 which would have to be paid upon an amendment of the existing methodology of determining the time of origination of the tax liability and the deduction right.

From the tax perspective, there is a risk arising from the statute of limitation (five years) concerning the recognition of output VAT reported in November 2016: once recognised under general VAT regulations, due to the application of the *lex*

specialis concerning the time of origination of tax on electricity and gas deliveries, the tax would be deferred to December 2016 and consequently recognised for a second time without the right to correct the accounts for November, which would be in direct violation of the principle of VAT neutrality. According to regulations, if a liability arises in December, it does not expire until 1 January of the sixth consecutive year. Tax liabilities arising from January to November expire on 1 January of the fifth consecutive year (as such liabilities are payable in the year when they originate). Literal application of those rules could however result in double VAT imposed on deliveries. Consequently, acting in the interest of GPW shareholders, pursuant to point 92 of IAS 37, the Group is not disclosing the estimated amount of the contingent liability.

5.10. EVENTS AFTER THE BALANCE SHEET DATE

Up to the date of these condensed consolidated financial statements, there have been no significant events after the balance sheet date that have not been, but should have been, included in these financial statements.

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

Marek Dietl – President of the Management Board

Izabela Olszewska – Member of the Management Board

Adam Młodkowski – Member of the Management Board

Monika Gorgoń – Member of the Management Board

Signature of the person responsible for keeping books of account:

Piotr Kajczuk, Director, Financial Department

Warsaw, 17-18 May 2023

