



GPW Group's Financial Results Q3 2018

31 October 2018

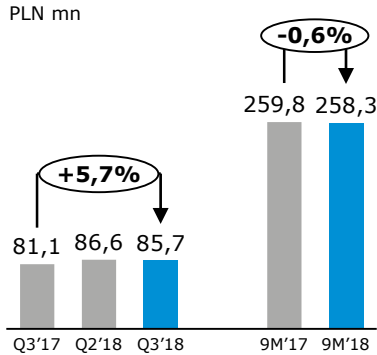
Summary of the GPW Group's Activity in Q3 2018

Financial Results of the GPW Group in Q3 2018

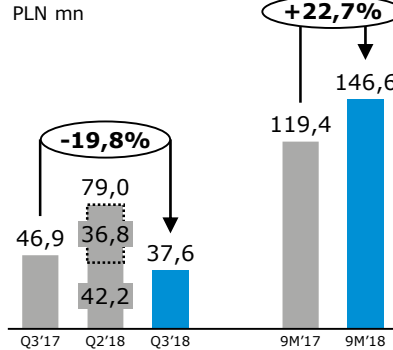
Solid financial results in demanding market environment



Sales revenue



Net profit



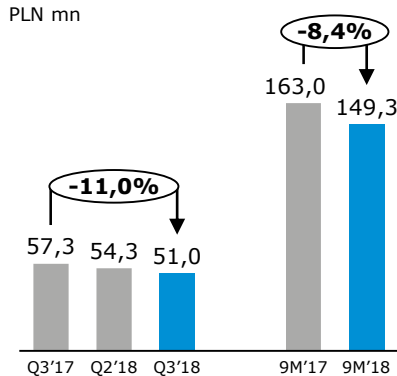
◆ Sales revenue

Sales revenue up by 5.7% YoY and down by 1.0% QoQ to PLN 85.7 mn in Q3 2018

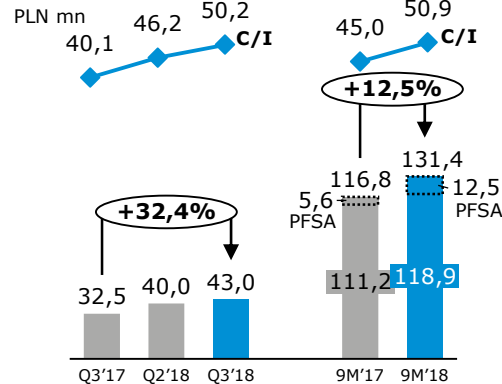
◆ Net profit

Net profit at PLN 37.6 mn in Q3 2018, down by 19.8% YoY and down by 52.4% QoQ. Net profit in Q3 2018 down by 10.9% QoQ net of the one-off: sale of Aquis Exchange in Q2 2018

EBITDA



Operating expenses



◆ EBITDA

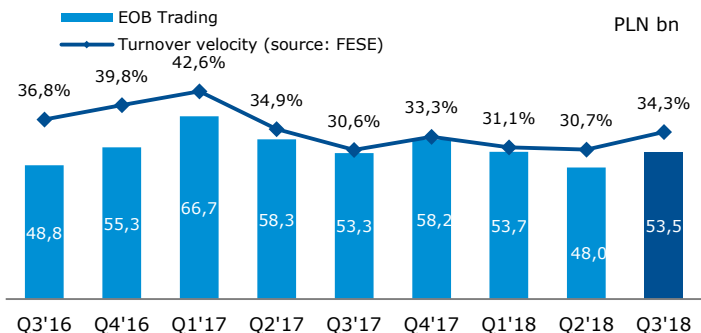
EBITDA down by 6.1% QoQ and down by 11.0% YoY to PLN 51.0 mn in Q3 2018

◆ Operating expenses

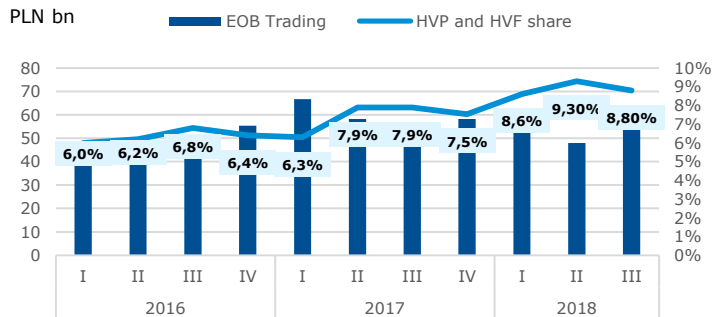
Expenses up by 7.6% QoQ and up by 32.4% YoY in Q3 2018 to PLN 43.0 mn. Annual fee to KNF paid in 2018 was PLN 12.5 mn vs. PLN 5.6 mn in 2017 (PFSA fees up by PLN 6.9 mn YoY and 123.2% YoY)

Increased activity of investors on the equity market despite lower valuations YoY

Volume of EOB trading on the Main Market



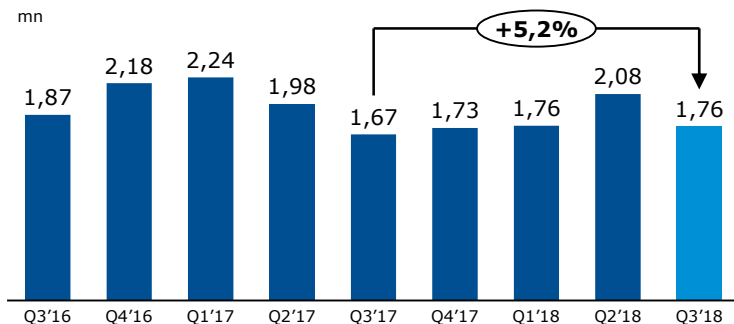
Activity of HVP and HVF clients vs. market turnover



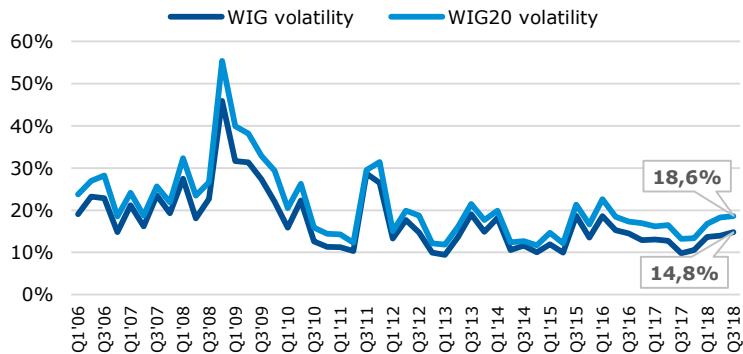
- ◆ Value of EOB trading in Q3 2018 up to PLN 53.5 bn (+11.5% QoQ and +0.5% YoY)
- ◆ Velocity ratio at 34.3 % in Q3 2018 vs. 30.7% in Q2 2018 and 30.6% in Q3 2017
- ◆ New HVP/HVF client on the cash and derivative market acquired in Q3 2018
- ◆ Share of HVP and HVF participants in trading in shares at 8.8% vs. 9.3% in Q2 2018 and 7.9% in Q3 2017
- ◆ In Q3 2018 index provider FTSE Russell promoted Poland from Emerging Market to Developed Market – reclassification took place on 24th September 2018. On 21st of September EOB trading in equities on the Main Market amounted to PLN 5.4 bn - the highest level in the history of Polish capital market.

Higher YoY volumes of trading in derivatives

Volume of trading in derivatives

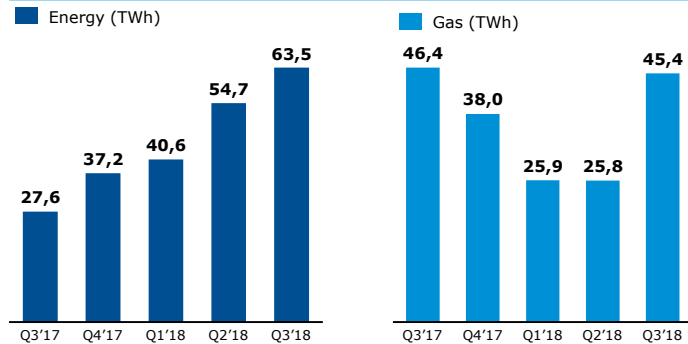


Quarterly volatility of WIG and WIG20



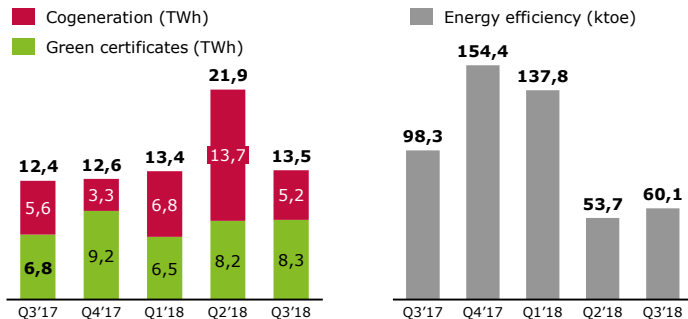
- ◆ Total volume of trading in derivatives at 1.76 mn contracts in Q3 2018, up by 5.2% QoQ and down by 15.3% YoY.
- ◆ Volume of trading in WIG20 futures in Q3 2018 up by 1.0% YoY and down by 10.5% QoQ to 0.98 mn contracts.
- ◆ WIG20 volatility in Q3 2018 at 18.6%, WIG volatility at 14.8%
- ◆ Share of proprietary traders in futures trading at 14.1% in Q3 2018 vs. 12.2% in Q2 2018
- ◆ Futures on shares of Livechat, Playway and Ten Square Games introduced to trading in Q3 2018

Volume of spot and forward trading in electricity and gas



- ◆ Electricity market: Total volume of trading in electricity was 63.5 TWh in Q3 2018 (+130.3% YoY, +15.9% QoQ). The volume of spot transactions was 6.2 TWh (+10.6% YoY, -3.5% QoQ). The volume of forward transactions was 57.2 TWh (+161.0% YoY, +18.5% QoQ).
- ◆ Gas market: Total volume of trading on the gas markets at 45.4 TWh in Q3 2018 (+2.2% YoY, +75.7% QoQ). The quarterly volume of spot transactions in gas was 2.2 TWh (-32.4% YoY, -40.6% QoQ). The volume of forward transactions was 43.2 TWh, an increase of 0.1% YoY and 94.9% QoQ.

Volume of trading in property rights (spot and forward)



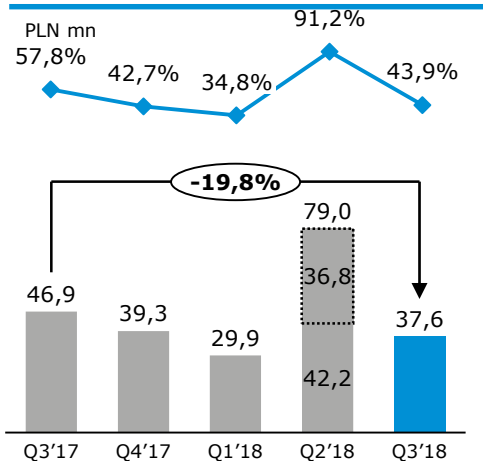
- ◆ Property Rights Market:
 - ✓ Volume of trading in property rights from cogeneration was 5.2 TWh in Q2 2018 (-8.0% YoY, -62.1% QoQ).
 - ✓ Volume of trading in RES property rights was 8.3 TWh in Q3 2018 (+23.2% YoY, +1.5% QoQ).
 - ✓ Volume of trading in property rights in energy efficiency was 60.1 ktoe in Q3 2018 (-38.9% YoY, +11.9% QoQ).

Summary of the GPW Group's Activity in Q3 2018

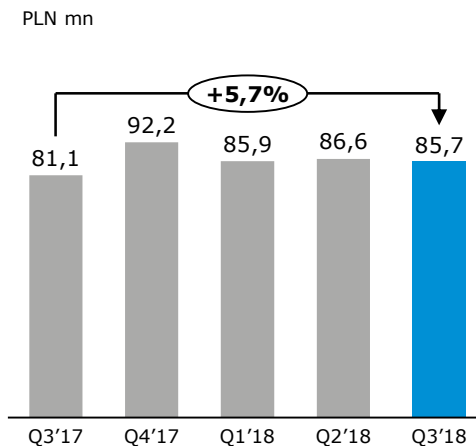
Financial Results of the GPW Group in Q3 2018

Higher revenue, stable EBITDA margin

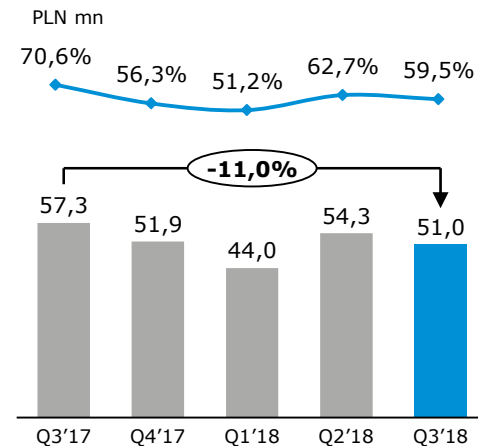
Net profit and net profit margin



Revenue



EBITDA and EBITDA margin



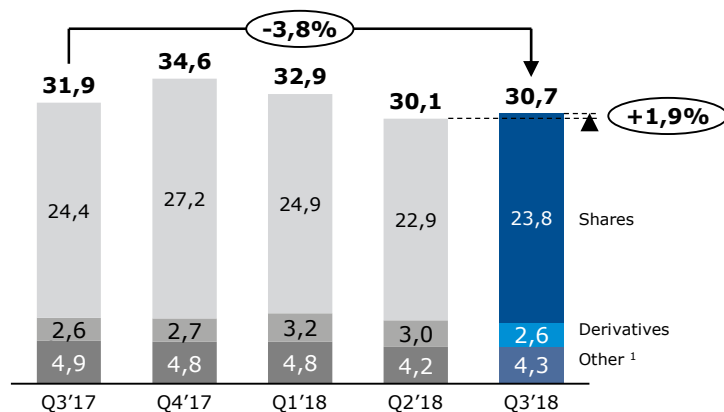
- ◆ GPW Group's net profit at PLN 37.6 mn in Q3 2018 (-19.8 YoY and -52.4% QoQ)
- ◆ Consolidated revenue increased to PLN 85.7 mn (+5.7% YoY and -1.0% QoQ) mainly due to higher revenue on the commodity market (TGE)
- ◆ EBITDA at PLN 51.0 mn (-11.0% YoY and -6.1% QoQ)

Trading revenue on the financial market

Trading revenue – financial market

PLN mn

Q3'18: 35,8%



- Trading revenue on the financial market at PLN 30.7 mn in Q3 2018 (-3.8 YoY and +1.9% QoQ)
- Average EOB turnover in shares per session at PLN 836.4 mn in Q3 2018 vs. PLN 787.4 mn in Q2 2018 and PLN 832.5 mn in Q3 2017
- Average fee on the stock market at 2.16 bps in Q3 2018 vs. 2.22 bps in Q2 2018 and 2.21 bps in Q3 2017

Investor activity on GPW markets

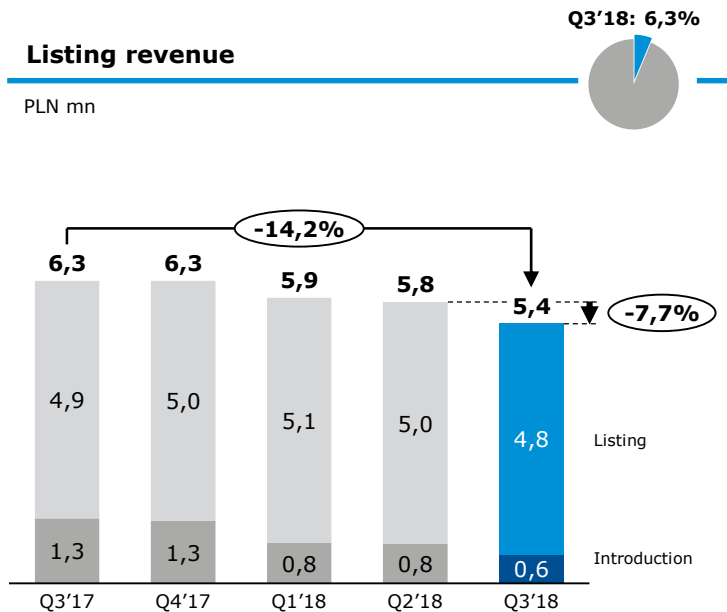
	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Shares – value of trading (EOB, PLN bn)	53,3	58,2	53,7	48,0	53,5 +0,5% YoY +11,5% QoQ
Futures and options – volume of trading (mn contracts)	1,7	1,7	2,1	2,1	1,8 + 5,2% YoY -15,4% QoQ
Treasury bonds – TBSP, cash transactions (PLN bn)	47,0	38,2	42,5	29,4	28,3 -39,7% YoY -3,5% QoQ
Treasury bonds – TBSP, conditional transactions (PLN bn)	96,4	92,2	58,3	58,0	68,8 -28,6% YoY +18,7% QoQ

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

Lower listing revenue

Listing revenue

PLN mn



- ◆ Two IPOs on the Main Market and three IPOs on NewConnect worth PLN 35 mn in total in Q3 2018
- ◆ Revenue from listing down modestly in Q3 2018 to PLN 5.0 mn, revenue from fees for introduction down to PLN 0.6 mn
- ◆ Free float at 52% in Q3 2018 vs. 50% in Q2 2018 and 50% in Q3 2017

Issuer activity

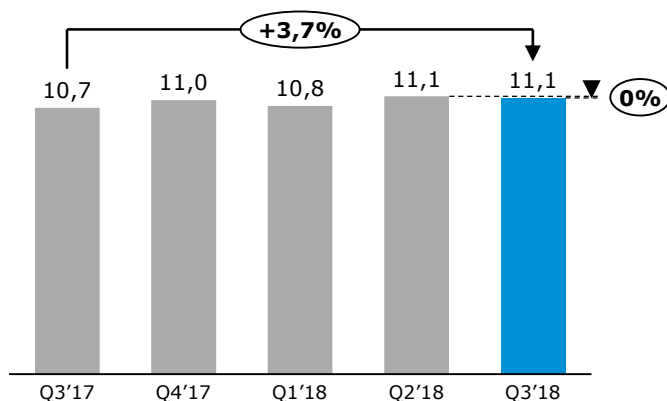
Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Number of IPOs on the Main Market				
3	6	2	3	2
				-50,0% YoY
				-50,0% QoQ
Capitalisation of domestic companies (PLN bn)				
672,1	671,0	607,7	569,3	587,3
				-12,6% YoY
				+3,2% QoQ
Value of IPOs (PLN mn)				
5 121	148	93	187	22
				-88,2% YoY
				-99,6% QoQ

YoY increase of revenue from information services – financial market

Revenue from information services¹

PLN mn

Q3'18: 12,9%



- ◆ New clients in different market segments attracted in Q3 2018:
 - ✓ 1 delayed data vendor
 - ✓ 1 GPW data non-display client
 - ✓ 3 WIBOR data non-display clients (fees will be charged as of 1 January 2019)
 - ✓ 1 processed data client
- ◆ Fees are now charged for use of GPW data by other platforms which organise trading in Polish stocks

Data vendors, subscribers and non-display clients

	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Number of subscribers (thou.)	245,7	244,4	249,4	245,2	247,9 +0,9% YoY +1,1% QoQ
Number of data vendors	51	52	66	73	74 +1,4% YoY +45,1% QoQ
Non-display	52	53	55	56	58 +11,5% YoY +3,6% QoQ

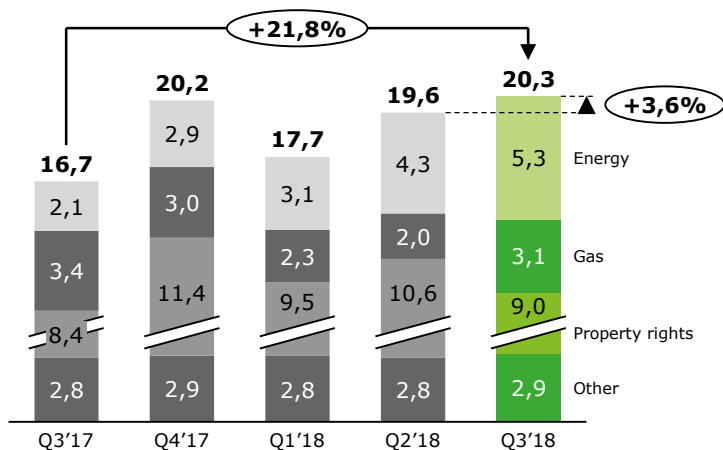
¹ Following the introduction of a separate item: Commodity market information services, the presented data include only the revenue from the financial market and may differ from the presentation in previous quarters

Continued increase of volumes on the electricity market

Trading revenue – commodity market

PLN mn

Q3'18: 23,7%



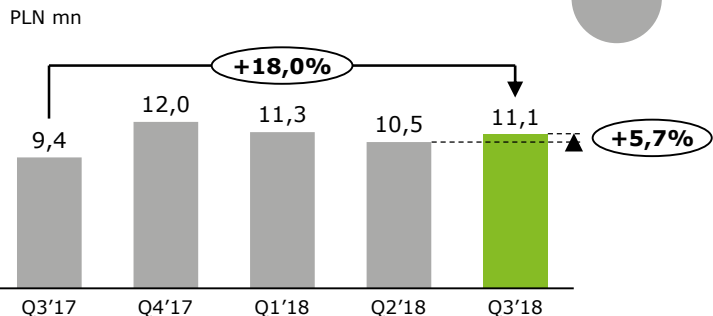
- ◆ Continued increase of revenue from trading in electricity to PLN 5.3 mn (+148.9% YoY and +22.4% QoQ) mainly driven by record-high forward trading
- ◆ Decrease of revenue from trading in gas by -8.8% YoY and increase by 60.4% QoQ to PLN 3.1 mn due to seasonality (strong increase of forward volumes and decrease of spot volumes)
- ◆ Increase of revenue from trading in property rights by 7.3% YoY and decrease by 15.2% QoQ to PLN 9.0 mn mainly due to continued high volume of trading in green certificates

Investor activity on the commodity market

	Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Electricity – volume of trading (TWh)	27,6	37,2	40,6	54,7	63,5
					+130,3% YoY +15,9% QoQ
Natural gas – volume of trading (TWh)	46,4	38,0	25,9	25,8	45,4
					-2,2% YoY 75,7% QoQ
Property rights – volume of trading (TWh)	12,4	12,6	13,4	21,9	13,5
					+9,0% YoY -38,2% QoQ

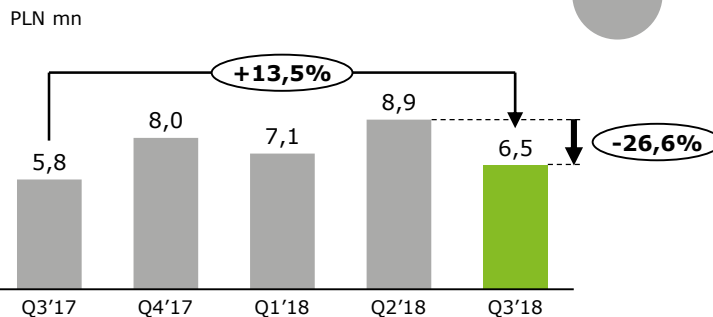
More activity in the Register of Certificates of Origin

Revenue from clearing



- Revenue from clearing increased by 18.0% YoY and 5.7% QoQ in Q3 2018, mainly driven by rising volumes on the electricity market
- YoY increase of revenue from the operation of the Register of Certificates of Origin due to higher volumes of cancelled certificates and QoQ decrease typical of Q3 (obligation to cancel certificates for last year by end of June)

Revenue from operation of the Register¹

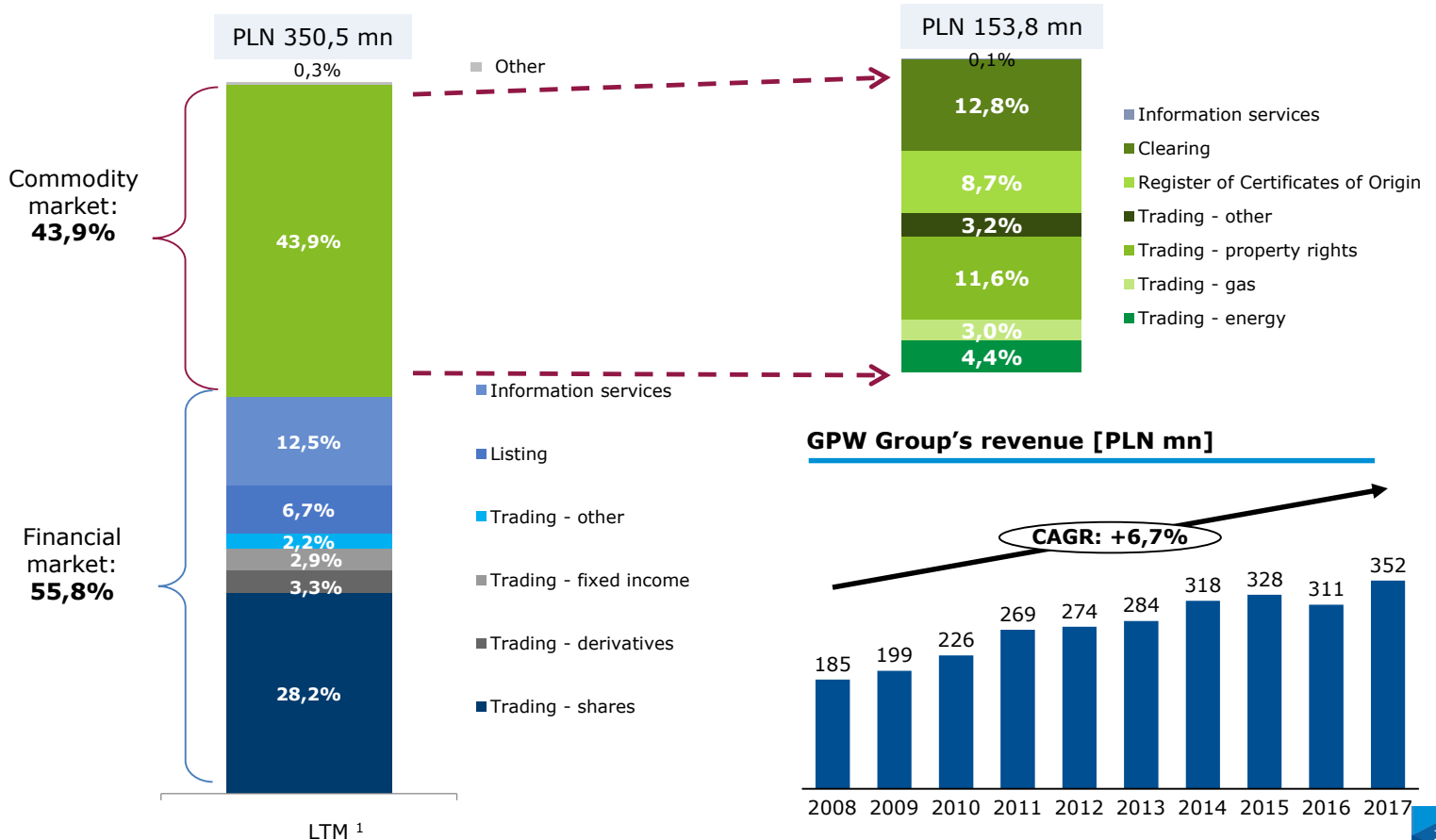


Activity of participants of the Register of Certificates of Origin

Q3'17	Q4'17	Q1'18	Q2'18	Q3'18
Volume of issued property rights (TWh)				
9,6	9,0	19,6	13,7	7,2
-25,8% YoY -47,4% QoQ				
Volume of cancelled certificates of origin (TWh)				
13,9	7,3	2,8	14,8	22,7
+63,6% YoY +54,7% QoQ				

1 Revenue with Rejstry of Guaranties of Origin

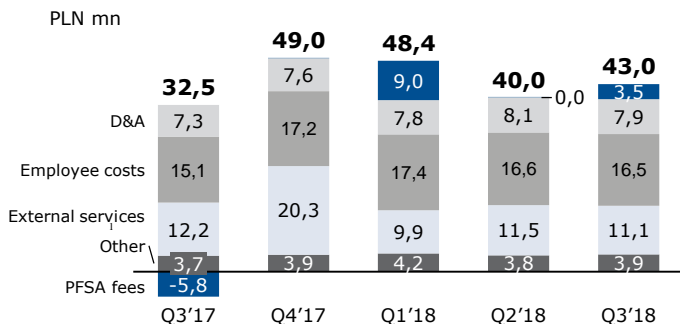
GPW Group's Revenue Structure



¹ last 12 months ended 30 September 2018

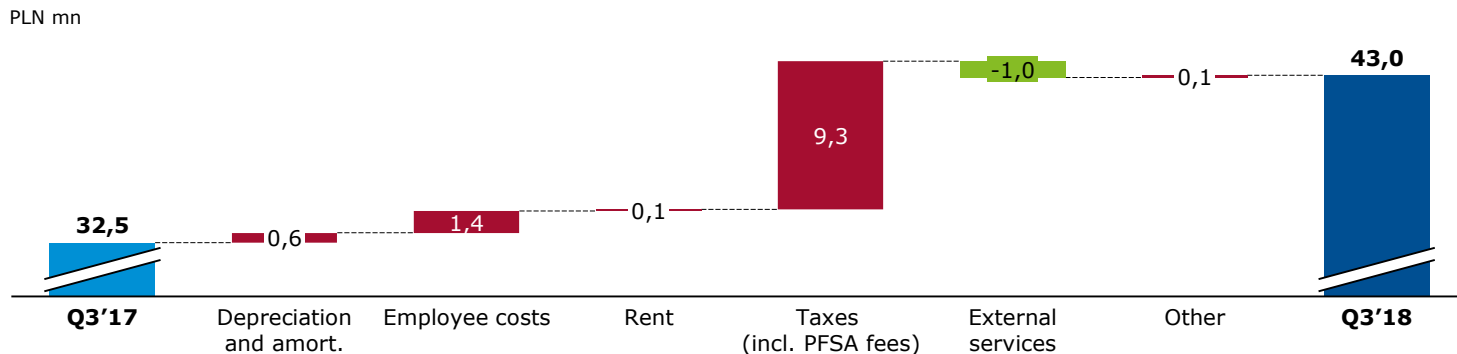
Operating expenses impacted by PFSA fees

Operating expenses: +32.4% YoY and +7.6% QoQ



- ◆ The Group's operating expenses in Q3 2018 at PLN 43.0 mn (+32.4% YoY and +7.6% QoQ). Annual PFSA fees paid in 2018 was PLN 12.5 mn vs. PLN 5.6 mn in 2017
- ◆ Cost/income ratio (C/I)² in Q3 2018 at 50.2 vs. 46.2 in Q2 2018 vs. 40.1% in Q3 2017
- ◆ Depreciation and amortisation charges in Q3 2018 at PLN 7.9 mn (+8.3% YoY and -1.8% QoQ). YoY increase driven by the depreciation/amortisation of two new systems implemented in TGE in 2017: X-Stream (May) and Sapri (November)
- ◆ Salaries at PLN 16.5 mn (+9.1% YoY and -0.9% QoQ). YoY increase driven by additional headcount and rising salaries
- ◆ External service charges down to PLN 11.1 mn (-8.5% YoY and -3.1% QoQ)

Change in operating expenses

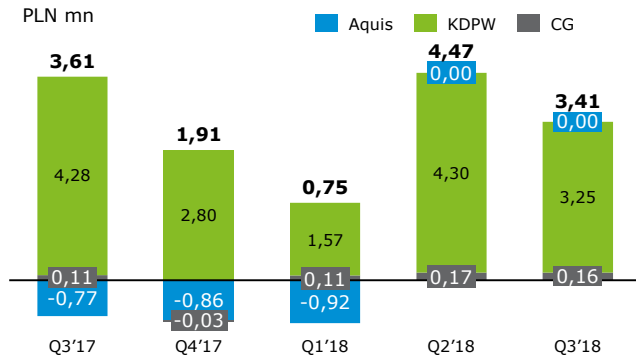


¹ Other includes rent, fees and charges (net of the PFSA fees), and other operating expenses

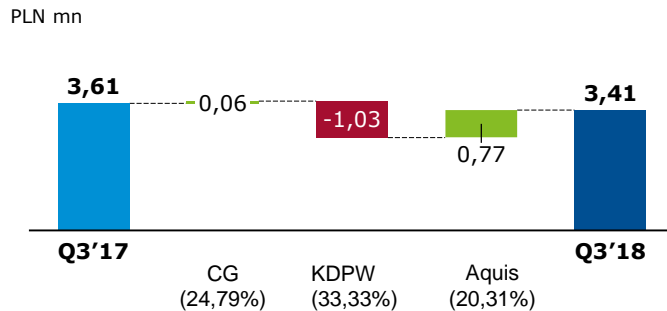
² C/I based on reported data

Share of profit of associates

Share of profit of associates



Change of share of profit of associates



- ◆ Group's share of profit of associates in Q3 2018 at PLN 3.4 mn (-5.5% YoY and -23.7% QoQ). Incremental share of profits of associates in 9M 2018 at PLN 9.4 mn vs. PLN 8.1 mn in 9M 2017
- ◆ KDPW Group's profit:
 - ✓ KDPW's net profit (GPW holds 33.33% of shares) in Q3 2018 at PLN 9.7 mn vs. PLN 12.9 mn in Q2 2018 vs. PLN 12.8 mn in Q3 2017 due to the smaller number of General Meetings of Shareholders
 - ✓ GPW sold its stake in Aquis Exchange in Q2 2018

Annex: Back-up Slides

GPW Group's Consolidated Balance Sheet



PLN mn	30.09.2017	30.06.2018	30.09.2018
Non-current assets , including among others	594,8	578,6	575,1
Property, plant and equipment	112,0	108,2	106,2
Intangible assets	268,9	262,5	258,7
Share of profit of associates	205,2	199,9	203,3
Financial assets measured at fair value through other comprehensive income	0,0	0,2	0,2
Non-current prepayments	6,5	5,8	5,9
Current assets , including among others	513,5	693,4	618,3
Trade and other receivables	63,8	68,5	78,7
Financial assets measured at amortised cost	0,0	110,8	101,0
Available-for-sale financial assets	0,0	0,0	0,0
Cash and cash equivalents	449,6	512,0	436,3
Total assets	1 108,3	1 272,0	1 193,4

PLN mn	30.09.2017	30.06.2018	30.09.2018
Equity	759,7	815,8	853,4
Non-current liabilities , including among others	271,2	266,0	268,3
Liability under the bond issue	243,5	243,8	243,8
Deferred income tax liability	7,3	3,9	6,4
Current liabilities , including among others	77,4	190,2	71,8
Trade payables	6,2	18,8	7,9
Employee benefits payable	10,5	10,5	11,7
Income tax payable	4,6	8,7	1,1
Credits and loans	20,0	0,0	0,0
Accruals and deferred income	15,6	0,6	0,6
Other current liabilities	18,1	127,3	35,8
Total equity and liabilities	1 108,3	1 272,0	1 193,4

- ◆ Decrease of total assets QoQ as at 30 September 2018 mainly driven by a decrease of cash (following investments made in line with the investment policy), partly offset by growing trade receivables and other receivables (mainly due to the recognition of VAT receivables in IRGiT).
- ◆ In 2018, GPW invested free cash in corporate bonds and certificates of deposit, which were recognised at PLN 101.0 mn as financial assets measured at amortised cost under current assets.
- ◆ Decrease of current liabilities QoQ as at 30 September 2018 due to a dividend of PLN 92.3 mn paid to GPW shareholders. Other current liabilities include liabilities in respect of current VAT payments, in particular in TGE, at PLN 22.9 mn.

GPW Group's Consolidated Profit & Loss Account



PLN mn	Q3'17	Q2'18	Q3'18
Revenue	81,1	86,6	85,7
Financial market	48,9	47,1	47,1
Trading	31,9	30,1	30,7
Listing	6,3	5,8	5,4
Information services	10,7	11,1	11,1
Commodity market	32,0	39,2	38,1
Trading	16,7	19,6	20,3
Register of Certificates of Origin	5,8	8,9	6,5
Clearing	9,4	10,5	11,1
Information services	0,1	0,1	0,1
Other operating income	0,3	0,4	0,5
Operating expenses	32,5	40,0	43,0
Other income	1,7	0,3	0,3
Other expenses	0,3	0,4	0,3
Impairment losses	0,0	0,4	-0,4
Operating profit	50,0	46,2	43,1
Financial income	1,3	48,2	1,8
Financial expenses	-1,3	2,1	2,2
Share of profit of associates	3,6	4,5	3,4
Profit before income tax	56,2	96,7	46,1
Income tax	9,3	17,7	8,5
Net profit	46,9	79,0	37,6
EBITDA	57,3	54,3	51,0

- ◆ Operating expenses increased YoY due to higher fees and charges (increase of the PFSA fee), higher depreciation and amortisation charges (significant increase in TGE – implementation of the new trading system X-Stream in May 2017 and Sapri in November 2017), higher salaries (increase of the headcount: restored headcount in GPW, launch of operations of GPWB and IAiR).
- ◆ Financial costs: YoY increase mainly driven by the recognition of the sale of Aquis in 2018.

GPW Group's Consolidated Cash Flows



9m ended on 30 September

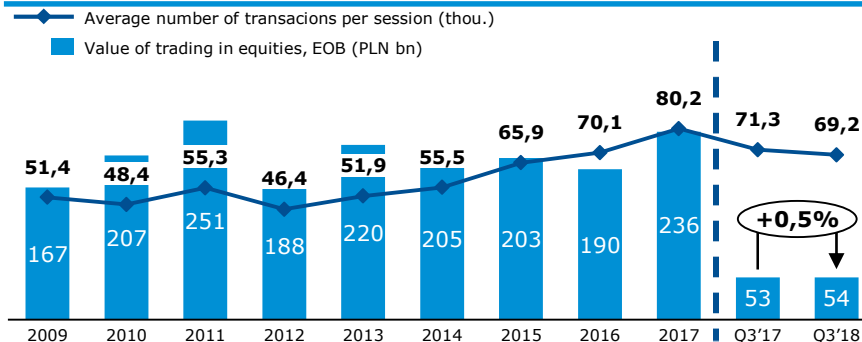
PLN mn	2018	2017
Cash flows from operating activities, including among others:	94,6	93,7
Cash flows from operating activities	130,2	148,3
Net profit of the period	146,6	119,4
Adjustments:	-16,4	28,9
Income tax	32,8	26,5
Depreciation and amortization	23,9	20,8
Foreign exchange (gains)/losses	0,0	0,2
Income from interest on deposits	-4,4	-4,1
Interest on issued bonds	5,8	5,4
Share of profit of associates	-8,6	-8,1
Change in current assets and liabilities	-20,7	-16,8
(Increase)/Decrease of trade and other receivables	-14,7	49,5
(Increase)/Decrease of other liabilities	7,1	-73,4
Interest on tax liabilities paid/refunded	-0,1	-14,5
Income tax paid/(refund)	-35,5	-40,2
Cash flows from investing activities, including among others:	-51,5	-13,1
Purchase of property, plant and equipment	-7,7	-6,9
Purchase of intangible assets	-6,0	-10,3
Sale of available-for-sale financial assets	57,5	-
Acquisition of other financial asset measured at amortised cost	-145,3	-
Interest received	4,4	4,1
Cash flows from financing activities, including among others:	-93,3	-77,6
Paid interest	-5,3	-5,6
Loans taken	-	59,7
Proceeds from bond issue	-	119,9
Buy-back of bonds issued	-	-120,5
Increase/decrease of net cash and cash equivalents	-50,2	3,0
Cash and cash equivalents - opening balance	486,5	446,8
Cash and cash equivalents - closing balance	436,3	449,6

- ◆ Positive cash flows from operating activities in the nine-month period ended 30 September 2018 compared to 9M 2017 mainly driven by a higher net profit, higher liabilities, and a lower income tax paid.
- ◆ Negative cash flows from investing activities in the nine-month period ended 30 September 2018 compared to 9M 2017 mainly driven by GPW's acquisition of bonds and certificates of deposit in the aggregate amount of PLN 100.3 mn, sale of assets at PLN 57.5 mn (Aquis), and acquisition of property, plant and equipment and intangible assets in the aggregate amount of PLN 13.7 mn.
- ◆ Negative cash flows from financial activities in the nine-month period ended 30 September 2018 mainly due to a dividend payment of PLN 92.3 mn.
- ◆ Decrease of cash in the nine-month period ended 30 September 2018 YoY mainly driven by the investment of free cash in bonds and certificates of deposit.



27.7%¹

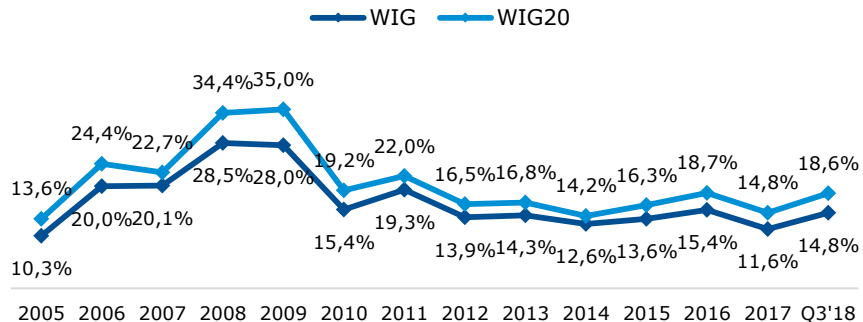
Value of trading in equities and number of transactions



◆ Revenue drivers:

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

Volatility – WIG and WIG20



¹ Share in GPW Group's revenue in Q3 2018

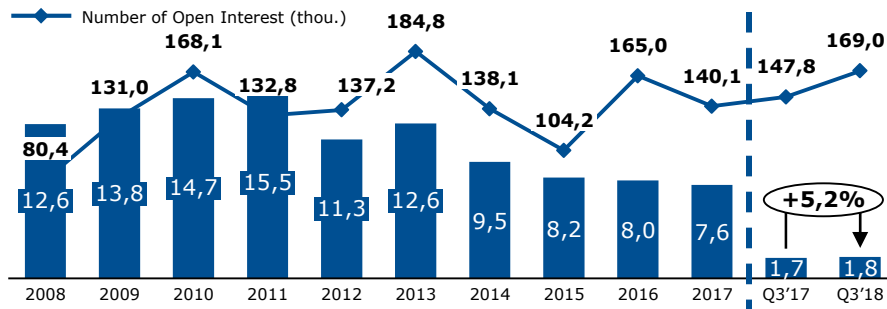


3.1%²

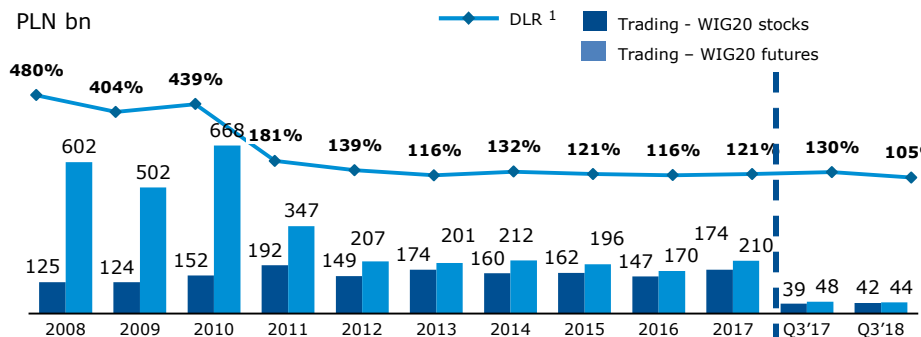
◆ Revenue drivers:

- ✓ Volume of trading in futures
- ✓ Number of open interest
- ✓ Volatility

Volume of trading in derivatives



Volume of trading in futures vs. volatility



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

² Share in GPW Group's revenue in Q3 2018

Financial Market: Other Instruments and Fees Paid by Participants



2.8%¹

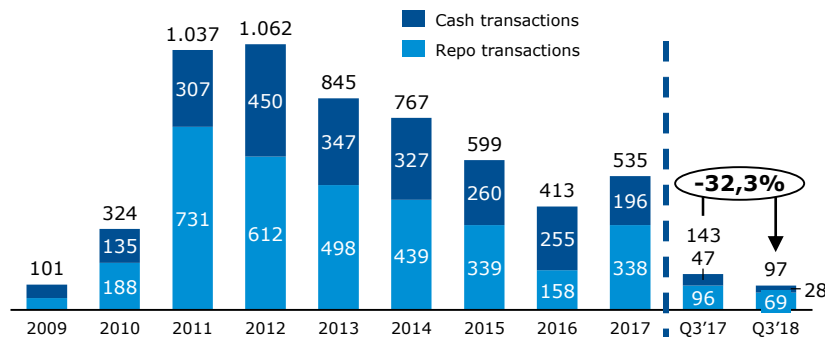


2.1%²

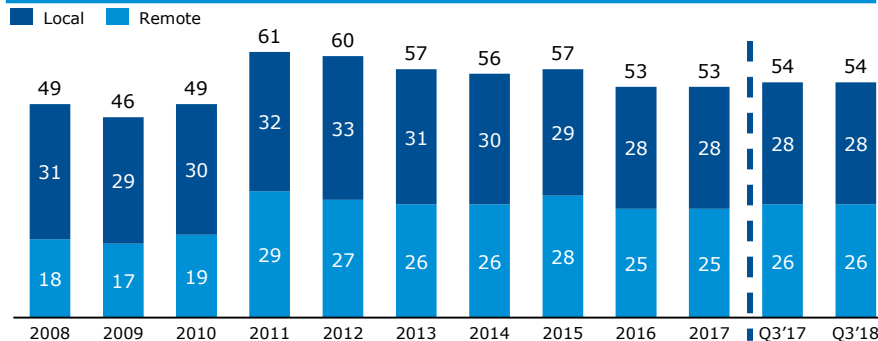
◆ Revenue drivers:

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

Value of trading on Treasury BondSpot Poland, PLN bn



Number of exchange members



¹ Share in GPW Group's revenue in Q3 2018, trading in debt instruments

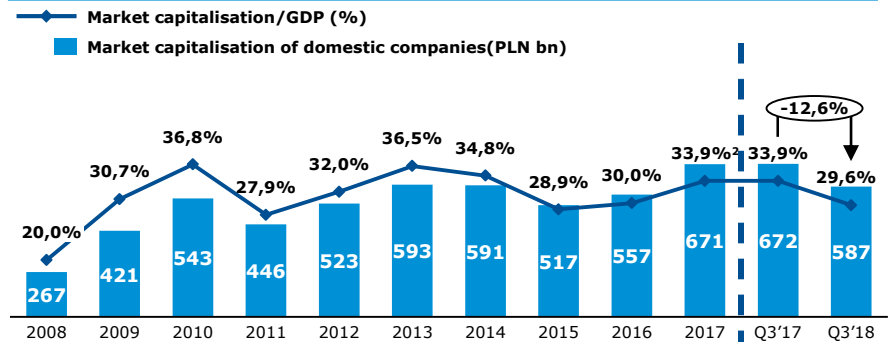
² Share in GPW Group's revenue in Q3 2018, other trading fees paid by market participants



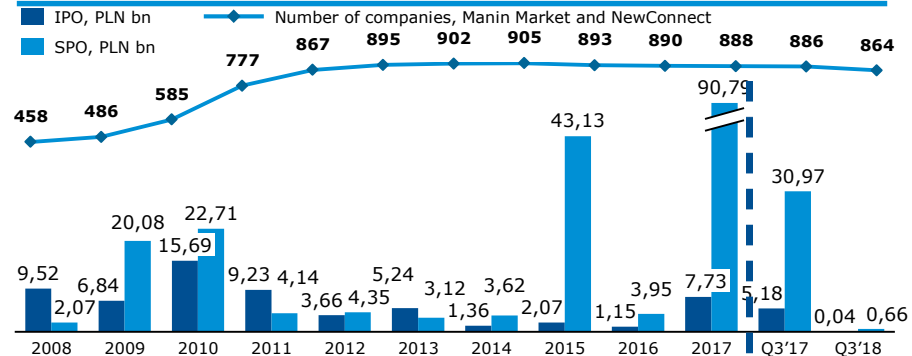
6.3%¹

- ◆ Revenue drivers:
 - ✓ Capitalisation at YE
 - ✓ Value of new issue shares and bonds
 - ✓ Number of issuers

Capitalisation of domestic companies



IPO/SPO value and number of companies



¹ Share in GPW Group's revenue in Q3 2018

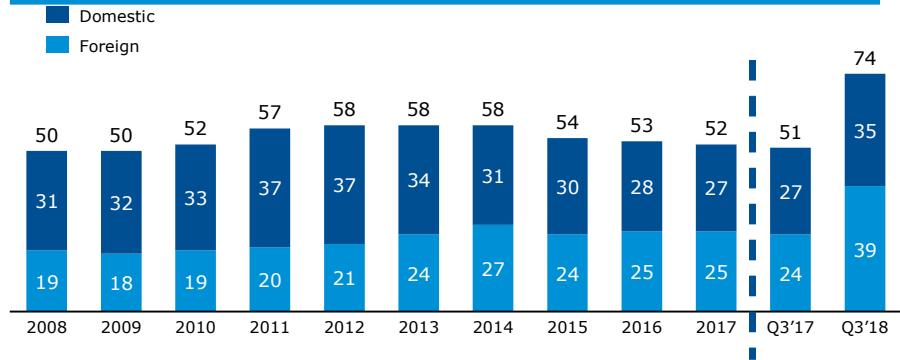
² Source: Central Statistical Office (GUS), 2017 nominal GDP



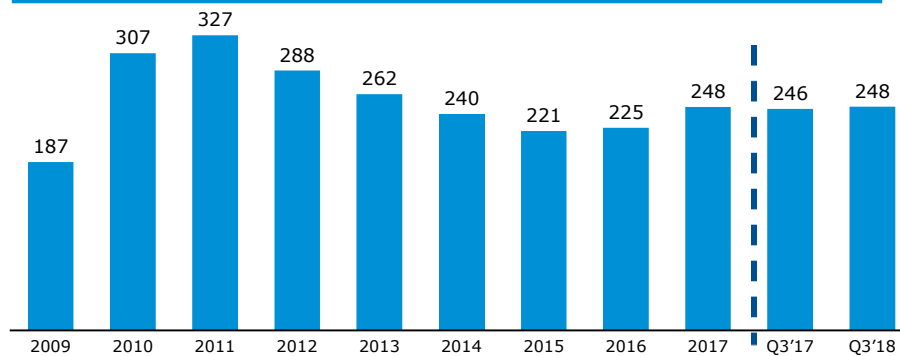
12.9%¹

- ◆ 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 Q3 2018

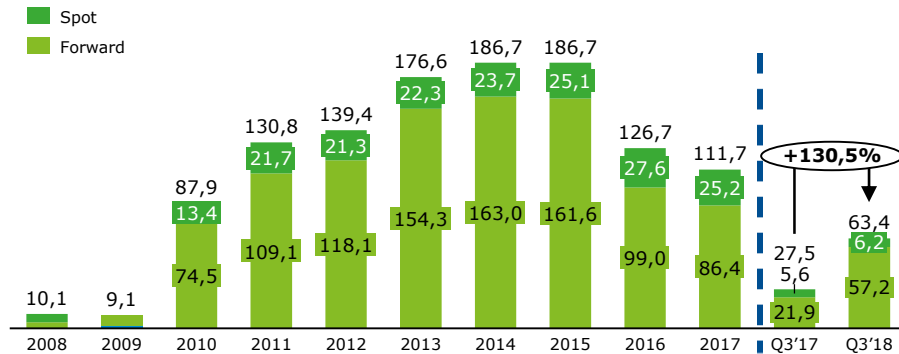


9.9%²

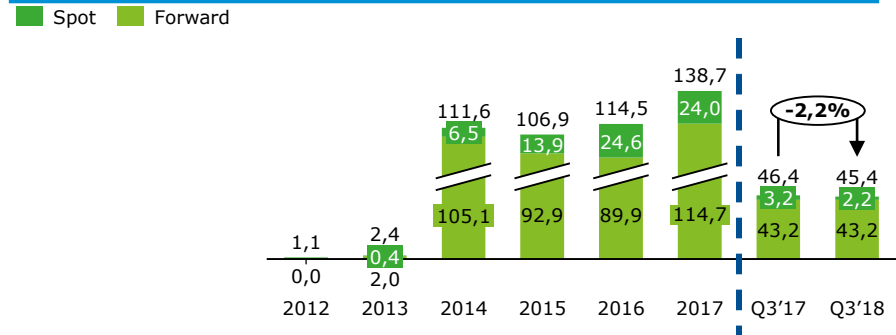
◆ Revenue drivers:

- ✓ 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

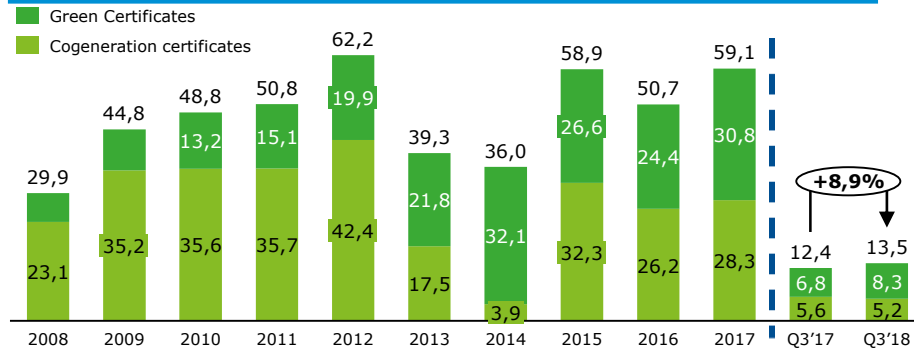
² Total share of trading in electricity and trading in gas in GPW Group's revenue in Q3 2018

10.5%¹

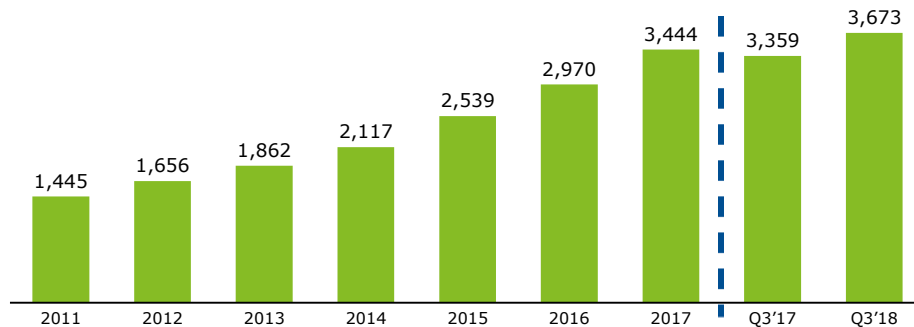
◆ Revenue drivers:

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

Trading in property rights (TWh)



Number of participants of the Register of Certificates of Origin



¹ Share in GPW Group's revenue in Q3 2018

Commodity Market: Register of Certificates of Origin

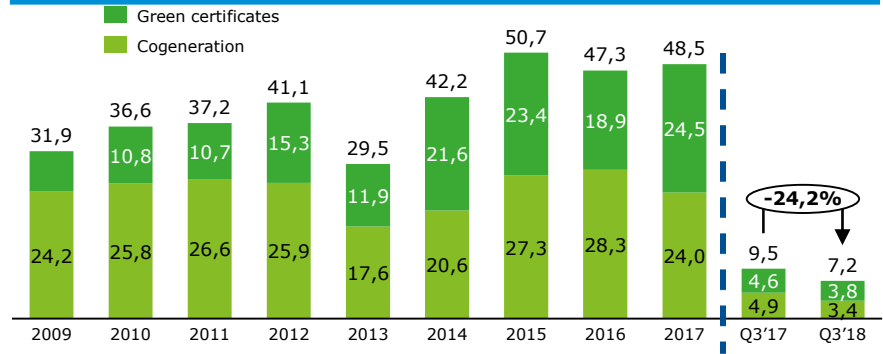


7.6%¹

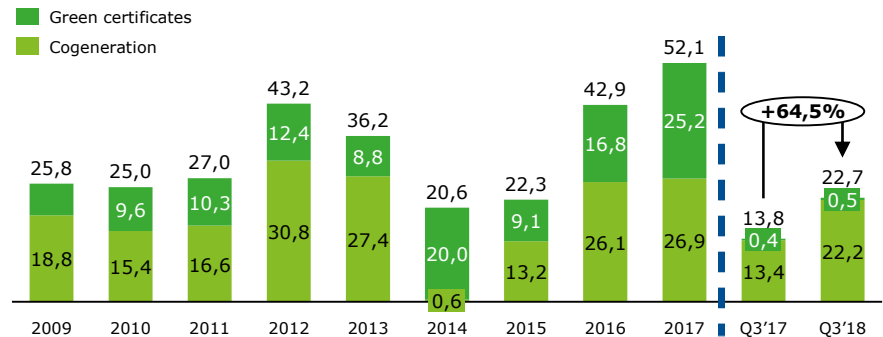
◆ Revenue drivers:

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

Volume of issued certificates of origin (TWh)



Volume of cancelled certificates of origin (TWh)



¹ Share in GPW Group's revenue in Q3 2018

IR events

◆ 30 October 2018

Publication of Q3 2018 results

◆ 5-9 November 2018

Road show, USA/Canada

◆ 4-7 December 2018

Wood's Winter Wonderland, Emerging Europe Conference,
Prague, Czech Rep.

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Contact:

GPW Investor Relations

Phone 22 537 72 50

ir@gpw.pl

www.gpw.pl/relacje_inwestorskie