Separate Financial Statements

of Giełda Papierów Wartościowych w Warszawie S.A.

for the year ended 31 December 2021

GPW 30 lat

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December		
		2021	2020 (restated*)	2019 (restated*)
Non-current assets:		**442,961**	**434,418**	**438,702**
Property, plant and equipment	3.1.	77,709	83,526	86,517
Right-of-use assets	3.6.4.	5,040	7,491	10,090
Intangible assets	3.2.	72,630	59,198	55,802
Investment property	3.3.	8,277	8,564	8,899
Investment in associates and joint ventures	3.5.	11,652	11,652	11,652
Investment in subsidiaries	3.4.	260,633	256,585	255,885
Sublease receivables	3.6.6.	1,803	4,096	6,363
Deferred tax asset	3.16.	3,199	1,446	1,626
Financial assets measured at fair value through other comprehensive income	3.7.3.	123	115	120
Prepayments	3.9.	1,895	1,745	1,748
Current assets:		**509,033**	**439,521**	**357,421**
Inventories		8	10	46
Corporate income tax receivable		-	-	4,132
Trade receivables and other receivables	3.7.4.	40,909	47,417	30,128
Sublease receivables	3.6.6.	2,347	2,472	2,302
Contract assets	3.8.	2	764	940
Financial assets measured at amortised cost	3.7.5.	296,306	249,985	267,687
Other current assets		-	-	4,222
Cash and cash equivalents	3.7.6.	169,461	138,873	47,964
TOTAL ASSETS		**951,994**	**873,939**	**796,123**

**Data for the comparative period have been restated. See Note 6.7.*

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

3 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at 31 December		
		2021	2020 (restated*)	2019 (restated*)
Equity:		**611,392**	**541,711**	**472,975**
Share capital	3.10.1.	63,865	63,865	63,865
Other reserves	3.10.2.	(41)	(227)	(187)
Retained earnings	3.10.3.	547,568	478,073	409,297
Non-current liabilities:		**38,079**	**281,401**	**283,451**
Liabilities on bonds issue	3.11.	-	244,739	244,350
Employee benefits payable	3.12.	1,280	781	682
Lease liabilities	3.6.5.	4,211	9,147	13,956
Contract liabilities	3.8.	7,003	6,776	7,005
Accruals and deferred income	3.13.	16,293	7,495	809
Deferred tax liability	3.16.	-	1,825	4,705
Other liabilities	3.14.	9,292	10,638	11,944
Current liabilities:		**302,523**	**50,827**	**39,697**
Liabilities on bonds issue	3.11.	246,278	1,167	1,932
Trade payables	3.15.	7,679	7,338	7,970
Employee benefits payable	3.12.	21,818	14,725	10,579
Lease liabilities	3.6.5.	5,250	5,192	4,959
CIT payable		6,167	6,474	-
Contract liabilities	3.8.	4,859	4,638	3,515
Accruals and deferred income	3.13.	2,843	2,205	231
Provisions for other liabilities and other charges		-	-	95
Other liabilities	3.14.	7,629	9,088	10,416
TOTAL EQUITY AND LIABILITIES		**951,994**	**873,939**	**796,123**

**Data for the comparative period have been restated. See Note 6.7.*

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

4 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2021	2020 (restated*)
Sales revenue	4.1.	253,021	256,003
Operating expenses	4.2.	(156,805)	(134,113)
Gains on reversed impairment of receivables	3.7.4.	1,066	118
Other income	4.3.	1,581	2,461
Other expenses	4.4.	(3,323)	(8,404)
Operating profit		**95,540**	**116,065**
Financial income, incl.:	4.5.	102,889	85,675
Interest income under the effective interest rate method	4.5.	*1,105*	*2,676*
Financial expenses	4.6., 6.7.	(7,309)	(9,589)
Profit before tax		**191,120**	**192,151**
Income tax	4.7.	(16,695)	(22,641)
Profit for the period		**174,425**	**169,510**
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net	3.10.2.	*5*	*(4)*
Actuarial gains/(losses) on provisions for employee benefits after termination, net	3.10.2.	*181*	*(36)*
Total items that will not be reclassified to profit or loss	3.10.2.	186	(40)
Total other comprehensive income after tax		**186**	**(40)**
Total comprehensive income		**174,611**	**169,470**
Basic / Diluted earnings per share (PLN)	3.10.5.	**4.16**	**4.04**

**Data for the comparative period have been restated. See Note 6.7.*

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

5 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CASH FLOWS

	Note	Year ended 31 December	
		2021	2020 (restated*)
Total net cash flows from operating activities		**119,493**	**119,411**
Net profit of the period		**174,425**	**169,510**
Adjustments:		**(39,493)**	**(29,708)**
Income tax	4.7.	16,695	22,641
Depreciation and amortisation	5.	23,605	23,625
Impairment	3.7.5.	141	-
Dividend (income)	4.5.	(101,762)	(80,766)
(Gains) on financial assets measured at amortised cost	3.7.5.	(859)	(2,101)
Interest on the bond issue	3.11.	5,440	6,535
Other adjustments	5.	(1,838)	6,725
Change of assets and liabilities:		19,085	(6,367)
Inventories		*2*	*37*
Trade receivables and other receivables	3.7.4.	*1,377*	*(13,369)*
Trade payables	3.15.	*341*	*(632)*
Contract assets	3.8.	*762*	*176*
Contract liabilities	3.7.	*448*	*894*
Non-current prepayments	3.9.	*(150)*	*3*
Accruals and deferred income	3.13.	*10,691*	*-*
Employee benefits payable	3.12.	*7,592*	*4,245*
Other liabilities (excluding contracted investments and dividend payable)	3.14.	*(633)*	*3,667*
Provisions for liabilities and other charges		*-*	*(95)*
Other non-current liabilities		*(1,345)*	*(1,293)*
Income tax advances received from related parties (Tax Group)	4.7.	**14,392**	**4,719**
Income tax (paid)/refunded	4.7.	**(29,831)**	**(25,110)**

**Data for the comparative period have been restated. See Note 6.7.*

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

6 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Year ended 31 December	
		2021	**2020 (restated*)**
Total cash flows from investing activities:		**21,949**	**75,408**
In:		**1,110,744**	**901,212**
Sale of property, plant and equipment and intangible assets		-	1
Dividends received	**4.5.**	101,762	80,766
Sale of financial assets measured at amortised cost		1,005,672	814,572
Interest on financial assets measured at amortised cost	**3.7.5.**	595	3,278
Sublease payments (interest)	**4.5., 3.6.6.**	167	270
Sublease payments (principal)	**3.6.6.**	2,548	2,325
Out:		**(1,088,795)**	**(825,804)**
Purchase of property, plant and equipment and advances for property, plant and equipment		(9,275)	(10,748)
Purchase of intangible assets and advances for intangible assets		(23,205)	(15,226)
Purchase of financial assets measured at amortised cost		(960,869)	(798,047)
Loan granted to a related party	**6.3.2.**	(91,310)	(500)
Purchase of shares of a related party	**3.4.**	(4,048)	(1,283)
Other		(88)	-
Total cash flows from financing activities:		**(110,701)**	**(104,397)**
In:		**9,928**	**9,821**
Grants received	**6.2.**	9,928	9,821
Out:		**(120,629)**	**(114,218)**
Dividend paid	**3.10.4.**	(105,179)	(100,716)
Interest paid on bonds	**3.11.**	(5,452)	(7,300)
Repaid advance grant		(4,215)	(506)
Lease payments (interest)	**4.6., 3.6.5.**	(376)	(603)
Lease payments (principal)	**3.6.5.**	(5,407)	(5,093)
Net increase in cash and cash equivalents		**30,741**	**90,422**
Impact of fx rates on cash balance in currencies		*(153)*	*488*
Cash and cash equivalents - opening balance	**3.7.6.**	**138,873**	**47,964**
Cash and cash equivalents - closing balance	**3.7.6.**	**169,461**	**138,873**

**Data for the comparative period have been restated. See Note 6.7.*

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

7 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CHANGES IN EQUITY

-	Equity			Total equity
	Share capital	Other reserves	Retained earnings	
As at 1 January 2021 (restated)*	**63,865**	**(227)**	**478,073**	**541,711**
Dividends	-	-	(104,930)	**(104,930)**
Transactions with owners recognised directly in equity	**-**	**-**	**(104,930)**	**(104,930)**
Net profit for 2021	-	-	174,425	**174,425**
Other comprehensive income	-	186	-	**186**
Comprehensive income for 2020	**-**	**186**	**174,425**	**174,611**
As at 31 December 2021	**63,865**	**(41)**	**547,568**	**611,392**

**Data for the comparative period have been restated. See Note 6.7.*

-	Equity			Total equity
	Share capital	Other reserves	Retained earnings	
As at 1 January 2020 (reported)	**63,865**	**(187)**	**416,165**	**479,843**
Adjustments:	-	-	(6,868)	**(6,868)**
As at 1 January 2020 (restated)*	**63,865**	**(187)**	**409,297**	**472,975**
Dividends	-	-	(100,733)	**(100,733)**
Transactions with owners recognised directly in equity	**-**	**-**	**(100,733)**	**(100,733)**
Net profit for 2020	-	-	169,510	**169,510**
Other comprehensive income	-	(40)	-	**(40)**
Comprehensive income for 2020	**-**	**(40)**	**169,510**	**169,470**
As at 31 December 2020 (restated)*	**63,865**	**(227)**	**478,073**	**541,711**

**Data for the comparative period have been restated. See Note 6.7.*

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

8 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

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

1.1. LEGAL STATUS

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

1.2. SCOPE OF OPERATIONS OF THE EXCHANGE

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

The Company operates the following markets:

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

1.3. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorised for issuance by the Management Board of the Exchange on 15 March 2022.

1.4. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"[1]) as adopted by the European Union.

The following new standards and amendments of existing standards adopted by the European Union are in force for the financial statements of the Exchange for the financial year started on 1 January 2021:

- Amendments to IFRS 4 Insurance Contracts – Extension of the temporary exemption from applying IFRS 9,
- Amendments to IFRS 16 Leases –COVID-19-related rent concessions,
- 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 IFRS amendments had no significant impact on data presented in these financial statements.

The key accounting policies applied in the preparation of these financial statements are presented below. These policies were continuously followed in all presented periods, unless indicated otherwise.

1.5. NEW STANDARDS AND INTERPRETATIONS

The Exchange did not use the option of early application of new standards and interpretations already published and adopted by the European Union or planned for adoption in the near future which will take effect after the balance sheet date.

1.5.1. STANDARDS AND INTERPRETATIONS ADOPTED BY THE EUROPEAN UNION

The following amendments already adopted by the European Union will take effect for periods starting after 1 January 2022:

- Amendments to IAS 16 Property, Plant and Equipment – proceeds from selling items before an asset is available for use,

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

- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets – onerous contracts – cost of fulfilling a contract,
- Amendments to IAS 3 Business Combinations – reference to the conceptual framework,
- Annual Improvements 2018-2020 provide clarification and additional guidance on recognition and measurement.

1.5.2. STANDARDS AND INTERPRETATIONS AWAITING ADOPTION BY THE EUROPEAN UNION

IFRS adopted by the European Union are not significantly different from the regulations approved by the International Accounting Standards Board (IASB) with the exception of the following Standards, Interpretations and Amendments that are not yet effective in the EU as at the date of these financial statements.

The following Standards and Interpretations (not yet effective) do not apply to the Exchange or are not expected to have material impact on the financial statements of the Company.

Standard	Effective date (IASB)
Amendments to IAS 1 Presentation of Financial Statements – presentation of liabilities as current or non-current.	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IASB Guidelines on accounting policy disclosures in practice – materiality of accounting policies.	1 January 2023
IFRS 17 Insurance Contracts – the standard replaces the existing regulations on insurance contracts (IFRS 4).	1 January 2023
Amendments to IAS 8 Accounting Policies – changes in accounting estimates and correction of errors – definition of estimates.	1 January 2023
Amendments to IAS 12 Income Tax – mandatory recognition of deferred tax on transactions, i.e., leases.	1 January 2023
Amendments to IFRS 17 Insurance Contracts – initial application of IFRS 17 and IFRS 9 – Comparative information.	1 January 2023

The Exchange plans to adopt these Amendments, as applicable to its business, when they become effective.

1.6. ACCOUNTING POLICY AND OTHER INFORMATION

1.6.1. FUNCTIONAL AND PRESENTATION CURRENCY

These separate financial statements are presented in the Polish zloty (PLN), which is the functional currency of the Exchange, and all values are presented in thousands of Polish zlotys (PLN’000) unless stated otherwise

1.6.2. BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis except for financial assets measured at fair value.

The financial statements have been prepared on the going concern basis.

1.6.3. ESTIMATES AND JUDGMENTS

The preparation of separate financial statements in accordance with the IFRS requires making certain critical accounting estimates. It also requires the Exchange’s Management Board to use its judgment in the application of the Exchange’s accounting policy. Estimates and judgments are subject to on-going verification. Estimates and judgments adopted for the purpose of preparing the separate financial statements are based on historical experience, analyses and predictions of future events, which to the best knowledge of the Management Board of the Exchange are believed to be reasonable in the given situation.

Details of judgments and estimations are presented and highlighted in the Notes to these financial statements.

1.6.4. SELECTED ACCOUNTING POLICIES

Selected accounting policies are presented in the Notes to these financial statements.

The Exchange presents a single statement of profit or loss and other comprehensive income.

1.6.5. EVALUATION OF BALANCES PRESENTED IN FOREIGN CURRENCIES

Transactions presented in foreign currencies are booked at the transaction date at the following foreign exchange rate:

- the rate actually applied at such date, depending on the nature of the transaction – for sale or purchase of foreign currencies or payment of receivables or payables;
- the average rate published for the currency by the National Bank of Poland at the day preceding such date – for other operations.

As at the balance sheet date:

- monetary items presented in foreign currencies are converted with the closing foreign exchange (FX) rates;
- non-monetary items presented in foreign currencies valued at historical cost are converted at the FX rate prevailing at the transaction date;
- non-monetary items presented in foreign currencies at fair value are converted at the FX rate prevailing at the day of determining the fair value.

Foreign exchange gains and losses resulting from settlements of transactions in foreign currencies and from the conversions of monetary assets and liabilities denominated in foreign currencies are disclosed as profit / loss of the current period.

1.6.6. SEGMENT REPORTING

Information about business segments is presented only in the consolidated financial statements of the Warsaw Stock Exchange Group ("the GPW Group" or "the Group").

1.7. IMPACT OF THE SARS-COV-2 PANDEMIC

The outbreak of the SARS-CoV-2 pandemic in March 2020 was an unprecedented event which significantly affected the business of the Exchange. Revenues from the markets operated by GPW are strongly linked to the economic situation in Poland and globally. Factors such as business restrictions, aid programmes and tax incentives, and above all increased uncertainty on the financial markets had a significant impact on the volatility of the capital markets, which impacted the value of turnover and the capitalisation of companies on the GPW Main Market. That resulted in a significant increase in the revenues of GPW and an improvement in the financial performance of the Exchange in 2020 compared to 2019. The high level of performance was maintained in 2021.

Uncertainty caused by the outbreak of a pandemic

The Exchange reviewed the judgements and estimates made and other assumptions used in its accounting policies as at 31 December 2021:

- the key assumptions of the impairment tests of investment in subsidiaries were analysed. No need was identified to recognise impairment losses on investment in subsidiaries as at 31 December 2021 (Note 3.2.);
- no need was identified to change any of the estimates concerning the useful life and the depreciation rate of property, plant and equipment and intangible assets;
- the judgments used in the valuation of lease liabilities were not modified. The Exchange Management Board decided that the term of leases used in the valuation of lease liabilities under lease agreements with no fixed term (5 years) is an adequate representation of the most probable term of leases taking into account all facts and circumstances in connection with the outbreak of the pandemic. A sensitivity analysis of the key variables (i.e., change in term of lease and change in the lessee's incremental borrowing rate) is presented in Note 3.6.3. In addition, the Exchange and its subsidiaries did not receive or grant any rent concessions or materially change the scope of their leases in 2021;
- the impact of the pandemic on the accounting for financial instruments under IFRS 9 was considered. In the opinion of the Exchange Management Board, the current classification of financial assets and assessment of the business model for holding financial assets is correct and there are no indications that their recognition should change or that impairment should be recognised;
- an in-depth analysis of the regularity of payment of trade receivables was carried out and the assumptions used in the valuation of expected credit loss of trade receivables were updated. No significant adverse impact was identified of the economic slow-down on the regular payment of receivables due from counterparties of the Exchange as at 31 December 2021.

Going concern

The Exchange Management Board also considered whether the outbreak of the pandemic and its impact affected the ability of the Exchange to continue as a going concern. As at 31 December 2021, the Exchange held PLN 169,461 thousand of cash and cash equivalents and short-term financial assets in the form of bank deposits and guaranteed corporate bonds. These represent sufficient financial resources to conclude that the Exchange's liquidity risk in the short and medium term is low.

As at 31 December 2021, the Exchange did not identify any material uncertainties relating to events or circumstances that would cast significant doubt on its ability to continue as a going concern.

Risks associated with the outbreak of the pandemic

The Exchange Management Board monitors the epidemiological situation in Poland and globally on an on-going basis and analyses its impact on the position of the Exchange. In view of the new economic situation in Poland, the Exchange identified a number of operational and financial risks including periodic HR shortages, interruption of vendors' services, restricted activity of market makers, slow-down of operational processes, the psychological impact of long isolation, and shrinking ability and will of the Exchange's clients to pay debt when due.

In the opinion of the Exchange Management Board, those operational and financial risks associated with the outbreak of the pandemic are considered moderate. Details of risks, together with a description of actions taken to mitigate the identified risks and a detailed discussion of the impact of the pandemic on the financial position of the Company are presented in the Management Board's Report on the activities of the Warsaw Stock Exchange, Note 2.8.

1.8. ANALYSIS OF THE IMPACT OF CLIMATE CHANGE ON THE ACTIVITY OF THE GPW

The European Securities and Markets Authority (ESMA) has identified climate-related issues as one of its priorities in its annual public position setting out the European common supervisory priorities for the 2021 annual financial reports. Accordingly, the Exchange has analysed the impact of climate change on the Separate Financial Statements and concluded that climate change has no impact on the carrying amount of the assets and liabilities presented as at 31 December 2021. In particular, the impact of climate change on the estimates and judgements, including the impairment assessment of cash-generating units, was considered. As a result of the analysis, no update for the useful lives of property, plant and equipment and intangible assets was identified as necessary.

2. FINANCIAL RISK MANAGEMENT

2.1. FINANCIAL RISK FACTORS

The Exchange is exposed to the following financial risks:

- market risk:
  - cash flow and fair value interest rate risk,
  - currency risk,
  - price risk,
- credit risk,
- liquidity risk.

The Exchange's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise any potential adverse effects on the Exchange's financial performance. The Management Board of the Exchange is responsible for financial risk management. The Exchange has dedicated departments responsible for ensuring its liquidity (including foreign currency liquidity), debt collection and timely payment of liabilities (particularly tax liabilities).

2.2. MARKET RISK

2.2.1. CASH FLOW AND FAIR VALUE INTEREST RATE RISK

The Exchange is moderately exposed to interest rate risk.

The Exchange invests free cash in bank deposits, corporate bonds, Treasury bonds, and other instruments where the interest rate is fixed, negotiated and determined when contracted at levels close to market rates at contracting. If market rates rise, the Exchange will earn higher interest income; if market rates fall, the Exchange will earn lower interest income.

The Exchange is an issuer of series C bonds at fixed interest rates as well as series D and E bonds at floating interest rates based on WIBOR 6M. In the case of an increase in interest rates, the Exchange will be obligated to pay out interest coupons on series D and E bonds with a higher value; in the case of a decrease in interest rates, the value of those coupons will be lower (which has a direct impact on financial expenses of the Exchange). In the case of fixed rate bonds, the Exchange is exposed to the risk of foregoing potential benefits associated with a decrease in interest rates while at the same time being protected in the event that interest rates rise above the level specified in the terms of issue.

Based on an analysis of the sensitivity of the profit before tax of the Exchange to market interest rates, the table below presents the impact of a change in the rate by 0.5 percentage point on financial income/costs (assuming no other changes).

	Impact of an 0.5 pps interest rate decrease on items of the statement of comprehensive income	
	Year ended 31 December	
	2021	2020
Financial income	(2,132)	(1,697)
Financial expenses	840	840

An 0.5 pps interest rate increase will result in the opposite change of financial income/expenses as presented above.

The table below presents financial assets and liabilities by maturity. Financial assets and liabilities not presented in the table below bear no interest.

	As at 31 December 2021				
	Maturity up to 1 year			1-5 Y	Total
	1-3 M	> 3M	Total		
Corporate bonds	14,995	150,271	**165,266**	-	**165,266**
Bank deposits	141,038	55,048	**196,086**	-	**196,086**
Loans granted	-	91,128	**91,128**	-	**91,128**
Current accounts (other)	13,530	-	**13,530**	-	**13,530**
Total current	**169,563**	**296,447**	**466,010**	**-**	**466,010**
Total financial assets	**169,563**	**296,447**	**466,010**	**-**	**466,010**
Bonds issued	-	246,468	**246,468**	-	**246,468**
Total current	**-**	**246,468**	**246,468**	**-**	**246,468**
Total financial liabilities	**-**	**246,468**	**246,468**	**-**	**246,468**

	As at 31 December 2020				
	Maturity up to 1 year			1-5 Y	Total
	1-3 M	> 3M	Total		
Corporate bonds	-	89,977	**89,977**	-	**89,977**
Bank deposits	113,002	160,008	**273,010**	-	**273,010**
Current accounts (other)	25,868	-	**25,868**	-	**25,868**
Total current	**138,870**	**249,985**	**388,855**	**-**	**388,855**
Total financial assets	**138,870**	**249,985**	**388,855**	**-**	**388,855**
Bonds issued	-	-	**-**	244,929	**244,929**
Total non-current	**-**	**-**	**-**	**244,929**	**244,929**
Bonds issued	-	1,551	**1,551**	-	**1,551**
Total current	-	1,551	**1,551**	-	**1,551**
Total financial liabilities	**-**	**1,551**	**1,551**	**244,929**	**246,480**

2.2.2. FOREIGN EXCHANGE RISK

The Exchange is exposed to moderate foreign exchange risk. The Company earns income in PLN and EUR. The Exchange pays costs mainly in PLN and also in EUR, USD and GBP. To minimise FX risk, the Company uses natural hedging, i.e., it covers the current cost denominated in EUR with cash deposited in a currency account, raised from clients who pay their debt in EUR. The Exchange used no derivatives to manage FX risk in 2021 and in 2010.

13 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

Based on a sensitivity analysis, as at 31 December 2021, a 10% change in the average exchange rate of PLN assuming no other changes would result in moderate change in the profit before tax, as presented in the table below.

	Impact of a 10% FX rate increase on profit before tax	
	Year ended 31 December	
	2021	2020
EUR	943	1,846
USD	2	33
GPB	-	1
Total impact on profit before tax	**945**	**1,881**

An 10% FX rate decrease will result in the opposite change of profit before tax as presented above.

	As at 31 December 2021 (converted to PLN at FX rate as at the balance-sheet date)			
	PLN	EUR	USD	Total carrying amount in PLN
Financial assets measured at amortised cost	296,306	-	-	**296,306**
Trade receivables (net)	16,114	6,814	-	**22,928**
Other receivables*	9,983	-	-	**9,983**
Sublease receivables	2,752	1,398	-	**4,150**
Cash and cash equivalents	165,717	3,744	-	**169,461**
Total assets	**490,872**	**11,956**	**-**	**502,828**
Bonds in issue	246,278	-	-	**246,278**
Trade payables	7,484	179	16	**7,679**
Lease liabilities	8,507	954	-	**9,461**
Loans	-	-	-	**-**
Other liabilities**	14,227	-	-	**14,227**
Total liabilities	**276,496**	**1,133**	**16**	**277,645**
Net FX position	**214,376**	**10,823**	**(16)**	**225,183**

** net of prepayments and receivables from other taxes*
*** net of VAT payable and other taxes payable*

	As at 31 December 2020 (converted to PLN at FX rate as at the balance-sheet date)			
	PLN	EUR	USD	Total carrying amount in PLN
Financial assets measured at amortised cost	249,985	-	-	**249,985**
Trade receivables (net)	25,139	9,341	-	**34,480**
Other receivables*	1,502	-	-	**1,501**
Sublease receivables	4,495	2,073	-	**6,568**
Cash and cash equivalents	126,721	12,152	-	**138,873**
Total assets	**407,842**	**23,566**	**-**	**431,407**
Bonds in issue	245,906	-	-	**245,906**
Trade payables	6,679	630	17	**7,338**

14 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2020 (converted to PLN at FX rate as at the balance-sheet date)			
	PLN	EUR	USD	Total carrying amount in PLN
Lease liabilities	11,624	2,399	316	**14,339**
Other liabilities**	16,312	-	-	**16,326**
Total liabilities	**280,521**	**3,029**	**333**	**283,909**
Net FX position	**127,321**	**20,537**	**(333)**	**147,498**

** net of prepayments and receivables from other taxes*
*** net of VAT payable and other taxes payable*

2.2.3. PRICE RISK

Given the nature of its business, the Exchange is not exposed to any mass commodity price risk.

The Exchange is minimally exposed to price risk of held equities measured at fair value. The value of such investments was not significant as at 31 December 2021 and as at 31 December 2010 (see Note 3.7.3).

2.3. CREDIT RISK

Credit risk is defined as a risk of occurrence of losses due to the Exchange's counterparty's default of payments or as a risk of decrease in economic value of amounts due as a result of deterioration of a counterparty's ability to pay due amounts.

Credit risk connected with trade receivables is mitigated by the Exchange Management Board by performing assessment of counterparties' credibility. In the opinion of the Exchange Management Board, there is no material concentration of credit risk of trade receivables within the Company.

Resolutions of the Exchange Management Board set payment dates that differ depending on groups of counterparties. The payment dates amount to 21 days for most counterparties, however, for data vendors, they are most often 45 days.

The credibility of counterparties is verified in accordance with internal regulations and good practice of the capital market as applicable to issuers of securities and Exchange Members. In the verification, the Exchange reviews in detail the application documents including financial statements, copies of entries in the National Court Register, and notifications of the Polish Financial Supervision Authority.

The maximum exposure of the Exchange to credit risk is reflected in the carrying amount of trade receivables, bank deposits, corporate bonds, certificates of deposit, and other securities. By decision of the Exchange Management Board, the Exchange's investment portfolio comprises only securities guaranteed by the State Treasury or issued (guaranteed) by institutions with a stable market position and high rating (rated above BBB+ by at least one rating agency: Moody's, Fitch, Standards & Poors, Polska Agencja Ratingowa, EuroRating). In addition, credit risk is managed by the Exchange by diversifying banks in which free cash is deposited. In this way, exposure to the risk of expected credit loss is mitigated.

The table below presents the Exchange's exposure to credit risk.

	As at 31 December	
	2021	2020
Trade receivables (net)	22,928	34,480
Other receivables*	9,983	1,501
Cash and cash equivalents	169,461	138,873
Contract assets	2	764
Sublease receivable	4,150	6,568
Financial assets measured at amortised cost	296,306	249,985
Total exposure of the Company to credit risk	**502,830**	**432,171**

** net of prepayments and receivables from other taxes*

DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

2.4. LIQUIDITY RISK

An analysis of the Exchange's financial position and assets shows that the Exchange is not materially exposed to liquidity risk.

An analysis of the structure of the Exchange's assets shows a stable and rising share of liquid assets in total assets and, thus, a good liquidity position of the Exchange.

	As at 31 December 2021		As at 31 December 2020	
	amount	% of total assets	amount	% of total assets
Cash and cash equivalents	169,461	17.8%	138,873	15.9%
Financial assets measured at amortised cost	296,306	31.1%	249,985	28.6%
Assets other than cash and cash equivalents and financial assets measured at amortised cost	486,227	51.1%	485,081	55.5%
Total assets	**951,994**	**100.0%**	**873,939**	**100.0%**

An analysis of the structure of liabilities shows a share of equity in the financing of the operations of the Exchange in excess of 50%:

	As at 31 December 2021		As at 31 December 2020	
	amount	% of total liabilities	amount	% of total liabilities
Equity	611,392	64.2%	541,711	62.0%
Liabilities	340,602	35.8%	332,228	38.0%
Total equity and liabilities	**951,994**	**100.0%**	**873,939**	**100.0%**

To mitigate liquidity risk, the Exchange Management Board monitors, on an on-going basis, forecasts of liquid assets on the basis of maturities of assets, due dates of payables, and other projected cash flows.

	As at 31 December 2021						
	> 1M	1-3 M	3-6 M	6-12 M	1-5 Y	> 5Y	Total
Trade receivables (gross value)	11,180	14,631	-	-	-	-	**25,811**
Other receivables*	9,983	-	-	-	-	-	**9,983**
Sublease receivables	227	445	596	1,171	1,827	-	**4,266**
Financial assets measured at amortised cost	50,154	55,099	65,092	127,011	-	-	**297,356**
Cash and cash equivalents	169,611	-	-	-	-	-	**169,611**
Total assets	**241,155**	**70,175**	**65,688**	**128,182**	**1,827**	**-**	**507,027**
Bonds in issue	120,649	1,988	-	127,000	-	-	**249,637**
Trade payables	3,484	1,471	-	-	-	-	**4,955**
Lease liabilities	479	950	1,350	2,680	4,269	-	**9,728**
Other liabilities**	3,604	-	-	-	7,062	3,561	**14,227**
Total liabilities	**128,216**	**4,409**	**1,350**	**129,680**	**11,331**	**3,561**	**278,547**
Liquidity surplus/(gap)	**112,939**	**65,766**	**64,338**	**(1,498)**	**(9,504)**	**(3,561)**	**228,480**

** net of prepayments and receivables from other taxes*
*** net of VAT payable and other taxes payable*

DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2020						
	> 1M	1-3 M	3-6 M	6-12 M	1-5 Y	> 5Y	Total
Trade receivables (gross value)	35,606	3,246	-	-	-	-	**38,852**
Other receivables*	1,502	-	-	-	-	-	**1,502**
Sublease receivables	206	412	618	1,235	3,983	-	**6,454**
Financial assets measured at amortised cost	-	180,013	70,017	-	-	-	**250,030**
Cash and cash equivalents	138,876	-	-	-	-	-	**138,876**
Total assets	**176,110**	**183,671**	**70,635**	**1,235**	**3,983**	**-**	**435,714**
Bonds in issue	720	1,988	720	2,000	249,637	-	**255,065**
Trade payables	6,576	762	-	-	-	-	**7,338**
Leases (IFRS 16)	471	1,059	1,403	2,737	9,886	2,013	**17,569**
Other liabilities**	5,674	-	-	-	10,652	-	**16,326**
Total liabilities	**13,441**	**3,809**	**2,123**	**4,737**	**270,175**	**2,013**	**296,298**
Liquidity surplus/(gap)	**154,005**	**179,862**	**68,512**	**(3,502)**	**(266,192)**	**(2,013)**	**139,416**

** net of prepayments and receivables from other taxes*
*** net of VAT payable and other taxes payable*

2.5. CAPITAL MANAGEMENT

The objective of the Exchange when managing capital is to safeguard its ability to continue as a going concern and provide optimal benefits to all stakeholders. The priority of the Exchange Management Board when making decisions about the structure of financing and the Company's dividend policy is to ensure a low level of investment risk while obtaining the best possible rate of return for the shareholders and a stable and reliable rate of return for the bondholders. Decisions taken by the Management Board in this respect have a long-term horizon and are aimed at long-term building of value of the Exchange and the Polish capital market. In addition, as an entity operating a regulated market, the Exchange is required by the Act on Trading in Financial Instruments to maintain a minimum level of equity equal to PLN 10 million.

To achieve those objectives, as at 31 December 2021 and as at 31 December 2020, the Exchange used third-party capital (interest-bearing liabilities) in the form of bonds issued (see Note 3.11) and leases (Note 3.6). In addition, in accordance with its internal capital management and dividend policy, the Exchange pays an annual dividend to shareholders. It is the intention of the GPW Management Board to recommend to the General Meeting dividend payments in line with the profitability and financial capacity of GPW, not less than 60% of the consolidated net profit of the GPW Group for the financial year attributable to shareholders of GPW adjusted for the share of profit of associates. In accordance with the strategy #GPW2022, the Exchange will pay each year a dividend higher by at least PLN 0.1 per share than the dividend per share paid in the previous year. Details of the dividend payments in 2021 and 2020 are presented in note 3.10.4.

The Exchange Management Board optimises the structure of capital and monitors performance against targets using Alternative Performance Measures calculated according to the Guidelines of the European Securities and Markets Authority ("ESMA"). The measures used by the Company to monitor its capital management performance are presented in Note 6.1 of the Management Board's Report on the Activity of the Parent Entity and the Group of Giełda Papierów Wartościowych w Warszawie S.A.

3. NOTES TO THE STATEMENT OF FINANCIAL POSITION

3.1. PROPERTY, PLANT AND EQUIPMENT

Selected accounting policies

Property, plant and equipment are disclosed at the cost of purchase or production, expansion or modernisation, net of accumulated depreciation and impairment losses. Purchase cost includes the cost of purchase, expansion and/or modernisation. Depreciation is calculated for property, plant and equipment items over their estimated useful life, taking into account their residual value and using the straight-line depreciation method.

17 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

Categories of property, plant and equipment	Depreciation period
Buildings	40 years
Leasehold improvements	10 years
Vehicles and machinery	5 years
Computer hardware	3-5 years
Other fixed assets	5-10 years

The depreciation method, the depreciation rate and the residual value are subject to regular verification by the Exchange. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

Land is not subject to depreciation.

Property, plant and equipment under construction or development is not depreciated until complete.

A component of property, plant and equipment is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal/liquidation of property, plant and equipment are determined as the difference between the proceeds (if any) and the net book value of property, plant and equipment and included in the profit or loss of the period as other income or other expenses.

Selected judgments and estimates

The Exchange determines the estimated economic useful life and depreciation rates for property, plant and equipment. These estimates are based on the anticipated periods for using the individual groups of assets. The adopted economic useful life may undergo considerable changes as a result of new technological solutions appearing on the market, plans of the Management Board of the Exchange or intensive use.

Vehicles and machinery include mainly IT hardware: servers, computers and network devices.

Starting with Q1 2021, the Exchange presents capital expenditure (development work) separately from property, plant and equipment. Comparable data have been restated for the sake of comparability in this Note.

The Company has reclassified part of a building owned by GPW and leased to one of its subsidiaries from the "Land and buildings" to the "Investment property". A full description of the reclassification is presented in Note 6.7.3.

	Year ended 31 December 2021				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
Net carrying amount - opening balance (restated)*	**64,730**	**12,488**	**214**	**6,094**	**83,526**
Additions	2,072	6,240	258	-	**8,570**
Reclassification and other adjustments	(17)	-	-	-	**(17)**
Disposals	(169)	(1)	(1)	(3,709)	**(3,880)**
Depreciation charge**	(2,822)	(7,367)	(301)	-	**(10,490)**
Net carrying amount - closing balance	**63,794**	**11,360**	**170**	**2,385**	**77,709**
As at 31 December 2021					
Gross carrying amount	113,887	80,804	3,611	2,385	**200,687**
Written off	(50,093)	(69,444)	(3,441)	-	**(122,978)**
Net carrying amount	**63,794**	**11,360**	**170**	**2,385**	**77,709**

**Data for the comparative period have been restated. See Note 6.7.*

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

18 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2020				
	Land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Property, plant and equipment under construction	Total
As at 1 January 2020 (previously reported)	**76,131**	**14,286**	**297**	**4,702**	**95,416**
Adjustments	(8,899)	-	-	-	**(8,899)**
Net carrying amount - opening balance (restated)*	**67,232**	**14,286**	**297**	**4,702**	**86,517**
Additions	299	5,774	95	1,392	**7,560**
Disposals	-	(23)	(6)	-	**(29)**
Depreciation charge**	(2,801)	(7,549)	(172)	-	**(10,522)**
Net carrying amount - closing balance (restated)*	**64,730**	**12,488**	**214**	**6,094**	**83,526**
As at 31 December 2020					
Gross carrying amount	112,104	89,156	3,446	6,094	**210,800**
Written off	(47,374)	(76,668)	(3,232)	-	**(127,274)**
Net carrying amount	**64,730**	**12,488**	**214**	**6,094**	**83,526**

**Data for the comparative period have been restated. See Note 6.7.*

***Depreciation of PLN 390 thousand is capitalised to intangible assets (development work)*

There were no significant contracted investments in property, plant and equipment as at 31 December 2021. Contracted investments in property, plant and equipment amounted to PLN 928 thousand as at 31 December 2020 and concerned investments in IT hardware.

Selected accounting policies

At each balance sheet date, the Exchange reviews non-financial assets to determine whether there are indicators of impairment except for inventories and deferred tax assets.

If such indicators are identified, the recoverable amount of an asset is estimated (as the higher of: fair value less selling costs or value in use). Value in use corresponds to the discounted value of the future economic benefits which would be generated by an asset.

At the end of every reporting period, the Exchange checks for conditions indicating that the impairment losses recognised in previous reporting periods may be redundant or excessive. In that case, impairment losses are reversed in whole or in part and the asset value is disclosed net of the impairment losses (but including depreciation).

Impairment losses are recognised in other expenses and reversed in other income.

The Exchange recognised no impairment of property, plant and equipment in 2021 and in 2020.

3.2. INTANGIBLE ASSETS

Selected accounting policies

Intangible assets include goodwill, other intangible assets, and development work.

Other intangible assets (licences and copyright) are disclosed at cost of purchase or production net of accumulated amortisation and impairment losses.

19 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

Intangible assets developed in-house are classified as research (recognised as an expense) or development work (recognised as an intangible asset). Development work is recognised at cost, which includes all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the Management Board of the Exchange. Direct costs include the cost of services used for production; depreciation of selected property, plant and *equipment (IT hardware) used directly to produce the asset; and the cost of employee benefits directly attributable to the production of the asset. Such costs are capitalised when the costs and the related intangible asset meet the criteria of IAS 38.*

Amortisation is calculated for other intangible assets over their estimated useful life using the straight-line amortisation method. The amortisation method and the amortisation rate are subject to regular verification by the Exchange. Any changes resulting from the verification are recorded as a change in accounting estimates, prospectively.

A component of intangible assets is derecognised when sold or when economic benefits from its use or disposal are no longer expected. Gains and losses on disposal/liquidation of intangible assets are determined as the difference between the net proceeds (if any) and the book value of intangible assets and included in the profit or loss of the period as other income or other expenses.

The Exchange performs an annual test of impairment of intangible assets which are not yet available for use by comparing the carrying amount and the recoverable amount. For impairment testing purposes, intangible assets which are not yet available for use are allocated to cash generating units which are expected to benefit from the transaction responsible for the creation of the assets.

If the carrying amount of an asset (or a cash generating unit) is higher than its recoverable value, impairment is recognised and the asset value is written down to recoverable value. Impairment losses are charged to the profit or loss of the period as other income or other expenses.

Selected judgments and estimates

The Exchange determines the estimated economic useful life and amortisation rates for other intangible assets. These estimates are based on the anticipated periods for using the individual groups of assets. The adopted economic useful life may undergo considerable changes as a result of new technological solutions appearing on the market, plans of the Management Board of the Exchange or intensive use. The estimated useful life of intangible assets is 5 years. Useful life is determined on an individual basis for intangible assets related to the trading system UTP, which has an estimated useful life is 12 years.

	Year ended 31 December 2021					
	Licences	**Copyrights**	**Goodwill**	**Development work**	**Perpetual usufruct of land**	**Total**
Net carrying amount - opening balance (restated)*	**37,911**	**350**	**-**	**15,045**	**5,892**	**59,198**
Additions	4,054	290	-	18,989	-	**23,333**
Capitalised depreciation	-	-	-	638	-	**638**
Depreciation charge**	(10,248)	(210)	-	-	(81)	**(10,539)**
Net carrying amount - closing balance	**31,717**	**430**	**-**	**34,672**	**5,811**	**72,630**
As at 31 December 2021						
Gross carrying amount	183,093	5,119	7,946	34,672	6,054	**236,884**
Impairment	-	-	(7,946)	-	-	**(7,946)**
Written off	(151,376)	(4,689)	-	-	(243)	**(156,308)**
Net carrying amount	**31,717**	**430**	**-**	**34,672**	**5,811**	**72,630**

**Data for the comparative period have been restated. See Note 6.7.*

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

20 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2020					
	Licences	**Copyrights**	**Goodwill**	**Development work**	**Perpetual usufruct of land**	**Total**
As at 1 January 2020 (previously reported)	**46,809**	**525**	-	**2,495**	**-**	**49,829**
Adjustments	-	-	-	-	5,973	**5,973**
Net carrying amount - opening balance (restated)*	**46,809**	**525**	-	**2,495**	**5,973**	**55,802**
Additions	1,184	55	-	12,114	-	**13,353**
Capitalised depreciation	-	-	-	436	-	**436**
Depreciation charge**	(10,082)	(230)	-	-	(81)	**(10,393)**
Net carrying amount - closing balance (restated)*	**37,911**	**350**	**-**	**15,045**	**5,892**	**59,198**
As at 31 December 2020						
Gross carrying amount	179,040	4,830	7,946	15,045	6,054	**212,915**
Impairment	-	-	(7,946)	-	-	**(7,946)**
Written off	(141,129)	(4,480)	-	-	(162)	**(145,771)**
Net carrying amount	**37,911**	**350**	**-**	**15,045**	**5,892**	**59,198**

**Data for the comparative period have been restated. See Note 6.7.*

***Depreciation of PLN 46 thousand is capitalised to intangible assets (development work)*

Starting with Q1 2021, the Company presents capital expenditure (development work) within intangible assets. Comparable data have been restated for the sake of comparability in this Note.

The Company has reclassified its share in the right of perpetual usufruct of land from "Right-to-use assets" to "Intangible assets". A complete description of the reclassification is presented in Note 6.7.2.

In 2021, the cost of research recognised in the statement of comprehensive income amounted to PLN 3,257 thousand and remained stable year on year (PLN 3,257 thousand in 2020). Development work is expenditure on intangible assets generated in-house, comprising mainly expenditure on projects with grants described in Note 6.2.

Universal Trading Platform ("UTP")

The UTP trading system represents the biggest intangible asset in the category "Licences". The UTP trading system licence was commissioned on 15 April 2013. The useful life of the UTP trading system was determined at 12 years (until 31 March 2025). The net value of the UTP trading system was PLN 25,217 thousand as at 31 December 2021 (PLN 32,976 thousand as at 31 December 2020).

No impairment of intangible assets was recognised in the year ended 31 December 2021 and 31 December 2020.

Impairment testing of intangible assets

Due to the nature of its business, the Company does not identify individual assets as cash-generating units that are largely independent of other assets or a group of assets. Therefore, for the purposes of testing intangible assets, the recoverable amount was determined at the level of the cash-generating unit to which the asset belongs. As at 31 December 2021, the tests for impairment of the cash-generating unit did not identify the need to recognise impairment losses.

The main assumptions used to determine the value in use of the Company's cash-generating unit as at 31 December 2021:

- increase in revenues and expenses related to operations, planned capital expenditure and implementation of strategic projects;
- weighted average cost of capital of 7.66%,
- growth rate after 2026 equal to 2%.

21 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.3. INVESTMENT PROPERTY

Selected accounting policies

The Exchange recognises investment property in accordance with a model based on the cost of acquisition or production.

As a result of a retrospective adjustment (see Note 6.7.3.) as at 31 December 2019, the part of the building at 4 Książęca Street owned by GPW and leased to a GPW Group company was classified as investment property. The fair value of the investment property was estimated at PLN 12,413 thousand as at 31 December 2021.

Changes in the carrying amount of the investment property as at 31 December 2021 and as at 31 December 2020 were as follows:

	As at 31 December	
	2021	2020
Net carrying amount - opening balance	**8,564**	**8,899**
Depreciation	(380)	(384)
Additions	105	49
Disposals	(12)	-
Net carrying amount - closing balance	**8,277**	**8,564**

3.4. INVESTMENT IN SUBSIDIARIES

Selected accounting policies

The Exchange recognises investment in subsidiaries at cost less impairment losses.

The Exchange held investments in the following subsidiaries as at 31 December 2021 and as at 31 December 2020:

- Towarowa Giełda Energii S.A. ("TGE"), the parent entity of the Towarowa Giełda Energii S.A. Group ("TGE Group"),
- 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"),
- GPW Tech S.A. ("GPWT").

The share capital of **GPW Benchmark S.A.** was increased by PLN 2,000 thousand on 28 April 2021. The company issued 40,000 series F ordinary registered shares with a nominal value and issue price of PLN 50 per share. All shares were taken up by GPW.

On 21 December 2020, the Extraordinary General Meeting of **GPW Tech S.A.** passed a resolution to increase the share capital of GPWT. Under the resolution, the company issued 700,000 series B ordinary registered shares with a nominal value and issue price of PLN 1 per share. All shares were taken up by GPW for a total amount of PLN 0.7 million. On 16 June 2021, the Extraordinary General Meeting of GPW Tech S.A. passed a resolution to increase the share capital of GPWT by PLN 2 million. The company issued 2 million shares with a nominal value and issue price of PLN 1 per share. All shares were taken up by GPW. Both share capital increases were registered in the National Court Register in 2021. As a result of the increases, the share capital of GPWT was PLN 3.7 million as at 31 December 2021.

As at 31 December 2021, the Exchange identified indicators of impairment for investments in:

- BondSpot S.A,

- GPW Tech S.A.,

- GPW Ventures S.A.

22 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

As indications of impairment were identified, impairment tests were carried out for the investments. However, the tests did not indicate a need for write-downs. The key assumptions for the tests are described below. As at 31 December 2021, no indicators of impairment were identified for the investments in the other subsidiaries, i.e., TGE and GPWB.

Impairment test of investment in BondSpot S.A.

In 2020, the key factor impacting the financial position of the company was the situation on the Treasury bond market. Treasury bond yields were falling sharply for the greater part of 2020, i.e., from the outbreak of the SARS-CoV-2 pandemic. The initial withdrawal of capital from bond funds combined with actions taken by the NBP to offset the market changes led at the turn of 2020 and 2021 to a change in the trend in the prices/yields of Polish Treasury bonds. 10-year bond yields were rising steadily from the beginning of 2021, in line with rising yields of government bonds in foreign markets. The increased activity of foreign banks in the Polish bond market contributed to the improvement of the company's results. The increased volatility was underpinned by rising inflation expectations and investor sentiment in the market from the beginning of 2021. Inflationary pressure, supported by rising fuel prices on global markets, proved to be a significant factor supporting the increase in yields of Polish Treasury securities. As a direct result of those factors, turnover on the Treasury BondSpot Poland market increased and so did the revenues of BondSpot S.A.

The goodwill impairment test based on a DCF valuation of the company was prepared on the basis of the forecast results of BondSpot in the years 2022-2026. The main assumptions of the test performed as at 31 December 2021:

- average annual revenue growth in the period 2022-2026 of 16.6%,
- average annual growth in expenses in the period 2022-2026 of 4.5%,
- weighted average cost of capital of 7.66%,
- growth rate after 2026 equal to 2%.

The test showed that despite the update of the forecast, the recoverable amount of BondSpot S.A. determined using the DCF method is higher than the value of the shares in BondSpot S.A. recognised at cost in the Exchange's statement of financial position as at 31 December 2021 amounting to PLN 34.4 million. Therefore, the investment in BondSpot S.A. was not found to be impaired as at 31 December 2021. The impairment test analysis indicates that a 1.1 percentage point decrease in the average annual revenue growth rate or a 1.5 percentage point increase in the weighted average cost of capital or a 1.9 percentage point decrease in the growth rate after 2026 will result in the carrying amount being equal to recoverable amount of the shares.

Impairment test of investment in GPW Tech S.A.

Due to the delay in the commencement of full operations at GPW Tech, indications of an impairment test of the investment were identified as at 31 December 2021. The impairment test of the investment based on a DCF valuation of the company was prepared on the basis of the projected results of GPW Tech S.A. in 2022-2026.

The main assumptions of the test performed as at 31 December 2021:

- average annual revenue growth in the period 2022-2026 of 63.4%,
- average annual growth in expenses in the period 2022-2026 of 26%,
- weighted average cost of capital of 15.96%,
- growth rate after 2026 equal to 2%.

The test showed that the recoverable amount of GPW Tech determined using the DCF method is higher than the value of the shares in GPW Tech S.A. recognised at cost in the Exchange's statement of financial position as at 31 December 2021 amounting to PLN 3.7 million. Therefore, the investment in GPW Tech S.A. was not found to be impaired as at 31 December 2021. The impairment test analysis indicates that a 2.0% decrease in the average annual revenue growth rate or a 1.2 percentage point increase in the weighted average cost of capital or a 1.2 percentage point decrease in the growth rate after 2026 will result in the carrying amount being equal to recoverable amount of the shares.

Impairment test of investment in GPW Ventures S.A.

Due to the delay in the signing of the agreement with KOWR, indications of an impairment test of the investment were identified as at 31 December 2021. The impairment test of the investment based on a DCF valuation of the company was prepared on the basis of the projected results of GPW Ventures S.A. in 2022-2026.

The main assumptions of the test performed as at 31 December 2021:

- average annual revenue growth in the period 2022-2026 of 45.6%,
- average annual growth in expenses in the period 2022-2026 of 8.5%,
- weighted average cost of capital of 18.9%,
- growth rate after 2026 equal to 2%.

The test showed that the recoverable amount of GPW Ventures determined using the DCF method is higher than the value of the shares in GPW Ventures S.A. recognised at cost in the Exchange's statement of financial position as at 31 December 2021 amounting to PLN 3 million. Therefore, the investment in GPW Ventures S.A. was not found to be impaired as at 31 December 2021. The impairment test analysis indicates that a 1.6 percentage point decrease in the average annual revenue growth rate or a 1.9 percentage point increase in the weighted average cost of capital or a 3.0 percentage point decrease in the growth rate after 2026 will result in the carrying amount being equal to recoverable amount of the shares.

	As at 31 December 2021					
	TGE	BondSpot	GPWB	GPWT	GPWV	Total
Value at cost	214,582	34,443	4,909	3,700	3,000	**260,633**
Carrying amount	**214,582**	**34,443**	**4,909**	**3,700**	**3,000**	**260,633**
Number of shares	1,450,000	9,698,123	98,000	3,700,000	3,000,000	**n/d**
% of share capital	100.00	97.23	100.00	100.00	100.00	**n/d**
% of votes	100.00	97.23	100.00	100.00	100.00	**n/d**

	As at 31 December 2020					
	TGE	BondSpot	GPWB	GPWT	GPWV	Total
Value at cost	214,582	34,394	2,909	1,700	3,000	**256,585**
Carrying amount	**214,582**	**34,394**	**2,909**	**1,700**	**3,000**	**256,585**
Number of shares	1,450,000	9,698,123	58,000	1,000,000	3,000,000	**n/d**
% of share capital	100.00	96.98	100.00	100.00	100.00	**n/d**
% of votes	100.00	96.98	100.00	100.00	100.00	**n/d**

3.5. INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Selected accounting policies

The Exchange recognises investment in associates and joint ventures at cost less impairment losses.

The Exchange held interest in the following associates and joint ventures as at 31 December 2021 and as at 31 December 2020:

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

	As at 31 December 2021			
	PAR	CG	KDPW	Total
Value at cost	4,683	4,652	7,000	**16,335**
Impairment	(4,683)	-	-	**(4,683)**
Carrying amount	**-**	**4,652**	**7,000**	**11,652**
Number of shares	5,200,000	46,506	7,000	**n/d**
% of share capital	35.86%	24.79%	33.33%	**n/d**
% of votes	35.86%	24.79%	33.33%	**n/d**

24 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2020			
	PAR	CG	KDPW	Total
Value at cost	4,683	4,652	7,000	**16,335**
Impairment	(4,683)	-	-	**(4,683)**
Carrying amount	**-**	**4,652**	**7,000**	**11,652**
Number of shares	5,200,000	46,506	7,000	**n/d**
% of share capital	35.86%	24.79%	33.33%	**n/d**
% of votes	35.86%	24.79%	33.33%	**n/d**

Investment in PAR

The Exchange held 35.86% of PAR as at 31 December 2021 and as at 31 December 2020.

Following impairment of the investment in PAR at PLN 583 thousand recognised as at 30 June 2020, the value of the investment in PAR was equal to 0 in the Exchange's statement of financial position as at 31 December 2021 and as at 31 December 2020.

3.6. LEASES

Selected accounting policies

As a lessee, under IFRS 16, the Exchange recognises as leases all contracts under which the right to use an asset is transferred for a given term in exchange for a fee. According to allowed simplifications, the Exchange does not apply lease accounting to:

- *short-term lease contracts;*
- *leases of low-value underlying assets ("low-value leases").*

Such lease payments are recognised as costs on a straight-line basis in the financial result.

Low-value leases include mainly leases of: computers, coffee machines, office furniture. It is assumed that low-value assets are those assets whose unit value does not exceed PLN 20,000, which is approximately equivalent to USD 5,000.

Short-term leases are leases up to 12 months.

For each lease contract, the Exchange defines the lease term as an uncancellable period including:

- *periods when the lessee is reasonably certain to exercise an option to extend the lease; and*
- *periods when the lessee is reasonably certain not to exercise an option to terminate the lease.*

As a lessor, the Exchange recognises lease contracts as an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

Lease payments from operating leases are recognised as income on either a straight-line basis or another systemic basis. Income from office space leases is recognised in the amount of monthly rent. Any costs, including depreciation charges, incurred to earn the lease income are recognised in the financial result.

At the commencement date, assets held under a finance lease are recognised in the statement of financial position and presented as a lease/sublease receivable at an amount equal to the net investment in the lease.

Interest income on leases is recognised in the term of the lease to reflect a fixed periodic interest rate on the net investment in the lease made by the Exchange in the finance lease.

Sublease contracts are contracts where the underlying asset is re-leased by the Exchange ("intermediate lessor") to a third party and the lease ("head lease") between the head lessor and the Company remains in effect. Sublease contracts are classified as an operating lease or a finance lease.

25 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The policy applicable to the head lease applies accordingly to finance sublease contracts, i.e., as an intermediate lessor, the Exchange derecognises the net value and the depreciation of the subleased assets from right-to-use assets in the statement of financial position and from depreciation in the statement of comprehensive income, accordingly.

3.6.1. QUALITATIVE AND QUANTITATIVE INFORMATION ABOUT LEASE TRANSACTIONS – EXCHANGE AS A LESSEE

The Exchange is a lessee of the following groups of assets:

- office space and car park space in the Centrum Giełdowe building, ul. Książęca 4, Warsaw, and office space in Łódź and Bełchatów;
- colocation space (back-up office, racks, server rooms and maintenance rooms);
- passenger cars.

Each lease contract is negotiated on an individual basis and contains a broad range of terms and conditions. The terms and conditions with a significant impact on the value of lease liabilities include:

- no fixed term of most lease contracts for space in Centrum Giełdowe (with a termination notice of several months);
- for colocation services: contracts with a fixed term (several years) which automatically extend upon expiry as a contract with no fixed term with a termination notice of several months;
- three-year passenger car leases (after the term of the lease, the user has the option to buy the car; if the option is not exercised, the car is returned to the lessor).

The Exchange's leases contain no covenants; however, right-to-use assets cannot be used as loan collateral. They provide for no material variable lease payments which would depend on an index or a rate, the Exchange's revenue, a reference interest rate, or which would change to reflect changes to market rents.

In the opinion of the Exchange Management Board, the Company is not exposed to material risk of future cash outflows in respect of variable lease payments, residual value guarantee or leases not yet commenced. Given the nature of the lease contracts for space in Centrum Giełdowe (no fixed term) and colocation, if the expected lease period changes, the liability will be restated accordingly and future cash outflows will increase.

Depreciation charges on right-to-use assets (net of depreciation of subleased assets), increases in right-to-use assets, and the carrying amount of right-to-use assets by category are presented in the table in Note 3.6.4.

Cash outflows under leases, excluding short-term leases and low-value leases, are presented in the statement of cash flows as lease payments (interest) and lease payments (principal).

Cash outflows under short-term leases and low-value leases are a cost of the leases recognised in the statement of comprehensive income and presented in the table below.

The Exchange was not a lessor of assets for a term shorter than 12 months (short-term lease) in 2021 and in 2020.

	Year ended 31 December	
	2021	**2020**
Interest on subleases	167	270
Remeasurement of subleases	(10)	160
Low-value subleases	-	14
Income from operating leases	475	1,551
Total lease income (reduction of expenses) in the statement of comprehensive income	**632**	**1,995**

The Exchange incurred no variable lease costs in 2021 and in 2020 that would not be included in the value of lease liabilities.

3.6.2. QUALITATIVE AND QUANTITATIVE INFORMATION ABOUT LEASE TRANSACTIONS – EXCHANGE AS A LESSOR

The activity of the Exchange as a lessor and sublessor is not the Company's core business. As the parent entity of the GPW Group, the Exchange operates as the Group's procurement centre, including office space, colocation space, and passenger cars. Revenue from operating leases and (finance) subleases covers the Exchange's operating expenses related to the leases.

26 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

It is not the intention of the Company to finance its core business with profits earned as a lessor. Consequently, the activity of the Exchange as a provider of leases should be considered in a broader context, as an activity supporting the Group.

Where the Exchange leases proprietary space to third parties, such lease contracts are classified as operating leases.

Where the Exchange subleases leased space to third parties, such lease contracts are classified in accordance with the head lease (the Exchange is an intermediate lessor). Consequently, the Exchange recognises sublease receivables and reduces right-to-use assets under the head lease accordingly (recognised under IFRS 16).

As at 31 December 2021, the Exchange was:

- the lessor (operating leases) of office space and car park space to GPW Group members and third parties;
- the sublessor of office space and car park space to GPW Group members and third parties;
- the sublessor of colocation space to GPW Group members;
- the sublessor of passenger cars to GPW Group members.

The Exchange's operating leases and subleases contain no covenants and right-to-use assets cannot be used as loan collateral by the lessee. The leases provide for no material variable lease payments which would depend on an index or a rate, revenue, a reference interest rate, or which would change to reflect changes to market rents.

In the opinion of the Exchange Management Board, the Company as a lessor and sublessor is not exposed to a downside risk for future cash inflows in respect of variable lease payments, residual value guarantee or leases not yet commenced. Given the nature of the lease contracts for space in Centrum Giełdowe (no fixed term) and colocation, if the expected lease period changes, sublease receivables (and the head lease liability) will be restated accordingly and future cash inflows will increase.

The Exchange was not a lessor of assets for periods shorter than 12 months (short-term leases) in 2021 and in 2020.

Cash inflows under subleases are presented net in the statement of cash flows as sublease payments (interest) and sublease payments (principal).

Cash inflows under operating leases is equal to revenue from operating leases presented in the table below.

The Exchange earned no revenue in 2021 and in 2020 relating to variable lease payments that would not be included in sales revenue (operating leases) or in sublease receivables.

	Lease fees due by due date					
	as at 31 December 2021			as at 31 December 2020		
	Subleases	Operating leases	Total	Subleases	Operating leases	Total
> 1Y	2,439	2,947	5,386	2,287	2,720	5,007
in Y2	1,823	2,469	4,292	2,358	2,720	5,078
in Y3	-	10	10	2,055	2,720	4,775
in Y4	-	-	-	144	2,206	2,350
Total	**4,262**	**5,426**	**9,688**	**6,844**	**10,366**	**17,210**

3.6.3. SELECTED JUDGMENTS AND ESTIMATES RELATED TO LEASES

Lease liabilities and right-to-use assets are calculated using professional judgment including:

- determination of the period of lease;
- determination of the lessee's incremental borrowing rate.

For leases signed by the Exchange with no fixed term, the Exchange estimates the most likely period of the lease taking into account all facts and circumstances which provide an economic incentive to continue the lease. Afterwards, the Exchange uses judgment to determine if it is reasonably certain that the Exchange will continue the lease on the occurrence of any event or change of circumstances affecting the judgment.

The Exchange Management Board determined the term of leases using judgment as follows:

- five-year term of lease of additional office space occupied by the Exchange in the Centrum Giełdowe building.

27 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The table below presents the impact of change of the term of lease of additional office space and land by 2 years.

	as at 31 December / Year ended 31 December			
	2021		2020	
	Assuming the term of lease is 2 years shorter	Assuming the term of lease is 2 years longer	Assuming the term of lease is 2 years shorter	Assuming the term of lease is 2 years longer
Impact on the value of lease liabilities	(4,857)	4,580	(5,013)	4,727
Low-value leases	(1,658)	1,157	(1,192)	1,124
Income from operating leases	(4,825)	4,408	(118)	88
Impact on sublease interest income	(60)	72	(34)	33
Impact on lease interest expense	(1,502)	426	(145)	137

The Exchange Management Board determined the lease rate using judgment of the interest rate that the Exchange would have to pay to borrow, for a similar term and against similar collateral, funds necessary to buy the asset used under the lease contract. In the opinion of the Management Board, the interest rate on the bonds issued by the Exchange is a reasonable reflection of that rate.

	as at 31 December / Year ended 31 December			
	2021		2020	
	Assuming the lessee's incremental borrowing rate is 1 pp lower	Assuming the lessee's incremental borrowing rate is 1 pp higher	Assuming the lessee's incremental borrowing rate is 1 pp lower	Assuming the lessee's incremental borrowing rate is 1 pp higher
Impact on the value of lease liabilities	69	(67)	339	(310)
Low-value leases	24	(23)	44	(15)
Income from operating leases	209	(201)	96	(91)
Impact on sublease interest income	38	(38)	26	(25)
Impact on lease interest expense	97	(111)	133	(126)

3.6.4. RIGHT-TO-USE ASSETS

Selected accounting policies

The Exchange initially measures right-to-use assets at cost, including:

- *the initial valuation of the lease liability,*
- *any lease payments paid at or before the commencement date less any lease incentives received,*
- *any initial direct costs incurred by the lessee, and an estimate of any costs to be incurred by the lessee in dismantling and removing the underlying asset, or restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease.*

After the commencement date of the lease, the Exchange measures right-to-use assets applying a cost model, i.e., at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liability. Right-to-use assets are depreciated on a straight-line basis over the lease term.

28 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

For subleases, the head lease asset is derecognised in right-to-use assets in the statement of financial position and its depreciation is derecognised in depreciation in the statement of comprehensive income.

Right-to-use assets are presented in a separate line of the statement of financial position. The Exchange groups such assets by class of underlying asset and discloses the classes in the Notes. The main classes of underlying assets used under the right to use include office space and other premises, cars and colocation space.

The table below presents changes to right-to-use assets by category, net of subleased assets.

	As at 31 December 2021			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Right-of-use assets - as at the beginning of the period (restated*)	**1,755**	**112**	**5,624**	**7,491**
New leases	488	216	662	**1,366**
New subleases	(488)	-	(233)	**(721)**
Rozwiązanie umów leasingu	(404)	(1)	(395)	**(800)**
Terminated subleases	535	-	-	**535**
Reclassification and other adjustments	7	(6)	-	**1**
Depreciation	(717)	(162)	(1,955)	**(2,834)**
Net carrying amount - closing balance	**1,178**	**159**	**3,704**	**5,040**

	Year ended 31 December 2020			
	Office space and other premises	Vehicles	Colocation space	Total
Right-of-use assets - as at the beginning of the period (restated*)	**2,345**	**313**	**7,432**	**10,090**
New leases	205	61	-	**266**
New subleases	(1,827)	(61)	-	**(1,888)**
Terminated leases	-	-	-	**-**
Terminated subleases	1,718	-	63	**1,781**
Reclassification and other adjustments	6	(1)	(1)	**4**
Depreciation	(692)	(200)	(1,870)	**(2,762)**
Net carrying amount - closing balance	**1,755**	**112**	**5,624**	**7,491**

**Data for the comparative period have been restated. See Note 6.7.*

3.6.5. LEASE LIABILITIES

Selected accounting policies

The Exchange measures lease liabilities at the commencement date of the lease at the present value of the lease payments outstanding at that date. Lease payments are discounted at the interest rate implicit in the lease. If the Company cannot easily determine the interest rate implicit in the lease, it applies its incremental borrowing rate. The incremental borrowing rate of the Exchange is equal to the interest rate that the Exchange would have to pay to borrow, for a similar term and against similar collateral, funds necessary to buy an asset of a similar value as the asset used under the lease contract.

For the purposes of initial measurement of lease liabilities, the Exchange determines lease payments including:

- *fixed lease payments and variable lease payments depending on an index or rate;*
- *amounts which the Exchange expects to be paid under a residual value guarantee;*
- *the exercise price of an option to purchase the asset that the Exchange is reasonably certain to exercise;*

29 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

- *payments for terminating the lease if the Exchange may exercise an option to terminate the lease according to the terms and conditions of the lease.*

After the commencement date of the lease, the Exchange measures lease liabilities by:

- *calculating interest on the lease liability,*
- *reducing the carrying amount to reflect the lease payments made,*
- *remeasuring the carrying amount of the liability to reflect any reassessment or lease modifications.*

As a result, each lease payment is allocated between lease liabilities (presented in a separate item of the statement of financial position, broken down by current and non-current items) and interest cost of leases (recognised in financial expenses in the statement of comprehensive income).

The table below presents changes to lease liabilities by category.

	As at 31 December 2021			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Net carrying amount as at 1 January 2021 (restated*)	**6,125**	**612**	**7,602**	**14,339**
New leases	488	216	663	**1,367**
Terminated leases	(442)	(2)	(407)	**(851)**
Interest on lease liabilities	157	23	196	**376**
Lease liabilities paid in the period (equal to leasing fees)	(2,409)	(555)	(2,818)	**(5,782)**
Remeasurement of lease liabilities	8	-	-	**8**
Reclassification and other adjustments	2	2	-	**4**
Net carrying amount - closing balance, including:	**3,929**	**296**	**5,236**	**9,461**
non-current	*1,654*	*47*	*2,511*	***4,211***
current	*2,275*	*249*	*2,725*	***5,250***

	Year ended 31 December 2020				
	Office space and other premises	Perpetual usufruct of land	Vehicles	Colocation space	Total
Lease liabilities - opening balance (reported)	**7,829**	**1,934**	**1,095**	**9,992**	**20,850**
Corrections	-	(1,934)	-		**(1,934)**
Lease liabilities - opening balance (restated*)	**7,829**	**-**	**1,095**	**9,992**	**18,916**
New leases	205	-	61	-	**266**
Terminated leases	-	-	-	-	**-**
Interest on lease liabilities	244	-	43	261	**548**
Lease liabilities paid in the period (equal to leasing fees)	(2,341)	-	(587)	(2,651)	**(5,579)**
Remeasurement of lease liabilities	182	-	-	-	**182**
Reclassification and other adjustments	6	-	-	-	**6**
Net carrying amount - closing balance, including:	**6,125**	**-**	**612**	**7,602**	**14,339**
non-current	*3,876*	-	*128*	*5,142*	***9,147***
current	*2,248*	-	*484*	*2,460*	***5,192***

An analysis of lease liabilities by due date is presented in Note 2.4.

30 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.6.6. SUBLEASE RECEIVABLES

Selected accounting policies

The Exchange measures sublease receivables in the same way as it measures lease liabilities, i.e., at the commencement date of the lease at the present value of the lease payments outstanding at that date. Lease payments are discounted at the interest rate implicit in the lease. If the Exchange cannot easily determine the interest rate implicit in the lease, it applies its incremental borrowing rate.

The table below presents changes to sublease receivables by category.

	As at 31 December 2021			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Net carrying amount as at 1 January 2021	**4,258**	**495**	**1,814**	**6,568**
New subleases	488	-	233	**721**
Terminated subleases	(585)	-	-	**(585)**
Interest on sublease receivables	103	16	48	**167**
Sublease receivables paid in the period (equal to leasing fees)	(1,597)	(383)	(735)	**(2,715)**
Remeasurement of sublease receivables	(10)	-	-	**(10)**
Reclassification and other adjustments	3	-	1	**4**
Net carrying amount - closing balance, including:	**2,660**	**128**	**1,362**	**4,150**
non-current	*1,154*	*9*	*640*	***1,803***
current	*1,506*	*119*	*722*	***2,347***

	Year ended 31 December 2020			
	Office space and other premises	Vehicles	Colocation space	Total
Sublease receivables - opening balance	**5,438**	**775**	**2,452**	**8,665**
New subleases	623	61	-	**684**
Terminated subleases	(412)	-	(64)	**(476)**
Interest on sublease receivables	175	32	63	**270**
Sublease receivables paid in the period (equal to leasing fees)	(1,591)	(373)	(637)	**(2,601)**
Remeasurement of sublease receivables	160	-	-	**160**
Reclassification and other adjustments	(135)	-	-	**(135)**
Net carrying amount - closing balance, including:	**4,258**	**495**	**1,814**	**6,568**
non-current	*2,741*	*128*	*1,227*	***4,096***
current	*1,517*	*367*	*587*	***2,472***

DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.7. FINANCIAL ASSETS

3.7.1. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

Selected accounting policies

The Exchange's financial assets are classified into the following categories:

- *financial assets measured at amortised cost:*
  - *cash and cash equivalents,*
  - *trade receivables,*
  - *receivables from loans granted,*
  - *other receivables,*
  - *other financial assets (including bank deposits and held-to-maturity corporate bonds and certificates of deposit);*
- *financial assets measured at fair value through profit or loss;*
- *financial assets measured at fair value through other comprehensive income.*

Cash and cash equivalents are presented in a dedicated item of the statement of financial position. Trade receivables and other receivables are presented in trade receivables and other receivables in the statement of financial position. Receivables from loans granted and other financial assets are presented in financial assets measured at amortised cost in the statement of financial position.

The assets are classified into those categories on initial recognition. Classification depends on:

- *the business model of asset portfolio management; and*
- *the contractual terms of the financial asset.*

Financial assets are derecognised when the right to receive cash flows from such assets expire or are transferred and the Exchange transfers substantially all the risks and rewards incidental to ownership of the assets.

Financial assets measured at amortised cost are presented in Notes 3.7.4, 3.7.5, 3.7.6.

Financial assets measured at fair value through other comprehensive income are presented in Note 3.7.3.

The Exchange held shares of IDM S.A. in bankruptcy by arrangement received from the debtor in exchange for receivables and classified them as financial assets measured at fair value through profit or loss as at 31 December 2021 and as at 31 December 2020. The fair value of the shares was PLN 0 as at 31 December 2021 and as at 31 December 2020.

3.7.2. IMPAIRMENT OF FINANCIAL ASSETS

Selected accounting policies

At each balance sheet date, the Exchange recognises impairment (expected credit loss) of financial assets. If there has been a significant increase in credit risk of a financial asset since initial recognition, the Exchange recognises expected credit loss of the financial asset as an allowance equal to lifetime expected credit losses; otherwise, the financial asset will attract a loss allowance equal to 12-month expected credit loss.

The Exchange's impairment allowance for financial assets measured at amortised cost (other than trade receivables) is equal to the 12-month expected credit loss in view of the low credit risk of such financial instruments. The Exchange considers cash and cash equivalents, other receivables and other financial assets measured at amortised cost to carry low credit risk because it only accepts entities, including banks and financial institutions, of a high rating and stable market position (rated above BBB+ by at least one rating agency: Moody's, Fitch, Standards & Poors, Polska Agencja Ratingowa, EuroRating).

The Exchange measures expected credit loss of financial instruments taking into account:

- *an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;*
- *the time value of money;*

- *reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.*

The Exchange assesses expected credit loss for assets related to debt instruments measured at amortised cost regardless of whether there is any indication of impairment. An allowance for expected credit loss is recognised on the basis of the issuer's estimated rating and the probability of loss and amount of loss attributed to the rating.

The Exchange applies a simplified approach to trade receivables and contract assets, where impairment allowances for trade receivables are recognised as equal to lifetime expected credit loss according to a provision matrix. The Exchange's trade receivables have no significant financing component.

As at the end of each reporting year, to estimate expected credit loss on trade receivables, the Exchange performs a statistical analysis of trade receivables by category of clients (Exchange Members, Issuers, other clients) based on historical collection of debt from counterparties.

In the next step, the Exchange performs a portfolio analysis and calculates for each category of clients a credit loss ratio based on a provision matrix by age group. The allowance for debt which is not overdue as at the balance sheet date for a group of clients in a time bracket is equal to the value of trade receivables at the balance sheet date times the credit loss ratio.

The expected credit loss (or released allowance) required to adjust the expected credit loss allowance as at the reporting date to the amount that should be recognised is presented in the statement of comprehensive income as gains or losses on impairment.

The expected credit loss allowance for financial assets classified as financial assets measured at amortised cost is shown as a reduction of the gross carrying amount of the financial asset in the statement of financial position.

The expected credit loss allowance for financial assets classified as financial assets measured at fair value through other comprehensive income is shown in other comprehensive income; it does not reduce the carrying amount of the financial asset.

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

Selected accounting policies

Financial assets measured at fair value through other comprehensive income include:

- *Equity securities which the Company irrevocably elects to recognise as such on initial recognition.*
- *Debt securities where contractual cash flows are solely payments of principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and by selling financial assets.*

Financial assets measured at fair value through other comprehensive income comprise shares in entities over which the Exchange does not exercise control or exert significant influence. They are disclosed as non-current assets unless the Exchange intends to sell them within 12 months after the balance sheet date. Financial assets measured at fair value through other comprehensive income are initially recognised at fair value plus directly attributable transaction costs. After initial recognition, they are measured at fair value and any effect of change in the fair value is recognised in other comprehensive income and presented in equity as reserves. On derecognition, the cumulative profit or loss recognised in equity is taken to retained earnings after tax. For debt instruments, accrued interest is recognised directly in the statement of profit and loss.

Innex

The Exchange acquired a stake in the Ukrainian Stock Exchange Innex in July 2008. Impairment of the entire investment was recognised in 2008. The Exchange Management Board identified no indications of release of the full impairment of the investment in Innex as at 31 December 2021.

Bucharest Stock Exchange ("BVB")

The Exchange acquired a stake in Sibex in 2010. SIBEX merged with BVB at 1 January 2018. Following the merger, the Exchange holds 5,232 BVB shares at a par value of RON 10 per share. BVB is listed on the Bucharest Stock Exchange.

	As at 31 December 2021		
	Innex	BVB	Total
Value at cost	3,820	1,343	**5,163**
Impairment	(3,820)	(1,220)	**(5,040)**
Carrying amount	**-**	**123**	**123**

	As at 31 December 2020		
	Innex	BVB	Total
Value at cost	3,820	1,343	**5,163**
Impairment	(3,820)	(1,228)	**(5,048)**
Carrying amount	**-**	**115**	**115**

Fair value hierarchy

Selected accounting policies

The Exchange classifies the valuation at fair value on the basis of a fair value hierarchy which reflects the significance of valuation input data. The fair value hierarchy includes the following levels:

- *(unadjusted) trading prices on active markets for identical assets or liabilities (level 1);*
- *input data other than trading prices at level 1, which can be identified or observed for an asset or liability, directly (as prices) or indirectly (calculations based on prices) (level 2); and*
- *input data for an asset or liability not based on observable market data (non-observable data) (level 3).*

The fair value of BVB as at 31 December 2021 and as at 31 December 2020 was recognised at the share price (level 1 of the fair value hierarchy). As there is no active market for Innex shares and the fair value of Innex shares cannot be reliably determined, it was recognised at cost less impairment loss (level 3 in the fair value hierarchy).

3.7.4. TRADE RECEIVABLES AND OTHER RECEIVABLES

Selected accounting policies

Trade receivables are receivables from clients of the Exchange held to payment. At initial recognition, trade receivables are measured at the transaction price under IFRS 15. At the balance sheet date, trade receivables are measured at amortised cost net of impairment. Trade receivables payable in less than 12 months (from initial recognition) are measured at nominal value and not discounted.

Other receivables include mainly (current) prepayments. Prepayments are recorded when expenditures incurred relate to future reporting periods. Prepayments are recognised in the statement of comprehensive income over the lifetime of the relevant contract. Receivables which are not financial assets are presented at the amount due at the balance sheet date.

Non-current prepayments are presented as prepayments in non-current assets in the statement of financial position.

34 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December	
	2021	2020
Gross trade receivables	25,811	38,852
Impairment allowances for trade receivables	(2,883)	(4,372)
Total trade receivables	**22,928**	**34,480**
Current prepayments	5,803	4,109
CIT receivable from subsidiaries in the Tax Group	2,196	7,327
Sublease receivables	244	258
Grants receivable	3,670	-
Other receivables	6,069	1,243
Total other receivables	**17,981**	**12,937**
Total trade receivables and other receivables	**40,909**	**47,417**

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

	As at 31 December 2021			As at 31 December 2020		
	Gross trade receivables	Impairment allowances for trade receivables	Total trade receivables	Gross trade receivables	Impairment allowances for trade receivables	Total trade receivables
Receivables which are not overdue	**19,960**	**(84)**	**19,876**	**26,000**	**(94)**	**25,906**
1 to 30 days overdue	2,247	(27)	2,220	3,596	(38)	3,558
31 to 60 days overdue	281	(8)	272	2,952	(56)	2,896
61 to 90 days overdue	335	(16)	320	772	(28)	744
91 to 180 days overdue	265	(24)	240	1,487	(111)	1,376
More than 180 days overdue	2,724	(2,724)	-	4,045	(4,045)	-
Overdue receivables	**5,851**	**(2,799)**	**3,052**	**12,852**	**(4,278)**	**8,574**
Total	**25,811**	**(2,883)**	**22,928**	**38,852**	**(4,372)**	**34,480**

Trade receivables which are not overdue include mainly trade receivables from Exchange Members (banks and brokerage houses) and receivables from issuers of securities as well as receivables for other services.

As at 31 December 2021, trade receivables at PLN 5,851 thousand (31 December 2020 – PLN 12,852 thousand) were overdue, including overdue receivables from debtors under insolvency or creditor arrangement proceedings at 743 thousand and other overdue receivables at PLN 5,235 thousand as at 31 December 2021 (31 December 2020 – PLN 645 thousand and PLN 12,069 thousand, respectively).

35 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December	
	2021	2020
Exchange Members	14,727	21,581
Issuers*	204	361
Other*	5,029	4,058
Total gross trade receivables not overdue	**19,960**	**26,000**

**Receivables from debtors who are at the same time Exchange Members and Issuers or Exchange Members and Data Vendors (other clients) are presented under receivables from Exchange Members.*

Receivables from Exchange Members include receivables from Polish and foreign banks and brokerage houses, whose risk ratings are presented in the table below. Due to the fact that the Exchange does not have its own credit rating system, external credit ratings were used. If a single debtor had no credit rating, the rating of the parent entity of the debtor was used.

Receivables from issuers include fees due from companies listed on GPW.

Trade receivables from other clients include mainly fees for information services.

	As at 31 December	
	2021	2020
Aa	1,309	2,424
A	7,681	11,293
Baa	390	3,891
Ba	20	-
B and BB	112	2,347
No rating	5,215	1,626
Total trade receivables from Exchange Members	**14,727**	**21,581**

The Exchange has no collateral on receivables.

None of the Exchange's trade receivables were subject to renegotiation of the amount as at 31 December 2021 and as at 31 December 2020.

Selected judgments and estimates

The calculation of impairment of receivables under IFRS 9 requires judgments necessary to define methodologies, models, the classification of clients, and other input data.

The Exchange's trade receivables have no significant financing component. Consequently, impairment as at 31 December 2021 was determined according to lifetime expected credit losses. Based on historical data, the Exchange performed a statistical analysis of the probability of payment of overdue trade receivables by receivables portfolio. For receivables past due more than 180 days, the expected credit loss is assumed to be 100% of the past due receivable. For receivables past due between 90 and 180 days, the expected credit losses is estimated based on analysis of historical data.

The estimated default ratios for clients whose debt is overdue for less than 180 days are as follows:

- *Exchange Members – from 0.31% to 8.89%,*
- *issuers of securities listed on markets operated by the Exchange – from 1.12% to 26.88%,*
- *other clients (including data vendors) – from 0.67% to 5.80%.*

The Company concluded that the default ratios estimated on the basis of historical data represent the probability of default of trade receivables in the future and consequently the ratios were not adjusted.

The Company considers a financial asset to be at risk of default if internal and external information indicates that it is unlikely that the Company will receive the remaining contractual cash flows in full. A financial asset is written off if there is no reasonable expectation that the contractual cash flows will be recovered.

36 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The change of the impairment allowance for trade receivables in 2021 was PLN 1,489 thousand (decrease of allowance) resulting from a higher amount of reversal (PLN 3,321 thousand) than creation of allowance (PLN 2,255 thousand); PLN 1,066 thousand was recognised in the statement of comprehensive income in 2021 as gains on reversed impairment of receivables and PLN 423 thousand were receivables written off as non-recoverable.

The change of the impairment allowance for trade receivables in 2020 was PLN 215 thousand (decrease of allowance) resulting from a higher amount of release (PLN 4,291 thousand) than creation of allowance (PLN 4,173 thousand); PLN 118 thousand was recognised in the statement of comprehensive income in 2020 as gains on reversed impairment of receivables and PLN 97 thousand were receivables written off as non-recoverable.

The impairment of trade receivables was determined according to the expected loss concept using a provision matrix described in Note 3.7.2.

	Year ended 31 December	
	2021	**2020**
Opening balance	**4,372**	**4,587**
Creating a write-off	2,255	4,173
Dissolution of the write-off	(3,321)	(4,291)
Receivables written off during the period as uncollectible	(423)	(97)
Closing balance	**2,883**	**4,372**

The table below presents trade receivables by geographic segment.

	As at 31 December	
	2021	**2020**
Domestic receivables	12,253	18,823
Foreign receivables	13,558	20,029
Total gross trade receivables	**25,811**	**38,852**

3.7.5. FINANCIAL ASSETS MEASURED AT AMORTISED COST

Selected accounting policies

Financial assets measured at amortised cost include: cash and cash equivalents, trade receivables, receivables from loans granted, other financial assets, and other receivables (see Note 3.7.1). Cash and cash equivalents, trade receivables and other receivables are presented in dedicated items of the statement of financial position (Notes 3.7.4, 3.7.6). Financial assets measured at amortised cost in the statement of financial position include other financial assets and receivables from loans granted. Other financial assets include mainly bank deposits, certificates of deposit and corporate bonds with initial maturities exceeding 3 months (from purchase/contracting).

Interest on financial assets classified as financial assets measured at amortised cost is measured using the effective interest rate method and recognised in the profit or loss of the period as part of financial income or financial cost.

37 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December	
	2021	2020
Corporate bonds	150,271	89,977
Bank deposits	55,048	160,008
Loans granted	91,128	-
Total current gross	**296,447**	**249,985**
Allowance for losses on debt instruments measured at amortised cost	**(141)**	**-**
Total financial assets measured at amortised cost (over 3 months)	**296,306**	**249,985**

For more information on loans to related parties, see Note 6.3.2.

	As at 31 December 2021		
	Interest received	Interest accrued	Total recognised in financial income
Corporate bonds	365	95	**460**
Bank deposits	66	40	**106**
Loans granted	164	129	**293**
Total revenue from assets measured at amortised cost (over 3 months)	**595**	**264**	**859**

	Year ended 31 December 2020		
	Interest received	Interest accrued	Total recognised in financial income
Corporate bonds	1,428	(457)	**971**
Bank deposits	1,850	(720)	**1,130**
Total revenue from assets measured at amortised cost (over 3 months)	**3,278**	**(1,177)**	**2,101**

The risk rating of financial assets measured at amortised cost is presented in the table below. Due to the fact that the Exchange does not have its own credit rating system, external credit ratings were used. If a single debtor had no credit rating, the rating of the parent entity of the debtor was used.

	As at 31 December	
	2021	2020
Aaa	91,109	-
Aa/AA2	-	110,005
A	50,093	-
A-	155,103	50,003
Ba/BBB+	-	89,977
Total	**296,306**	**249,985**

38 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.7.6. CASH AND CASH EQUIVALENTS

Selected accounting policies

Cash and cash equivalents are financial assets measured at amortised cost. Cash and cash equivalents include on-demand bank deposits, other short-term investments with original maturities up to 3 months (from contracting), which are highly liquid and easily convertible to known amounts of cash and which are subject to an insignificant risk of change in fair value. Cash deposited in a VAT account is classified as cash equivalents as it can be used to pay tax liabilities and can also be transferred to other current accounts (upon application to the Tax Office).

	As at 31 December	
	2021	**2020**
Current accounts (other)	13,530	25,868
VAT current accounts (split payment)	-	3
Corporate bonds	14,995	-
Bank deposits	141,038	113,002
Write-off for expected credit losses	(102)	-
Total cash and cash equivalents	**169,461**	**138,873**

Cash and cash equivalents include current accounts and short-term bank deposits (up to 3 months). The carrying amount of short-term bank deposits and current accounts is close to the fair value in view of their short maturity. The average maturity of bank deposits included in cash and cash equivalents was 55 days in 2021 (53 days in 2020).

At the commencement of the development projects: New Trading System, TeO, GPW Data and GPW Private Market (see Note 6.2), the Exchange opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 4,389 thousand as at 31 December 2021 (PLN 4,111 thousand as at 31 December 2020). Cash in such accounts is classified as restricted cash.

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

The risk rating of cash and cash equivalents is presented in the table below. Due to the fact that the Exchange does not have its own credit rating system, external credit ratings were used. If a single debtor had no credit rating, the rating of the parent entity of the debtor was used.

	As at 31 December	
	2021	**2020**
Aaa	3	-
A-	155,935	113,002
Ba/BBB+	13,523	25,871
Total	**169,461**	**138,873**

39 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.8. CONTRACT ASSETS AND CONTRACT LIABILITIES

Selected accounting policies

Contract assets are a right to payment for services already transferred by the Exchange to a customer.

Contract liabilities are an obligation of the Exchange to provide a service to a customer in exchange for payment already received by the Exchange or due at the balance sheet date.

	As at 31 December	
	2021	**2020 (restated*)**
Listing	*7,003*	*6,776*
Total financial market	7,003	6,776
Total non-current	**7,003**	**6,776**
Trading	*1,313*	*4,178*
Listing	*3,355*	*388*
Information services and revenue from the calculation of reference rates	*2*	*-*
Total financial market	4,670	4,566
Other revenue	189	72
Total current	**4,859**	**4,638**
Total contract liabilities	**11,862**	**11,414**

**Data for the comparative period have been restated. See Note 6.7.*

Contract assets include mainly information services. Other revenue classified as contract assets stood at PLN 2 thousand as at 31 December 2021 and PLN 764 thousand as at 31 December 2020.

Contract liabilities include annual and quarterly fees paid by market participants as well as fees for introduction of instruments into trading.

3.9. (NON-CURRENT) PREPAYMENTS

Selected accounting policies

Non-current prepayments present amounts paid relating to future periods which are recognised over time.

	As at 31 December	
	2021	**2020**
IT equipment maintenance service	1,890	1,740
Other	5	5
Total non-current prepayments	**1,895**	**1,745**

40 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.10. EQUITY

Selected accounting policies

The equity of the Exchange comprises:

- *share capital disclosed at par, adjusted for hyperinflation;*
- *other reserves, including the revaluation reserve;*
- *retained earnings, comprised of:*
  - *retained earnings from prior years (comprised of supplementary capital and other reserves formed from prior year profits); and*
  - *profit of the current period.*

3.10.1. SHARE CAPITAL

As at 31 December 2021 and as at 31 December 2020, the share capital of the Exchange stood at PLN 41,972 thousand and was divided into 41,972,000 shares with a nominal value of PLN 1 per share including series A shares and series B shares. The Company's shares were fully paid up. Series A shares are preferred registered shares which may be exchanged into bearer shares and become series B ordinary shares on exchange. Each series A share gives 2 votes. Series B shares are bearer shares. Each series B share gives 1 vote.

The share capital from before 1996 was restated using the general price index. The restatement of the share capital for inflation was PLN 21,893 thousand as at 31 December 2021 and as at 31 December 2020.

	As at 31 December 2021 and as at 31 December 2020		
	Value at par	%	
		share capital	total vote
State Treasury	14,688,470	35.00%	51.77%
Banks	49,000	0.12%	0.18%
Brokers	35,000	0.08%	0.12%
Total registered shares (series A)	**14,772,470**	**35.20%**	**52.07%**
Bearer shares (series B)	**27,199,530**	**64.80%**	**47.93%**
Total	**41,972,000**	**100.00%**	**100.00%**

3.10.2. OTHER RESERVES

As required by the Exchange's Articles of Association, reserve capital is earmarked for covering losses that may arise in the operations of the Exchange and for supplementing the share capital or for payment of dividends. Reserve capital should not be lower than one-third of the share capital. Transfers from distributed profit to reserve capital may not be lower than 10% of the profit. Transfers may be discontinued when reserve capital equals one-third of the share capital. One-third of reserve capital may only be used to cover losses reported in financial statements.

Reserves are maintained by the Exchange to ensure the ability of financing investments and other expenses connected with the operations of the Exchange. Reserves can be used towards share capital or payment of dividends.

41 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 1 January 2021	Revaluation	As at 31 December 2021
Revaluation	(7)	6	**(1)**
Deferred tax	2	(1)	**1**
Total capital from revaluation of financial assets measured at fair value through other comprehensive income	**(5)**	**5**	**-**
Revaluation	(274)	223	**(51)**
Deferred tax	52	(42)	**10**
Total capital from actuarial gains/losses	**(222)**	**181**	**(41)**
Total other reserves	**(227)**	**191**	**(41)**

3.10.3. RETAINED EARNINGS

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total retained earnings
As at 1 January 2021 (restated)*	**37,021**	**311,927**	**(40,385)**	**169,510**	**478,073**
Distribution of the net profit for the year 2020	-	63,750	105,760	(169,510)	**-**
Dividend	-	-	(104,930)	-	**(104,930)**
Net profit for 2021	-	-	-	174,425	**174,425**
As at 31 December 2021	**37,021**	**375,677**	**(39,555)**	**174,425**	**547,568**

**Data for the comparative period have been restated. See Note 6.7.*

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total retained earnings
As at 1 January 2020 (restated)*	**37,021**	**297,538**	**(41,551)**	**116,288**	**409,296**
Distribution of the net profit for 2019	-	14,389	101,899	(116,288)	**-**
Dividend	-	-	(100,733)	-	**(100,733)**
Net profit for 2020	-	-	-	169,510	**169,510**
As at 31 December 2020 (restated)*	**37,021**	**311,927**	**(40,385)**	**169,510**	**478,073**

**Data for the comparative period have been restated. See Note 6.7.*

3.10.4. DIVIDEND

On 21 June 2021, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2020, including a dividend payment of PLN 104,930 thousand. The dividend per share was PLN 2.50. The dividend record date was 23 July 2021 and the dividend was paid on 5 August 2021. The dividend paid to the State Treasury was PLN 36,721 thousand.

On 22 June 2020, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2019, including a dividend payment of PLN 100,733 thousand. The dividend per share was PLN 2.40. The dividend record date was 28 July 2020. The dividend was paid on 11 August 2020. The dividend due to the State Treasury was PLN 35,252 thousand.

42 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.10.5. EARNINGS PER SHARE

	Year ended 31 December	
	2021	2020 (restated*)
Net profit for the period	174,425	169,510
Weighted average number of ordinary shares (in thousands)	41,972	41,972
Basic/diluted earnings per share (in PLN)	**4.16**	**4.04**

**Data for the comparative period have been restated. See Note 6.7.*

There are no dilutive instruments in the Company.

3.11. BOND ISSUE LIABILITIES

Selected accounting policies

Liabilities under bond issues, as well as trade payables and lease liabilities, are financial liabilities.

Financial liabilities at the balance sheet date are valued at amortised cost. The valuation is based on cost at which the liability was initially recognised less the repayment of the nominal value, adjusted for the cumulative amount of the discounted difference between the initial value and the maturity value. For instruments at floating interest rates, in relation to the next agreed re-pricing date (on which the interest rate is determined), it is calculated using the effective interest rate method. The effective interest rate is the internal rate of return (IRR) of the liability, which is used for discounting future cash flows of the financial instrument to present value.

	As at 31 December	
	2021	2020
Series C bonds	-	124,810
Series D and E bonds	-	119,929
Total non-current	**-**	**244,739**
Series C bonds	125,746	683
Series D and E bonds	120,532	485
Total current	**246,278**	**1,167**
Total liabilities under bond issue	**246,278**	**245,906**

	As at 31 December 2021					
	Opening balance	Interest accrued	Interest paid	Cost incurred	Cost settled	Closing balance
Principal	**244,929**	-		-	-	**244,929**
Interest	**1,551**	5,440	(5,452)	-	-	**1,539**
Cost of issuance	**(574)**	-	-	(2)	386	**(190)**
Total liabilities under bond issue	**245,906**	**5,440**	**(5,452)**	**(2)**	**386**	**246,278**

As at 31 December 2020						
	Opening balance	Interest accrued	Interest paid	Cost incurred	Cost settled	Closing balance
Principal	**244,929**	-	-	-	-	**244,929**
Interest	**2,316**	6,535	(7,300)	-	-	**1,551**
Cost of issuance	**(962)**	-	-	(3)	391	**(574)**
Total liabilities under bond issue	**246,283**	**6,535**	**(7,300)**	**(3)**	**391**	**245,906**

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	6.10.2015	6.10.2022	125,000	PLN	3.19%	6M
Series D bonds	2.01.2017	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 fair value of the bonds was recognised based on quoted prices as at 31 December 2021 and as at 31 December 2020 (level 1 in the fair value hierarchy).

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

	As at 31 December	
	2021	2020
Fair value of series C bonds	126,491	130,440
Fair value of series D and E bonds	120,588	121,147
Total fair value of bonds in issue	**247,079**	**251,587**

3.12. EMPLOYEE BENEFITS PAYABLE

Selected accounting policies

Employee benefits payable include retirement benefits and other benefits, including provisions for annual awards and bonuses and provisions for benefits after termination.

The present value of retirement benefits payable is determined as at the balance sheet date by an independent actuarial advisor. The calculated benefits payable are equal to discounted future payments taking into account employee rotation as at the balance sheet date. Demographic and employee rotation data are based on historical figures. Actuarial gains and losses on employee benefits after termination are included in other comprehensive income.

The Exchange sets up provisions for annual awards and bonuses in order to assign costs to the periods to which they relate. Provisions are estimated according to the best knowledge of the Exchange Management Board concerning probable bonuses to be paid based on the framework of the incentive scheme.

44 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December	
	2021	2020
Retirement benefits	677	781
Other employee benefits	603	-
Non-current	**1,280**	**781**
Retirement benefits	67	66
Other employee benefits	21,751	14,659
Current	**21,818**	**14,725**
Total benefits in the statement of financial position	**23,098**	**15,506**

3.12.1. RETIREMENT BENEFITS

Provisions for retirement benefits are recorded by the Exchange according to valuation as at the balance sheet date provided by an independent actuarial advisor.

	Year ended 31 December	
	2021	2020
Total benefits in operating expenses	118	114
Total benefits in other comprehensive income	(221)	44
Total benefits in the statement of comprehensive income	**(103)**	**158**

	Year ended 31 December	
	2021	2020
Retirement benefits - opening balance	**847**	**689**
Current service cost	116	100
Interest cost	10	14
Gains and losses on the benefits scheme	(8)	-
Actuarial losses/(gains) shown in other comprehensive income due to change of:	(221)	44
- financial assumptions	*(219)*	*84*
- demographic assumptions	-	*(27)*
- other assumptions	*(2)*	*(13)*
Total change shown in comprehensive income	**(103)**	**158**
Retirement benefits - closing balance	**744**	**847**

	Year ended 31 December	
	2021	2020
Discount rate	3.6%	1.2%
Expected average annual increase of the base of provisions for retirement benefits	3.5%	3.5%
Inflation p.a.	2.5%	2.5%
Weighted average employee mobility	6.4%	6.5%

45 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

3.12.2. OTHER EMPLOYEE BENEFITS

	Year ended 31 December 2021					
	Opening balance	Set up	Used	Reclassified	Released	Closing balance
Annual and discretionary bonuses	12,092	14,231	(11,224)	-	(45)	**15,054**
Unused holiday leave	2,324	2,916	(1,851)	-	-	**3,389**
Overtime	244	125	(244)	-	-	**125**
Unpaid remuneration	-	3,183	-	-	-	**3,183**
Total current	**14,660**	**20,455**	**(13,319)**	**-**	**(45)**	**21,751**
Annual and discretionary bonuses	-	625	(23)	-	-	**603**
Total non-current	**-**	**625**	**(23)**	**-**	**-**	**603**
Total other employee benefits payable	**14,660**	**21,080**	**(13,342)**	**-**	**(45)**	**22,354**

	As at 31 December 2020					
	Opening balance	Set up	Used	Reclassified	Released	Closing balance
Annual and discretionary bonuses	9,015	11,829	(8,763)	11	-	**12,092**
Unused holiday leave	1,465	2,165	(1,306)	-	-	**2,324**
Overtime	57	244	(57)	-	-	**244**
Total current	**10,537**	**14,238**	**(10,126)**	**11**	**-**	**14,660**
Annual and discretionary bonuses	36	-	(25)	(11)	-	**-**
Total non-current	**36**	**-**	**(25)**	**(11)**	**-**	**-**
Total other employee benefits payable	**10,573**	**14,238**	**(10,151)**	**-**	**-**	**14,660**

3.13. ACCRUALS AND DEFERRED INCOME

Selected accounting policies

Accruals and deferred income include grants received and other payments.

Grants relating to assets are presented in the statement of financial position as deferred income (under accruals and deferred income) and recognised in the statement of comprehensive income (under other income) systematically through the useful life of the assets concerned by the grant.

Grants received are described in Note 6.2.

	As at 31 December	
	2021	2020
New Trading Platform Project	13,243	6,377
GPW Data Project	2,518	910
Private Market	532	208
Total non-current	**16,293**	**7,495**

DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December	
	2021	2020
New Trading Platform Project	-	1,538
GPW Data Project	-	580
Telemetria project	1,191	-
Private Market	1,652	87
Total current	**2,843**	**2,205**
Total accruals and deferred income	**19,136**	**9,700**

3.14. OTHER LIABILITIES

	As at 31 December	
	2021	2020
Liabilities to the Polish National Foundation	5,731	7,061
Perpetual usufruct liabilities	3,561	3,576
Total non-current	**9,292**	**10,638**
Dividend payable	-	249
VAT payable	876	661
Liabilities in respect of other taxes	1,818	2,738
Contracted investments	983	1,560
Liabilities to the Polish National Foundation	1,331	1,293
Other liabilities	2,621	2,587
Total current	**7,629**	**9,088**
Total other liabilities	**16,921**	**19,726**

As a co-founder of the Polish National Foundation established by 17 State-owned companies in 2016 ("PFN"), the Exchange is required to contribute annual payments towards the statutory mission of PFN, totalling 11 payments from the establishment of the Foundation. Payments to PFN are donations and the liability of GPW to make all payments to PFN according to the founding deed of the Foundation arose when GPW joined the Foundation and signed its founding deed in 2016. The liability was charged to expenses in 2016 and is recognised over time. The liability of the Exchange to PFN was PLN 7,062 thousand as at 31 December 2021 (PLN 8,355 thousand as at 31 December 2020).

3.15. TRADE PAYABLES

Selected accounting policies

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade payables, as well as liabilities under bond issues and lease liabilities, are financial liabilities. Financial liabilities at the balance sheet date are valued at amortised cost.

47 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December	
	2021	2020
Trade payables to associates	91	68
Trade payables to subsidiaries	875	710
Trade payables to other entities, accruals and deferred income	6,713	6,560
Total trade payables	**7,679**	**7,338**

In the opinion of the Exchange Management Board, due to the short due dates of trade payables, the carrying amount of trade payables is similar to the fair value.

3.16. DEFERRED INCOME TAX

Selected accounting policies

Deferred tax is calculated using the liability method as tax payable or reimbursable in the future in respect of differences between carrying amounts of assets and liabilities and the corresponding tax amounts.

The deferred tax liabilities are recorded in the full amount and are not subject to discounting.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences could be utilised. Deferred tax assets are reviewed at the balance sheet date; if expected future tax gains or positive temporary differences are insufficient to realise an asset in whole or in part, it is written off.

Deferred tax assets and liabilities can be offset when the Exchange has an enforceable right to offset current income tax receivables and liabilities and when the deferred tax assets and liabilities relate to income tax imposed on the same taxpayer by the same tax authorities.

The Company does not recognise deferred tax liabilities and assets for differences between the tax amount and the carrying amount of investments in subsidiaries and associates if the Company is able to control the timing of the reversal of temporary differences (for deferred tax liabilities) and it is probable that such differences will not reverse in the foreseeable future.

-	Deferred tax (asset)/liability					
	As at 1 January 2021 (restated*)	(Credited)/ Debited in profit	(Credited)/ Debited in other comprehensive income	As at 31 December 2021		
				(Asset)/ Liability	Deferred tax asset	Deferred tax liability
Difference between accounting and tax value of property, plant and equipment and intangible assets	**7,784**	(1,953)	-	**5,831**	-	5,831
Impairment loss on investment in other entities	**(959)**	-	1	**(958)**	958	-
Employee benefits	**(2,965)**	(1,713)	42	**(4,636)**	4,636	-
Cost estimates	**(571)**	30	-	**(541)**	541	-
Deferred income	**(1,756)**	(249)	-	**(2,005)**	2,005	-
Impairment loss on trade receivables	**(726)**	302	-	**(424)**	424	-
Interest and costs of bond issue	**(186)**	(71)	-	**(257)**	293	36
Other	**(242)**	32	-	**(210)**	293	84
Total deferred tax (asset)/liability	**379**	**(3,622)**	**43**	**(3,199)**	**9,150**	**5,951**

**Data for the comparative period have been restated. See Note 6.7.*

48 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

-	Deferred tax (asset)/liability							
						As at 31 December 2020		
	As at 1 January 2020 (reported)	Corrections	As at 1 January 2020 (restated*)	(Credited)/ Debited in profit	(Credited)/ Debited in other comprehensive income	(Asset)/ Liability	Deferred tax asset	Deferred tax liability
Difference between accounting and tax value of property, plant and equipment and intangible assets	**9,264**	-	**9,264**	(1,480)	-	**7,784**	(6,237)	1,547
Impairment loss on investment in other entities	**(958)**	-	**(958)**	-	(1)	**(959)**	959	-
Employee benefits	**(2,172)**	-	**(2,172)**	(785)	(8)	**(2,965)**	2,965	-
Cost estimates	**(598)**	-	**(598)**	27	-	**(571)**	571	-
Deferred income	**(145)**	(1,626)	**(1,771)**	15	-	**(1,756)**	1,756	-
Impairment loss on trade receivables	**(629)**	-	**(629)**	(97)	-	**(726)**	726	-
Interest and costs of bond issue	**(258)**	-	**(258)**	72	-	**(186)**	295	109
Other	**201**	-	**201**	(442)	-	**(242)**	411	169
Total deferred tax (asset)/liability	**4,705**	**(1,626)**	**3,079**	**(2,690)**	**(9)**	**379**	**1,446**	**1,825**

**Data for the comparative period have been restated. See Note 6.7.*

3.17. PHANTOM SHARES

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

- a number of phantom shares defined under the Programme for the period from the start of employment with GPW to 16 April 2021 – in total, 10,428 shares were allotted as at 16 April 2021,
- another 4 phantom shares in each year of the Programme (provided that the GPW employee remains in employment as at 16 April of such year) – the estimated number of such phantom shares was 10,301 as at 31 December 2021,
- dividend, i.e., the number of phantom shares allotted to the employees times the dividend per GPW share in the year determined by the GPW General Meeting,
- the right to dividends from the shares held. Employees may, by 30 September each year, request a dividend payment which will be made by 15 October each year. If an employee does not request a payment during the period of employment, the payment is made upon termination of employment or retirement.

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

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

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

- PLN 603 thousand – liability under the Programme as at 31 December 2021, presented under Non-current liabilities – Employee benefits payable in the statement of financial position,
- PLN 140 thousand – liability under the Programme as at 31 December 2021, presented under Current liabilities – Employee benefits payable in the statement of financial position (the dividend part and liabilities in respect of vested benefits),
- PLN 621 thousand – Programme cost in the 12-month period of 2021, presented in Employee costs in the statement of comprehensive income.

DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The liability recognised as at 31 December 2021 will be increased with the value of future shares and dividends. The estimated total dividend payable was PLN 486 thousand as at 31 December 2021 and the estimated amount of the Programme based on a variable number of employees and a variable share price is PLN 1,224 thousand by the end of 2031.

4. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME

4.1. SALES REVENUE

Selected accounting policies

Sales revenue is recognised at transaction price when (or as) the entity transfers control of services to a customer. All bundled services that can be separated under the contract with the customer are recognised separately. Any discounts and rebates of the transaction price are allocated to individual components of bundled services. Depending on whether certain criteria are met, revenue is recognised:

- *over time, in a manner that depicts the entity's performance; or*
- *at a point in time, when control of the services is transferred to the customer.*

Revenues from the introduction of shares to trading *are inextricably linked to the listing service. As a result, it was decided that revenue from fees for introduction to trading will be recognised over time during the expected term of contracts with customers (average listing period). Accordingly, the accounting recognition of revenue from fees for introduction of shares to trading was modified retrospectively (see description in Note 6.7.1.). The Exchange defined the average period of provision of the listing service equal to 9 years following a historical analysis of the average period of listing of companies on the Main Market and NewConnect. The estimate is subject to uncertainty and will be reviewed as at each reporting date.*

Other sales revenue is measured at the transaction price specified in the contract. No significant financing component has been identified due to the fact that sales have a payment term of 21 days, which is in line with market practice. Revenue is recognised on a one-off basis when the performance obligation is met, which is when the payment becomes unconditionally due and only a specified period of time is required to receive it. In rare cases, the Group grants deferred payment terms, but never for more than 12 months; therefore, the transaction price is not adjusted for the impact of a significant financing component.

Sales revenue consists of three main business lines: revenue from the financial market, revenue from the commodity market, and other sales revenue.

Revenue from the financial market consists of:

- ***Revenue from trading:*** *revenue from Exchange Members, i.e., trading fees which depend on the type of traded instruments, the value of transactions, the number of executed orders and the volume of trade. In addition to trading fees, the Exchange charges flat-rate fees for access to and use of its IT system.*
- ***Revenue from issuers:*** *charged under the Exchange Rules and the Alternative Trading System Rules: fees for the listing of securities, fees for admission to trading, as well as other fees.*
- ***Revenue from information services:*** *real-time stock exchange data and statistical and historical data in the form of subscriptions, electronic publications, calculation of indices, as well as other stock exchange index licenses and calculations. The sale of stock exchange information is based on separate agreements signed with exchange data vendors and Exchange Members and other organisations including mainly financial institutions.*

Revenue from the commodity market *includes mainly revenue from information services, i.e., commodity market data based on separate agreements signed with exchange data vendors, Exchange Members and other organisations, mainly financial institutions.*

Other sales revenue *includes administrative, accounting, HR, IT services for members of the GPW Group, lease of passenger cars, lease and maintenance of office space, training.*

Selected judgments and estimates

The Company grants rebates to Exchange Members under the Exchange's Technology Development Support Programme. To be eligible for rebates, Exchange Members must invest in additional technological capacity including among others IT system and IT infrastructure upgrades or the development of new functionalities relating to brokerage services. Rebates are awarded to Exchange Members by the Exchange Management Board on the basis of documentation of expenses up to an individual limit set for the Exchange Member in the Programme.

The table below presents sales revenue by business line.

	Year ended 31 December	
	2021	**2020 (restated*)**
Financial market	**239,756**	**243,797**
Trading	**167,651**	**175,561**
Equities and other equity-related instruments	*143,797*	*151,042*
Derivatives	*13,737*	*15,376*
Other fees paid by market participants	*8,353*	*7,488*
Debt instruments	*501*	*439*
Other cash instruments	*1,263*	*1,216*
Listing	**21,049**	**20,257**
Listing fees	*16,881*	*16,563*
Fees for admission and introduction and other fees	*4,168*	*3,694*
Information services	**51,056**	**47,979**
Real-time data	*47,830*	*44,685*
Historical and statistical data and indices	*3,226*	*3,294*
Commodity market	**898**	**947**
Information services	**898**	**947**
Other revenue	**12,367**	**11,259**
Services to GPW Group members (other than leases)	**11,906**	**10,771**
Lease of space at Centrum Giełdowe	*434*	*497*
Building maintenance, cleaning, security	*1,735*	*1,717*
Maintenance fees for cars	*204*	*198*
Accounting and HR	*2,309*	*2,240*
Other IT services	*3,783*	*3,781*
Other administrative services	*3,441*	*2,272*
Services to GPW Group non-members (other than leases)	**461**	**488**
Lease of space at Centrum Giełdowe	*41*	*(24)*
Building maintenance, cleaning, security	*8*	*36*
Sponsoring	*62*	*124*
Other	*350*	*352*
Total sales revenue	**253,021**	**256,003**

**Data for the comparative period have been restated. See Note 6.7.*

	Year ended 31 December			
	2021	**% share**	**2020**	**% share**
Revenue from foreign customers	114,626	45.3%	107,042	41.81%
Revenue from local customers	138,395	54.7%	148,961	58.19%
Total sales revenue	**253,021**	**100.0%**	**256,003**	**100%**

51 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

4.2. OPERATING EXPENSES

Selected accounting policies

Expenses are a probable decrease of economic benefits in the reporting period, whose amount is reliably determined, that reduces the value of assets or increases liabilities and provisions, which will reduce equity or increase negative equity, other than due to withdrawal of funds by shareholders or owners.

Operating expenses include salaries and the cost of maintenance of the IT infrastructure of the trading system, as well as advisory costs, the cost of capital market and commodity market education, promotion and information.

The Exchange records expenses by type.

	Note	Year ended 31 December	
		2021	2020 (restated*)
Depreciation and amortisation, including:		23,224	23,242
capitalised depreciation and amortisation charges		*(638)*	*(436)*
Salaries	4.2.1.	53,095	43,230
Other employee costs	4.2.1.	15,968	13,809
Rent and other maintenance fees		4,771	4,243
Fees and charges, including:		9,594	8,569
fees paid to PFSA		*7,984*	*7,362*
External service charges	4.2.2.	45,955	37,547
Other operating expenses		4,198	3,473
Total operating expenses		**156,805**	**134,113**

**Data for the comparative period have been restated. See Note 6.7.*

4.2.1. SALARIES AND OTHER EMPLOYEE COSTS

Selected accounting policies

Liabilities in respect of current employee benefits (i.e., remuneration, social security charges, paid holidays, sick leaves, etc.) are charged to costs in the period when benefits are paid.

Furthermore, the Exchange has an incentive scheme, according to which employees have the right to an annual bonus (dependent on the sales profit and the implementation of bonus targets and linked to the employee's individual appraisal). The Exchange sets up provisions for bonuses in order to assign costs to the periods to which they relate. Provisions are estimated according to the best knowledge of the Exchange Management Board concerning probable bonuses to be paid based on the framework of the incentive scheme.

The Exchange pays contributions to the Employee Pension Scheme (defined contributions scheme). Employees join the scheme voluntarily. After payment of the contributions, the Exchange has no further obligations to make payments to the Employee Pension Scheme. These contributions are charged to costs of employee benefits as they are incurred.

Under the applicable legislation, the Exchange is required to charge and pay contributions towards employees' pension benefits. Such benefits are a state scheme which is a defined contributions scheme. According to the Labour Code, employees have the right to receive a severance pay upon reaching retirement age. Retirement severance pay is paid on a one-off basis at the time of retirement. Paid retirement benefits are recognised as an expense of the period in which they are paid.

52 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December	
	2021	2020
Gross remuneration	28,688	26,500
Annual and discretionary bonuses	12,168	9,831
Retirement severance pay	127	114
Reorganisation severance pay	77	42
Non-competition	-	185
Other (including: unused holiday leave, overtime)	1,553	1,416
Total payroll	**42,613**	**38,088**
Supplementary payroll	**10,482**	**5,142**
Total employee costs	**53,095**	**43,230**

	Year ended 31 December	
	2021	2020
Social security costs (ZUS)	7,270	6,744
Employee Pension Plan (PPE)	2,813	2,185
Other benefits (including medical services, lunch subsidies, sports, insurance, etc.)	5,885	4,880
Total other employee costs	**15,968**	**13,809**

Remuneration of the key management personnel is described in Note 6.4.

4.2.2. EXTERNAL SERVICE CHARGES

	Year ended 31 December	
	2021	2020 (restated*)
IT infrastructure maintenance	*13,576*	*12,058*
Data transmission lines	*3,568*	*3,500*
Software modification	*649*	*439*
Total IT cost	17,793	15,997
Repair and maintenance of installations	*980*	*843*
Security	*2,012*	*1,850*
Cleaning	*776*	*771*
Fixed and mobile telephony	*194*	*178*
Total office space and office equipment maintenance	3,962	3,642
Lease, rental and maintenance of vehicles	284	288
Transportation services	54	40
Promotion, education, market development	5,408	3,302
Market liquidity support	1,041	1,247
Advisory (including legal, business consulting, audit)	5,935	2,633
Information services	7,185	7,085
Training	557	697
Mail fees	36	25
Bank fees	35	88
Translation	359	271
Other	3,306	2,232
Total external service charges	**45,955**	**37,547**

**Data for the comparative period have been restated. See Note 6.7.*

53 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

4.3. OTHER INCOME

	Year ended 31 December	
	2021	2020 (restated*)
Grants received - New Trading Platform Project	26	655
Annual correction of input VAT	-	372
Medical services reinvoiced to employees	360	318
Damages received	4	37
Investment property revenues	1,106	1,078
Other	85	1
Total other income	**1,581**	**2,461**

**Data for the comparative period have been restated. See Note 6.7.*

4.4. OTHER EXPENSES

	Year ended 31 December	
	2021	2020 (restated*)
Donations	2,131	3,135
Loss on sale of property, plant and equipment	50	28
Depreciation charges on investment property	380	384
Impairment of assets	-	4,222
Other	762	635
Total other expenses	**3,323**	**8,404**

**Data for the comparative period have been restated. See Note 6.7.*

In 2021, the Exchange made donations to:

- Polish National Foundation – PLN 1,500 thousand (booked in expenses of 2016, see Note 3.14),
- GPW Foundation – PLN 2,070 thousand,
- Care and Education Centre, Franciszków – PLN 20 thousand,
- Border Guards – PLN 20 thousand,
- European Foundation for Those in Need, Gorzów Wlkp. – PLN 14 thousand,
- orphanages – PLN 6 thousand,
- Bródno Hospotal – PLN 1 thousand.

In 2020, the Exchange made donations to:

- Fighting the coronavirus (donations for the Sanitary and Epidemiological Stations in Radom and Siedlce, hospitals across Poland, the Public Health Care Institution in Siedlce) – PLN 1,683 thousand, including PLN 680 thousand of the Exchange's profit on trade in Allegro shares on the first day of trading (12 October 2020);
- Polish National Foundation – PLN 1,500 thousand (recognised in expenses in 2016, see Note 3.14),
- GPW Foundation – PLN 1,350 thousand,
- Warsaw School of Economics – PLN 100 thousand.

54 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

4.5. FINANCIAL INCOME

Selected accounting policies

Interest income is recognised on a time-proportionate basis using the effective interest rate method. Dividend income is recognised at the moment of establishing the shareholders' right to receive the payment.

	Year ended 31 December	
	2021	**2020**
Income on financial assets presented as cash and cash equivalents	*79*	*305*
Income on financial assets presented as financial assets measured at amortised cost	*859*	*2,101*
Interest on sublease receivables	*167*	*270*
Total interest income under the effective interest rate method	**1,105**	**2,676**
Dividends	101,762	80,766
Other financial income	22	2,233
Tota financial income	**102,889**	**85,675**

Details concerning dividend received from subsidiaries and associates are presented in Notes 6.3.2. and 6.3.3.

4.6. FINANCIAL EXPENSES

Selected accounting policies

Financial expenses include costs and interest of bonds in issue, interest on loans and advances, and interest on tax liabilities.

Interest on bonds is determined using the effective interest rate method.

	Year ended 31 December	
	2021	**2020 (restated*)**
Interest on bonds, including:	5,826	6,926
*accrued***	374	(374)
paid	5,452	7,300
Interest on lease liabilities, including:	376	603
impairment loss on investment in other entities	-	*583*
- expected credit loss	*243*	-
Other financial expenses	487	1,477
Currency differences	377	-
Total financial expenses	**7,309**	**9,589**

** Data for the comparative period have been restated. See Note 6.7.*
*** Negative interest accrued in 2020 due to changes of interest rates during the year.*

55 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

4.7. INCOME TAX

Selected accounting policies

Current income tax is calculated on the basis of net taxable income of the Exchange for a given financial year determined in accordance with the binding tax regulations and using the tax rates provided in those regulations. Net taxable income (loss) differs from accounting profit (loss) for the year due to:

- *costs which are not tax-deductible;*
- *dividend income which is not taxable;*
- *grants which are not taxable.*

	Year ended 31 December	
	2021	**2020 (restated*)**
Current income tax	20,317	25,511
Deferred tax	(3,622)	(2,870)
Total income tax	**16,695**	**22,641**

**Data for the comparative period have been restated. See Note 6.7.*

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

	Year ended 31 December	
	2021	**2020 (restated*)**
Profit before tax	191,120	192,151
Income tax rate	19%	19%
Income tax at statutory rate	**36,313**	**36,509**
Tax effect of:	**(19,618)**	**(13,868)**
Non-tax deductible costs	995	2,495
Non-taxable dividend income	(19,335)	(15,346)
Non-taxable grants	(5)	(124)
Other adjustments	(1,273)	(893)
Total income tax	**16,695**	**22,641**

**Data for the comparative period have been restated. See Note 6.7.*

Tax Group ("TG")

Selected accounting policies

The companies participating in TG are not treated individually but collectively as one corporate income taxpayer under the Corporate Income Tax Act. Such taxpayer's income is determined as the surplus of incomes of the companies participating in TG over the sum of their losses.

While income taxes of the companies participating in TG are no longer paid individually, the companies are still required to individually pay other taxes including VAT and local taxes.

56 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

On 25 November 2016, the Head of the First Mazovian Tax Office in Warsaw issued a decision registering TG for a period of three tax years (from 1 December 2017 to 31 December 2019). The TG was comprised of the Exchange, TGE, BondSpot, and GPWB. On 24 December 2019, the Head of the First Mazovian Tax Office in Warsaw issued a decision extending TG for another tax year, from 1 January to 31 December 2020. On 11 December 2020, the TG was extended for another tax year, from 1 January to 31 December 2021. By decision of 7 December 2021, the TG was extended for the year 2022.

As the Company Representing TG, the Exchange is responsible for the calculation and payment of corporate income tax advances of TG pursuant to the Corporate Income Tax Act.

GPW's receivables from related parties participating in TG in respect of income tax paid on their behalf were PLN 2,196 thousand as at 31 December 2021 (PLN 7,327 thousand as at 31 December 2020), presented under trade receivables and other receivables in the statement of financial position.

5. NOTE TO THE STATEMENT OF CASH FLOWS

Selected accounting policies

The statement of cash flows is prepared using the indirect method.

Received interest and dividend are recognised under investment activities. Paid dividend and interest (on bonds) are recognised under financing activities.

	Year ended 31 December	
	2021	2020 (restated*)
Depreciation of property, plant and equipment**	9,989	10,131
Amortisation of intangible assets***	10,402	10,154
Depreciation and amortisation of right-to-use assets	2,834	2,956
Depreciation of investment property	380	384
Total depreciation and amortisation charges******	**23,605**	**23,625**

**Data for the comparative period have been restated. See Note 6.7.*

*** In 2021 depreciation included depreciation charge capitalised to intangible assets at PLN 501 thousand.*
**** In 2021 amortisation included amortisation charge capitalised to intangible assets at PLN 137 thousand.*
***** The depreciation value is different from the value included in the operating costs due to the property depreciation costs included in the other costs.*

	Year ended 31 December	
	2021	2020 (restated*)
(Gains)/losses on sale of property, plant and equipment and intangible assets	3,892	28
(Gains)/losses on FX differences (valuation of accounts and deposits)	153	(488)
Interest (income)/cost on loans to employees	(4)	-
Sublease interest (income)	(167)	(270)
Lease interest expense	370	603
Financial expense on the bond issue	383	389
Impairment loss on investment in other entities (PAR)	-	583
Grants moved to cash flows from financing activities	(6,968)	-
Actuarial (gains)/losses	179	-
Impairment loss on assets measured at fair value through profit or loss	-	920
Impairment loss on other current assets	-	4,222
Other costs	324	738
Total other adjustments	**(1,838)**	**6,725**

57 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

6. OTHER NOTES

6.1. FINANCIAL INSTRUMENTS

	Year ended 31 December 2021					
	Interest received/paid	Interest accrued, revaluation and cost of bond issue	Impairment loss	Total shown in net profit	Total shown in other comprehensive income	Total shown in the statement of comprehensive income
Trade receivables (gross)	-	-	1,066	**1,066**	-	**1,066**
Equity instruments	-	-	-	**-**	5	**5**
Corporate bonds	365	107	-	**472**	-	**472**
Bank deposits	97	76	-	**173**	-	**173**
Loans granted	164	129	-	**293**	-	**293**
Total financial instruments (assets)	**626**	**312**	**1,066**	**2,004**	**5**	**2,009**
Bonds in issue	(5,452)	(374)	-	**(5,826)**	-	**(5,826)**
Loans	-	-	-	**-**	-	**-**
Total financial instruments (liabilities)	**(5,452)**	**(374)**	**-**	**(5,826)**	**-**	**(5,826)**
Total recognised in the statement of comprehensive income	**(4,826)**	**(62)**	**1,066**	**(3,822)**	**5**	**(3,817)**

	As at 31 December 2020					
	Interest received/paid	Interest accrued, revaluation and cost of bond issue	Impairment loss	Total shown in net profit	Total shown in other comprehensive income	Total shown in the statement of comprehensive income
Trade receivables (gross)	-	-	118	**118**	-	**118**
Equity instruments	-	-	(866)	**(866)**	(4)	**(870)**
Corporate bonds	1,428	(457)	-	**971**	-	**971**
Bank deposits	2,153	(718)	-	**1,435**	-	**1,435**
Loans granted	-	-	(507)	**(507)**	-	**(507)**
Total financial instruments (assets)	**3,581**	**(1,175)**	**(1,255)**	**1,151**	**(4)**	**1,147**
Bonds in issue	(7,300)	374	-	**(6,926)**	-	**(6,926)**
Loans	-	-	(500)	**(500)**	-	**(500)**
Total financial instruments (liabilities)	**(7,300)**	**374**	**(500)**	**(7,426)**	**-**	**(7,426)**
Total recognised in the statement of comprehensive income	**(3,719)**	**(801)**	**(1,755)**	**(6,275)**	**(4)**	**(6,279)**

As at 31 December 2021 and as at 31 December 2020, the impairment loss on equity instruments, i.e., financial assets measured at fair value through profit or loss amounted to PLN 0.9 million.

6.2. GRANTS

Selected accounting policies

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government refers to government, government agencies and similar bodies whether local, national or international.

A government grant is recognised when there is reasonable assurance that the Exchange will comply with any conditions attached to the grant and the grant will be received.

58 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

Grants related to assets *are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Grants related to assets are presented in the statement of* *financial position as deferred income and recognised in financial results (other income) systematically over the useful lifetime of the assets concerned by the grant.*

Grants relating to income *are grants other than grants relating to assets and they are recognised in other income systematically over the periods when the expenses covered by the grant are recognised.*

Prepayments in respect of grants related to assets are presented in Note 3.13, income in respect of grants is presented in Note 4.3, and contingent liabilities in respect of grants are presented in Note 6.6.

New Trading System

The New Trading System is a development project of a new trading platform which will in the future help to reduce transaction costs and offer new functionalities and types of orders for Exchange Members, issuers and investors. The system will provide superior reliability and security according to advanced technical parameters. The amount of the grant in the New Trading System project will be PLN 30.3 million, the estimated cost of the project is PLN 90 million, the project has not been completed as at 31 December 2021.

GPW Data

The GPW Data project is an innovative Artificial Intelligence system supporting investment decisions of capital market participants. The core of the system is a repository of a broad range of structured exchange data. Such information will support investments on the capital market based on classical and innovative analysis models. The amount of the grant in the GPW Data project will be PLN 4.2 million, the estimated cost of the project is PLN 8.3 million, the project has not been completed as at 31 December 2021.

GPW Private Market

On 23 September 2020, acting as the leader of a consortium comprised of the Silesian University of Technology and VRTechnology sp. z o.o., GPW signed a co-financing agreement with the National Centre for Research and Development for the project "Development of an innovative blockchain platform".

The objective of the project is to develop a platform for the issuance of tokens representing digital rights (digital assets). The platform will also support trade in such assets. The amount of the grant in the GPW Private Market project will be PLN 8.5 million, the estimated cost of the project is PLN 12.6 million, the project has not been completed as at 31 December 2021.

TeO

On 4 October 2021, GPW signed an agreement with the National Centre for Research and Development ("NCBiR") to co-finance work related to the develoment of the TeO system - a multi-module auction platform designed for comprehensive handling of media market transactions.

The aim of the project is to develop an innovative TeO Platform. The new solution will be designed to profile TV users and sell and display targeted advertising on linear TV. The amount of the grant in the project will be PLN 13.3 million, the estimated cost of the project is PLN 33.3 million, the project has not been completed as at 31 December 2021.

Gospostrateg

On 27 October 2021, as a member of a consortium comprising the Mazowieckie Voivodeship as Leader and the Warsaw School of Economics, GPW concluded an agreement with the National Centre for Research and Development for the implementation of the Gospostrateg project.

The main objective of the project is to transform the Mazowieckie Voivodeship into an accelerator of global enterprises by building a knowledge repository of key global markets and developing and implementing an effective model of co-operation between administration, science and business taking into account the conditions of the Mazowieckie Voivodeship. The amount of the grant in the Gospostrateg project will be PLN 0.3 million, the estimated cost of the project is PLN 7.9 million, the project has not been completed as at 31 December 2021.

PCOL

On 4 November 2021, GPW signed an agreement with the National Centre for Research and Development to co-finance the Polish Digital Logistics Operator ("PCOL") project.

PCOL is a project for an innovative logistics platform based on artificial intelligence to optimise costs in areas related to transport and logistics services for State-owned companies as well as private companies which will in the future use the services and solutions offered. The grant will be used to finance research and development work related primarily to the development of innovative technologies based on artificial intelligence. The amount of the grant in the PCOL project will be PLN 5.4 million, the estimated cost of the project is PLN 9.3 million, the project has not been completed as at 31 December 2021.

6.3. RELATED PARTY TRANSACTIONS

Selected accounting policies

Related parties of the Exchange include:

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

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

Companies with a stake held by the State Treasury

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

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

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

Polish Financial Supervision Authority ("PFSA")

The PFSA Chairperson publishes the rates and the indicators necessary to calculate capital market supervision fees by 31 August of each calendar year. On that basis, the entities obliged to pay the fee calculate the final amount of the annual fee due for the year and pay the fee by 30 September of the calendar year. The Regulation of the Minister of Finance of 17 September 2020 amending the regulation concerning other deadlines of certain reporting and disclosure obligations postponed the due date of the 2020 fee to 30 November 2020.

Fees paid by the Exchange to PFSA stood at PLN 7,984 thousand in 2021 and PLN 7,362 thousand in 2020.

Tax Office

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

Details concerning income tax are presented in Note 4.7.

Polish National Foundation

Payments and transactions with the Polish National Foundation are described in Notes 3.14 and 4.4.

6.3.2. TRANSACTIONS WITH SUBSIDIARIES

Revenue of the Exchange from subsidiaries includes revenue from lease of office space (operating lease of proprietary space and sublease), lease of passenger cars, maintenance of premises, cleaning services, security services, accounting services, HR services, administrative services, IT services, and marketing services. Operating expenses paid by the Exchange to subsidiaries mainly relate to purchase of information services which are distributed by GPW.

	As at 31 December 2021		Year ended 31 December 2021	
	Receivables	**Trade payables and other liabilities**	**Sales revenue or sublease interest**	**Operating expenses (including: decrease of depreciation and amortisation due to subleases)**
TGE:	**93,058**	**86**	**7,921**	**3**
leases	*933*	*-*	*40*	*(626)*
other	*1,115*	*86*	*7,881*	*629*
loan	*91,010*	*-*	*-*	*-*
IRGiT:	**2,058**	**-**	**2,374**	**(859)**
leases	*1,702*		*63*	*(859)*
other	*356*	*-*	*2,311*	*-*
BondSpot:	**1,023**	**17**	**1,047**	**161**
leases	*867*	*-*	*35*	*(581)*
other	*156*	*17*	*1,012*	*742*
GPWB:	**710**	**685**	**1,454**	**5,183**
leases	*347*	*-*	*14*	*(216)*
other	*363*	*685*	*1,440*	*5,399*
InfoEngine:	**5**	**3**	**49**	**8**
leases	*-*	*3*	*-*	*-*
other	*5*	*-*	*49*	*8*
GPW Tech:	**247**	**87**	**6**	**(93)**
leases	*199*	*-*	*6*	*(93)*
other	*48*	*87*	*-*	*-*
GPW Ventures ASI:	**79**	**-**	**2**	**(36)**
leases	*56*	*-*	*2*	*(36)*
other	*23*	*-*	*-*	*-*
Total	**97,180**	**878**	**12,853**	**4,367**

	As at 31 December 2020		Year ended 31 December 2020	
	Receivables	**Trade payables and other liabilities**	**Sales revenue or sublease interest**	**Operating expenses (including: decrease of depreciation and amortisation due to subleases)**
TGE:	**3,664**	**90**	**7,463**	**71**
leases	*1,473*	*-*	*59*	*(585)*
other	*2,191*	*90*	*7,404*	*656*
IRGiT:	**3,197**	**-**	**2,106**	**(795)**
leases	*2,500*	*-*	*115*	*(808)*
other	*697*	*-*	*1,991*	*13*
BondSpot:	**1,481**	**38**	**1,067**	**57**
leases	*1,374*	*-*	*54*	*(573)*
other	*107*	*38*	*1,013*	*630*
GPWB:	**704**	**582**	**1,028**	**4,219**
leases	*524*	*-*	*18*	*(200)*
other	*180*	*582*	*1,010*	*4,419*
InfoEngine:	**4**	**-**	**33**	**2**
leases	*-*	*-*	*-*	*(4)*

61 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2020		Year ended 31 December 2020	
	Receivables	**Trade payables and other liabilities**	**Sales revenue or sublease interest**	**Operating expenses (including: decrease of depreciation and amortisation due to subleases)**
other	*4*	*-*	*33*	*6*
GPW Tech:	**319**	**-**	**6**	**(64)**
leases	*289*	*-*	*6*	*(64)*
other	*30*	*-*	*-*	*-*
GPW Ventures ASI:	**103**	**-**	**4**	**(36)**
leases	*92*	*-*	*4*	*(36)*
other	*11*	*-*	*-*	*-*
Total	**9,472**	**710**	**11,707**	**3,454**

The table above does not include transactions in fixed assets. The Exchange purchased no fixed assets from Group members in 2021 and in 2020, and no receivables from subsidiaries were impaired.

Receivables from subsidiaries were not written off as uncollectible in the year ended 31 December 2021 and 31 December 2020.

Loans granted to related parties

On 3 November 2021, GPW granted TGE a revolving loan with a limit of PLN 240 million. The loan may be used in parts or as a one-off. The loan for TGE will be repaid within 3 months from the date the funds are disbursed, however, no later than 30 June 2022 with the option of concluding an annex for another period. Each repayment of the loan amount or tranche results in the possibility of its renewal.

The interest rate on the loan is variable and equal to the base interest rate WIBOR O/N plus a margin of 0.4% per annum. Interest is calculated on the actual amount of the loan used. Interest on the loan amount is not capitalised.

Inspite of loan to TGE, GPW granted loans to PAR. For a description of loansto PAR, see the note 6.3.3.

	Year ended 31 December	
	2021	**2020**
Opening balance	-	-
Loans granted	91,310	500
Loans granted - IRR valuation	142	7
Revaluation including expected credit loss	(343)	507
Closing balance	**91,109**	**-**

Dividend from subsidiaries

On 30 June 2021, the Annual General Meeting of TGE passed a resolution distributing the profit for 2020 and decided to allocate PLN 94,700 thousand to a dividend payment. The entire dividend was paid to the Exchange on 4 August 2021.

On 30 June 2020, the Annual General Meeting of TGE passed a resolution distributing the profit for 2019 and decided to allocate PLN 75,066 thousand to a dividend payment. The entire dividend was paid to the Exchange on 11 August 2020.

6.3.3. TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES

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

62 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2021		Year ended 31 December 2021	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
KDPW Group:	**1**	**-**	**3**	**-**
other	*1*		*3*	*-*
Centrum Giełdowe:	**-**	**474**	**-**	**2,381**
leases	*-*	*-*	*-*	*-*
other	*-*	*474*	*-*	*2,381*
PAR:	**10**	**-**	**-**	**-**
leases	*-*	*-*	*-*	*-*
other	*10*	*-*	*-*	*-*
Total	**11**	**474**	**3**	**2,381**

	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**
other	*3*	*-*	*22*	*56*
Centrum Giełdowe:	**-**	**6,185**	**-**	**5,777**
leases	*-*	*6,117*	*-*	*2,391*
other	*-*	*68*	*-*	*3,386*
PAR:	**86**	**-**	**86**	**6**
leases	*81*	*-*	*63*	*6*
other	*5*	*-*	*23*	*-*
Total	**89**	**6,185**	**108**	**5,839**

Other than the receivable under the loan granted by PAR (see below), receivables from associates and joint ventures were not written off as uncollectible or provided for in the year ended 31 December 2021 and 31 December 2020.

Dividend from associates

On 18 June 2021, the Annual General Meeting of **CG** decided to allocate a part of the 2020 profit equal to PLN 1,700 thousand to a dividend payment. The dividend paid to the Exchange on 23 July 2021 was PLN 421 thousand. In 2020, CG paid dividend for 2019 at PLN 2,067 thousand, including dividend paid to the Exchange at PLN 512 thousand.

On 29 June 2021, the Annual General Meeting of **KDPW** decided to allocate a part of the 2020 profit equal to PLN 19,925 thousand to a dividend payment. The dividend paid to the Exchange on 3 September 2021 was PLN 6,641 thousand. In 2020, KDPW paid dividend for 2019 at PLN 15,561 thousand, including dividend paid to the Exchange at PLN 5,187 thousand.

Loans and advances

As at 31 December 2021, the carrying amount of loans granted to PAR was 0 (impairment loss of PLN 832 thousand), of which the amount of the impairment loss on the loan equal to PLN 507 thousand was charged to 2020 and the amount of PLN 325 thousand was charged to 2021. The carrying amount of the loans granted at 31 December 2020 was 0 (impairment loss of PLN 507 thousand). For more information, see GPW's financial statements for 2020.

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

63 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

6.3.4. OTHER TRANSACTIONS

Transactions with the key management personnel

The Exchange entered into no transactions with the key management personnel other than transactions arising from the employment relationship in 2021 and in 2020.

Książęca 4 Street Tenants Association

In 2021, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 4,719 thousand in 2021 and PLN 4,160 thousand in 2020. Moreover, when the Tenants Association generates a surplus during a year, it is credited towards current maintenance fees, and where there is a shortage, the Exchange is obliged to contribute an additional payment. The surplus payment amounted to PLN 130 thousand in 2021 and PLN 13 thousand in 2020.

GPW Foundation

In 2021, GPW donated PLN 2,396 thousand (in 2020 – PLN 1,179 thousand) to the GPW Foundation, received an income of PLN 236 thousand (in 2020 – PLN 127 thousand) from the Foundation, and paid the Foundation's costs of PLN 54 thousand (in 2020 – PLN 1 thousand). As at 31 December 2021, the Exchange's receivables from the GPW Foundation stood at PLN 39 thousand and its payables to the Foundation at PLN 0 thousand (as at 31 December 2020 – PLN 63 thousand and PLN 143 thousand, respectively).

Polish National Foundation

Payments and transactions with PFN are described in Notes 3.14 and 4.4.

6.4. INFORMATION ON REMUNERATION AND BENEFITS OF THE KEY MANAGEMENT PERSONNEL

Selected accounting policies

The key management personnel of the Exchange includes the Exchange Management Board and the Exchange Supervisory Board.

The remuneration of the Exchange Management Board is subject to the limitations and requirements of the Act of 9 June 2016 on the terms of determining remuneration of managers of certain companies. According to the Act, the remuneration of the Company's management includes:

- *a fixed monthly base salary determined depending on the scale of the Company's business, and*
- *a variable part which is supplementary remuneration for the financial year depending on the performance of management targets.*

Depending on its appraisal of the performance of individual targets and the results of the Company, the Exchange Supervisory Board may award a bonus to Management Board members in the amount not greater than 100% of the base salary of the Management Board member in the previous financial year.

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

The data presented in the table below are for all (current and former) members of the Exchange Management Board and the Exchange Supervisory Board who were in office in 2021 and 2020, respectively.

	Year ended 31 December	
	2021	**2020**
Base salary	1,613	1,728
Variable pay	1,627	1,780
Bonus	-	14
Other benefits	286	352
Benefits after termination	-	185
Total remuneration of the Exchange Management Board	**3,526**	**4,059**
Remuneration of the Exchange Supervisory Board	**581**	550
Total remuneration of the key management personnel	**4,107**	**4,609**

64 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

As at 31 December 2021, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 1,812 thousand and concerned bonuses for 2021. The cost was shown in the statement of comprehensive income for 2021.

As at 31 December 2020, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 1,944 thousand and concerned bonuses for 2020. The cost was shown in the statement of comprehensive income for 2020.

6.5. CONTRACTED INVESTMENTS

	As at 31 December	
	2021	**2020**
Contracted investments in property, plant and equipment	13	928
Contracted investments in intangible assets	3,500	533
Total contracted investments	**3,513**	**1,461**

Contracted investments in plant, property and equipment included purchase of office furniture as at 31 December 2021 and investments in the Centrum Giełdowe building as at 31 December 2020.

Contracted investments in intangible assets were related to the implementation of a controlling system as at 31 December 2021 and included mainly the GRC system and the Indexator as at 31 December 2020.

6.6. CONTINGENT LIABILITIES

In connection with the implementation of the projects New Trading System, GPW Data, GPW Private Market, TEO and PCOL, the Exchange presented five own blank bills of exchange to NCBR securing obligations under the projects' co-financing agreements. According to the agreements and the bill-of-exchange declarations, NCBR may complete the bills of exchange with the amount of provided co-financing which may be subject to refunding, together with interest accrued at the statutory rate of overdue taxes from the date of transfer of the amount to the Exchange's account to the day of repayment (separate for each project). NCBR may also complete the bills of exchange with the payment date and insert a "no protest" clause. The bills of exchange may be completed upon the fulfilment of conditions laid down in the co-financing agreement. Each of the bills of exchange shall be returned to the Exchange or destroyed after the project sustainability period defined in the project co-financing agreement.

6.7. CORRECTIONS OF ERRORS

6.7.1. FEES FOR INTRODUCTION OF SHARES TO TRADING

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

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

6.7.2. RIGHT OF PERPETUAL USUFRUCT OF LAND

When preparing the financial statements for H1 2021, the recognition of the Exchange's share in the right of perpetual usufruct of land at 4, Książęca St., Warsaw, was reviewed. As a result, it was determined that the share does not meet the criteria of leases under IFRS 16 Leases. As a result, it was reclassified from "Right-to-use assets" to "Intangible assets" and from "Lease liabilities" to "Other liabilities". The useful life of the asset was reviewed and its depreciation period was extended to 2093. The corrections are retrospective and the Group restated the comparative data presented in these financial statements.

65 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

6.7.3. INVESTMENT PROPERTY

When preparing the financial statements for H1 2021, the properties held by the Company were reviewed under IAS 40 Investment Property. As a result of the analysis, it was determined that the part of the building at 4 Książęca Street owned by GPW and leased to a GPW Group company is investment property due to a change in the use of this part of the property. Accordingly, in these financial statements, the Company has reclassified the property from "Property, plant and equipment" to "Investment property". At the same time, the Company changed the presentation of revenues and expenses related to the investment property. Previously, revenues were presented as sales revenues and expenses as operating expenses. After the change, they are presented as other revenue and other expenses, respectively. The corrections are retrospective and the Group restated the comparative data presented in these financial statements. The investment property is measured at cost less accumulated depreciation and impairment losses. The fair value of the investment property as at 31 December 2021 was estimated at PLN 12,413 thousand.

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

	As at 31 December 2020 (reported)	Corrections			As at 31 December 2020 (restated)
		Perpetual usufruct of land	Investment property	Fees for introduction of shares to trading	
Non-current assets, including:	**431,127**	**1,845**	**-**	**1,446**	**434,418**
Property, plant and equipment	92,090	-	(8,564)	-	83,526
Right-to-use assets	11,538	(4,047)	-	-	7,491
Intangible assets	53,306	5,892	-	-	59,198
Investment property	-	-	8,564	-	8,564
Deferred tax asset	-	-	-	1,446	1,446
TOTAL ASSETS	**870,648**	**1,845**	**-**	**1,446**	**873,939**
Equity, including:	**547,749**	**126**	**-**	**(6,164)**	**541,711**
Retained earnings	484,111	126	-	(6,164)	478,073
Earnings of previous years	*(33,517)*	*64*	*-*	*(6,932)*	*(40,385)*
This year's net profit	*168,680*	*62*	*-*	*768*	*169,510*
Non-current liabilities, including:	**274,024**	**1,771**	**-**	**5,606**	**281,401**
Lease liabilities	10,952	(1,805)	-	-	9,147
Contract liabilities	1,170	-	-	5,606	6,776
Other liabilities	7,062	3,576	-	-	10,638
Current liabilities, including:	**48,875**	**(52)**	**-**	**2,004**	**50,827**
Lease liabilities	5,259	(67)	-	-	5,192
Contract liabilities	2,634	-	-	2,004	4,638
Other liabilities	9,073	15	-	-	9,088
TOTAL EQUITY AND LIABILITIES	**870,648**	**1,845**	**-**	**1,446**	**873,939**

66 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2019 (reported)	Corrections			As at 31 December 2019 (restated)
		Perpetual usufruct of land	Investment property	Fees for introduction of shares to trading	
Non-current assets, including:	**435,342**	**1,733**	**-**	**1,626**	**438,702**
Property, plant and equipment	95,416	-	(8,899)	-	86,517
Right-to-use assets	14,329	(4,240)	-	-	10,090
Intangible assets	49,829	5,973	-	-	55,802
Investment property	-	-	8,899	-	8,899
Deferred tax asset	-	-	-	1,626	1,626
TOTAL ASSETS	**792,764**	**1,733**	**-**	**1,626**	**796,123**
Equity, including:	**479,843**	**64**	**-**	**(6,932)**	**472,975**
Retained earnings	416,165	64	-	(6,932)	409,297
Earnings of previous years	*(33,517)*	*-*		*(8,034)*	*(41,551)*
This year's net profit	*115,123*	*63*		*1,102*	*116,288*
Non-current liabilities, including:	**275,299**	**1,719**	**-**	**6,433**	**283,451**
Lease liabilities	15,826	(1,870)	-	-	13,956
Contract liabilities	572	-	-	6,433	7,005
Other liabilities	8,355	3,589	-	-	11,944
Current liabilities, including:	**37,622**	**(50)**	**-**	**2,125**	**39,697**
Lease liabilities	5,024	(65)	-	-	4,959
Contract liabilities	1,390	-	-	2,125	3,515
Other liabilities	10,401	15	-	-	10,416
TOTAL EQUITY AND LIABILITIES	**792,764**	**1,733**	**-**	**1,626**	**796,123**

	Year ended 31 December 2020				
	Before corrections	Perpetual usufruct of land	Investment property	Fees for introduction of shares to trading	**Restated**
Total cash flows from operating activities	**119,411**	**-**	**-**	**-**	**119,411**
Net profit	**168,680**	**62**	**-**	**768**	**169,510**
Adjustments, including:	**(28,878)**	**(62)**	**-**	**(768)**	**(29,708)**
Income tax	22,461		-	180	22,641
Depreciation and amortisation	23,737	(112)	-	-	23,625
Other adjustments*	6,675	50	-	-	6,725
Change of assets and liabilities, including:	(5,419)	-	-	(948)	(6,367)
Contract liabilities	*1,842*	*-*	*-*	*(948)*	*894*
(Decrease)/increase of net cash and cash equivalents	**90,422**	**-**	**-**	**-**	**90,422**
Impact of FX rates on cash balance in currencies	*488*	*-*	*-*	*-*	*488*
Cash and cash equivalents - opening balance	**47,964**	**-**	**-**	**-**	**47,964**
Cash and cash equivalents - closing balance	**138,873**	**-**	**-**	**-**	**138,873**

67 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December 2020 (reported)	Corrections			Year ended 31 December 2020 (restated)
		Perpetual usufruct of land	Investment property	Fees for introduction of shares to trading	
Sales revenue	256,133	-	(1,078)	948	256,003
Operating expenses	(134,609)	112	384	-	(134,113)
Other income	1,383	-	1,078	-	2,461
Other expenses	(8,020)	-	(384)	-	(8,404)
Operating profit	**115,005**	**112**	**-**	**948**	**116,065**
Financial expenses	(9,539)	(50)	-	-	(9,589)
Profit before tax	**191,141**	**62**	**-**	**948**	**192,151**
Income tax	(22,461)	-	-	(180)	(22,641)
Profit for the period	**168,680**	**62**	**-**	**768**	**169,510**

6.8. EVENTS AFTER THE BALANCE SHEET DATE

On 19 January 2022, GPW acquired a shelf company Teelgren Investements spółka akcyjna for PLN 117.8 thousand to simplify and shorten the process of establishing and registering a company. This shelf company will be used to operate the market under the Private Market project.

On 31 January 2022, GPW redeemed series D and E bonds issued on 18 January 2017. The total nominal value of the bonds redeemed was PLN 120,000 thousand.

On 25 January 2022 r., 1 February 2022 r., 22 February 2022 r. TGE repaid loan granted by GPW. The total amount of repaid interests was PLN 346 thousand.

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

As a result, the GPW:

- analysed potential risks arising from the conflict which may affect the GPW activities (see the Management Board's Report on the Activity of the Parent Entity and the Group of the Warsaw Stock Exchange, Note 2.8); and
- analysed the potential impact of the conflict on the 2021 financial statements in the context of the GPW ability to continue as a going concern.

The Company has no direct investments in / exposures to entities operating in Ukraine / Russia. No material receivables from the GPW counterparties related to parties involved in the armed conflict in Ukraine were identified as at 31 December 2021. As shown in Note 2.2.2, the GPW has no material foreign currency assets and, therefore, exchange rate fluctuations are not expected to have a material impact on the GPW's financial position.

As at 31 December 2021, the GPW held PLN 466 million in cash and cash equivalents and short-term financial assets including bank deposits and guaranteed corporate bonds. They are sufficient financial resources to conclude that the GPW's short-term and mid-term liquidity risk is low.

According to available information and based on analyses completed as at 31 December 2021, the GPW Group did not identify any material uncertainties relating to events or circumstances that would cast significant doubt on its ability to continue as a going concern.

The company follows and monitors developments relating to the armed conflict in Ukraine and analyses the potential adverse consequences of the conflict on the companies operations in order to take necessary actions to mitigate the potential impact. Given the significant uncertainties arising from further developments in the conflict, the reaction of the international community, and the impact on the economy, the long-term effects of the conflict are not determinable as at the date of the financial statements.

68 DATA FOR THE YEAR ENDED 31 DECEMBER 2021. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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

Marek Dietl – President of the Management Board ……………………………………

Piotr Borowski – Member of the Management Board ……………………………………

Dariusz Kułakowski – Member of the Management Board ……………………………………

Izabela Olszewska – Member of the Management Board ……………………………………

Signature of the person responsible for keeping books of account:

Piotr Kajczuk, Director, Financial Department ……………………………………

Warsaw, 15 - 16 March 2022