

[Summary of results](#)[Presentation of the  
financials](#)[Atypical factors and events](#)[Assets and liabilities](#)[Ratio analysis](#)[Other information](#)**ONLINE  
ANALYST**  
→**PAGE TOOLS**

## CURRENT AND EXPECTED FINANCIAL POSITION

It is expected that the Group will generate material cash flows from operating activities in the coming years; combined with revenues from financial assets, these will cover the Group's operating expenses, capital expenditures and debt service costs.

The Group is not planning to use external financing to an extent greater than as at the date of preparation of this Report. Should any unexpected events occur, which will require financing that could not be provided by the Group, the Group will consider obtaining additional external funds in a manner optimal for the Group's capital expense and structure.

The Group did not publish any financial forecasts for 2016. Consequently, no explanations are provided for the differences between the financial results disclosed in the Annual Report and any previously published forecasts.

## INVESTMENTS AND LINKS TO OTHER ENTITIES

GPW has organisational and equity links to the Group subsidiaries and associates. The description of the Group and associates is to be found in section I.1 of this Report.

In 2016, GPW did not make or divest any equity investments in any entities other than related parties. The description of investments in associates and subsidiaries in 2015 is presented in section V.3 of this Report.

Equity links of GPW to the companies from outside the Group as at 31 December 2016 include the investment in InfoStrefa S.A. (formerly Instytut Rynku Kapitałowego WSE Research S.A.) at 19.98 % and the foreign investments in S.C. Sibex - Sibiu Stock Exchange S.A. at 1.3% and INNEX PJSC at 10%.

In addition to the stake in the above mentioned companies, as well as in the Group subsidiaries and associates, GPW's major domestic investments as at 31 December 2016 include bank deposits.

Except for the investment in the Romanian stock exchange S.C. Sibex - Sibiu Stock Exchange S.A., INNEX PJSC and Aquis Exchange Ltd., the Company has no other foreign investments. All the above investments were financed with own funds of the Company.

Details of the parent entity's investments were disclosed in the Separate Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. for the years ended 31 December 2016 and 31 December 2015.

Transactions of the Group with related parties are described in the Consolidated Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. for the years ended 31 December 2016 and 31 December 2015 and in Note 26 to the Separate Financial Statements of Giełda Papierów Wartościowych w Warszawie S.A. for the years ended 31 December 2016 and 31 December 2015.

## CREDIT AND LOAN AGREEMENTS SIGNED AND TERMINATED DURING THE FINANCIAL YEAR

The Group signed and terminated no credit and loan agreements in 2016.

## LOANS GRANTED IN THE FINANCIAL YEAR

GPW granted no loans other than loans granted to GPW employees under the internal Employee Loan Program in 2016.

In May 2016, POLPX granted a short-term loan of PLN 300 thousand to the subsidiary InfoEngine S.A. to finance its current business. The interest rate on the loan was 2.00% p.a.

The loan was granted until 31 March 2017.

## GUARANTIES AND SURETIES GRANTED AND ACCEPTED DURING THE FINANCIAL YEAR

The agreement made in April 2014 to issue a performance bond for payment due from the subsidiary InfoEngine S.A. to Polskie Sieci Energetyczne for electricity transactions on the balancing market was in force until 29 February 2016. The liability was capped at PLN 1.0 million.

Na dzień 31 grudnia 2016 r. spółka zależna TGE posiada gwarancję bankową w wysokości 7,8 mln EUR, udzieloną na rzecz NordPool przez jeden z banków, z tytułu rozliczeń pomiędzy TGE SA., a Nord Pool w procesie Marekt Coupling na okres 1 stycznia 2017 r. do 30 czerwca 2017 r.

Ponadto Spółka Grupa nie udzielała i nie otrzymała gwarancji ani poręczeń w 2016 roku.

## MATERIAL TRANSACTIONS OF THE ISSUER AND SUBSIDIARIES WITH RELATED PARTIES ON TERMS OTHER THAN AT ARM'S LENGTH IN THE FINANCIAL YEAR

In 2016, GPW and the subsidiaries did not make any significant transactions with related parties on terms other than at arm's length. The transactions with related parties are presented in detail in Note 26 to the Consolidated Financial Statements.

## CONTINGENT LIABILITIES AND ASSETS

The Group had no contingent liabilities or assets as at 31 December 2016.

## EVENTS AFTER THE BALANCE-SHEET DATE WHICH COULD SIGNIFICANTLY IMPACT THE FUTURE FINANCIAL RESULTS OF THE ISSUER

### *Changes on the Management Board of the Company*

On 16 December 2016, the Exchange Supervisory Board decided to appoint Jacek Fotek as Vice-President of the Exchange Management Board.

On 4 January 2017, the Extraordinary General Meeting of GPW passed a resolution dismissing Małgorzata Zaleska as President of the Management Board of the Warsaw Stock Exchange. The decision is subject to the approval of the Polish Financial Supervision Authority for the change on the Exchange Management Board and its delivery to the Company.

On 4 January 2017, the Extraordinary General Meeting of GPW acting at the request of the State Treasury, a shareholder representing 35.00% of the Company's share capital, passed a resolution appointing Rafał Antczak as President of the Management Board of the Warsaw Stock Exchange. The decision will take effect on the date of delivery of the decision of the Polish Financial Supervision Authority approving the change on the Exchange Management Board to the Company.

The Polish Financial Supervision Authority did not yet approve the changes on the Management Board until the date of approval of this Report.

#### *Issue of series D and E bonds*

On 2 January 2017, according to Resolution No. 896/16 of the Management Board of KDPW S.A. dated 29 December 2016, KDPW registered 600,000 series D bearer bonds with a nominal value of PLN 100 per bond, issued under Resolution No. 1058/2016 of the Company's Management Board dated 13 October 2016. The bonds have the ISIN code PLGPW0000074.

On 18 January 2017, according to Resolution No. 31/17 of the Management Board of KDPW S.A. dated 13 January 2017, KDPW registered 600,000 series E bearer bonds with a nominal value of PLN 100 per bond, issued under Resolution No. 1058/2016 of the GPW Management Board dated 13 October 2016. The bonds have the ISIN code PLGPW0000199.

The bonds bear interest at a floating rate equal to WIBOR 6M plus a margin of 0.95 percentage points. The interest on the bonds is paid semi-annually. The bonds are due for redemption on 31 January 2022.

The series D and E bonds have been introduced to trading on the regulated market Catalyst operated by GPW and in the alternative trading system Catalyst operated by BondSpot.

The series D and E bonds were assimilated on 31 January 2017 under the ISIN code PLGPW0000074.

#### *Redemption of series A and B bonds*

GPW redeemed series A and B bonds with a nominal value of PLN 120,483,700 on 2 January 2017.

#### *Events in the subsidiary POLPX*

The Exchange Management Board was informed on 25 January 2017 about the decision of the POLPX Management Board to change the tax policy regarding certain services as of 1 January 2017 and to correct the relevant VAT payments for the years 2011-2016. The decision requires the issuance of correction invoices to POLPX's counterparties, requesting them to pay the VAT not previously charged for the fees (for the period from December 2011 to

December 2016, inclusive) for tax liabilities which are not overdue in the total amount of PLN 69.8 million. At the same time, POLPX will be required to pay to the account of the tax office an amount of the resulting tax debit under correction invoices to be issued to POLPX's counterparties plus interest on the tax debit in the amount of PLN 9.9 million.

As POLPX is required to pay the tax debit and interest within 7-14 days after the submission of the corrected tax returns to the tax office and in view of the expected longer period of payment of liabilities under correction invoices by contractors, GPW is considering to grant a loan to the subsidiary Polish Power Exchange.

There were no other events after the balance-sheet date which could significantly impact the future financial results of the issuer.