

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE

GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A. GROUP

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022



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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 March 2022 (unaudited)	31 December 2021
Non-current assets:		618,217	603,573
Property, plant and equipment	2.1.	92,194	91,887
Right-to-use assets		8,464	9,084
Intangible assets	2.2.	265,267	264,022
Investment in entities measured by equity method	2.3.	231,429	230,825
Deferred tax asset		13,062	4,173
Financial assets measured at fair value through other comprehensive income		4,856	123
Prepayments		1,910	2,474
Other non-current assets		1,035	985
Current assets:		737,435	807,115
Inventories		7	15
Corporate income tax receivable		179	364
Trade receivables and other receivables	2.4.1.	94,237	177,077
Sublease receivables		18	71
Contract assets		1,670	2,412
Financial assets measured at amortised cost	2.4.2.	305,953	277,322
Other current assets		380	530
Cash and cash equivalents	2.4.3.	334,991	349,324
TOTAL ASSETS		1,355,652	1,410,688

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 March 2022 (unaudited)	31 December 2021
Equity:		1,001,750	967,857
Equity of shareholders of the parent entity:		1,001,100	967,211
Share capital		63,865	63,865
Other reserves		(9,723)	(5,557)
Retained earnings		946,958	908,903
Non-controlling interests		650	646
Non-current liabilities:		44,548	44,206
Employee benefits payable		1,513	1,518
Lease liabilities		3,367	4,170
Contract liabilities	2.7.	7,265	7,451
Accruals and deferred income	2.8.	23,567	20,551
Deferred tax liability		-	239
Other liabilities	2.9.	8,836	10,277
Current liabilities:		309,354	398,625
Liabilities on bonds issue	2.6.	126,795	246,278
Trade payables		12,732	13,704
Employee benefits payable		36,624	31,106
Lease liabilities		5,651	5,393
CIT payable		13,822	6,167
Contract liabilities	2.7.	45,109	5,567
Accruals and deferred income	2.8.	1,978	3,551
Provisions for other liabilities and other charges	5.9.	28,351	28,837
Other liabilities	2.9.	38,292	58,022
TOTAL EQUITY AND LIABILITIES		1,355,652	1,410,688

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended 31 March	
		2022 (unaudited)	2021 (restated*, unaudited)
Sales revenue		110,242	111,540
Operating expenses		(68,831)	(65,813)
Gains on reversed impairment of receivables/ (Loss) on impairment of receivables		(534)	(287)
Other income		497	320
Other expenses		(426)	(653)
Operating profit		40,948	45,107
Financial income, incl.:		2,605	129
- interest income under the effective interest rate method		1,953	90
Financial expenses		(1,515)	(3,478)
Share of profit of entities measured by equity method		4,553	5,358
Profit before tax		46,591	47,116
Income tax	3.1.	(8,532)	(8,249)
Profit for the period		38,059	38,867
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net		(3,950)	1,062
Total items that may be reclassified to profit or loss		(3,950)	1,062
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net		(216)	5
Total items that will not be reclassified to profit or loss		(216)	5
Total other comprehensive income after tax		(4,166)	1,067
Total comprehensive income		33,893	39,934
Profit for the period attributable to shareholders of the parent entity		38,055	38,855
Profit for the period attributable to non-controlling interests		4	12
Total profit for the period		38,059	38,867
Comprehensive income attributable to shareholders of the parent entity		33,889	39,922
Comprehensive income attributable to non-controlling interests		4	12
Total comprehensive income		33,893	39,934
Basic / Diluted earnings per share (PLN)		0.91	0.93

*Data for comparative period have been restated. See Note 5.10

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Three-month period ended 31 March	
		2022 (unaudited)	2021 (restated*, unaudited)
Total net cash flows from operating activities		150,663	95,615
Net profit for the period		38,059	38,867
Adjustments:		122,302	65,239
Income tax	3.1.	8,532	8,249
Depreciation and amortisation	4.1.	9,797	8,789
Impairment allowances		(32)	-
Share of profit of entities measured by equity method		(4,554)	(5,359)
(Gains) on financial assets measured at amortised cost		(856)	(78)
Interest on bonds		1,174	1,347
Other adjustments		(266)	989
Change of assets and liabilities:		108,507	51,302
- Inventories		8	(15)
- Trade receivables and other receivables	2.4.1.	82,840	(13,290)
- Trade payables		(972)	4,328
- Contract assets		742	(886)
- Contract liabilities	2.7.	39,356	34,583
- Prepayments		564	(883)
- Accruals and deferred income	2.8.	1,443	(178)
- Employee benefits payable		5,513	5,571
- Other current liabilities (excluding contracted investments and dividend payable)	2.9.	(19,060)	22,900
- Provisions for liabilities and other charges		(486)	506
- Other non-current liabilities		(1,441)	(1,334)
Income tax (paid)/refunded		(9,698)	(8,491)

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

	Three-month period ended 31 March	
	2022 (unaudited)	2021 (restated*, unaudited)
Total cash flows from investing activities:	(43,574)	(132,865)
In:	179,572	183,284
Sale of property, plant and equipment and intangible assets	640	238
Sale of financial assets measured at amortised cost	178,657	182,862
Interest on financial assets measured at amortised cost	247	151
Sublease payments (interest)	-	2
Sublease payments (principal)	28	31
Out:	(223,146)	(316,149)
Purchase of property, plant and equipment and advances for property, plant and equipment	(4,095)	(1,753)
Purchase of intangible assets and advances for intangible assets	(7,415)	(9,089)
Purchase of financial assets measured at amortised cost	(206,636)	(305,007)
Purchase of financial assets at fair value through other comprehensive income	(5,000)	-
Loan granted to a related party 5.1.2.	-	(300)
Total cash flows from financing activities:	(121,405)	(2,381)
In:	1,605	-
Grants received	1,605	-
Out:	(123,010)	(2,381)
Dividend paid	-	(29)
Interest paid on bonds	(721)	(744)
Redemption of issued bonds	(120,000)	-
Settlement of a grant advance	(803)	-
Lease payments (interest)	(55)	(105)
Lease payments (principal)	(1,431)	(1,503)
Net increase in cash and cash equivalents	(14,316)	(39,631)
<i>Impact of fx rates on cash balance in currencies</i>	<i>(17)</i>	<i>(141)</i>
Cash and cash equivalents - opening balance 2.4.3.	349,324	411,018
Cash and cash equivalents - closing balance 2.4.3.	334,991	371,246

*Data for comparative period have been restated. See Note 5.10

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	Retained earnings	Total		
As at 1 January 2022	63,865	(5,557)	908,903	967,211	646	967,857
Net profit for the three-month 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-month 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

	Equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2021 (restated*)	63,865	1,063	852,584	917,512	619	918,131
Dividend	-	-	(104,930)	(104,930)	-	(104,930)
Transactions with owners recognised directly in equity	-	-	(104,930)	(104,930)	-	(104,930)
Net profit for 2021	-	-	161,249	161,249	27	161,276
Other comprehensive income	-	(6,620)	-	(6,620)	-	(6,620)
Comprehensive income for 2021	-	(6,620)	161,249	154,629	27	154,656
As at 31 December 2021	63,865	(5,557)	908,903	967,211	646	967,857

*Data for comparative period have been restated. See Note 5.10

	Equity				Non-controlling interests	Total equity
	Share capital	Other reserves	Retained earnings	Total		
As at 1 January 2021 (previously reported)	63,865	1,063	858,620	923,548	619	924,167
Adjustments	-	-	(6,036)	(6,036)	-	(6,036)
As at 1 January 2021 (restated*)	63,865	1,063	852,584	917,512	619	918,131
Net profit for the three-month period ended 31 March 2021	-	-	38,855	38,855	12	38,867
Other comprehensive income	-	1,067	-	1,067	-	1,067
Comprehensive income for the three-month period ended 31 March 2021	-	1,067	38,855	39,922	12	39,934
As at 31 March 2021 (restated*, unaudited)	63,865	2,130	891,437	957,432	630	958,062

*Data for comparative period have been restated. See Note 5.10

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, Energy 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") including the following markets: Electricity Forwards Market, Gas Forwards Market and Property Rights Forward 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 (the reference rates 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 market and the commodity market.

1.3. APPROVAL OF THE FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were authorised for issuance by the Exchange Management Board of the Exchange on 27 May 2022 and 30 May 2022.

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. ("GPVV"), the parent entity of the GPW Ventures ASI S.A. Group ("GPVV Group") which includes GPVV and: GPW Ventures Asset Management Sp. z o.o. ("GPVV AM") and GPW Ventures SKA ("GPVV SKA") – 100%,
- › GPW Tech S.A. ("GPWT") – 100%,
- › Teelgren Investments S.A. – 100%

form the Giełda Papierów Wartościowych w Warszawie Group.

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

- › Krajowy Depozyt Papierów Wartościowych S.A. ("KDPW"), the parent entity of the KDPW S.A. Group ("KDPW Group") – 33.33%,
- › Centrum Giełdowe S.A. ("CG") – 24.79%,
- › Polska Agencja Ratingowa S.A. ("PAR") 35.86%.

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 2022 and its financial results in the period from 1 January 2022 to 31 March 2022.

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

The Group has prepared the Condensed Consolidated Interim Financial Statements in accordance with the same accounting policies as those described in the Consolidated Financial Statements for the year ended 31 December 2021 and modifications resulting from the application of new standards as described below. The Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2022 should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2021.

The following new standards and amendments of existing standards adopted by the European Union are in force for the financial statements of the Group for the financial year started on 1 January 2022:

- › amendments to IAS 16 Property, Plant and Equipment – proceed before use,
- › amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of fulfilling a contract,
- › amendments to IFRS 3 Business Combinations – amendments to the conceptual framework,
- › annual improvements to IFRS 2018-2020 to clarify the guidance on recognition and measurement.

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 consolidated interim financial statements.

Amendments to IAS 1 Presentation of Financial Statements, Practice Statement IFRS 2 Disclosure of Accounting Policies, Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IFRS 17 Insurance Contracts have been adopted by the European Union but have not yet entered into force for annual periods starting on 1 January 2022.

Standards and Interpretations awaiting adoption by the European Union as at the balance-sheet date:

- › Amendments to IAS 12 Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction,
- › IFRS 17 Insurance Contracts – the amendment allows for continuation of the recognition of insurance contracts according to account policies under national standards,
- › Amendments to IAS 1 Presentation of Financial Statements – presentation of liabilities as current or non-current and recognition of material accounting policies.

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-month period ended 31 March 2022 (unaudited)				
	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	-	409	10	3,875	4,294
Reclassification and other adjustments	-	-	-	(205)	(205)
Disposals	-	-	-	(498)	(498)
Depreciation charge*	(825)	(2,420)	(39)	-	(3,284)
Net carrying amount - closing balance	71,495	14,517	354	5,828	92,194
As at 31 March 2022					
Opening balance	130,042	109,941	5,612	5,828	251,423
Depreciation	(58,547)	(95,424)	(5,258)	-	(159,229)
Net carrying amount	71,495	14,517	354	5,828	92,194

* Depreciation of PLN 114 thousand is capitalised to intangible assets (development work)

	Year ended 31 December 2021				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance	73,566	17,108	455	6,204	97,333
Additions	2,221	8,452	377	308	11,358
Reclassification and other adjustments	(17)	-	-	-	(17)
Disposals	(183)	-	(1)	(3,856)	(4,040)
Depreciation charge*	(3,267)	(9,032)	(448)	-	(12,747)
Net carrying amount - closing balance	72,320	16,528	383	2,656	91,887
As at 31 December 2021	-	-	-	-	
Opening balance	130,053	109,545	5,344	2,656	247,598
Depreciation	(57,733)	(93,017)	(4,961)	-	(155,711)
Net carrying amount	72,320	16,528	383	2,656	91,887

* Depreciation of PLN 501 thousand is capitalised to intangible assets (development work)

Contracted investments in plant, property and equipment amounted to PLN 2,613 thousand as at 31 March 2022 including investments in IT hardware and the purchase of furniture and furnishings.

Contracted investments in plant, property and equipment amounted to PLN 65 thousand as at 31 December 2021 including IT hardware.

2.2. INTANGIBLE ASSETS

	Three-month period ended 31 March 2022 (unaudited)						
	Licences	Copyrights	Know-how	Goodwill	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance	44,299	2,445	4,352	167,446	39,669	5,811	264,022
Additions	1,249	64	-	19	5,214	-	6,546
Reclassification and other adjustments	(630)	(3)	3	-	630	-	-
Capitalised depreciation	-	-	-	-	134	-	134
Disposals	-	-	-	-	(142)	-	(142)
Depreciation charge*	(5,026)	(112)	(136)	-	-	(19)	(5,293)
Net carrying amount - closing balance	39,892	2,394	4,219	167,465	45,505	5,792	265,267
As at 31 March 2022							
Opening balance	243,973	8,678	6,315	172,393	45,505	6,054	482,918
Impairment	-	-	-	(4,928)	-	-	(4,928)
Depreciation	(204,081)	(6,284)	(2,096)	-	-	(262)	(212,723)
Net carrying amount	39,892	2,394	4,219	167,465	45,505	5,792	265,267

* Depreciation of PLN 20 thousand is capitalised to intangible assets (development work)

Year ended 31 December 2021							
	Licences	Copyrights	Know-how	Goodwill	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance (restated**)	53,791	2,572	4,821	167,446	18,678	5,892	253,200
Additions	7,199	306	76	-	20,817	-	28,398
Reclassification and other adjustments	-	-	-	-	(18)	-	(18)
Capitalised depreciation	-	-	-	-	638	-	638
Disposals	-	-	-	-	(446)	-	(446)
Depreciation charge*	(16,691)	(433)	(545)	-	-	(81)	(17,750)
Net carrying amount - closing balance	44,299	2,445	4,352	167,446	39,669	5,811	264,022
As at 31 December 2021							
Opening balance	243,356	8,616	6,316	172,374	39,669	5,973	476,304
Impairment	-	-	-	(4,928)	-	-	(4,928)
Depreciation	(199,057)	(6,171)	(1,964)	-	-	(162)	(207,354)
Net carrying amount	44,299	2,445	4,352	167,446	39,669	5,811	264,022

* Depreciation of PLN 137 thousand is capitalised to intangible assets (development work)

The Company has reclassified its share in the right of perpetual usufruct of land from "Right-to-use assets" to "Intangible assets". A complete description of the reclassification is presented in Note 5.10.2.

Contracted investments in intangible assets amounted to PLN 407 thousand as at 31 March 2022, including mainly the implementation of software supporting the exchange of information with commodity market participants (contracted investments in intangible assets amounted to PLN 3,983 thousand as at 31 December 2021, including mainly the controlling system, the WIBIX system and the implementation of software supporting the exchange of information with commodity market participants).

Impairment of BondSpot goodwill

Indications of impairment of goodwill recognised in these financial statements were reviewed as at 31 March 2022. No indications were identified which would require another goodwill impairment test, which had been carried out as at 31 December 2021 and identified no need for impairment to be charged to the consolidated financial statements of the GPW Group.

Acquisition of shares of Teelgren Investments S.A.

On 19 January 2022, GPW acquired 100% of the shares in Teelgren Investments S.A. The purchase price amounted to PLN 118 thousand and was fully paid. In settlement of the acquisition, the Group recognised the excess of the price paid over the value of the net assets acquired in the amount of PLN 19 thousand.

The fair values of the company's identifiable assets and liabilities at the acquisition date are as follows:

	Fair values as at the acquisition date
Assets acquired	
Cash and cash equivalents	99
Total assets	99
Liabilities acquired	-
Total liabilities	-
Net assets value	99
Equity interest acquired	100
Purchase price	118
Goodwill as at acquisition date	19

2.3. INVESTMENT IN ENTITIES MEASURED BY THE EQUITY METHOD

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

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

As a result of the recognition of impairment of the investment in PAR at PLN 583 thousand as at 30 June 2020, the value of the investment in PAR was equal to 0 in the Group's consolidated statement of financial position as at 31 March 2022 and as at 31 December 2021.

Note 5.1.2. presents information relating to the loan granted by the Exchange to PAR.

	As at	
	31 March 2022 (unaudited)	31 December 2021
Opening balance	230,825	220,395
Dividends due to GPW S.A.	-	(7,063)
Share of net profit/(loss)	4,720	24,606
Other increase/(decrease) of profit	(166)	(230)
Total Group share of profit/(loss) after tax	4,554	24,376
Share in other comprehensive income	(3,950)	(6,883)
Closing balance	231,429	230,825

	As at	
	31 March 2022 (unaudited)	31 December 2021
Grupa Kapitałowa KDPW S.A.	214,261	213,959
Centrum Giełdowe S.A.	17,168	16,866
Polska Agencja Ratingowa S.A.	-	-
Total carrying amount of entities measured by equity method	231,429	230,825

2.4. FINANCIAL ASSETS

2.4.1. TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at	
	31 March 2022 (unaudited)	31 December 2021
Gross trade receivables	64,324	49,553
Impairment allowances for trade receivables	(5,049)	(4,516)
Total trade receivables	59,275	45,037
Current prepayments	11,696	7,061
VAT refund receivable	15,265	114,316
Sublease receivables	23	12
Grants receivable	6,113	3,670
Other receivables	1,865	6,981
Total other receivables	34,962	132,040
Total trade receivables and other receivables	94,237	177,077

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 2022 (unaudited)	31 December 2021
Corporate bonds	243,821	150,271
Bank deposits	52,115	117,081
Other assets	10,163	10,148
Total current	306,099	277,500
Allowance for losses on debt instruments measured at amortised cost	(146)	(178)
Total financial assets measured at amortised cost (over 3 months)	305,953	277,322

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 2022 (unaudited)	31 December 2021
Current accounts (other)	99,218	100,406
VAT current accounts (split payment)	3,156	1,911
Corporate bonds	14,983	14,995
Bank deposits	217,871	232,245
Expected credit loss	(237)	(233)
Total cash and cash equivalents	334,991	349,324

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 development projects: New Trading System, GPW Data, GPW Private Market and TeO (see Note 5.4.), the Group opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 2,892 thousand as at 31 March 2022 (PLN 4,389 thousand as at 31 December 2021). Cash in such accounts is classified as restricted cash.

Cash in VAT accounts at PLN 3,156 thousand (PLN 1,911 thousand as at 31 December 2021) is also restricted cash due to regulatory restrictions on the availability of cash in such accounts for current payments.

The Group reclassified the IRGiT clearing collateral from cash and cash equivalents to other assets in financial assets measured at amortised cost. For a full description of the reclassification, see Note 5.10.3.

2.5. CHANGE OF ESTIMATES

In the period from 1 January 2022 to 31 March 2022, impairment losses for trade receivables were adjusted as follows:

	As at	
	31 March 2022 (unaudited)	31 December 2021
Opening balance	4,516	6,685
Creating a write-off	851	2,328
Dissolution of the write-off	(318)	(4,074)
Receivables written off during the period as uncollectible	-	(423)
Closing balance	5,049	4,516

In the period from 1 January 2022 to 31 March 2022, there were the following changes in estimates:

- › provisions against employee benefits were reduced by PLN 5,515 thousand (provisions set up of PLN 8,368 thousand, provisions used and released of PLN 2,853);
- › provisions against interest on a VAT correction were reduced by PLN 421 thousand (see Note 5.9).

2.6. BOND ISSUE LIABILITIES

	As at	
	31 March 2022 (unaudited)	31 December 2021
Series C bonds	126,795	125,746
Series D and E bonds	-	120,532
Total current	126,795	246,278
Total liabilities under bond issue	126,795	246,278

The table below presents the key parameters of bonds in issue.

	Issued date	Redemption date	Total par value	Currency	Interest	Coupon
Series C bonds	6.10.2015	6.10.2022	125,000	PLN	3.19%	6M

The table below presents the fair value of bonds in issue.

	As at	
	31 March 2022 (unaudited)	31 December 2021
Fair value of series C bonds	126,048	126,491
Fair value of series D and E bonds	-	120,588
Total fair value of bonds in issue	126,048	247,079

On 31 January 2022, GPW redeemed series D and E bonds issued on 18 January 2017. The total nominal value of the bonds redeemed was PLN 120,000 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	
	31 March 2022 (unaudited)	31 December 2021
<i>Listing</i>	6,949	7,249
Total financial market	6,949	7,249
Other revenue	316	202
Total non-current	7,265	7,451
<i>Trading</i>	1,118	1,313
<i>Listing</i>	17,418	3,488
<i>Information services and revenue from the calculation of reference rates</i>	18,153	2
Total financial market	36,689	4,803
<i>Trading</i>	7,867	506
Total commodity market	7,867	506
Other revenue	553	258
Total current	45,109	5,567
Total contract liabilities	52,374	13,018

The year-to-date increase of contract liabilities as at 31 March 2022 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 2022 (unaudited)	31 December 2021
PCR	3,702	3,770
Agricultural Market	419	488
New Trading Platform Project	15,778	13,243
GPW Data Project	2,731	2,518
Telemetry Project	202	-
Private Market	546	532
Project PCOL	189	-
Total non-current deferred income from grants	23,567	20,551
PCR	349	375
Agricultural Market	318	333
GPW Data Project	14	-
Telemetry Project	989	1,191
Private Market	308	1,652
Total non-current deferred income from grants	1,978	3,551
Total accruals and deferred income	25,545	24,102

As at 31 March 2022, 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.

Details of grants are presented in Note 5.4.

2.9. OTHER LIABILITIES

	As at	
	31 March 2022 (unaudited)	31 December 2021
Security deposits - collateral on the balancing market	1,035	985
Liabilities to the Polish National Foundation	4,266	5,731
Perpetual usufruct liabilities	3,535	3,561
Total non-current	8,836	10,277
Dividend payable	9	9
VAT payable	9,821	43,201
Liabilities in respect of other taxes	3,159	3,067
Contracted investments	1,198	5,387
Liabilities to the Polish National Foundation	1,341	1,331
Liabilities to the Polish Financial Supervision Authority	14,635	-
Other liabilities	8,129	5,027
Total current	38,292	58,022
Total other liabilities	47,128	68,299

Other liabilities as at 31 March 2022 included mainly payments to the tax office relating to current reporting periods, liabilities to the Polish National Foundation, as well as a material liability to the Polish Financial Supervision Authority in respect of a capital market supervision fee payable in Q3 2022.

3. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

3.1. INCOME TAX

	Three-month period ended 31 March	
	2022 (unaudited)	2021 (restated*, unaudited)
Current income tax	17,608	18,354
Deferred tax	(9,076)	(10,105)
Total income tax	8,532	8,249

*Data for comparative period have been restated. See Note 5.10

As required by the Polish tax regulations, the corporate income tax rate applicable in 2022 and 2021 is 19%.

	Three-month period ended 31 March	
	2022 (unaudited)	2021 (restated*, unaudited)
Profit before income tax	46,591	47,116
Income tax rate	19%	19%
Income tax at the statutory tax rate	8,852	8,952
Tax effect of:	(320)	(703)
Non tax-deductible costs	878	320
Non-taxable share of profit of entities measured by the equity method	(865)	(1,018)
Other adjustments	(333)	(5)
Total income tax	8,532	8,249

*Data for comparative period have been restated. See Note 5.10

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.

3.2. PHANTOM SHARES

On 29 April 2021, on the occasion of the 30th anniversary of the Company, the Exchange Management Board approved a Phantom Share Programme ("Programme") for GPW employees which will continue at least until 2031. The Programme covers all GPW employees in employment as at 16 April 2021. Under the Programme, each employee in employment as at 16 April 2021 is eligible to receive the following:

- › a number of phantom shares defined under the Programme for the period from the start of employment with GPW to 16 April 2021 – in total, 10,428 shares were allotted as at 16 April 2021,
- › another 4 phantom shares in each year of the Programme (provided that the GPW employee remains in employment as at 16 April of such year) – the estimated number of such phantom shares was 10,480 as at 30 September 2022,
- › dividend, i.e., the number of phantom shares allotted to the employees times the dividend per GPW share in the year determined by the GPW General Meeting,

- › the right to dividends from the shares held. Employees may, by 30 September each year, request a dividend payment which will be made by 15 October each year. If an employee does not request a payment during the period of employment, the payment is made upon termination of employment or retirement.

The Programme meets the criteria of a share-based payment programme and will be accounted for under IFRS 2 Share-based Payment.

The liability in respect of shares allotted in successive years will be recognised in subsequent years of the Programme up to 2031 and measured as at each balance-sheet date depending on the closing price of GPW shares at the balance-sheet date and the number of eligible employees. Differences of valuation against fair value as at each balance-sheet date will be recognised in employee costs.

The Phantom Share Programme was recognised in these financial statements as follows:

- › PLN 598 thousand – liability under the Programme as at 31 March 2022, presented under Current liabilities – Employee benefits payable in the statement of financial position (the part vested as at 16 April 2021, updated on each anniversary of the programme),
- › PLN 188 thousand – liability under the Programme as at 31 March 2022, presented under Non-current liabilities – Employee benefits payable in the statement of financial position (the dividend part and liabilities in respect of vested benefits),
- › PLN 36 thousand – Programme cost in the three-month period of 2022, presented in Employee costs in the statement of comprehensive income.

The liability recognised as at 31 March 2022 will be increased with the value of future shares and dividends. As at 31 March 2022, the estimated total liabilities under the Programme by the end of 2031 based on a variable number of employees and a variable share price is PLN 1,737 thousand, including dividend of PLN 608 thousand.

4. NOTE TO THE STATEMENT OF CASH FLOWS

4.1. DEPRECIATION AND AMORTISATION

	Three-month period ended 31 March	
	2022 (unaudited)	2021 (restated*, unaudited)
Depreciation of property, plant and equipment**	3,170	3,057
Amortisation of intangible assets***	5,273	4,292
Depreciation and amortisation of right-to-use assets	1,354	1,440
Total depreciation and amortisation charges	9,797	8,789

*Data for comparative period have been restated. See Note 5.10

** In the three-month period ended 31 March 2022 depreciation charge was decreased by the depreciation capitalised to intangible assets under construction in the amount of PLN 114 thousand, and in the three-month period ended 31 March 2021 in the amount of PLN 110 thousand .

*** In the three-month period ended 31 March 2022 depreciation charge was decreased by the depreciation capitalised to intangible assets under construction in the amount of PLN 20 thousand, and in the three-month period ended 31 March 2021 in the amount of PLN 19 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 2022 charged to the GPW Group's operating expenses in the first three months of 2022 was PLN 14,637 thousand, equal to the annual 2022 fee.

The fee for 2021 charged to the Group's operating expenses in the first three months of 2021 was PLN 14,194 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 Treasury companies, the Exchange is obliged to contribute funds annually for the statutory activities of PFN in the form of 11 annual payments starting from the date of establishment of the Foundation. This obligation was recognised as an expense in 2016 and is accrued over time. As at 31 March 2022, the liability of the Exchange to PFN amounted to PLN 5,607 thousand (PLN 7,062 thousand as at 31 December 2021).

5.1.2. TRANSACTIONS WITH ENTITIES MEASURED BY THE EQUITY METHOD

Dividend

The Group did not receive any dividends from associates in the three-month period ended 31 March 2022.

Loans and advances

As at 31 March 2022, the carrying amount of loans granted to PAR stood at PLN 0 (impairment of PLN 832 thousand), including impairment of PLN 507 thousand recognised in 2020 and impairment of PLN 325 thousand recognised in 2021.

On 28 June 2021, the Management Board decided to extend the maturity of the PLN 200 thousand loan granted to PAR in February 2020 to 30 June 2022.

On 30 June 2021, an annex was signed to the agreement concerning the loan granted to PAR by GPW in September 2020. In accordance with the amendments introduced by the annex, the interest for the period from the date of the loan to 30 June 2021 was capitalised as at 30 June 2021 and added to the loan amount. The interest for the period from 1 July 2021 to 30 June 2022 will be calculated in accordance with the existing provisions of the agreement. The loan and accrued interest will be repaid in a single payment by 30 June 2022.

Space lease

As owner and lessee of space in the Centrum Giełdowe building, the Exchange pays rent and maintenance charges for office space, including joint property, to the building manager, Centrum Giełdowe S.A. Transactions with the KDPW Group included joint organisation of integration events for the capital market community. Transactions with PAR included office space lease and related fees.

	As at 31 March 2022 (unaudited)		Three-month period ended 31 March 2022 (unaudited)	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	1	1	23	11
<i>other</i>	1	1	23	11
Centrum Giełdowe:	-	135	-	621
<i>leases</i>	-	103	-	578
<i>other</i>	-	32	-	43
PAR:	5	-	4	9
<i>loans and borrowings</i>	-	-	-	-
<i>leases</i>	-	-	-	-
<i>other</i>	5	-	4	9
Total	6	136	27	641

	As at 31 December 2021		Year ended 31 December 2021	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	-	-	3	122
<i>other</i>	-	-	3	122
Centrum Giełdowe:	-	4,287	-	4,570
<i>leases</i>	-	3,813	-	2,095
<i>other</i>	-	474	-	2,475
PAR:	50	-	22	40
<i>loans and borrowings</i>	-	-	-	-
<i>leases</i>	50	-	2	-
<i>other</i>	-	-	20	40
Total	50	4,287	25	4,732

Receivables from associates and joint ventures were not written off as uncollectible or provided for in the three-month period ended 31 March 2022 and 31 March 2021.

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 2022 and 31 December 2021.

Książęca 4 Street Tenants Association

In 2022 and in 2021, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 1,379 thousand in the three-month period ended 31 March 2022 and PLN 1,112 thousand in the three-month period ended 31 March 2021.

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 the three-month period ended 31 March 2022 and 31 March 2021, respectively.

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

	Three-month period ended 31 March	
	2022 (unaudited)	2021 (restated*, unaudited)
Base salary	403	404
Variable pay	411	411
Other benefits	41	40
Total remuneration of the Exchange Management Board	855	855
Remuneration of the Exchange Supervisory Board	149	133
Remuneration of the Management Boards of other GPW Group companies	1,199	973
Remuneration of the Supervisory Boards of other GPW Group companies	252	247
Total remuneration of the key management personnel	2,455	2,208

*Data for comparative period have been restated. See Note 5.10

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

As at 31 March 2021, unpaid bonuses and variable remuneration of the key management personnel stood at PLN 2,795 thousand and concerned bonuses for 2017-2020. The cost was shown in the statement 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.

The General Meeting passed no resolution distributing the profit of GPW S.A. for 2021 as at the date of publication of these financial statements.

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. The amount of the grant in the New Trading System project will be PLN 30.3 million, the estimated cost of the project is PLN 90 million. The project has not been completed as at 31 March 2022.

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. The amount of the grant in the GPW Data project will be PLN 4.2 million, the estimated cost of the project is PLN 8.3 million. The project has not been completed as at 31 March 2022.

Price Coupling of Regions ("PCR")

PCR ensures co-ownership of system software of the day-ahead market by a group of European energy exchanges joined by TGE in 2015. The project was aimed at harmonisation of the European market using a shared calculation algorithm.

In 2016, in the implementation of international projects (aiming among others to implement European regulations applicable to cross-border energy exchange), the President of the Energy Regulation Authority (URE) granted TGE a refund of part of the PCR cost from the Polish power transmission system operator Polskie Sieci Energetyczne S.A. under a bilateral agreement ensuring the implementation of a day-ahead electricity market in Poland. The amount of the grant in the PCR project was PLN 7.0 million, the estimated cost of the project is PLN 10,791 thousand. The project was completed in 2021.

Agricultural Market

A consortium comprised of GPW, TGE and IRGiT signed an agreement with Krajowy Ośrodek Wsparcia Rolnictwa (National Centre for Agricultural Support, KOWR) on 29 January 2019 concerning the Agricultural Market project which launched an electronic trading platform for certain agricultural commodities. The project closed on 31 August 2020 according to plan. Since 1 September 2020, the platform is operated by TGE and IRGiT (without the participation of the Exchange). As the consortium leader and the parent entity of the GPW Group, the Exchange represented the consortium in relations with KOWR, handled financials and provided marketing support, and received a fee from the other consortium members which covered its expenses. The cost of the project was PLN 2,565 thousand. The project was completed in 2020.

From the perspective of the consolidated financial statements of the GPW Group, the Agricultural Market project is a grant of PLN 5.1 million whose direct beneficiaries are TGE and IRGiT.

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 amount of the grant in the GPW Private Market project will be PLN 8.5 million, the estimated cost of the project is PLN 12.6 million. The project has not been completed as at 31 March 2022.

Telemetry

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. The amount of the grant in the project will be PLN 13.3 million, the estimated cost of the project is PLN 33.3 million. The project has not been completed as at 31 March 2022.

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 amount of the grant in the Gospostrateg project for GPW will be PLN 0.3 million, the estimated cost of the project is PLN 7.9 million. The project has not been completed as at 31 March 2022.

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 in the amount of PLN 5.4 million. The estimated total project cost is PLN 9.3 million.

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 amount of the grant in the PCOL project will be PLN 5.4 million, the estimated cost of the project is PLN 9.3 million. The project has not been completed as at 31 March 2022.

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

Segment information is disclosed in these Financial Statements based on components of the entity which are monitored by the Group's chief decision maker (Exchange Management Board) to make operating decisions. The presentation of financial data by operating segment is consistent with the management approach at Group level. The Group's business segments focus their activities on the territory of Poland.

The two main reporting segments are the financial segment and the commodity segment.

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

The commodity segment covers the activity of the Group including organising trade in commodities on the exchange as well as related activities: trading, operation of the Register of Certificates of origin of electricity, the CO₂ Emissions Allowances market, clearing, the operation of a clearing house and a settlement system, the activity of a trade operator and the entity responsible for trade balancing, information services.

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

The tables below present a reconciliation of the data analysed by the Exchange Management Board with the data shown in these Financial Statements.

	Three-month 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 March 2022 (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	947,128	347,981	4,084	1,299,193	219,777	(163,318)	1,355,652
Total liabilities	284,058	92,916	451	377,425	-	(23,523)	353,902
Net assets (assets - liabilities)	663,070	255,065	3,633	921,768	219,777	(139,795)	1,001,750

	Three-month period ended 31 March 2021 (restated*, unaudited)					
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	74,553	37,207	4,577	116,337	(4,797)	111,540
- To third parties	72,957	37,052	1,531	111,540	-	111,540
- Between segments	1,596	155	3,046	4,797	(4,797)	-
Operating expenses, including:	(47,340)	(22,628)	(341)	(70,309)	4,496	(65,813)
- depreciation and amortisation	(6,343)	(2,733)	(39)	(9,115)	326	(8,789)
Profit/(loss) on sales	27,213	14,579	4,236	46,028	(301)	45,727
Loss on impairment of receivables	(633)	346	-	(287)	-	(287)
Other income	104	216	-	320	-	320
Other expenses	(505)	(12)	-	(517)	(136)	(653)
Operating profit (loss)	26,179	15,129	4,236	45,544	(437)	45,107
Financial income, including:	168	19	-	187	(58)	129
- interest income	125	16	-	141	(51)	90
- dividend income	-	-	-	-	-	-
Financial expenses, including:	(2,115)	(1,451)	(1)	(3,567)	89	(3,478)
- interest cost	(1,578)	(60)	(1)	(1,639)	89	(1,550)
- VAT provision	-	(506)	-	(506)	-	(506)
Share of profit/(loss) of entities measured by equity method	-	-	-	-	5,358	5,358
Profit before income tax	24,232	13,697	4,235	42,164	4,952	47,116
Income tax	(5,391)	(2,853)	(5)	(8,249)	-	(8,249)
Net profit	18,841	10,844	4,230	33,915	4,952	38,867

*Data for comparative period have been restated. See Note 5.10

	As at 31 December 2021						
	Financial segment	Commodity segment	Other	Total segments	Adjustments for investments measured by equity method	Other exclusions and adjustments	Total segments and exclusions
Total assets	987,301	446,479	4,632	1,438,412	219,173	(246,897)	1,410,688
Total liabilities	346,424	202,832	661	549,917	-	(107,086)	442,831
Net assets (assets - liabilities)	640,877	243,647	3,971	888,495	219,173	(139,811)	967,857

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

In the first three months of 2022, the Group identified no new risks arising from the pandemic and took no additional measures to mitigate the impact of the pandemic on the Group's operations and results as compared to those identified in the annual financial statements for 2021.

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

The companies of the GPW Group do not conduct business activities in Russia and Ukraine; therefore, the military activities in this territory do not directly affect the presented and future financial results of the Group.

The GPW Group has reviewed the depreciation rates for property, plant and equipment and intangible assets applied to assets held as at 31 March 2022 and has not identified a need to change the estimates used.

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

As at 31 March 2022, the GPW Group had PLN 641 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 significant foreign currency assets and therefore fluctuations in exchange rates due to uncertainty in the foreign currency markets would be immaterial to the financial statements.

The GPW Group monitors the level of trade receivables on an on-going basis, particularly receivables from counterparties related to parties involved in the armed conflict. As at 31 March 2022, no material receivables were identified in this group of counterparties.

Details on the identified risks related to the pandemic and the outbreak of the armed conflict in Ukraine to the Company's and the Group's operations and financial position are presented in the Management Board Report on the Activity of the Parent Entity and the Warsaw Stock Exchange Group for 2021, Note 2.8., and in the Interim Report of the Warsaw Stock Exchange Group for the three months of 2022, Note 7.1.

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

In the opinion of the Exchange Management Board, at the time of publication of this report, the Group has not identified material uncertainties related to events or circumstances which could raise significant doubt as to its ability to continue as a going concern. A protracted conflict, actions taken by the Polish government, the authorities of the European Union and NATO, and the related uncertainty on the financial markets may impact the operations and financial results of the GPW Group companies in the future. It is not possible to estimate such impact at the date of publication of this report.

5.8. CONTINGENT ASSETS AND LIABILITIES

5.8.1. CONTINGENT ASSETS

In September 2019, TGE submitted corrections of CIT returns and payments for 2012-2016 and paid the resulting amounts due together with interest. The correction concerned among others the conversion of TGE's debt due from IRGiT into IRGiT's share capital in an amount of PLN 10 million in 2013. Given the inconsistent approach of tax authorities to the tax recognition of the transaction, TGE took measures to recover the paid tax of PLN 1.9 million. As it is uncertain whether the amount can be recovered, the Group recognised a contingent asset of PLN 2.6 million as at 30 June 2021 (including PLN 1.9 million principal and PLN 0.7 million interest). The Director of the Tax Chamber issued a decision refusing to recognise the requested overpayment of PLN 2.6 million. TGE appealed against the decision. On 14 April 2021, the Regional Administrative Court in Warsaw in an in camera session dismissed TGE's appeal and upheld the interpretation. TGE appealed against the Court's decision in cassation and the final decision is pending.

5.8.2. 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 2022, 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 2022, the Group had bank guarantees issued in favour of:

- › NordPool at EUR 11.6 million commencing on 1 July 2021 and valid until 30 June 2022,
- › Slovenská Elektrizácia Prenosová Sústava (SEPS) at EUR 0.5 million commencing on 17 June 2021 and valid until 30 June 2022,

- › ČEPS at EUR 1.7 million commencing on 1 July 2021 and valid until 30 June 2022,
- › European Commodity Clearing AG (ECC) at EUR 6.3 million commencing on 1 July 2021 and valid until 30 June 2022.

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 annually reviewed 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 supplemented it on 15 April 2021 with reference to recent CJEU case-law, not yet available at the date of the cassation, which fully endorses the cassation pleas raised by IRGiT.

In this respect, IRGiT developed a tax strategy together with external 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 28.4 million as at 31 March 2022 (PLN 28.8 million as at 31 December 2021). After release of the provisions, the Group recognised financial income of PLN 0.4 million (financial expense of PLN 0.5 million in Q1 2021). The provisions represent the best possible estimate of the potential liability as at 31 March 2022 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, due to the application of the *lex specialis* concerning 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 the Company. 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. CORRECTIONS OF ERRORS

5.10.1. FEES FOR INTRODUCTION OF SHARES TO TRADING

When preparing the financial statements for H1 2021, the recognition of revenue from fees for introduction of shares to trading was reviewed. As a result of the analysis, in line with the IFRIC agenda decision of January 2019 Assessment of promised goods or services, it was determined in the light of IFRS 15 Revenue from Contracts with Customers that the service of introduction to trading is inextricably linked to the listing service. As a result, it was decided that revenue from fees for introduction to trading will be recognised over time during the expected term of contracts with customers (average listing period). Accordingly, the accounting recognition of revenue from fees for introduction of shares to trading was modified retrospectively.

The Exchange defined the average period of provision of the listing service equal to 9 years following a historical analysis of the average period of listing of companies on the Main Market and NewConnect. The estimate is subject to uncertainty and will be reviewed as at each reporting date.

5.10.2. RIGHT OF PERPETUAL USUFRUCT OF LAND

When preparing the financial statements for H1 2021, the recognition of the Exchange's share in the right of perpetual usufruct of land at 4, Książęca St., Warsaw, was reviewed. As a result, it was determined that the share does not meet the criteria of leases under IFRS 16 Leases. As a result, it was reclassified from "Right-to-use assets" to "Intangible assets" and from "Lease liabilities" to "Other liabilities". The useful life of the asset was reviewed and its depreciation period was extended

to 2093. The corrections are retrospective and the Group restated the comparative data presented in these financial statements.

5.10.3. IRGiT CLEARING COLLATERAL

As a result of a review under IAS 7 Statement of Cash Flows, it was determined that restricted cash in the amount of PLN 10 million, which constitutes an additional risk management tool at IRGiT and is held for the purpose of securing the liquidity of clearing of exchange transactions by IRGiT in cases specified in the Rules of the Exchange Clearing House, does not meet the definition of cash equivalents. Accordingly, a presentation change has been made in these consolidated financial statements by reclassifying such cash from "Cash and cash equivalents" to "Financial assets measured at amortised cost". The corrections are retrospective and the Group restated the comparative data presented in these financial statements.

5.10.4. ENERGY TRANSACTIONS ON INTERNATIONAL MARKETS ("INTERNATIONAL MARKETS")

The Group reviewed the presentation of revenue and expenses related to TGE's participation in the single European energy market in terms of their economic substance. As a result of the review, the presentation of such transactions was changed.

Revenue and expenses from such transactions were previously presented under "Operating income", "Other revenue" and "Operating expenses" but are now recognised on a net basis in a single line: "Operating expenses". The corrections are retrospective and the Group restated the comparative data presented in these financial statements.

The tables below present the impact of the corrections described above on the statement of financial position, the statement of cash flows, and the statement of comprehensive income for each relevant period.

	31 March 2021 (reported)	adjustments			31 March 2021 (restated*, unaudited)
		Cash	Perpetual usufruct of land	Fees for introduction of shares to trading	
Non-current assets, including:	601,782	-	1,871	1,401	605,054
Right-to-use assets	17,116	-	(3,999)	-	13,117
Intangible assets	248,221	-	5,870	-	254,091
Deferred tax asset	9,431	-	-	1,401	10,832
Current assets, including:	870,367	-	-	-	870,367
Financial assets measured at amortized cost	417,058	10,145	-	-	427,203
Cash and cash equivalents	381,391	(10,145)	-	-	371,246
TOTAL ASSETS	1,472,149	-	1,871	1,401	1,475,421
Equity:	963,894	-	140	(5,972)	958,062
Equity of shareholders of the parent entity:	963,264	-	140	(5,972)	957,432
Retained earnings	897,269	-	140	(5,972)	891,437
Non-current liabilities, including:	159,484	-	1,783	5,399	166,666
Lease liabilities	10,077	-	(1,792)	-	8,285
Contract liabilities	1,088	-	-	5,399	6,487
Other liabilities	7,341	-	3,575	-	10,916
Current liabilities, including:	348,771	-	(52)	1,974	350,693
Lease liabilities	5,676	-	(67)	-	5,609
Contract liabilities	40,484	-	-	1,974	42,458
Other liabilities	87,013	-	15	-	87,028
TOTAL EQUITY AND LIABILITIES	1,472,149	-	1,871	1,401	1,475,421

*Data for comparative period have been restated. See Note 5.10

	31 March 2021 (reported)	adjustments			31 March 2021 (restated*, unaudited)
		Perpetual usufruct of land	Fees for introduction of shares to trading	International markets	
Sales revenue	112,287	-	237	(984)	111,540
Operating expenses	(66,827)	28	-	986	(65,813)
Other income	322	-	-	(2)	320
Operating profit	44,842	28	237	-	45,107
Financial expenses	(3,464)	(14)	-	-	(3,478)
Profit before tax	46,865	14	237	-	47,116
Income tax	(8,204)	-	(45)	-	(8,249)
Profit for the period	38,661	14	192	-	38,867

*Data for comparative period have been restated. See Note 5.10

	31 March 2021 (reported)	adjustments			31 March 2021 (restated*, unaudited)
		Cash	Perpetual usufruct of land	Fees for introduction of shares to trading	
Total net cash flows from operating activities	95,615	-	-	-	95,615
Net profit for the period	38,661	-	14	192	38,867
Adjustments:	65,445	-	(14)	(192)	65,239
Income tax	8,204	-	-	45	8,249
Depreciation and amortisation	8,817	-	(28)	-	8,789
Other adjustments	975	-	14	-	989
Change of assets and liabilities:	51,539	-	-	(237)	51,302
- Contract liabilities	34,820	-	-	(237)	34,583
Net increase in cash and cash equivalents	(39,631)	-	-	-	(39,631)
Cash and cash equivalents - opening balance	421,163	(10,145)	-	-	411,018
Cash and cash equivalents - closing balance	381,391	(10,145)	-	-	371,246

*Data for comparative period have been restated. See Note 5.10

5.11. EVENTS AFTER THE BALANCE SHEET DATE

On 14 April 2022, GPW purchased 100% of the shares in Molonello Investments spółka akcyjna. The company was acquired to operate as a digital system operator in the Transport-Shipment-Logistics (TSL) industry as part of the PCOL project.

On 29 April 2022, the share capital of Teelgren Investments S.A. was increased by PLN 2,000 thousand. The Company issued 2,000,000 Series B registered ordinary shares with a nominal value and an issue price of PLN 1 per share. The shares were fully taken up by GPW. By 27 May 2022, GPW paid PLN 500 thousand for the purchased shares.

On 19 May 2022, the GPW Supervisory Board approved the acquisition by the Exchange of 65.03% of shares of the Armenia Securities Exchange. The total price of the AMX shares to be acquired is AMD 826,297,550.00 (PLN 8,425,589.37 based on the average exchange rate of AMD on 4 May 2022) and is payable in two tranches:

- the first tranche in the amount of AMD 498,765,150.00 payable upon signing the Share Purchase Agreement, obtaining the approval of the Central Bank of Armenia for the acquisition of the shares, and fulfilling the other formal conditions required under the Agreement, and

- the second tranche in the amount of AMD 327,532,400.00 payable subject to the completion of all proceedings to which AMX is a party and which are set out in the Share Purchase Agreement.

As a result of the transaction, GPW will become the majority shareholder of AMX and will indirectly take control of the Central Depository of Armenia ("CDA"), the central securities depository of Armenia, in which AMX currently holds a 100% stake.

On 24 May 2022, GPW and the Central Bank of Armenia signed a memorandum in which they declared their intention to close GPW's acquisition of shares of the Armenia Securities Exchange.

On 19 May 2022, the GPW Supervisory Board issued a positive opinion on the motion of the Exchange Management Board concerning the distribution of the Company's profit for 2021. The proposed dividend payment in the total amount of PLN 115,003,280.00 implies a payment of PLN 2.7 per share. The dividend payout ratio will be 71.3% of the consolidated net profit and 84.0% of the consolidated net profit attributable to the shareholders of the parent entity adjusted for the share of profits of associates, and the dividend yield will be 7.5% based on the capitalisation of GPW as at 10 May 2022.

The Management Board decided to recommend to the Annual General Meeting of the Company to set the dividend record date on 25 July 2022 and the dividend payment date on 5 August 2022.

An Extraordinary General Meeting of the Company was convened for 23 June 2022.

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

Marek Dietl – President of the Management Board

Piotr Borowski – Member of the Management Board

Dariusz Kułakowski – Member of the Management Board

Izabela Olszewska – Member of the Management Board

Signature of the person responsible for keeping books of account:

Piotr Kajczuk, Director, Financial Department

Warsaw, 27 May 2022 and 30 May 2022