



INTERIM REPORT OF THE
GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A.
GROUP

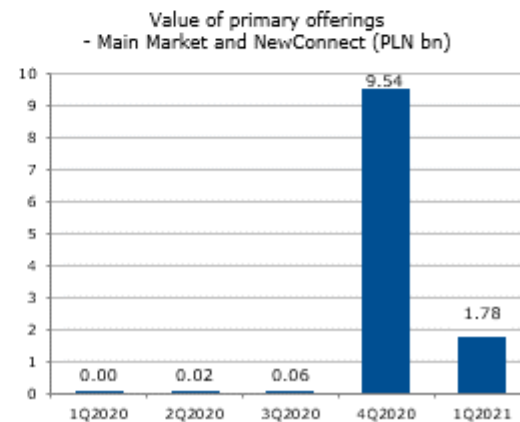
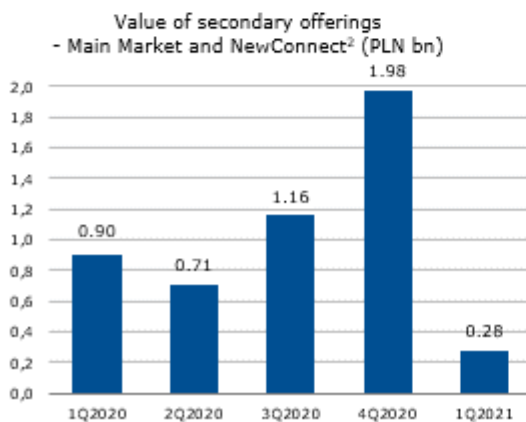
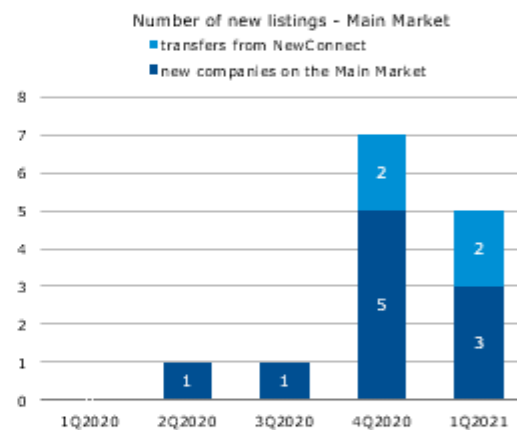
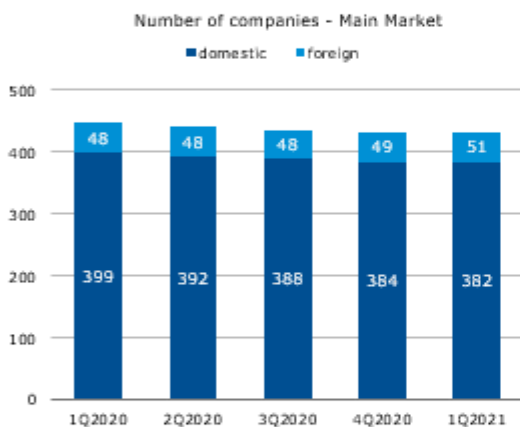
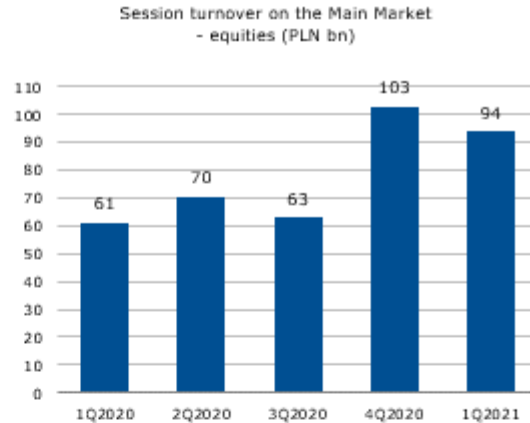
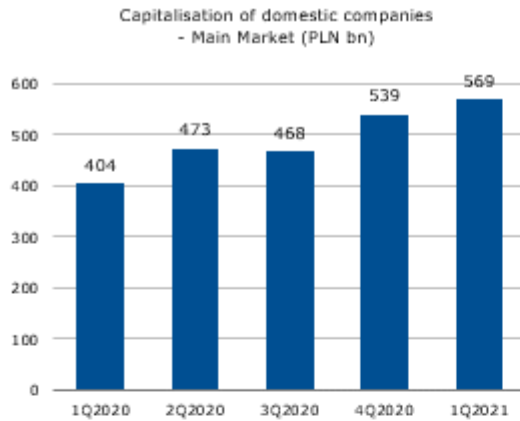
FOR 3M 2021

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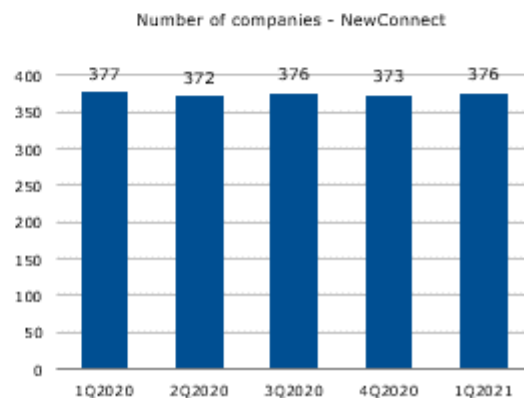
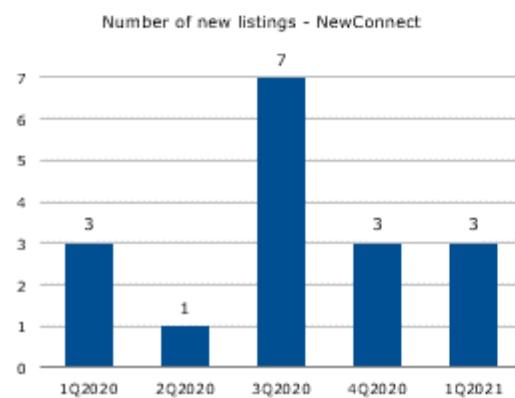
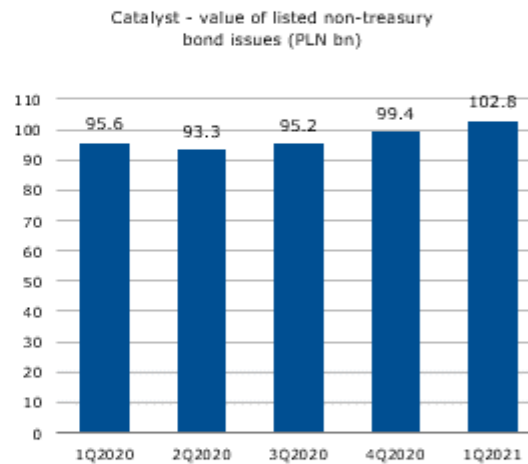
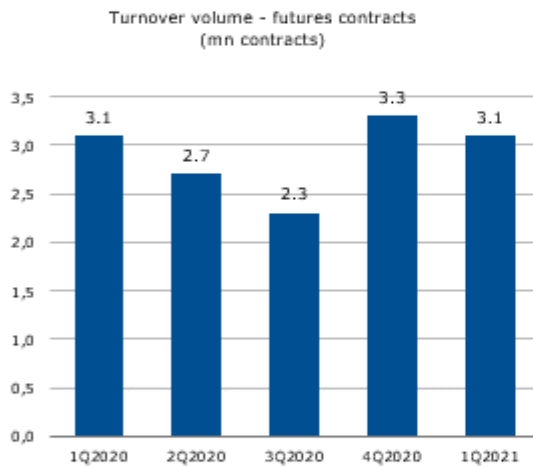
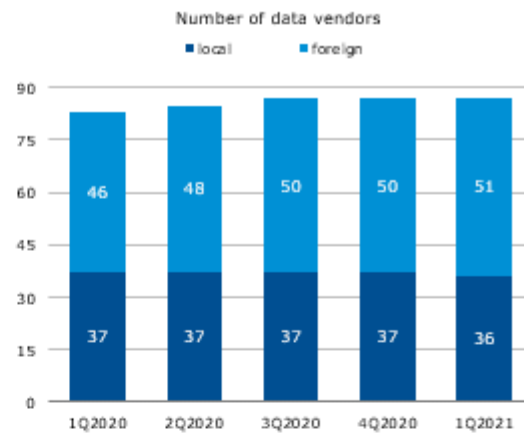
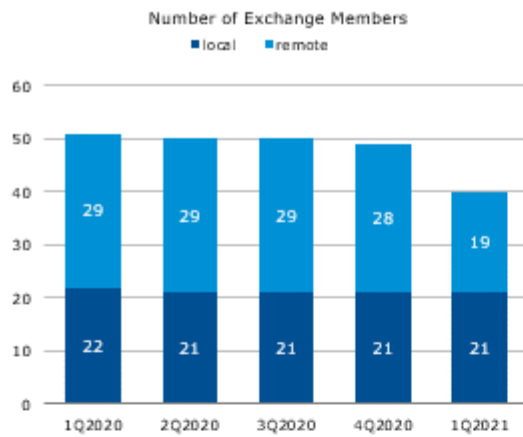
1. Selected market data¹

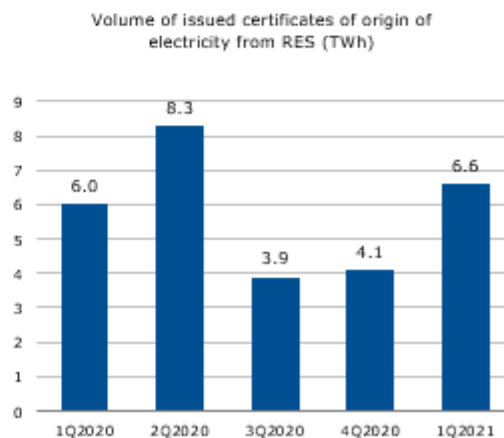
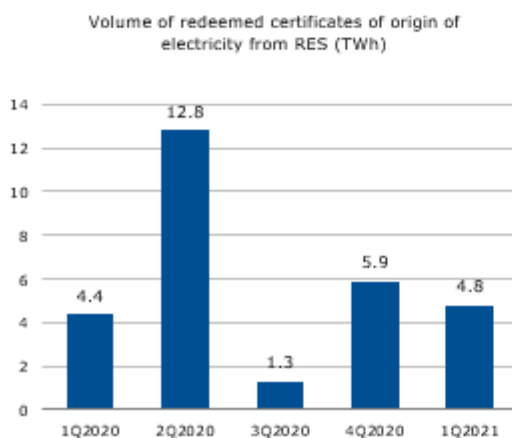
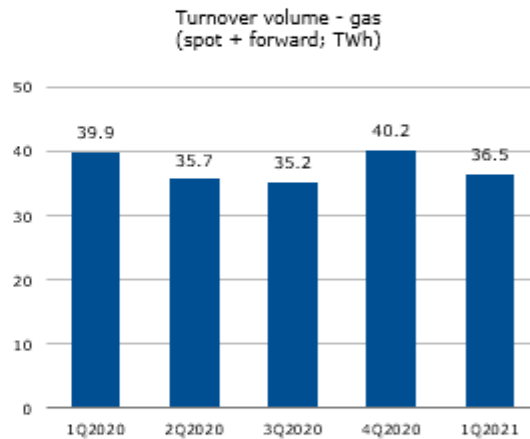
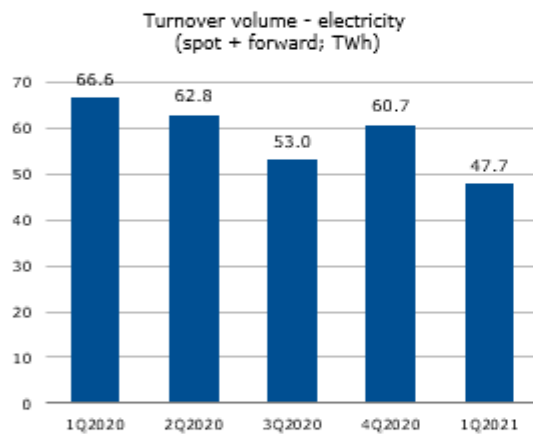
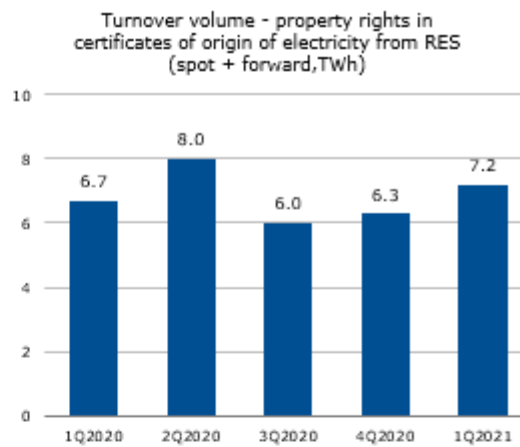
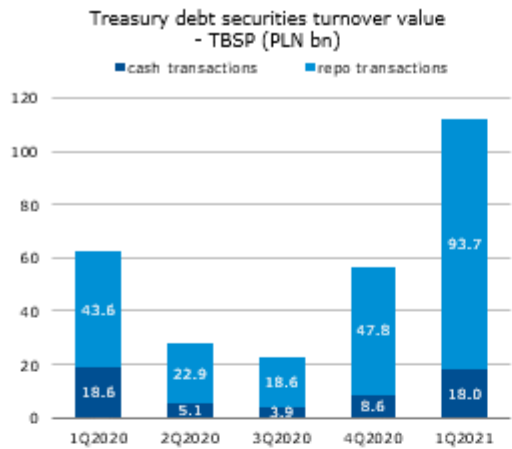


¹ All value and volume statistics in this Report are single-counted, unless indicated otherwise.

² Including SPOs of dual-listed companies.







2. Selected consolidated financial data

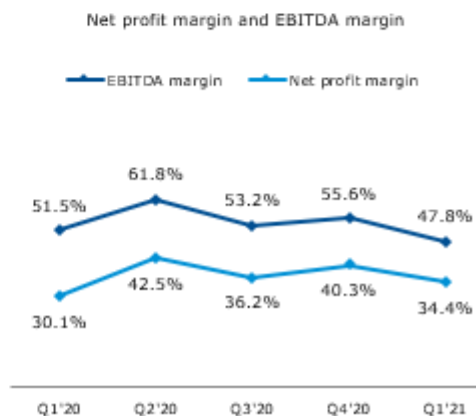
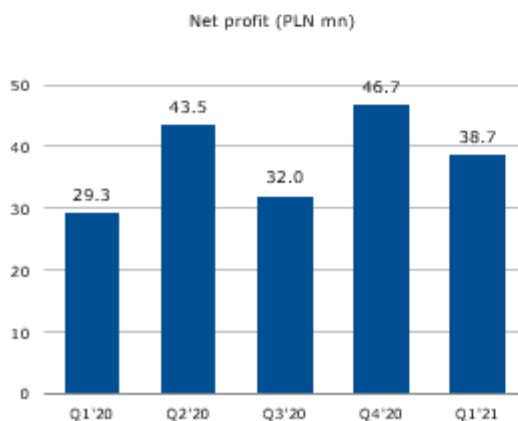
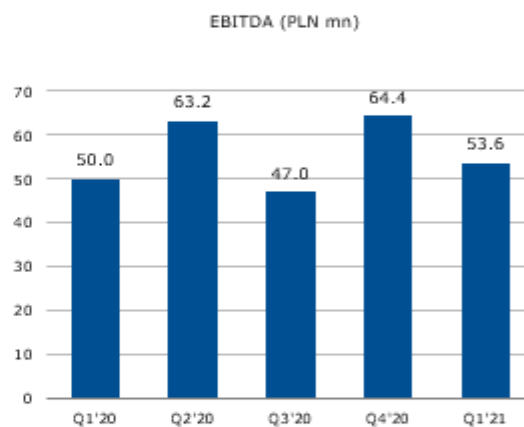
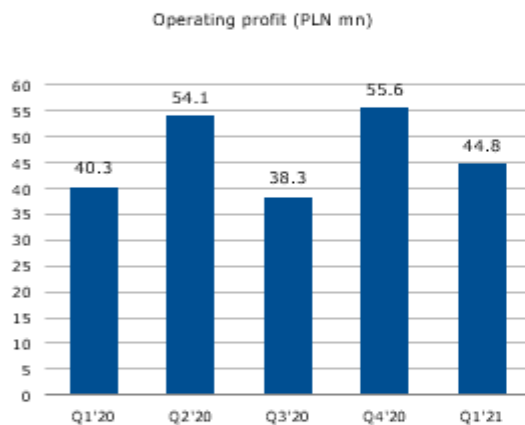
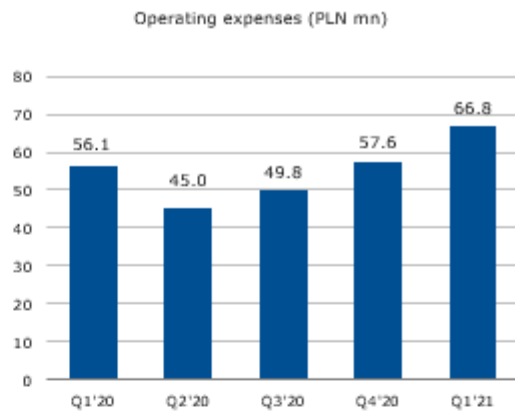
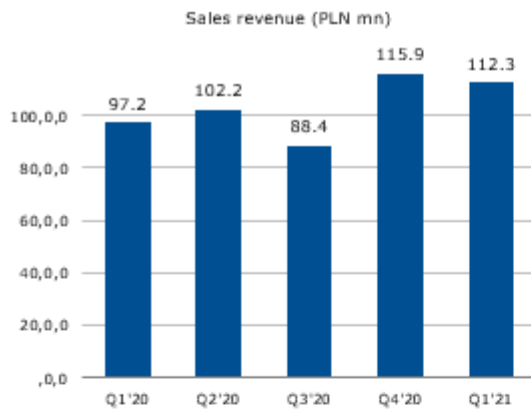


Table 1: Consolidated statement of comprehensive income, earnings per share, EBITDA

	Period ended 31 March (unaudited)			
	2021	2020	2021	2020
	<i>PLN'000</i>		<i>EUR'000[1]</i>	
Sales revenue	112,287	97,201	25,977	21,366
Operating expenses	(66,827)	(56,061)	(15,460)	(12,323)
(Loss) on impairment of receivables	(287)	(1,061)	(66)	(233)
Other revenue	322	1,076	74	237
Other expenses	(653)	(866)	(151)	(190)
Operating profit	44,842	40,289	10,374	8,856
Financial income	129	4,278	30	940
Financial expenses	(3,464)	(9,101)	(801)	(2,001)
Share of profit/(loss) of entities measured by the equity method	5,358	1,981	1,240	435
Profit before tax	46,865	37,447	10,842	8,231
Income tax expense	(8,204)	(8,180)	(1,898)	(1,798)
Net profit for the period	38,661	29,267	8,944	6,433
Basic/Diluted earnings per share[2] (PLN, EUR)	0,92	0,70	0,21	0,15
EBITDA^[3]	53,624	50,049	12,405	11,002

[1] At the incremental average exchange rate EUR/PLN for three months published by the National Bank of Poland (1 EUR = 4.5493 PLN in 2021 and 1 EUR = 4.3226 PLN in 2020).

[2] Based on net profit.

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

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



Table 2: Consolidated statement of financial position

	As at			
	31 March 2021 <i>(unaudited)</i>	31 December 2020	31 March 2021 <i>(unaudited)</i>	31 December 2020
	<i>PLN'000</i>		<i>EUR'000[1]</i>	
Non-current assets:	601,782	588,819	129,129	129,345
Property, plant and equipment	94,924	97,333	20,369	21,381
Right-to-use assets	17,116	18,031	3,673	3,961
Intangible assets	248,221	247,308	53,263	54,326
Investment in entities measured by the equity method	226,814	220,395	48,669	48,414
Other non-current assets	14,707	5,752	3,156	1,264
Current assets:	870,367	773,362	186,762	169,884
Trade receivables and other receivables	69,171	55,229	14,843	12,132
Financial assets measured at amortised cost	417,058	294,986	89,492	64,799
Cash and cash equivalents	381,391	421,163	81,838	92,517
Other current assets	2,747	1,984	589	436
TOTAL ASSETS	1,472,149	1,362,181	315,891	299,229
Equity	963,894	924,167	206,831	203,011
Non-current liabilities:	159,484	281,570	34,222	61,852
Liabilities on bond issue	124,873	244,738	26,795	53,761
Lease liabilities	10,077	11,298	2,162	2,482
Other liabilities	24,534	25,534	5,264	5,609
Current liabilities:	348,771	156,444	74,839	34,366
Liabilities on bond issue	121,733	1,167	26,121	256
Lease liabilities	5,676	5,463	1,218	1,200
Other liabilities	221,362	149,814	47,500	32,910
TOTAL EQUITY AND LIABILITIES	1,472,149	1,362,181	315,891	299,229

[1] At the average exchange rate EUR/PLN of the National Bank of Poland as at 31.03.2021 (1 EUR = 4.6603 PLN) and as at 31.03.2020 (1 EUR = 4.5523 PLN).

Table 3: Selected financial indicators

	As at /For the three-month period ended 31 March	
	2021	2020
EBITDA margin (EBITDA/Sales revenue)	47,8%	51,5%
Operating profit margin (Operating profit/Sales revenue)	39,9%	41,4%
Return on equity (ROE) (Net profit for last 12 months/Average equity at the beginning and at the end of the 12-month period)	4,4%	3,6%
Debt to equity (Lease liabilities and liabilities under bond issue/Equity)	27,2%	29,6%



3. Information about the GPW Group

3.1. Information about the Group

3.1.1. Background information about the Group

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

The Warsaw Stock Exchange is a leading financial instruments exchange in Central and Eastern Europe (CEE)³ as measured by the number of listed companies and the total capitalisation of domestic companies. GPW uses a state-of-the-art trading system and its listed companies meet the highest standards of corporate governance and disclosure requirements. The markets operated by GPW list stocks and bonds of over 1.3 thousand local and international issuers. The Exchange also offers trade in derivatives and structured products, as well as information services. More than 30 years of experience, high safety of trading, operational excellence and a broad range of products make GPW one of the most recognised Polish financial institutions in the world.

The GPW Group conducts activity in the following segments:

- › organising trade in financial instruments and conducting activities related to such trade;
- › organising an alternative trading system;
- › operating the wholesale Treasury bond market Treasury Bondspot Poland;
- › operating a commodity exchange, including trade in electricity, gas, property rights in certificates of origin of electricity from renewable energy sources and energy efficiency, CO2 emission allowances, food and agricultural products;
- › operating a register of certificates of origin;
- › providing the services of trade operator and entity responsible for balancing;
- › operating a clearing house and settlement institution which performs the functions of an exchange clearing house for transactions in exchange commodities;
- › organising reference rate WIBID and WIBOR fixings;
- › providing and publishing non-interest rate benchmarks including the Exchange Indices, TBSP.Indeks and CEEplus;
- › conducting activities in capital market education, promotion and information.

Basic information about the parent entity:

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

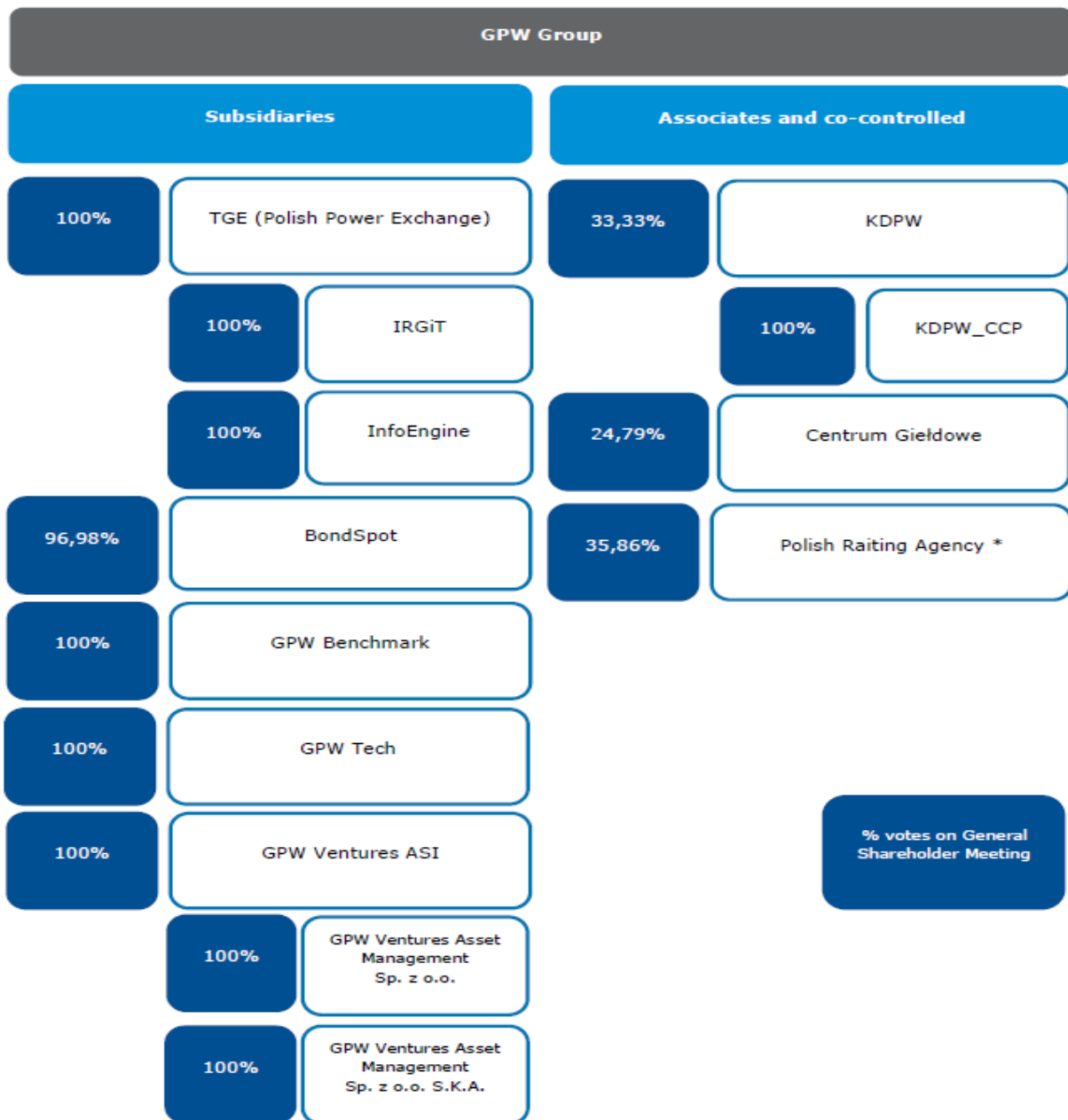
³ CEE – Central and Eastern Europe: Poland, Czech Republic, Slovakia, Hungary, Austria, Bulgaria, Romania, Slovenia.



3.1.2. Organisation of the Group

As at 31 March 2021, the parent entity and nine direct and indirect subsidiaries comprised the Giełda Papierów Wartościowych w Warszawie S.A. Group. GPW held shares in companies measured by the equity method: two associates (one of which has a subsidiary) and one joint venture.

Chart 1: GPW Group, associates and joint ventures as at 31 March 2021



*Polska Agencja Ratingowa S.A. is under joint control

Source: Company

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

The Group does not hold any branches or establishments.



3.1.3. Ownership

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

As at the date of publication of this Report, according to the Company's best knowledge, the State Treasury holds 14,695,470 Series A preferred registered shares, which represent 35.01% of total shares and give 29,390,940 votes, which represents 51.80% of the total vote. The total number of votes from Series A and B shares is 56,744,470.

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

As at 31 March 2021, there were 25 shares held by the Company's and the Group's managing and supervising persons, all of which were held by GPW Management Board Member Dariusz Kułakowski.

3.2. Main risks and threats

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

The Group considers the following risks in each category to be objectively the most material; however, the order in which they are presented does not reflect the materiality or scale of their impact on the activity of the Group. Additional risks, which are currently not identified or are considered to be immaterial, may in the future have an adverse impact on the activity of the Group, its financial standing and business results. Details of the risks listed below are presented in the annual report of the GPW Group for 2020; they have not changed materially in Q1 2021.

› Business risk:

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



- › Operational risk:
 - Risk of being capable of attracting and retaining qualified employees of the Group;
 - Risk of industrial dispute;
 - Risk of failure of the Group's trading systems;
 - Risk of the Group's risk management methodologies;
 - Risk of dependence of the Group's business on third parties which the Group cannot control or can control to a limited extent;
 - Risk of insufficient insurance cover.

- › Legal risk:
 - Risk of amendments to national laws;
 - Regulatory risk due to amendments to European Union law;
 - Risk of regulations governing open-ended pension funds in Poland;
 - Risk of amendments and interpretations of tax regulations;
 - Risk of inconsistency between Polish and EU tax regulations including VAT regulations;
 - Risk of changes to Polish energy law concerning the mandatory public sale of electricity and natural gas and the introduction of a new support scheme for electricity and gas from renewable energy sources based on auctions;
 - Risk of ineffective protection of intellectual property;
 - Risk of potential litigation concerning infringements of intellectual property rights of third parties by the Exchange.

- › Compliance risk:
 - Risk of failure to meet regulatory requirements and PFSA recommendations applicable to the activity of the Group;
 - Risk of internal regulations of the Group;
 - Risk of potential violation of competition regulations by the Group;
 - Risk of the Benchmark Administrator;
 - Risk of non-alignment or delayed alignment with sustainable investing requirements.

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

Financial risk is discussed in detail in the Consolidated Financial Statements of the GPW Group for 2020, Notes 2.2., 2.3., and 2.4.

Risks arising from the COVID pandemic are discussed in section 5.7 of the Consolidated Financial Statements for Q1 2021.



4. Financial position and assets

4.1. Summary of the GPW Group's results and the impact of the SARS-COV-2 pandemic on the Group's results

The **GPW Group** generated a consolidated net profit of PLN 38.7 million in Q1 2021 (+PLN 9.4 million i.e. +32.1% year on year), driven by an increase of sales revenue from PLN 97.2 million in Q1 2020 to PLN 112.3 million in Q1 2021 (+PLN 15.1 million i.e. +15.5%). The operating profit stood at PLN 44.8 million (+PLN 4.6 million i.e. +11.3% year on year). EBITDA stood at PLN 53.6 million (+PLN 3.6 million i.e. +7.1% year on year). The SARS-CoV-2 was a key factor driving the increase in revenue in 2021 as it boosted turnover volumes on the capital markets.

The GPW Group's results in Q1 2021 were also driven by the following one-off (or cyclical) events:

- › provisions for the capital market supervision fee at PLN 14.2 million;
- › impairment of a loan to PAR at PLN 0.3 million (Consolidated Financial Statements, Note 5.1.2.).

Significant changes compared to the results of Q1 2020 included no significant additional provisions against interest on VAT corrections in IRGiT (PLN 7.0 million in Q1 2020 vs. PLN 0.5 million in Q1 2021) and more than a double increase of gains on the share of profit of entities measured by the equity method (PLN 2.0 million in Q1 2020 vs. PLN 5.4 million in Q1 2021).

Table 4: Consolidated statement of comprehensive income

PLN'000	Three-month period ended		
	31 March 2021 (unaudited)	31 December 2020 (unaudited)	31 March 2020 (unaudited)
Sales revenue	112,287	115,916	97,201
Operating expenses	(66,827)	(57,572)	(56,061)
Other income, other (expenses) and gain / (loss) on impairment of receivables	(618)	(2,730)	(851)
Operating profit	44,842	55,614	40,289
Financial income	129	255	4,278
Financial expenses	(3,464)	(2,234)	(9,101)
Share of profit of entities measured by equity method	5,358	4,806	1,981
Profit before tax	46,865	58,441	37,447
Income tax	(8,204)	(11,770)	(8,180)
Profit for the period	38,661	46,671	29,267

The net profit of **TGE** in Q1 2021 stood at PLN 6.6 million (-PLN 1.2 million i.e. -14.9% year on year). Its operating profit was PLN 9.1 million, stable year on year (-PLN 0.2 million i.e. -1.8%). EBITDA stood at PLN 11.0 million (-PLN 0.7 million i.e. -6.1% year on year).

The net profit of **IRGiT** in Q1 2021 was PLN 4.8 million (+PLN 4.5 million i.e. +1618.3% year on year). Interest on VAT payable at PLN 0.5 million was charged against the profit of IRGiT in Q1 2021 (PLN 7.0 million in Q1 2020). The operating profit was PLN 6.6 million (-PLN 1.9 million i.e. -22.7% year on year). EBITDA stood at PLN 7.4 million (-PLN 1.9 million i.e. -20.2% year on year).



Table 5: Selected consolidated financial indicators

	As at/Three-month period ended		
	31 March 2021 <i>(unaudited)</i>	31 December 2020 <i>(unaudited)</i>	31 March 2020 <i>(unaudited)</i>
Debt and financing ratios			
Net debt / EBITDA for 12 months	(0.5)	(1.6)	(1.5)
Debt to equity	27.2%	28.4%	29.6%
Liquidity ratios			
Current liquidity	2.5	4.9	4.9
Coverage ratio of interest rate on bond issue	37.1	32.4	26.3
Profitability ratios			
EBITDA margin	47.8%	55.6%	51.7%
Operating profit margin	39.9%	46.6%	41.6%
Net profit margin	34.4%	37.5%	30.3%
Cost / income	59.5%	51.6%	57.7%
ROE	4.4%	4.1%	3.6%
ROA	2.8%	2.8%	2.3%

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

EBITDA = GPW Group operating profit plus depreciation/amortisation (for 3 months, net of the share of profit/loss of associates)

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

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

Coverage ratio of interest costs on the bond issue = EBITDA / interest cost on bonds (interest paid and accrued for a 3-month period)

EBITDA margin = EBITDA / GPW Group sales revenue (for a 3-month period)

Operating profit margin = operating profit / GPW Group sales revenue (for a 3-month period)

Net profit margin = net profit / GPW Group sales revenue (for a 3-month period)

Cost / income = GPW Group operating expenses / GPW Group sales revenue (for a 3-month period)

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

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

Net debt to EBITDA was negative in Q1 2021 as liquid assets significantly exceeded interest-bearing liabilities. The decrease in liquid assets caused the ratio to drop year on year. The debt to equity ratio decreased modestly due to an increase of equity while interest-bearing liabilities remained stable.

Current liquidity decreased year on year due to a strong increase of current liabilities while current assets grew less fast. The coverage ratio of interest costs under the bond issue suggests that EBITDA was several times higher than interest costs on bonds as at 31 March 2021, similar to previous periods.

EBITDA decreased year on year. The net profit margin, in contrast with the operating profit margin, improved as net profit increased at a higher rate than sales revenue. The cost/income increased year on year as a result of rising expenses (mainly PFSA fees and external service charges).

ROE and ROA increased year on year driven by a higher net profit.



Impact of the SARS-CoV-2 pandemic on the Group's results

Despite the outbreak of the pandemic, the Group ensured smooth and effective execution of its core functions and processes. The Group's markets remained open and services continued to be provided under conditions of high market volatility, which had a positive impact on the Group's sales revenue and results.

According to the Group's risk management procedures, the potential adverse impact of the pandemic on the financial standing of the Exchange was analysed and the following risks were identified among others: decrease of the Exchange's revenue in the case of a long-term economic slow-down, discouraging investors from the capital market, and materialisation of credit risk if counterparties fail to pay amounts due.

No such risks materialised in Q1 2021. The Group's operating profit improved year on year, driven mainly by an increase of sales revenue thanks to growing turnover in financial instruments on the markets operated by the Exchange. That improvement was due to relatively high volatility on the financial markets correlated with strong investor activity, including retail investors.

In Q1 2021, the Group used no support schemes. External financing used by the Group included leases and bonds in issue as at 31 March 2021, the same as at 31 December 2020. The outbreak of the pandemic did not change the terms of the Exchange's external financing.

The impact of the pandemic on the individual components of the financial results and assets of the Group is presented below.

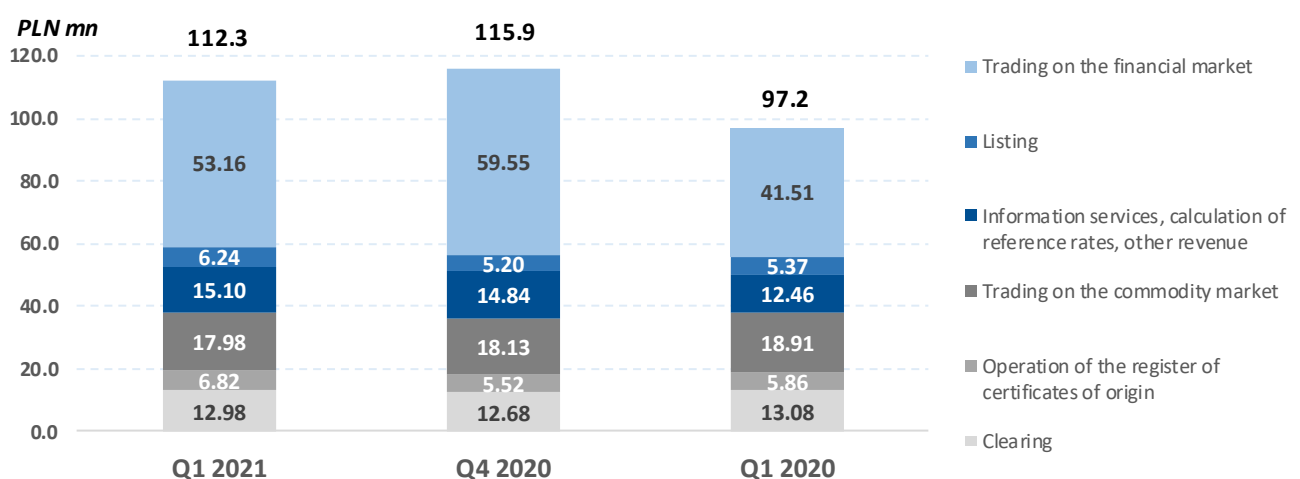
The identified operational risks and mitigating measures are described in section 5.7 of the Consolidated Financial Statements for Q1 2021.

4.2. Statement of comprehensive income

4.2.1. Sales revenue – summary

The GPW Group's sales revenue in Q1 2021 stood at PLN 112.3 million (+PLN 15.1 million i.e. +15.5% year on year), driven by continued strong investor activity on the capital market due to uncertainty caused by the SARS-CoV-2 pandemic. Revenue from information services increased sharply and stood at PLN 13.3 million (+PLN 1.5 million i.e. +12.5% year on year). The other revenue streams remained stable year on year.

Figure 1: Structure and value of consolidated sales revenue



The main revenue streams in Q1 2021 included trading on the financial market (47.4%), trading on the commodity market (16.0%), and information services (11.9%). The share of those revenue streams in Q1 2020 was 42.7%, 19.5%, and 12.2%, respectively.



The share of sales revenue from foreign clients in total sales revenue in Q1 2021 increased modestly to 30.6% of total sales (+1.9 pps year on year). The share of remote Exchange Members in turnover on the cash and derivatives markets has been rising for several years, resulting in their bigger share in the GPW Group's total revenue.

The Group's sales revenue shows no concentration: the share of single clients in total sales revenue did not exceed 10% in Q1 2021.

4.2.2. Sales revenue – financial market

The Group's sales revenue on the financial market in Q1 2021 stood at PLN 72.7 million (+PLN 14.0 million i.e. +23.8% year on year), representing 64.8% of total sales revenue. The biggest stream of sales revenue on the financial market was trading (73.1%), in particular trading in shares and equity-related instruments (61.4%). The second biggest stream of consolidated sales revenue on the financial market were information services (18.3% of total revenue).

Table 6: Revenue on the financial market

PLN'000, %	Three-month period ended						Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021 <i>(unaudited)</i>	%	31 December 2020 <i>(unaudited)</i>	%	31 March 2020 <i>(unaudited)</i>	%		
Financial market	72,720	100%	78,577	100%	58,719	100%	14,001	23.8%
Trading revenue	53,163	73.1%	59,553	75.8%	41,512	70.7%	11,651	28.1%
Equities and equity-related instruments	44,623	61.4%	50,840	64.7%	31,952	54.4%	12,671	39.7%
Derivatives	3,812	5.2%	4,054	5.2%	4,504	7.7%	(692)	-15.4%
Other fees paid by market participants	1,474	2.0%	1,829	2.3%	1,893	3.2%	(419)	-22.1%
Debt instruments	2,901	4.0%	2,545	3.2%	2,819	4.8%	82	2.9%
Other cash instruments	353	0.5%	285	0.4%	344	0.6%	9	2.6%
Listing revenue	6,244	8.6%	5,202	6.6%	5,371	9.1%	873	16.3%
Listing fees	4,593	6.3%	4,167	5.3%	4,549	7.7%	44	1.0%
Fees for introduction and other fees	1,651	2.3%	1,035	1.3%	822	1.4%	829	100.9%
Information services and revenue from the calculation of reference rates	13,313	18.3%	13,822	17.6%	11,836	20.2%	1,477	12.5%
Real-time data and revenue from the calculation of reference rates	12,459	17.1%	12,917	16.4%	11,043	18.8%	1,416	12.8%
Historical and statistical data and indices	854	1.2%	905	1.2%	793	1.4%	61	7.7%

The Group's revenue from **trading in equities and equity-related instruments** stood at PLN 44.6 million (+PLN 12.7 million i.e. +39.7% year on year). The increase of the revenue from trading in equities was driven by an increase of the value of turnover on the Main Market, which stood at PLN 101.2 billion (+PLN 39.1 billion i.e. +63.0% year on year), including an increase of turnover on the electronic order book by 53.5% year on year to PLN 93.7 billion and an increase of the value of block trades by 592.3% year on year to PLN 7.5 billion. The average daily turnover value on the Main market was PLN 1,632.6 million in Q1 2021 compared to PLN 986.4 million in Q1 2020.



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

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Financial market, trading revenue: equities and equity-related instruments (PLN mn)	44.6	50.8	32.0	12.7	39.7%
Main Market:					
Turnover value (PLN bn)	101.2	113.3	62.1	39.1	63.0%
Turnover volume (bn shares)	5.1	4.2	3.6	1.5	239.2%
NewConnect:					
Turnover value (PLN bn)	2.9	5.4	1.4	1.5	104.2%
Turnover volume (bn shares)	2.3	2.9	0.7	1.6	228.6%

The year-on-year increase of turnover in Q1 2021 was largely driven by higher volatility caused by the COVID-19 pandemic prevailing since March 2020. It generated much uncertainty on the market, resulting in:

- › sell-out of assets at the outset of the pandemic (equities, bonds, commodities, as well as cryptocurrencies);
- › remodelling of portfolios of large investment funds;
- › falling oil prices (West Texas Intermediate crude oil futures settled at negative prices for the first time ever);
- › Fed and ECB interventions and the Fed's assets purchase programme at a record-high USD 7 trillion;
- › interest rate cuts imposed by central banks including the National Bank of Poland;
- › mass-scale activity of retail investors on the exchange: there were 1,331,262 securities accounts operated by KDPW in Poland as at 31 March 2021 compared to 1,245,275 accounts as at 31 December 2019 and 1,329,509 accounts as at 31 December 2020;
- › individual investors were converting some of their savings from bank deposits into other classes of assets, including equities and bonds; in particular, turnover on NewConnect dominated by retail investors stood at PLN 14.9 billion (+PLN 13.4 billion i.e. +875.0% year on year).

Those factors encouraged investors to return to the trading floor in Warsaw in 2021, boosting turnover both on the Main Market, where turnover was PLN 101.2 billion (+PLN 39.1 billion i.e. +63.0% year on year), and on NewConnect, where turnover stood at PLN 2.9 billion (+PLN 1.5 billion i.e. +104.2% year on year).

Revenue of the Group from **trading in derivatives on the financial market** (futures and options) stood at PLN 3.8 million (-PLN 0.7 million i.e. -15.4% year on year). The total volume of turnover in derivatives was 3.1 million contracts, stable year on year. The volume of turnover in WIG20 futures, which account for a major part of the revenue from trading in derivatives, was 1.5 million contracts (-0.3 million contracts i.e. -14.4% year on year). The volume of turnover in futures increased to 3.13 million contracts in Q1 2021 vs. 3.10 million contracts in Q1 2020. WIG20 futures made the biggest contribution to revenue from trading in derivatives on the financial market.



Table 8: Data for the derivatives market

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Financial market, trading revenue: derivatives (PLN mn)	3.8	4.1	4.5	(0.7)	-15.4%
Derivatives turnover volume (mn instruments), incl.:	3.1	3.3	3.1	0.0	0.9%
WIG20 futures turnover volume (mn futures)	1.5	1.6	1.8	(0.3)	-14.4%

Revenue of the Group from **other fees paid by market participants** stood at PLN 1.5 million (-PLN 0.4 million i.e. -22.1% year on year). The fees mainly included fees for access to and use of the trading system (among others, licence fees, connection fees, and maintenance fees). The decrease of the revenue in Q1 2021 was driven mainly by the Technology Development Support Programme, which was introduced in March 2019 in support of technological development of brokers. The Programme grants discount on annual listing fees to Exchange Members who meet criteria set in the Programme regulations. The total discount limit under the Programme is PLN 6 million (available within the term of the Programme, by the end of 2021). Discounts granted under the Programme reduced the GPW Group's revenue by PLN 1.1 million in Q1 2021 (PLN 0.3 million in Q1 2020).

Revenue of the Group from **trading in debt instruments** stood at PLN 2.9 million (+PLN 0.1 million i.e. +2.9% year on year). The majority of the Group's revenue from debt instruments was generated by Treasury BondSpot Poland ("TBSP"). The year-on-year increase of the revenue on TBSP was driven by a change of the price list, i.e., an increase of the fixed subscription fee. The value of turnover in Polish Treasury securities on TBSP was PLN 111.7 billion (+PLN 49.5 million i.e. +79.6% year on year). The increase of the value of transactions was reported mainly in the conditional transaction segment. The value of conditional transactions stood at PLN 93.7 billion (+PLN 50.1 billion i.e. +114.9% year on year) and the value of cash transactions stood at PLN 18.0 billion (-PLN 0.6 billion i.e. -3.2% year on year).

The value of turnover on Catalyst stood at PLN 0.8 billion (+PLN 0.1 billion i.e. +19.9% year on year), including turnover in non-Treasury instruments at PLN 0.6 billion (+PLN 0.1 billion i.e. +12.3% year on year).

Table 9: Data for the debt instruments market

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Financial market, trading revenue: debt instruments (PLN mn)	2.9	2.5	2.8	0.1	2.9%
Catalyst, turnover value, incl.:	0.8	0.7	0.7	0.1	19.9%
Non-Treasury instruments (PLN bn)	0.6	0.4	0.5	0.1	12.3%
Treasury BondSpot Poland, turnover value:					
Conditional transactions (PLN bn)	93.7	47.8	43.6	50.1	114.9%
Cash transactions (PLN bn)	18.0	8.6	18.6	(0.6)	-3.2%

The Group's revenue from trading in **other cash market instruments** stood at PLN 0.4 million, stable year on year. The revenue includes fees for trading in structured products, investment certificates, ETF units, and warrants.

The Group's **listing revenue** on the financial market stood at PLN 6.2 million (+PLN 0.9 million i.e. +16.3% year on year) and included:

- › revenue from listing fees, which stood at PLN 4.6 million. The main driver of revenue from listing fees is the number of issuers listed on the GPW markets and their capitalisation at previous year's end;



- › revenues from fees for introduction and other fees, which increased to PLN 1.7 million (+PLN 0.8 million i.e. +100.9% year on year). The increase was driven mainly by the IPOs of five companies with a capitalisation of PLN 5.6 billion on the GPW markets and the value of shares and bonds introduced into trading (there were no IPOs in Q1 2020).

Table 10: Listing revenue on the Main Market

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Main Market					
Listing revenue (PLN mn)	6.2	5.2	5.0	1.2	24.0%
Total capitalisation of listed companies (PLN bn), incl.:	1,135.1	1,068.7	782.0	353.1	45.2%
<i>Capitalisation of listed domestic companies</i>	568.7	538.8	404.2	164.5	40.7%
<i>Capitalisation of listed foreign companies</i>	566.4	529.9	377.8	188.7	49.9%
Total number of listed companies, incl.:	433	433	447	(14)	-3.1%
<i>Number of listed domestic companies</i>	382	384	399	(17)	-4.3%
<i>Number of listed foreign companies</i>	51	49	48	3	6.3%
Value of IPOs and SPOs (PLN bn)	1.9	11.5	0.9	1.0	111.4%
Number of newly listed companies (in the period)	3	5	-	3	n/d
Capitalisation of newly listed companies (PLN bn)	5.6	74.1	-	5.6	n/d
Number of delisted companies	2	9	2	-	n/d
Capitalisation of delisted companies* (PLN bn)	0.5	1.1	0.0	0.5	5376.7%

*capitalisation as at delisting

Listing revenue on the GPW **Main Market** increased to PLN 6.2 million (+PLN 1.2 million i.e. +24.0% year on year). The table below presents the key financial and operating figures for the Main Market.

The value of IPOs on the Main Market was PLN 1,746 million (+PLN 1,746 million i.e. +100.0% year on year) while the value of SPOs decreased from PLN 892 million in Q1 2021 to PLN 139 million in Q1 2020. Three companies were newly listed on the Main Market (including two transfers from NewConnect) and two companies were delisted. The capitalisation of the companies delisted on the Main Market was PLN 459 million.



Table 11: Listing revenue on NewConnect

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
NewConnect					
Listing revenue (PLN mn)	0.6	0.6	0.5	0.1	16.8%
Total capitalisation of listed companies (PLN bn), incl.:	21.7	20.0	9.9	11.8	118.7%
<i>Capitalisation of listed domestic companies</i>	21.3	18.9	9.5	11.9	124.9%
<i>Capitalisation of listed foreign companies</i>	0.4	1.1	0.4	(0.1)	-17.6%
Total number of listed companies, incl.:	376	373	377	(1)	-0.3%
<i>Number of listed domestic companies</i>	372	368	371	1	0.3%
<i>Number of listed foreign companies</i>	4	5	6	(2)	-33.3%
Value of IPOs and SPOs (PLN bn)	0.2	0.0	0.0	0.2	1123.4%
Number of newly listed companies (in the period)	6	3	3	3	100.0%
Capitalisation of newly listed companies (PLN bn)	0.3	0.1	0.0	0.3	721.2%
Number of delisted companies*	3	6	1	2	200.0%
Capitalisation of delisted companies** (PLN bn)	0.9	0.3	0.1	0.9	1319.9%
*including transfers to the Main Market					
**capitalisation as at delisting					

Listing revenue on **NewConnect** increased modestly to PLN 0.6 million (+PLN 0.1 million i.e. +16.8% year on year).

The value of IPOs on NewConnect was PLN 29 million (+PLN 26.0 million i.e. +11.5% year on year) while the value of SPOs increased from PLN 11 million in Q1 2021 to PLN 139 million in Q1 2020. Six companies were newly listed and three companies were delisted. The capitalisation of the companies delisted on NewConnect was PLN 0.9 million.

Table 12: Listing revenue on Catalyst

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Catalyst					
Listing revenue (PLN mn)	1.0	0.3	0.6	0.5	79.2%
Number of issuers	131	128	146	(15)	-10.3%
Number of listed instruments, incl.:	543	515	559	(16)	-2.9%
non-Treasury instruments	479	455	510	(31)	-6.1%
Value of listed instruments (PLN bn), incl.:	1,114.8	1,063.7	834.2	280.6	33.6%
non-Treasury instruments	102.8	99.4	95.6	7.2	7.6%

Listing revenue on **Catalyst** stood at PLN 1.0 million (+PLN 0.5 million i.e. +79.2% year on year) despite a falling number of issuers (-15.0 i.e. -10.3% year on year) and a falling number of issued instruments (-16.0 i.e. -2.9% year on year) while the value of issued instruments increased (+PLN 280.6 billion i.e. +33.6% year on year).

Revenue from **information services** on the financial market and the commodity market in aggregate stood at PLN 13.6 million (+PLN 1.4 million i.e. +11.9% year on year).



Table 13: Data for information services

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Information services and revenue from the calculation of reference rates* (PLN mn)	13.6	14.1	12.1	1.4	11.9%
Number of data vendors	87.0	87.0	85.0	2.0	2.4%
Number of subscribers (thou.)	434.7	397.0	312.1	122.6	39.3%

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

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

- › acquisition of new clients of GPW Group data (mainly non-display users and data vendors);
- › strong increase in the number of subscribers (up by 39.3% year on year).

GPWB made a contribution to the increase of the Group's revenue. GPWB generated revenue from the calculation of reference rates at PLN 2.0 million in Q1 2021 (+PLN 0.3 million i.e. +19.8% year on year).

4.2.3. Sales revenue – commodity market

Revenue of the Group on the commodity market stood at PLN 38.0 million (-PLN 0.1 million i.e. -0.3% year on year) accounting for 33.9% of the Group's total sales revenue. It included trading revenue (electricity, gas, property rights in certificates of origin, food and agricultural products, other fees paid by market participants), revenue from the operation of the Register of Certificates of Origin, revenue from clearing, and revenue from information services.

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

PLN'000, %	Three-month period ended						Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021 (unaudited)		31 December 2020 (unaudited)		31 March 2020 (unaudited)			
Commodity market	38,036	100%	36,563	100%	38,149	100%	(113)	-0.3%
Trading revenue	17,979	47.3%	18,126	49.6%	18,912	49.6%	(933)	-4.9%
Transactions in electricity	3,938	10.4%	5,272	14.4%	4,839	12.7%	(901)	-18.6%
Spot	1,425	3.7%	1,498	4.1%	877	2.3%	548	62.5%
Forward	2,513	6.6%	3,774	10.3%	3,962	10.4%	(1,449)	-36.6%
Transactions in gas	3,111	8.2%	3,438	9.4%	3,355	8.8%	(244)	-7.3%
Spot	1,031	2.7%	1,028	2.8%	753	2.0%	278	36.9%
Forward	2,080	5.5%	2,410	6.6%	2,602	6.8%	(522)	-20.1%
Transactions in property rights to certificates of origin	6,967	18.3%	6,080	16.6%	7,262	19.0%	(295)	-4.1%
Spot	6,967	18.3%	6,080	16.6%	7,262	19.0%	(295)	-4.1%
Trade in food and agricultural products	22	0.1%	5	0.0%	-	0.0%	22	100.0%
Other fees paid by market participants	3,941	10.4%	3,336	9.1%	3,456	9.1%	485	14.0%
Operation of the register of certificates of origin	6,819	17.9%	5,515	15.1%	5,864	15.4%	955	16.3%
Clearing	12,978	34.1%	12,679	34.7%	13,082	34.3%	(104)	-0.8%
Information services	260	0.7%	243	0.7%	291	0.8%	(31)	-10.7%

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

Revenue of the TGE Group is driven mainly by the volume of turnover in electricity, natural gas, and property rights; the volume of certificates of origin issued and cancelled by members of the Register of Certificates of Origin; and revenue from clearing and settlement of transactions in exchange-traded commodities in the clearing sub-segment operated by IRGiT.



The Group's **trading revenue on the commodity market** stood at PLN 18.0 million in Q1 2021 (-PLN 0.9 million i.e. -4.7% year on year).

Table 15: Trading revenue on the commodity market

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Commodity market, trading revenue (PLN mn)	18.0	18.1	18.9	(0.9)	-4.9%
Electricity turnover volume:					
<i>Spot transactions (TWh)</i>	9.6	9.4	8.5	1.1	13.0%
<i>Forward transactions (TWh)</i>	38.2	51.3	58.1	(19.9)	-34.3%
Gas turnover volume:					
<i>Spot transactions (TWh)</i>	10.0	10.1	7.4	2.6	35.0%
<i>Forward transactions (TWh)</i>	26.5	30.1	32.5	(6.0)	-18.5%
Turnover volume in property rights (TGE) (TWh)	2.1	2.4	2.7	(0.6)	-23.4%

The Group's revenue from **trading in electricity** stood at PLN 3.9 million in Q1 2021 (-PLN 0.9 million i.e. -18.6% year on year). The total volume of turnover on the energy market operated by TGE was 47.8 TWh in Q1 2021 (-18.8 TWh i.e. -28.3% year on year).

The Group's revenue from **trading in gas** stood at PLN 3.1 million in Q1 2021 (-PLN 0.2 million i.e. -7.3% year on year). The volume of turnover in natural gas on TGE was 36.5 TWh in Q1 2021 (-3.4 TWh i.e. -8.5%).

The Group's revenue from **trading in property rights in certificates of origin** stood at PLN 7.0 million in Q1 2021 (-PLN 0.3 million i.e. -4.1% year on year). The volume of turnover in property rights was 2.1 TWh in Q1 2021 (-0.6 TWh i.e. -23.4% year on year).

Revenue of the Group from **other fees paid by commodity market participants** stood at PLN 4.0 million in Q1 2021 (+PLN 0.6 million i.e. +15.9%). Other fees paid by commodity market participants included fees paid by TGE market participants at PLN 2.7 million, revenue of InfoEngine as a trade operator at PLN 0.5 million, and revenue of IRGiT at PLN 0.8 million in Q1 2021.

Revenue from the operation of the **Register of Certificates of Origin** stood at PLN 6.8 million in Q1 2020 (+PLN 0.1 million i.e. +16.5% year on year). The increase of the revenue from the operation of the Register was driven by an increase in the number of certificates of renewable energy sources issued in Q1 2021.

Table 16: Data for the Register of Certificates of Origin

	Three-month period ended			Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021	31 December 2020	31 March 2020		
Commodity market, revenue from the operation of the Register of Certificates of Origin in electricity (PLN mn)	6.8	5.5	5.9	1.0	16.3%
Issued property rights (TWh)	6.6	4.1	6.0	0.6	10.8%
Cancelled property rights (TWh)	4.8	6.2	4.4	0.4	9.4%

The Group earns revenue from **clearing** operated by IRGiT. The revenue was stable year on year in Q1 2021 and stood at PLN 13.0 million (-PLN 0.1 million i.e. -0.3% year on year). The revenue from clearing of transactions in electricity stood at PLN 3.2 million; the revenue from clearing of transactions in gas stood at PLN 7.0 million; and the revenue from clearing of transactions in property rights stood at PLN 2.8 million.

Revenue from information services, which is TGE's additional business line (in partnership with GPW regarding access to real-time data), stood at PLN 0.3 million in Q1 2021.



4.2.4. Other sales revenue

The Group's other revenue stood at PLN 1.5 million in Q1 2021 compared to PLN 0.3 million in Q1 2020 (+PLN 1.2 million). The increase was driven by the revenue generated for the first time from the Model Quote System and the international markets. The Group's other revenue includes revenue from educational and PR activities, office space lease, and sponsorship.

4.2.5. Operating expenses

Operating expenses stood at PLN 66.8 million in Q1 2021 (+PLN 10.8 million i.e. +19.2% year on year). Salaries, PFSA fees, and external service charges increased substantially.

Figure 2: Structure and value of consolidated operating expenses

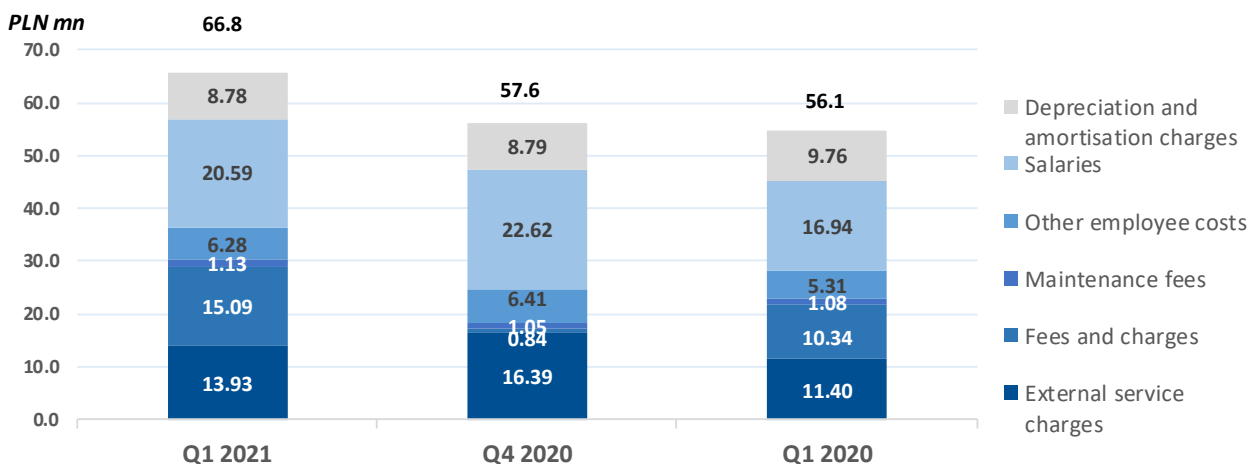


Table 17: Operating expenses

PLN'000, %	Three-month period ended						Zmiana (Q1 2021 vs Q1 2020)	Dynamika (%) (Q1 2021 vs Q1 2020)
	31 March 2021 (unaudited)	%	31 December 2020 (unaudited)	%	31 March 2020 (unaudited)	%		
Depreciation and amortisation charges	8,782	13.1%	8,785	15.3%	9,760	17.4%	(978)	-10.0%
Salaries	20,587	30.8%	22,616	39.3%	16,943	30.2%	3,644	21.5%
Other employee costs	6,277	9.4%	6,406	11.1%	5,314	9.5%	963	18.1%
Maintenance fees	1,125	1.7%	1,051	1.8%	1,076	1.9%	49	4.6%
Fees and charges, incl.:	15,087	22.6%	844	1.5%	10,340	18.4%	4,747	45.9%
fees paid to PFSA	14,194	21.2%	85	0.1%	10,022	17.9%	4,172	41.6%
External service charges	13,934	20.9%	16,389	28.5%	11,398	20.3%	2,536	22.2%
Other operating expenses	1,035	1.5%	1,482	2.6%	1,230	2.2%	(195)	-15.8%
Total	66,827	100.0%	57,573	100.0%	56,061	100.0%	10,766	19.2%

The only item relating to a single vendor which represented more than 10% of the Group's operating expenses in Q1 2021 were provisions for the capital market supervision fee at PLN 14.2 million.

Depreciation and amortisation charges decreased modestly year on year in Q1 2021 and stood at PLN 8.8 million (-PLN 1.0 million i.e. -10.0% year on year), including depreciation charges for property, plant and equipment at PLN 3.1 million, amortisation charges for intangible assets at PLN 4.3 million, and depreciation charges related to leases at PLN 1.4 million.

Salaries and other employee costs of the Group stood at PLN 26.9 million in Q1 2021 (+PLN 4.6 million i.e. +20.6% year on year), driven mainly by an increase of GPW's costs by PLN 3.6 million, TGE's costs by PLN 0.5 million, IRGiT's costs by PLN 0.2 million, and GPW Benchmark's costs by PLN 0.1 million.



The increase of GPW's salaries and other employee costs was driven by a gradual increase of the headcount required by a bigger workload in the implementation of initiatives under the Group's strategy and by higher provisions for annual and discretionary bonuses (+PLN 1.5 million i.e. +52.3% year on year).

In view of active development projects in GPW, a part of salaries are capitalised and will be recognised in depreciation charges after the projects are rolled out.

Table 18: GPW Group headcount

	As at		
	31 March 2021	31 December 2020	31 March 2020
GPW	256	251	231
Subsidiaries	182	182	174
Total	438	433	405

Maintenance fees stood at PLN 1.1 million in Q1 2021, stable year on year. Maintenance fees included mainly maintenance fees at the Centrum Giełdowe building.

Fees and charges stood at PLN 15.1 million in Q1 2021 (+PLN 4.7 million i.e. +45.9% year on year), including provisions for PFSA capital market supervision fees in 2021 at PLN 14.2 million (+PLN 4.2 million i.e. +41.6% year on year) set up in the following companies: GPW (+PLN 2.3 million i.e. +42.6% year on year), TGE (+PLN 0.8 million i.e. +29.4% year on year), IRGiT (+PLN 1.1 million i.e. +59.4 % year on year). The amount recognised in Q1 of each financial year represents the annual fee, which is not evenly distributed in time. The Group cannot control the amount of PFSA fees.

External service charges stood at PLN 13.9 million (+PLN 2.5 million i.e. +22.2% year on year).

Table 19: External service charges

PLN'000, %	Three-month period ended						Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021 <i>(unaudited)</i>	%	31 December 2020 r. <i>(unaudited)</i>	%	31 March 2020 <i>(unaudited)</i>	%		
IT costs:	7,190	51.6%	7,849	47.9%	5,940	52.1%	1,250	21.0%
<i>IT infrastructure maintenance</i>	5,513	39.6%	6,487	39.6%	4,441	39.0%	1,072	24.1%
<i>TBSP market maintenance services</i>	398	2.9%	386	2.4%	386	3.4%	12	3.1%
<i>Data transmission lines</i>	1,018	7.3%	998	6.1%	962	8.4%	56	5.8%
<i>Software modification</i>	261	1.9%	(23)	-0.1%	151	1.3%	110	72.8%
Building and office equipment maintenance:	897	6.4%	1,174	7.2%	821	7.2%	76	9.3%
<i>Repair, maintenance, service</i>	114	0.8%	403	2.5%	57	0.5%	57	100.0%
<i>Security</i>	509	3.7%	487	3.0%	456	4.0%	53	11.6%
<i>Clearing</i>	200	1.4%	228	1.4%	266	2.3%	(66)	-24.8%
<i>Phone and mobile phone services</i>	77	0.6%	56	0.3%	42	0.4%	35	83.3%
International (energy) market services	1,331	9.6%	1,068	6.5%	847	7.4%	484	57.1%
Car leases and maintenance	94	0.7%	95	0.6%	90	0.8%	4	4.4%
Transport services	47	0.3%	50	0.3%	41	0.4%	6	14.6%
Promotion, education, market development	902	6.5%	2,410	14.7%	552	4.8%	350	63.4%
Market liquidity support	242	1.7%	350	2.1%	334	2.9%	(92)	-27.5%
Advisory (including audit, legal, business consulting)	1,593	11.4%	1,437	8.8%	1,657	14.5%	(64)	-3.9%
Information services	935	6.7%	1,160	7.1%	565	5.0%	370	65.5%
Training	192	1.4%	507	3.1%	159	1.4%	33	20.8%
Mail fees	30	0.2%	19	0.1%	28	0.2%	2	7.1%
Bank fees	153	1.1%	38	0.2%	82	0.7%	71	86.6%
Translation	160	1.1%	81	0.5%	153	1.3%	7	4.6%
Other	167	1.2%	152	0.9%	129	1.1%	38	29.6%
Total	13,934	100.0%	16,389	100.0%	11,398	100.0%	(2,455)	22.2%

The year-on-year increase was due to the following cost categories:

- › IT costs – an increase of PLN 1.3 million (+21.0% year on year) due to the cost of IT hardware maintenance services, warranty services, and software modifications;



- › international energy market services – an increase of PLN 0.5 million (+57.1% year on year) due to TGE’s participation in the integration of the European energy market, continued development work including development of the intra-day market XBiD and the day-ahead market;
- › promotion, education, market development – an increase of PLN 0.4 million (+63.4% year on year), including mainly GPW promotional campaigns in Q1 2021;
- › information services – an increase of PLN 0.4 million (+65.5% year on year). The cost of information services includes the cost of the Analytical Coverage Support Programme (PLN 0.7 million in Q1 2021 and PLN 0.3 million in Q1 2020).

Other operating expenses stood at PLN 1.0 million (-PLN 0.2 million i.e. -15.8% year on year) and included mainly the cost of electricity and heat, industry organisation membership fees, insurance. The reduction of other operating expenses was mainly due to a decrease of the cost of business travel resulting from the SARS-CoV-2 pandemic.

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

Other income of the Group stood at PLN 0.3 million (-PLN 0.9. million i.e. -74.0% year on year) and included mainly grants as deferred income received at PLN 0.2 million (see the Consolidated Financial Statements, Note 5.4.).

Other expenses stood at PLN 0.7 million (-PLN 0.2 million i.e. -24.6% year on year) and included mainly donations and the annual VAT correction.

As at the balance-sheet date, **losses on impairment of receivables** stood at -PLN 0.3 million (-PLN 0.8 million i.e. -73.0% year on year) in the following companies: GPW (loss of PLN 0.6 million), TGE (gains of PLN 0.5 million), and IRGiT (loss of PLN 0.1 million).

4.2.7. Financial income and expenses

Financial income of the Group stood at PLN 0.1 million (-PLN 4.1 million i.e. -97.0% year on year) and included mainly interest on bank deposits and financial instruments (corporate bonds, bank deposits, loans granted). Interest income decreased following the National Bank of Poland’s decision to cut the market interest rates.

Financial expenses of the Group stood at PLN 3.5 million (-PLN 5.6 million i.e. -61.9% year on year). A key line of financial expenses is interest cost of series C, D and E bonds at PLN 1.5 million (-PLN 0.5 million i.e. -24.3% year on year). The decrease of the Group’s financial expenses in Q1 2021 year on year was mainly due to provisions set up against interest on VAT correction in IRGiT at PLN 0.5 million (PLN 7.0 million in Q1 2020). Financial expenses were strongly impacted by a surplus of negative over positive FX differences (PLN 1.0 million).

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

The Group’s share of profit of entities measured by the equity method stood at PLN 5.4 million in Q1 2021 (+PLN 3.4 million i.e. +170.5% year on year). The higher share of profit of entities measured by equity method in 2021 was mainly driven by higher profits of the KDPW Group year on year.

The profit of the entities measured by the equity method is presented in the Consolidated Financial Statements, Note 3.3.

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

PLN'000	Three-month period ended		Change (Q1 2021 vs Q1 2020)	Change (%) (Q1 2021 vs Q1 2020)
	31 March 2021 (unaudited)	31 March 2020 (unaudited)		
Grupa KDPW S.A.	5,311	1,848	3,463	187.4%
Centrum Giełdowe S.A.	46	132	(87)	-65.4%
Total	5,357	1,981	3,376	170.5%



4.2.9. Income tax

Income tax of the Group was PLN 8.2 million, stable year on year. The effective income tax rate in the period under review was 17.5% (21.8% in Q1 2020), as compared to the standard Polish corporate income tax rate of 19%. Income tax paid by the Group was PLN 8.5 million (-PLN 2.0 million i.e. -19.0% year on year).

4.3. Consolidated statement of financial position

The structure of the Group's statement of financial position is very stable: equity had a predominant share in the Group's sources of financing and current assets had a predominant share in total assets as at 31 March 2021 and as at 31 March 2020. The company's net working capital, equal to the surplus of current assets over current liabilities or the surplus of non-current capital over non-current assets, was positive at PLN 521.6 million as at 31 March 2021 (compared to -PLN 95.3 million i.e. -18.3% as at 31 December 2020 and -PLN 69.0 million i.e. -11.7% year on year), which reflects the Group's safe capital position.

The balance-sheet total of the Group was PLN 1.5 billion, representing an increase of PLN 144.1 million (10.9%) year on year driven by an increase of equity (+PLN 62.3 million i.e. +6.9%) and liabilities (+PLN 81.8 million i.e. +18.7%). The balance-sheet total of the Group increased by PLN 110.0 million i.e. +8.1% year to date, driven by an increase of equity (+PLN 39.7 million i.e. +4.3%) and liabilities (+PLN 70.2 million i.e. +5.2%).

Non-current assets stood at PLN 601.8 million as at 31 March 2021 (compared to +PLN 13.0 million i.e. +2.2% as at 31 December 2020 and +PLN 13.9 million i.e. +2.4% year on year) representing 41% of total assets as at 31 March 2021 compared to 43% as at 31 December 2020 and 44% as at 31 March 2020.

Current assets stood at PLN 870.4 million as at 31 March 2021 (compared to +97.0 million i.e. +12.5% as at 31 December 2020 and +PLN 130.2 million i.e. +17.6% year on year) representing 59% of total assets as at 31 March 2021 compared to 57% as at 31 December 2020 and 56% as at 31 March 2020. Financial assets measured at amortised cost grew the most year on year (+PLN 173.8 million i.e. +71.4% year on year), driven by an increase of cash in bank deposits.

Equity stood at PLN 963.9 million as at 31 March 2021 (compared to +PLN 39.7 million i.e. +4.3% as at 31 December 2020 and +PLN 62.3 million i.e. +6.9% year on year) representing 66% of the Group's total equity and liabilities as at 31 March 2021 compared to 68% as at 31 December 2020 and 68% as at 31 March 2020. Non-controlling interests remained stable at PLN 0.6 million as at 31 March 2021.

Non-current liabilities stood at PLN 159.5 million as at 31 March 2021 (compared to -PLN 122.1 million i.e. -43.4% as at 31 December 2020 and -PLN 117.4 million i.e. -42.4% year on year) representing 11% of total equity and liabilities as at 31 March 2021 compared to 21% as at 31 December 2020 and 21% as at 31 March 2020.

Liabilities in respect of the bond issue are GPW's liabilities under outstanding series C bonds due for redemption on 6 October 2022 and series D and E bonds due for redemption on 31 January 2022. For more information, see the Consolidated Financial Statements, Note 2.6.

Non-current deferred income included grants received in the PCR project (PLN 4.1 million), the Agricultural Market project (PLN 0.8 million), the New Trading Platform project (PLN 8.5 million), the GPW Data project (PLN 1.4 million), and the Private Market project (PLN 0.4 million). For details of grants, see the Consolidated Financial Statements, Note 2.8.

Current liabilities stood at PLN 348.8 million as at 31 March 2021 (compared to +PLN 192.3 million i.e. +122.9% as at 31 December 2020 and +PLN 199.2 million i.e. +133.1% year on year) representing 24% of total equity and liabilities as at 31 March 2021 compared to 12% as at 31 December 2020 and 12% as at 31 March 2020. The increase of current liabilities was driven mainly by an increase of liabilities in respect of the bond issue.



4.4. Consolidated statement of cash flows

Table 21: Consolidated statement of cash flows

PLN'000	Three-month period ended	
	31 March 2021 <i>(unaudited)</i>	31 March 2020 <i>(unaudited)</i>
Cash flows from operating activities	95,617	67,121
Cash flows from investing activities	(132,865)	75,979
Cash flows from financing activities	(2,381)	(2,415)
Increase (decrease) of net cash	39,630	140,685
<i>Impact of FX changes on balance of FX cash</i>	<i>(141)</i>	<i>386</i>
Cash and cash equivalents - opening balance	421,163	281,284
Cash and cash equivalents - closing balance	381,391	422,355

The Group generated positive cash flows from **operating activities** at PLN 95.6 million (+PLN 28.5 million i.e. +42.5% year on year) driven among others by an increase of the net profit (+PLN 9.2 million i.e. +31.4% year on year) and a lower income tax paid (-PLN 2.0 million i.e. -19.0% year on year).

Cash flows from **investing activities** were negative at PLN 132.9 million (-PLN 208.8 million i.e. -274.9% year on year). The decrease of the cash flows was mainly due to a surplus of new investments in bonds and bank deposits (+PLN 135.4 million i.e. +79.8% year on year) over terminated investments in such instruments (-PLN 72.0 million i.e. -28.3% year on year).

Cash flows from **financing activities** were negative at PLN 2.4 million (stable year on year) and included, similar to 2020, mainly the payment of interest on bonds and leases.

The Group's capital expenditure stood at PLN 10.8 million including expenditure for property, plant and equipment at PLN 1.7 million (PLN 4.1 million in Q1 2020) and expenditure for intangible assets at PLN 9.1 million (PLN 7.0 million in Q1 2020).

Capital expenditure for property, plant and equipment in Q1 2021 included among others investments in the Centrum Giełdowe building and the purchase of servers. Capital expenditure for intangible assets included among others modification of the SAPRI system.

Capital expenditure of GPW in Q1 2020 included mainly investments in the GRC System, GPW Data, and New Trading Platform projects, a new index calculator, and a central integration bus. Capital expenditure of TGE in Q1 2020 included investments in system maintenance and the projects: Food Platform, XBiD intra-day market, and Data Commercialisation.

For details of contracted investment commitments, see the Consolidated Financial Statements, Note 2.1. and 2.2.



5. Seasonality and cyclicity of operations

5.1. Trading on the financial market

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

5.2. Trading on the commodity market

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

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

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

6. Atypical factors and events impacting the GPW Group's results in Q1 2021

Atypical factors and events impacting the GPW Group's results in Q1 2021 included:

- › provisions for VAT correction in IRGiT – see Note 5.9. to the Consolidated Financial Statements of the GPW Group for Q1 2021;
- › capital market supervision fee;
- › the COVID-19 pandemic – see Note 5.7. to the Consolidated Financial Statements of the GPW Group for Q1 2021;
- › development of a proprietary Trading Platform;
- › implementation and development of the Agricultural Market;
- › implementation of the GPW Data project;
- › implementation of the Private Market project.

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

7.1. External factors

The key factor impacting the activity and results of the GPW Group in the coming quarters is the COVID-19 pandemic. The Exchange Management Board and the Management Boards of the subsidiaries monitor the epidemiological situation in Poland and globally on an on-going basis and analyse its impact on the position of the Group companies. In the opinion of the Exchange Management Board, as an operator of Poland's capital market infrastructure, GPW is exposed to moderate operational and financial risk generated by the outbreak of the SARS-CoV-2 pandemic. The same assessment holds for all companies of the GPW Group.

The outbreak of the pandemic may potentially impact:

- › business continuity of GPW in the event of an increase in COVID-19 cases among GPW employees;



- › GPW Group employees: potential lower productivity, chronic fatigue syndrome, vulnerability to other diseases, and the psychological impact of long isolation of employees which is difficult to estimate;
- › investor activity: turbulences on the global capital markets combined with high volatility bolster investor activity on the exchange, which is a key driver of the Group's revenue;
- › concerns that expectations regarding Covid-19 vaccines or treatments are overly optimistic and a new wave of the contagion may occur in Q2; a potential second wave of COVID-19 may have an adverse impact on prices and a positive impact on turnover;
- › significant increase of COVID-19 cases in Poland reviving risks and uncertainty about economic conditions, the impact of restrictions on business activity and the situation of households, generating a significantly higher risk of another economic lockdown.

Following the decision of the Exchange Management Board to reduce fees charged from issuers affected by the COVID-19 pandemic, 150 companies listed on both markets were granted discounts on annual fees in an aggregate amount of more than PLN 1 million (PLN 1,062,883), which will imply a lower revenue of GPW in 2021.

The pandemic brought about among others high turnover on the stock market which prevailed in Q1 2021. The turnover on the Main Market increased by 62.9% (Q1 2021 vs. Q1 2020). As a result, the segment's revenue increased by 41%. The number of IPOs increased to five in April 2021 vs. seven in all of 2020.

The measures taken to prevent and mitigate the impact of the SARS-COV-2 pandemic are presented in the Consolidated Financial Statements, Note 5.7.

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

- › expected GDP contraction; according to the consensus, economies will not recover pre-pandemic levels in 2021 while GDP growth in 2022 should be similar to that reported in late 2019/early 2020;
- › turbulences on the global capital markets combined with high volatility bolster investor activity on the exchange while adversely impacting the valuations of most companies, which are key drivers of the Group's revenue;
- › decrease of the asset value of open-ended pension funds due to negative net transfers at -PLN 774 million out of pension funds in 2021;
- › growing net asset value of Employee Capital Plans, exceeding PLN 3.9 billion as at 31 March 2021, which may drive demand for instruments listed on the GPW markets;
- › potential lifting of the obligation to sell electricity and gas on exchanges.

7.2. Internal factors:

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

- › capital market supervision fee charged to the GPW Group (see section 2.7.2. of the Management Board Report on the Activity of the GPW Group in 2020);
- › development of a proprietary Trading Platform (see Note 6.3. to the Consolidated Financial Statements for 2020 and section 2.3.1. of the Management Board Report on the Activity of the GPW Group in 2020);
- › implementation of the GPW Data project (see Note 6.3. to the Consolidated Financial Statements for 2020 and section 2.3.1. of the Management Board Report on the Activity of the GPW Group in 2020);
- › implementation of the Private Market project (see Note 6.3. to the Consolidated Financial Statements for 2020 and section 2.3.1. of the Management Board Report on the Activity of the GPW Group in 2020);



- › start of the cross-border intra-day market in electricity XBiD by TGE (see section 2.6.5. of the Management Board Report on the Activity of the GPW Group in 2020);
- › start of co-operation with the Lithuanian gas exchange GET Baltic by IRGiT (see section 2.6.6. of the Management Board Report on the Activity of the GPW Group in 2020);
- › provisions for VAT correction in IRGiT (see Note 5.9. to the Consolidated Financial Statements for 2020);
- › planned acquisition of the Armenia Stock Exchange;
- › co-operation between GPW Ventures and KOWR;
- › initiation of the Polish Digital Logistic Operator (PCOL) project;
- › announcement of a Phantom Share Programme in Q2 2021; the estimated value of the programme is less than PLN 0.5 million as at the publication date.

8. Other information

Contingent liabilities and assets

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

Pending litigation

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

Loans and advances

The Group neither granted nor terminated loans or advances.

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

Investment in and relations with other entities

GPW has organisational and equity relations with members of the Group, associates, and joint ventures. For a description of the Group and the associates, see section 1.1. of this Report.

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

As at 31 March 2021, GPW's equity relations with non-Group members included interest in foreign entities:

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

The carrying amount of GPW's interest in the Bucharest Stock Exchange stood at PLN 120 thousand as at 31 March 2021 (PLN 113 thousand as at 31 March 2020) and its interest in Innex and IDM at PLN 0.

In addition to interest in those companies, Group members, associates, and joint ventures, GPW's main local investments as at 31 March 2021 included bank deposits and corporate bonds.

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

Guarantees and sureties grants

For a description of guarantees received by the Group, see the Consolidated Financial Statements for 2020, Note 5.8. The Group granted no guarantees or sureties to third parties.



Related party transactions

GPW and members of the GPW Group did not enter into any transactions with related parties on terms other than at arm's length in Q1 2021.

Feasibility of previously published forecasts

The Group did not publish any forecasts of 2021 results.

Dividend

For details of the dividend, see the Consolidated Financial Statements, Note 5.3.

Events after the balance-sheet date which could significantly impact the future financial results of the issuer

For a description of events after the balance-sheet date, see the Consolidated Financial Statements, Note 5.10.

9. Quarterly financial information of Giełda Papierów Wartościowych w Warszawie S.A. for the three-month period of 2021

The quarterly financial information of Giełda Papierów Wartościowych w Warszawie S.A. was prepared according to the same accounting principles that were followed in the preparation of the Consolidated Financial Statements for the year ended 31 December 2020.

There were no significant changes of estimates in the three-month period ended 31 March 2021. In that period, the Company did not enter into material transactions with related parties other than at arm's length, and neither did the Company issue loan guarantees. For details of a loan granted by the Company to PAR, see the Consolidated Financial Statements, Note 5.1.2.

Table 22: Separate statement of comprehensive income (PLN'000)

	Three-month period ended		
	31 March 2021 <i>(unaudited)</i>	31 December 2020 <i>(unaudited)</i>	31 March 2020 <i>(unaudited)</i>
Sales revenue	72,660	78,515	58,116
Operating expenses	(42,672)	(36,954)	(35,309)
Other income	(633)	368	(737)
Loss on impairment of receivables	95	87	673
Other expenses	(503)	(5,928)	(877)
Operating profit	28,947	36,088	21,866
Financial income	125	498	3,184
Financial costs	(2,077)	(2,455)	(2,068)
Profit before tax	26,995	34,131	22,982
Income tax	(5,195)	(7,832)	(4,458)
Net profit for the period	21,800	26,299	18,524
Total comprehensive income	21,805	26,259	18,520
Basic/diluted earnings per share (PLN)	0,52	0,63	0,44

Source: Company



Table 23: Separate statement of financial position (PLN'000)

ASSETS	As at		
	31 March 2021 (unaudited)	31 December 2020	31 March 2020 (unaudited)
Non-current assets	436,796	431,127	432,402
Property, plant and equipment	89,957	92,090	92,805
Right-to-use assets	11,205	11,538	13,496
Intangible assets	55,262	53,306	49,529
Investment in associates and joint ventures	11,652	11,652	11,652
Investment in subsidiaries	256,585	256,585	255,885
Sublease receivable	3,586	4,096	5,863
Deferred tax asset	6,133	-	1,582
Assets measured at fair value through other comprehensive income	121	115	113
Prepayments	2,295	1,745	1,477
Current assets	504,430	439,521	406,034
Inventory	7	10	9
Trade receivables and other receivables	57,127	47,417	54,044
Sublease receivable	2,599	2,472	2,356
Contract assets	2,298	764	1,731
Financial assets measured at amortised cost	313,053	249,985	222,397
Other current assets	-	-	4,222
Cash and cash equivalents	129,346	138,873	121,275
TOTAL ASSETS	941,226	870,648	838,436

EQUITY AND LIABILITIES	As at		
	31 March 2021 <i>(unaudited)</i>	31 December 2020	31 March 2020 <i>(unaudited)</i>
Equity	569,554	547,749	498,365
Share capital	63,865	63,865	63,865
Other reserves	(222)	(227)	(191)
Retained earnings	505,911	484,111	434,691
Non-current liabilities	152,484	274,024	269,136
Liabilities under bond issue	124,873	244,739	244,447
Employee benefits payable	781	781	682
Lease liabilities	9,890	10,952	14,463
Contract liabilities	1,088	1,170	550
Accruals and deferred income	10,245	7,495	2,085
Deferred tax liability	-	1,825	-
Other liabilities	5,607	7,062	6,909
Current liabilities	219,188	48,875	70,935
Liabilities under bond issue	121,731	1,167	2,087
Trade payable	10,830	7,338	16,933
Employee benefits payable	19,403	14,725	11,239
Lease liabilities	5,557	5,259	5,074
Corporate income tax payable	16,243	6,474	1,417
Contract liabilities	29,492	2,634	27,515
Accruals and deferred income	439	2,205	-
Other liabilities	15,493	9,073	6,670
TOTAL EQUITY AND LIABILITIES	941,226	870,648	838,436

Source: Company



Table 24: Separate statement of cash flows (PLN'000)

	Three-month period ended	
	31 March 2021 <i>(unaudited)</i>	31 March 2020 <i>(unaudited)</i>
Cash flows from operating activities	61,263	35,882
Cash inflows from operating activities	68,018	43,674
Income tax (paid)/refunded	(6,755)	(7,792)
Cash flows from investing activities:	(68,358)	40,286
In:	180,680	206,437
Sale of property, plant and equipment and intangible assets	3	1
Sale of financial assets measured at amortised cost	179,862	204,388
Interest on financial assets measured at amortised cost	151	1,401
Sublease payments (interest)	36	72
Sublease payments (principal)	628	575
Out:	(249,038)	(166,151)
Purchase of property, plant and equipment and advance payments for property, plant and equipment	(1,348)	(4,296)
Purchase of intangible assets and advance payments for intangible assets	(4,384)	(2,333)
Purchase of financial assets measured at amortised cost	(243,006)	(159,322)
Loan granted to a related party	(300)	(200)
Cash flows from financing activities:	(2,291)	(3,147)
Out:	(2,291)	(3,147)
Interest paid on bonds	(744)	(1,656)
Lease payments (interest)	(115)	(158)
Lease payments (principal)	(1,432)	(1,333)
Net (decrease)/increase of cash and cash equivalents	(9,387)	73,021
<i>Impact of FX changes on balance of FX cash</i>	(142)	290
Cash and cash equivalents - opening balance	138,873	47,964
Cash and cash equivalents - closing balance	129,346	121,275

Source: Company



Table 25: Separate statement of changes in equity (PLN'000)

	Share capital	Other reserves	Retained earnings	Total equity
As at 1 January 2021	63,865	(187)	416,165	479,843
Net profit for the three-month period ended 31 March 2021	-	-	18,524	18,524
Other comprehensive income	-	(4)	-	(4)
Total comprehensive income for the three-month period ended 31 March 2021	-	(4)	18,524	18,520
As at 31 March 2021 (unaudited)	63,865	(191)	434,691	498,365
As at 1 January 2020	63,865	(187)	416,165	479,843
Dividend	-	-	(100,733)	(100,733)
Transactions with owners recognised directly in equity	-	-	(100,733)	(100,733)
Net profit for 2020	-	-	168,680	168,680
Other comprehensive income	-	(40)	-	(40)
Total comprehensive income for 2020	-	(40)	168,680	168,640
As at 31 December 2021	63,865	(227)	484,111	547,749
As at 1 January 2020	63,865	(227)	484,111	547,749
Net profit for the three-month period ended 31 March 2020	-	-	21,800	21,800
Other comprehensive income	-	5	-	5
Total comprehensive income for the three-month period ended 31 March 2020	-	5	21,800	21,805
As at 31 March 2020 (unaudited)	63,865	(222)	505,911	569,554

Source: Company



The Interim Report of the Giełda Papierów Wartościowych w Warszawie S.A. Group for three-month period ended 31 March 2021 is presented by the Management Board of the Warsaw Stock Exchange:

Marek Dietl – President of the Management Board

Piotr Borowski – Member of the Management Board

Dariusz Kułakowski – Member of the Management Board

Izabela Olszewska – Member of the Management Board

Signature of the person responsible for keeping books of account:

Małgorzata Gola-Radwan, Chief Accountant

Warsaw, 25 May 2021



10. Appendix: Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2021



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE
GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE S.A.
GROUP

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 March 2021 (unaudited)	31 December 2020
Non-current assets:		601,782	588,819
Property, plant and equipment	2.1.	94,924	97,333
Right-to-use assets		17,116	18,031
Intangible assets	2.2.	248,221	247,308
Investment in entities measured by equity method	2.3.	226,814	220,395
Sublease receivables		145	179
Deferred tax asset		9,431	1,442
Financial assets measured at fair value through other comprehensive income		121	115
Prepayments		3,276	2,393
Other non-current assets		1,734	1,623
Current assets:		870,367	773,362
Inventories		26	11
Trade receivables and other receivables	2.4.1.	69,171	55,229
Sublease receivables		139	137
Contract assets		2,582	1,696
Financial assets measured at amortised cost	2.4.2.	417,058	294,986
Other current assets		-	140
Cash and cash equivalents	2.4.3.	381,391	421,163
TOTAL ASSETS		1,472,149	1,362,181

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 March 2021 (unaudited)	31 December 2020
Equity:		963,894	924,167
Equity of shareholders of the parent entity:		963,264	923,548
Share capital		63,865	63,865
Other reserves		2,130	1,063
Retained earnings		897,269	858,620
Non-controlling interests		630	619
Non-current liabilities:		159,484	281,570
Liabilities on bonds issue	2.6.	124,873	244,738
Employee benefits payable		1,072	1,116
Lease liabilities		10,077	11,298
Contract liabilities	2.7.	1,088	1,170
Accruals and deferred income	2.8.	15,033	12,461
Deferred tax liability		-	2,113
Other liabilities	2.9.	7,341	8,674
Current liabilities:		348,771	156,444
Liabilities on bonds issue	2.6.	121,733	1,167
Trade payables		19,445	15,117
Employee benefits payable		29,365	23,750
Lease liabilities		5,676	5,463
CIT payable		16,558	6,744
Contract liabilities	2.7.	40,484	5,582
Accruals and deferred income	2.8.	1,147	2,912
Provisions against other liabilities and other charges		27,350	26,844
VAT correction	5.9.	27,350	26,844
Other liabilities	2.9.	87,013	68,865
TOTAL EQUITY AND LIABILITIES		1,472,149	1,362,181

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Three-month period ended 31 March	
		2021 (unaudited)	2020 (unaudited)
Sales revenue		112,287	97,201
Operating expenses		(66,827)	(56,061)
Losses on impairment of receivables		(287)	(1,061)
Other income		322	1,076
Other expenses		(653)	(866)
Operating profit		44,842	40,289
Financial income, incl.:		129	4,278
<i>Interest income under the effective interest rate method</i>		90	2,134
Financial expenses		(3,464)	(9,101)
VAT correction	5.9.	(506)	(7,006)
Share of profit/(losses) of entities measured by equity method		5,358	1,981
Profit before tax		46,865	37,447
Income tax	3.1.	(8,204)	(8,180)
Profit for the period		38,661	29,267
<i>Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income (entities measured by equity method)</i>		1,062	(4)
Total items that may be reclassified to profit or loss		1,062	(4)
<i>Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income</i>		5	(571)
Total items that will not be reclassified to profit or loss		5	(571)
Total other comprehensive income after tax		1,067	(575)
Total comprehensive income		39,728	28,692
<i>Profit for the period attributable to shareholders of the parent entity</i>		38,649	29,260
<i>Profit for the period attributable to non-controlling interests</i>		12	7
Total profit for the period		38,661	29,267
<i>Comprehensive income attributable to shareholders of the parent entity</i>		39,716	28,685
<i>Comprehensive income attributable to non-controlling interests</i>		12	7
Total comprehensive income		39,728	28,692
Basic / Diluted earnings per share (PLN)		0.92	0.70

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Three-month period ended 31 March	
		2021 (unaudited)	2020 (unaudited)
Total net cash flows from operating activities		95,617	67,121
Net profit of the period		38,661	29,267
Adjustments:		65,446	48,342
Income tax	3.1.	8,204	8,180
Depreciation and amortisation	4.1.	8,817	9,815
Share of (profit) of entities measured by equity method		(5,359)	(1,981)
(Gains) on financial assets measured at amortised cost		(78)	(1,177)
Interest on bonds		1,347	1,813
Other adjustments		975	(1,769)
Change of assets and liabilities:		51,540	33,461
<i>Inventories</i>		(15)	34
<i>Trade receivables and other receivables</i>	2.4.1.	(13,290)	(22,836)
<i>Trade payables</i>		4,328	9,847
<i>Contract assets</i>		(886)	559
<i>Contract liabilities</i>	2.7.	34,820	31,243
<i>Non-current prepayments</i>		(883)	324
<i>Accruals and deferred income</i>	2.8.	(178)	1,456
<i>Employee benefits payable</i>		5,571	(1,387)
<i>Other current liabilities (excluding contracted investments and dividend payable)</i>		22,900	8,787
<i>Provisions for liabilities and other charges</i>		506	6,911
<i>Other non-current liabilities</i>	2.10.	(1,333)	(1,477)
Income tax (paid)/refunded		(8,491)	(10,488)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Three-month period ended 31 March	
		2021 (unaudited)	2020 (unaudited)
Total cash flows from investing activities:		(132,865)	75,979
In:		183,284	256,961
Sale of property, plant and equipment and intangible assets		238	110
Sale of financial assets measured at amortised cost		182,862	254,887
Interest on financial assets measured at amortised cost		151	1,825
Sublease payments (interest)		2	7
Sublease payments (principal)		31	132
Out:		(316,149)	(180,982)
Purchase of property, plant and equipment and advances for property, plant and equipment		(1,753)	(4,113)
Purchase of intangible assets and advances for intangible assets		(9,089)	(7,046)
Purchase of financial assets measured at amortised cost		(305,007)	(169,623)
Loan granted to a related party	5.1.2.	(300)	(200)
Total cash flows from financing activities:		(2,381)	(2,415)
In:		-	787
Grants received		-	787
Out:		(2,381)	(3,202)
Dividend paid		(29)	-
Interest paid on bonds		(744)	(1,656)
Lease payments (interest)		(105)	(167)
Lease payments (principal)		(1,503)	(1,379)
Net increase in cash and cash equivalents		(39,631)	140,685
<i>Impact of fx rates on cash balance in currencies</i>		<i>(141)</i>	<i>386</i>
Cash and cash equivalents - opening balance	2.4.3.	421,163	281,284
Cash and cash equivalents - closing balance	2.4.3.	381,391	422,355

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other reserves	Retained earnings	Total equity	Non-controlling interests	Total equity
As at 1 January 2021	63,865	1,063	858,620	923,548	619	924,167
Net profit for the three-month period ended 31 March 2021	-	-	38,649	38,649	12	38,661
Other comprehensive income	-	1,067	-	1,067	-	1,067
Comprehensive income for the three-month period ended 31 March 2021	-	1,067	38,649	39,716	12	39,728
As at 31 March 2021 (unaudited)	63,865	2,130	897,269	963,264	630	963,894

	Share capital	Other reserves	Retained earnings	Total equity	Non-controlling interests	Total equity
As at 1 January 2020	63,865	1,089	807,927	872,881	605	873,486
Dividend	-	-	(100,733)	(100,733)	-	(100,733)
Transactions with owners recognised directly in equity	-	-	(100,733)	(100,733)	-	(100,733)
Net profit for 2020	-	-	151,426	151,426	14	151,440
Other comprehensive income	-	(26)	-	(26)	-	(26)
Comprehensive income for 2020	-	(26)	151,426	151,400	14	151,414
As at 31 December 2020	63,865	1,063	858,620	923,548	619	924,167

	Share capital	Other reserves	Retained earnings	Total equity	Non-controlling interests	Total equity
As at 1 January 2020	63,865	1,089	807,927	872,881	605	873,486
Net profit for the three-month period ended 31 March 2020	-	-	29,260	29,260	7	29,267
Other comprehensive income	-	(575)	-	(575)	-	(575)
Comprehensive income for the three-month period ended 31 March 2020	-	(575)	29,260	28,685	7	28,692
Other change of equity	-	-	(602)	(602)	-	(602)
As at 31 March 2020 (unaudited)	63,865	514	836,586	900,965	612	901,577

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

1.1. LEGAL STATUS

The parent entity of the Giełda Papierów Wartościowych w Warszawie S.A. Group ("the Group", "the GPW Group") is Giełda Papierów Wartościowych w Warszawie Spółka Akcyjna ("the Warsaw Stock Exchange", "the Exchange", "GPW", "the Company" or "parent entity") with its registered office in Warsaw, ul. Książęca 4. The Company was established by Notarial Deed on 12 April 1991 and registered in the Commercial Court in Warsaw on 25 April 1991, entry no. KRS 0000082312, Tax Identification Number 526-025-09-72, Regon 012021984. GPW is a joint-stock company listed on GPW's Main Market since 9 November 2010. The Company has not changed its name or other identification details since the end of the previous reporting period.

1.2. SCOPE OF ACTIVITIES OF THE GROUP

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

The Group operates the following markets:

- › **GPW Main Market:** trade in equities, other equity-related financial instruments and other cash markets instruments as well as derivatives;
- › **NewConnect:** trade in equities and other equity-related financial instruments of small and medium-sized enterprises;
- › **Catalyst:** trade in corporate, municipal, co-operative, Treasury and mortgage bonds operated by the Exchange and BondSpot S.A. ("BondSpot");
- › **Treasury BondSpot Poland:** wholesale trade in Treasury bonds operated by BondSpot.

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

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

The GPW Group also operates:

- › **Clearing House and Settlement System** operated by Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGIT") performing the functions of an exchange settlement system for transactions in exchange-traded commodities,
- › **Trade Operator and Balancing Entity services** – both types of services are offered by InfoEngine S.A. ("IE", "InfoEngine") (balancing involves the submission of power sale contracts for execution and clearing of non-balancing with the grid operator, i.e., differences between actual power production or consumption and power sale contracts accepted for execution),
- › **WIBID and WIBOR Reference Rates** calculation and publication (they are used as benchmarks in financial contracts and instruments, including credit and bond contracts) operated by GPW Benchmark S.A. ("GPWB"),
- › Provision and publication of **indices and non-interest rate benchmarks** including the Exchange Indices, TBSP.Index and CEEplus, operated by GPWB,
- › Activities in education, promotion and information concerning the capital and commodity market.

1.3. APPROVAL OF THE FINANCIAL STATEMENTS

These Condensed Consolidated Interim Financial Statements were authorised for issuance by the Management Board of the Exchange on 25 May 2021.

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"),
- › BondSpot S.A. ("BondSpot"),
- › GPW Benchmark S.A. ("GPWB"),
- › GPW Ventures ASI S.A. ("GPWV"), the parent entity of the GPW Ventures ASI S.A. Group ("GPWV Group") which includes GPWV and: GPW Ventures Asset Management Sp. z o.o. ("GPWV AM") and GPW Ventures SKA ("GPWV SKA"),
- › GPW Tech S.A. ("GPWT")

comprise the Warsaw Stock Exchange 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"),
- › Centrum Giełdowe S.A. ("CG"),
- › Polska Agencja Ratingowa S.A. ("PAR").

1.5. STATEMENT OF COMPLIANCE

These Condensed Consolidated Interim Financial Statements of the Giełda Papierów Wartościowych w Warszawie S.A. Group have been prepared according to the International Accounting Standard 34 *Interim Financial Reporting* approved by the European Union. These Financial Statements do not contain all information required of complete financial statements prepared under the 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 2021 and its financial results in the period from 1 January 2021 to 31 March 2021.

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 2020 other than for changes resulting from the application of new standards as described below. The Condensed Consolidated Interim Financial Statements for the three-month period ended 31 March 2021 should be read in conjunction with the Consolidated Financial Statements of the Group for the year ended 31 December 2020.

The following standards and amendments of existing standards adopted by the European Union are effective for the financial statements of the Group for the financial year started on 1 January 2021:

- › Amendments to IFRS 4 *Insurance Contracts* – extension of the temporary exemption from applying IFRS 9 Financial Instruments,
- › Amendments to IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement*, IFRS 7 *Financial Instruments: Disclosures*, IFRS 4 *Insurance Contracts*, and IFRS 16 *Leases* - Interest Rate Benchmark Reform Phase 2.

Those amendments to the International Financial Reporting Standards had no significant impact on data presented in these Condensed Consolidated Interim Financial Statements.

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

2. NOTES TO THE STATEMENT OF FINANCIAL POSITION
2.1. PROPERTY, PLANT AND EQUIPMENT

	Three-month period ended 31 March 2021 (unaudited)				
	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	421	3,275	80	(2,911)	865
Disposals	-	(2)	-	(105)	(107)
Depreciation charge*	(831)	(2,240)	(96)	-	(3,167)
Net carrying amount - closing balance	73,156	18,141	439	3,188	94,924
As at 31 March 2021:					
Gross carrying amount	128,560	118,403	5,018	3,188	255,169
Written off	(55,404)	(100,035)	(4,579)	-	(160,018)
Net carrying amount	73,156	18,141	439	3,188	94,924

*Depreciation charges capitalised to intangible assets (licences) were PLN 110 thousand

	Year ended 31 December 2020				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance	76,411	20,389	486	4,682	101,968
Additions	380	8,182	122	1,392	10,077
Reclassification and other adjustments	-	(331)	24	179	(128)
Disposals	-	(48)	(6)	(49)	(103)
Depreciation charge*	(3,226)	(11,084)	(171)	-	(14,481)
Net carrying amount - closing balance	73,566	17,108	455	6,204	97,333
As at 31 December 2019:					
Gross carrying amount	128,139	115,825	4,938	6,204	255,106
Written off	(54,574)	(98,717)	(4,483)	-	(157,774)
Net carrying amount	73,566	17,108	455	6,204	97,333

*Depreciation charges capitalised to intangible assets (licences) were PLN 390 thousand

Starting in Q1 2021, the Group presents capital expenditure (property, plant and equipment under construction) separately from property, plant and equipment. For comparability of data in this Note, the comparative data have been restated.

There were no significant contracted investments in plant, property and equipment as at 31 March 2021.

Contracted investments in plant, property and equipment amounted to PLN 169 thousand as at 31 December 2020, including investment in IT hardware.

2.2. INTANGIBLE ASSETS

	Three-month period ended 31 March 2021 (unaudited)					
	Licences	Copyrights	Know-how	Goodwill	Development work	Total
Net carrying amount - opening balance	53,790	2,571	4,824	167,446	18,678	247,308
Additions	328	11	75	-	4,840	5,254
Capitalised depreciation	-	-	-	-	129	129
Disposals	-	-	-	-	(131)	(131)
Depreciation charge*	(4,097)	(106)	(136)	-	-	(4,339)
Net carrying amount - closing balance	50,021	2,476	4,763	167,446	23,516	248,221
As at 31 March 2021:						
Gross carrying amount	236,485	8,321	6,315	172,374	23,516	447,011
Impairment	-	-	-	(4,928)	-	(4,928)
Written off	(186,464)	(5,845)	(1,552)	-	-	(193,861)
Net carrying amount	50,021	2,476	4,763	167,446	23,516	248,221

*Depreciation charges capitalised to intangible assets (licences) were PLN 19 thousand

	Year ended 31 December 2020					
	Licences	Copyrights	Know-how	Goodwill	Development work	Total
Net carrying amount - opening balance	62,389	2,867	5,387	170,970	5,036	246,649
Additions	7,351	154	-	-	13,206	20,711
Reclassification and other adjustments	(71)	-	(42)	-	-	(113)
Capitalised depreciation	-	-	-	-	436	436
Disposals	-	-	-	(3,524)	-	(3,524)
Depreciation charge*	(15,878)	(449)	(524)	-	-	(16,851)
Net carrying amount - closing balance	53,790	2,571	4,824	167,446	18,678	247,308
As at 31 December 2020:						
Gross carrying amount	236,157	8,310	6,240	172,374	18,678	441,759
Impairment	-	-	-	(4,928)	-	(4,928)
Written off	(182,367)	(5,738)	(1,417)	-	-	(189,522)
Net carrying amount	53,790	2,571	4,824	167,446	18,678	247,308

*Depreciation charges capitalised to intangible assets (licences) were PLN 46 thousand

Starting in Q1 2021, the Group presents capital expenditure (development work) separately from intangible assets. For comparability of data in this Note, the comparative data have been restated.

Contracted investments in intangible assets amounted to PLN 1,943 thousand as at 31 March 2021, including mainly the GRC system, the new Indexator, the WIBIX system, and a new billing system (contracted investments in intangible assets amounted to PLN 912 thousand as at 31 December 2020).

2.3. INVESTMENT IN ENTITIES MEASURED BY THE EQUITY METHOD

The entities measured by the equity method included:

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

The Exchange held 35.86% of PAR as at 31 March 2021.

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 statement of financial position as at 31 March 2021 and as at 31 December 2020.

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

	As at /Period ended	
	31 March 2021 <i>(unaudited)</i>	31 December 2020
Opening balance	220,395	210,326
Dividends due to GPW S.A.	-	(5,699)
<i>Share of net profit/(loss)</i>	5,358	15,964
<i>Other increase/(decrease) of profit</i>	-	(217)
Total Group share of profit/(loss) after tax	5,358	15,748
Share in other comprehensive income	1,062	20
Closing balance	226,814	220,395

	As at /Period ended	
	31 March 2021 <i>(unaudited)</i>	31 December 2020
Grupa Kapitałowa KDPW S.A.	209,740	203,365
Centrum Giełdowe S.A.	17,075	17,029
Polska Agencja Ratingowa S.A.	-	-
Entities measured by equity method - total closing balance	226,814	220,395

2.4. FINANCIAL ASSETS

2.4.1. TRADE RECEIVABLES AND OTHER RECEIVABLES

	As at	
	31 March 2021 <i>(unaudited)</i>	31 December 2020
Gross trade receivables	59,457	54,077
Impairment allowances for trade receivables	(6,972)	(6,685)
Total trade receivables	52,485	47,392
Current prepayments	13,207	6,203
VAT refund receivable	247	8
Sublease receivables	34	13
Grants receivable	652	-
Other receivables	2,546	1,613
Total other receivables	16,686	7,837
Total trade receivables and other receivables	69,171	55,229

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

2.4.2. FINANCIAL ASSETS MEASURED AT AMORTISED COST

	As at	
	31 March 2021 <i>(unaudited)</i>	31 December 2020
Corporate bonds	90,035	89,977
Bank deposits	327,023	205,009
Total financial assets measured at amortised cost (over 3 months)	417,058	294,986

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

2.4.3. CASH AND CASH EQUIVALENTS

	As at	
	31 March 2021 <i>(unaudited)</i>	31 December 2020
Current accounts (other)	192,374	254,470
VAT current accounts (split payment)	396	474
Bank deposits	188,621	166,219
Total cash and cash equivalents	381,391	421,163

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

At the commencement of the projects: New Trading System, GPW Data and GPW Private Market (see Note 5.4), the Group opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 3,289 thousand as at 31 March 2020 (PLN 4,111 thousand as at 31 December 2020). Cash in such accounts is classified as restricted cash.

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

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

2.5. CHANGE OF ESTIMATES

In the period from 1 January 2021 to 31 March 2021, impairment losses for trade receivables were adjusted as follows:

	As at	
	31 March 2021 (unaudited)	31 December 2020
Opening balance	6,685	6,039
Change of allowance balances	287	1,075
Receivables written off during the period as uncollectible	-	(429)
Closing balance	6,972	6,685

In the period from 1 January 2021 to 31 March 2021, there were the following changes in estimates:

- › provisions against employee benefits were increased by PLN 5,570 thousand (provision additions of PLN 7,099 thousand, usage of PLN 1,529 thousand);
- › provisions against a VAT correction were increased by PLN 506 thousand (see Note 5.9).

2.6. BOND ISSUE LIABILITIES

	As at	
	31 March 2021 (unaudited)	31 December 2020
Series C bonds	124,873	124,810
Series D and E bonds	-	119,929
Total non-current	124,873	244,739
Series C bonds	1,668	683
Series D and E bonds	120,062	485
Total current	121,733	1,167
Total liabilities under bond issue	246,606	245,905

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

	Issue date	Maturity date	Total value at par	Currency	Interest rate	Coupon
Series C bonds	06.10.2015	06.10.2022	125,000	PLN	3.19%	6M
Series D bonds	02.01.2017	31.01.2022	60,000	PLN	WIBOR 6M + 0,95%	6M
Series E bonds	18.01.2017	31.01.2022	60,000	PLN	WIBOR 6M + 0,95%	6M

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

	As at	
	31 March 2021 (unaudited)	31 December 2020
Fair value of series C bonds	129,573	130,440
Fair value of series D and E bonds	121,181	121,147
Total fair value of bonds in issue	250,754	251,587

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 at	
	31 March 2021 (unaudited)	31 December 2020
<i>Listing</i>	1,088	1,170
Total financial market	1,088	1,170
Total non-current	1,088	1,170
<i>Trading</i>	2,440	2,174
<i>Listing</i>	12,958	952
<i>Information services and revenue from the calculation of reference rates</i>	17,695	55
Total financial market	33,093	3,181
Total commodity market	6,995	2,378
Other revenue	397	23
Total current	40,484	5,582
Total contract liabilities	41,572	6,752

The year-to-date increase of contract liabilities as at 31 March 2021 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 2021 (unaudited)	31 December 2020
PCR	4,051	4,145
Agricultural Market	737	821
New Trading Platform project	8,489	6,377
GPW Data project	1,387	910
Private Market	369	208
Total non-current deferred income from grants	15,033	12,461
PCR	375	375
Agricultural Market	333	333
New Trading Platform project	-	1,538
GPW Data project	439	580
Private Market	-	87
Total current deferred income from grants	1,147	2,912
Total accruals and deferred income	16,180	15,373

As at 31 March 2021, 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 2021 <i>(unaudited)</i>	31 December 2020
Liabilities to the Polish National Foundation	5,607	7,062
Other liabilities	1,734	1,612
Total non-current	7,341	8,674
Dividend payable	258	287
VAT payable	64,880	54,793
Liabilities in respect of other levies	2,951	4,000
Contracted investments	729	5,476
Liabilities to the Polish National Foundation	1,302	1,293
Liabilities to the Polish Financial Supervision Authority	14,190	17
Other liabilities	2,704	2,999
Total current	87,013	68,865
Total other liabilities	94,354	77,539

The VAT payable as at 31 March 2021 includes mainly tax payments of TGE and IRGiT in relation to current reporting periods. As at 31 March 2021, the Group recognised a significant liability to PFSA in respect of the capital market supervision fee payable in Q3 2021.

3. NOTE TO THE STATEMENT OF COMPREHENSIVE INCOME

3.1. INCOME TAX

	Three-month period ended 31 March	
	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Current income tax	18,309	15,584
Deferred tax	(10,105)	(7,404)
Total income tax	8,204	8,180

As required by the Polish tax regulations, the corporate income tax rate applicable in 2021 and 2020 is 19%.

	Three-month period ended 31 March	
	2021 (unaudited)	2020 (unaudited)
Profit before income tax	46,865	37,447
Income tax rate	19%	19%
Income tax at the statutory tax rate	8,904	7,115
Tax effect of:	(700)	1,065
Costs which are not tax-deductible	320	793
Non-taxable share of profit of entities measured by the equity method	(1,018)	(376)
Inne? Jakie?	-	(46)
Pozostałych korekt	(2)	694
Total income tax	8,204	8,180

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

4. NOTE TO THE STATEMENT OF CASH FLOWS

4.1. DEPRECIATION AND AMORTISATION

	Three-month period ended 31 March	
	2021 (unaudited)	2020 (unaudited)
Depreciation of property, plant and equipment*	3,057	4,296
Amortisation of intangible assets**	4,320	4,206
Depreciation and amortisation of right-to-use assets	1,440	1,313
Total depreciation and amortisation charges	8,817	9,815

* In the three-month period ended 31 March 2021 depreciation charge was decreased by the depreciation capitalised to intangible assets under construction (licences) in the amount of PLN 110 thousand. Depreciation charge was decreased by the depreciation capitalised to intangible assets under construction (licences) were PLN 4 thousand in the three-month period ended 31 March 2020.

** In the three-month period ended 31 March 2021 amortization charge was decreased by the amortization capitalised to intangible assets under construction (licences) in the amount of PLN 19 thousand. Amortization charge was decreased by the depreciation capitalised to intangible assets under construction (licences) were PLN 4 thousand in the three-month period ended 31 March 2020.

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 2021 charged to the GPW Group's operating expenses in the first three months of 2021 was PLN 14,194 thousand, equal to the annual 2021 fee.

The fee for 2020 charged to the Group's operating expenses in the first three months of 2020 was PLN 10,022 thousand.

Tax Office

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

5.1.2. TRANSACTIONS WITH ENTITIES MEASURED BY THE EQUITY METHOD

Dividend

The Group received no dividend from associates in the three-month period ended 31 March 2021.

Loans and advances

The balance of loans granted to PAR was PLN 0 as at 31 March 2021 following an impairment of PLN 507 thousand recognised in 2020 and PLN 300 thousand recognised in Q1 2021. The balance of loans granted was PLN 0 as at 31 December 2020 (following impairment of PLN 507 thousand). For more information, see the Consolidated Financial Statements of the GPW Group for 2020.

Space lease

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

The Group leases office space to PAR.

	As at 31 March 2021 (unaudited)		Three-month period ended 31 March 2021 (unaudited)	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	-	17	7	3
<i>other</i>	0	17	7	3
Centrum Giełdowe:	-	5,602	-	891
<i>leases</i>	-	5,569	-	587
<i>other</i>	-	33	-	304
PAR:	78	-	13	-
<i>leases</i>	73	-	9	-
<i>other</i>	5	-	4	-
Total	78	5,619	20	894

	As at 31 December 2020		Year ended 31 December 2020	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	3	-	22	56
<i>other</i>	3	0	22	56
Centrum Giełdowe:	-	6,185	-	5,777
<i>leases</i>	-	6,117	-	2,391
<i>other</i>	-	68	-	3,386
PAR:	86	-	86	6
<i>leases</i>	81	-	63	6
<i>other</i>	5	-	23	-
Total	89	6,185	108	5,839

Receivables from associates and joint ventures were not written off as uncollectible or provided for in the three-month period ended 31 March 2021 and 31 March 2020, other than the receivable under a loan granted to PAR (see above, Loans and advances).

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 2021 and as at 31 December 2020.

Książęca 4 Street Tenants Association

In 2021 and 2020, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 1,112 thousand in the three-month period ended 31 March 2021 and PLN 868 thousand in the three-month period ended 31 March 2020. Information on remuneration and benefits of the key management personnel

The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board, the Management Boards and the Supervisory Boards of the subsidiaries who were in office in the three-month period ended 31 March 2021 and 31 March 2020, 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	
	2021 <i>(unaudited)</i>	2020 <i>(unaudited)</i>
Base salary	404	495
Variable pay	411	513
Other benefits	40	118
Total remuneration of the Exchange Management Board	855	1,126
Remuneration of the Exchange Supervisory Board	133	146
Remuneration of the Management Boards of other GPW Group companies	973	804
Remuneration of the Supervisory Boards of other GPW Group companies	247	214
Total remuneration of the key management personnel	2,208	2,290

As at 31 March 2021, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 2,795 thousand including bonuses for 2017-2020. The cost was shown in the statement of comprehensive income for 2017- 2020.

As at 31 December 2020, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 3,292 thousand including bonuses for 2016-2020. The cost was shown in the statement of comprehensive income for 2016- 2020.

5.2. DIVIDEND

The General Meeting passed no resolution distributing the profit of GPW S.A. for 2020 as at the date of publication of these financial statements.

BondSpot S.A. paid an outstanding dividend of PLN 29 thousand for 2014-2016 to a minority shareholder in the three-month period ended 31 March 2021.

5.3. 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 top 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.

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.

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 will launch 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 following steps were completed under the agreement during the project: preparation of the project's feasibility study; drafting of rules, procedures, document templates for the project pilot; pilot of the proposed food platform solution. The project was implemented according to the timeline defined in the agreement with KOWR.

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.

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

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.

5.4. 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.

5.5. 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 2021 (unaudited)						
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	74,316	38,191	4,577	117,084	(4,797)	112,287
<i>To third parties</i>	72,720	38,036	1,531	112,287	-	112,287
<i>Between segments</i>	1,596	155	3,046	4,797	(4,797)	-
Operating expenses, including:	(47,368)	(23,614)	(341)	(71,323)	4,496	(66,827)
<i>depreciation and amortisation</i>	(6,343)	(2,733)	(39)	(9,115)	333	(8,782)
Profit/(loss) on sales	26,948	14,577	4,236	45,761	(301)	45,460
Profit (loss) on impairment of receivables	(633)	346	-	(287)	-	(287)
Other income	104	218	-	322	-	322
Other expenses	(505)	(12)	-	(517)	(136)	(653)
Operating profit (loss)	25,914	15,129	4,236	45,279	(437)	44,842
Financial income, including:	168	19	-	187	(58)	129
<i>interest income</i>	125	16	-	141	(51)	90
Financial expenses, including:	(2,101)	(1,451)	(1)	(3,553)	89	(3,464)
<i>interest cost</i>	(1,578)	(60)	(1)	(1,639)	89	(1,550)
<i>VAT correction</i>	-	(506)	-	(506)	-	(506)
Share of profit/(loss) of entities measured by equity method	-	-	-	-	5,358	5,358
Profit before income tax	23,981	13,697	4,235	41,913	4,952	46,865
Income tax	(5,346)	(2,853)	(5)	(8,204)	-	(8,204)
Net profit	18,635	10,844	4,230	33,709	4,952	38,661

As at 31 March 2021 (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	978,096	437,855	3,564	5,885	215,162	1,251,102	1,472,149
Total liabilities	382,828	150,779	620	686	-	507,569	508,255
Net assets (assets - liabilities)	595,268	287,076	2,944	5,199	215,162	743,533	963,894

Three-month period ended 31 March 2020 (unaudited)						
	Financial segment	Commodity segment	Other	Total segments	Exclusions and adjustments	Total segments and exclusions
Sales revenue:	59,658	38,416	2,949	101,023	(3,822)	97,201
<i>To third parties</i>	58,719	38,311	171	97,201	-	97,201
<i>Between segments</i>	939	105	2,778	3,822	(3,822)	-
Operating expenses, including:	(39,569)	(20,443)	-	(60,012)	3,951	(56,061)
<i>depreciation and amortisation</i>	(6,866)	(3,229)	-	(10,095)	335	(9,760)
Profit/(loss) on sales	20,089	17,973	2,949	41,011	129	41,140
Loss on impairment of receivables	(737)	(324)	-	(1,061)	-	(1,061)
Other income	682	422	-	1,104	(28)	1,076
Other expenses	(880)	(8)	-	(888)	22	(866)
Operating profit (loss)	19,154	18,063	2,949	40,166	123	40,289
Financial income, including:	3,336	1,014	-	4,350	(72)	4,278
<i>interest income</i>	1,288	918	-	2,206	(72)	2,134
Financial expenses, including:	(2,093)	(7,127)	-	(9,220)	119	(9,101)
<i>interest cost</i>	(2,093)	(96)	-	(2,187)	113	(2,074)
<i>VAT correction</i>	-	(7,006)	-	(7,006)	-	(7,006)
Share of profit/(loss) of entities measured by equity method	-	-	-	-	1,981	1,981
Profit before income tax	20,397	11,950	2,949	35,296	2,151	37,447
Income tax	(4,571)	(3,609)	-	(8,180)	-	(8,180)
Net profit	15,826	8,341	2,949	27,116	2,151	29,267

As at 31 December 2020							
	Financial segment	Commodity segment	Other	Total segments	Adjustments for investments measured by equity method	Other exclusions and adjustments	Total segments and exclusions
Total assets	1,077,359	231,585	3,937	1,312,881	208,743	(159,441)	1,362,181
Total liabilities	386,652	74,008	695	461,355	-	(23,341)	438,014
Net assets (assets - liabilities)	690,707	157,577	3,242	851,526	208,743	(136,100)	924,167

5.6. ADDITIONAL INFORMATION CONCERNING THE SARS-CoV-2 PANDEMIC

In the first three months of 2021, the Group identified no new risks arising from the pandemic and took no additional measures to mitigate the impact of the pandemic on the company's operations and results as compared to the risks identified in the annual financial statements for 2020. The pandemic brought about among others high turnover on the stock market which prevailed in Q1 2021. The turnover on the Main Market increased by 62.9% (Q1 2021 vs. Q1 2020). As a result, the segment's revenue increased by 41%. The number of IPOs increased to five in April 2021 vs. seven in all of 2020.

In the opinion of the Exchange Management Board and the Management Boards of the subsidiaries, operational and financial risks resulting from the pandemic are considered to be moderate. For detailed information about the risks, including a description of measures taken to mitigate the identified risks and a detailed presentation of the impact of the pandemic on the financial position of the Company and the Group, see the Management Board Report on the activity of the parent entity and the Group of Giełda Papierów Wartościowych w Warszawie S.A. for 2020.

5.7. CONTINGENT ASSETS AND LIABILITIES

5.7.1. CONTINGENT ASSETS

In September 2019, TGE submitted corrections of CIT receipts 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 31 March 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 at a closed session dismissed the TGE's appeal.

5.7.2. CONTINGENT LIABILITIES

In connection with the implementation of the projects New Trading System, GPW Data and GPW Private Market, the Exchange presented three 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 2021, the Group recognised a contingent liability in respect of an overdue VAT correction. Acting in the interest of GPW shareholders, pursuant to para 92 of IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the Group is not disclosing the estimated amount of the potential payable as it is in the process of confirming the adequacy of its approach.

As at 31 March 2021, the Group held a bank guarantee issued to NordPool by a bank in respect of payments between TGE S.A. and NordPool in the Market Coupling process at EUR 7.1 million effective from 1 July 2020 to 15 July 2021.

5.8. UNCERTAINTY ABOUT VAT

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

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

On 9 October 2020, the Regional Administrative Court in Warsaw dismissed IRGiT's appeal and upheld the individual interpretation issued by the Director of the National Tax Information dated 12 November 2019 concerning the principles of determining the time of origination of the right to deduct input VAT from invoices for electricity and gas. On 5 December 2020, IRGiT filed for cassation with the Supreme Administrative Court in Warsaw, and made a supplementary filing on 15 April 2021, invoking recent CJEU case-law, unknown at the time of filing for cassation, which fully endorses the cassation pleas of IRGiT.

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

Due to uncertainty concerning 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 15.5 million as at 31 December 2019. After adjustment as at 31 December 2020, the provisions stood at PLN 26.8 million while the estimated amount of interest on the tax payable equal to PLN 11.4 million was charged to the 2020 results (financial expenses) compared to PLN 15.5 million charged in 2019. The provisions were upgraded to PLN 27.4 million as at 31 March 2021. The provisions represent the best possible estimate of the potential liability as at 31 March 2021 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.

Furthermore, there is a relatively low risk arising from the statute of limitation (five years) concerning the recognition of output VAT reported in November 2015: once recognised under general VAT regulations, due to the application of the *lex specialis* concerning the time of origination of the tax obligation for electricity and gas deliveries, the tax would be deferred to December 2015 and consequently recognised for a second time without the right to correct the accounts for November subject to the statute of limitation, which would directly violate 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).

According to tax opinions available to IRGiT, there is a relatively low risk that the competent authorities may decide that IRGiT should report and pay the tax twice as a result of a potential correction because such interpretation of national law would contravene the fundamental principles enshrined in the Constitution of Poland and higher-rank norms under UE law. Acting in the interest of GPW shareholders, pursuant to point 92 of IAS 37, the Group is not disclosing the estimated amount of the potential payable.

For more information concerning the actions taken by the Company and its VAT approach, see the Consolidated Financial Statements of the Group for the year ended 31 December 2020.

5.9. EVENTS AFTER THE BALANCE SHEET DATE

On 15 April 2021, the Exchange Management Board signed 17 memoranda of understanding with entities interested in co-founding the Polish Digital Logistic Operator ("PCOL") project. The memoranda of understanding set out the general framework of potential co-operation in the PCOL project. The parties declared interest in participating in the joint project and the intention to co-operate in defining its functional specification and business requirements.

On 19 April 2021, GPW Tech S.A. took up 60 shares in TransactionLink sp. z o.o. with its seat in Warsaw for PLN 0.7 million.

On 28 April 2021, the Extraordinary General Meeting of GPW Benchmark S.A. passed a resolution increasing the share capital of GPW Benchmark S.A. with an issue of series F shares in a private subscription by PLN 2 million.

On 18 May 2021, the Exchange Supervisory Board issued a positive opinion on the motion of the Exchange Management Board concerning distribution of the Company's profit for 2020. The proposed total amount of the dividend at PLN 104,930,000.00 translates into PLN 2.50 per share. The dividend payout ratio will be 69.3% of the consolidated profit (77.3% of the net profit attributable to the shareholders of the parent entity adjusted for the share of profit of associates) and the dividend yield will be 5.36% (according to GPW's capitalisation as at 20 April 2021).

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

Marek Dietl – President of the Management Board

Piotr Borowski – Member of the Management Board

Dariusz Kułakowski – Member of the Management Board

Izabela Olszewska – Member of the Management Board

Signature of the person responsible for keeping books of account:

Małgorzata Gola-Radwan, Chief Accountant

Warsaw, 25 May 2021