

CONDENSED SEPARATE INTERIM FINANCIAL STATEMENTS OF

GIEŁDY PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A.

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

TABLE OF CONTENTS

SEPARATE STATEMENT OF FINANCIAL POSITION	2
SEPARATE STATEMENT OF COMPREHENSIVE INCOME	4
SEPARATE STATEMENT OF CASH FLOWS	5
SEPARATE STATEMENT OF CHANGES IN EQUITY	7
NOTES TO THE SEPARATE 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 operations of the Exchange	8
1.3. Approval of the financial statements.....	8
1.4. Statement of compliance.....	8
2. Notes to the statement of financial position	9
2.1. Property, plant and equipment	9
2.2. Investment property.....	10
2.3. Intangible assets	10
2.4. Investment in subsidiaries, associates and joint ventures.....	11
2.5. Financial assets	12
2.5.1. Trade receivables and other receivables	12
2.5.2. Financial assets measured at amortised cost.....	12
2.5.3. Financial assets measured at fair value through other comprehensive income.....	13
2.5.4. Cash and cash equivalents	13
2.6. Change of estimates	14
2.7. Contract liabilities	14
2.8. Accruals and deferred income	14
2.9. Other liabilities.....	15
3. Notes to the statement of comprehensive income	16
3.1. Financial income	16
3.2. Income tax	17
4. Note to the statement of cash flows.....	17
4.1. Depreciation and amortisation	17
5. Other notes	18
5.1. Grants	18
5.2. Related party transactions.....	19
5.2.1. Information about transactions with the State Treasury and entities which are related parties of the State Treasury.....	19
5.2.2. Transactions with subsidiaries, associates and joint ventures.....	19
5.2.3. Other transactions	20
5.3. Information on remuneration and benefits of the key management personnel	20
5.4. Dividend	21
5.5. Additional information concerning the outbreak of war in Ukraine	21
5.6. Contingent liabilities	21
5.6.1. Contingent liabilities - grants	21
5.6.2. Contingent liabilities – industrial dispute.....	21
5.7. Events after the balance sheet date	22

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		30 June 2023 (unaudited)	31 December 2022
Non-current assets:		511 581	492 077
Property, plant and equipment	2.1.	88 029	91 078
Right-of-use assets		1 463	2 551
Intangible assets	2.3.	100 867	88 167
Investment property	2.2.	7 695	7 889
Investments in associates and joint ventures	2.4.	11 652	11 652
Investment in subsidiaries GPW		282 790	278 939
Sublease receivables		521	305
Deferred tax asset		10 561	6 029
Financial assets measured at fair value through other comprehensive income	2.5.3.	5 249	4 888
Prepayments		2 754	579
Current assets:		294 508	203 699
Corporate income tax receivable		5 087	6 615
Trade receivables and other receivables	2.5.1.	110 532	37 447
Sublease receivables		961	2 023
Contract assets		2 055	543
Financial assets measured at amortised cost	2.5.2.	62 363	53 698
Financial assets measured at fair value through profit or loss		16	-
Cash and cash equivalents	2.5.4.	113 494	100 037
Non-current assets held for sale		-	3 336
TOTAL ASSETS		806 089	695 776

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

SEPARATE STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at	
		30 June 2023 (unaudited)	31 December 2022
Equity:		571 373	595 781
Share capital		63 865	63 865
Other reserves		80	(213)
Retained earnings		507 428	532 129
Non-current liabilities:		50 915	46 556
Employee benefits payable		1 227	1 242
Lease liabilities		690	424
Contract liabilities	2.7.	7 174	6 825
Deferred income	2.8.	32 288	27 046
Other liabilities	2.9.	9 536	11 019
Current liabilities:		183 801	53 439
Trade payables		9 907	12 512
Employee benefits payable		13 042	18 994
Lease liabilities		2 346	4 616
Contract liabilities	2.7.	23 627	3 844
Accruals and deferred income	2.8.	1 416	3 127
Provisions for other liabilities and other charges	5.6.	1 502	1 407
Other liabilities	2.9.	131 961	8 939
TOTAL EQUITY AND LIABILITIES		806 089	695 776

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

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Three months ended 30 June (unaudited)		Six months period ended 30 June (unaudited)	
		2023	2022	2023	2022
Sales revenue		59 040	58 618	120 661	132 521
Operating expenses		(44 963)	(40 662)	(96 675)	(86 657)
Gains on reversal of impairment of receivables/(Loss) on impairment of receivables		(353)	858	(531)	330
Other income		1 464	523	3 317	1 025
Other expenses		(1 460)	(575)	(1 612)	(1 048)
Operating profit		13 728	18 762	25 160	46 171
Financial income, incl.:	3.1.	66 848	41 230	69 768	43 127
Interest income under the effective interest rate method		3 373	4 591	6 210	6 148
Financial expenses, incl.:		(126)	(1 356)	(232)	(2 758)
Profit before tax		80 450	58 636	94 696	86 540
Income tax	3.2.	(3 551)	(4 756)	(6 073)	(10 566)
Profit for the period		76 899	53 880	88 623	75 974
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net		68	(180)	293	(396)
Total items that will not be reclassified to profit or loss		68	(180)	293	(396)
Total other comprehensive income after tax		68	(180)	293	(396)
Total comprehensive income		76 967	53 700	88 916	75 578
Basic / Diluted earnings per share (PLN)		1,83	1,28	2,11	1,81

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

SEPARATE STATEMENT OF CASH FLOWS

	Note	Six months period ended 30 June (unaudited)	
		2023	2022
Total net cash flows from operating activities		34 910	64 096
Net profit of the period		88 623	75 974
Adjustments:		(42 667)	4 572
Income tax	3.2.	6 073	10 566
Depreciation and amortisation	4.1.	11 136	13 119
Impairments/(Reversal) of impairments		(8)	(19)
Dividend (income)		(63 448)	(36 468)
(Gains) on financial assets measured at amortised cost		(3 606)	(4 196)
Financial expense on the bond issue		-	2 165
Other adjustments		(4 549)	(5 140)
Change of assets and liabilities:		11 855	24 545
Inventories		-	(2)
Trade receivables and other receivables (excluding dividend payable)	2.5.1.	(8 570)	(3 954)
Trade payables		(2 605)	2 212
Contract assets		(1 512)	(964)
Contract liabilities	2.7.	20 132	19 067
Non-current prepayments		(2 175)	874
Accruals and deferred income	2.8.	3 531	4 699
Employee benefits payable		(5 967)	(4 880)
Other liabilities (excluding contracted investments and dividend payable)	2.9.	10 409	7 682
Provisions for liabilities and other charges		95	1 311
Other non-current liabilities		(1 483)	(1 500)
Income tax advances received from related parties (Tax Group)		4 416	5 093
Income tax (paid)/refunded		(15 462)	(21 543)

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

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Six months period ended 30 June (unaudited)	
		2023	2022
Total cash flows from investing activities:		(18 382)	65 942
In:		328 643	411 269
Dividends received		913	763
Inflow related to the expiry of deposits and the maturity of bonds		315 298	315 851
Interest on financial assets measured at amortised cost		3 572	2 299
Grants received		3 127	-
Sublease payments (interest)		69	61
Sublease payments (principal)		1 364	1 285
Repayment of a loan by a related party		-	91 010
Non-current assets held for sale		4 300	-
Out:		(346 905)	(345 327)
Purchase of property, plant and equipment and advances for property, plant and equipment		(4 550)	(5 232)
Purchase of intangible assets and advances for intangible assets		(15 378)	(10 946)
Establishing deposits and subscription of bonds		(323 377)	(324 792)
Purchase of shares of a related party		-	(4 357)
Increase of capital of a related company		(3 600)	-
Total cash flows from financing activities:		(3 171)	(124 235)
In:		-	4 905
Grants received		-	4 905
Out:		(3 171)	(129 140)
Interest paid on bonds		-	(2 708)
Redemption of issued bonds		-	(120 000)
Refunded grants		-	(3 518)
Lease payments (interest)		(70)	(138)
Lease payments (principal)		(3 101)	(2 776)
Net (decrease)/increase in cash and cash equivalents		13 477	5 803
Impact of fx rates on cash balance in currencies		(20)	73
Cash and cash equivalents - opening balance	2.5.4.	100 037	169 461
Cash and cash equivalents - closing balance	2.5.4.	113 494	175 337

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

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Equity			Total equity
	Share capital	Other reserves	Retained earnings	
-				
As at 1 January 2023	63 865	(213)	532 129	595 781
Dividends	-	-	(113 324)	(113 324)
Transactions with owners recognised directly in equity	-	-	(113 324)	(113 324)
Net profit for the six months period ended 30 June 2023	-	-	88 623	88 623
Other comprehensive income	-	293	-	293
Comprehensive income for the six months period ended 30 June 2023	-	293	88 623	88 916
As at 30 June 2023 (unaudited)	63 865	80	507 428	571 373

	Equity			Total equity
	Share capital	Other reserves	Retained earnings	
-				
As at 1 January 2022	63 865	(41)	547 568	611 392
Dividends	-	-	(115 003)	(115 003)
Transactions with owners recognised directly in equity	-	-	(115 003)	(115 003)
Net profit for the year ended 31 December 2022	-	-	99 564	99 564
Other comprehensive income	-	(172)	-	(172)
Comprehensive income for the year ended 31 December 2022	-	(172)	99 564	99 392
As at 31 December 2022	63 865	(213)	532 129	595 781

	Equity			Total equity
	Share capital	Other reserves	Retained earnings	
-				
As at 1 January 2022	63 865	(41)	547 568	611 392
Dividends	-	-	(115 004)	(115 004)
Transactions with owners recognised directly in equity	-	-	(115 004)	(115 004)
Net profit for the six months period ended 30 June 2022	-	-	75 974	75 974
Other comprehensive income	-	(396)	-	(396)
Comprehensive income for the six months period ended 30 June 2022	-	(396)	75 974	75 578
As at 30 June 2022 (unaudited)	63 865	(437)	508 538	571 966

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

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1.1. LEGAL STATUS

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

1.2. SCOPE OF OPERATIONS OF THE EXCHANGE

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

The Company operates the following markets:

- **GPW Main Market:** trade in equities, other equity-related financial instruments and other cash market 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").

1.3. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issuance by the Management Board of the Exchange on 10 August 2023.

1.4. STATEMENT OF COMPLIANCE

These Condensed Separate Interim Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. 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 Exchange, in the notes to these Financial Statements, the Company included all material information necessary for the proper assessment of the assets and the financial position of the Company as at 30 June 2023 and its financial results in the period from 1 January 2023 to 30 June 2023.

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

The Company has prepared these Financial Statements in accordance with the same accounting policies as those described in the Financial Statements for the year ended 31 December 2022 and modifications resulting from the application of new standards as described below. These Financial Statements for the six-month period ended 30 June 2023 should be read in conjunction with the Financial Statements of the Exchange for the year ended 31 December 2022.

The following new standards and amendments of existing standards adopted by the European Union are in force for the financial statements of the Company 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.

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

Those amendments to the International Financial Reporting Standards had no significant impact on data presented in these condensed separate 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, Amendment to IFRS 16 Leases – Lease Liability in a Sale and Leaseback, and Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – supplier finance arrangements have not been adopted by the European Union and have not yet entered into force for annual periods starting on 1 January 2023.

Those standards and interpretations are not applicable to the activities of the Exchange or have no significant impact on the separate financial statements of the Company.

The Exchange 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

	Six months period ended 30 June 2023 (unaudited)				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance	61 399	21 412	129	8 138	91 078
Additions (+)	145	7 132	1	2 906	10 184
Purchase and modernisation	114	552	1	2 906	3 573
Transfer to PPE from Assets under construction	31	6 580	-	-	6 611
Disposals (-)	(1 433)	(5 152)	(37)	(6 611)	(13 233)
Transfer from Assets under construction	-	-	-	(6 611)	(6 611)
Depreciation charge*	(1 433)	(5 152)	(37)	-	(6 622)
Net carrying amount - closing balance	60 111	23 392	93	4 433	88 029
As at 30 June 2023 (unaudited)					
Gross carrying amount	114 503	104 643	3 724	4 433	227 303
Accumulated depreciation	(54 392)	(81 251)	(3 631)	-	(139 274)
Net carrying amount	60 111	23 392	93	4 433	88 029

* Depreciation of PLN 2051 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	63 794	11 360	170	2 385	77 709
Additions (+)	539	16 707	124	11 875	29 245
Purchase and modernisation	496	10 628	124	11 875	23 123
Transfer to PPE from Assets under construction	43	6 079	-	-	6 122
Disposals (-)	(2 934)	(6 655)	(165)	(6 122)	(15 876)
Sale and liquidation	(68)	-	(12)	-	(80)
Transfer from Assets under construction	-	-	-	(6 122)	(6 122)
Depreciation charge*	(2 866)	(6 655)	(153)	-	(9 674)
Net carrying amount - closing balance	61 399	21 412	129	8 138	91 078

	Year ended 31 December 2022				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
As at 31 December 2022					
Gross carrying amount	114 358	97 511	3 723	8 138	223 730
Accumulated depreciation	(52 959)	(76 099)	(3 594)	-	(132 652)
Net carrying amount	61 399	21 412	129	8 138	91 078

* Depreciation charges capitalised to intangible assets (licences) were PLN 1,070 thousand.

Contracted investments in property, plant and equipment amounted to PLN 846 thousand as at 30 June 2023 and concerned purchase of vehicles.

Contracted investments in plant, property and equipment amounted to PLN 3 thousand as at 31 December 2022 and concerned purchase of office furniture.

2.2. INVESTMENT PROPERTY

	As at	
	30 June 2023 (unaudited)	31 December 2022
Net carrying amount - opening balance	7 889	8 277
Depreciation	(194)	(388)
Net carrying amount - closing balance	7 695	7 889

2.3. INTANGIBLE ASSETS

	Six months period ended 30 June 2023 (unaudited)				
	Licences	Copyrights	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance	25 808	358	56 270	5 731	88 167
Additions (+)	66	-	18 977	-	19 043
Purchase and modernisation	66	-	15 327	-	15 393
Amortisation and depreciation capitalised	-	-	3 650	-	3 650
Disposals (-)	(6 246)	(57)	-	(40)	(6 343)
Amortisation charge*	(6 246)	(57)	-	(40)	(6 343)
Net carrying amount - closing balance	19 628	301	75 247	5 691	100 867
As at 30 June 2023 (unaudited)					
Gross carrying amount	191 771	5 193	75 293	6 054	278 311
Impairment	-	-	(46)	-	(46)
Accumulated amortisation	(172 143)	(4 892)	-	(363)	(177 398)
Net carrying amount	19 628	301	75 247	5 691	100 867

* Amortisation charges capitalised to intangible assets (development work) were 1599 PLN thousand.

	Year ended 31 December 2022				
	Licences	Copyrights	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance	31 717	430	34 672	5 811	72 630
Additions (+)	8 650	74	27 028	-	35 752
Purchase and modernisation	6 602	74	24 956	-	31 632
Amortisation and depreciation capitalised	-	-	2 072	-	2 072
Transfer to Intangibles form Development work (+)	2 048	-	-	-	2 048
Disposals (-)	(14 559)	(146)	(5 430)	(80)	(20 215)
Transfer from Development work (-)	-	-	(2 048)	-	(2 048)
Recognition of impairment	-	-	(46)	-	(46)
Transfer to non-current assets held for sale	-	-	(3 336)	-	(3 336)
Amortisation charge*	(14 559)	(146)	-	(80)	(14 785)
Net carrying amount - closing balance	25 808	358	56 270	5 731	88 167
As at 31 December 2022					
Gross carrying amount	191 705	5 193	56 316	6 054	259 268
Impairment	-	-	(46)	-	(46)
Accumulated amortisation	(165 897)	(4 835)	-	(323)	(171 055)
Net carrying amount	25 808	358	56 270	5 731	88 167

** Amortization of PLN 1,002 thousand is capitalised to intangible assets (development work).

There were no material contracted investments in intangible assets as at 30 June 2023. Contracted investments in intangible assets amounted to PLN 1,165 thousand as at 31 December 2022 and concerned modernisation of the integration layer in the New Market Image project.

2.4. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Exchange held investments in the following subsidiaries as at 30 June 2023:

- › Towarowa Giełda Energii S.A. ("TGE") – 100%, the parent entity of the Towarowa Giełda Energii S.A. Group ("TGE Group"),
- › BondSpot S.A. ("BondSpot") – 97.23%,
- › GPW Benchmark S.A. ("GPWB") – 100%,
- › GPW Ventures ASI S.A. ("GPWV") – 100%, the parent entity of the GPW Ventures ASI S.A. Group ("GPWV Group"),
- › GPW Tech S.A. ("GPWT") – 100%,
- › GPW Private Market S.A. – 100%,
- › GPW Logistics S.A. – 95.0% (as at 31 December 2022 – 100%),
- › GPW DAI S.A. – 100%,
- › Armenia Securities Exchange OJSC ("AMX") – 65.03%, the parent entity of the AMX Group which includes AMX and: Central Depository of Armenia OJSC ("CDA") – 100% via AMX.

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

On 23 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.

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

On 26 June 2023, the Extraordinary General Meeting of GPW DAI S.A. adopted a resolution to increase the share capital by PLN 50,000 as a result of the issue of 50,000 series B ordinary registered shares with a nominal value of PLN 1. The shares were fully taken up by GPW.

The Exchange held interest in the following associates as at 30 June 2023 and as at 31 December 2022:

- › Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW", the parent entity of the 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%.

The Exchange held 35.86% of PAR as at 30 June 2023 and as at 31 December 2022. Following impairment of the investment in PAR recognised in previous financial periods, the value of the investment in PAR was equal to nil in the Exchange's statement of financial position as at 30 June 2023 and as at 31 December 2022.

Impairment of investments

As at 30 June 2023, indications of impairment of financial assets held by the Company were reviewed, including interest in other entities. No indications were identified requiring an impairment test.

2.5. FINANCIAL ASSETS

2.5.1. TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at	
	30 June 2023 (unaudited)	31 December 2022
Gross trade receivables	26 212	26 148
Impairment allowances for trade receivables	(2 356)	(2 295)
Total trade receivables	23 856	23 853
Receivables from dividends	62 535	-
Current prepayments	12 634	5 573
Receivables from subsidiaries due to CIT in Tax Group	3 386	1 406
Settlements due to subleasing	268	245
Grants receivable	6 843	3 889
Other receivables	1 010	2 481
Total other receivables	86 676	13 594
Total trade receivables and other receivables	110 532	37 447

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.

2.5.2. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at	
	30 June 2023 (unaudited)	31 December 2022
Corporate bonds	36 740	53 737
Bank deposits	25 088	-
Loans granted	566	-
Total current gross	62 394	53 737
Allowance for losses on debt instruments measured at amortised cost	(31)	(39)
Total financial assets measured at amortised cost	62 363	53 698

Loans granted include a loan to PAR. For details, see Note 5.2.2.

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

2.5.3. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2023 (unaudited)			
	Innex	BVB	ETF	Total
Value at cost	3 820	1 343	5 000	10 163
Impairment	(3 820)	(1 111)	17	(4 914)
Carrying amount	-	232	5 017	5 249

	As at 31 December 2022			
	Innex	BVB	ETF	Total
Value at cost	3 820	1 343	5 000	10 163
Impairment	(3 820)	(1 168)	(287)	(5 275)
Carrying amount	-	175	4 713	4 888

The Company holds minority interests in Innex (carrying value equal to nil as at 30 June 2023) and the Bucharest Stock Exchange (carrying value of PLN 232 thousand as at 30 June 2023), as well as units of an Exchange Traded Fund based on the TBSP index (Beta ETF TBSP Portfelowy FIZ).

2.5.4. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2023 (unaudited)	31 December 2022
Current accounts (other)	17 727	18 470
VAT current accounts (split payment)	1	9
Bank deposits	95 800	81 607
Write-off for expected credit losses	(34)	(49)
Total cash and cash equivalents	113 494	100 037

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

At the commencement of the development projects: New Trading System, TeO, GPW Data, GPW Private Market, PCOL and Gospostrateg (see Note 5.1), the Exchange opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 5,514 thousand as at 30 June 2023 (PLN 7,698 thousand as at 31 December 2022). Cash in such accounts is classified as restricted cash.

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

2.6. CHANGE OF ESTIMATES

In the period from 1 January 2023 to 30 June 2023, impairment losses for trade receivables were adjusted as follows:

	As at	
	30 June 2023 (unaudited)	31 December 2022
Opening balance	2 295	2 883
Creating a write-off	783	1 342
Dissolution of the write-off	(252)	(1 930)
Receivables written off during the period as uncollectible	(470)	-
Closing balance	2 356	2 295

In the period from 1 January 2023 to 30 June 2023, provisions against employee benefits were reduced by PLN 5,967 thousand (provisions set up at PLN 9,379 thousand, provisions used at PLN 13,020 thousand and provisions released at PLN 2,326 thousand).

2.7. CONTRACT LIABILITIES

Contract liabilities include income of future periods from 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	
	30 June 2023 (unaudited)	31 December 2022
Listing	7 174	6 825
Total financial market	7 174	6 825
Total non-current	7 174	6 825
Trading	343	557
Listing	11 445	3 160
Information services and revenue from the calculation of reference rates	11 100	-
Total financial market	22 888	3 717
Other revenue	739	127
Total current	23 627	3 844
Total contract liabilities	30 801	10 669

The year-to-date increase of contract liabilities as at 30 June 2023 was due to pro-rata distribution over time of annual fees invoiced by the Exchange 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	
	30 June 2023 (unaudited)	31 December 2022
New Trading System Project	21 704	19 753
GPW Data Project	3 934	3 934
Telemetry Project	3 519	1 671
Private Market	1 283	814
PCOL Project	1 848	874
Total non-current deferred income from grants	32 288	27 046
Private Market Project	1 398	3 127
Gospostrateg Project	18	-
Total non-current deferred income from grants	1 416	3 127
Total accruals and deferred income	33 704	30 173

As at 30 June 2023, the Exchange recognised over time the following deferred income:

- › 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 5.1.

2.9. OTHER LIABILITIES

	As at	
	30 June 2023 (unaudited)	31 December 2022
Liabilities to the Polish National Foundation	2 907	4 361
Other liabilities	3 479	3 546
Other liabilities	3 150	3 112
Total non-current	9 536	11 019
Dividend payable	113 324	-
VAT payable	1 559	842
Liabilities in respect of other taxes	2 585	2 357
Contracted investments	2 463	3 425
Liabilities to the Polish National Foundation	1 391	1 371
Liabilities to the Polish Financial Supervision Authority	9 144	-
Other liabilities	1 495	944
Total current	131 961	8 939
Total other liabilities	141 497	19 958

In accordance with the Company's capital management policy, the Exchange pays dividends to shareholders annually. As at 30 June 2023, the Exchange recognised liabilities in respect of dividend payments (the dividend payment date in 2023 was set at 7 August 2023). Details of the 2023 and 2022 dividend payments are presented in Note 5.4.

3. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

3.1. FINANCIAL INCOME

	Three months ended 30 June (unaudited)		Six months period ended 30 June (unaudited)	
	2023	2022	2023	2022
Income on financial assets presented as cash and cash equivalents	703	1 384	1 958	1 892
Income on financial assets presented as financial assets measured at amortised cost	2 634	3 178	4 183	4 196
Interest on sublease receivables	36	29	69	60
Total Interest income under the effective interest rate method	3 373	4 591	6 210	6 148
Dividends	63 448	36 468	63 448	36 468
Reversal of expected credit losses	-	-	23	-
Other financial income	27	10	39	17
Currency differences	-	161	48	494
Total financial income	66 848	41 230	69 768	43 127

Dividends

The Exchange received PLN 63,448 thousand in dividend income from related parties in the six-month period ended 30 June 2023.

On 5 June 2023, the Annual General Meeting of CG decided to allocate a part of the profit equal to PLN 1,683 thousand to a dividend payment. The dividend attributable to GPW was PLN 417 thousand. GPW also received a dividend for previous years at PLN 496 thousand. The dividend was paid on 13 June 2023.

On 1 June 2023, the Annual General Meeting of KDPW decided to allocate a part of the profit equal to PLN 21,525 thousand to a dividend payment. The dividend attributable to GPW was PLN 7,175 thousand. The dividend payment date was set at 5 September 2023.

On 30 June 2023, the Annual General Meeting of TGE passed a resolution to distribute TGE's profit for 2022 including a dividend payment of PLN 54,680 thousand. The entire dividend was attributable to the Exchange and was paid on 4 August 2023.

On 22 June 2023, the Annual General Meeting of BondSpot passed a resolution to distribute BondSpot's profit for 2022 including a dividend payment of PLN 700 thousand. The dividend attributable to the Exchange was PLN 680 thousand. The dividend was paid on 27 July 2023.

The Exchange received PLN 36,468 thousand in dividend income from related parties in the six-month period ended 30 June 2022.

On 8 April 2022, the Annual General Meeting of CG decided to allocate a part of the profit equal to PLN 1,077 thousand and a part of reserves equal to PLN 2,002 thousand to a dividend payment. The dividend attributable to GPW was PLN 763 thousand. The dividend was paid on 31 May 2022.

On 23 June 2022, the Annual General Meeting of KDPW decided to allocate a part of the profit equal to PLN 29,379 thousand to a dividend payment. The dividend attributable to GPW was PLN 9,793 thousand. The dividend record date was set at 30 June 2022 and the dividend payment date at 7 September 2022.

On 30 June 2022, the Annual General Meeting of TGE passed a resolution to distribute TGE's profit for 2021 including a dividend payment of PLN 24,940 thousand. The entire dividend was attributable to the Exchange and was paid on 4 August 2022.

On 28 June 2022, the Annual General Meeting of BondSpot passed a resolution to distribute BondSpot's profit for 2021 including a dividend payment of PLN 1,000 thousand. The dividend attributable to the Exchange was PLN 972 thousand. The dividend was paid on 28 July 2022.

3.2. INCOME TAX

	Three months ended 30 June (unaudited)		Six months period ended 30 June (unaudited)	
	2023	2022	2023	2022
Current income tax	82	3 719	10 674	16 009
Deferred tax	3 469	1 037	(4 601)	(5 443)
Total income tax	3 551	4 756	6 073	10 566

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

	Three months ended 30 June (unaudited)		Six months period ended 30 June (unaudited)	
	2023	2022	2023	2022
Profit before tax	80 450	58 636	94 696	86 540
Costs which are not tax-deductible	19%	19%	19%	19%
Additional taxable income	15 286	11 141	17 992	16 443
Tax effect of	(11 735)	(6 385)	(11 919)	(5 877)
Non-taxable share of (profit)/loss of entities measured by equity method	554	889	369	1 711
Dividends which are not taxable	(12 055)	(6 929)	(12 055)	(6 929)
Other adjustments	(234)	(345)	(233)	(659)
Total income tax	3 551	4 756	6 073	10 566

As the Company Representing the Tax Group ("TG"), the Exchange is responsible for the calculation and payment of quarterly corporate income tax advances pursuant to the Corporate Income Tax Act. The Tax Group is comprised of the Exchange, TGE, BondSpot, and GPWB. GPW's receivables from related parties participating in TG in respect of income tax paid on their behalf were PLN 3,386 thousand as at 30 June 2023 (PLN 1,406 thousand as at 31 December 2022). The receivables are presented under trade receivables and other receivables in the statement of financial position.

4. NOTE TO THE STATEMENT OF CASH FLOWS

4.1. DEPRECIATION AND AMORTISATION

	Six months period ended 30 June (unaudited)	
	2023	2022
Depreciation of property, plant and equipment*	4 571	4 609
Amortisation of intangible assets**	4 744	6 902
Depreciation of right-to-use assets	1 627	1 414
Depreciation of investment property	194	194
Total depreciation and amortisation charges	11 136	13 119

* In the six months period ended in 2023, depreciation was reduced by depreciation capitalized to intangible assets of PLN 2051 thousand, and in six months period ended in 2022, of PLN 216 thousand.

** In the six months period ended in 2023, amortisation was reduced by amortisation capitalized to intangible assets of PLN 1599 thousand, and in six months period ended in 2022, of PLN 41 thousand.

*** The depreciation value is different from the value included in the operating costs due to the property depreciation costs included in the other costs.

5. OTHER NOTES

5.1. 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.

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.

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.

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.

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

	As at/ for the period ended 30 June 2023				
	Planned total budget (PLN million)	Value of grants awarded (PLN million)	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	90,0	29,2	1 609	370	21 704
GPW Data Project	8,3	4,2	-	-	3 934
Private Market Project	15,6	2,8	87	-	2 681
Telemetry Project	33,6	13,3	946	-	3 519
PCOL Project	19,7	5,1	387	770	1 848
Gospostrateg Project	0,4	0,3	98	62	18
Razem	167,6	54,9	3 127	1 202	33 704

5.2. RELATED PARTY TRANSACTIONS

Related parties of the Exchange include:

- › subsidiaries,
- › associates and joint ventures,
- › the State Treasury as the parent entity,
- › entities controlled and jointly controlled by the State Treasury and entities over which the State Treasury has significant influence,
- › members of the key management personnel of the Exchange.

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

Companies with a stake held by the State Treasury

The Exchange applies the exemption under IAS 24 Related Party Disclosures and keeps no records which would clearly identify and aggregate transactions with the State Treasury and all entities which are related parties of the State Treasury.

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

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

Polish Financial Supervision Authority ("PFSA")

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

The fee for 2023 charged to the Company's operating expenses in the six months of 2023 was the fee for the entire year 2023 equal to PLN 9,145 thousand. The fee for 2022 charged to the Company's operating expenses in the six months of 2022 was equal to PLN 8,210 thousand.

Tax Office

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

5.2.2. TRANSACTIONS WITH SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Revenue of the Exchange from subsidiaries includes revenue from lease of office space (operating lease of proprietary space and sublease), lease of passenger cars, maintenance of premises, cleaning services, security services, accounting services,

HR services, administrative services, IT services, and marketing services. Operating expenses paid by the Exchange to subsidiaries mainly relate to purchase of information services which are distributed by GPW.

Dividends

Details of dividend payments are presented in Note 3.1.

Loans and advances

As at 30 June 2023, the carrying amount of loans granted to PAR was PLN 566 thousand (as at 31 December 2022: nil). In view to PAR's intention to repay the loan during the period, the allowance set up for the loan was reversed and financial income of PLN 576 thousand was recognised. The loan was repaid in full on 11 July 2023.

Space lease

As lessee of space in the Centrum Giełdowe building, the Exchange pays leasing fees and maintenance charges for office space to the building manager, Centrum Giełdowe S.A.

The Exchange leases office space to TGE, GPW Private Market S.A., GPW Logistics S.A. (lease of owned space) and to PAR S.A., IRGIT S.A., GPW Tech S.A., GPW Ventures S.A., GPW Benchmark S.A., BondSpot S.A., GPW DAI S.A. and the GPW Foundation (sublease).

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

5.2.3. OTHER TRANSACTIONS

Transactions with the key management personnel

The Exchange entered into no transactions with the key management personnel as at 30 June 2023 and as at 30 June 2022 other than transactions arising from the employment relationship.

Książęca 4 Street Tenants Association

In 2023 and in 2022, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 2,618 thousand in the six months of 2023 and PLN 2,629 thousand in the six months of 2022.

GPW Foundation

In the six months of 2023, GPW made donations to the GPW Foundation at PLN 1,245 thousand (in the six months of 2022 – no donations), received an income of PLN 84 thousand from the Foundation (in the six months of 2022 – PLN 56 thousand), and paid the Foundation's costs of PLN 8 thousand (in the six months of 2022 – PLN 2 thousand). As at 30 June 2023, the Exchange's receivables from the GPW Foundation stood at PLN 40 thousand (as at 31 December 2022 – PLN 40 thousand) and the Exchange had no payables to the Foundation (as at 31 December 2022 – PLN 0 thousand).

5.3. 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 who were in office in the six-month period ended 30 June 2023 and 30 June 2022, respectively.

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

	Three months ended 30 June (unaudited)		Six months period ended 30 June (unaudited)	
	2023	2022	2023	2022
Base salary	650	404	1 297	807
Variable pay	1 115	456	1 115	867
Other benefits	32	41	67	82
Benefits after termination	-	-	34	-
Total remuneration of the Exchange Management Board	1 338	901	2 513	1 756
Remuneration of the Supervisory Board	233	150	469	299
Total remuneration of the key management personnel	1 571	1 051	2 982	2 055

As at 30 June 2023, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 3,582 thousand and concerned bonuses for 2022 and 2023. The cost was shown in the statement of comprehensive income for 2022 and 2023 (as at 30 June 2022, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 2,511 thousand and concerned bonuses for 2021-2022).

5.4. DIVIDEND

On 26 June 2023, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2022, including a dividend payment of PLN 113,324 thousand. The dividend per share was PLN 2.70. The dividend record date was 24 July 2023 and the dividend payment date was 7 August 2023. The dividend due to the State Treasury was PLN 39,675 thousand.

On 23 June 2022, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2021, including a dividend payment of PLN 115,003 thousand. The dividend per share was PLN 2.74. The dividend record date was 25 July 2022 and the dividend payment date was 5 August 2022. The dividend due to the State Treasury was PLN 40,266 thousand.

5.5. ADDITIONAL INFORMATION CONCERNING THE OUTBREAK OF WAR IN UKRAINE

On 24 February 2022, armed conflict broke out in Ukraine. The international community reacted by imposing sanctions against Russia. In view of the impact of the conflict on the political and economic situation in Europe and the world, GPW took into account the recommendations of the Polish Financial Supervision Authority issued on 2 March 2022 for issuers of securities.

In view of the above, GPW:

- › conducted an analysis of potential risks arising from the conflict which may affect GPW's operations; and
- › conducted an analysis of the potential impact of the conflict on the financial statements in the context of assessing GPW's ability to continue as a going concern.

The Company has no direct investments/exposures to entities with operations in Ukraine/Russia. As at 30 June 2023, no material receivables were identified from GPW counterparties related to parties involved in the armed conflict in Ukraine. GPW does not hold any material foreign currency assets and therefore exchange rate fluctuations are not expected to have a material impact on the Company's financial position.

At 30 June 2023, GPW held PLN 175.9 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 Company's liquidity risk in the short to medium term is low.

Based on the information currently available and the analyses performed as at 30 June 2023, GPW did not identify any material uncertainties relating to events or circumstances which would cast significant doubt on its ability to continue as a going concern.

The Company follows and monitors developments related to the armed conflict in Ukraine and analyses the potential negative consequences of the conflict for the Company's operations in order to take the necessary measures to mitigate the potential impact. Given the significant uncertainties arising from the further development of the conflict and the reaction of the international community and the impact on the economy, the long-term effects of the conflict cannot be determined as at the date of the financial statements.

5.6. CONTINGENT LIABILITIES

5.6.1. CONTINGENT LIABILITIES - GRANTS

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 NCBiR securing obligations under the projects' co-financing agreements. According to the agreements and the bill-of-exchange declarations, NCBiR 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). NCBiR may also complete the bills of exchange with the payment date and insert a "no protest" clause. The bills of exchange may be completed upon the fulfilment of conditions laid down in the co-financing agreement. Each of the bills of exchange shall be returned to the Exchange or destroyed after the project sustainability period defined in the project co-financing agreement.

5.6.2. CONTINGENT LIABILITIES - INDUSTRIAL DISPUTE

On 1 June 2023, an industrial dispute arose with the Trade Union of Stock Exchange Employees ("ZZPG"). The dispute arose as a result of the refusal to comply with the demands of the ZZPG concerning, among others, the payment of an inflationary benefit at GPW, which for 2023 would amount to at least 15% of the annual gross base salary of GPW employees. The Company notified the competent district labour inspector that a dispute had arisen and entered into negotiations in good

faith. On 4 July 2023, a record of divergence at the negotiation stage was drawn up. The parties to the dispute entered the second stage provided by law, i.e., the mediation stage, and are in the process of selecting a mediator. Due to the Management Board's position emphasising the adaptability of GPW's incentive system to market conditions, the probability of a material financial impact, at this stage of the dispute, is considered to be low.

5.7. EVENTS AFTER THE BALANCE SHEET DATE

On 4 July 2023, GPW granted a short-term loan to its subsidiary GPW Logistics S.A. in the amount of PLN 1 million. The loan will be repaid no later than within 2 months. The interest rate on the loan is 9.4% per annum.

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

Marek Dietl – President of the Management Board

Monika Gorgoń – Member of the Management Board

Adam Młodkowski – Member of the Management Board

Izabela Olszewska – Member of the Management Board

Signature of the person responsible for keeping books of account:

Piotr Kajczuk, Director, Financial Department

Warsaw, 10 August 2023