



GPW Group's Financial Results in Q1 2018

27 April 2018

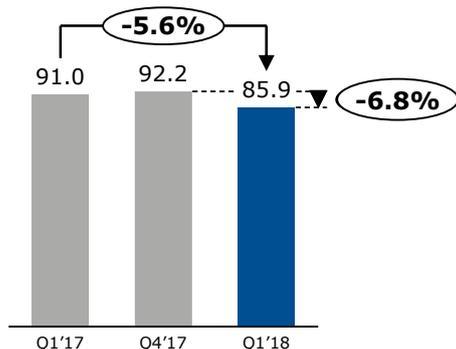
Summary of the GPW Group's Activity in Q1 2018

Financial Results of the GPW Group in Q1 2018

Demanding Q1 2018 with a PFSA fee charge

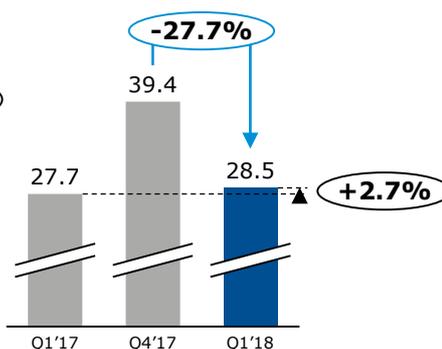
Revenue

PLN mn



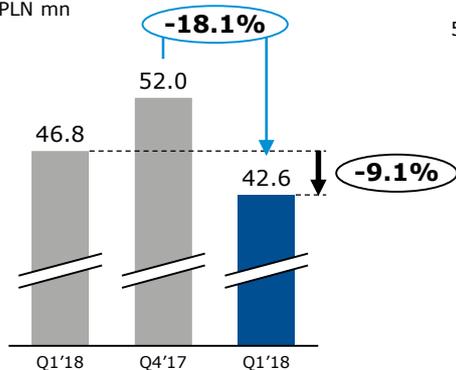
Net profit

PLN mn



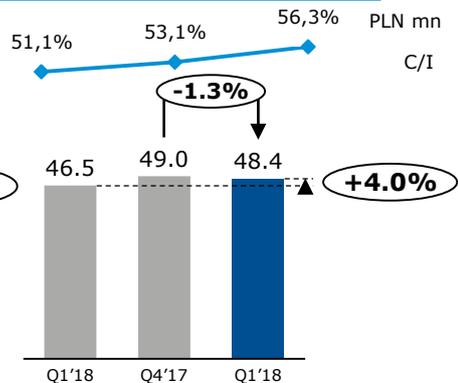
EBITDA

PLN mn



Opex

PLN mn
C/I



Revenue

Revenue decreased by 6.8% QoQ and 5.6% YoY in Q1 2018

Net profit

Net profit decreased by 27.7% QoQ and increased by 2.7% YoY

EBITDA

EBITDA decreased by 18.1% QoQ and by 9.1% YoY to PLN 42.6m in Q1 2018

Operating expenses

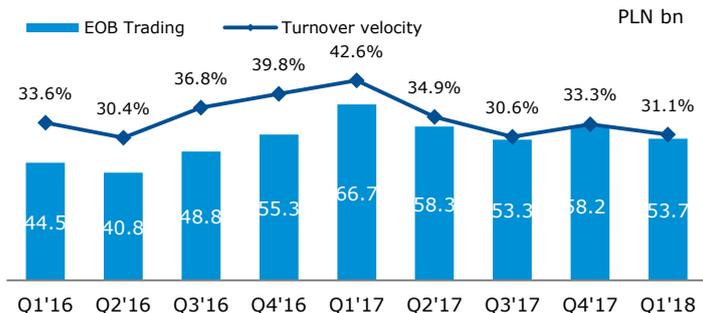
Operating expenses decreased by 1.3% QoQ and increased by 4.0% YoY – typical increase of expenses in Q1 due to the fee to PFSA: PLN 9.0m in Q1 2018 vs PLN 11.4m in Q1 2017

Dividend

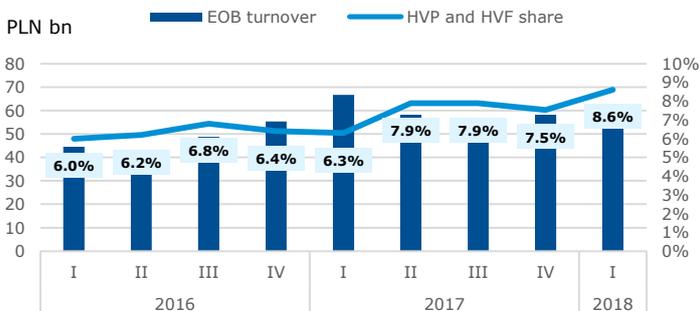
Dividend payment of PLN 2.2 per share: 63.3% of the consolidated net profit of the Company for FY2017 adjusted for the share of profit of associates

Easy start of the year on the equity market

Value of EOB trade on the Main Market



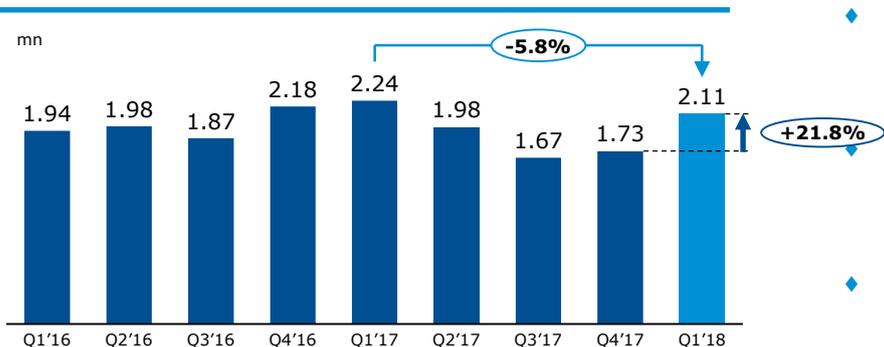
Activity of HVP and HVF programs clients



- ◆ EOB trade decreased by 19.5% YoY, due to a very demanding base of 2017, and decreased by 7.7% QoQ
- ◆ Velocity ratio at 31.1% in Q1 2018, 33.3% in Q4 2017 and 42.6% in Q1 2017
- ◆ Share of HVP and HVF participants in trade in shares at 8.6% in Q1 2018, vs. 6.3% in Q1 2017 and 7.5% in Q4 2017
- ◆ 2 new companies listed on the Main Market and 1 company on NewConnect with IPOs worth PLN 99m in aggregate
- ◆ New exchange member – JP Morgan AG based in Frankfurt am Main

Recovery of the volume of trade in derivatives

Volume of trade in derivatives



- ◆ Total volume of trade in derivatives was 2.11m instruments in Q1 2018; it increased by 21.8% QoQ and decreased by 5.8% YoY.

- ◆ Volume of trade in WIG20 futures increased by 17.0% in Q1 2017 to 1.18m and decreased by 8.6% QoQ

- ◆ Volume of trade in currency futures increased sharply (+80.2% QoQ) to 471k and was **the highest since Q2 2015**

- ◆ Volume of trade in options increased by 31.1% QoQ to 90.4k

- ◆ WIG20 volatility at 16.8% in Q1 2018, the highest since Q3 2016

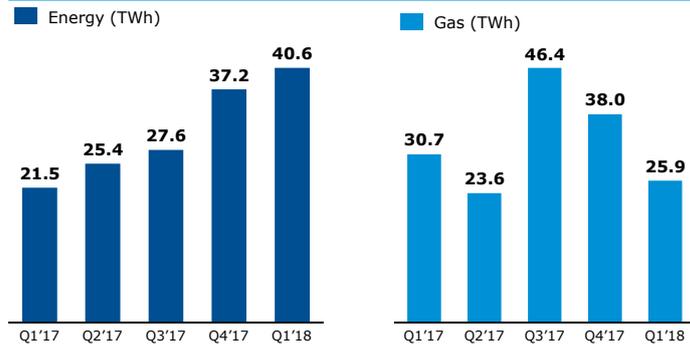
- ◆ Share of proprietary traders in futures trade in Q1'18 at 7.1% vs 7.5% in Q4'17 (index futures: 7.5%, single-stock futures: 5.1%)

Volume of currency futures



Commodity market in Q1'18

Volume of spot and forward trade in electricity and gas



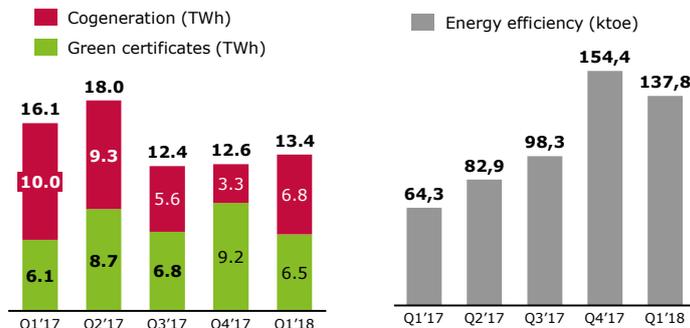
- ◆ **Gas market:** Total volume of trade on the gas markets at 25.9 TWh in Q1 2018, a decrease of 15.4% YoY and 31.7% QoQ. **The quarterly volume of spot transactions in gas crossed the mark of 10 TWh for the first time ever and stood at 10.9 TWh, an increase of 17.4% YoY and 77.3% QoQ.** The volume of forward transactions was 15.1 TWh, a decrease of 29.6% YoY and 52.7% QoQ.

- ◆ **Electricity market: Total volume of trade in electricity was 40.6 TWh in Q1 2018, an increase of 88.3% YoY and 9.0% QoQ.** The volume of spot transactions was 7.3 TWh in Q1 2018, an increase of 6.1% YoY and 7.6% QoQ. The volume of forward transactions at 33.3 TWh was the highest since 2015 and increased by 126.6% YoY and 9.3% QoQ.

- ◆ **Register of Certificates of Origin / Property Rights Market:**

- ✓ Volume of trade in property rights from cogeneration at 6.8 TWh in Q1 2018, a decrease of 31.8% YoY and **an increase of 104.8% QoQ**
- ✓ Volume of trade in RES property rights at 6.5 TWh in Q1 2018, **an increase of 7.6% YoY** and a decrease of 29.1% QoQ
- ✓ Volume of trade in property rights in energy efficiency at 137.8 ktoe in Q1 2018, **an increase of 114.4% YoY** and a decrease of 10.8% QoQ

Volume of trade in property rights (spot + forward)



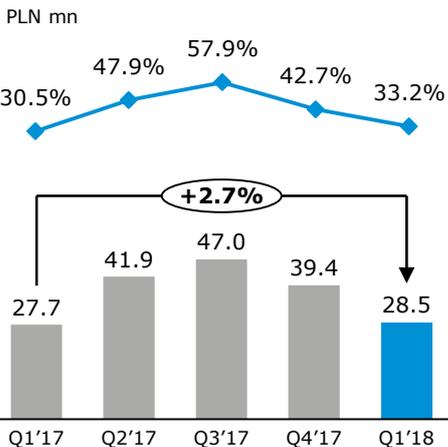
Summary of the GPW Group's Activity in Q1 2018

Financial Results of the GPW Group in Q1 2018

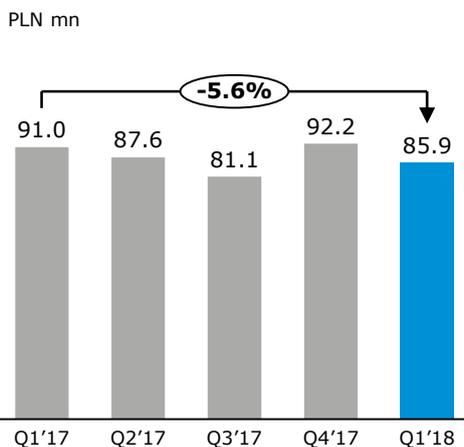
Q1 2018 financial results impacted by seasonal expenses



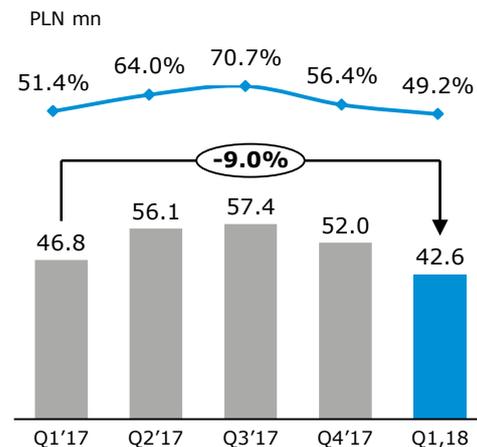
Net profit and net profit margin



Revenue



EBITDA and EBITDA margin



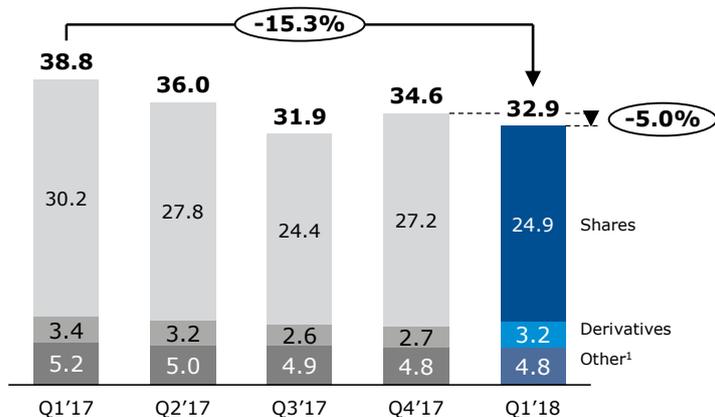
- ◆ Booked fees for market supervision lower than in 2017, resulting in PLN 9.0m of provisions for PFSA fees in Q1 2018
- ◆ Lower revenue due to a lower turnover on the financial market
- ◆ Operating expenses at PLN 48.4m, modestly higher than in Q1 2017 (up by 4.0% YoY) and stable QoQ (PLN 49.0m in Q4 2017)
- ◆ Solid net profit of PLN 28.5m (up by 2.7% YoY and down by 27.7% QoQ)

Trading revenue on the financial market

Trading revenue – financial market

PLN mn

Q1'18: 38.3%



- ◆ Trading revenue on the financial market at PLN 32.9m (down by 5.0% QoQ and 15.3% YoY)
- ◆ Average turnover in shares per session at PLN 866.2m in Q1 2018 vs. PLN 938.4m in Q4 2017 and PLN 1.0bn in Q1 2017
- ◆ Average fee on the stock market at 2.20 bps in Q1 2018 vs. 2.21 bps in Q1 2017

Investor activity on GPW markets

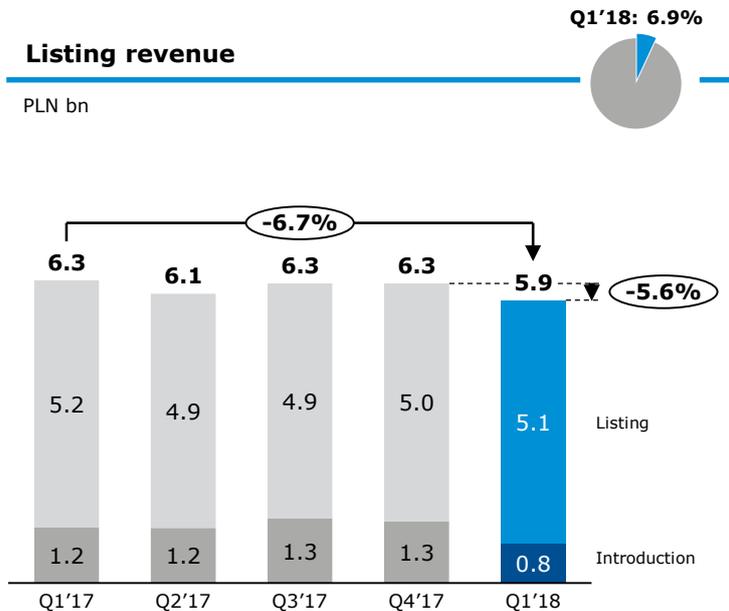
	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
Shares – value of trade (EOB, PLN bn)	66.7	58.3	53.3	58.2	53.7 -19.5% YoY -7.7% QoQ
Futures and options – volume of trade (mn contracts)	2.2	2.0	1.7	1.7	2.1 -5.8% YoY +21.8% QoQ
Treasury bonds – TBSP, cash transactions (PLN bn)	61.1	49.9	47.0	38.2	42.5 -30.4% YoY +11.3% QoQ
Treasury bonds – TBSP, conditional transactions (PLN bn)	71.5	78.4	96.4	92.2	58.3 -18.5% YoY

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

Lower IPO value in Q1 2018

Listing revenue

PLN bn



- ◆ 2 IPOs on the Main Market in Q1 2018, including one transfer from NewConnect, and 1 IPO on NewConnect in Q1 2018
- ◆ Revenue from fees stable at PLN 5.1m in Q1 2018
- ◆ Revenue from fees for introduction decreased modestly due to a lower SPO value in Q1 2018: PLN 0.5 bn vs. PLN 1.4 bn in Q4 2017 and PLN 56.5 bn in Q1 2017
- ◆ Free float at 49% in Q1 2018, the same as in Q1 2017 and in Q4 2017

Issuer activity

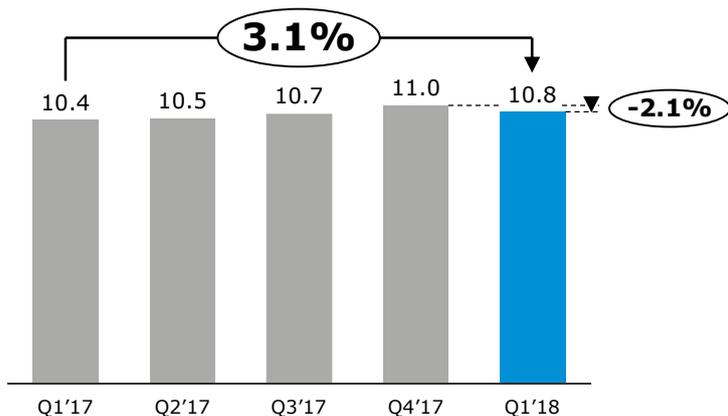
Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
Number of IPOs on the Main Market				
3	3	3	6	2
-33.3% YoY				
-66.7% QoQ				
Capitalisation of domestic companies (PLN bn)				
621.3	645.0	672.1	671.0	607.7
-2.2 % YoY				
-9.4 % QoQ				
Value of IPOs (PLN mn)				
99	2 211	5 121	148	93
-6.1 % YoY				

Stable revenue from information services – financial market

Revenue from information services¹

mln zł

Q1'18: 12.5%



- ◆ New clients in different market segments attracted in Q1 2018:
 - ✓ 15 data vendors including:
 - ◆ 13 vendors of GPW delayed data
 - ◆ 2 vendors of WIBOR data
 - ◆ 1 vendor of TGE data
 - ✓ 2 non-display clients
- ◆ Total number of subscribers increased while the number of professional data feed users decreased

Data vendors, subscribers and non-display clients

	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
Number of subscribers (thou.)	238.2	232.0	245.7	244.6	254.1 +6.7% YoY +3.9% QoQ
Number of data vendors	51	52	51	52	66 +29.4% YoY +26.9% QoQ
Non-display	48	51	52	53	55 +14.6% YoY +3.8% QoQ

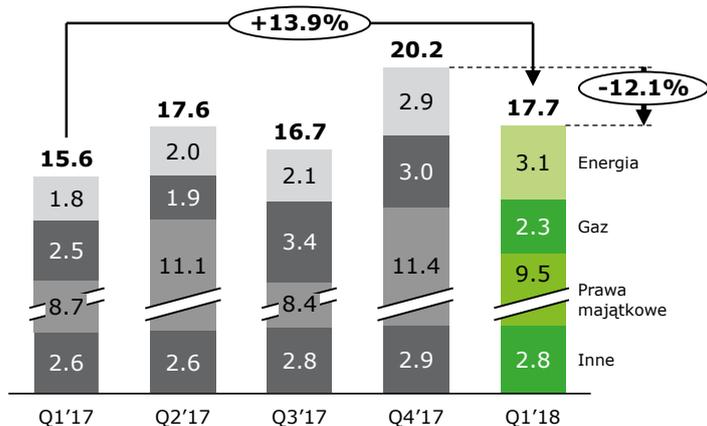
¹ Following the establishment of a separate item: Commodity market information services, the presented data include only the revenue from the financial market and may differ from the presentation in previous quarters

Significant increase of volumes on electricity markets

Trading revenue – commodity market

PLN mn

Q1'18: 20,6%



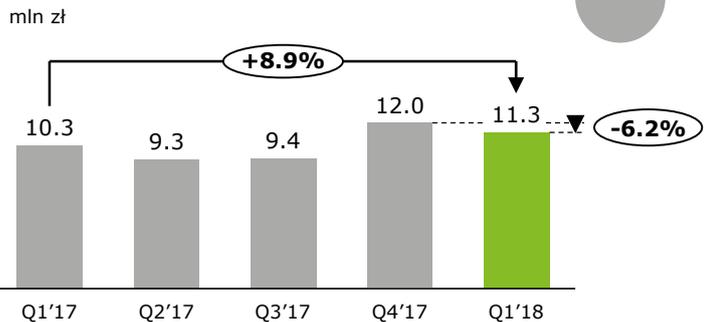
- ◆ Significant increase of revenue from trade in electricity (+9.0% QoQ and +71.0% YoY) mainly driven by an increase in forward trade
- ◆ Decrease of revenue from trade in gas by -25.3% QoQ and -10,4% YoY due to seasonally lower volumes of forward transactions (-29.4% YoY and -52.7% QoQ)
- ◆ Increase of revenue from trade in property rights by 9.9% QoQ and decrease by 16.6% YoY due to falling volumes of cogeneration certificates (6.8 TWh vs. 10.0 TWh in Q1 2017)

Investor activity on the commodity market

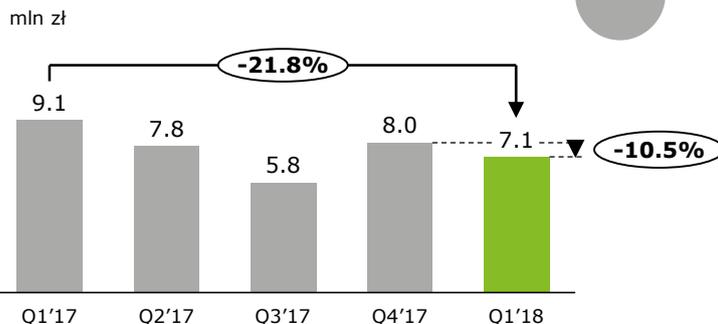
	Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
Electricity – volume of trade (TWh)	21.5	25.4	27.6	37.2	40.6
					+88.8% YoY +9.1% QoQ
Natural gas – volume of trade (TWh)	30,7	23,6	46,4	38,0	25.9
					-15.6% YoY -31.7% QoQ
Property rights – volume of trade (TWh)	16,1	18,0	12,4	12,6	13.4
					-16.9% YoY +6.4% QoQ

Higher revenue from clearing driven by higher volumes of trade in electricity

Revenue from clearing



Revenue from operation of the Register



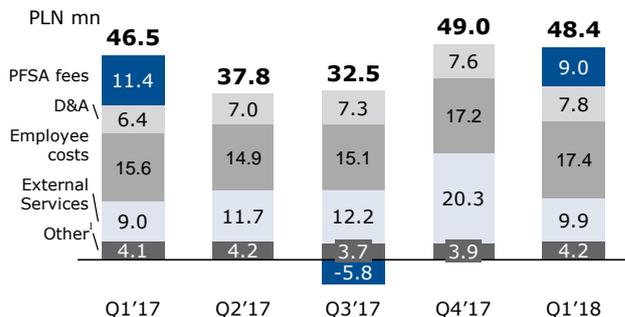
- ◆ Revenue from clearing increased by 8.9% YoY in Q1 2018 thanks to high volumes on the energy market and decreased by 6.2% QoQ
- ◆ Lower revenue from the operation of the Register of Certificates of Origin due to lower volumes of cancelled certificates (obligation to cancel certificates for last year by end of June)

Activity of participants of the Register of Certificates of Origin

Q1'17	Q2'17	Q3'17	Q4'17	Q1'18
Volume of issued property rights (TWh)				
16.7	13.2	9.6	9.0	19.6
+17.6% YoY				
+117.3% QoQ				
Volume of cancelled certificates of origin (TWh)				
18.3	12.7	13.9	7.3	2.8
-84.9% YoY				
-62.0% QoQ				

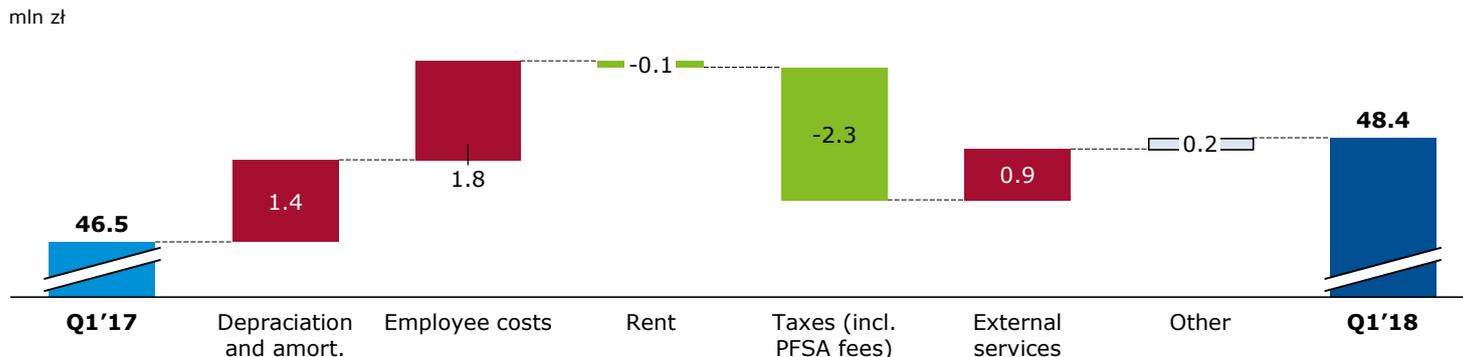
Operating expenses impacted by amortization and salaries costs

Operating expenses: 1.3% QoQ and +4.0% YoY



- ◆ GPW Group's fee for capital market supervision at PLN 9.0m decreased YoY
- ◆ Depreciation and amortisation increased by 22.4% YoY and 3.4% QoQ due to the implementation of two new systems in TGE in 2017: X-Stream (May 2017) and Sapri (November 2017)
- ◆ Rent and maintenance fees increased by 19.4% QoQ due to the rent of TGE head office in 2017 and Q1 2018 charged to expenses of Q1 2018 following a later than expected termination of the lease
- ◆ Salaries increased modestly due to new provisions against unused holiday leave
- ◆ C/I² was 56.3% in Q1 2018, 51.1% in Q1 2017 and 53.1% in Q4 2017

Change in operating expenses

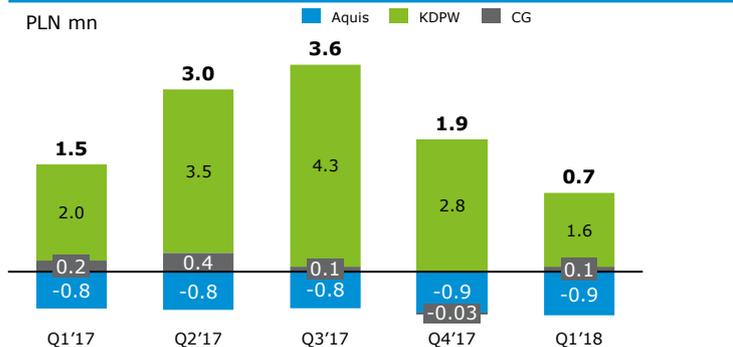


¹ Other includes rent, fees and charges (net of the PFSA fees), and other operating expenses

² C/I based on reported data

Share of profit of associates

Share of profit of associates



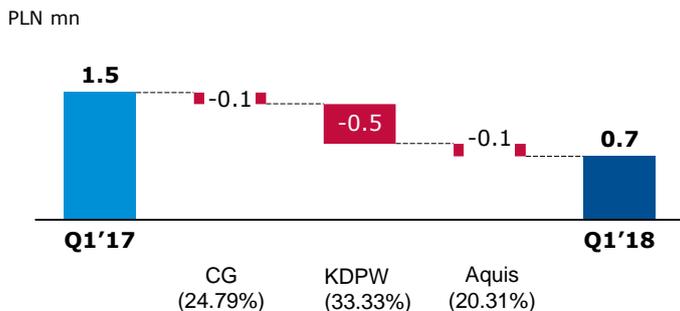
◆ KDPW Group's profit:

- ✓ KDPW's net profit at PLN 4.7m in Q1 2018
- ✓ Lower revenue due to reduced settlement fees
- ✓ Expenses include booked PFSA fee

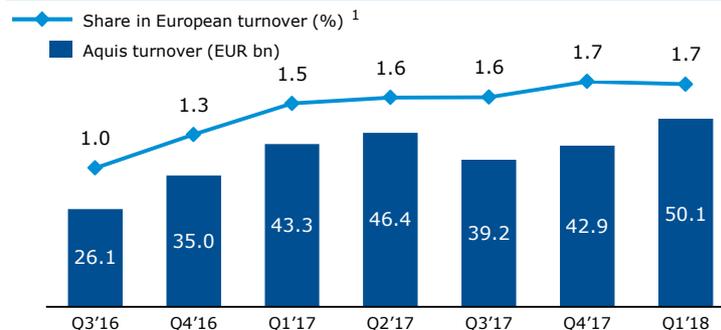
◆ Aquis Exchange:

- ✓ Aquis Exchange's share in the European market at 1.7% in Q1 2018

Change of share of profit of associates



Turnover on Aquis Exchange



¹ Source: FESE

GPW Group's Consolidated Balance Sheet



PLN mn	31.03.2017	31.12.2017	31.03.2018
Non-current assets , including among others	597.3	596.4	580.7
Property, plant and equipment	116.7	110.8	108.7
Intangible assets	272.5	268.0	265.1
Share of profit of associates	198.6	207.4	196.0
Current assets , including among others	592.5	550.7	612.5
Trade and other receivables	165.2	64.1	87.4
Other financial assets measured at amortised cost	0.0	0.0	82.7
Available-for-sale financial assets	0.0	0.0	12.2
Cash and cash equivalents	426.7	486.5	430.2
Total assets	1,189.9	1,147.1	1,193.2

- ◆ Decrease of cash and cash equivalents in Q1 2018 due to a new investment policy applicable as of 2018, whereby part of the cash is invested in corporate bonds and certificates of deposit to increase financial income. Such investments are classified as held for sale (PLN 82.7)
- ◆ Part of deferred income from issuers was reclassified as trade receivables in Q1 2018
- ◆ Book value of Aquis shown in assets held for sale (PLN 12.2 mn)

PLN mn	31.03.2017	31.12.2017	31.03.2018
Equity	772.8	811.5	839.9
Non-current liabilities	258.5	260.0	255.5
Liability under the bond issue	243.3	243.6	243.7
Current liabilities , including among others	158.5	75.6	97.8
Trade payables	6.2	21.3	23.8
Employee benefits payable	5.8	13.0	8.1
Income tax payable	13.2	6.0	1.6
Credits and loans	59.8	0.0	0.0
Accruals and deferred income	41.7	7.4	0.6
Other current liabilities	29.4	25.8	28.4
Total equity and liabilities	1,189.9	1,147.1	1,193.2

Annex: Back-up Slides

GPW Group's Consolidated Profit & Loss Account



PLN mn	Q1'17	Q4'17	Q1'18
Revenue	91.0	92.2	85.0
Financial market	55.6	51.9	49.6
Trading	38.8	34.6	32.9
Listing	6.3	6.3	5.9
Information services	10.4	11.0	10.8
Commodity market	35.1	40.2	36.2
Trading	15.6	20.2	17.7
Register of Certificates of Origin	9.1	8.0	7.1
Clearing	10.3	12.0	11.3
Information services	0.1	0.1	0.1
Other operating income	0.3	0.1	0.2
Operating expenses	46.5	49.0	48.4
Other income	0.3	1.8	0.8
Other expenses	4.4	0.6	2.2
Impairment losses	0.0	0.0	1.5
Operating profit	40.4	44.4	34.7
Financial income	1.4	1.3	1.9
Financial expenses	7.6	2.4	2.2
Share of profit of associates	1.5	1.9	0.7
Profit before income tax	35.8	45.2	35.1
Income tax	8.0	5.8	6.7
Net profit	27.7	39.4	28.5
EBITDA	42.6	52.0	42.7

- ◆ Increase of operating expenses due to higher depreciation and amortisation (implementation of new trading and clearing systems in IRGiT in 2017) and higher salaries (higher headcount, higher bonuses and higher pension scheme contributions)
- ◆ Decrease of other expenses due to a lower donation to the Polish National Foundation (PLN 1.5m in Q1 2018 vs PLN 3m in Q1 2017)
- ◆ Decrease of financial expenses YoY due to recognition of interest cost on adjusted VAT on services in TGE in Q1 2017 and cost of the loan taken for that purpose by TGE
- ◆ Decrease of the share of profit of associates due to lower profit of KDPW following reductions of settlement fees

GPW Group's Consolidated Cash Flows

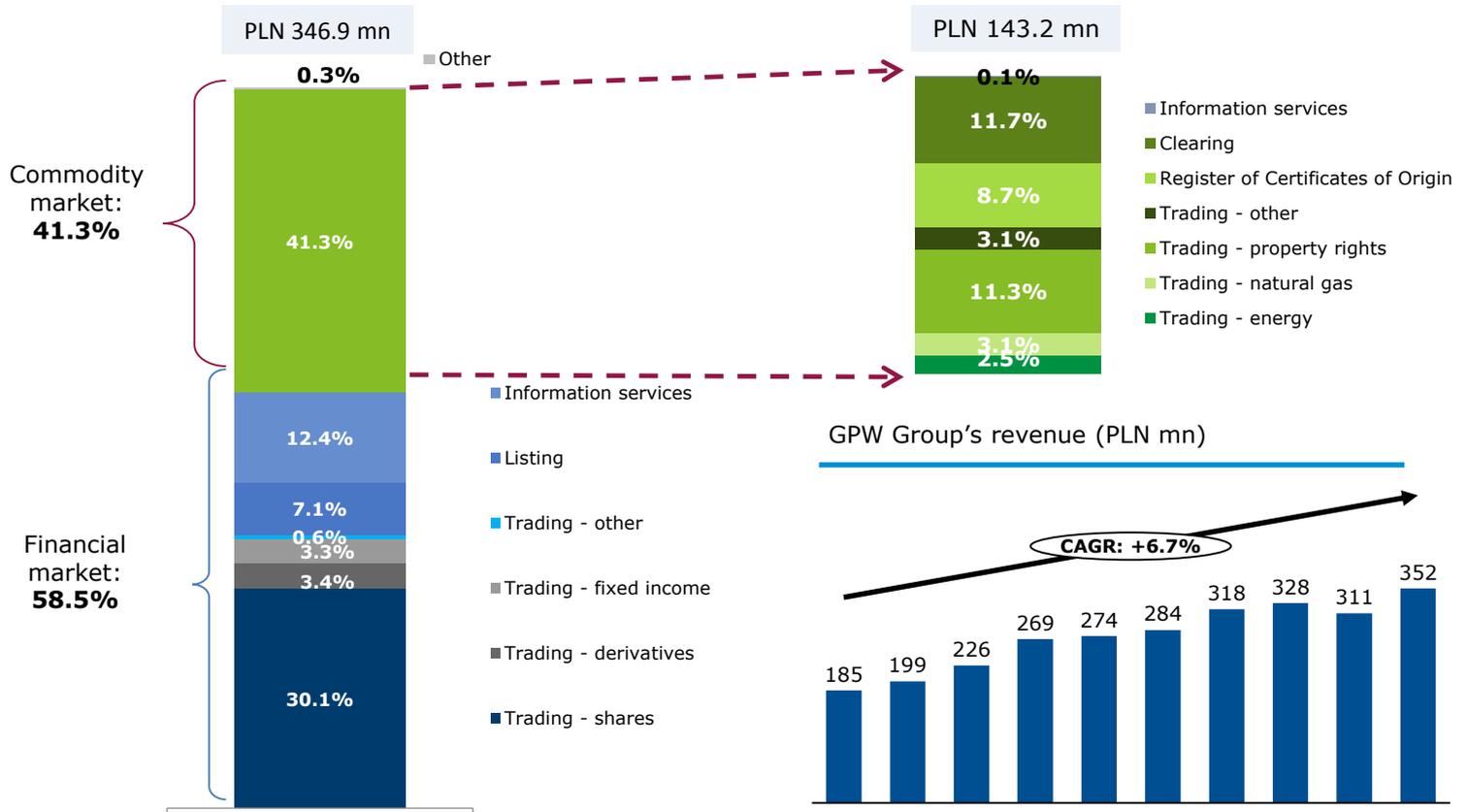


3m ended on 31 March

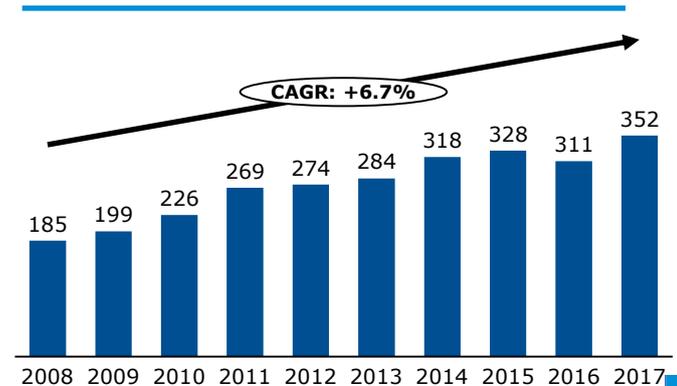
PLN mn	2018	2017
Cash flows from operating activities, including among others:	32.2	-66.4
Cash flows from operating activities	48.2	-38.1
Net profit of the period	28.5	27.7
Adjustments:	19.8	-65.8
Income tax	6.7	8.0
Depreciation and amortization	7.8	6.4
Foreign exchange (gains)/losses	0.3	-0.3
Income from interest on deposits	-1.5	-1.4
Interest on issued bonds	1.9	1.6
Share of profit of associates	-0.7	-1.5
Change in current assets and liabilities	5.3	-79.8
(Increase)/Decrease of trade and other receivables	-23.6	-52.0
(Increase)/Decrease of other liabilities	5.3	-58.9
Interest on tax liabilities paid/refunded	-0.1	-10.7
Income tax paid/(refund)	-16.0	-17.7
Cash flows from investing activities, including among others:	-86.5	-11.2
Purchase of property, plant and equipment	-2.3	-4.7
Purchase of intangible assets	-3.3	-7.9
Acquisition of other financial asset measured at amortised cost	-82.5	-
Interest received	1.5	1.4
Cash flows from financing activities, including among others:	-1.7	57.1
Paid interest	-1.7	-2.0
Loans taken	-	59.7
Proceeds from bond issue	-	119.9
Buy-back of bonds issued	-	-120.5
Increase/decrease of net cash and cash equivalents	-56.0	-20.4
Cash and cash equivalents - opening balance	486.5	446.8
Cash and cash equivalents - closing balance	430.2	426.7

- ◆ Negative cash flows from operating activities and positive cash flows from financing activities in Q1 2017 mainly due to the payment of VAT in TGE,
- ◆ Decrease of cash and cash equivalents in Q1 2018 due to a new investment policy applicable as of 2018, whereby part of the cash is invested in corporate bonds and certificates of deposit of private issuers to increase financial income. Such investments are classified as held for sale.

GPW Group's Revenue Structure



GPW Group's revenue (PLN mn)



LTM ¹

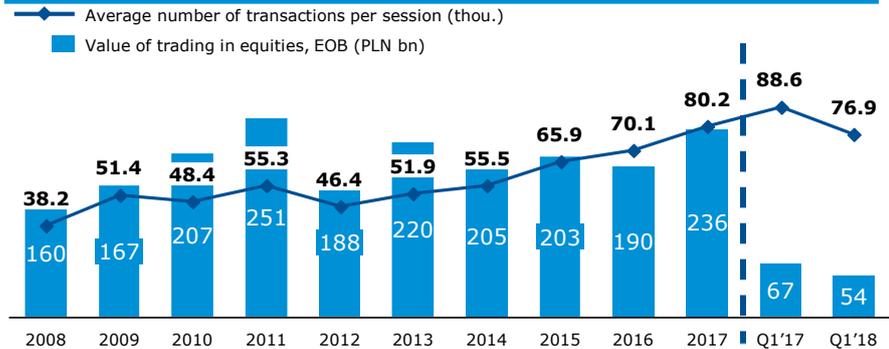
¹ Last 12 months ended 31 March 2018

Financial Market: Trade in Equities



29.0%¹

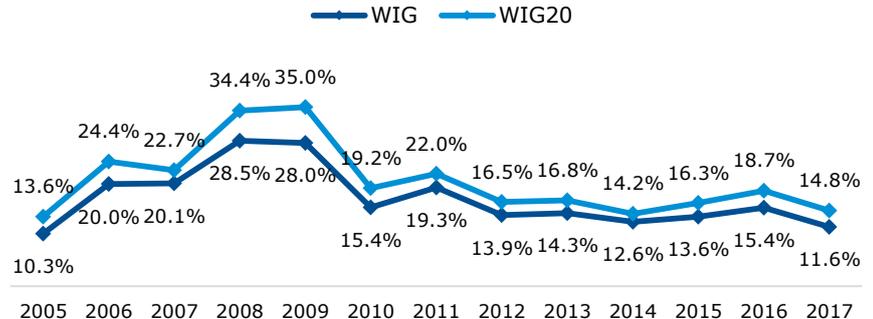
Value of trade in equities and number of transactions



◆ Revenue drivers:

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

Volatility – WIG and WIG20



¹ Share in GPW Group's revenue in Q1 2018

Financial Market: Trade in Derivatives

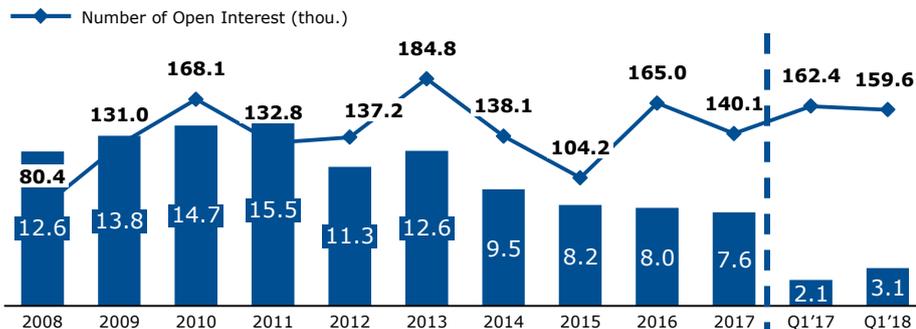


3.8%²

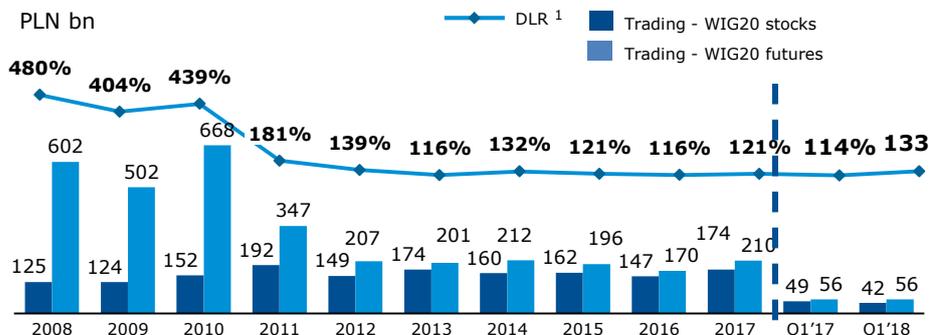
◆ Revenue drivers:

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

Volume of trade in derivatives



Volume of trade in futures v. volatility



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

² Share in GPW Group's revenue in Q1 2018

Financial Market: Other Instruments and Fees Paid by Participants



3.2%¹

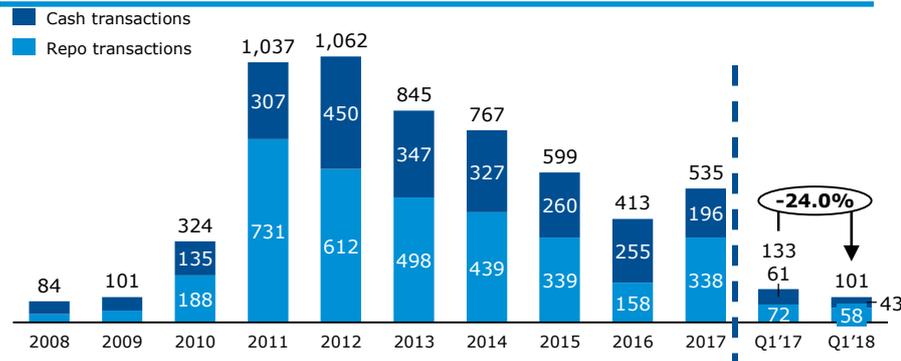


2.2%²

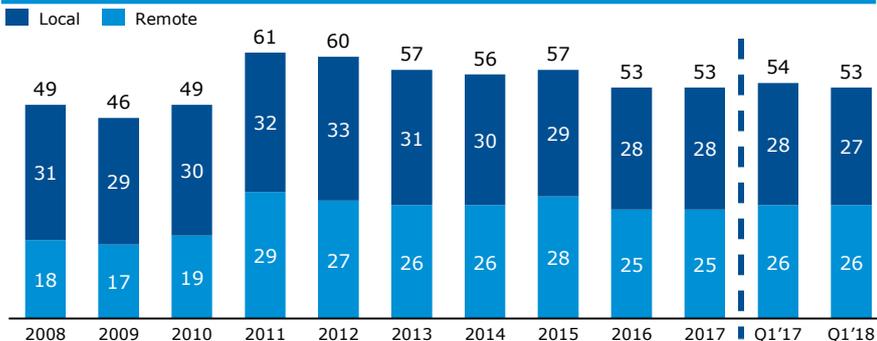
◆ Revenue drivers:

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

Value of trade on Treasury BondSpot Poland, PLN bn



Number of exchange members



¹ Share in GPW Group's revenue in Q1 2018, trade in debt instruments

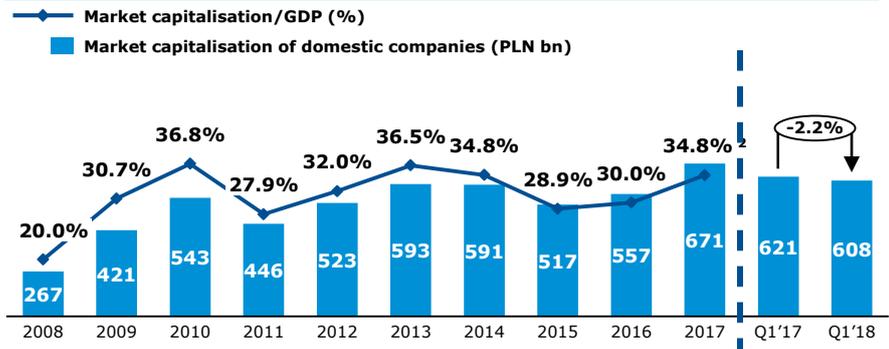
² Share in GPW Group's revenue in Q1 2018, trading fees paid by market participants



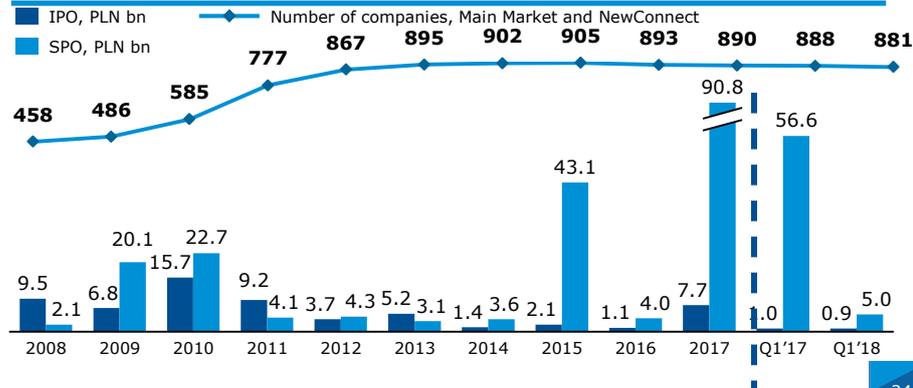
6.9%¹

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

Capitalisation of domestic companies



IPO/SPO value and number of companies



¹ Share in GPW Group's revenue in Q1 2018

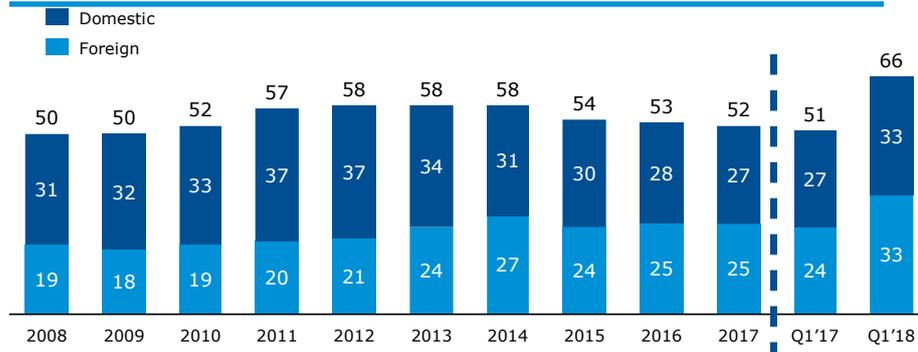
² Source: Central Statistical Office (GUS), 2017 GDP estimate



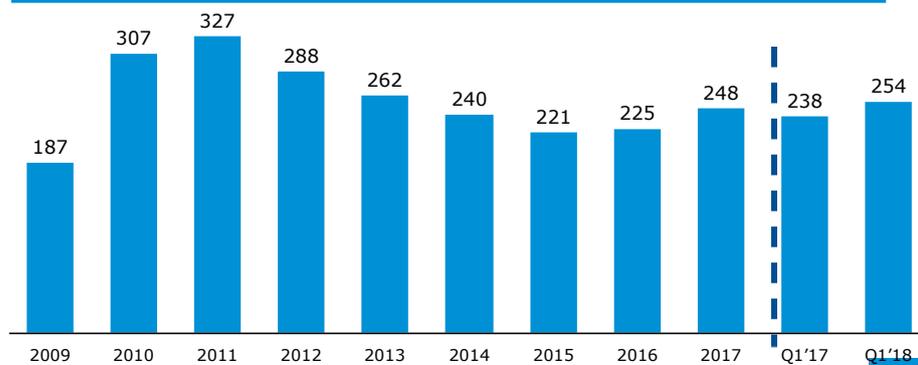
12.5%¹

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

Number of data vendors



Number of subscribers (thou.)



¹ Share in GPW Group's revenue in Q1 2018

Commodity Market: Trade in Electricity and Gas

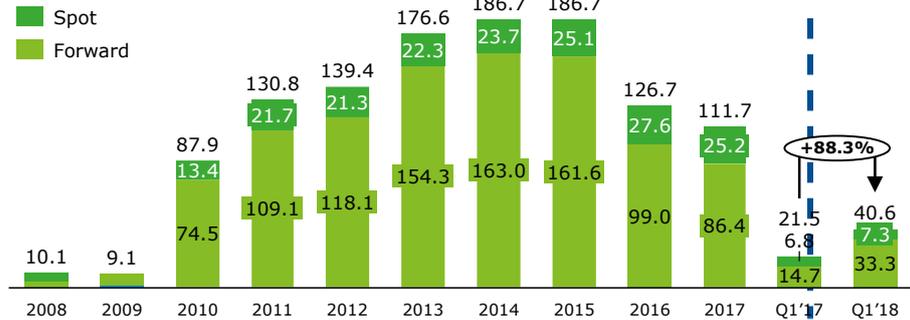


6.2%²

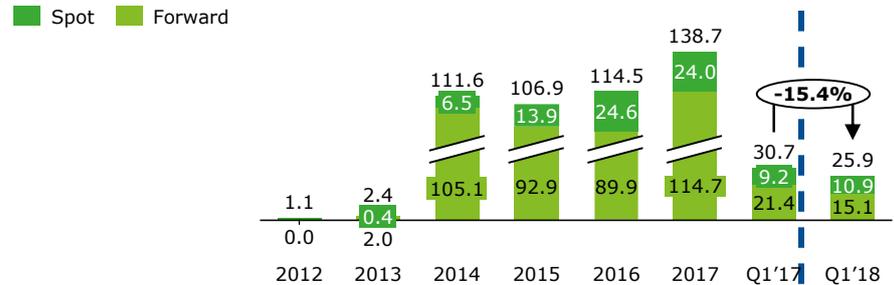
◆ Revenue drivers:

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

Volume of trade in electricity (TWh)¹



Volume of trade in gas (TWh)



¹ Data for 2006-2013 include trade on the GPW Energy Market poee

² Share in GPW Group's revenue in Q1 2018

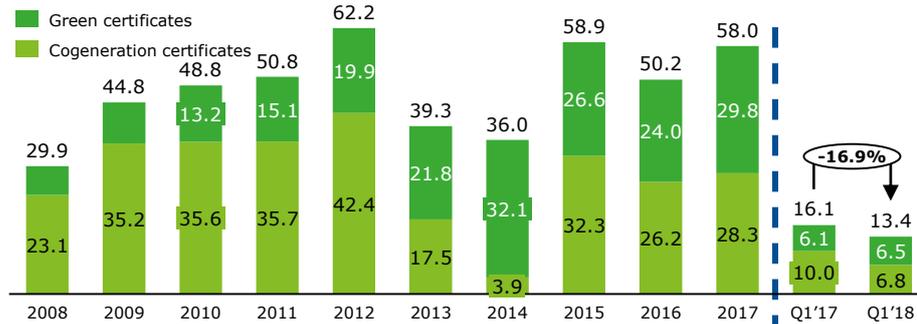
Commodity Market: Trade in Property Rights

11.1%¹

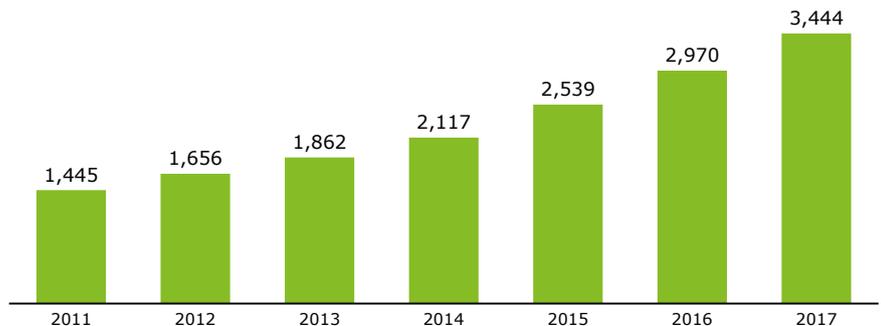
◆ Revenue drivers:

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

Trade in property rights (TWh)



Number of participants of the Register of Certificates of Origin



¹ Share in GPW Group's revenue in Q1 2018

Commodity Market: Register of Certificates of Origin



8.3%¹

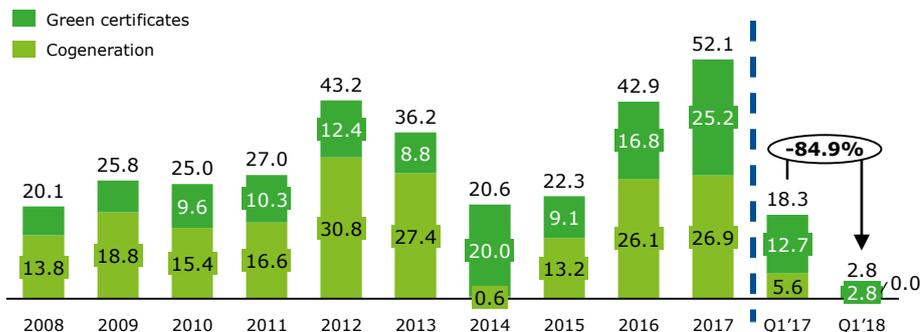
◆ Revenue drivers:

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

Volume of issued property rights (TWh)



Volume of cancelled property rights (TWh)



¹ Share in GPW Group's revenue in Q1 2018

IR events

◆ 23-24 May 2018

CEE Investors Days in NYC, hosted by GPW and Wood & Company in New York

◆ 5-6 June 2018

Wood & Company Financial Conference, hosted by GPW and Wood & Company in Warsaw

◆ 27-28 June 2018

Spring European Midcap event, Paris

◆ 31 July 2018

Publication of H1 2018 results

◆ 30 October 2018

Publication of Q3 2018 results

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