Separate Financial Statements

of Giełda Papierów Wartościowych w Warszawie S.A.

for the year ended 31 December 2022

TABLE OF CONTENTS

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at	
		31 December 2022	31 December 2021
Non-current assets:		**492,077**	**442,961**
Property, plant and equipment	3.1.	91,078	77,709
Right-of-use assets	3.6.4.	2,551	5,040
Intangible assets	3.2.	88,167	72,630
Investment property	3.3.	7,889	8,277
Investments in associates and joint ventures	3.5.	11,652	11,652
Investment in subsidiaries	3.4.	278,939	260,633
Sublease receivables	3.6.6.	305	1,803
Deferred tax asset	3.16.	6,029	3,199
Financial assets measured at fair value through other comprehensive income	3.7.3.	4,888	123
Prepayments	3.9.	579	1,895
Current assets:		**203,699**	**509,033**
Inventories		-	8
Corporate income tax receivable		6,615	-
Trade receivables and other receivables	3.7.4.	37,447	40,909
Sublease receivables	3.6.6.	2,023	2,347
Contract assets	3.8.	543	2
Financial assets measured at amortised cost	3.7.5.	53,698	296,306
Cash and cash equivalents	3.7.6.	100,037	169,461
Non-current assets held for sale	3.19.	3,336	-
TOTAL ASSETS		**695,776**	**951,994**

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

3 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Note	As at	
		31 December 2022	31 December 2021
Equity:		**595,781**	**611,392**
Share capital	**3.10.1.**	63,865	63,865
Other reserves	**3.10.2.**	(213)	(41)
Retained earnings	**3.10.3.**	532,129	547,568
Non-current liabilities:		**46,556**	**38,079**
Employee benefits payable	**3.12.**	1,242	1,280
Lease liabilities	**3.6.5.**	424	4,211
Contract liabilities	**3.8.**	6,825	7,003
Deferred income	**3.13.**	27,046	16,293
Other liabilities	**3.14.**	11,019	9,292
Current liabilities:		**53,439**	**302,523**
Liabilities on bonds issue	**3.11.**	-	246,278
Trade payables	**3.15.**	12,512	7,679
Employee benefits payable	**3.12.**	18,994	21,818
Lease liabilities	**3.6.5.**	4,616	5,250
CIT payable		-	6,167
Contract liabilities	**3.8.**	3,844	4,859
Accruals and deferred income	**3.13.**	3,127	2,843
Provisions for other liabilities and other charges	**3.17.**	1,407	-
Other liabilities	**3.14.**	8,939	7,629
TOTAL EQUITY AND LIABILITIES		**695,776**	**951,994**

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

4 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2022	2021
Sales revenue	4.1.	247,951	253,021
Operating expenses	4.2.	(170,342)	(156,805)
Gains on impairment of receivables	3.7.4.	588	1,066
Other income	4.3.	2,281	1,581
Other expenses	4.4.	(11,300)	(3,323)
Operating profit		**69,178**	**95,540**
Financial income, incl.:	4.5.	49,837	102,889
Interest income under the effective interest rate method	4.5.	12,403	1,105
Financial expenses, incl.:	4.6.	(3,971)	(7,309)
Profit before tax		**115,044**	**191,120**
Income tax	4.7.	(15,480)	(16,695)
Profit for the period		**99,564**	**174,425**
Gains/(Losses) on valuation of financial assets measured at fair value through other comprehensive income, net	3.10.2.	(191)	5
Actuarial gains/(losses) on provisions for employee benefits after termination, net	3.10.2.	19	181
Total items that will not be reclassified to profit or loss	3.10.2.	**(172)**	**186**
Total other comprehensive income after tax		**(172)**	**186**
Total comprehensive income		**99,392**	**174,611**
Basic / Diluted earnings per share (PLN)	3.10.5.	**2.37**	**4.16**

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

DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CASH FLOWS

	Note	Year ended 31 December	
		2022	2021
Total net cash flows from operating activities		**81,918**	**119,493**
Net profit of the period		**99,564**	**174,425**
Adjustments:		**12,616**	**(39,493)**
Income tax	**4.7.**	15,480	16,695
Depreciation and amortisation	**5.**	25,616	23,605
Impairments/(Reversal) of impairments	**3.4.1.**	6,546	141
Dividend (income)	**4.5.**	(36,468)	(101,762)
(Gains) on financial assets measured at amortised cost	**3.7.5.**	(4,930)	(859)
Financial expense on the bond issue	**3.11.**	3,169	5,440
Other adjustments	**5.**	(10,957)	(1,838)
Change of assets and liabilities:		14,160	19,085
Inventories		8	2
Trade receivables and other receivables (excluding dividend payable)	**3.7.4.**	2,672	1,377
Trade payables	**3.15.**	4,833	341
Contract assets	**3.8.**	(541)	762
Contract liabilities	**3.8.**	(1,193)	448
Non-current prepayments	**3.9.**	1,316	(150)
Accruals and deferred income	**3.13.**	11,037	10,691
Employee benefits payable	**3.12.**	(2,862)	7,592
Other liabilities (excluding contracted investments and dividend payable)	**3.14.**	(4,244)	(633)
Provisions for liabilities and other charges	**3.17.**	1,407	-
Other non-current liabilities	**3.14.**	1,727	(1,345)
Income tax advances received from related parties (Tax Group)	**4.7.**	**8,879**	**14,392**
Income tax (paid)/refunded	**4.7.**	**(39,141)**	**(29,831)**

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

6 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

SEPARATE STATEMENT OF CASH FLOWS (CONTINUED)

	Note	Year ended 31 December	
		2022	2021
Total cash flows from investing activities:		**219,137**	**21,949**
In:		**677,212**	**1,110,744**
Dividends received	4.5.	36,468	101,762
Inflow related to the expiry of deposits and the maturity of bonds		530,470	1,005,672
Interest on financial assets measured at amortised cost	3.7.5.	5,111	595
Grants received		11,238	-
Sublease payments (interest)	4.5., 3.6.6.	109	167
Sublease payments (principal)	3.6.6.	2,606	2,548
Repayment of a loan by a related party	6.3.2.	91,210	-
Out:		**(458,075)**	**(1,088,795)**
Purchase of property, plant and equipment and advances for property, plant and equipment		(21,543)	(9,275)
Purchase of intangible assets and advances for intangible assets		(30,772)	(23,205)
Establishing deposits and subscription of bonds		(378,964)	(960,869)
Purchase of financial assets measured at fair value through other comprehensive income		(5,000)	-
loan granted to a related party	6.3.2.	-	(91,310)
Purchase of shares of a related party	3.4.	(21,796)	(4,048)
other		-	(88)
Total cash flows from financing activities:		**(370,526)**	**(110,701)**
In:		**-**	**9,928**
Grants received	6.2.	-	9,928
Out:		**(370,526)**	**(120,629)**
Dividend paid	3.10.4.	(115,003)	(105,179)
Interest paid on bonds	3.11.	(4,708)	(5,452)
Redemption of issued bonds		(244,929)	-
Refunded grants		-	(4,215)
Lease payments (interest)	4.6., 3.6.5.	(238)	(376)
Lease payments (principal)	3.6.5.	(5,648)	(5,407)
Net (decrease)/increase in cash and cash equivalents		**(69,471)**	**30,741**
Impact of fx rates on cash balance in currencies		47	(153)
Cash and cash equivalents - opening balance	3.7.6.	**169,461**	**138,873**
Cash and cash equivalents - closing balance	3.7.6.	**100,037**	**169,461**

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

7 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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 2022	**63,865**	**(41)**	**547,568**	**611,392**
Dividends	-		(115,003)	**(115,003)**
Transactions with owners recognised directly in equity	**-**	**-**	**(115,003)**	**(115,003)**
Net profit for the year ended 31 December 2022	-	-	99,564	**99,564**
Other comprehensive income	-	(172)	-	**(172)**
Comprehensive income for the year ended 31 December 2022	**-**	**(172)**	**99,564**	**99,392**
As at 31 December 2022	**63,865**	**(213)**	**532,129**	**595,781**

	Equity			Total equity
	Share capital	Other reserves	Retained earnings	
As at 1 January 2021	**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 the year ended 31 December 2021	-	-	174,425	**174,425**
Other comprehensive income	-	186	-	**186**
Comprehensive income for the year ended 31 December 2021	**-**	**186**	**174,425**	**174,611**
As at 31 December 2021	**63,865**	**(41)**	**547,568**	**611,392**

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

8 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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 11 April 2023.

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 2022:

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

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 2023:

- Amendment to IAS 1 Presentation of Financial Statements, Practice Statement IFRS 2 Disclosure of Accounting Policies;
- Amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;

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

- IFRS 17 Insurance Contracts (including Amendment to IFRS 17 Insurance Contracts (published on 25 June 2020) and Amendment to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (published on 9 December 2021);
- Amendment to IAS 12 Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

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)
Amendment to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.	1 January 2024
Amendment to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants	1 January 2024
Amendment to IFRS Leases – Lease Liability in a Sale and Leaseback	1 January 2024

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 estimates 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 Exchange is monitoring the development of the coronavirus pandemic nationally and internationally. In the Management Board's opinion, the risk associated with the pandemic is low.

The Exchange Management Board has considered the impact of the pandemic on the Exchange's ability to continue as a going concern. As at 31 December 2022, 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.

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. 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.

The details are presented in the Management Board's Report on the Activities of the Parent Entity and the Warsaw Stock Exchange Group, Note 2.7.

1.8. IMPACT OF THE WAR IN UKRAINE

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

In this connection, GPW has:

- conducted an analysis of potential risks arising from the conflict that may affect the operations of GPW (Management Board's Report on the Activities of the Parent Entity and the Warsaw Stock Exchange Group, Note 2.7); and
- conducted an analysis of the potential impact of the conflict on the 2022 financial statements in the context of assessing GPW's ability to continue as a going concern.

The Company has no direct investments/exposures to entities with operations in Ukraine/Russia. As at 31 December 2022, no material receivables were identified from GPW counterparties related to parties involved in the armed conflict in Ukraine. As shown in Note 2.2.2, GPW does not hold any material foreign currency assets and therefore exchange rate fluctuations are not expected to have a material impact on the Company's financial position.

As at 31 December 2022, the GPW Group held PLN 154 million of cash and cash equivalents and short-term financial assets in the form of bank deposits and guaranteed corporate bonds. These represent sufficient financial resources to conclude that the Group's liquidity risk in the short to medium term is low.

Based on the information currently available and the analyses performed as at 31 December 2022, GPW 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 related to the armed conflict in Ukraine and analyses the potential negative consequences of the conflict on the Company's operations in order to take the necessary measures to mitigate the potential impact. Given the significant uncertainties arising from further developments in the conflict and the reactions of the international community and their impact on the economy, the long-term impact of the conflict is impossible to determine as at the date of these financial statements.

1.9. ANALYSIS OF THE IMPACT OF CLIMATE CHANGE ON GPW S.A.

The European Securities and Markets Authority (ESMA) identified climate-related issues as one of its priorities in its annual public position paper setting out the European common supervisory priorities for the 2022 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 2022. In particular, the impact of climate change on the estimates and judgements was considered, including assessment of impairment of cash-generating units. As a result of the analysis, no need was identified for an update of the useful lives of property, plant and equipment and intangible assets.

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, and other instruments where the interest rate is fixed or floating, 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.

In the previous reporting period, as an issuer of series D and E bonds with a floating interest rate based on WIBOR 6M, the Exchange was exposed to interest rate risk. On 31 January 2022, the Exchange redeemed both series of outstanting floating-rate bonds, which reduced the impact of interest rate risk on the period's financial costs. For more information on bond liabilities, see Note 3.11.

The Exchange determines the impact of interest rate risk based on a sensitivity analysis assuming a change in interest rates of 0.5 p.p. (and holding other factors constant). Based on the analysis, the possible impact of a change in financial income on pre-tax profit was determined. The sensitivity analysis in 2022 showed that an increase in interest rates would result in an increase in financial income of PLN 1,069 thousand, while a decrease in rates of 0.5 p.p. would result in a decrease in financial income of PLN 1,194 thousand and the same change of pre-tax profit.

The following tables present an analysis of financial assets and liabilities based on maturity. The value of financial assets is presented before deduction of expected credit losses (gross amount). The provisions are disclosed in Notes 3.7.5. and 3.7.6. Financial assets and liabilities that are not presented in the tables below are non-interest bearing.

	As at 31 December 2022			
	Maturity up to 1 year			Total
	< 1M	1-3 M	> 3M	
Corporate bonds	-	34,623	19,114	**53,737**
Bank deposits	81,607	-	-	**81,607**
Current accounts (other)	18,470	-	-	**18,470**
Total current	**100,077**	**34,623**	**19,114**	**153,814**
Total financial assets	**100,077**	**34,623**	**19,114**	**153,814**

12 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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

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 2022 and in 2021.

Based on a sensitivity analysis, as at 31 December 2022, 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. A 10% decrease in exchange rates would result in an opposite change in profit before tax by the following values.

	Impact of a 10% FX rate increase on profit before tax in year ended 31 December	
	Year ended 31 December	
	2022	2021
EUR	964	943
USD	22	2
GPB	(17)	-
AMD	(227)	-
Total impact on profit before tax	**742**	**944**

The table below shows the Exchange's foreign exchange position by financial instrument.

	As at 31 December 2022 (converted to PLN at FX rate as at the balance-sheet date)					
	PLN	EUR	USD	GBP	AMD	Total carrying amount in PLN
Financial assets measured at amortised cost	53,698	-	-	-	-	**53,698**
Trade receivables (net)	15,451	8,402	-	-	-	**23,853**
Other receivables*	6,281	-	328	6	-	**6,615**
Sublease receivables	1,616	712	-	-	-	**2,328**
Cash and cash equivalents	97,200	2,813	21	3	-	**100,037**
Total assets	**174,246**	**11,927**	**349**	**9**	**-**	**186,531**

13 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2022 (converted to PLN at FX rate as at the balance-sheet date)					
	PLN	EUR	USD	GBP	AMD	Total carrying amount in PLN
Trade payables	11,974	538	-	-	-	**12,512**
Lease liabilities	3,919	994	127	-	-	**5,040**
Other liabilities**	14,265	46	-	179	2,269	**16,759**
Total liabilities	**30,158**	**1,578**	**127**	**179**	**2,269**	**34,311**
Net FX position	**144,088**	**10,349**	**222**	**(170)**	**(2,269)**	**152,220**

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

	As at 31 December 2021 (converted to PLN at FX rate as at the balance-sheet date)					
	PLN	EUR	USD	GBP	AMD	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**
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*

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 2022 and as at 31 December 2021 (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 counterparties.

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.

14 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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	
	2022	2021
Trade receivables (net)	23,853	22,928
Other receivables*	6,615	9,983
Cash and cash equivalents	100,037	169,461
Contract assets	543	2
Sublease receivables	2,328	4,150
Financial assets measured at amortised cost	53,698	296,306
Total exposure of the Group to credit risk	**187,074**	**502,830**

** net of prepayments and receivables from other taxes*

For trade receivables, the Group follows a simplified approach and estimates the allowance over the life of the receivables. For cash and cash equivalents, an allowance for expected credit losses is made in full for an amount equal to 12 months of expected credit losses. Allowances for financial assets measured at amortised cost are also subject to a 12-month allowance for expected credit losses, with the exception of the PAR loan impaired due to credit risk (see Note 6.5.2).

The tables below show the changes in the allowance for expected credit losses by financial asset:

	Year ended 31 December 2022			
	Trade receivables	Cash and cash equivalents	Financial assets measured at amortised cost	Total
Opening balance	**2,883**	**102**	**141**	**3,126**
Creating a write-off	1,342	249	283	1,874
Dissolution of the write-off	(1,930)	(302)	(385)	(2,617)
Closing balance	**2,295**	**49**	**39**	**2,383**

	Year ended 31 December 2021			
	Trade receivables	Cash and cash equivalents	Financial assets measured at amortised cost	Total
Opening balance	**4,372**	**-**	**-**	**4,372**
Creating a write-off	2,255	102	141	2,498
Dissolution of the write-off	(3,321)	-	-	(3,321)
Receivables written off during the period as uncollectible	(423)	-	-	(423)
Closing balance	**2,883**	**102**	**141**	**3,126**

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 significant share of liquid assets in total assets and, thus, a good liquidity position of the Exchange.

15 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2022		As at 31 December 2021	
	amount	% of total assets	amount	% of total assets
Cash and cash equivalents	100,037	14.4%	169,461	17.8%
Financial assets measured at amortised cost	53,698	7.7%	296,306	31.1%
Assets other than cash and cash equivalents and financial assets measured at amortised cost	542,041	77.9%	486,227	51.1%
Total assets	**695,776**	**100.0%**	**951,994**	**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 80% in 2022 and over 60% in 2021.

	As at 31 December 2022		As at 31 December 2021	
	amount	% of total liabilities	amount	% of total liabilities
Equity	595,781	85.6%	611,392	64.2%
Liabilities	99,995	14.4%	340,602	35.8%
Total equity and liabilities	**695,776**	**100.0%**	**951,994**	**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. The table below shows the contractual undiscounted cash flows and therefore the items do not reflect the carrying amounts. The liquidity analysis shows that the Exchange has a surplus of financial assets over financial liabilities.

	As at 31 December 2022						
	> 1M	1-3 M	3-6 M	6-12 M	1-5 Y	> 5Y	Total
Trade receivables (gross value)	24,453	1,695	-	-	-	-	**26,148**
Other receivables*	6,615	-	-	-	-	-	**6,615**
Sublease receivables	235	458	574	790	322	-	**2,379**
Financial assets measured at amortised cost	-	35,085	19,517	-	-	-	**54,602**
Cash and cash equivalents	100,104	-	-	-	-	-	**100,104**
Total assets	**131,407**	**37,238**	**20,091**	**790**	**322**	**-**	**189,848**
Trade payables	11,974	538	-	-	-	-	**12,512**
Lease liabilities	492	949	1,256	2,001	444	-	**5,142**
Other liabilities**	1,634	228	343	685	9,112	8,407	**20,409**
Total liabilities	**14,100**	**1,715**	**1,599**	**2,686**	**9,556**	**8,407**	**38,063**
Liquidity surplus/(gap)	**117,307**	**35,523**	**18,492**	**(1,896)**	**(9,234)**	**(8,407)**	**151,785**

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

16 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	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	146,227	65,092	35,883	-	-	**297,356**
Cash and cash equivalents	169,611	-	-	-	-	-	**169,611**
Total assets	**241,155**	**161,303**	**65,688**	**37,054**	**1,827**	**-**	**507,027**
Bonds in issue	120,649	1,988	-	127,000	-	-	**249,637**
Trade payables	3,484	1,471	-	-	-	-	**4,955**
Leases (IFRS 16)	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**	**156,894**	**64,338**	**(92,626)**	**(9,504)**	**(3,561)**	**228,480**

** 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. 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, 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 2022 and 2021 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.

17 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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.

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 are fixed assets under construction, installation or improvement of an existing fixed asset. They are valued at cost or at the total cost directly related to their construction, less any impairment losses. 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.

	Year ended 31 December 2022				
	Land and buildings	**Vehicles and machinery**	**Furniture, fittings and equipment**	**Property, plant and equipment under construction**	**Total**
Net carrying amount - opening balance	**63,794**	**11,360**	**170**	**2,385**	**77,709**
Additions	496	10,628	124	11,875	**23,123**
Reclassification and other adjustments	43	6,079	-	(6,122)	**-**
Disposals	(68)	-	(12)	-	**(80)**
Depreciation charge*	(2,866)	(6,655)	(153)	-	**(9,674)**
Net carrying amount - closing balance	**61,399**	**21,412**	**129**	**8,138**	**91,078**
As at 31 December 2022					
Gross carrying amount	114,358	97,511	3,723	8,138	**223,730**
Accumulated depreciation	(52,959)	(76,099)	(3,594)	-	**(132,652)**
Net carrying amount	**61,399**	**21,412**	**129**	**8,138**	**91,078**

* Depreciation of PLN 1070 thousand is capitalised to intangible assets (development work)

18 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	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	**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**
Accumulated depreciation	(50,093)	(69,444)	(3,441)	-	**(122,978)**
Net carrying amount	**63,794**	**11,360**	**170**	**2,385**	**77,709**

* Depreciation charges capitalised to intangible assets (licences) were PLN 501 thousand.

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 2022 and in 2021. In the opinion of the Exchange Management Board, there were no indications resulting in an impairment of property, plant and equipment.

3.2. INTANGIBLE ASSETS

Selected accounting policies

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

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

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.

19 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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 2022				
	Licences	Copyrights	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance	**31,717**	**430**	**34,672**	**5,811**	**72,630**
Additions	6,602	74	24,956	-	**31,632**
Reclassification and other adjustments**	2,048	-	(5,384)	-	**(3,336)**
Capitalised depreciation	-	-	2,072	-	**2,072**
Disposals	-	-	(46)	-	**(46)**
Amortisation charge*	(14,559)	(146)	-	(80)	**(14,785)**
Net carrying amount - closing balance	**25,808**	**358**	**56,270**	**5,731**	**88,167**
As at 31 December 2022					
Gross carrying amount	191,705	5,193	56,316	6,054	**259,268**
Impairment	-	-	(46)	-	**(46)**
Accumulated amortisation	(165,897)	(4,835)	-	(323)	**(171,055)**
Net carrying amount	**25,808**	**358**	**56,270**	**5,731**	**88,167**

* Depreciation charges capitalised to intangible assets (licences) were 1002 PLN thousand.

** Licence worth PLN 3,335 thousand was disclosed as non-current assets held for sale – details in Note 3.19

	Year ended 31 December 2021				
	Licences	Copyrights	Development work	Perpetual usufruct of land	Total
Net carrying amount - opening balance	**37,911**	**350**	**15,045**	**5,892**	**59,198**
Additions	4,054	290	18,989	-	**23,333**
Capitalised depreciation	-	-	638	-	**638**
Amortisation 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	34,672	6,054	**228,938**
Accumulated amortisation	(151,376)	(4,689)	-	(243)	**(156,308)**
Net carrying amount	**31,717**	**430**	**34,672**	**5,811**	**72,630**

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

In 2022, the cost of research recognised in the statement of comprehensive income amounted to PLN 4,133 thousand (PLN 3,257 thousand in 2021). 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 17,458 thousand as at 31 December 2022 (PLN 25,217 thousand as at 31 December 2021).

Impairment testing of intangible assets – development work in progress

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 that are not yet available for use (requirement under IAS 36 para. 11), the recoverable amount was determined at the level of the cash-generating unit to which the asset belongs, which is GPW in its entirety. The assets stood at PLN 34,672 thousand as at the balance sheet date. As at 31 December 2022, the impairment test of the development work in progress identified 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 2022 based on financial assumptions for 2023-2027 are as follows:

- increase in revenues and expenses related to operations, planned capital expenditure and implementation of strategic projects;
- weighted average cost of capital of 10.32%,
- growth rate after 2027 equal to 2.5%.

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.

The investment property relates to part of the building at 4, Książęca Street owned by GPW, which is leased to GPW Group companies. The fair value of the investment property at 31 December 2022 was estimated at PLN 25,654 thousand (31 December 2021: PLN 12,413 thousand).

Changes in the carrying amount of the investment property as at 31 December 2022 and as at 31 December 2021 were as follows:

	As at	
	31 December 2022	**31 December 2021**
Net carrying amount - opening balance	**8,277**	**8,564**
Depreciation	(388)	(380)
Additions	-	105
Disposals	-	(12)
Net carrying amount - closing balance	**7,889**	**8,277**

3.4. INVESTMENT IN SUBSIDIARIES

Selected accounting policies

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

21 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The Exchange held investments in the following subsidiaries as at 31 December 2022:

- 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"),
- GPW Private Market S.A. (the company name was changed from Teelgren S.A. on 24 June 2022, the company was acquired on 19 January 2022).
- GPW Logistics S.A. (the company name was changed from Molonello Investments S.A. on 26 August 2022, the company was acquired on 14 April 2022),
- GPW DAI S.A. (the company name was changed from Tanerstille Investmens S.A. on 10 February 2023, the company was acquired on 13 October 2022),
- Armenia Securities Exchange OJSC ("AMX") – for details on the acquisition, see Note 3.4.2.

On 29 April 2022, the share capital of **GPW Private Market S.A.** was increased by PLN 2,000 thousand. The company issued 2,000,000 series B ordinary registered shares with a nominal value and issue price of PLN 1. The shares were fully taken up by GPW.

On 31 May 2022, the General Meeting of **GPW Logistics S.A.** adopted a resolution to increase the share capital of the company by PLN 100 thousand. The company issued 100,000 series B ordinary registered shares with a nominal value of PLN 1 and issue price of PLN 22 per share. The shares were taken up by GPW in exchange for a cash contribution paid prior to the registration of the share capital increase.

On 10 June 2022, the Extraordinary General Meeting of **GPW Benchmark S.A.** adopted a resolution to increase the share capital of the company by PLN 1,000 thousand. The company issued 20,000 series G ordinary registered shares with a nominal value and issue price of PLN 50 per share. The shares were issued in a private subscription. 100% of series G shares were taken up by the company's sole shareholder, GPW S.A., in exchange for a cash contribution paid prior to the registration of the shares. The opening and closing dates of the subscription of the new issue shares were set for 21 June 2022 and 15 July 2022 respectively. Payment for the shares was made on 12 July 2022.

On 29 September 2022 and on 29 December 2022, the Extraordinary General Meeting of **GPW Tech S.A.** adopted resolutions to increase the share capital of the company by PLN 2,000 thousand and PLN 7,800 thousand respectively. The company issued 2,000,000 series D ordinary registered shares and 7,800,000 series E ordinary registered shares. The nominal value and issue price of both series was PLN 1 per share. All series D and E shares were taken up by the company's sole shareholder, GPW S.A., in exchange for a cash contribution paid prior to the registration of the shares. Payment for the shares was made on 11 October 2022 and on 30 December 2022.

In the comparative period, there were the following increases in the share capital of subsidiaries:

On 16 June 2021, the Extraordinary General Meeting of **GPW Tech S.A.** adopted 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. The shares were fully taken up by GPW.

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

3.4.1. IMPAIRMENT TEST OF INVESTMENTS

As at 31 December 2022, the Exchange identified indicators of impairment for investments in:

- BondSpot S.A.,

- GPW Ventures S.A.

As indications of impairment were identified, impairment tests were carried out for the investments. The tests identified the need for impairment allowances on the investment in BondSpot S.A. and GPW Ventures S.A. The key assumptions for the tests are described below.

As at 31 December 2022, no indicators of impairment were identified for the investments in the other subsidiaries.

Impairment test of investment in BondSpot S.A.

In 2022, the main factor affecting the company's financial performance was the situation on the Treasury bond market, where bond yields increased almost from the beginning of 2022. From the beginning of 2022, 10-year bond yields steadily increased in line with the increase in Treasury bond yields in foreign markets. Inflationary pressure supported by an increase in fuel prices on global markets proved to be an important element supporting the increase in yields of Polish Treasury securities. The fall in the prices of Treasury bonds, both Polish and foreign, was also influenced by the policy of the US central bank (FED) pursuing a policy of sharp interest rate hikes.

As at 31 December 2022, an impairment test of the investment was performed. The rationale for the test was to review the Company's revenue assumptions related to the projects at Bondspot. The cash-generating unit was established as BondSpot. The test using a DCF valuation of the company was prepared on the basis of the forecast results of BondSpot in the years 2023–2027. The key assumptions of the test performed as at 31 December 2022:

- average annual revenue growth in the period 2023-2027 of 10.3% assuming that BondSpot's key technology project will be operational by 2025 (16.6% in 2021),
- weighted average cost of capital of 10.32% (7.66% in 2021),
- growth rate after 2027 equal to 2.5% (2% in 2021).

The test showed that the recoverable amount of BondSpot S.A. determined using the DCF method is lower 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 2022. Therefore, the investment in BondSpot S.A. was found to be impaired and an allowance was recognised at PLN 4,305 thousand. With the recognition of the allowance, the recoverable amount is equal to the carrying amount; hence, any negative change of the key assumptions would require a further allowance.

Impairment test of investment in GPW Ventures S.A.

Due to the delay of the project and in the absence of revenue forecasts for the coming years, an allowance for the investment was recognised at the net asset value of PLN 2,296 thousand.

With the recognition of the allowance, the recoverable amount is equal to the carrying amount; hence, any negative change of the key assumptions would require a further allowance.

Spółka	As at 31 December 2022				As at 31 December 2021			
	Value at cost	Carrying amount	Number of shares	% of votes	Value at cost	Carrying amount	Number of shares	% of votes
Towarowa Giełda Energii S.A.	214,581	214,581	1,450,000	100.00	214,581	214,581	1,450,000	100.00
BondSpot S.A.	34,443	30,137	9,698,123	96.98	34,443	34,443	9,698,123	96.98
GPW Benchmark S.A.	5,909	5,909	118,000	100.00	4,909	4,909	98,000	100.00
GPW Tech S.A.	13,500	13,500	13,500,000	100.00	3,700	3,700	3,700,000	100.00
GPW Ventures ASI S.A.	3,000	704	3,000,000	100.00	3,000	3,000	3,000,000	100.00
GPW Private Market S.A.	2,119	2,119	2,100,000	100.00	-	-	-	-
GPW Logistics S.A.	2,316	2,316	200,000	100.00	-	-	-	-
GPW DAI S.A.	120	120	100,000	100.00	-	-	-	-
Armenia Securities Exchange OJSC	9,553	9,553	967	65.03	-	-	-	-
Total	**285,541**	**278,939**	**n/d**	**n/d**	**260,633**	**260,633**	**n/d**	**n/d**

3.4.2. ACQUISITION OF A SUBSIDIARY

On 28 June 2022, GPW signed an Armenia Securities Exchange (AMX) Share Purchase Agreement with the Central Bank of Armenia (CBoA) as well as a Shareholders' Agreement regarding the participation of the parties to the agreement in AMX.

The Share Purchase Agreement was a conditional agreement. The acquisition of control of AMX was subject to the following formal conditions:

- obtaining approval for the transaction from the Central Bank of Armenia (CBoA),
- amendment to the Articles of Association of AMX in accordance with the Shareholders' Agreement,
- opening of a securities account in Armenia by GPW,
- payment of consideration by GPW for AMX shares.

23 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The final fulfilment of all conditions took place on 27 December 2022, and on that date GPW's acquisition of 65.03% of the Armenia Securities Exchange was closed.

As a result of the transaction, AMX's ownership structure is as follows:

- AMX holds 148 treasury shares corresponding to a 9.95% interest in the company's share capital,
- CBoA holds 372 shares corresponding to a 25.02% interest in the company's share capital,
- GPW holds 967 shares corresponding to a 65.03% interest in the company's share capital.

As a result of the transaction, GPW indirectly acquired control of the Central Depository of Armenia (CDA), in which AMX holds 100% of the share capital.

The total price of AMX shares acquired by GPW was AMD 873,735,276 or approximately PLN 9.5 million payable in two tranches:

1. the first tranche in the amount of AMD 498,765,150, i.e., approximately PLN 6.4 million was paid upon the fulfilment of all conditions set out in the agreement,
2. the second tranche of AMD 374,970,126, i.e., approximately PLN 3.1 million payable subject to the closing of all litigation and claims to which AMX is a party and which are described in the Share Purchase Agreement. The closing of litigation is understood to mean the definitive end of legal proceedings or the dismissal of an action and, for cases not currently pending before the court, the failure to file an action within 3 consecutive years.

The Shareholders' Agreement provides for a call option for CBoA and a put option for GPW on the acquired shares in AMX. CBoA may exercise the option in the last month of the closed period if GPW is in material breach of the Business Plan assumptions, and GPW may exercise the option unconditionally within two months after the expiry of the closed period. The closed period is defined as 5 years from the registration of the shares.

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 2022 and as at 31 December 2021:

- 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").

The following tables show the holdings and carrying amount of the Exchange's investments.

	As at 31 December 2022			
	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 2022 and as at 31 December 2021. 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 2022 and as at 31 December 2021.

24 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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 leases are those 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.

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.

The Exchange was not a lessee of assets for a term shorter than 12 months (short-term lease) in 2022 and in 2021.

The Exchange incurred no variable lease costs in 2022 and in 2021 that would not be included in the value of lease liabilities.

	Year ended 31 December	
	2022	2021
Depreciation of right-to-use assets	2,841	2,833
Interest on lease liabilities	238	376
Losses/(Gains) on terminated leases	(13)	-
Revaluation of leasing contracts	1,139	8
Total lease cost in the statement of comprehensive income	**4,205**	**3,217**

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. 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 2022, 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 2022 and in 2021.

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.

26 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December	
	2022	2021
Interst on subleases	109	167
Sublease revaluation	727	(10)
Income from operating leases	549	475
Total lease income/(reduction of expenses) in the statement of comprehensive income	**1,385**	**632**

The Exchange earned no revenue in 2022 and in 2021 relating to variable lease payments that would not be included in sales revenue (operating leases) or in sublease receivables.

The table below provides an analysis of the due date of future lease payments.

	Lease fees due by due date					
	As at 31 December 2022			As at 31 December 2021		
	Subleases	Operating leases	Total	Subleases	Operating leases	Total
> 1Y	2,056	2,469	4,525	2,439	2,947	5,386
in Y2	95	10	105	1,823	2,469	4,292
in Y3	84	-	84	-	10	10
in Y4	82	-	82	-	-	-
in Y5	61	-	61	-	-	-
Total	**2,378**	**2,479**	**4,857**	**4,262**	**5,426**	**9,688**

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

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

	Year ended 31 December			
	2022		2021	
	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	(3,590)	6,726	(4,857)	4,580
Impact on the value of sublease payables	(1,673)	2,656	(1,658)	1,157
Impact on operating expenses (depreciation)	(3,219)	(180)	(4,825)	4,408
Impact on sublease interest income	(63)	74	(60)	72
Impact on lease interest expense	(156)	191	(1,502)	426

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. The table below shows the potential impact of a change in interest rate estimates.

27 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December			
	2022		2021	
	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	23	(23)	69	(67)
Impact on the value of sublease payables	24	(23)	24	(23)
Impact on operating expenses (depreciation)	64	(62)	209	(201)
Impact on sublease interest income	(35)	33	38	(38)
Impact on lease interest expense	(57)	55	97	(111)

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.

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 sublease assets.

	Year ended 31 December 2022			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Right-of-use assets - as at the beginning of the period	1,178	159	3,703	**5,040**
New leases	-	36	-	**36**
New subleases	(42)	(55)	-	**(97)**
Asset remeasurement	400	13	-	**413**
Depreciation	(754)	(137)	(1,950)	**(2,841)**
Net carrying amount - closing balance	**782**	**16**	**1,753**	**2,551**

28 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 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	**1,755**	**112**	**5,624**	**7,491**
New leases	488	216	662	**1,366**
New subleases	(488)	-	(233)	**(721)**
Terminated leases contracts	(404)	(1)	(395)	**(800)**
Terminated subleases	535	-	-	**535**
Reclassification and other adjustments	9	(6)	-	**3**
Depreciation	(717)	(162)	(1,955)	**(2,834)**
Net carrying amount - closing balance	**1,178**	**159**	**3,703**	**5,040**

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;*
- *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).

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

The table below presents changes to lease liabilities.

	Year ended 31 December 2022			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Lease liabilities - as at beginning of the period	**3,929**	**296**	**5,236**	**9,461**
New leases	-	36	-	**36**
Interest on lease liabilities	101	20	117	**238**
Lease liabilities paid in the period (equal to leasing fees)	(2,496)	(548)	(2,842)	**(5,886)**
Remeasurement of lease liabilities	777	362	-	**1,139**
Reclassification and other adjustments	52	-	-	**52**
Net carrying amount - closing balance, including:	**2,363**	**166**	**2,511**	**5,040**
non-current	404	20	-	**424**
current	1,959	146	2,511	**4,616**

29 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December 2021			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Lease liabilities - as at beginning of the period	**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**

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.

	Year ended 31 December 2022			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Subleases receivables - as at beginning of the period	**2,660**	**128**	**1,362**	**4,150**
New subleases	42	55	-	**97**
Interest on sublease receivables	65	14	30	**109**
Sublease receivables paid in the period (equal to leasing fees)	(1,552)	(411)	(752)	**(2,715)**
Remeasurement of sublease receivables	378	349	-	**727**
Reclassification and other adjustments	(40)	-	-	**(40)**
Net carrying amount - closing balance, including:	**1,553**	**135**	**640**	**2,328**
non-current	290	15	-	**305**
current	1,263	120	640	**2,023**

30 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December 2021			
	Office space and other premises	Vehicles and machinery	Colocation space	Total
Subleases receivables - as at beginning of the period	**4,258**	**495**	**1,815**	**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**

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 2022 and as at 31 December 2021. The fair value of the shares was PLN 0 as at 31 December 2022 and as at 31 December 2021.

31 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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 losses for assets related to debt instruments measured at amortised cost regardless of whether there is an indication of impairment. The allowance for expected credit losses is made based on the estimated ratings of the issuer and the probability of loss assigned to the rating and the amount of loss.

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 and as a cost of the period in financial expenses.

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 2022 and 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.

ETF

The Exchange purchased 25,929 certificates of the BETA ETF based on the Treasury BondSpot Poland Index. The arranger of the issue is AgioFunds TFI S.A. The instrument was newly listed on 17 January 2022.

The following table shows the Group's investments measured at fair value through other comprehensive income.

	As at 31 December 2022			
	Innex	BVB	ETF	Total
Value at cost	3,820	1,343	5,000	**10,163**
Impairment	(3,820)	(1,168)	(287)	**(5,275)**
Carrying amount	**-**	**175**	**4,713**	**4,888**

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

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 and ETFs as at 31 December 2022 and as at 31 December 2021 was recognised at the share price (level 1 of the fair value hierarchy).

3.7.4. TRADE RECEIVABLES AND OTHER RECEIVABLES

Selected accounting policies

33 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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.

The table below shows trade receivables and other significant categories of receivables.

	As at	
	31 December 2022	31 December 2021
Gross trade receivables	26,148	25,811
Impairment allowances for trade receivables	(2,295)	(2,883)
Total trade receivables	**23,853**	**22,928**
Current prepayments	5,573	5,803
Receivables from subsidiaries due to CIT in Tax Group	1,406	2,196
Settlements due to subleasing	245	244
Grants receivable	3,889	3,670
Other receivables	2,481	6,069
Total other receivables	**13,594**	**17,981**
Total trade receivables and other receivables	**37,447**	**40,909**

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.

The table below shows trade receivables by maturity and the allowance for expected credit losses.

	As at 31 December 2022			As at 31 December 2021		
	Gross trade receivables	Impairment allowances for trade receivables	Total trade receivables	Gross trade receivables	Impairment allowances for trade receivables	Total trade receivables
Receivables not overdue	**18,177**	**(40)**	**18,137**	**19,960**	**(84)**	**19,876**
1 to 30 days overdue	3,480	(20)	3,460	2,247	(27)	2,220
31 to 60 days overdue	979	(8)	971	281	(8)	272
61 to 90 days overdue	1,189	(15)	1,174	335	(16)	320
91 to 180 days overdue	92	(2)	90	265	(24)	240
More than 180 days overdue	2,231	(2,210)	21	2,724	(2,724)	-
Overdue receivables	**7,971**	**(2,255)**	**5,716**	**5,851**	**(2,799)**	**3,052**
Total	**26,148**	**(2,295)**	**23,853**	**25,811**	**(2,883)**	**22,928**

As at 31 December 2022, trade receivables at PLN 7,971 thousand (31 December 2021 – PLN 5,851 thousand) were overdue, including overdue receivables from debtors under insolvency or creditor arrangement proceedings at 955 thousand and other overdue receivables at PLN 7,016 thousand as at 31 December 2022 (31 December 2021 – PLN 743 thousand and PLN 5,235 thousand, respectively).

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. The details are presented in the table below.

34 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at	
	31 December 2022	31 December 2021
Exchange Members	11,346	14,727
Issuers*	1,071	204
Other*	5,760	5,029
Total gross trade receivables not overdue	**18,177**	**19,960**

** Receivables from creditors which are both an Stoch Exchange Member and an issuer or an Stoch Exchange Member and information distributor (other recipient) are presented in receivables from Stock 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 2022	31 December 2021
Aa	588	1,309
A	6,507	7,681
Baa	222	390
Ba	14	20
B and BB	101	112
Without rating	3,914	5,215
Total trade receivables from Exchange Members	**11,346**	**14,727**

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 2022 and as at 31 December 2021.

The table below shows trade receivables by domestic and international receivables.

	As at	
	31 December 2022	31 December 2021
Domestic receivables	11,445	12,253
Foreign receivables	14,703	13,558
Total gross trade receivables	**26,148**	**25,811**

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 2022 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.

35 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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

- *Exchange Members – from 0.11% to 4.11%,*
- *issuers of securities listed on markets operated by the Exchange – from 1.71% to 34.97%,*
- *other clients (including data vendors) – from 0.15% to 1.58%.*

The Company considers 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.

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

	As at	
	31 December 2022	**31 December 2021**
Opening balance	**2,883**	**4,372**
Creating a write-off	1,342	2,255
Dissolution of the write-off	(1,930)	(3,321)
Receivables written off during the period as uncollectible	-	(423)
Closing balance	**2,295**	**2,883**

The change of the impairment allowance for trade receivables in 2022 was PLN 588 thousand (decrease of allowance) and was fully recognised in the statement of comprehensive income. The amount resulted from a higher amount of reversal (PLN 1,930 thousand) than creation of allowance (PLN 1,342 thousand).

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.

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) and corporate bonds with an original maturity of 3 months or less (from purchase/contracting) considered to be at risk of impairment due to possible changes in the economic environment or the condition of their issuer and therefore not included in cash.

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.

36 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The table below shows current financial assets measured at amortised cost.

	As at	
	31 December 2022	31 December 2021
Corporate bonds	53,737	150,271
Bank deposits	-	55,048
Loans granted	-	91,128
Total current gross	**53,737**	**296,447**
Allowance for losses on debt instruments measured at amortised cost	**(39)**	**(141)**
Total financial assets measured at amortised cost	**53,698**	**296,306**

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

The table below shows recognised financial income in relation to presented financial assets.

	Year ended 31 December 2021		
	Interest received	Remeasurement	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	**595**	**264**	**859**

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 2022	31 December 2021
Aaa	-	91,109
A	-	50,093
A-	34,601	155,103
Baa	19,097	-
Total	**53,698**	**296,306**

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).

37 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

Cash and cash equivalents include current accounts and short-term bank deposits (up to 3 months). The details are shown in the table below.

	As at	
	31 December 2022	31 December 2021
Current accounts (other)	18,470	13,530
VAT current accounts (split payment)	9	-
Corporate bonds (banks)	-	14,995
Bank deposits	81,607	141,038
Write-off for expected credit losses	(49)	(102)
Total cash and cash equivalents	**100,037**	**169,461**

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 42 days in 2022 (55 days in 2021).

At the commencement of the development projects: New Trading System, GPW Data, GPW Private Market, TeO, PCOL, and Gospostrateg (see Note 6.2), the Exchange opened dedicated banks accounts for each of those projects. The total balance in those accounts was PLN 7,698 thousand as at 31 December 2022 (PLN 4,389 thousand as at 31 December 2021). 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 2022	31 December 2021
Aaa	-	3
A-	100,037	155,935
Ba/BBB+	-	13,523
Total	**100,037**	**169,461**

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.

Contract assets include mainly information services. Other outstanding revenue classified as contract assets stood at PLN 543 thousand as at 31 December 2022 and PLN 2 thousand as at 31 December 2021.

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

38 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at	
	31 December 2022	31 December 2021
Listing	6,825	7,003
Total financial market	6,825	7,003
Total non-current	**6,825**	**7,003**
Trading	557	1,313
Listing	3,160	3,355
Information services and revenue from the calculation of reference rates	-	2
Total financial market	3,717	4,670
Other revenue	127	189
Total current	**3,844**	**4,859**
Total contract liabilities	**10,669**	**11,862**

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 2022	31 December 2021
IT equipment maintenance service	421	1,890
Other	158	5
Total non-current prepayments	**579**	**1,895**

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 2022 and as at 31 December 2021, 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 2022 and as at 31 December 2021.

39 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at 31 December 2022 and at 31 December 2021		
	Value at par	%	
		share capital	total vote
State Treasury	14,695,470	35.01%	51.77%
Banks	49,000	0.12%	0.18%
Brokers	28,000	0.07%	0.12%
Others	-	0.00%	0.00%
Total registered shares (A series)	**14,772,470**	**35.20%**	**52.07%**
Bearer shares (B series)	**27,199,530**	**64.80%**	**47.93%**
Total	**41,972,000**	**100.00%**	**100.00%**

3.10.2. OTHER RESERVES

The table below shows the carrying amount and the change during the period for other reserves.

	As at 1 January 2022	Revaluation	As at 31 December 2022
Revaluation	(1)	(235)	**(236)**
Deferred tax	1	44	**45**
Total reserves arising from financial assets measured at fair value through other comprehensive income	**-**	**(191)**	**(191)**
Revaluation	(51)	23	**(28)**
Deferred tax	10	(4)	**6**
Total capital from actuarial gains/losses	**(41)**	**19**	**(22)**
Total other reserves	**(41)**	**(172)**	**(213)**

3.10.3. RETAINED EARNINGS

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.

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total retained earnings
As at 1 January 2022	**37,021**	**375,677**	**(39,555)**	**174,425**	**547,568**
Distribution of the net profit for the year 2021	-	59,422	115,003	(174,425)	**-**
Dividend	-	-	(115,003)	-	**(115,003)**
Net profit for the year 2022	-	-	-	99,564	**99,564**
As at 31 December 2022	**37,021**	**435,099**	**(39,555)**	**99,564**	**532,129**

40 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Reserve capital	Other reserves	Retained earnings	Profit for the period	Total retained earnings
As at 1 January 2021	**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 the year 2021	-	-	-	174,425	**174,425**
As at 31 December 2021	**37,021**	**375,677**	**(39,555)**	**174,425**	**547,568**

3.10.4. DIVIDEND

On 23 June 2022, the Annual General Meeting of the Exchange passed a resolution to distribute the Company's profit for 2021, including a dividend payment of PLN 115,003 thousand. The dividend per share was PLN 2.74. The dividend record date was 25 July 2022 and the dividend payment date was 5 August 2022. The dividend due to the State Treasury was PLN 40,266 thousand.

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.

3.10.5. EARNINGS PER SHARE

Selected accounting policies

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the entity by the weighted average number of shares in issue.

Diluted earnings per share is calculated by dividing the net profit attributable to equity holders of the entity by the weighted average number of shares in issue, adjusted for the number of potential shares that could be issued as a result of the conversion of dilutive equity instruments into shares.

	Year ended 31 December	
	2022	2021
Net profit for the period	99,564	174,425
Weighted average number of ordinary shares (in thousands)	41,972	41,972
Basic/diluted earnings per share (in PLN)	**2.37**	**4.16**

There are no dilutive instruments in the Company.

3.11. BOND 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.

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

On 6 October 2022, GPW redeemed series C bonds issued on 6 October 2015 with a total nominal value of PLN 125,000 thousand.

The changes in the bond liability in 2022 and 2021 are shown in the tables below.

As at 31 December 2022							
	Opening balance	**Bonds redeemed**	**Interest accrued**	**Interest paid**	**Cost incurred**	**Cost settled**	**Closing balance**
Principal	**244,929**	(245,000)	71	-	-	-	**-**
Interest	**1,539**	**-**	3,169	(4,708)	-	-	**-**
Cost of issuance	**(190)**	**-**	-	-	-	190	**-**
Total liabilities under bond issue	**246,278**	**(245,000)**	**3,240**	**(4,708)**	**-**	**190**	**-**

As at 31 December 2021							
	Opening balance	**Bonds redeemed**	**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 2022	**31 December 2021**
Fair value of series C bonds	-	126,491
Fair value of series D and E bonds	-	120,588
Total fair value of bonds in issue	**-**	**247,079**

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.

42 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The table below shows employee benefits payable recognised as at the balance sheet date.

	As at	
	31 December 2022	31 December 2021
Retirement benefits	724	677
Other employee benefits	518	603
Non-current	**1,242**	**1,280**
Retirement benefits	101	67
Other employee benefits	18,893	21,751
Current	**18,994**	**21,818**
Total benefits in the statement of financial position	**20,236**	**23,098**

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. Changes of retirement benefits in the period are shown in the table below.

	Year ended 31 December	
	2022	2021
Total benefits in operating expenses	104	118
Total benefits in other comprehensive income	(23)	(221)
Total benefits in the statement of comprehensive income	**81**	**(103)**

	Year ended 31 December	
	2022	2021
Retirement benefits - opening balance	**744**	**847**
Current service cost	95	116
Interest cost	27	10
Gains and losses on the benefits scheme	(18)	(8)
Actuarial losses/(gains) shown in other comprehensive income due to change of:	(23)	(221)
- financial assumptions	*(42)*	*(219)*
- demographic assumptions	*(52)*	-
- other assumptions	*71*	*(2)*
Total change shown in comprehensive income	**81**	**(103)**
Retirement benefits - closing balance	**825**	**744**

The key actuarial assumptions used to determine the present value of retirement benefits payable are presented in the table below.

43 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December	
	2022	2021
Discount rate	6.7%	3.6%
Expected average annual increase of the base of provisions for retirement benefits	6.0%	3.5%
Inflation p.a.	n/d	2.5%
Weighted average employee mobility	10.7%	6.4%

3.12.2. OTHER EMPLOYEE BENEFITS

The table below shows the details of other employee benefits and their changes during the financial year.

	Year ended 31 December 2022					
	Opening balance	Set up	Used	Reclassified	Released	Closing balance
Annual and discretionary bonuses	15,054	12,880	(9,427)	(46)	(3,691)	**14,770**
Benefits after termination	-	611	(102)	-	(305)	**204**
Unused holiday leave	3,389	3,212	(2,957)			**3,644**
Overtime	125	2,507	(2,357)	-	-	**275**
Unpaid remuneration*	3,183	-	-	(1,311)	(1,872)	**-**
Total current	**21,751**	**19,210**	**(14,843)**	**(1,357)**	**(5,868)**	**18,893**
Annual and discretionary bonuses	603	27	(38)	46	(120)	**518**
Total non-current	**603**	**27**	**(38)**	**46**	**(120)**	**518**
Total other employee benefits payable	**22,354**	**19,237**	**(14,881)**	**(1,311)**	**(5,988)**	**19,411**

	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**

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.

44 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The following table shows accruals and deferred income. These mainly relate to grants received, which are presented by project. Grants received are described in Note 6.2.

	As at	
	31 December 2022	31 December 2021
New Trading System Project	19,753	13,243
GPW Data Project	3,934	2,518
Telemetria Project	1,671	-
Private Market	814	532
PCOL Project	874	-
Total non-current	**27,046**	**16,293**
Telemetria Project	-	1,191
Private Market Project	3,127	1,652
Total current	**3,127**	**2,843**
Total accruals and deferred income	**30,173**	**19,136**

3.14. OTHER LIABILITIES

The table below shows the details of other liabilities as at the balance sheet date.

	As at	
	31 December 2022	31 December 2021
Liabilities to the Polish National Foundation	4,361	5,731
Other liabilities	3,546	3,561
Other liabilities	3,112	-
Total non-current	**11,019**	**9,292**
VAT payable	842	876
Liabilities in respect of other taxes	2,357	1,818
Contracted investments	3,425	983
Liabilities to the Polish National Foundation	1,371	1,331
Other liabilities	944	2,621
Total current	**8,939**	**7,629**
Total other liabilities	**19,958**	**16,921**

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 5,732 thousand as at 31 December 2022 (PLN 7,062 thousand as at 31 December 2021).

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.

45 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	As at	
	31 December 2022	31 December 2021
Payables to entities measured by equity method	82	91
Trade payables to subsidiaries	584	875
Trade payables to other entities, accruals, and deferred income	11,846	6,713
Total trade payables	**12,512**	**7,679**

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 2022	(Credited)/ Debited in profit	(Credited)/Debited in other comprehensive income	As at 31 December 2022		
				(Asset)/ liabielieties	Deferred tax asset	Deferred tax liability
Difference between accounting and tax value of property, plant and equipment and intangible asset	**5,831**	(2,104)	-	**3,727**	-	3,727
Impairment loss on investment in other entities	**(958)**	(1,254)	(44)	**(2,256)**	(2,256)	-
Employee benefits	**(4,636)**	404	4	**(4,228)**	(4,228)	-
Estimated costs	**(541)**	(549)	-	**(1,090)**	(1,090)	-
Deferred income	**(2,005)**	105	-	**(1,900)**	(1,900)	-
Impairment loss on trade receivables	**(424)**	119	-	**(305)**	(305)	-
Interest and costs of bond issue	**(257)**	257	-	**-**	-	-
Other	**(209)**	232	-	**23**	(121)	144
Total deferred tax (asset)/liability	**(3,199)**	**(2,790)**	**(40)**	**(6,029)**	**(9,900)**	**3,871**

46 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

-	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)/ liabielieties	Deferred tax asset	Deferred tax liability
Difference between accounting and tax value of property, plant and equipment and intangible asset	**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)	-
Estimated costs	**(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	**(241)**	32	-	**(209)**	(293)	84
Total deferred tax (asset)/liability	**380**	**(3,622)**	**43**	**(3,199)**	**(9,150)**	**5,951**

3.17. PROVISIONS FOR OTHER LIABILITIES AND OTHER CHARGES

Selected accounting policies

Provisions are liabilities arising from past events whose amount or due date is uncertain. A provision is recognised when the entity has a present obligation (legal or constructive) as a result of a past event or it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the change in the time value of money is material, the provision is discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks associated with the liability.

As at 31 December 2022, the entire amount related to the provision set up for VAT adjustments. As at 31 December 2021, there were no provisions for liabilities at the Exchange.

3.18. PHANTOM SHARES

Selected accounting policies

The Exchange maintains a Phantom Share Scheme, which is treated as a cash-settled scheme under IFRS 2 Share-based Payment. For future payments of the Scheme, a liability is recognised in the statement of financial position under items relating to employee benefits payable. The liability associated with the shares granted is measured at each balance sheet date at the closing price of GPW shares on the balance sheet date. Differences in the measurement at fair value at the balance sheet date are recognised in employee costs in the statement of comprehensive income.

On 29 April 2021, on the occasion of the 30th anniversary of the Company, the Exchange Management Board approved a Phantom Share Scheme ("Scheme") for GPW employees. The Scheme covers all GPW employees in employment as at 16 April 2021. The total number of phantom shares granted at the beginning of the Scheme was 10,428 shares.

In each successive year of the Scheme, 4 phantom shares are awarded to each Scheme participant as at 16 April and the only condition for the award is that the employee is employed by GPW. The phantom shares are subject to a lock-up until the termination or expiry of the employment relationship or until the employee reaches retirement age ("Lock-up Period"). After the Lock-up Period, the employee acquires an unconditional right to receive a cash benefit for the phantom shares held, at the closing price of the GPW shares on 16 April of the year prior to vesting.

Allocated phantom shares retain the right to dividends. The employee may, by 30 September each year, request a dividend payment, which is made by 15 October each year. In the event that the employee does not request a payment during the term of employment, the payment is made upon termination of employment or retirement.

47 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

The Exchange Management Board may decide to terminate the Phantom Share Scheme, but not before the end of 2031.

As at 31 December 2022, the estimated number of phantom shares was 10,483 shares (31 December 2021: 10,301 shares).

In 2022, the cost of the Scheme was PLN 12 thousand (year ended 31 December 2021: PLN 621 thousand).

As at 31 December 2022, the Phantom Share Scheme liabilities amounted to PLN 707 thousand (31 December 2021: PLN 743 thousand), of which non-current liabilities amounted to PLN 518 thousand (31 December 2021: PLN 603 thousand) and current liabilities amounted to PLN 189 thousand (31 December 2021: PLN 140 thousand).

3.19. NON-CURRENT ASSETS HELD FOR SALE

Selected accounting policies

Non-current assets held for sale are measured at the lower of estimated fair value less costs to sell or carrying amount and are presented in a separate line in the statement of financial position.

If the fair value less costs to sell is less than the carrying amount, an impairment loss is recognised for the difference. Subsequent changes in fair value are recognised in profit or loss for the period, but may not exceed the previously recognised impairment loss.

These assets are not depreciated.

In October 2022, the Exchange Management Board decided to sell the "GRC System" software developed in-house. The Company took active steps to sell it.

The GRC system is a tool for automated compliance management support, streamlining risk assessment and compliance processes by reducing the corporate governance, risk management and compliance workload.

As at 31 December 2022, the GRC system is presented under non-current assets held for sale at a carrying amount of PLN 3,336 thousand. Valuation at fair value showed that no impairment loss on the asset was required.

On 1 January 2023, the Company entered into an agreement to sell the asset. The Exchange received PLN 3,808 thousand from the sale of the GRC System.

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). 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 Company 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	
	2022	**2021**
Financial market	**233,019**	**239,756**
Trading	**157,630**	**167,651**
Equities and other equity-related instruments	123,691	143,797
Derivatives	21,317	13,737
Other fees paid by market participants	9,974	8,353
Debt instruments	1,195	501
Other cash instruments	1,453	1,263
Listing	**22,610**	**21,049**
Listing fees	19,050	16,881
Fees for introduction and other fees	3,560	4,168
Information services and revenue from the calculation of reference rates	**52,779**	**51,056**
Real-time data and revenue from the calculation of reference rates	49,286	47,830
Historical and statistical data and indices	3,493	3,226
Commodity market	**1,109**	**898**
Information services	**1,109**	**898**
Other revenue	**13,823**	**12,367**
Provision of services to companies from the GPW Group (other than IFRS 16 leasing)	**13,138**	**11,906**
Rental of space in the Centrum Giełdowe complex	489	434
Operation of premises, cleaning, security	1,829	1,735

49 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December	
	2022	2021
Car service fees	203	204
Accounting and human resources	2,324	2,309
Other IT services	3,756	3,783
Other administrative services	4,537	3,441
Provision of services to companies from the GPW Group (other than IFRS 16 leasing)	**685**	**461**
Rental of space in the Centrum Giełdowe complex	60	41
Operation of premises, cleaning, security	-	8
Sponsorship	207	62
Other	418	350
Total sales revenue	**247,951**	**253,021**

Sales revenue by foreign and domestic customers is as follows:

	Year ended 31 December			
	2022	% share	2021	% share
Revenue from foreign customers	117,646	47.4%	114,626	45.30%
Revenue from local customers	130,305	52.6%	138,395	54.70%
Total sales revenue	**247,951**	**100.0%**	**253,021**	**100%**

The table below presents a breakdown of the Exchange's revenue by method of recognition over time:

	Year ended 31 December	
	2022	2021
Revenues recognised over the passage of time	**74,532**	**71,461**
Financial market	**72,391**	**69,756**
Trading	300	352
Listing	21,903	19,889
Information services and revenue from the calculation of reference rates	50,188	49,515
Commodity market	**1,109**	**898**
Information services	1,109	898
Other revenue	**1,032**	**807**
Provision of services to companies from the GPW Group (other than IFRS 16 leasing)	408	395
Provision of services to companies from the GPW Group (other than IFRS 16 leasing)	624	412
Revenues recognised at a specific point in time	**173,419**	**181,560**
Financial market	**160,628**	**170,000**
Trading	157,330	167,299
Listing	707	1,160
Information services and revenue from the calculation of reference rates	2,591	1,541
Other revenue	**12,791**	**11,560**
Provision of services to companies from the GPW Group (other than IFRS 16 leasing)	12,730	11,511
Provision of services to companies from the GPW Group (other than IFRS 16 leasing)	61	49
Total sales revenue	**247,951**	**253,021**

50 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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 following table shows the Exchange's operating expenses by category.

		Year ended 31 December	
		2022	2021
Depreciation and amortisation		25,228	23,224
- including: capitalised depreciation and amortisation charges		*(2,072)*	*(638)*
Salaries	4.2.1.	48,602	53,095
Other employee costs	4.2.1.	16,006	15,968
Maintenance fees		5,019	4,771
Fees and charges		11,015	9,594
- including: fees paid to PFSA		*8,305*	*7,984*
External service charges	4.2.2.	59,089	45,955
Other operating expenses		5,383	4,198
Total operating expenses		**170,342**	**156,805**

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.

In 2022, the Company's average full-time equivalent (FTE) headcount was 275 FTEs, while in 2021 the average headcount was 258 FTEs. The tables below provide details of employee costs.

51 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

	Year ended 31 December	
	2022	2021
Gross remuneration	36,381	28,688
Annual and discretionary bonuses	7,544	12,168
Retirement severance pay	121	127
Reorganisation severance pay	309	77
Non-competition	170	-
Other (including: unused holiday leave, overtime)	2,283	1,553
Total payroll	**46,808**	**42,613**
Supplementary payroll	**1,794**	**10,482**
Total employee costs	**48,602**	**53,095**

	Year ended 31 December	
	2022	2021
Social security costs (ZUS)	7,293	7,270
Employee Pension Plan (PPE)	2,650	2,813
Other benefits (including medical services, lunch subsidies, sports, insurance, etc.)	6,063	5,885
Total other employee costs	**16,006**	**15,968**

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

4.2.2. EXTERNAL SERVICE CHARGES

	Year ended 31 December	
	2022	2021
IT infrastructure maintenance	17,229	13,576
Data transmission lines	3,270	3,568
Software modification	986	649
Total IT cost	21,485	17,793
Repairs, maintenance, installation service	1,118	980
Security	2,054	2,012
Cleaning	787	776
Fixed and mobile telephony	205	194
Total office space and office equipment maintenance	4,164	3,962
Lease, rental and maintenance of vehicles	315	284
Transportation services	63	54
Promotion, education, market development	6,347	5,408
Market liquidity support	986	1,041
Advisory (including legal, business consulting, audit)	10,881	5,935
Information services	7,747	7,185
Training	514	557
Mail fees	21	36
Bank fees	24	35
Translation	291	359
Other	6,251	3,306
Total external service charges	**59,089**	**45,955**

52 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

4.3. OTHER INCOME

	Year ended 31 December	
	2022	2021
Grants received - New Trading Platform Project	147	26
Grants received - Gospostrateg	117	-
Grants received - PCOL	194	-
Grants received	458	26
Annual correction of input VAT	87	-
Medical services reinvoiced to employees	406	360
Damages received	7	4
Donations received	15	-
Investment property revenues	1,133	1,106
Other	175	85
Total other income	**2,281**	**1,581**

4.4. OTHER EXPENSES

	Year ended 31 December	
	2022	2021
Donations	3,956	2,131
Loss on sale of property, plant and equipment	52	50
Compensation, penalties, fines	2	-
Impairment of investments and abandoned investments	388	380
Impairment of assets	6,649	-
Other	253	762
Total other expenses	**11,300**	**3,323**

In 2022, the Exchange made donations to:

- Polish National Foundation – PLN 1,500 thousand (booked in expenses of 2016, see Note 3.14.),
- GPW Foundation – PLN 3,067 thousand,
- Association SOS Wioski Dziecięce w Polsce – PLN 15 thousand,
- Municipalities and organisations assisting refugees from Ukraine – PLN 872 thousand.

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.

53 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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	
	2022	**2021**
Income on financial assets presented as cash and cash equivalents	7,364	79
Income on financial assets presented as financial assets measured at amortised cost	4,930	859
Interest on sublease receivables	109	167
Total Interest income under the effective interest rate method	**12,403**	**1,105**
Dividends	36,468	101,762
Reversal of expected credit losses	155	-
Other financial income	31	22
Currency differences	780	-
Tota financial income	**49,837**	**102,889**

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	
	2022	**2021**
Interest on bonds, including:	3,431	5,826
- remeasurement	(1,277)	374
- paid	4,708	5,452
Interest on lease liabilities	238	376
Interest on tax payable, incl.:	292	-
Expected credit losses	-	243
Other financial expenses	10	487
Currency differences	-	377
Total financial expenses	**3,971**	**7,309**

54 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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	
	2022	2021
Current income tax	18,270	20,317
Deferred tax	(2,790)	(3,622)
Total income tax	**15,480**	**16,695**

As required by the Polish tax regulations, the corporate income tax rate applicable in 2022 and 2021 is 19%. The table below shows a reconciliation of the theoretical amount of income tax at the statutory tax rate and the amount of income tax expense reported in the statement of comprehensive income.

	Year ended 31 December	
	2022	2021
Profit before tax	115,044	191,120
Costs which are not tax-deductible	19%	19%
Additional taxable income	**21,858**	**36,313**
Tax effect of	**(6,378)**	**(19,618)**
Non-taxable share of (profit)/loss of entities measured by equity method	525	995
Dividends which are not taxable	(6,929)	(19,335)
Grants which are not taxable	(87)	(5)
Other adjustments	113	(1,273)
Total income tax	**15,480**	**16,695**

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.

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. The Head of the First Mazovian Tax Office in Warsaw issued subsequent decisions extending TG for further tax years. The Group received the latest decision on 14 December 2022; it concerns the registration of TG for a period of one fiscal year, i.e., 2023.

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 1,406 thousand as at 31 December 2022 (PLN 2,196 thousand as at 31 December 2021), presented under trade receivables and other receivables in the statement of financial position.

55 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

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.

Starting from the financial year ended 31 December 2022, the Exchange presents grants received and expenses in respect of payments from grant advances on a net basis in the cash flows from investing activities of the separate statement of cash flows.

In the separate statement of cash flows for the financial year ended 31 December 2021, the Exchange presented grants received of PLN 9,928 thousand and expenses in respect of payments from grant advances of PLN 4,215 thousand separately in cash flows from financing activities.

In the opinion of the Exchange's management, the change in presentation is not material from the point of view of the financial statements, and therefore no retrospective restatement of comparative data has been made.

The table below provides details of depreciation and amortisation costs during the period under review.

	Year ended 31 December	
	2022	2021
Depreciation of property, plant, and equipment*	8,604	9,989
Amortisation of intangible assets**	13,783	10,402
Depreciation of right-to-use assets	2,841	2,834
Depreciation of investment property	388	380
Total depreciation and amortisation charges	**25,616**	**23,605**

* In the year ended in 2022, depreciation was reduced by depreciation capitalized to intangible assets of PLN 1070 thousand, and in year ended in 2021, of PLN 501 thousand.

* In the year ended in 2022, depreciation was reduced by depreciation capitalized to intangible assets of PLN 1002 thousand, and in year ended in 2021, of 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.

Details of other adjustments included in net cash flows from operating activities are presented in the table below.

	Year ended 31 December	
	2022	2021
(Profit)/loss on sale of property, plant and equipment and intangible asset	80	3,892
(Gains) / losses on FX differences (valuation of accounts and deposits)	(47)	153
(Profit) / loss on interests of the Employee Loan	1	(4)
Sublease interest income	(109)	(167)
Interest cost of leases	238	370
Financial expense on the bond issue	190	383
Impairment loss on investment in other entities (PAR)	(195)	-
Grants - transfer to the investment activities	(11,238)	(6,968)
Actuarial (gains)/losses	23	179
Remeasurement of leases/subleases	52	-
Interest on liabilities adjustment	6	-
Other adjustments	42	324
Total other adjustments	**(10,957)**	**(1,838)**

56 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

6. OTHER NOTES

6.1. FINANCIAL INSTRUMENTS

The following tables show the income received and expenses incurred by type of financial instrument held by the Exchange.

	Year ended 31 December 2022					
	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)	-	-	588	**588**	-	**588**
Equity instruments	-	-	-	**-**	(191)	**(191)**
Corporate bonds	4,740	(27)	(38)	**4,675**	-	**4,675**
Bank deposits	7,275	21	100	**7,396**	-	**7,396**
Loans granted	371	(107)	18	**282**	-	**282**
Current bank accounts	19	-	74	**93**	-	**93**
Total financial instruments (assets)	**12,405**	**(113)**	**742**	**13,034**	**(191)**	**12,843**
Bonds in issue	(4,708)	1,277	-	**(3,431)**	-	**(3,431)**
Total financial instruments (liabilities)	**(4,708)**	**1,277**	**-**	**(3,431)**	**-**	**(3,431)**
Total recognised in the statement of comprehensive income	**7,697**	**1,164**	**742**	**9,603**	**(191)**	**9,412**

	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)**
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)**

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.

DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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 6.7.

New Trading System

The New Trading System is a development project of a new trading platform which will in the future help to reduce transaction costs and offer new functionalities and types of orders for Exchange Members, issuers and investors. The system will provide superior reliability and security according to top technical parameters.

GPW Data

The GPW Data project is an innovative Artificial Intelligence system supporting investment decisions of capital market participants. The core of the system is a repository of a broad range of structured exchange data. Such information will support investments on the capital market based on classical and innovative analysis models.

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 Exchange participates in the transfer of grants from NCBiR to the other participants in the consortium. Respective cash flows are presented on a net basis in the statement of cash flows from 2022 onwards.

Telemetry ("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.

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.

Polish Digital Logistics Operator ("PCOL")

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

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 table below presents key information by value for the grants received, broken down by project:

	As at/data for the period ended 31 December 2022						
	Planned total budget (PLN million)	Value of grants awarded (PLN million)	Value of grants received in 2022 (PLN thousand)	Amount recognised in income (PLN thousand)	Amount included in Accruals and deferred income (PLN thousand)	Amount of capitalized costs as at the balance sheet date (PLN thousand)	Expected project completion date (or completion date)
New Trading System Project	90.0	29.3	7,124	147	19,753	41,308	1Q2024
GPW Data Project	7.9	3.9	2,009	-	3,934	6,677	2Q2023
Private Market Project	11.6	8.5	1,757	-	3,941	1,006	4Q2023
Telemetria Project	33.3	13.3	(426)	-	1,671	3,516	4Q2023
PCOL Project	8.8	5.1	681	194	874	1,090	4Q2023
Gospostrateg Project	7.9	0.3	98	117	-	-	1Q2023
Total	**159.5**	**60.4**	**11,243**	**458**	**30,173**	**53,597**	

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 the State Treasury and 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.

Fees paid by the Exchange to PFSA stood at PLN 8,305 thousand in 2022 and PLN 7,984 thousand in 2021.

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 2022		Year ended 31 December 2022	
	Receivables	**Trade payables and other liabilities**	**Sales revenue or sublease interest**	**Operating expenses (including: decrease of depreciation and amortisation due to subleases)**
TGE:	**1,204**	**607**	**8,920**	**270**
leasing	*49*		*82*	*(484)*
other	*1,155*	*607*	*8,838*	*754*
IRGiT:	**359**	**-**	**2,292**	**(611)**
leasing	*90*	-	*441*	*(667)*
other	*269*	-	*1,851*	*56*
BondSpot:	**112**	**21**	**1,010**	**250**
leasing	*57*	-	*45*	*(441)*
other	*55*	*21*	*965*	*691*
GPWB:	**405**	**1**	**1,864**	**6,438**
leasing	*26*	-	*11*	*(175)*
other	*379*	*1*	*1,853*	*6,613*
InfoEngine:	**7**	**-**	**50**	**54**
other	*7*	-	*50*	*54*
GPW Tech:	**26**	**-**	**281**	**(81)**
leasing	*7*	-	*16*	*(81)*
other	*19*	-	*265*	-
GPW Ventures ASI:	**12**	**-**	**77**	**(27)**
leasing	*4*	-	-	*(27)*
other	*8*	-	*77*	-
GPWL	**38**	**-**	**55**	**-**
leasing	-	-	*36*	-
other	*38*	-	*19*	-
GPWPM	**7**	**-**	**42**	**-**
leasing	-	-	*14*	-
other	*7*	-	*28*	-
DAI	**12**	**-**	**-**	**-**
other	*12*	-	-	-
Razem	**2,182**	**629**	**14,494**	**6,293**

60 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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 (including: decrease of depreciation and amortisation due to subleases)**
TGE:	**93,058**	**86**	**7,921**	**3**
leasing	*933*	*-*	*40*	*(626)*
other	*1,115*	*86*	*7,881*	*629*
loan	*91,010*	*-*	*-*	*-*
IRGiT:	**2,058**	**-**	**2,374**	**(859)**
leasing	*1,702*	*-*	*63*	*(859)*
other	*356*	*-*	*2,311*	*-*
BondSpot:	**1,023**	**17**	**1,047**	**161**
leasing	*867*	*-*	*35*	*(581)*
other	*156*	*17*	*1,012*	*742*
GPWB:	**710**	**685**	**1,454**	**5,183**
leasing	*347*	*-*	*14*	*(216)*
other	*363*	*685*	*1,440*	*5,399*
InfoEngine:	**5**	**3**	**49**	**8**
leasing	*-*	*3*	*-*	*-*
other	*5*	*-*	*49*	*8*
GPW Tech:	**247**	**87**	**6**	**(93)**
leasing	*199*	*-*	*6*	*(93)*
other	*48*	*87*	*-*	*-*
GPW Ventures ASI:	**79**	**-**	**2**	**(36)**
leasing	*56*	*-*	*2*	*(36)*
other	*23*	*-*	*-*	*-*
Total	**97,180**	**878**	**12,853**	**4,367**

The tables above do not include transactions in fixed assets. The Exchange purchased no fixed assets from Group members in 2022 and in 2021, and no receivables from subsidiaries were impaired.

Receivables from subsidiaries were not written off as uncollectible in the year ended 31 December 2022 and 31 December 2021.

Loans granted to related parties

On 25 January 2022, 1 February 2022, 22 February 2022, TGE repaid the loan granted by GPW in full. The amount of interest paid was PLN 346 thousand.

On 11 October 2022, GPW entered into a revolving loan agreement with Towarowa Giełda Energii S.A. ("TGE") with a limit of PLN 100 million. The loan will be granted in PLN. The interest rate on the loan is variable and equal to the sum of the base interest rate WIBOR O/N and a margin. The loan will be repaid by 30 September 2023 (with the possibility of an extension for a further period).

In addition to the loan to TGE, GPW extended loans to its associate PAR. For details of the PAR loan, see Note 6.3.3.

The table below shows changes in the total amount due on loans.

	Year ended 31 December	
	2022	**2021**
At the beginning of the priod (before write-off)	**91,899**	**500**
Loan granted	-	91,310
Repayment of capital	(91,210)	-
Interest paid	(371)	(164)
Interest accrued	228	272
Other changes	30	(19)
At the end of the priod (before write-off)	**576**	**91,899**
Write-off	(576)	(771)
Carrying amount of the loan	**-**	**91,128**

61 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

Dividend from subsidiaries

On 30 June 2022, the Annual General Meeting of TGE passed a resolution on the distribution of TGE's profit for 2021, including the decision to allocate the amount of PLN 24,940 thousand for the payment of a dividend. The dividend was paid in full to the Exchange on 4 August 2022.

On 28 June 2022, the Annual General Meeting of BondSpot passed a resolution on the distribution of BondSpot's profit for 2021, including the decision to allocate the amount of PLN 1,000 thousand for the payment of a dividend. The dividend attributable to the Exchange amounted to PLN 972 thousand. The dividend was paid on 28 July 2022.

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.

	As at 31 December 2022		Year ended 31 December 2022	
	Receivables	Trade payables and other liabilities	Sales revenue or sublease interest	Operating expenses
Grupa KDPW:	**53**	**-**	**132**	**120**
other	*53*	*-*	*132*	*120*
Centrum Giełdowe:	**-**	**2,500**	**-**	**4,581**
leasing	*-*	*2,188*	*-*	*2,329*
other	*-*	*312*	*-*	*2,252*
PAR:	**5**	**10**	**84**	**40**
leasing	*-*	*-*	*32*	*-*
other	*5*	*10*	*52*	*40*
Total	**58**	**2,510**	**216**	**4,741**

	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**
other	*-*	*474*	*-*	*2,381*
PAR:	**10**	**-**	**-**	**-**
other	*10*	*-*	*-*	*-*
Total	**11**	**474**	**3**	**2,381**

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 2022 and 31 December 2021.

Dividend from associates

On 8 April 2022, the Annual General Meeting of **CG** decided to allocate a part of the profit equal to PLN 1,077 thousand and a part of reserves equal to PLN 2,002 thousand to a dividend payment. The dividend attributable to the Exchange was PLN 763 thousand. The dividend was paid on 31 May 2022. In 2021, the company paid out PLN 1,700 thousand and the amount attributable to GPW was PLN 421 thousand.

On 23 June 2022, the Annual General Meeting of **KDPW** decided to allocate a part of the profit equal to PLN 29,379 thousand to a dividend payment. The dividend attributable to GPW was PLN 9,793 thousand. The dividend record date was set for 30 June 2022 and the dividend payment date for 7 September 2022. In 2021, the company paid out PLN 19,925 thousand and the amount attributable to GPW was PLN 6,641 thousand.

Loans and advances

As at 31 December 2022, the carrying amount of loans granted to PAR was 0 and the impairment allowance was PLN 576 thousand (31 December 2021: PLN 771 thousand). PAR repaid PLN 200 thousand on 30 September 2022, resulting in release of part of the allowance.

62 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

In November 2022, an annex was signed for the agreement concerning the loan granted by GPW to PAR of September 2020. The intention of the parties was to extend the loan repayment period until 30 June 2023. In accordance with the changes introduced by the annex, interest for the period from the date of the loan will be capitalised and added to the loan amount.

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 2022 and in 2021.

Książęca 4 Street Tenants Association

In 2022, the Exchange concluded transactions with the Książęca 4 Street Tenants Association of which it is a member. The expenses amounted to PLN 4,971 thousand in 2022 and PLN 4,719 thousand in 2021. 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 98 thousand in 2022 and PLN 130 thousand in 2021.

GPW Foundation

In 2022, GPW donated PLN 3,067 thousand (in 2021 – PLN 2,396 thousand) to the GPW Foundation, received an income of PLN 134 thousand (in 2021 – PLN 236 thousand) from the Foundation, and paid the Foundation's costs of PLN 2 thousand (in 2021 – PLN 54 thousand). As at 31 December 2022, the Exchange's receivables from the GPW Foundation stood at PLN 40 thousand and its payables to the Foundation at PLN 0 thousand (as at 31 December 2021 – PLN 39 thousand and PLN 0 thousand, respectively).

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 2022 and 2021, respectively.

	Year ended 31 December	
	2022	2021
Base salary	1,607	1,613
Variable pay	1,938	1,627
Other benefits	129	286
Benefits after termination	271	-
Total remuneration of the Exchange Management Board	**3,945**	**3,526**
Remuneration of the Management Boards of other GPW Group companies	**598**	**581**
Total remuneration of the key management personnel	**4,543**	**4,107**

63 DATA FOR THE YEAR ENDED 31 DECEMBER 2022. ALL AMOUNTS IN PLN'000 UNLESS STATED OTHERWISE.

As at 31 December 2022, due (not paid) bonuses and variable remuneration of the key management personnel stood at PLN 3,948 thousand and concerned bonuses for 2022 and 2021.

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.

6.5. AUDIT FIRM'S FEES

	Year ended 31 December	
	2022	**2021**
Audit of the annual financial statements	151	151
Other assurance services (including review of financial statements)	101	101
Total auditor's remuneration	**252**	**252**

6.6. CONTRACTED INVESTMENTS

	As at	
	31 December 2022	**31 December 2021**
Contracted investments in property, plant and equipment	3	13
Contracted investments in intangible assets	1,165	3,500
Total contracted investments	**1,168**	**3,513**

Contracted investments in plant, property and equipment included purchase of office furniture as at 31 December 2022 and as at 31 December 2021.

Contracted investments in intangible assets were related to the modernisation of the integration layer as part of the New Market Image project as at 31 December 2022 and the implementation of a controlling system as at 31 December 2021.

6.7. CONTINGENT LIABILITIES

Selected accounting policies

Contingency is a feature of liabilities and assets that are not recognised in the financial statements because their existence is dependent on the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the Exchange.

A contingent liability is a possible obligation whose existence is yet to be confirmed or is a present obligation that does not meet the criteria for liability recognition (either because it is not probable that an outflow of economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability).

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.

6.8. EVENTS AFTER THE BALANCE SHEET DATE

On 28 March 2023, the General Meeting of **GPW Private Market S.A.** adopted a resolution to increase the share capital by PLN 3,600 thousand as a result of the issue of 3,600,000 series C ordinary registered shares with a nominal value and an issue price of PLN 1. The shares were fully taken up by GPW.

DATA FOR THE YEAR ENDED 31 DECEMBER 2022. 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 ……………………………………

Monika Gorgoń – Member of the Management Board ……………………………………

Adam Młodkowski – 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, 11 April 2023