



GPW Group's Financial Results Q3 2017

31 October 2017

Summary of the GPW Group's Activity in Q3 2017

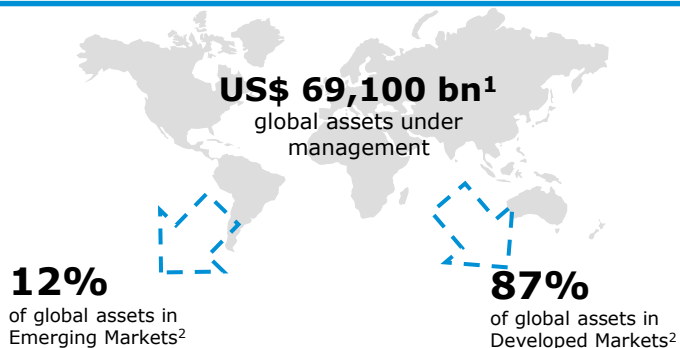
Financial Results of the GPW Group in Q3 2017

Poland's Promotion to Developed Markets: Success of Poland's Economy and Capital Markets

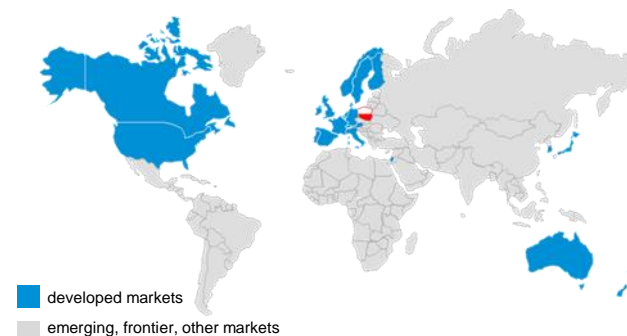
Highly appreciated Polish capital market...

- ◆ Well-developed and stable market infrastructure
- ◆ Broad selection of listed stocks and high liquidity
- ◆ Wide and unlimited access to professional market intermediaries
- ◆ Independent supervision over the market and high standards of corporate governance
- ◆ Efficient and secure trading and post-trading services
- ◆ Little limitations on investing by foreign investors
- ◆ Extensive, legally regulated added value services including short selling and omnibus securities accounts

...giving access to a much bigger investor group



Aids classification of Poland amongst the 25 Developed Markets...



FTSE Developed Markets ranking in numbers³

0.1641%

Poland's projected share in FTSE Developed Index

1.68%

Poland's previous share in FTSE Emerging Index

US\$ 3,000 bn

Assets under management of passive funds based on FTSE and Russell indices

September 2018

Poland's reclassification

¹ Assets under management at 2016 YE; source: BCG Global Asset Management Market Sizing Database

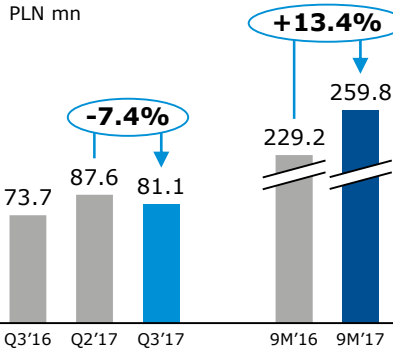
² Source: *Capital flows to Emerging Markets*, Institute of International Finance, 2014

³ Source: FTSE Russell, Poland's estimated share in the index

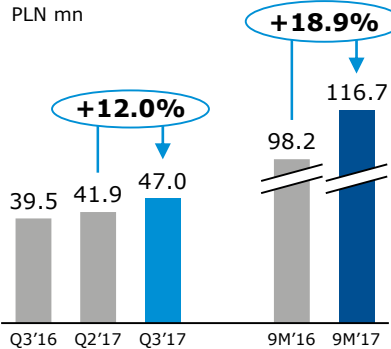
GPW Group's Very Good Financial Results Supported by One-offs



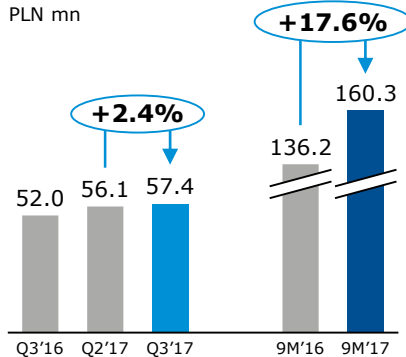
Sales revenue



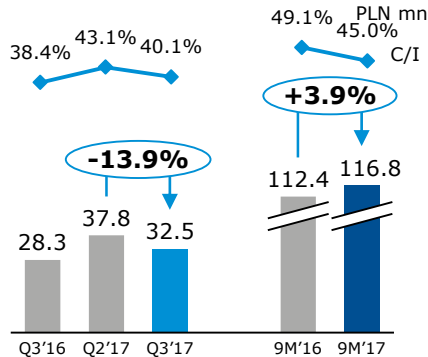
Net profit



EBITDA



Operating expenses

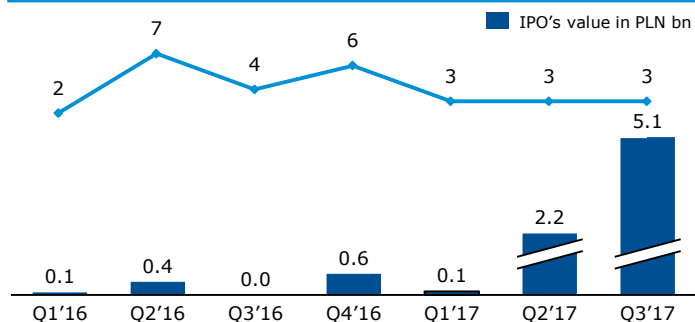


- ◆ Net profit increased by 12.0% QoQ and 18.9% YoY in Q3'17 to record-high PLN 47.0 mn, primarily owing to one-offs
 - ✓ Interest refunded by Polish Tax Office to TGE
 - ✓ TGE's VAT provisions released
 - ✓ PFSA fees adjusted in GPW Group
- ◆ EBITDA increased by 2.4% QoQ and 10.3% YoY to PLN 57.4 mn in Q3'17, and increased by 17.6% in 9M'17.
- ◆ Cost discipline maintained: cost/income ratio at 45.0% in 9M'17, down by 4.1 pps. YoY
- ◆ EBIT margin at 53.7% and EBITDA margin at 61.7% in 9M'17

Sizable IPOs Improve GPW's Position in Europe

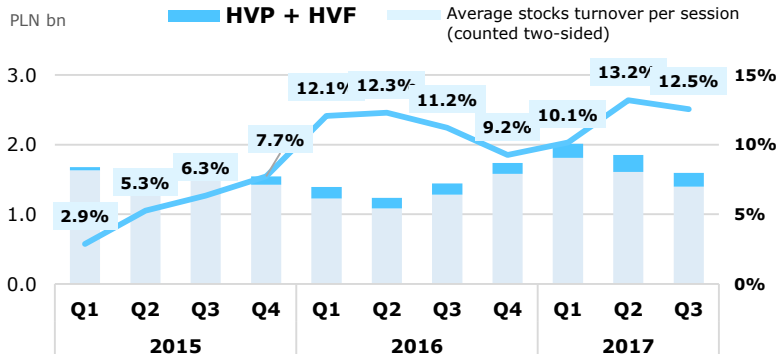


Value and number of IPOs on the Main Market



- ◆ #3 in Europe's IPO market in Q3'17, after LSE and SIX, according to PwC IPO Watch Report
- ◆ Play Communications's IPO worth over PLN 4.4 bn, the biggest private IPO in Poland's history and Europe's second biggest IPO in Q3 2017
- ◆ Turnover on the equity market at PLN 53.3 bn in Q3'17 (up by 8.6% QoQ and up by 9.1% YoY)
- ◆ WIG20 +6.7%, and mWIG40 +1.6% Q3'17
- ◆ Velocity ratio at 30.6% in Q3'17 v. 36.0% in Q2'17 and 37.8% in Q3'16
- ◆ Share of new HVP and HVF clients in stock trading at 12.5% in Q3'17

Activity of new HVP clients on the equity market¹

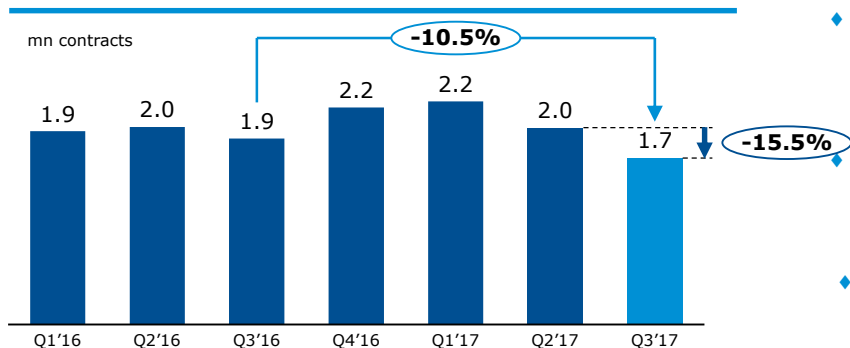


¹ Participants of liquidity support programmes (HVP and HVF)

Derivatives Market Under Pressure of Long-term Low Volatility



Volume of derivatives trade

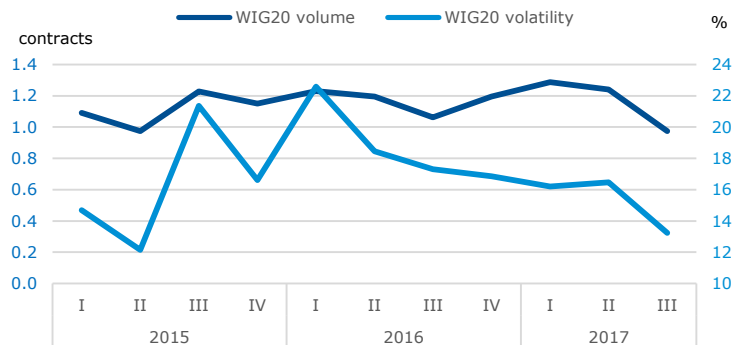


- Volume of trading in futures down to 1.67 million in Q3'17 (down by 15.5% QoQ and by 10.5% YoY)

- Volume of trading in WIG20 futures at 0.97 mn contracts in Q3'17 (down by 21.5% QoQ and by 8.2% YoY)

- Introduction of new futures on shares of Dino Polska SA and Play Communications SA

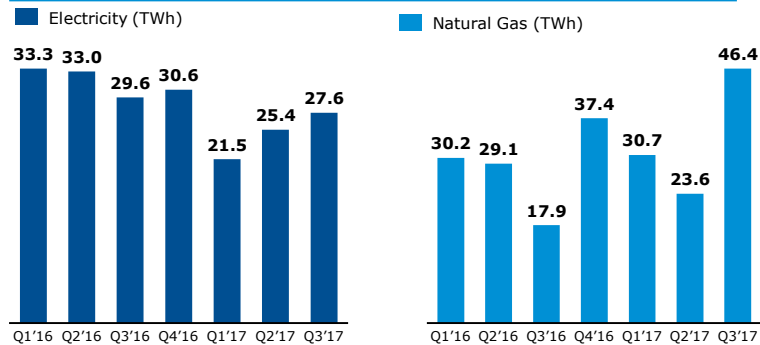
Volume of WIG20 futures v. WIG20 volatility



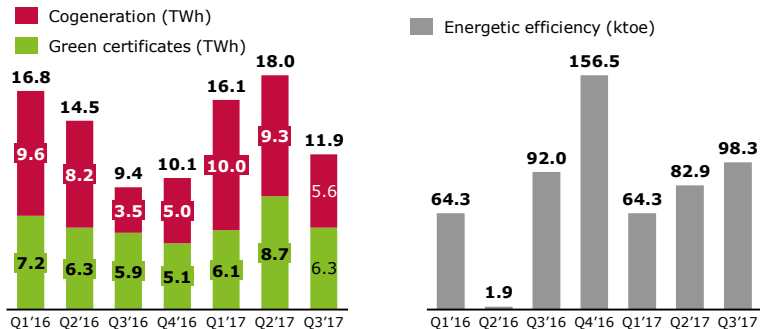
¹ Participants of liquidity support programmes (HVP and HVF) and a new market maker

Commodity Market in Q3'17

Volume of spot and forward transactions in electricity and gas



Volume of trade in property rights



- ◆ **Gas market** – trading in Q3'17 up by 96.7% QoQ and 159.3% YoY
- ◆ **Electricity market** – trading up by 8.7% QoQ and down by 7.0% YoY
- ◆ **Register of Certificates of Origin/Property Rights Market :**
 - ✓ Volume of spot transactions in property rights (except energy efficiency certificates) at 11.9 TWh – down by 32.7% QoQ and up by 29.7% YoY, and volume of forward transactions up by 57.0% QoQ (0.5 TWh)
 - ✓ Volume of trading on renewable energy sources (RES) market down by 22.4% QoQ and up by 14.8% YoY
 - ✓ Trading in white certificates up by 6.8% QoQ
- ◆ TGE is a full-fledged operator and co-ordinator of PCR (Price Coupling of Regions) on the European MRC (Multi-Regional Coupling) market in November

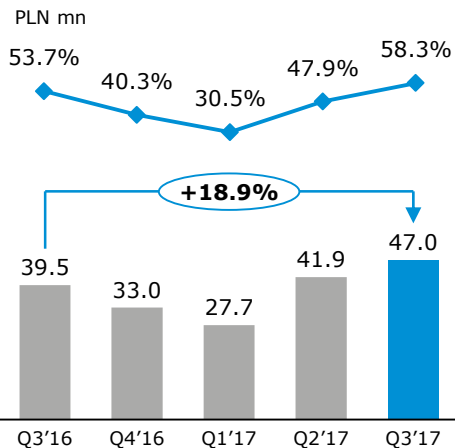
Summary of the GPW Group's Activity in Q3 2017

Financial Results of the GPW Group in Q3 2017

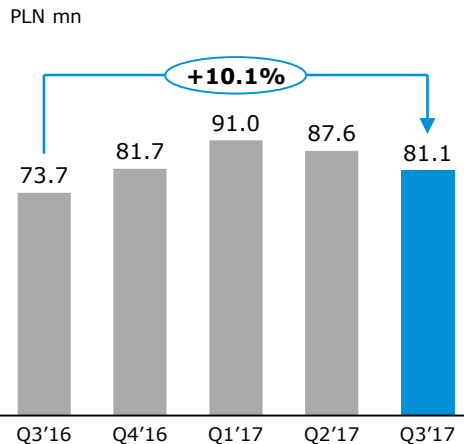
High Profits of Q3'17 Driven by Seasonal and One-off Events



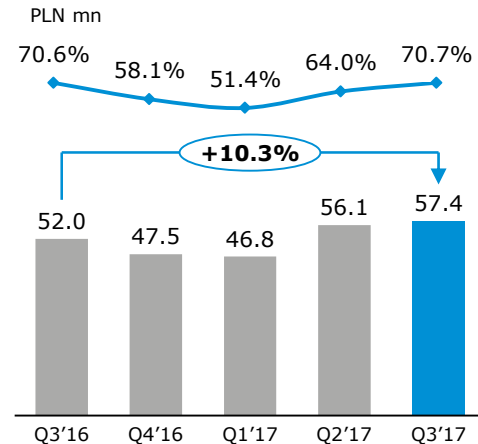
Net profit and net profit margin



Sales revenue



EBITDA and EBITDA margin



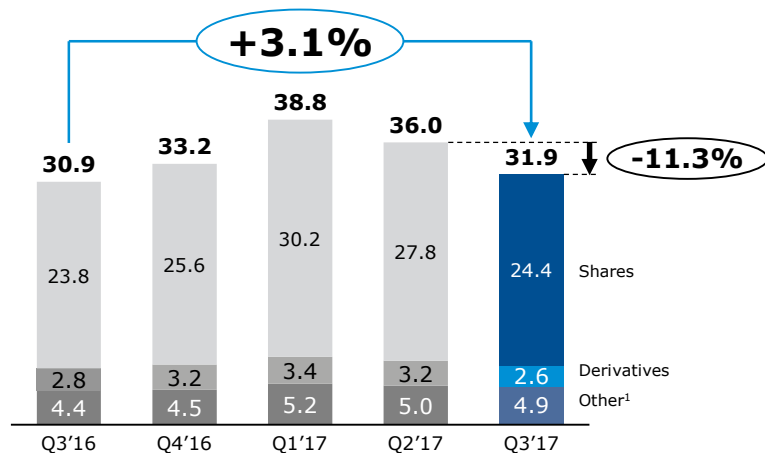
- ◆ Sales revenue up by 10.1% YoY driven by higher volumes on the commodity and financial market, revenue down by 7.4% QoQ
- ◆ Operating expenses at PLN 32.5 mn in Q3'17 v. PLN 28.3 mn in Q3'16 due to one-off and seasonal events:
 - ✓ Q3'17: adjustment of PFSA fees at Group level reduced by PLN 5.8 mn (PLN 11.2 mn booked in Q1)
 - ✓ Q3'16: adjustment of PFSA fees at Group level reduced by PLN 2.1 mn (PLN 11.4 mn booked in Q1) and release of provisions against GPW and POLPX employee benefits at PLN 3.8 mn
- ◆ Net profit and EBITDA up to record-high levels, additionally driven by Polish Tax Office's refund of TGE interest at PLN 3.8 mn

Trading Revenue on the Financial Market

Trading revenue – financial market

PLN mn

Q3'17: 39.3%



- Trading revenue on the financial market at PLN 31.9 mn (down by 11.3% QoQ, up by 3.1% YoY)
- Average turnover in shares per session in Q3'17 – PLN 922.9 mn vs. PLN 1,205.0 mn in Q2'17 and PLN 836.7 mn in Q3'16
- Average transaction fee on the stock market in Q3'17 down to 2.21 bps. vs. 2.19 bps. in Q3'16

Investor activity on GPW markets

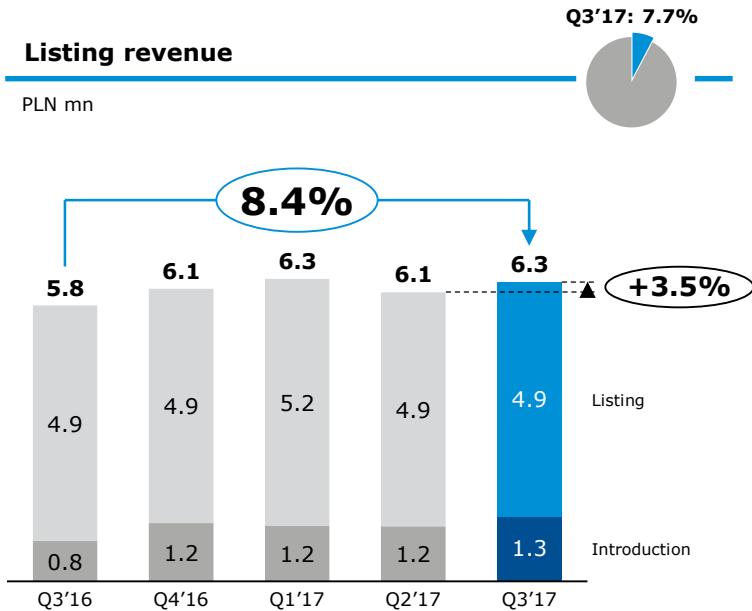
	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Shares – value of trade (EOB, PLN bn)	48.8	55.3	66.7	58.3	53.3 +9.1% YoY -8.6% QoQ
Futures and options – volume of trade (mn contracts)	1.9	2.2	2.2	2.0	1.7 -10.5% YoY -15.5% QoQ
Treasury bonds – TBSP, cash transactions (PLN bn)	63.4	69.2	61.1	49.9	47.0 -25.9% YoY -5.8% QoQ
Treasury bonds – TBSP, conditional transactions (PLN bn)	58.2	45.9	71.5	78.4	96.4 +65.4% YoY

¹ Debt instruments, other cash market instruments, other fees paid by market participants

Stable Listing Revenue

Listing revenue

PLN mn



- ◆ Total value of IPOs and SPOs in Q3'17 at PLN 35.1 bn
- ◆ 3 IPOs on the Main Market in Q3'17 worth PLN 5.1 bn (Morizon SA, GetBack SA, Play Communications SA)
- ◆ Stable revenue from listing fees despite a decrease of the number of companies YoY from 484 in Q3'16 to 479 in Q3'17
- ◆ In Q3'17, free float exceeded 50% for the first time ever, compared to 48% in Q3'16

Issuer activity

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Number of IPOs on the Main Market	4	6	3	3	3
					-33.0% YoY 0% QoQ
Capitalisation of domestic companies (PLN bn)	515.7	557.1	621.3	645.0	672.1
					+30.3% YoY +4.2% QoQ
Value of IPOs (PLN mn)	0	629	99	2 211	5 121
					+131.6% QoQ

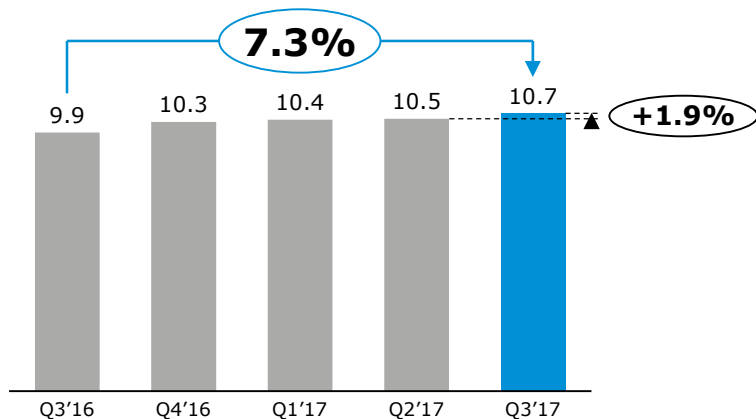
Continued Growth of Revenue from Information Services



Revenue from information services¹

PLN mn

Q3'17: 13.2%



- ◆ New contracts with clients in different market segments
 - ✓ 2 non-display clients
 - ✓ 1 index provider using GPW data
 - ✓ 4 processed data recipients
- ◆ Sale of WIBOR data started on 1 July (increase of the number of subscribers in Q3)

Data vendors, subscribers and non-display clients

Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Number of subscribers (thou.)				
222.1	224.6	238.2	232.0	238.2
+7.3% YoY +2.6% QoQ				
Number of data vendors				
52	51	51	52	51
Non-display				
37	43	48	51	52

¹ Following the establishment of a separate item: Commodity market information services, the presented data include only the revenue from the financial market and may differ from the presentation in previous quarters

Growing Trading Revenue on the Commodity Market

Trading revenue – commodity market

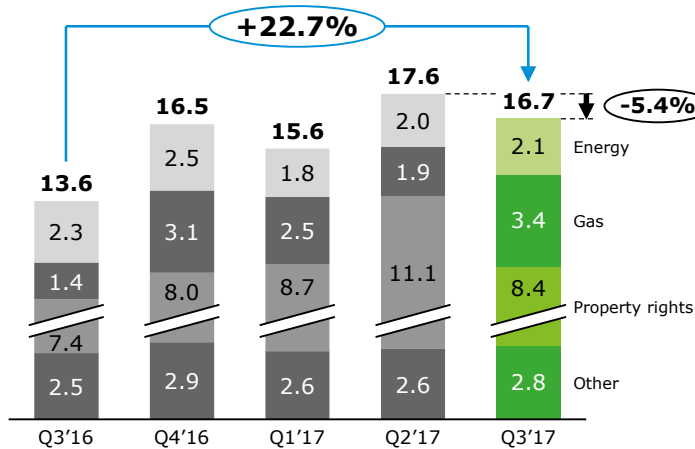
PLN mn

Q3'17: 20.6%



+22.7%

-5.4%



- ◆ Increase of revenue from trading in electricity QoQ driven by volumes of forward trading up by 13.5% QoQ (down by 6.7% YoY)
- ◆ Increase of revenue from trading in gas due to much higher volumes of forward transactions: +137.6% QoQ and +188.6% YoY
- ◆ Decrease of revenue from trading in property rights due to lower volumes of spot transactions (down by 32.7% QoQ), despite higher volumes of forward transactions (up by 57.0% QoQ) and trading in white certificates (+18.6% QoQ)

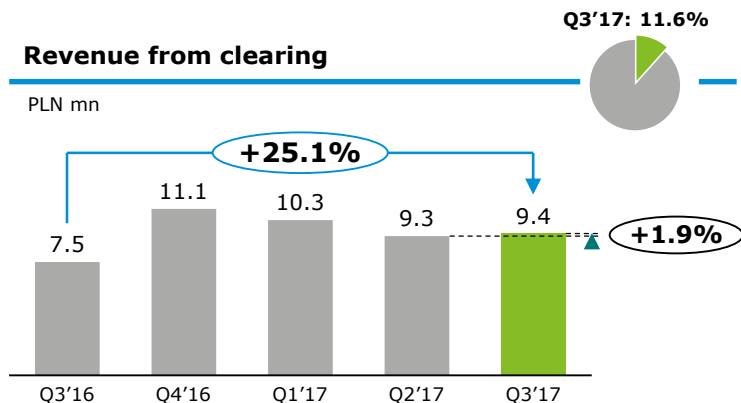
Investor activity on the commodity market

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Electricity – volume of trading (TWh)	29.6	30.6	21.5	25.4	27.6
					-7.9% YoY +8.7% QoQ
Natural gas – volume of trading (TWh)	17.9	37.4	30.7	23.6	46.4
					+159.8% YoY +96.7% QoQ
Property rights – volume of trading (TWh)	9.4	10.1	16.1	18.0	12.4
					+35.3% YoY -31.1% QoQ

Activity of Register of Certificates of Origin Participants Impacted by Seasonality

Revenue from clearing

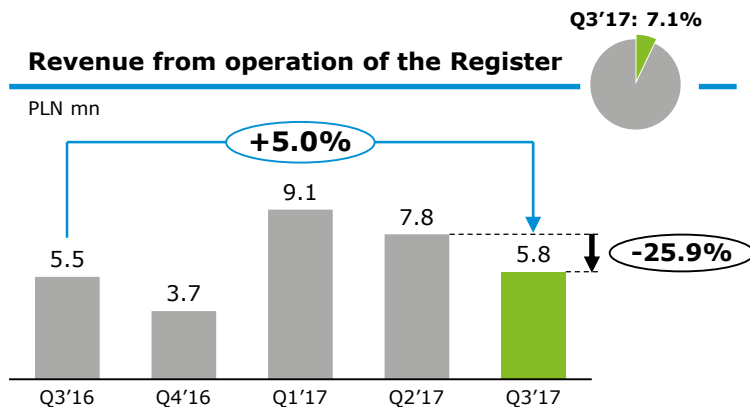
PLN mn



- ◆ Increase of revenue from clearing by 25.1% YoY driven by higher trading volumes
- ◆ Seasonally lower volumes of the Register of Certificates of Origin in H2, due to mandatory cancellation of certificates for the last year until the end of June

Revenue from operation of the Register

PLN mn

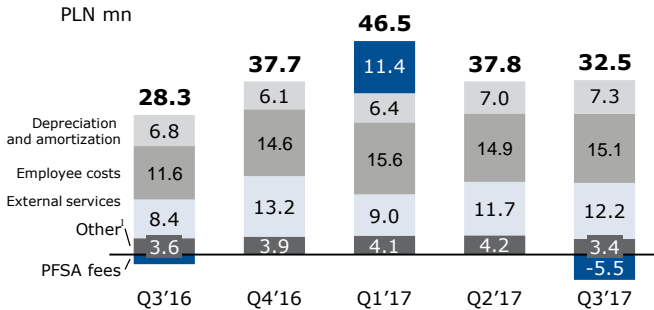


Activity of participants of the Register of Certificates of Origin

Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
Volume of issued certificates of origin (TWh)				
12.4	8.7	16.7	13.2	9.6
-22.4% YoY				
-27.5% QoQ				
Volume of cancelled certificates of origin (TWh)				
0.6	0	18.3	12.7	13.9
+2139% YoY				
+9.1% QoQ				

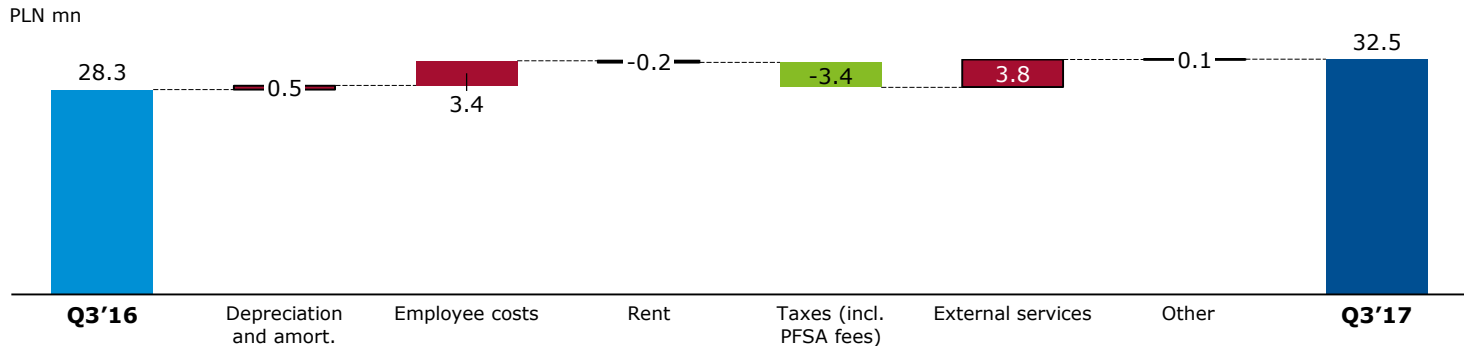
Optimised Operating Expenses

Operating expenses: -13.9% QoQ and +15.0% YoY



- Operating expenses up by 12.1% YoY in Q3'17, net of one-offs
- Provisions of PLN 5.8 mn released in Q3'17 due to PFSA fees lower than expected in 2017 (PLN 5.6 mn v. PLN 11.4 mn)
- Cost of harmonisation with MIFID2 recognised in Q3'17 but the majority of the costs will be recognised in Q4
- Depreciation and amortisation charges up by 4.5% QoQ due to the implementation of TGE's new trading system in June (Q3 is the first quarter when depreciation and amortisation charges are fully recognised)
- Provisions for annual bonuses set up at PLN 3.8 mn in Q3'16 affecting the base effect
- C/I² seasonally low at 40.1% in Q3'17 and 38.4% in Q3'16 v. average C/I at 45.2% in the last 4 quarters

Change in operating expenses

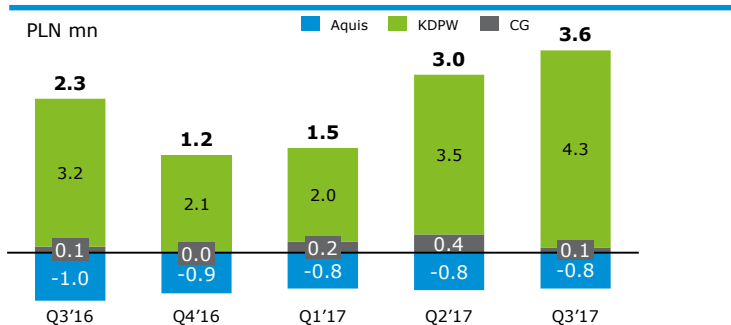


¹ Other includes rent, fees and charges (net of the PFSA fees), and other operating expenses

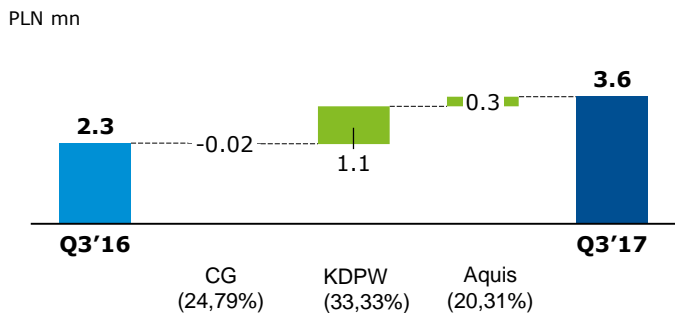
² C/I based on reported data

Share of Profits of Associates

Share of profit of associates



Change of share of profit of associates



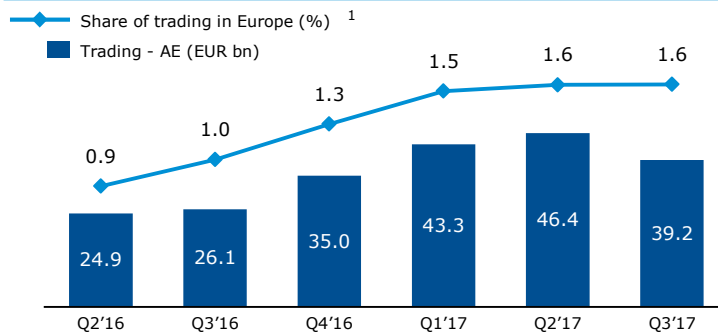
◆ Profit of the KDPW Group :

- ✓ Difference between expected and paid PFSA fees at a negative PLN 3.9 mn, including PLN 1.0 mn attributable to GPW Group

◆ Aquis Exchange:

- ✓ Share in the European equity trade market at 1.6% in Q2 and Q3'17
- ✓ Aquis's share in the European market up to 1.7% in September 2017

Turnover on Aquis Exchange



¹ Source: FESE

GPW Group's Consolidated Balance Sheet



PLN mn	30.09.2016	31.12.2016	31.03.2017	30.06.2017	30.09.2017
Non-current assets , including among others	584.7	597.3	597.3	597.2	594.8
Property, plant and equipment	119.6	119.1	116.7	113.8	112.0
Intangible assets	262.4	273.8	272.5	271.4	268.9
Share of profit of associates	196.0	197.2	198.6	201.6	205.2
Current assets , including among others	524.9	560.6	592.5	615.5	513.5
Trade and other receivables	100.6	113.3	165.2	89.1	63.8
Available-for-sale financial assets	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	423.9	446.8	426.7	526.3	449.6
Total assets	1,109.6	1,157.8	1,189.9	1,212.7	1,108.3

PLN mn	30.09.2016	31.12.2016	31.03.2017	30.06.2017	30.09.2017
Equity	712.3	745.3	772.8	724.6	771.6
Non-current liabilities	137.5	143.4	258.5	258.8	260.5
Liability under the bond issue	123.7	123.5	243.3	243.4	243.5
Current liabilities , including among others	259.7	269.2	158.5	229.3	76.2
Trade payables	2.8	6.4	6.2	3.5	6.2
Employee benefits payable	8.9	8.1	5.8	8.1	10.5
Income tax payable	11.9	16.2	13.2	7.6	4.6
Credits and loans	0.0	0.0	59.8	60.0	20.0
Accruals and deferred income	11.6	7.1	41.7	37.2	15.6
Other current liabilities	101.2	108.1	29.4	110.7	16.9
Total equity and liabilities	1,109.6	1,157.8	1,189.9	1,212.7	1,108.3

- ◆ Decrease of trade receivables following the payment of some of TGE's VAT correction invoices (from PLN 66.2 mn as at 31 December 2016 to PLN 2.6 mn as at 30 September 2017)
- ◆ Increase of current liabilities under loans and advances due to a loan taken by TGE to pay VAT liabilities (PLN 60 mn), of which two-thirds was repaid at the end of Q3'17
- ◆ Dividend from the 2016 profit (PLN 90.2 mn) recognised under other current liabilities in Q2'17
- ◆ Decrease of accruals and deferred income quarter after quarter due to recognition over the year of annual fees paid by issuers and the annual fee paid to PFSA
- ◆ High other liabilities due to TGE's VAT correction

Annex: Back-up Slides

GPW Group's Consolidated Profit & Loss Account



PLN mn	Q2'16	Q1'17	Q2'17
Revenue	73.7	87.6	81.1
Financial market	46.7	52.5	48.9
Trading	30.9	36.0	31.9
Listing	5.8	6.1	6.3
Information services	10.0	10.6	10.7
Commodity market	26.7	34.8	32.0
Trading	13.6	17.6	16.7
Register of Certificates of Origin	5.5	7.8	5.8
Clearing	7.5	9.3	9.4
Information services	0.1	0.1	0.1
Other operating income	0.3	0.4	0.3
Operating expenses	28.3	37.8	32.5
Other income	8.4	11.7	1.7
Other expenses	0.4	0.9	0.3
Operating profit	45.2	49.0	50.0
Financial income	3.4	1.5	1.3
Financial expenses	3.0	2.5	-1.3
Share of profit of associates	2.3	3.0	3.6
Profit before income tax	48.0	51.1	56.3
Income tax	8.5	9.2	9.3
Net profit	39.5	41.9	47.0
EBITDA	43.1	46.8	54.4

- ◆ Operating expenses
 - ✓ Q3'17: adjustment of PFSA fees at Group level at a negative PLN 5.8 mn (PLN 11.2 mn booked in Q1)
 - ✓ Q3'16: adjustment of PFSA fees at Group level at a negative PLN 2.1 mn (PLN 11.4 mn booked in Q1) and release of provisions against GPW and TGE employee benefits at PLN 3.8 mn
- ◆ Other expenses: PLN 1.6 mn of TGE's VAT provisions released in Q3'17
- ◆ Financial income: revaluation of GPW's interest in Aquis Exchange at PLN 2.3 mn in Q3'17
- ◆ Financial expenses: Polish Tax Office refund of PLN 3.8 mn of TGE's interest in Q3'17

GPW Group's Consolidated Cash Flows



9m ended on 30 September

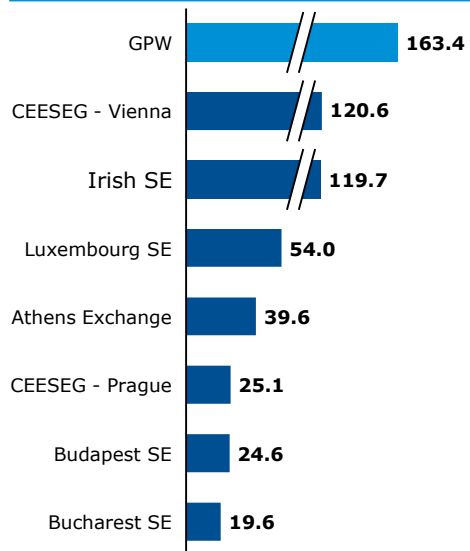
PLN mn	2016	2017
Cash flows from operating activities, including among others:	169.0	93.7
Cash flows from operating activities	185.8	148.3
Net profit of the period	98.2	116.7
Adjustments:	87.7	31.6
Income tax	22.4	26.5
Depreciation and amortization	19.7	20.8
Gain on dilution of shares of associate	-5.4	0.0
Interest and premium on deposits	-4.7	-4.1
Interest and premium on bond issue	6.0	5.4
Share of profit of associates	-2.3	8.1
Change in current assets and liabilities	51.9	-12.4
Decrease of trade and other receivables	31.0	49.5
Increase / decrease of other liabilities	24.6	-72.6
Income tax paid	-16.8	-40.2
Cash flows from investing activities, including among others:	-2.9	-13.0
Purchase of property, plant and equipment	-5.9	-6.9
Purchase of intangible assets	-2.3	-10.3
Interest received	4.7	4.0
Cash flows from financing activities, including among others:	-102.9	-77.6
Dividend paid and company social fund	-99.1	-90.3
Loans and advances received	0.0	59.7
Loans and advances repaid	0.0	40.0
Interest paid	-3.8	-5.6
Proceeds from bond issue	0.0	119.9
Paid interest on loans and advances	0.0	-0.8
Increase/decrease of net cash and cash equivalents	63.2	3.0
Cash and cash equivalents - opening balance	360.4	446.8
Cash and cash equivalents - closing balance	423.9	449.6

- ◆ Cash flows from operating activities: significant cash flows due to changes in receivables and liabilities in respect of TGE's VAT payments for 2011-2016
- ◆ Receivables from corrected VAT at PLN 69.7 mn originally, PLN 67.1 mn or 96.24% of the receivables paid at the end of Q3'17
- ◆ Cash flows from financing activities: increase in 2017 mainly driven by TGE's loan taken to pay VAT (PLN 60 mn) – PLN 40 mn repaid by TGE at the end of Q3'17, and the redemption of GPW's series A and B bonds and issue of GPW's series D and E bonds
- ◆ CAPEX at PLN 17.2 mn in 9M'17 v. PLN 8.2 mn in 9M'16; contracted investment commitments at PLN 1.4 mn at the end of Q3'17

GPW v. Other European Exchanges

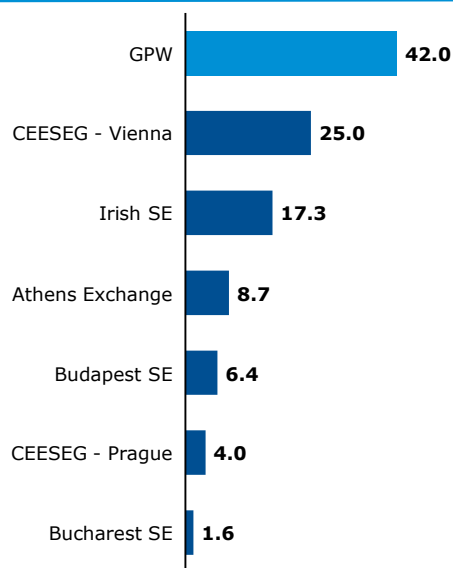


Market Capitalisation of domestic companies



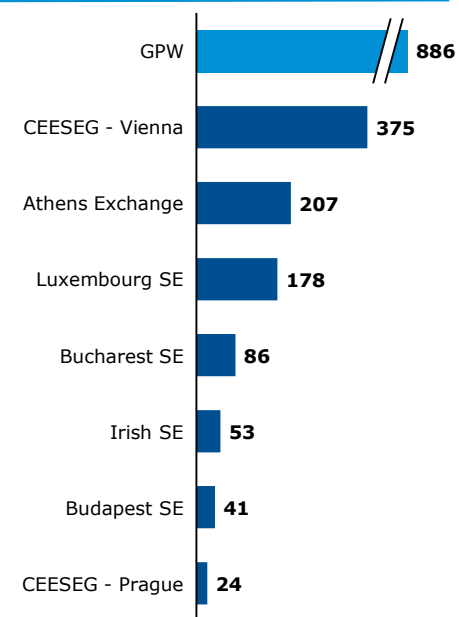
EUR bn

Value of equity trade, EOB¹



EUR bn

Number of listed companies²

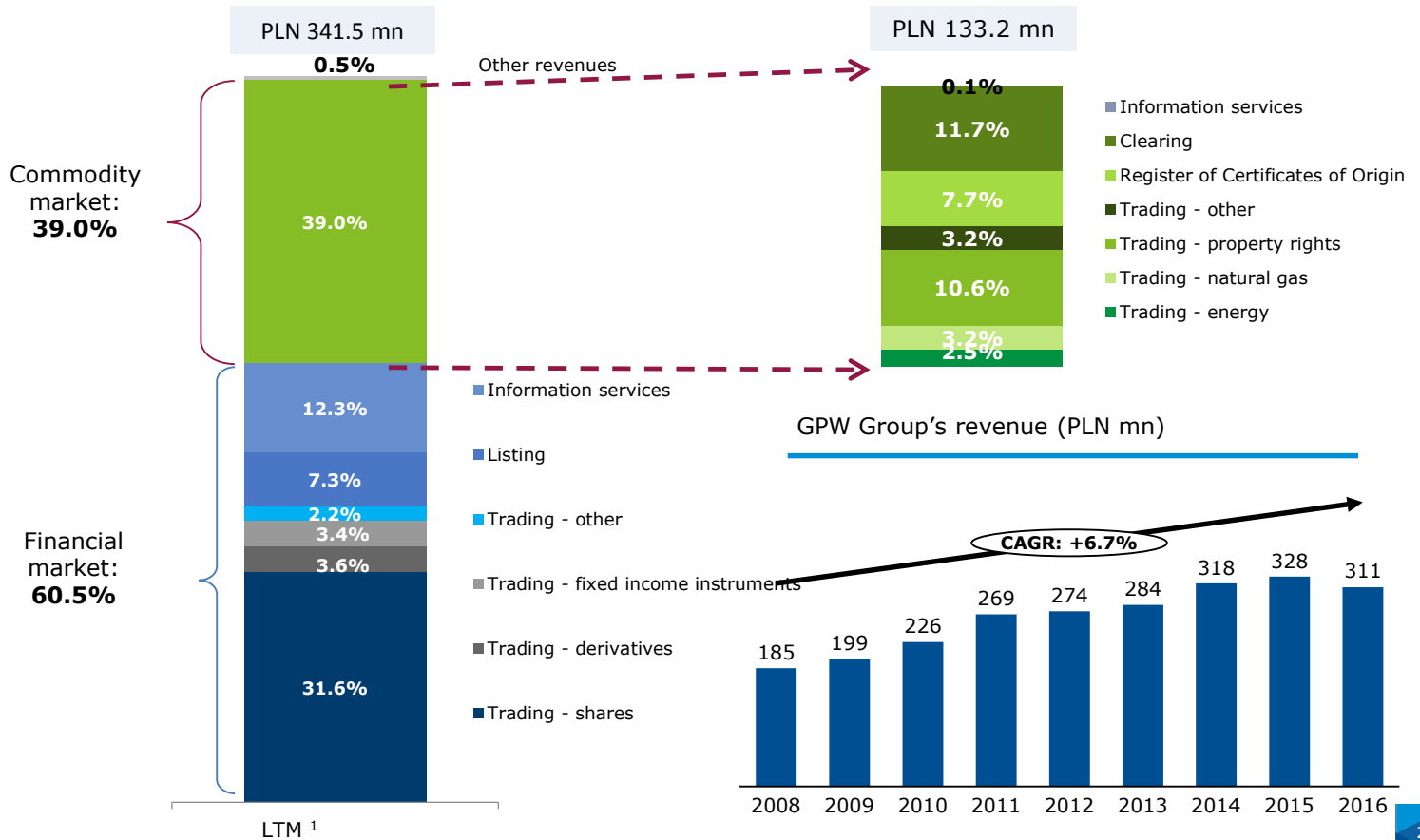


¹ EOB – Electronic Order Book, January–September 2017

² As at 30 September 2017

Source: FESE, as at 30 September 2017

GPW Group's Revenue Structure



¹ Last 12 months ended 30 September 2017

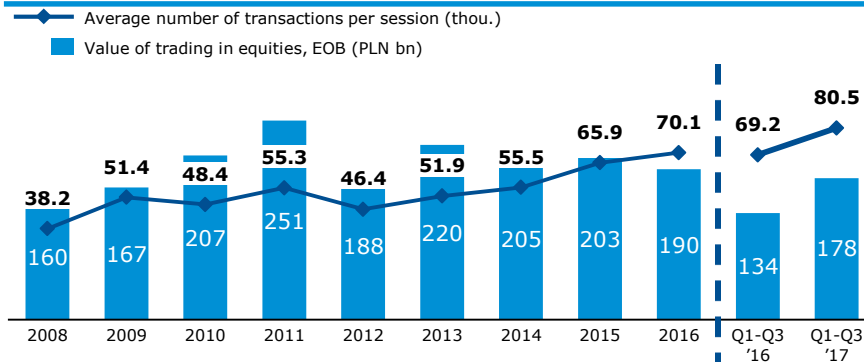


31.6%¹

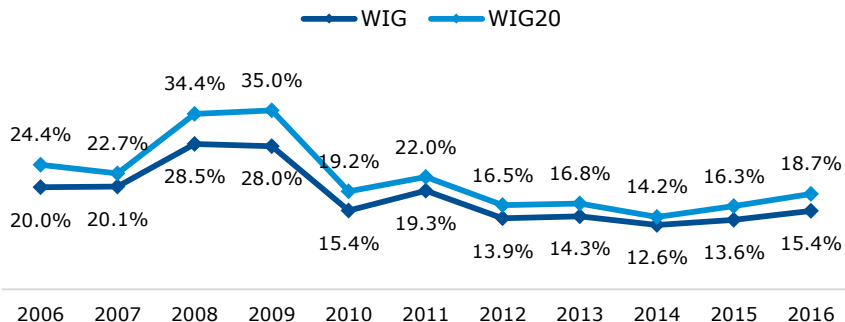
◆ Revenue drivers:

- ✓ Value of trading in equities
- ✓ Structure of orders (small, large, mid-sized)

Value of trading in equities and number of transactions



Volatility – WIG and WIG20



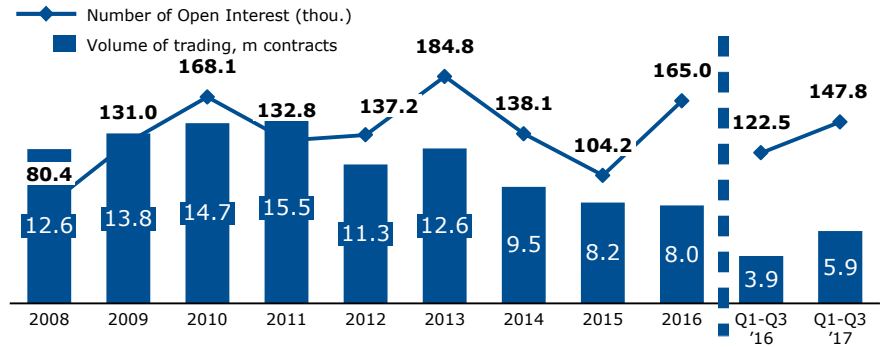
¹ Share in GPW Group's revenue in 12 months ended 30 September 2017



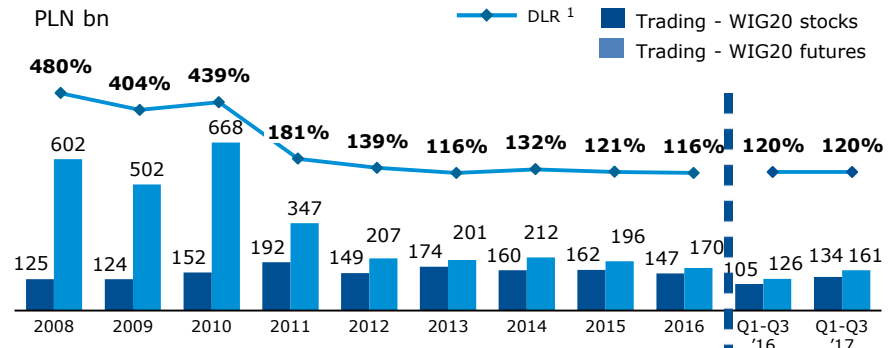
3.6%²

- ◆ Revenue drivers:
 - ✓ Volume of trading in futures
 - ✓ Number of open interest
 - ✓ Volatility

Volume of trading in derivatives



Volume of trading in futures v. trading in WIG20 stocks



¹ Velocity ratio (value of trading in WIG20 futures to value of trading in WIG20 stocks)

² Share in GPW Group's revenue in 12 months ended 30 September 2017

Financial Market: Other Instruments and Fees Paid by Participants



3.4%¹

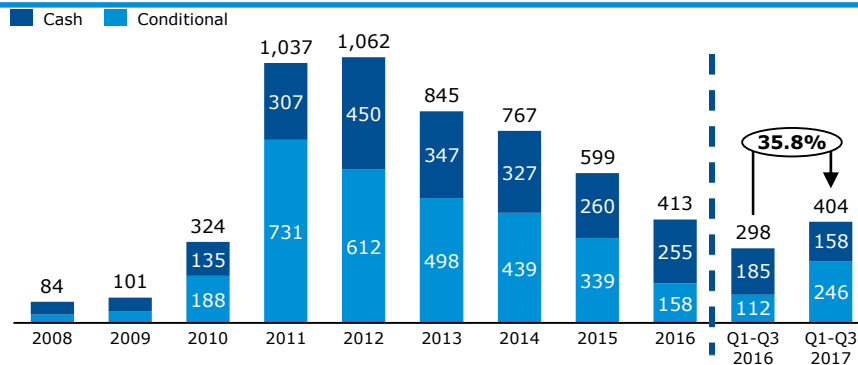


2.2%²

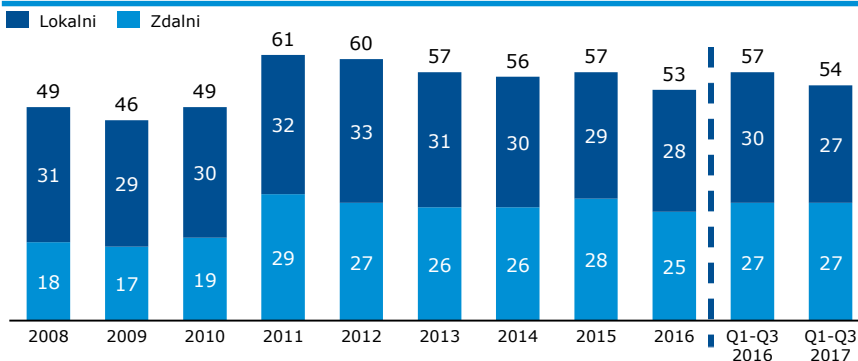
◆ Revenue drivers:

- ✓ Value of trading in Treasury bonds
- ✓ Number of exchange members

Value of trading on Treasury BondSpot Poland, PLN bn



Number of Warsaw Stock Exchange members



¹ Share in GPW Group's revenue in 12 months ended 30 September 2017, trading in debt instruments

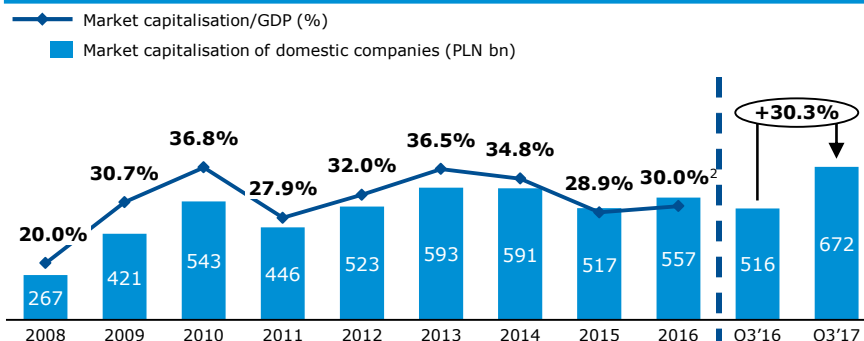
² Share in GPW Group's revenue in 12 months ended 30 September 2017, trading fees paid by market participants

7.3%¹

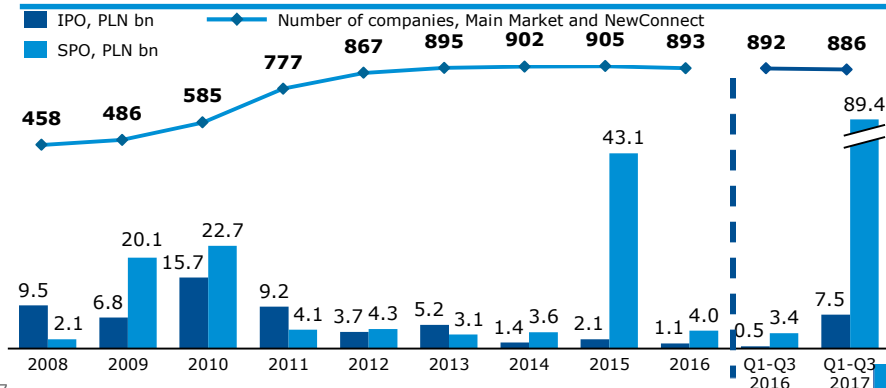
◆ Revenue drivers:

- ✓ Capitalisation at YE
- ✓ Value of new issue shares and bonds
- ✓ Number of issuers

Market capitalisation of domestic companies



IPO/SPO value and number of companies



¹ Share in GPW Group's revenue in 12 months ended 30 September 2017

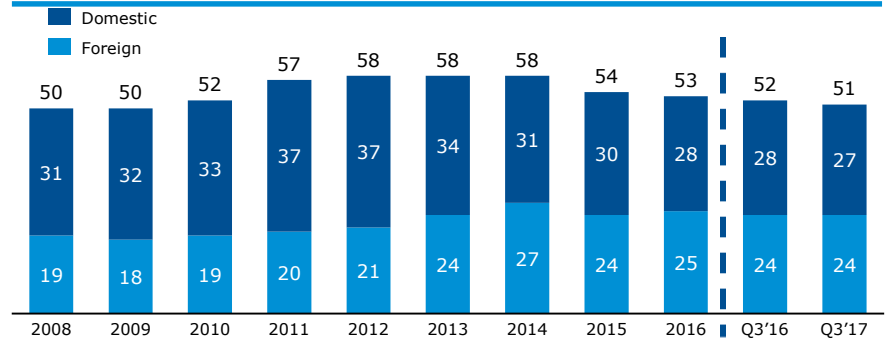
² Source: GUS



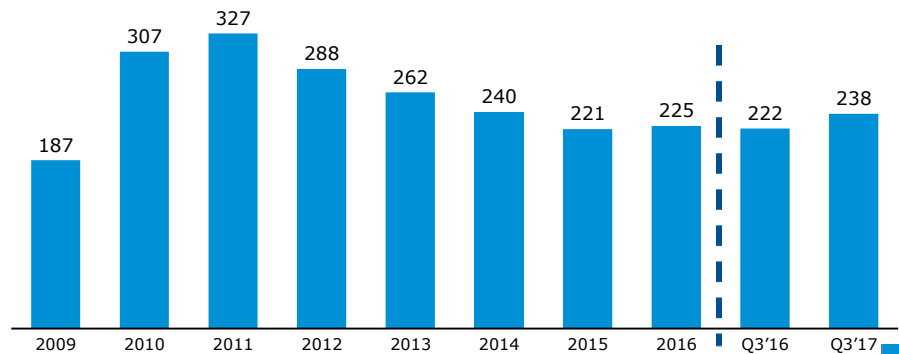
12.3%¹

- ◆ Revenue drivers:
 - ✓ Number of data vendors
 - ✓ Number of subscribers

Number of data vendors



Number of subscribers (thou.)



¹ Share in GPW Group's revenue in 12 months ended 30 September 2017

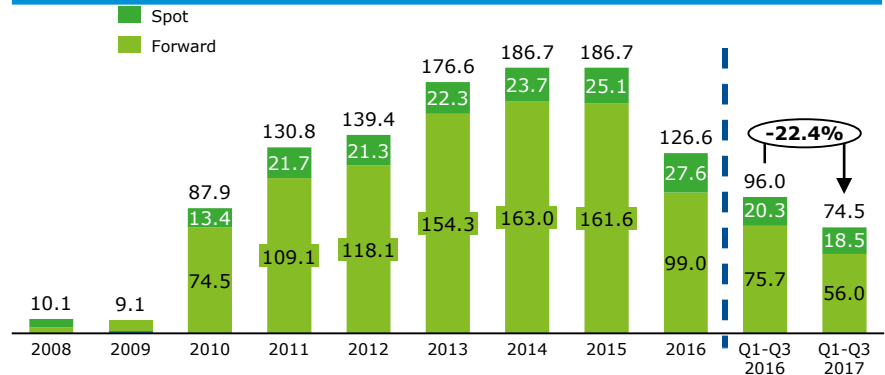


5.7%²

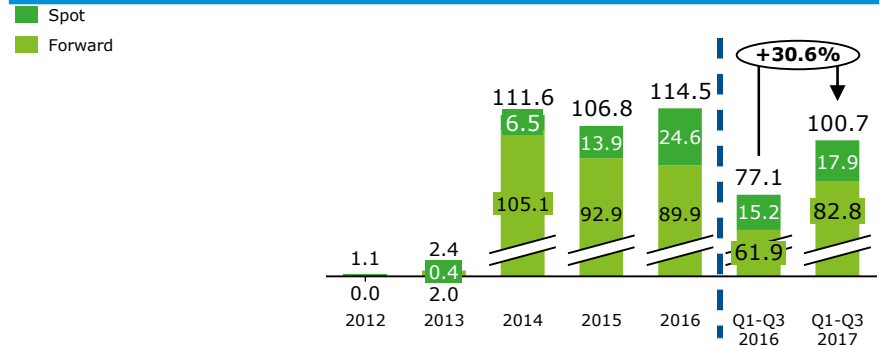
◆ Revenue drivers:

- ✓ Volume of trading in electricity
- ✓ Volume of trading in gas
- ✓ Share of spot and forward trading

Volume of trading in electricity (TWh)¹



Volume of trading in gas (TWh)



¹ Data for 2006-2013 include trading on the GPW Energy Market poee
² Share in GPW Group's revenue in 12 months ended 30 September 2017

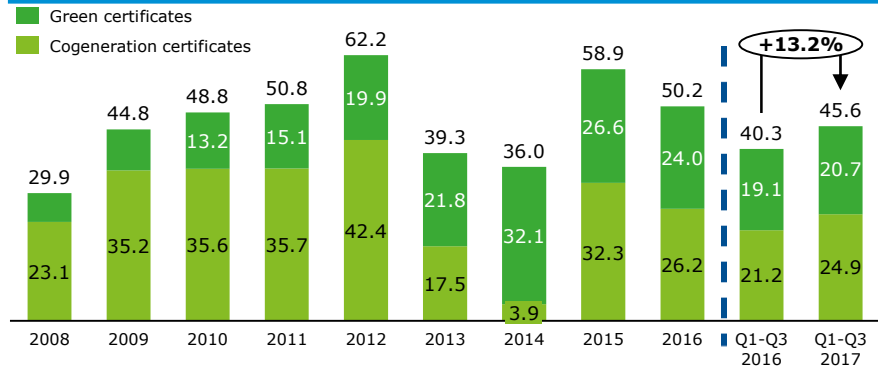
Commodity Market: Trade in Property Rights

 **10.6%¹**

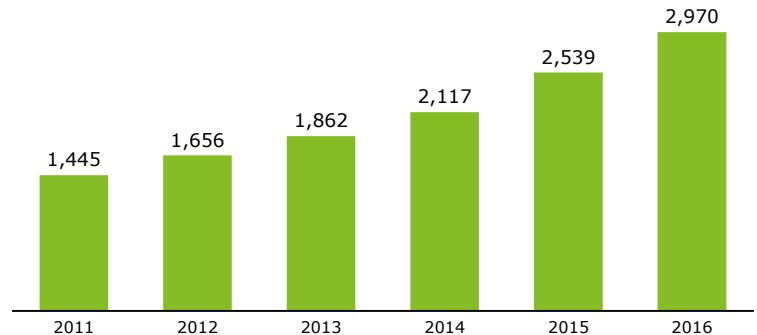
◆ Revenue drivers:

- ✓ Volume of trading in property rights
- ✓ Share of certificate categories in trading
- ✓ Number of register participants

Trade in property rights (TWh)



Number of participants of the Register of Certificates of Origin



¹ Share in GPW Group's revenue in 12 months ended 30 September 2017

Commodity Market: Register of Certificates of Origin

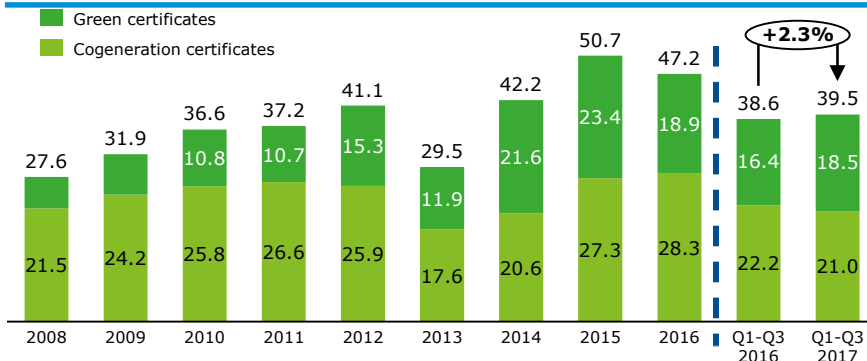


7.7%¹

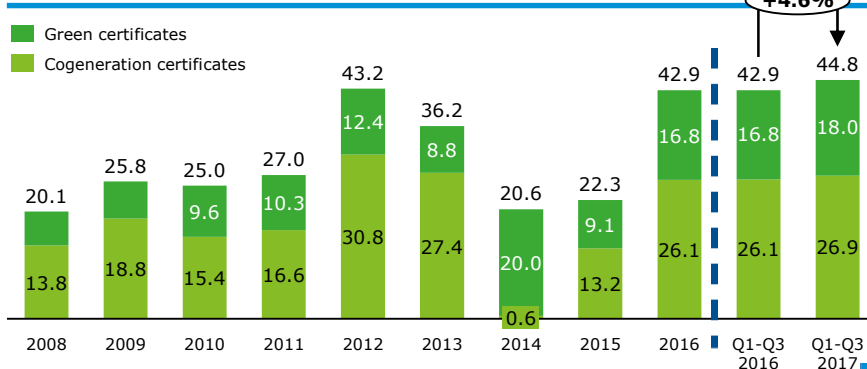
◆ Revenue drivers:

- ✓ Volume of issued property rights
- ✓ Volume of cancelled property rights

Volume of issued property rights (TWh)



Volume of cancelled property rights (TWh)



¹ Share in GPW Group's revenue in 12 months ended 30 September 2017

IR events

- ◆ **5-9 December 2017**
Wood's Winter Wonderland Conference, Prague

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