

KDPW |

ANNUAL REPORT

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www.kdpw.pl

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1. KEY INFORMATION ABOUT KDPW

Krajowy Depozyt Papierów Wartościowych (KDPW, Central Securities Depository of Poland) is a central securities depository

a capital market infrastructure which records and processes securities, settles transactions and provides related trade reporting services.

1. KEY INFORMATION ABOUT KDPW

1.1 Core business

UNDER THE APPLICABLE LEGISLATION AND THE STATUTE OF KRAJOWY DEPOZYT PAPIERÓW WARTOŚCIOWYCH, THE CORE BUSINESS OF THE COMPANY IN 2022 INCLUDED:

- management of a securities depository, or other securities registration systems,
- initial recording of securities in a securities depository,
- management of depository accounts, omnibus securities accounts and securities accounts at the highest registry level,
- management of securities settlement systems,
- assisting in the processing of corporate actions,
- providing services for new issues, including assigning ISIN codes and other similar codes (CFI, FISN), as well as the management of these codes,
- establishing and maintaining operational links with other central securities depositories,
- collecting and storing data relating to trades in financial instruments, as well as data relating to these instruments (trade repository),
- collecting and publishing data relating to outstanding bonds, covered bonds and investment certificates, and data relating to the execution of obligations arising from such securities,
- operating an Approved Reporting Mechanism (ARM),
- assigning Legal Entity Identifier (LEI) codes,
- management of the Guarantee Fund, described in the Act on the Organisation and Operation of Pension Funds,
- clearing of transfer payments between open-ended pension funds,
- management of the mandatory investor compensation scheme described in the Act on Trading in Financial Instruments,
- promotional and educational activities relating to capital markets,
- provision of other non-banking ancillary services, which may be provided by central securities depositories, in accordance with legal provisions currently in force,
- provision of IT services supporting the financial instruments market,
- provision of support services to subsidiaries, including accounting and bookkeeping activities.

1. KEY INFORMATION ABOUT KDPW

1.2 Corporate bodies

The Company's corporate bodies are **the General Meeting, the Supervisory Board, and the Management Board.**

GENERAL MEETING

The shareholders of KDPW in 2022 are in equal parts: **the State Treasury, the Warsaw Stock Exchange, and the National Bank of Poland.**

The State Treasury holds 1/3 of the equity of KDPW and 51.76% of the total vote.

SUPERVISORY BOARD

W roku 2022 w KDPW funkcjonowała Rada Nadzorcza w składzie:

- **Adrian Kalisz,**
Chair of the Supervisory Board,
- **Dorota Szymanek,**
Deputy Chair of the Supervisory Board,
- **Piotr Rycerski,**
Member of the Supervisory Board,
- **Kamila Sukiennik,**
Member of the Supervisory Board,
- **Prof. Dr hab. Maciej Szostak,**
Member of the Supervisory Board,
- **Tomasz Walkiewicz,**
Member of the Supervisory Board.

1. KEY INFORMATION
ABOUT KDPW

1.2 Corporate bodies

Management Board

In 2021, the KDPW Management Board was comprised of:



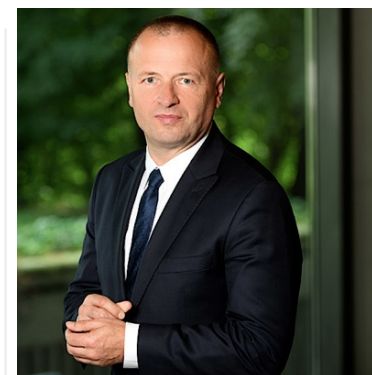
**Maciej
Trybuchowski**

PRESIDENT
OF THE MANAGEMENT
BOARD



**dr Paweł
Górecki**

VICE-PRESIDENT
OF THE MANAGEMENT
BOARD



**Sławomir
Panasiuk**

VICE-PRESIDENT
OF THE MANAGEMENT
BOARD



**Michał
Stępniewski**

VICE-PRESIDENT
OF THE MANAGEMENT
BOARD



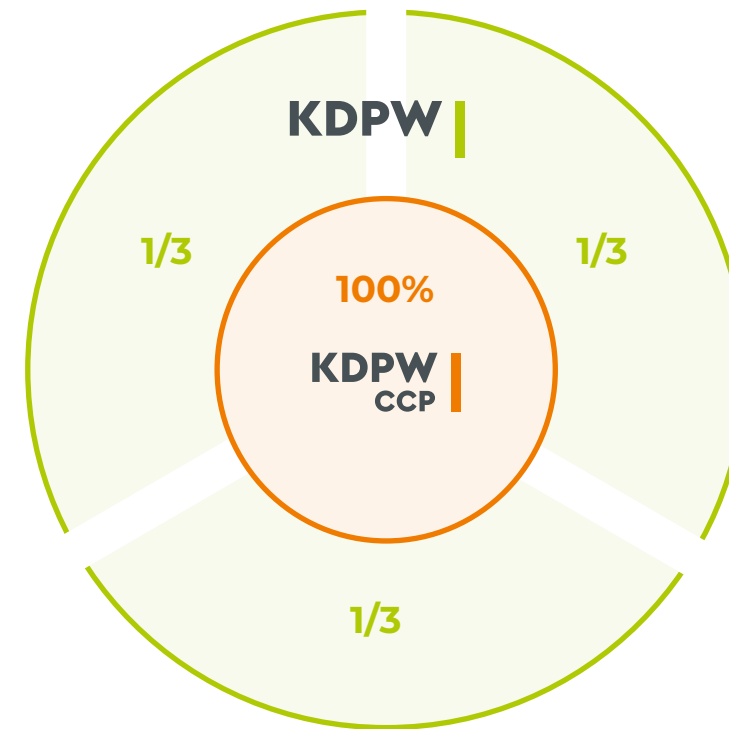
1. KEY INFORMATION ABOUT KDPW

1.3 KDPW Group

The Krajowy Depozyt Papierów Wartościowych S.A. Group (KDPW Group), of which Krajowy Depozyt Papierów Wartościowych S.A. is the parent entity, is comprised of Krajowy Depozyt Papierów Wartościowych S.A. (The Central Securities Depository of Poland, KDPW) and KDPW_CCP S.A. KDPW holds 100% of KDPW_CCP.

The KDPW Group provides the capital market with core services including the operation of a securities depository, clearing and settlement of transactions, as well as a range of complementary services, including trade reporting, provision of market information and data, and issuance of identification codes to financial instruments and market participants.

The activities of the KDPW Group's companies are regulated by national and EU laws and are subject to the supervision of both the Polish supervisory authority (KNF) and the European supervisory authority (ESMA). Both companies have obtained European authorisations to provide services within the European Union.



1/3 THE STATE TREASURY

1/3 THE NATIONAL BANK OF POLAND

1/3 THE WARSAW STOCK EXCHANGE

1. KEY INFORMATION ABOUT KDPW

1.4 KDPW organisational structure

The organisational structure of KDPW is laid down in its Organisational Rules attached to a Resolution of the Management Board. The Rules define the responsibilities of all organisational units.

The organisational structure of the Company includes Departments made up of Sections and Officers reporting directly to the Management Board Members.

The core activities are performed by:

- Operations Department
- Trade Repository Department
- Asset Management Department

The auxiliary activities are performed by:

- Corporate Affairs Department
- Surveillance Department
- IT Development Department
- IT Systems Department
- Legal Department
- Financial Department
- Strategic Analysis Department
- Business Development Department
- Client Relations Department
- Administrative Department
- Internal Audit Department
- Security Department
- Compliance & Internal Control Department.

1. KEY INFORMATION ABOUT KDPW

1.5 Arbitration Court

Pursuant to the Statute, there is an Arbitration Court at KDPW S.A., which resolves civil disputes over property rights related to the scope of KDPW S.A.'s activities arising between the Company and the KDPW participants and between the KDPW participants.

The Arbitration Court is composed of 10 judges who are elected by the General Meeting for a three-year term.

Judges of the Arbitration Court as at 23 June 2022:

- Prof. Dr hab. Marek Michalski (President),
- Lech Skrzynecki (Deputy President),
- Małgorzata Paszkiewicz,
- Dr Paweł Gładysz,
- Jacek Cieplak,
- Edyta Juszczyńska,
- Norbert Jeziolowicz,
- Danuta Pajewska,
- Marcin Marczuk,
- Marek Wodnicki.

2. OPERATIONS

2.1 Depository and settlement services

Number of direct participants and issuers of securities

In 2022, the direct participant mix remained largely stable. Three new institutions became direct participants of the depository system and the participation of four institutions expired.

The number of direct participants as at 31 December 2022 was as follows:

PARTICIPATION TYPE	NUMBER OF INSTITUTIONS	CHANGE VS. 2021
Broker	30 (+2, -3)	-1
Custodian	12	no change
Foreign CSD	2	no change
CCP (central counterparty)	1	no change
Other, including securities account holder	37 (+1, -1)	no change
Total	82	-1

Financial institutions which are direct participants may add the following participation status types: issue agent, payment agent.

The number of such direct participants as at 31 December 2022 was as follows:

PARTICIPATION TYPE	NUMBER OF INSTITUTIONS
Issue agent	22
Payment agent	22
Total	44

2. OPERATIONS

2.1 Depository and settlement services

In the participation type of *Issuer*, KDPW signed agreements with 238 entities, including 235 domestic entities and 3 foreign entities.

The number of participants with the participation type of *Issuer* as at 31 December 2022 was as follows:

COUNTRY OF ESTABLISHMENT	NUMBER OF ENTITIES	CHANGE VS. 2021
Domestic	2 604	+212
Foreign	95	+2
Total	2 699	+214

In 2022, participation agreements were terminated with 24 issuers of securities (including 23 domestic entities and 1 foreign entity).

The significant increase of the number of participants with the participation type of *Issuer* was largely driven by legislative change which requires mandatory dematerialisation of shares and subscription warrants. Furthermore, issuers of bonds, covered bonds and investment certificates are required to have them recorded in a securities depository. As such, they are required to enter into participation agreements with the participation type of *Issuer*.

Number of entity/settlement accounts

Number of accounts by type:

ACCOUNT TYPE	AS AT 31.12.2022	AS AT 31.12.2021
Participant's proprietary accounts, including securities accounts	227	227
Accounts of KDPW participants' clients	14 691	14 643
Omnibus accounts	13	13

2. OPERATIONS

2.1 Depository and settlement services

Settlement of transactions in the depository system

In 2022, in the processing of settlements in the depository system, KDPW settled the following transactions:

TRANSACTION TYPE	NUMBER OF TRANSACTIONS	CHANGE 2022/2021 (%)	SETTLEMENT AMOUNT* (PLN BN)	CHANGE 2022/2021
Organised market transactions	9,285,764	-23.82%	950.86	-8.02%
DvP OTC transactions	1,173,705	-6.49%	11,928.67	35.05%
FoP OTC transactions	157,170	-3.54%	0.00	
Primary market	3,621	-94.07%	6.28	-25.29%
Other	302,451	13.81%	2.55	39.02%
Total:	10,922,711	-21.62%	12,888.36	30.49%

*settlement amounts in foreign currencies have been converted to PLN

It should be noted that, for transactions on the organised market covered by the clearing guarantee system operated by KDPW_CCP, KDPW_CCP participants may use the functionality of securities netting, which means that the number of settlement instructions sent to the depository system is significantly lower than the number of transactions concluded on the market.

On 1 February 2022, KDPW implemented automated handling of cash penalties for late settlement on the Polish market. The new functionality is an adaptation to the requirements of the CSDR and technical standards relating to settlement discipline.

In 2022, KDPW charged the following cash penalties for late settlement:

- in PLN – 1,074,896 cash penalties in a total amount of PLN 46,550,140.58;
- in EUR – 581 cash penalties in a total amount of EUR 3,864.55.

2. OPERATIONS

2.1 Depository and settlement services

Capitalisation of registered financial instruments

The value of securities registered in the depository system (capitalisation) in 2022 was as follows:

INSTRUMENT TYPE	CAPITALISATION AT 2022 YE (MLD ZŁ)	CAPITALISATION AT 2021 YE (MLD ZŁ)	CHANGE 2022/2021 (%)
Shares	643.28	776.23	-17.13%
Treasury bonds	925.79	867.41	6.73%
Other debt securities	342.40	335.95	1.92%
Other securities	58.27	50.83	14.64%
Total:	1,969.75	2,030.42	-2.99%

2. OPERATIONS

2.1 Depository and settlement services

Processing of securities for which KDPW is the home depository (domestic issuers)

In 2022, KDPW registered the following securities:

INSTRUMENT TYPE	NUMBER OF OPERATIONS	CHANGE 2022/2021 (%)
Shares	247	-64.66%
Rights to shares (PDA)	6	-53.85%
Subscription rights (JPP)	30	+233.33%
Treasury bonds	180	+76.47%
Bonds of other issuers including bonds registered with the participation of the Issue Agent	1,757 1,723	-2.55%
Covered bonds registered with the participation of the Issue Agent	2	-81.82%
Investment certificates including investment certificates registered with the participation of the Issue Agent	332 308	-23.68%
Subscription warrants	44	-54.17%

Due to the sanctions imposed in response to the Russian invasion of Ukraine, a new element was added to the securities registration process in KDPW: the verification of the issuer and the securities against sanctions imposed on Russian and Belarusian citizens.

In the registration of investment certificates, KDPW processed the registration of ETF certificates in settlement of instructions for nine portfolio funds.

KDPW participated in the subscription for shares of a new issue in a public offering carried out using the IT system of the Warsaw Stock Exchange for 3 listed companies.

2. OPERATIONS

2.1 Depository and settlement services

In the processing of issuers' obligations to holders of securities, KDPW performed the following operations related to cash payments in 2022:

OPERATION TYPE	LICZBA OPERACJI
Payment of dividends and advance dividends	325
Payment of income from closed-ended investment funds without redemption of investment certificates	7
Full redemption of Treasury bonds	5
Payment of interest on Treasury bonds	45
Full redemption of other debt securities	480
Payment of interest on other debt securities	10 555
Repayment of a part of the nominal amount of debt securities, incl.:	316
- repayment of principal under agreements concluded with the pledge administrators	6
- repayment of principal under the concluded arrangement	30
Payment of premiums	29
Payment of late interest	9
Voluntary partial early redemption of bonds	7
Mandatory partial early redemption of bonds	32
Redemption on request of bondholder	8
Voluntary redemption of investment certificates	1 273
Mandatory redemption of investment certificates	11
Cancellation of investment certificates on liquidation of a fund	13

KDPW processed the redemption of investment certificates based on settlement instructions for 39 closed-ended investment funds.

KDPW processed the payment of benefits in connection with a reduction of a company's share capital.

2. OPERATIONS

2.1 Depository and settlement services

Other corporate actions performed by KDPW, unrelated to cash payments to KDPW participants:

OPERATION TYPE	NUMBER OF CORPORATE ACTIONS
Increase of share capital with subscription rights	8
Transmission of the data of shareholders registered for a general meeting* including under an agreement concluded with the Supervisory Board of the company	1,168 1
Public company shareholder identification operations* including processing of requests for data rectification	203 3
Non-public company shareholder identification operations	40
Conversion of bonds into shares	1
Exercise of warrants	29

2. OPERATIONS

2.1 Depository and settlement services

KDPW processed a company's compulsory restructuring in accordance with the decision of the Bank Guarantee Fund. In the operation of the securities repository, KDPW performed the following corporate actions on request of issuers:

OPERATION TYPE	NUMBER OF OPERATIONS
Reverse split of shares	9
Reverse split of bonds	1
Exchange (split) of securities	6
Change of the nominal amount	13
Assimilation of securities including partial assimilation	243 14
Conversion of securities including partial conversion	25 16
Combination of joint-stock companies	2
Cancellation of securities (including Treasury bonds)	107
Spin-off of shares	2
Deregistration of bonds upon the issuer's execution of payments in the redemption of bonds without intermediation of KDPW	96
Deregistration of financial instruments in KDPW including deregistration of subscription warrants after the exercise date	42 3

2. OPERATIONS

2.1 Depository and settlement services

Processing of securities for which KDPW is the home depository (foreign issuers)

KDPW has notified its activity under CSDR in three EU jurisdictions: Netherlands (shares), Luxembourg (shares, structured certificates), and Cyprus (shares).

In 2022, KDPW registered the following securities:

INSTRUMENT TYPE	NUMBER OF OPERATIONS (SERIES)	CHANGE 2022/2021 (%)
Shares	2	0%
Bonds	4	-20%
Structured certificates	1,360	49%

In the processing of issuers' obligations to holders of securities, KDPW performed the following operations related to cash payments in 2022:

OPERATION TYPE	CURRENCY OF PAYMENT	NUMBER OF OPERATIONS
Payment of dividends	EUR	1
	USD	3
Interest payment on bonds	EUR	9
	PLN	5
Payment of late interest	PLN	1
Redemption of bonds	PLN	1
Redemption of structured certificates	PLN	1,281

Other corporate actions performed by KDPW, unrelated to cash payments to KDPW participants:

OPERATION TYPE	NUMBER OF OPERATIONS
Processing notifications of general meetings, general meeting participation procedures, proxy instructions, and shareholder personal data necessary to enable shareholder participations in general meetings	2
Public company shareholder identification operations	3

In 2022, KDPW processed a partial redemption of bonds of the company ILIAD PURPLE SAS.

2. OPERATIONS

2.1 Depository and settlement services

Co-operation with foreign depositories and processing of securities for which KDPW is the investor's depository (home depository outside of Poland)

As at 31 December 2022, KDPW had direct operational links with the following foreign depository institutions:

- Oesterreichische Kontrollbank – OeKB (Austria)
- Clearstream Banking Luxembourg – CBL (Luxembourg)
- Központi Elszámolóház és Értéktár Rt. – KELER (Hungary)
- Euroclear Bank – (Belgium)
- NASDAQ CSD SE – (Lithuania, Estonia)
- KDD Central Securities Clearing Corporation – (Slovenia)

In 2022, KDPW signed an agreement to establish a link with NDU National Depository of Ukraine.

Securities of **67** Polish and foreign issuers were processed via these links in 2022.

KDPW executed 6946 cross-border transfers related to securities registered in foreign securities depositories in 2022 (2022/2021 change: -2.04%).

In the processing of securities registered via KDPW's operational links with other CSDs, the following operations were performed:

I. Euroclear Bank:

- Euroclear UK & Ireland
- Euroclear France
- Euroclear Sweden
- Euroclear Nederland
- Iberclear Spain

II. Clearstream Banking Luxembourg:

- Clearstream Banking Frankfurt – (Germany)
- Monte Tittoli - (Italy)
- CDCP - (Czech Republic)
- Euroclear France - (France)
- Centralny Depozitar Cennych Papierov SR AS – CDCP (Slovakia)
- ASX – (Australia)
- DTC (USA)

III. UniCredit BulBank:

- Central Depository AD - CDAD (Bulgaria).

2. OPERATIONS

2.1 Depository and settlement services

In the processing of securities registered via KDPW's operational links with other CSDs, the following operations were performed:

Registration of securities:

INSTRUMENT TYPE	NUMBER OF OPERATIONS (SERIES)
Shares	15
Bonds	9
Rights to entitlements	2
Covered bonds	1
Structured certificates	911

In the processing of issuers' obligations to holders of securities, KDPW performed the following operations related to cash payments in 2022:

OPERATION TYPE	CURRENCY OF PAYMENT	NUMBER OF OPERATIONS
Payment of dividends	EUR	7
	GBP	2
	HUF	1
	CZK	2
Payment of interest on bonds	PLN	5
Payment of interest on eurobonds	EUR	7
Payment of interest on covered bonds	PLN	1
	EUR	2
Payment of interest on structured certificates	PLN	45
Redemption of bonds	PLN	3
Redemption of structured certificates	PLN	210
	EUR	12

2. OPERATIONS

2.1 Depository and settlement services

Other corporate actions performed by KDPW, unrelated to cash payments to KDPW participants:

OPERATION TYPE	NUMBER OF CORPORATE ACTIONS
Public company shareholder identification operations	31
Assimilation	1
Partial redemption of rights to entitlements	3
Reverse split	2
Processing notifications of general meetings, general meeting participation procedures, proxy instructions, and shareholder personal data necessary to enable shareholder participations in general meetings	51

Other operations

In connection with the payment of issuers' obligations to holders of securities, KDPW participated in 85 payments from securities to foreign depositors (holders of omnibus accounts) acting as the income tax remitter.

KDPW processed the refund of excess tax paid on benefits from securities of the company CEZ a.s (Relief at Source, Standard and Quick Refund)

In connection with the launch of the GlobalConnect market on GPW, KDPW began registering shares of foreign issuers without entering into an agreement with them on the basis of an introduction to the alternative trading system on GlobalConnect. As at the end of 2022, shares of 5 foreign companies were introduced on Global Connect:

- Allianz SE
- Bayerische Motoren Werke AG
- Mercedes-Benz Group AG
- Siemens AG
- Volkswagen AG

KDPW continued its relations with the Ministry of Finance of the Kingdom of the Netherlands in order to enable former shareholders of FORTUNA ENTERTAINMENT GROUP N.V. to claim compensation for lost shares of the company.

2. OPERATIONS

2.2 Services for Pension Fund Companies (PTE) and Open-ended Pension Funds (OFE)

Operation of the Guarantee Fund

KDPW administers the Guarantee Fund since 1999 under the Act on Organisation and Operation of Pension Funds and the Regulation concerning the Guarantee Fund.

The purpose of the Guarantee Fund is to maintain assets deposited by pension fund companies (PTE) necessary to execute payments to members of open-ended pension funds (OFE) to cover losses caused by PTE default in the management and representation of the pension funds.

There were no events in the reporting period that would trigger payments from the Guarantee Fund for its statutory purposes.

The number of PTEs which participate in the Guarantee Fund decreased to 9 following the merger of two PTEs on the last business day of the reporting period.

Resources of the Guarantee Fund consist of:

- contributions made by pension fund companies,
- revenues from investment of the Fund resources, and
- other revenue from the administration of the Fund by KDPW.

The amount of mandatory contributions, which depend on the net asset value of the open-ended pension funds, and the payments are calculated and executed on a quarterly basis.

Starting in Q2 2022, there was a downward trend in the amount of payments made by PTEs to the Guarantee Fund, which continued until the end of 2022. The largest decrease of payments occurred in the Q3, reaching nearly 15% of the payments from the preceding quarter. The balance of funds deposited in the Guarantee Fund as at 31 December 2022 amounted to PLN 404 million, down by 28.02% compared to the balance as at 31 December 2021. In Q1 2023, the downward trend in the amount of contributions paid by PTEs to the Guarantee Fund was reversed.

2. OPERATIONS

2.2 Services for Pension Fund Companies (PTE) and Open-ended Pension Funds (OFE)

The value of assets maintained by the Guarantee Fund (on a cash basis) was as follows:

ITEM	BALANCE OF ASSETS AS AT 31.12.2022	BALANCE OF ASSETS AS AT 31.12.2021	ZMIANA 2022/2021
Guarantee Fund assets	403,926 (PLN'000)	561,136 (PLN'000)	-28.02 (%)

Processing of transfer payments between open-ended pension funds

KDPW processes transfer payments between open-ended pension funds (OFE) whenever a member switches between funds. In the process, KDPW participates in the transmission of personal data of fund members who are switching funds and participates in the transfer of assets deposited in fund members' accounts.

In 2022, KDPW processed 5,877 transfer payments between open-ended pension funds in four batches. The total amount of the transfer payments was PLN 6,495,861.01.



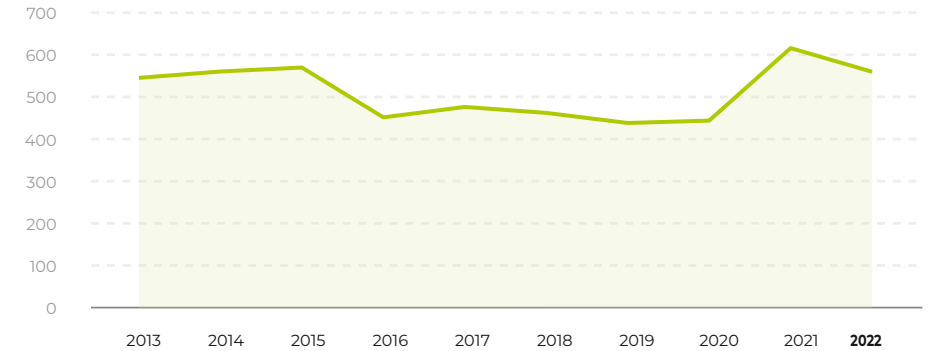
2. OPERATIONS

2.3 Compensation Scheme management

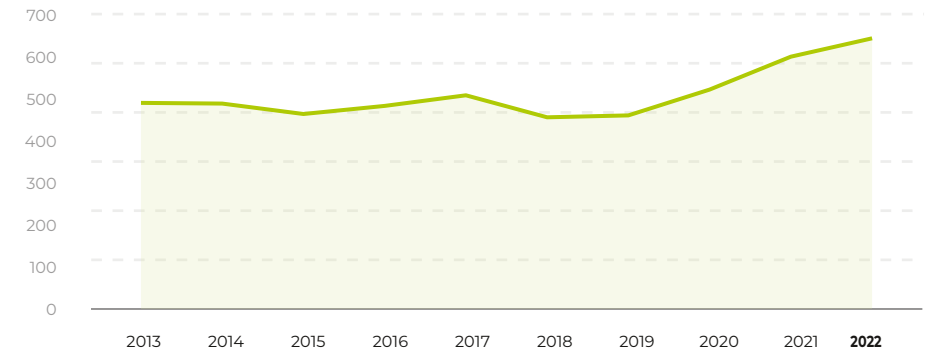
KDPW operates and manages the compensation scheme according to the Act on Trading in Financial Instruments. The compensation scheme provides guarantees to investors in the event of default of a compensation scheme participant for:

- loss of cash held in cash accounts, loss of cash due to investors in respect of provided services protected by the scheme other than overdue payments, and
- loss of financial instruments deposited with participants of the compensation scheme, including their branches outside of Poland, due in respect of provided services, to the extent covered by the compensation scheme.

ASSETS COVERED BY THE COMPENSATION SCHEME(PLN BN)



INVESTORS COVERED BY THE COMPENSATION SCHEME (MN PERSONS)



2. OPERATIONS

2.3 Compensation Scheme management

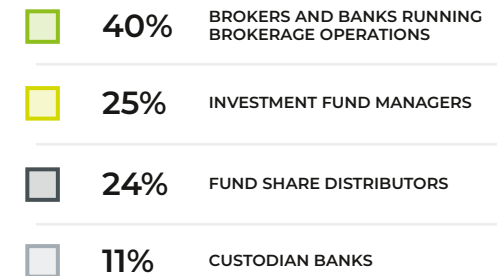
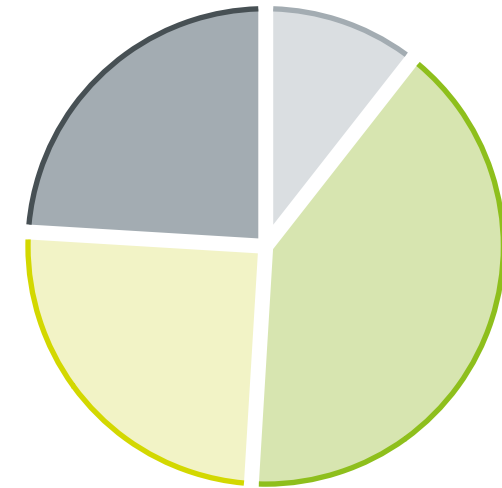
The following events concerning participation in the compensation scheme took place in 2022:

- 4 entities joined the compensation scheme: entities authorised as intermediaries in buying and selling fund shares and 1 investment fund company,
- the participation of 3 entities terminates: 2 brokerage houses and 1 entity authorised as intermediaries in buying and selling fund shares,
- 1 take-over of a brokerage house by a bank participating in the compensation scheme, and
- 3 mergers of investment fund companies.

As a result, the compensation scheme had 96 participants as at 31 December 2022.

As 8 participants are banks which operate both a custodian business and a brokerage business, the compensation scheme records showed 104 institutions in aggregate, including 47 institutions holding cash balances and 57 institutions with no cash balances in the compensation scheme.

COMPENSATION SCHEME PARTICIPANTS AS AT 31.12.2022



2. OPERATIONS

2.3 Compensation Scheme management

Participants pay contributions to the compensation scheme in four batches in each calendar year, no later than the business last day of the last month of each calendar quarter.

In 2022, compensation scheme participants paid annual contributions in a total amount of PLN 33.3 million. Eight contributions were paid late.

Balance of assets maintained in the compensation scheme (on a cash basis):

ITEM	BALANCE OF ASSETS AS AT 31.12.2022 (PLN'000)	BALANCE OF ASSETS AS AT 31.12.2021 (PLN'000)	ZMIANA 2022/2021 (%)
Assets paid in by compensation scheme participants	251,501	219,304	14.68
Net income*	57,572	49,745	15.73
Total:	309,073	269,049	14.88

*net income includes: investment income (PLN 9.4 million in 2022), costs, fees



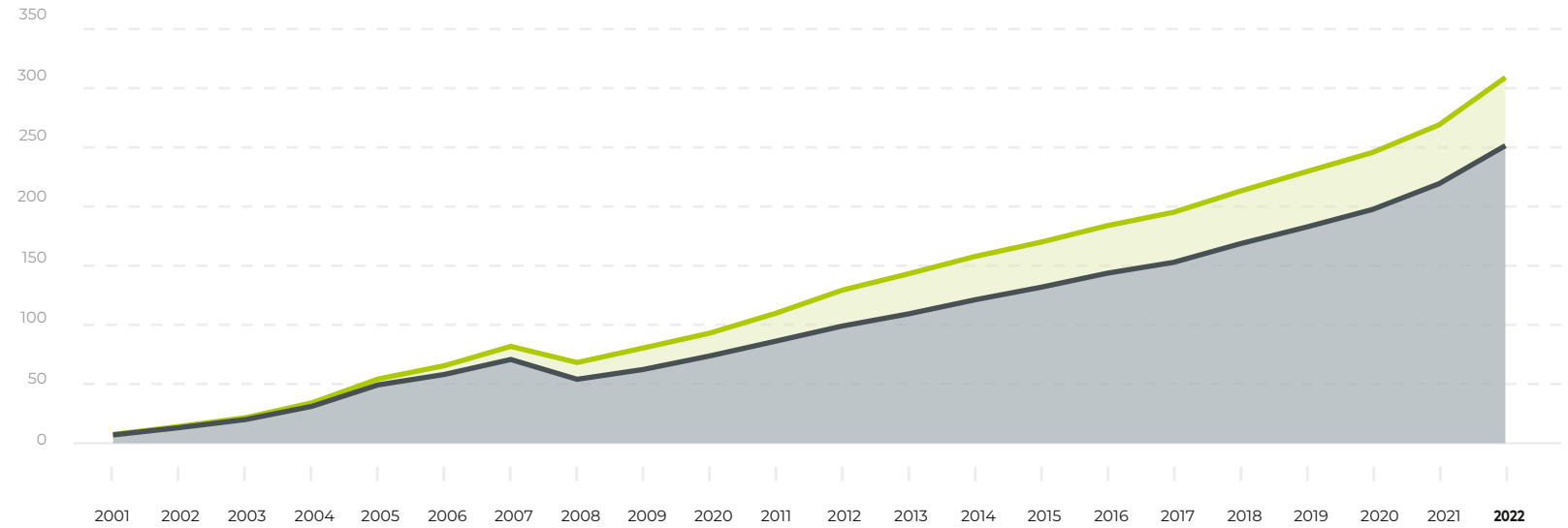
2. OPERATIONS

2.3 Compensation Scheme management

COMPENSATION SCHEME RESOURCES

(ON THE 31.12)

REVENUE CONTRIBUTIONS



There were no events in 2022 requiring the use of compensation scheme resources.



2. OPERATIONS

2.4 EMIR Trade Repository

KDPW operates an authorised Trade Repository under EMIR since 2013, enabling the reporting of derivatives by means of a user-friendly and secure online interface or an automated direct connection.

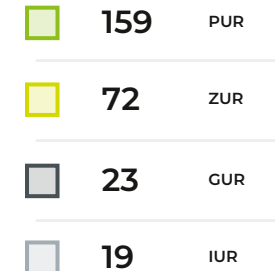
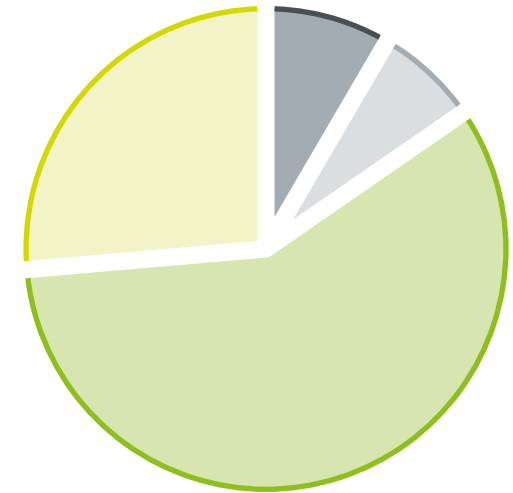
Obligated entities have to report details of derivatives to trade repositories. Details of all derivatives contracts and any modifications or terminations of such contracts have to be reported to a trade repository no later than the business day following the conclusion, modification or termination of the contract.

As at 31 December 2021, the EMIR Trade Repository had 273 participants in 15 countries (Austria, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Ireland, Latvia, Lithuania, Malta, Poland, Slovakia, Spain, Switzerland and Sweden) including:

- GUR - General Reporting Participants - 23
- ZUR - Ordinary Reporting Participants - 72
- PUR - Indirect Repository Participants - 159
- IUR - Individual Repository Users - 19.

The GUR participants include 3 high-volume participants, 4 GUR-3 participants, and 2 GUR-50 participants.

TRADE REPOSITORY PARTICIPANTS
AS AT 31 DECEMBER 2022

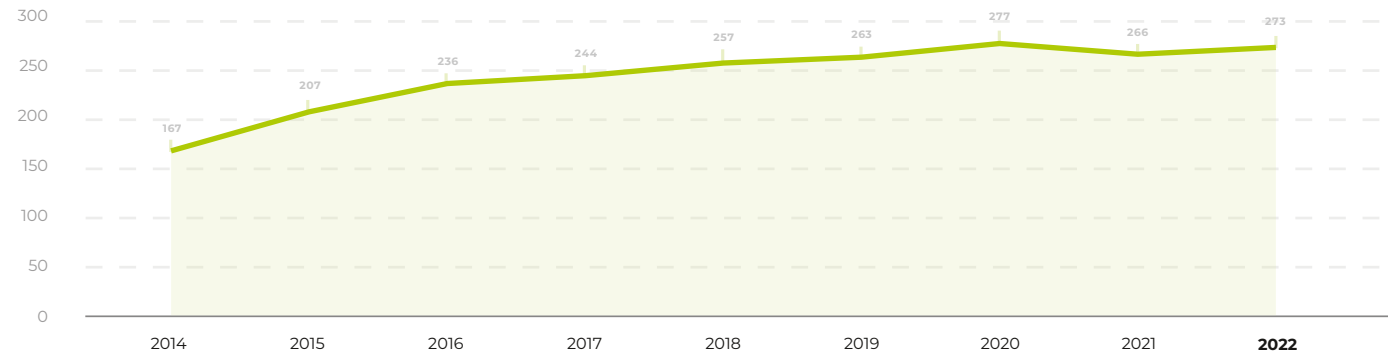


2. OPERATIONS

2.4 EMIR Trade Repository

In 2022, the number of EMIR Trade Repository participants was back on an upward trajectory. In particular, the number of participants in types which authorise them to report trades increased, as reflected in an increase in the number of reports.

Number of EMIR Trade Repository participants between 2014 and 2022:





2. OPERATIONS

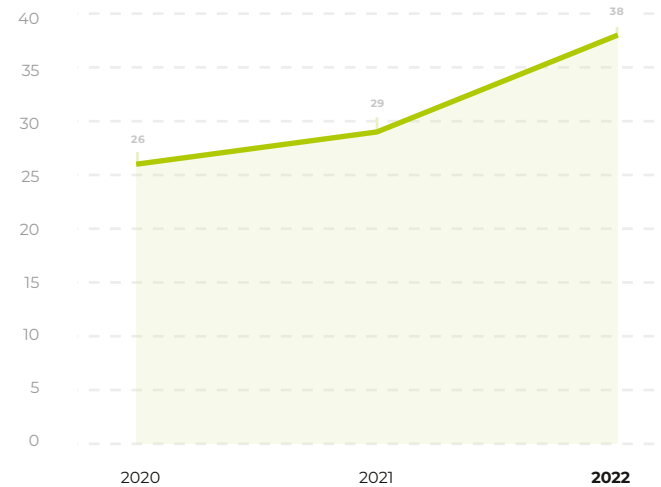
2.4 EMIR Trade Repository

EMIR Trade Repository participants jointly represent more than 32,000 counterparties, most of which are Polish entities. However, the share of foreign participants and counterparties has been growing year after year.

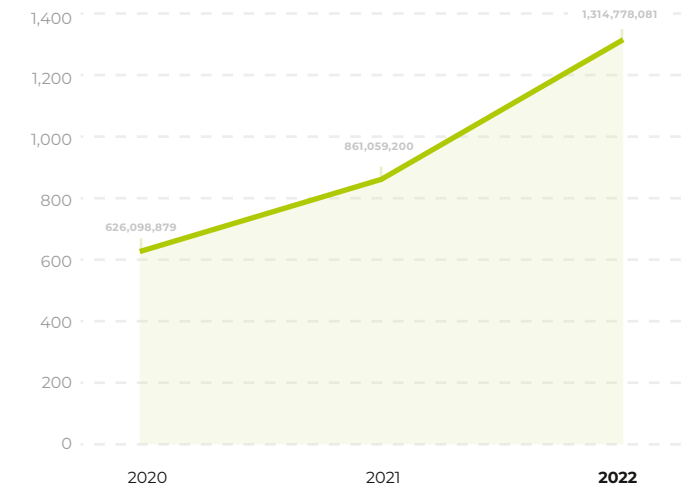
The share of foreign participants increased by a high 30% in 2022. Foreign participants appreciate the competitive pricing and high-quality service, including the security of data reported to the KDPW Trade Repository.

In 2022, the number of accepted reports reached more than 1,314 million, an increase of 52.5% over the previous year. In total, more than 4,375 million reports were submitted by EMIR TR participants between 2014 and 2022.

EMIR TR FOREIGN PARTICIPANTS



EMIR TR REPORTS (MN)





2. OPERATIONS

2.4 EMIR Trade Repository

Although 2022, in contrast to 2021, brought a recovery from the global pandemic, it was fraught with even greater volatility in the derivatives market, resulting in an increase of more than 43% in the number of new reported trades and positions compared to 2021.

TRADES/POSITIONS ACCEPTED IN KDPW TR (MN)



Trades reported to the EMIR Trade Repository since the launch of the service are for instruments in a 46 currencies, mainly INR (38%), USD (23%), EUR (15%). In 2022, the dominant nominal currency of reported trades was the Indian rupee, which strengthened its position as the leading currency of the notional amount of all reported trades since the inception of the EMIR Repository. This is mostly driven by high-volume participants.

In 2021, 42 EU supervisory authorities (ESMA, ECB, local capital market supervisors and central banks) had access to the EMIR Trade Repository and received daily reports via the HUB TRACE or SFTP.



2. OPERATIONS

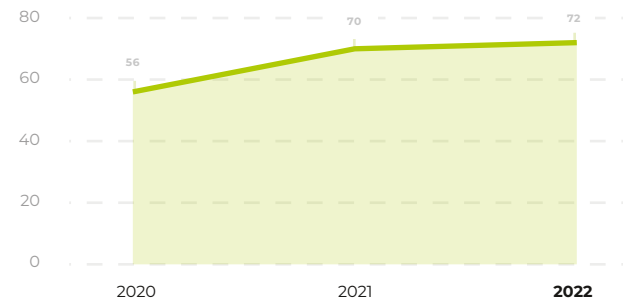
2.5 SFTR Trade Repository

KDPW has been operating an authorised SFTR Trade Repository since 2020, enabling SFT reporting via a user-friendly and secure web application or an automated direct connection. The system messages are built on the basis of the scope of information defined in the SFTR technical standards.

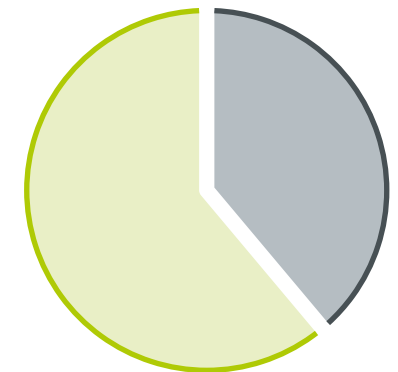
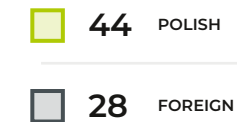
The service is provided to all EEA legal entities. KDPW processes reports of all types of SFTs: securities lending, repo, buy sell back and sell buy back, and collateral lending. The KDPW_CCP repository accepts reports on securities re-use and reports on initial deposits and initial margins posted as collateral for transactions centrally cleared by authorised CCPs.

In 2022, the number of participants in the service increased modestly. Two clients left but four new participants were successfully acquired. In addition, three mergers affecting entities that are participants in the service were processed. In total, there were 72 participants in the SFTR Trade Repository as at 31 December 2022, including entities from Poland, Bulgaria, Latvia, the Czech Republic, Romania, Croatia, Italy, Denmark, Finland, Malta, Switzerland and Cyprus. The vast majority of participants in the SFTR Trade Repository (68 entities) are reporting participants while 4 entities have non-reporting participant status, allowing access to details of trades and corporate actions to which the entity is a party.

SFTR TRADE REPOSITORY PARTICIPANTS IN 2020 - 2022



RESIDENCE OF SFTR TR PARTICIPANTS IN 2022

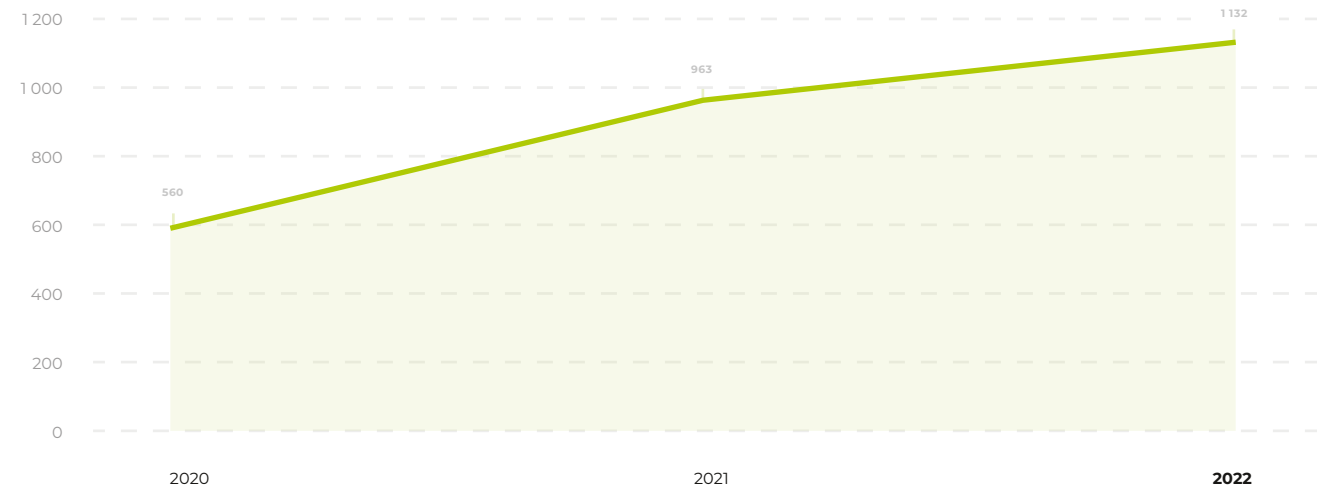


2. OPERATIONS

2.5 SFTR Trade Repository

A modest increase was reported in the number of counterparties for which reporting participants report, i.e., entities that enter into SFT trades. In total, at least one report was filed on behalf of 1,132 legal entities in 2022, compared to 963 in 2021, representing a 17% increase.

SFTR TRADE COUNTERPARTIES IN 2020 - 2022



In 2022, 31 EU supervisory authorities (ESMA, ECB, local capital market supervisors and central banks) had access to the SFTR Trade Repository and received daily reports via the HUB TRACE or SFTP.

2. OPERATIONS

2.6 Approved Reporting Mechanism (ARM)

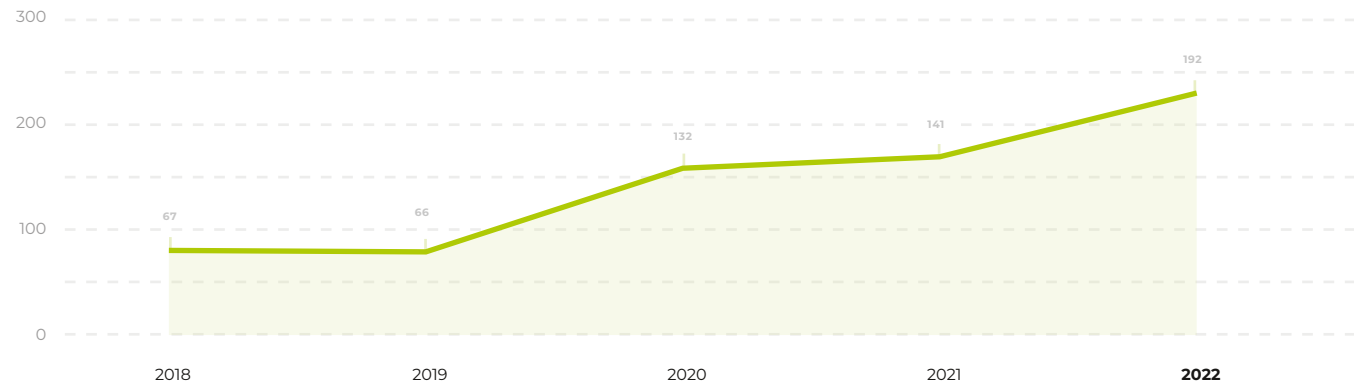
KDPW provides the Approved Reporting Mechanism (ARM) service under an authorisation granted by the Polish Financial Supervision Authority since January 2018. The ARM service includes the reporting of details of transactions in financial instruments to the supervisory authority on behalf of entities which have the reporting obligation under MiFIR.

KDPW offers customised reporting models, giving the option to upload the complete required data and for ARM to use either the data submitted to a trade repository (in the case of derivatives reports) or the trade data from the markets operated by the Warsaw Stock Exchange or BondSpot S.A. (in the case of reports of trades concluded on those markets). The simplified trade reporting models allow participants to significantly reduce the volume of data reported in the process of complying with their obligations under MIFIR.

As at 31 December 2022, the ARM system had 60 participants – investment firms.

The number of reports processed in 2022 increased from 141 million in 2021 to more than 192 million in 2022 (up by approx. 36%).

ARM REPORTS IN 2018-2022 BY YEAR (MN)



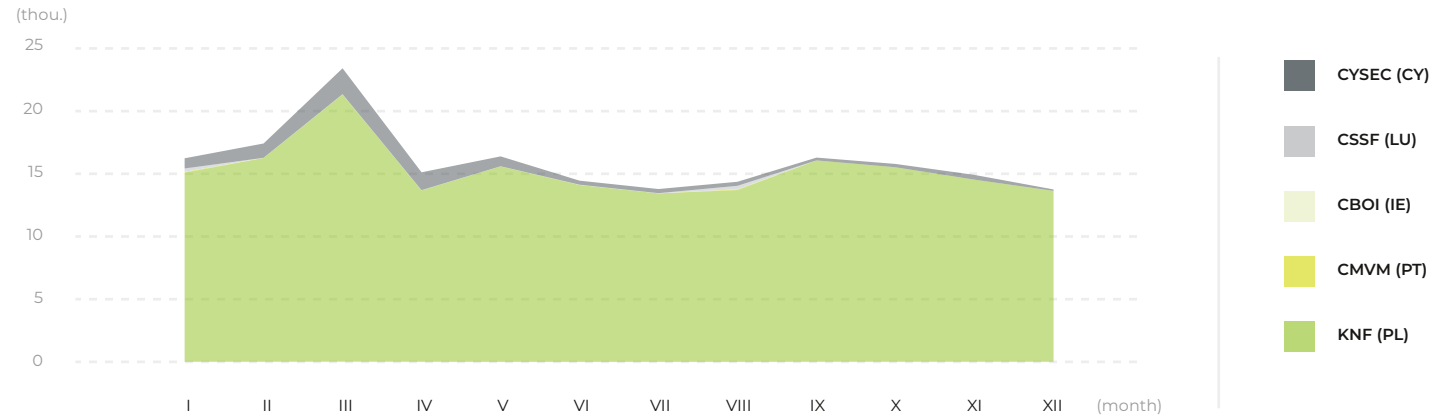


2. OPERATIONS

2.6 Approved Reporting Mechanism (ARM)

The number of trades reported via ARM in 2022 stood at 186.8 million (an increase of 38% year on year compared to 134.9 million in 2021).

ARM REPORTS IN 2022 BY MONTH AND JURISDICTION



KDPW's ARM service is authorised across the European Union. ARM reports are sent to the competent supervision authority depending on the country of establishment of the entity required to report. In 2022, KDPW participated in reporting to five supervision authorities:

- Komisja Nadzoru Finansowego (Poland) – 177.77 million (95.14%)
- Cyprus Securities and Exchange Commission (Cyprus) – 8.18 million (4.38%)
- Portuguese Securities Market Commission (Portugal) – 110,000 (0.10%)
- Commission de Surveillance du Secteur Financier (Luxembourg) – 606,000 (0.32%)
- Central Bank of Ireland (Ireland) – 167,800 (0.09%)
- Financial and Capital Market Commission (Latvia) 9,000. (0.01%).

2. OPERATIONS

2.7 Numbering Agency

ISIN, CFI, FISN codes

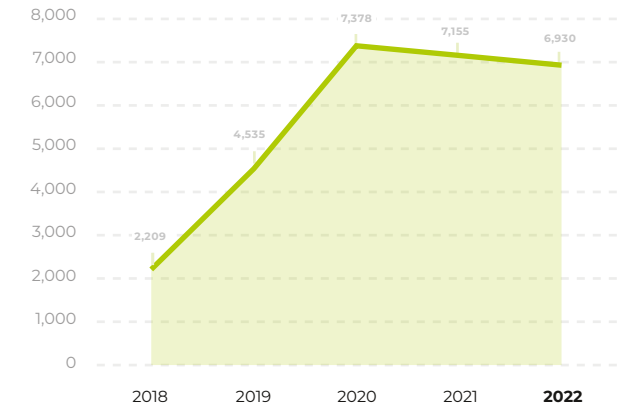
As a national numbering agency and a member of The Association of National Numbering Agencies (ANNA, the global association which implements and maintains ISO standards ensuring uniform and transparent identification of financial instruments in global capital markets), KDPW is authorised to issue the following codes: ISIN (International Securities Identification Number), CFI (Classification of Financial Instruments), and FISN (Financial Instrument Short Name) under ISO 6166, ISO 10962 and ISO 18774.

Since the start of its activity as a numbering agency issuing ISIN and CFI codes in 1996, KDPW issued 59,188 codes up to 31 December 2022. In 2022, KDPW issued 6,930 new ISIN codes together with CFI and FISN codes. KDPW is one of few institutions to issue CFI and FISN codes for 100% of issued ISIN codes. There were 12,029 active ISIN codes as at 31 December 2022.

NEW ISIN CODES ISSUED IN 2022 BY MONTH



ISIN CODES ISSUED BY YEAR



2. OPERATIONS

2.7 Numbering Agency

LEI codes

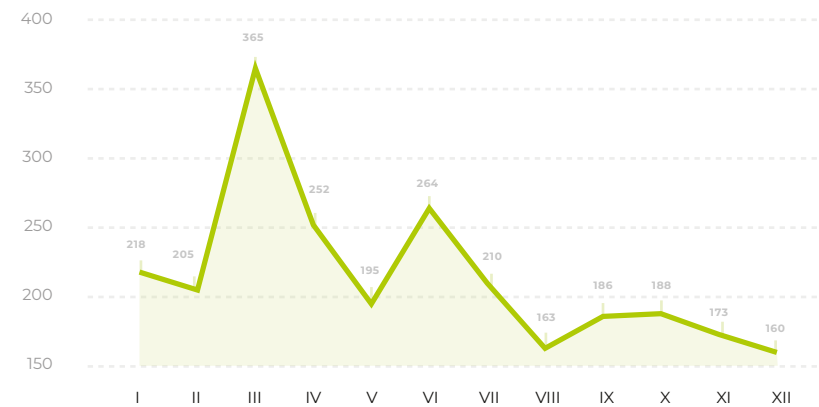
KDPW is the only Polish provider of the service of issuing global legal entity identifiers (LEI) under ISO 17442 authorised by the Global Legal Entity Identifier Foundation (GLEIF).

According to the rules of the global legal entity identifier system, each LEI is attributed reference data of the entity holding the LEI according to the relevant public registers. The high quality of reference data is ensured by LEI agencies. Details of LEIs and reference data are publicly available free of charge from numbering agencies and the GLEIF.

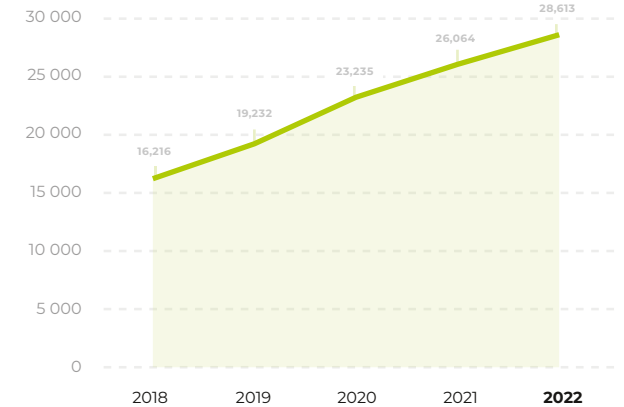
KDPW issued 2,579 LEIs in 2022; 34 LEIs were transferred from other LEI issuers to KDPW; and 64 LEIs were transferred out of KDPW.

Under the GLEIF requirements, LEIs must be renewed annually. KDPW renewed 15,430 LEIs in 2022. As at 31 December 2022, KDPW maintained 18,825 renewed valid LEIs and 9,055 non-renewed valid LEIs and managed 26,613 LEIs in aggregate for entities in 24 European Union Member States, Switzerland, Norway, Ukraine and the UK.

LEI CODES ISSUED IN 2022 BY MONTH



LEI CODES MANAGED BY YEAR



2. OPERATIONS

2.8 Sale of data via the Data Portal

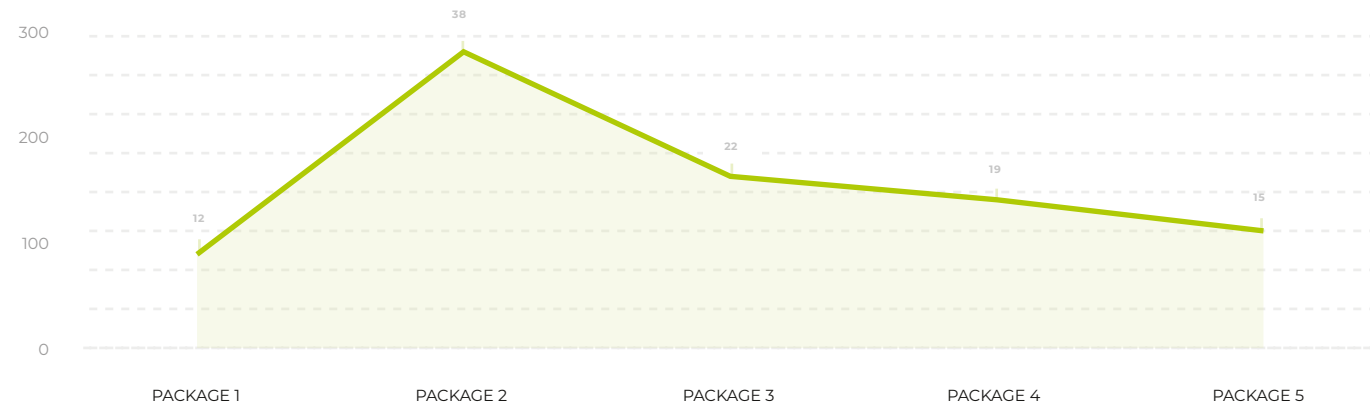
Since January 2022, KDPW provides a service involving the sale of reference and statistical data. The service is addressed exclusively to legal entities and natural persons conducting business, provided that the service is purchased in connection with their professional activity. The data sales service is one of the pillars of the development of the Data Portal data.kdpw.pl. In the beginning of 2021, it replaced the previous statistical data presentation system SPDS.

The objective of the Data Portal is to provide information in a structured and regulated manner. This is achieved both by the way in which the data is made available and by the possible scope of use of reference and statistical data by external users.

In 2022, five data packages containing a total of 14 reports were offered for sale.

In its first year of operation, the service acquired 40 customers who ordered a total of 106 packages. The chart below shows the number of packages purchased.

DATA PACKAGES SOLD IN 2022



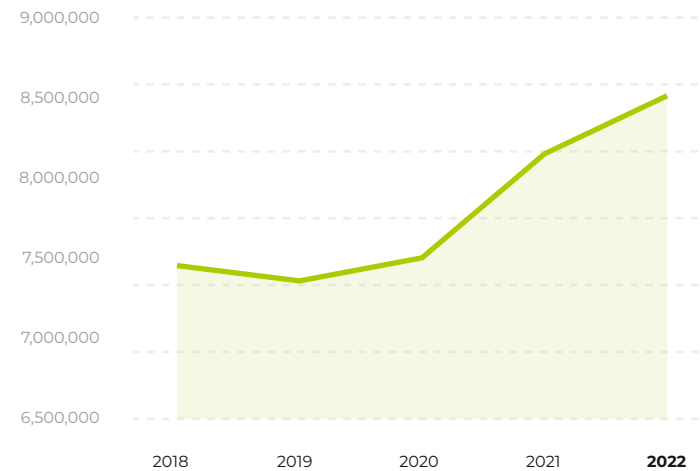
2. OPERATIONS

2.9 Supervision of the depository system

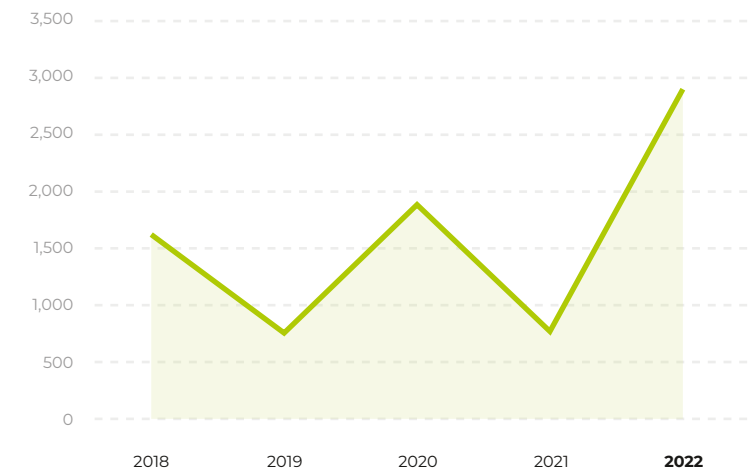
In accordance with the Act on Trading in Financial Instruments, it is a key responsibility of KDPW to exercise supervision in order to ensure that the number of issued securities matches the number of registered securities in trading, i.e., securities registered in securities accounts or omnibus accounts operated by KDPW participants and in registers of issue sponsors.

Supervision is exercised by performing daily checks comparing the aggregate holding balances resulting from records in accounts operated by participants presented in participants' daily reports against the holding balances of corresponding entity accounts maintained in KDPW records. In 2022, 8,915,679 daily reports were processed (5% more than in 2021), of which 2,900 reports (i.e., 0.3‰) contained errors (0.1‰ in 2021). As a result of such controls, non-conformities were identified on the part of 6 participants, resulting in 4 recommendations and 4 observations.

DAILY REPORTS



ERRONEOUS REPORTS



2. OPERATIONS

2.9 Supervision of the depository system

As a result of the review of **monthly reports on holding balances and turnover in Treasury bonds** provided by participants in 2022, where irregularities were identified in the segregation of bonds in depository accounts, an observation was issued to two participants to ensure that the residency status of a client is consistently flagged in the system in order to properly fulfil the obligation to segregate securities, and a related recommendation was issued to one of those participants.

Supervision over the operation of securities records by participants is also exercised by means of checks performed during inspections at the seats of participants. In 2022, 40 checks were carried out, including 1 ad-hoc check, in 40 entities out of the 42 entities subject to KDPW's supervision.

No non-compliances were identified in the checks of 17 participants which would lead to recommendations or observations (14 participants out of 38 checked in 2021). The other 23 entities were issued 26 recommendations and 15 observations concerning the correct

maintenance of securities records, as well as 11 recommendations concerning the security of securities registers and the secure maintenance of data of securities accounts and omnibus accounts. In 4 cases, no recommendations were issued because the entities' internal regulations were updated as required during the check and a solution was put in place ensuring the correct records in the system in the participation type of issue sponsor.

The number of entities with identified irregularities was stable year on year (23 in 2022 vs. 24 in 2021), as was the number of recommendations issued (26 and 11 vs. 26 and 9, respectively).

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.1 KDPW's adaptation to Target Services

Work continued in 2022 to adapt KDPW to Target Services, a new pan-European system that will combine the services currently offered by the European Central Bank (ECB): Target2 (T2), Target2 Securities (T2S), and Target Instant Payment Settlement (TIPS).

The project work was carried out in accordance with the timetable, i.e., the migration framework plan defined by the European Central Bank, which was extended by decision of the Governing Council of the European Central Bank of 20 October 2022 (the original implementation date was 21 November 2022, postponed until 20 March 2023).

The implementation of the new T2 system took place on 20 March 2023.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.2 Changes to settlement discipline in connection with KDPW's authorisation

In pursuit of the objectives of the CSDR, i.e., to harmonise at European level the requirements for the provision of services by central securities depositories (CSDs) and to improve securities settlement, including the harmonisation of settlement rules applied in European markets, KDPW was implementing system changes for several years.

The final package of changes concerning settlement discipline was implemented on 1 February 2022 in the 2022 winter implementation window. A new system was rolled out in the KDPW Group's IT systems for calculating cash penalties for late settlement, including mechanisms for the redistribution of penalties to counterparties by KDPW and KDPW_CCP, mechanisms for monitoring participants' timely settlement and assessing settlement efficiency, mechanisms for reporting to the supervisor, changes to the hold-release mechanism already in place, and changes to the processing of settlement orders relating to post-trade settlements.

As a result of the implementation of the new solutions in the production system, as of 1 February 2022, KDPW started to charge cash penalties for late settlement of transactions and to report to KDPW participants, in particular in the form of daily reports. Monthly reports for the period of February 2022 were generated for the first time in March 2022 (as a result of discussions at the European forum (with the participation of ECSDA), following irregularities identified in the operations of certain CSDs, it was decided to modify the timing of payment of cash penalties accrued for February 2022; as agreed, penalty payments for February 2022 were postponed from 23 March to 13 April 2022).

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.3 Provision of a GUI for compensation scheme participants

On 1 July 2022, the Compensation Scheme application was implemented in the KDPW Group's services portal online.kdpw.pl to support the exchange of declarations and information between compensation scheme participants and KDPW.

The new application addresses participants' needs by facilitating the provision of data to KDPW involving, among others, direct entry of information into the system; it includes the function of viewing operations which increase and decrease the participant's share in the compensation scheme, obtaining information on the status of the participant's share in the compensation scheme at the end of the month, and direct exchange of correspondence with KDPW.

As at 31 December 2022, the vast majority of compensation scheme participants requested permissions to the new application and were submitting data via forms directly to the system. On-going integration of KDPW's services within the portal online.kdpw.pl provides more convenience to clients using multiple services of the KDPW Group.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.4 Development of a portal for the presentation and sale of statistical data

On 16 May 2022, a new functionality was rolled out in the KDPW Group's Data Portal, as part of the third phase of the project, to support the purchase of data via the API, combined with the launch of six new paid reports. Access to data via the API is an additional option available to Data Portal clients as part of their subscriptions.

Data download through the API is possible for the range of data (packages) that the client has access to as part of their paid subscription. Details related to access to the API and the rules of operation are included in the updated Service Rules. The new paid reports made available on 16 May 2022 included: operations settled in KDPW by market, registrations of securities by the Issue Agent, instructions cleared by KDPW_CCP from the cash and derivatives market, acceptance of instruments by KDPW and withdrawal of instruments from KDPW, and finally, at the end of June 2022, the last of the public reports planned under the project were transferred to the Data Portal: SFTR Trade Repository, EMIR Trade Repository, and Register of Issuers' Obligations.

In summary, the 2020-2022 project developed and rolled out a data presentation and sales portal, the KDPW Group Data Portal, integrating data available from KDPW in one place, including data that the KDPW Group is obliged or wants to present publicly: free of charge, data previously presented on websites or other portals, and new data sets for sale.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.5 Activation of the multi-factor authentication system

On 5 November 2022, multi-factor authentication (MFA) was implemented to enhance the security of the services offered by the KDPW Group companies to their clients via the Services Portal online.kdpw.pl. The project launched in Q3 2020 introduced additional verification (using an additional factor) when authenticating to an access account.

During the course of the project, in order to improve the ergonomics of use (removing the requirement to use the mobile app for each access), it was decided to introduce the option of registering the user's browser as an additional second authentication factor. As a result of this approach, a trusted device was defined as:

- A mobile application (KDPW Group Authenticator) installed on an Android or iOS mobile device. The application is available to users free of charge in authorised stores: Google Play (Android), App Store (iOS – Apple). In order to act as a second authentication factor, the mobile application should also be linked to an appropriate access account (user's digital identity), which can be done after installation by the user, or
- A trusted web browser, used on a computer on a specific network and with a specific IP address, which the user will mark as trusted when logging in (after confirmation using the mobile app).

Additionally, in order to ensure user control over browsers declared as trusted, as well as mobile devices linked to the user's identity, a trusted device management service was developed during the project work and made available at a dedicated address: identity.kdpw.pl. In this service, users can remove devices from the trusted list and verify all authentication operations carried out with a given device.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.6 Implementation of AMI-SeCo collateral management standards

In 2022, KDPW carried out work as part of a project aimed at system and regulatory modifications to enable the use, under standardised terms set by the ECB, of financial instruments registered in KDPW (both in the home depository and the investor depository) as collateral for Eurosystem credit operations. The project aims to implement the standards developed by AMI-SeCo (the ECB's market infrastructure advisory group for securities and collateral) for corporate action processing and billing processes as part of the Single Collateral Management Rulebook for Europe (SCoRE) harmonisation process.

The project includes an extension of the existing information exchange software, including the electronic messages used for corporate action processing. In 2022, the project developed a specification of requirements for the implementation of the standards defined by Ami_SeCo in SCoRE for the exchange of ISO 20022 messages for corporate action processing, including general and detailed message flow diagrams, as well as characteristics of the scope of message elements, which was distributed to KDPW's direct participants on 8 April 2022.

According to the project schedule, KDPW plans to make the test environment available and start testing with participants in a phased manner starting in July 2023, while the roll-out of the AMI-SeCo collateral management standards (Corporate Actions standards) is planned for 18 - 19 November 2023.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.7 Development of the KDPW and KDPW_CCP websites

On 16 January 2023, the new KDPW and KDPW_CCP websites were launched, available at the existing addresses: www.kdpw.pl and www.kdpwccp.pl.

The new websites project was implemented from the first days of 2022 aiming at technological modernisation of the KDPW and KDPW_CCP websites, changing the visualisation and information architecture, increasing usability, and adapting the websites to mobile devices.

As part of the project, a solution provider was selected, contracts were signed for the development and hosting of the websites, and mock-ups and maps of the websites were developed, presenting navigation, content layout, and graphic elements.

Target content and solutions were also developed to enable the automatic publication of documents from the intranet portal to the web. The project involved a concept of enhancing promotion on the new KDPW website for the EMIR and SFTR trade repository and ARM services.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.8 Feasibility study on KDPW's participation in the DLT Pilot Regime

In 2022, KDPW implemented a research project aiming to conduct a study on the feasibility and viability of participation of KDPW and domestic capital market participants in a pilot programme for market infrastructures based on distributed ledger technology under Regulation (EU) 2022/858 DLT Pilot Regime (DLT PR). The project produced a range of studies and analyses, and a number of arrangements and consultations were undertaken with external stakeholders, including ESMA, ECB, UKNF, MF.

Taking into account the detailed analysis of the provisions of Regulation (EU) 2022/858 in relation to the circumstances of KDPW and the domestic capital market, as well as the SWOT analysis conducted in the context of the participation of KDPW and domestic capital market participants in the DLT Pilot Regime for market infrastructures, it was concluded that the participation of KDPW in the DLT Pilot Regime was not viable.

At the same time, it was concluded that it is reasonable that, despite the negative recommendation with regard to KDPW's participation in the DLT Pilot Regime, KDPW should continue its research and development work on the application of distributed ledger technology.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.9 Changes to applications adapting KDPW LEI to new competitive challenges

A project completed on 31 May 2022 was designed to implement changes to applications, improve the quality of the LEI service and adapt the webLEI and LEI_stream modules to the new GLEIF requirements.

The webLEI application was optimised, functionalities were added to facilitate the submission of applications, including automatic data filling based on data extracted from the GUS database and automatic transcription of the name of the legal entity into the Latin alphabet.

The option was added to pay for LEI renewals in advance for periods ranging from 2 to 5 years, and the information search and data completion functionality was improved, making the LEI service even more user-friendly and intuitive. To adapt the webLEI and LEI_stream module to the new GLEIF requirements, the structures of all GLEIF CDF files and xml messages were changed, new fields were added, data formats were changed, and new functionalities were added.

The implementation of the GLEIF and LEI-ROC requirements in March 2022 allowed KDPW to continue to provide the LEI code issuance service as required by GLEIF.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.10 Adaptation of the Trade Repository system to changes resulting from ESMA guidelines

On 29 April 2022, changes resulting from ESMA's guidelines of 29 July 2021 regarding changes to system message structures in TRACE were implemented in the EMIR Trade Repository IT system. The pre-implementation phase developed and tested functionalities related to the generation of reports to supervisors via TRACE in accordance with ESMA guidelines.

The tests with ESMA and EU supervisors proceeded according to the schedule imposed by ESMA ,and KDPW_TR did not receive any negative signals from the supervisors. The ESMA guidelines published in the Question&Answers (under EMIR) Q&ATR40 (change of LEI codes to LEIs for selected UTIs in case of mergers/partial acquisitions and change of codes at the date of a corporate action) were implemented on 27 June 2022, as were functionalities allowing KDPW_TR staff to monitor the timeliness of reports generated for supervisors via sFTP and the TRACE portal.

3. MAIN AREAS OF DEVELOPMENT IN 2022

3.11 Adaptation of the EMIR Trade Repository system to changes resulting from EMIR REFIT

At the beginning of 2022, a project was launched to adapt the EMIR Transaction Repository system to the changes resulting from EMIR REFIT (aiming to enable EMIR TR participants to meet their reporting obligations and supervisors to have efficient, uninterrupted access to KDPW_TR data).

The project was designed to implement new xml message schemas in the ISO 20022 standard, implement new formal and content checks, change the structure of the databases and data migration, increase the efficiency of the system, change the processes of adaptation of reports for supervisors, and modify the EMIR TR participant/user interface.

ESMA's technical standards and guidelines were analysed in detail. In the next stage, work started on a feasibility study and a preliminary estimation of the costs and necessary capital expenditure for adapting EMIR TR to the requirements of EMIR REFIT. On 7 October 2022, the Regulatory Technical Standards for Regulation (EU) No. 648/2012 (EMIR REFIT) were published in the Official Journal of the European Union.

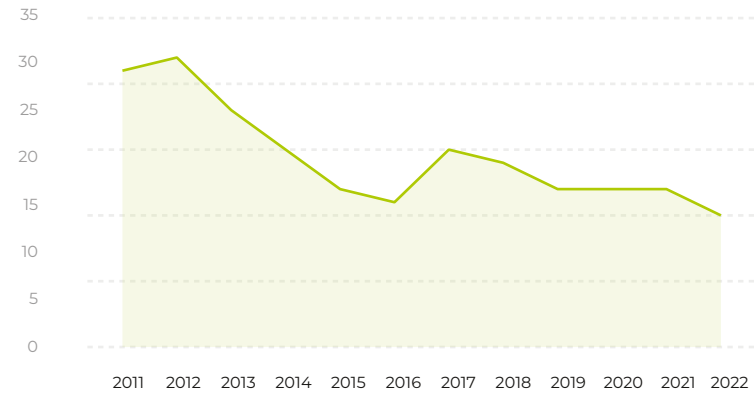
The published package of regulations enters into force on 27 October 2022 and, following an 18-month implementation period, the new EMIR RTS will apply as of 29 April 2024. A detailed project schedule was developed in December 2022 and submitted to ESMA as part of the Recovery Plan. Detailed materials on the changes to the EMIR Trade Repository system were scheduled for distribution to EMIR TR participants in April 2023. Given the complexity of the changes resulting from EMIR REFIT, a workshop for EMIR TR clients on the anticipated changes was held on 15 November 2022.

Testing with EMIR TR participants is scheduled to start as of November 2023, while the roll-out of the changes adapting the EMIR Transaction Repository system and KDPW_CCP to the changes resulting from EMIR REFIT is planned for the end of April 2024.

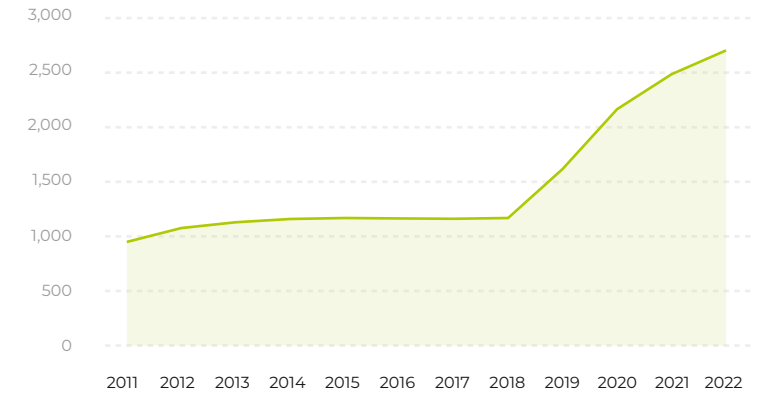


4. KEY STATISTICS OF KDPW

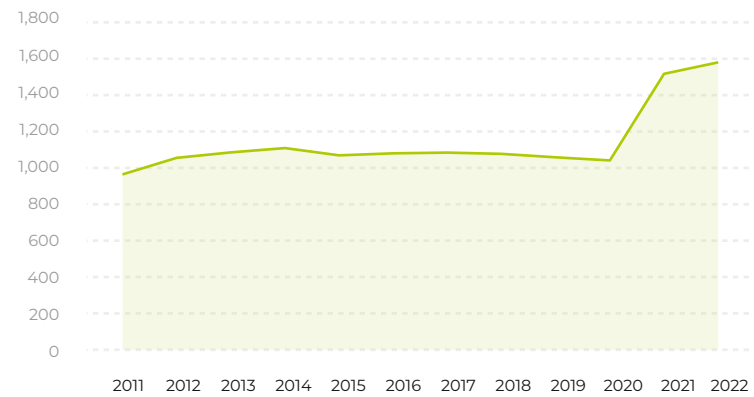
Number of KDPW direct participants



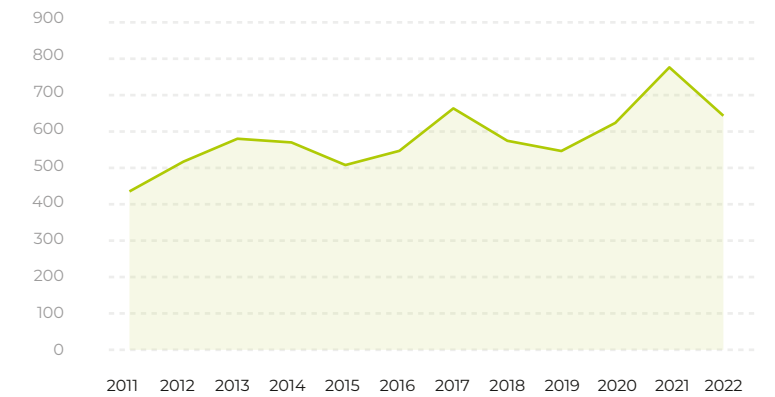
Number of issuers



Number of registered share issues



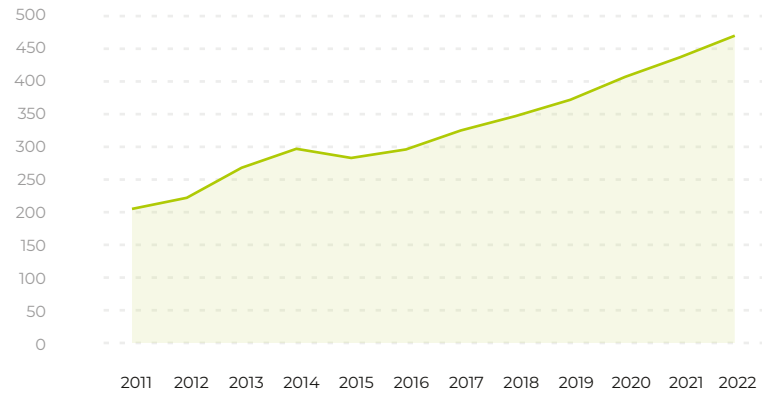
Capitalisation of registered share issues (PLN bn)



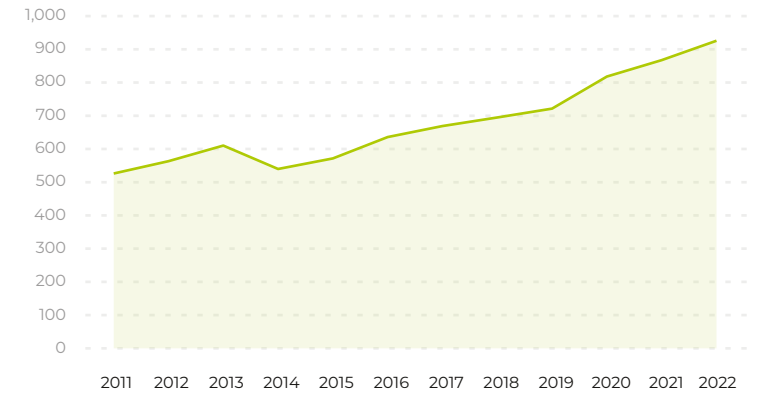


4. KEY STATISTICS OF KDPW

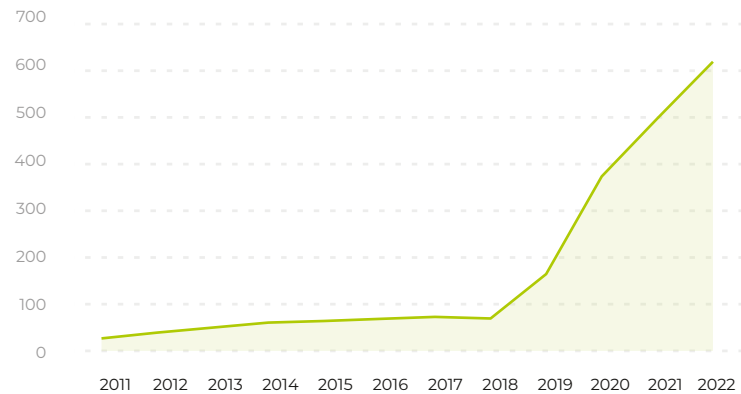
Number of registered Treasury bond issues



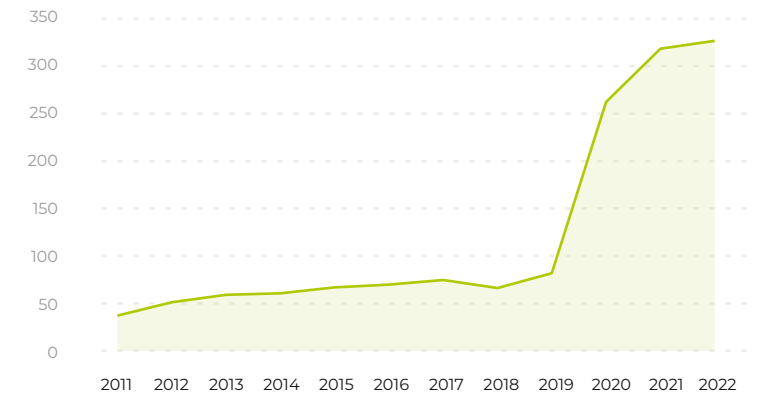
Capitalisation of registered Treasury bond issues (PLN bn)



Number of registered non-Treasury bond issues



Capitalisation of registered non-Treasury bond issues (PLN bn)





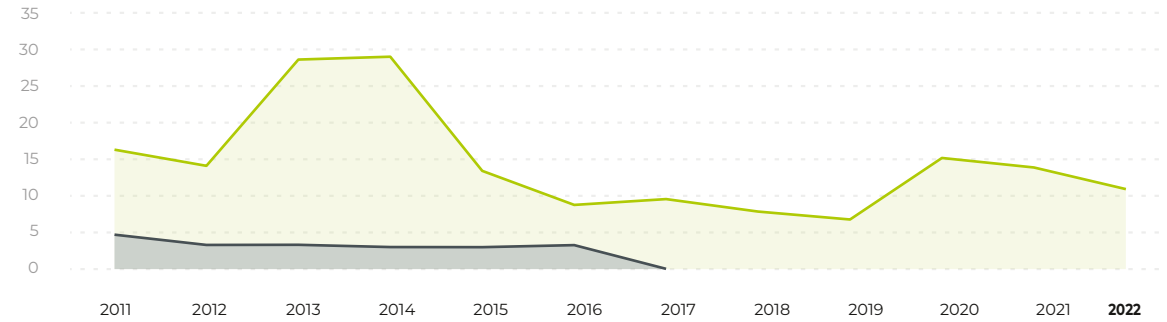
4. KEY STATISTICS OF KDPW

*registration operations resulting from settlement of transactions, post-trade transfers and other operations

**registration operations resulting from settlement of transactions

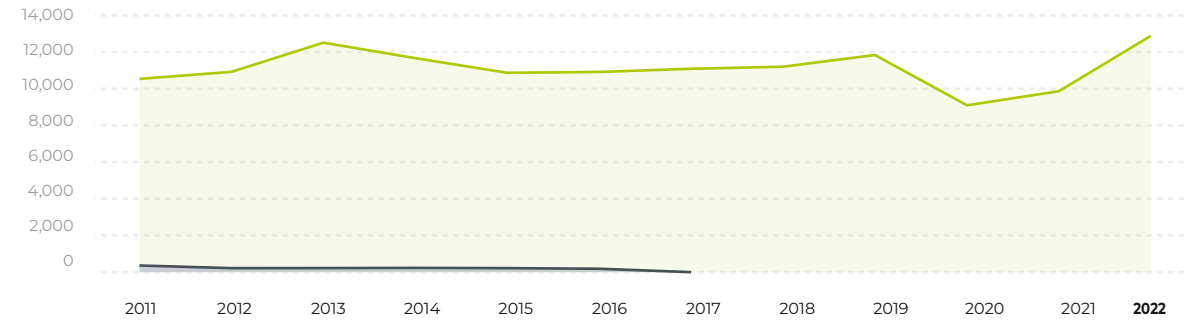
Number of operations registered in KDPW*

- CASH MARKET
- DERIVATIVES MARKET



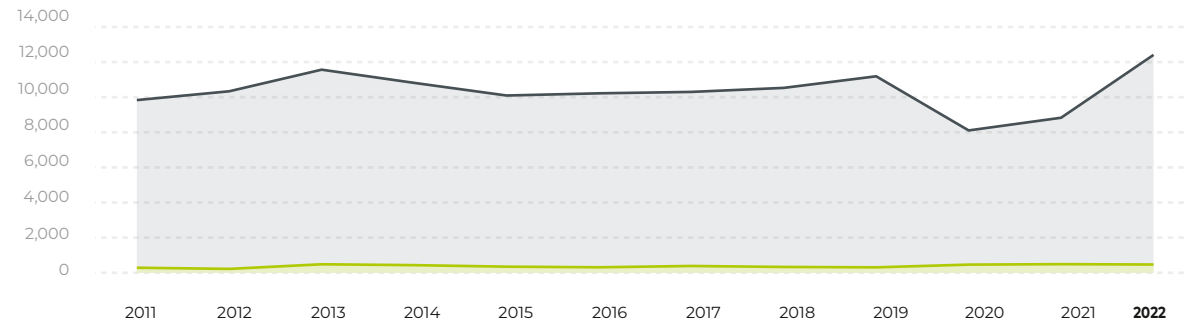
Value of operations registered in KDPW*

- CASH MARKET
- DERIVATIVES MARKET



Value of operations registered in KDPW - secondary cash market**

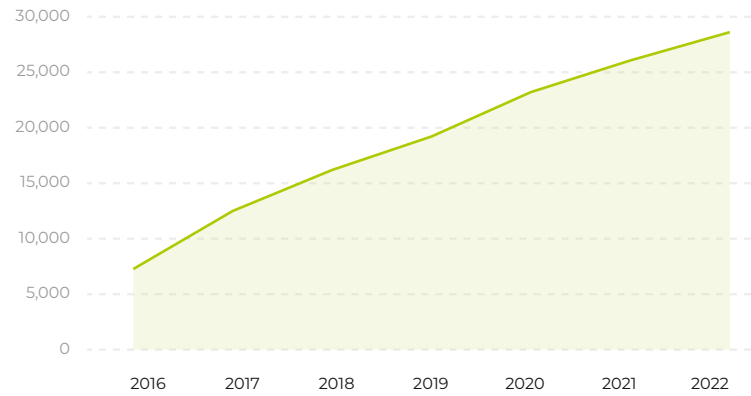
- REGULATED MARKET
- OTC MARKET



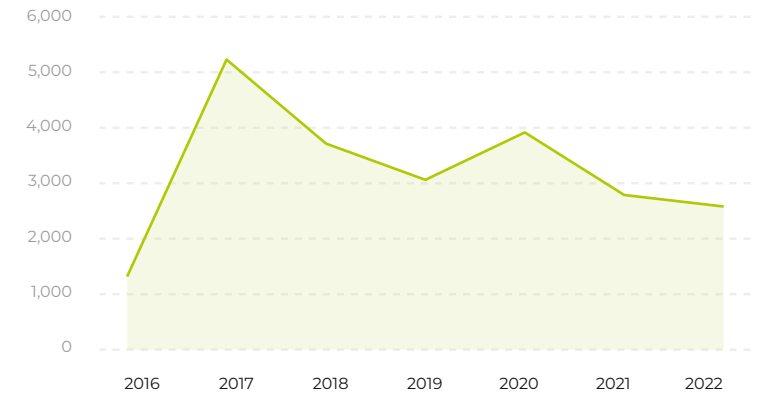


4. KEY STATISTICS OF KDPW LEI

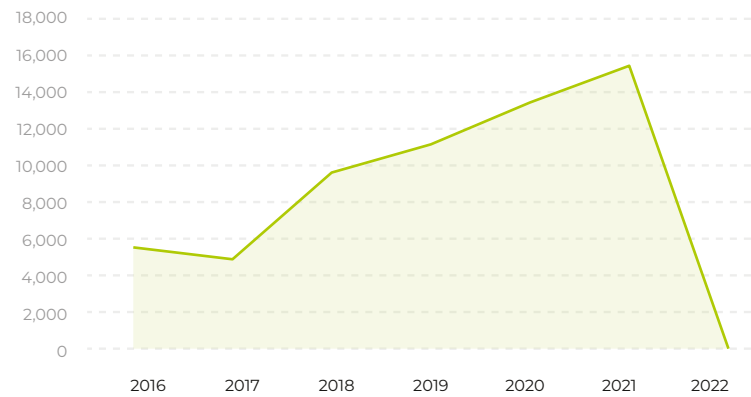
Number of managed LEIs



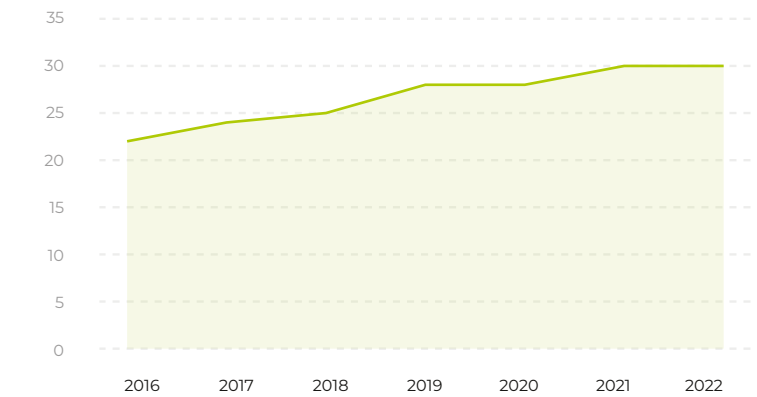
Number of issued LEIs



Number of renewed LEIs



Number of jurisdictions

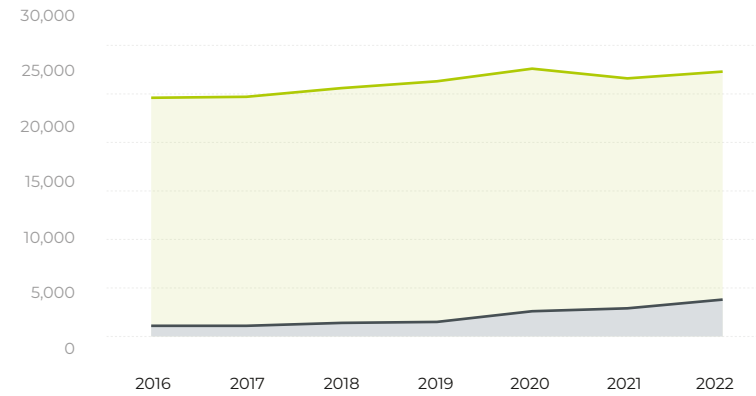




4. KEY STATISTICS OF KDPW TR EMIR

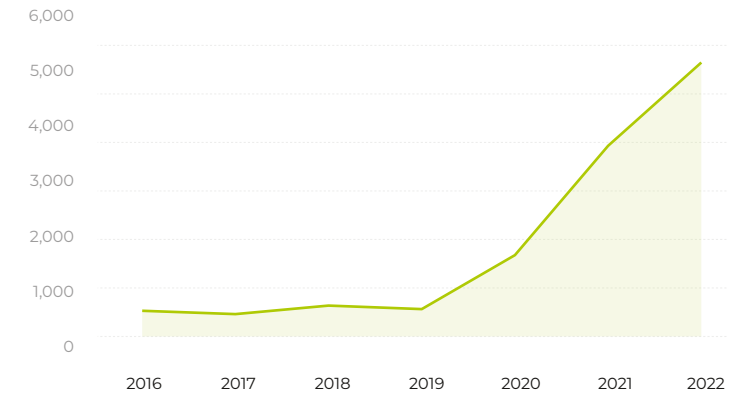
Number of participants

OF WHICH ARE FOREIGN PARTICIPANTS



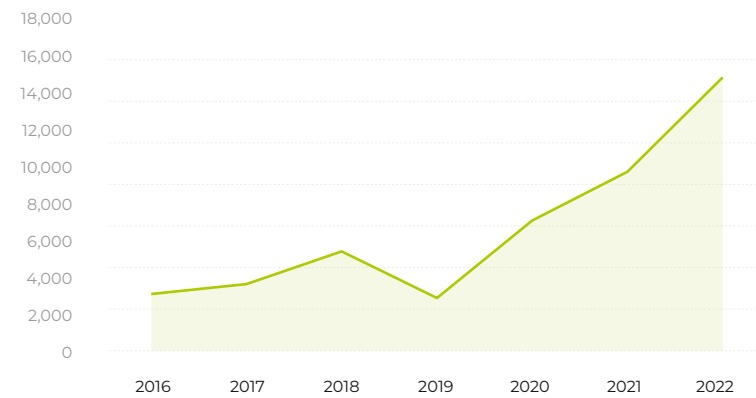
Number of transactions

(mn)



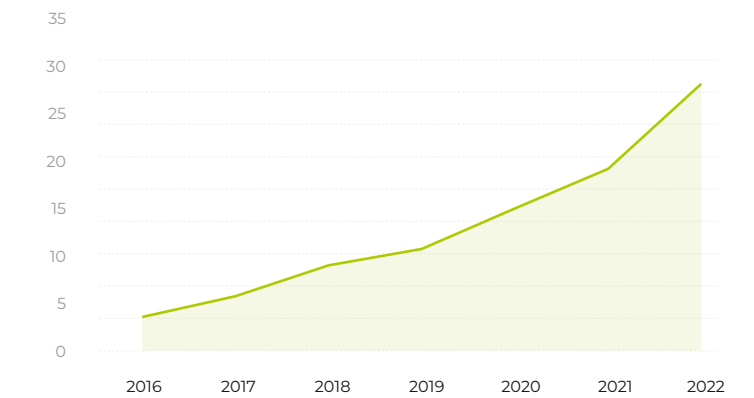
Number of reports

(mn)



Incremental number of reports

(mn)

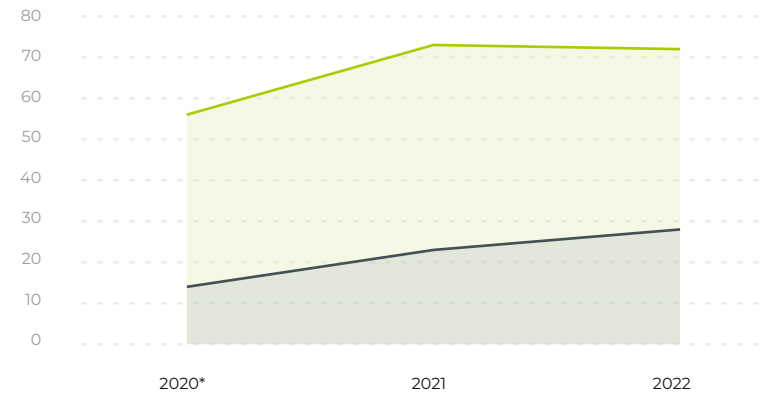




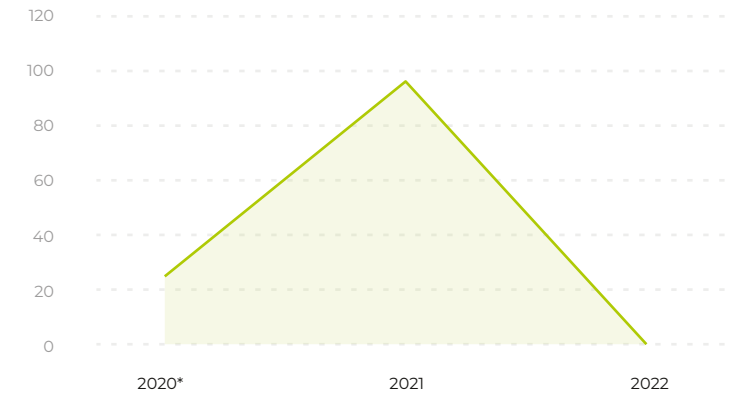
4. KEY STATISTICS OF KDPW TR SFTR

Number of participants

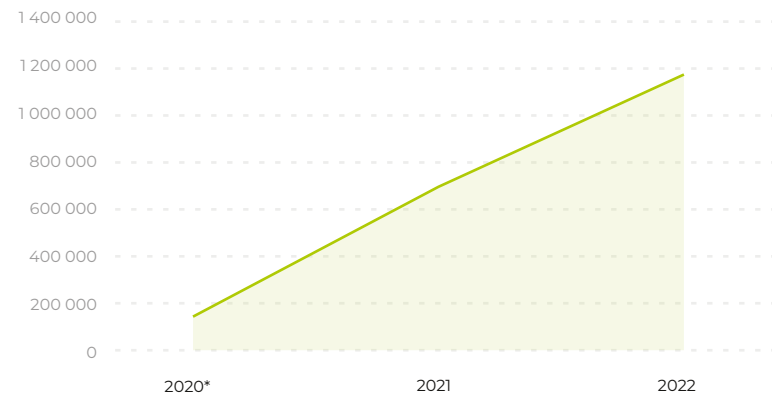
OF WHICH ARE FOREIGN PARTICIPANTS



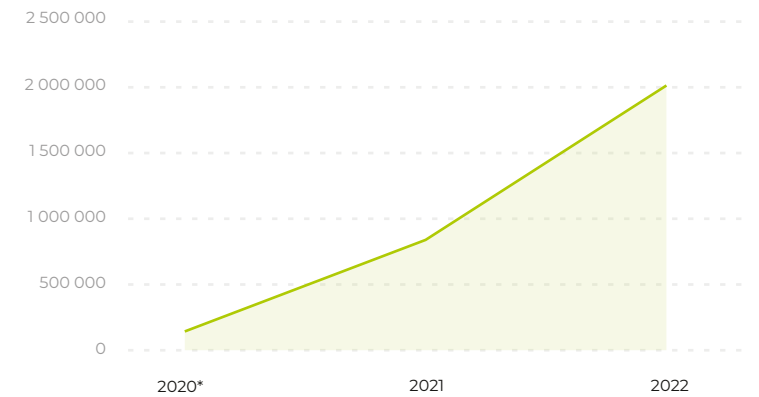
Number of transactions



Number of reports



Incremental number of reports



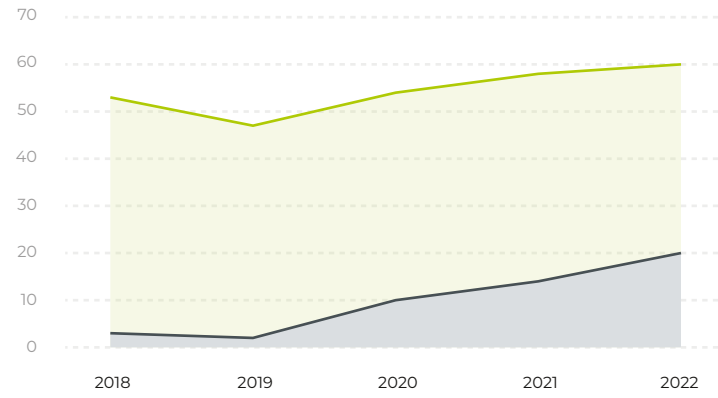
* Servis in operation since 13 July 2021



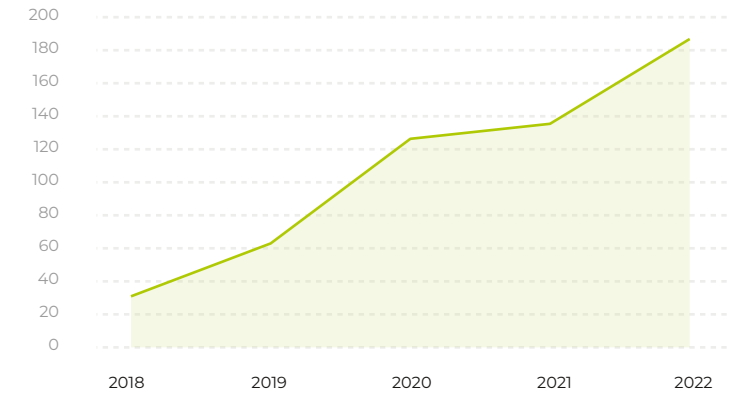
4. KEY STATISTICS OF KDPW ARM

Number of clients

OF WHICH ARE FOREIGN PARTICIPANTS



Number of reports (mn)



5. BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS	AS AT 31.12.2021	AS AT 31.12.2022
NON-CURRENT ASSETS	574,148,908.04	551,782,787.70
Intangible assets	23,612,709.97	23,975,010.91
R&D expenses	12,870,826.63	13,450,049.41
Other intangible assets	5,648,775.60	5,356,273.14
Advances for intangible assets	5,093,107.74	5,168,688.36
Property, plant and equipment	84,707,993.95	76,253,544.89
Property, plant and equipment in use	83,559,699.17	74,667,208.29
land (including right to perpetual usufruct)	9,515,001.43	9,447,255.32
buildings, premises, civil and water engineering structures	34,912,556.22	34,705,704.72
technical equipment and machines	38,741,113.50	30,031,292.48
vehicles	279,633.63	390,742.11
other property, plant and equipment	111,394.39	92,213.66
Property, plant and equipment under construction	1,148,294.78	1,586,336.60

5. BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS	AS AT 31.12.2021	AS AT 31.12.2022
Non-current investments	458,095,127.75	439,201,307.00
Non-current financial assets	458,095,127.75	439,201,307.00
in related parties	203,282,585.40	203,282,585.40
- shares	203,282,585.40	203,282,585.40
in other entities	254,812,542.35	235,918,721.60
- shares	8,524.70	8,524.70
- other securities	254,804,017.65	235,910,196.90
Non-current prepayments	7,733,076.37	12,352,924.90
Deferred tax asset	7,478,425.32	11,701,699.68
Other prepayments	254,651.05	651,225.22

5. BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS	AS AT 31.12.2021	AS AT 31.12.2022
CURRENT ASSETS	62,287,736.50	90,779,852.57
Current receivables	18,379,526.58	18,220,749.16
Receivables from related parties	2,717,159.48	4,082,558.32
trade receivables, maturing:	2,717,159.48	4,082,558.32
- up to 12 months	2,717,159.48	4,082,558.32
Receivables from other entities	15,662,367.10	14,138,190.84
trade receivables, maturing:	13,863,901.84	11,837,107.97
- up to 12 months	13,863,901.84	11,837,107.97
tax, customs, social security, health insurance and other benefits	1,284,635.80	1,353,659.25
other	513,829.46	947,423.62

5. BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS	AS AT 31.12.2021	AS AT 31.12.2022
CURRENT INVESTMENTS	39,951,076.09	69,103,287.30
Current financial assets	39,951,076.09	69,103,287.30
in related parties	1,281,825.63	0.00
- other current financial assets	1,281,825.63	0.00
in other entities	10,368,582.25	15,323,320.25
- other securities	10,368,582.25	15,323,320.25
cash and other monetary assets	28,300,668.21	53,779,967.05
- cash in hand and at bank	28,300,668.21	53,779,967.05
CURRENT PREPAYMENTS	3,957,133.83	3,455,816.11
OTHER ASSETS	264,372,553.33	292,666,279.76
TOTAL ASSETS	900,809,197.87	935,228,920.03

5. BALANCE SHEET AS AT 31 DECEMBER 2022

EQUITY AND LIABILITIES

AS AT 31.12.2021

AS AT 31.12.2022

EQUITY	589,587,960.44	587,544,225.85
Share capital	21,000,000.00	21,000,000.00
Supplementary capital	234,278,252.34	234,278,252.34
Revaluation reserve	-10,137,427.96	-25,334,607.74
Other reserves	281,688,759.62	310,518,136.06
Reserve capital securing the Trade Repository	4,000,000.00	4,000,000.00
Previous years' profit (loss)	0.00	0.00
Net profit (loss)	58,758,376.44	43,082,445.19
LIABILITIES AND PROVISIONS FOR LIABILITIES	46,848,684.10	55,018,414.42
Provisions for liabilities	29,167,893.68	32,503,201.91
Deferred tax liability	5,886,453.46	6,534,367.82
Provision for retirement and similar benefits	23,143,017.42	25,831,087.49
- non-current	12,407,464.00	12,754,764.00
- current	10,735,553.42	13,076,323.49
Other provisions	138,422.80	137,746.60
- current	138,422.80	137,746.60

5. BALANCE SHEET AS AT 31 DECEMBER 2022

EQUITY AND LIABILITIES

AS AT 31.12.2021

AS AT 31.12.2022

Non-current liabilities	0.00	0.00
Non-current liabilities	14,958,684.51	19,052,697.95
Non-current liabilities	98,758.16	234,080.06
Non-current liabilities	98,758.16	234,080.06
Non-current liabilities	98,758.16	234,080.06
To other entities	13,694,617.52	17,323,038.87
trade liabilities, maturing:	5,778,108.95	4,665,469.10
- up to 12 months	5,778,108.95	4,665,469.10
tax, customs, social security, health insurance and other public liabilities	7,903,051.48	12,627,282.57
other	13,457.09	30,287.20
Special funds	1,165,308.83	1,495,579.02



5. BALANCE SHEET AS AT 31 DECEMBER 2022

EQUITY AND LIABILITIES

AS AT 31.12.2021

AS AT 31.12.2022

Accruals	2,722,105.91	3,462,514.56
Other accruals	2,722,105.91	3,462,514.56
- non-current	546,307.66	1,330,326.92
- current	2,175,798.25	2,132,187.64
OTHER LIABILITIES	264,372,553.33	292,666,279.76
TOTAL EQUITY AND LIABILITIES	900,809,197.87	935,228,920.03

6. PROFIT AND LOSS
ACCOUNT FOR THE PERIOD
01.01.2022 - 31.12.2022

ITEM	01.01-31.12 2021	01.01-31.12 2022
Net revenues from sales and equivalent, including revenues:	175,274,579.21	160,761,182.69
- from related parties	22,341,626.70	23,614,315.15
Net revenues from sales of products	175,274,579.21	160,761,182.69
Operating expenses	109,642,764.40	123,693,427.18
Amortisation and depreciation	19,756,911.53	21,764,126.06
Consumption of materials and energy	1,067,850.63	1,364,296.00
External services	24,310,019.78	25,689,496.02
Taxes and charges	10,285,049.21	11,350,613.54
Payroll	39,459,961.59	46,400,654.59
Social security and other benefits, including:	11,829,934.38	13,368,750.38
- pension benefits	5,248,187.72	5,924,974.85
Other costs by type	2,933,037.28	3,755,490.59
PROFIT ON SALES	65,631,814.81	37,067,755.51
Other operating revenues	1,381,965.97	1,651,257.36
Gains on disposal of current non-financial assets	17,684.46	0.00
Other operating revenues	1,364,281.51	1,651,257.36
Other operating expenses	470,296.17	988,703.38
Losses on disposal of current non-financial assets	0.00	10,067.17
Other operating expenses	470,296.17	978,636.21
OPERATING PROFIT	66,543,484.61	37,730,309.49

6. PROFIT AND LOSS
ACCOUNT FOR THE PERIOD
01.01.2022 - 31.12.2022

TREŚĆ	01.01-31.12 2021	01.01-31.12 2022
OPERATING PROFIT	66,543,484.61	37,730,309.49
Financial revenues	4,607,730.50	12,623,128.11
Dividends and profit sharing, including:	267,215.64	483,996.54
- from related parties, including:	267,215.64	483,996.54
- from related parties in which the entity holds an equity investment	267,215.64	483,996.54
Interest, including:	4,340,496.47	12,139,123.70
- from related parties	0.00	0.00
Other	18.39	7.87
Financial expenses	206,174.28	354,819.84
Interest, including:	6,285.68	22,404.27
- to related parties	0.00	0.00
Other	199,888.60	332,415.57
GROSS PROFIT	70,945,040.83	49,998,617.76
Income tax	12,186,664.39	6,916,172.57
NET PROFIT	58,758,376.44	43,082,445.19

7. INDEPENDENT AUDITOR'S REPORT



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e-mail: office@bdo.pl
www.bdo.pl

BDO spółka z ograniczoną
odpowiedzialnością
spółka komandytowa
ul. Postępu 12
02-676 Warszawa
Polska

*This document is a translation.
The Polish original should be referred to in matters of interpretation.*

Independent Auditor's Report to the General Meeting and Supervisory Board of Krajowy Depozyt Papierów Wartościowych S.A.

Report on the Audit of the Year-end Financial Statements

Opinion

We have audited the year-end financial statements of Krajowy Depozyt Papierów Wartościowych S.A. ("the Company"), which comprise introduction to the financial statements, the balance sheet prepared as at 31 December 2022, the profit and loss account, the statement of changes in equity and the statement of cash flows for the period from 1 January to 31 December 2022, as well as additional information and explanations ("the financial statements").

In our opinion, the accompanying financial statements:

- give a true and fair view of the Company's financial position as at 31 December 2022, as well as of its financial result and cash flows for the financial year then ended, in accordance with the applicable provisions of the Accounting Act of 29 September 1994 ("the Accounting Act" - 2023 Journal of Laws, item 120 with subsequent amendments) and the adopted accounting methods (policies);
- are consistent, in content and in form, with the applicable laws and regulations and with the Company's Statute;
- have been prepared on the basis of properly kept books of account in accordance with Chapter 2 of the Accounting Act.

Basis for Opinion

We conducted our audit in accordance with National Standards on Auditing in the wording of International Standards on Auditing adopted by resolution of the National Council of Certified Auditors ("NSA") and in compliance with the Act of 11 May 2017 on Certified Auditors, Audit Firms and on Public Oversight ("the Certified Auditors Act" - 2022 Journal of Laws, item 1302). Our responsibilities under those standards are further described in the *Responsibilities of the Auditor for the Audit of the Financial Statements* section of this report.

BDO spółka z ograniczoną odpowiedzialnością spółka komandytowa, Sąd Rejonowy dla m. st. Warszawy, XIII Wydział Gospodarczy, KRS: 0000729684, REGON: 141222257, NIP: 108-000-42-12, Wartość wkładu kapitałowego wynosi 10.037.500 zł, Biura BDO w Polsce: Katowice: 40-007, ul. Uniwersytecka 13, tel.: +48 32 661 06 00, katowice@bdo.pl; Kraków: 31-548, al. Pokoju 1, tel.: +48 12 378 69 00, krakow@bdo.pl; Poznań: 60-650, ul. Piątkowska 165, tel.: +48 61 622 57 00, poznan@bdo.pl; Wrocław: 53-332, ul. Powstańców Śląskich 7a, tel.: +48 71 734 28 00, wroclaw@bdo.pl

BDO spółka z ograniczoną odpowiedzialnością spółka komandytowa jest członkiem BDO International Limited, brytyjskiej spółki i częścią międzynarodowej sieci BDO, złożonej z niezależnych spółek członkowskich.



We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards of Independence) of the International Ethics Standards Board for Accountants ("IESBA Code") adopted by resolution of the National Council of Certified Auditors, as well as with other ethical requirements relevant to the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During the audit, the auditor in charge and the audit firm remained independent of the Company in accordance with the independence requirements laid down in the Certified Auditors Act.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Company's Management and Supervisory Board for the Financial Statements

The Company's Management is responsible for the preparation, based on properly kept books of account, of financial statements that give a true and fair view of the Company's financial position and financial result in accordance with the provisions of the Accounting Act, the adopted accounting methods (policies), the applicable binding regulations and the Company's Statute. The Company's Management is also responsible for such internal controls as it considers necessary to ensure that the financial statements are free from material misstatements resulting from fraud or error.

In preparing the financial statements the Company's Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, any matters related to going concern and using the going concern basis of accounting, except in situations where the Management intends to either liquidate the Company or discontinue its operations, or has no realistic alternative but to do so.

The Company's Management and members of its Supervisory Board are required to ensure that the financial statements meet the requirements of the Accounting Act. Members of the Supervisory Board are responsible for overseeing the Company's financial reporting process.

Responsibilities of the Auditor for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NSA will always detect an existing material misstatement. Misstatements can arise from fraud or error and are considered material if it could be reasonably expected that they, individually or in the aggregate, could influence the economic decisions of users made on the basis of these financial statements.

The scope of the audit does not include an assurance regarding the Company's future profitability, or regarding the Management's effectiveness in the handling of the Company's affairs now or in the future.

7. INDEPENDENT AUDITOR'S REPORT



Throughout an audit in accordance with NSA, we exercise professional judgement and maintain professional skepticism, as well as:

- identify and assess the risks of a material misstatement of the financial statements resulting from fraud or error, design and perform audit procedures in response to such risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, because fraud may involve collusion, forgery, deliberate omission, misrepresentation or override of internal controls;
- obtain an understanding of the internal controls relevant to the audit in order to plan our audit procedures, but not to express an opinion on the effectiveness of the Company's internal controls;
- evaluate the appropriateness of the accounting policies used and the reasonableness of the estimates and related disclosures made by the Company's Management;
- conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We provide the Supervisory Board with information about, among others, the planned scope and timing of the audit and significant audit findings, including any significant weaknesses of internal controls that we identify during our audit.

Other Information, Including Report on Activities

Other information comprises a report on the Company's activities for the financial year ended 31 December 2022 ("Report on Activities").

Responsibilities of the Company's Management and Supervisory Board

The Company's Management is responsible for the preparation of the Report on Activities in accordance with binding regulations.

The Company's Management and members of its Supervisory Board are required to ensure that the Report on Activities meets the requirements of the Accounting Act.



Responsibilities of the Auditor

Our opinion on the financial statements does not cover the Report on Activities. In connection with our audit of the financial statements, our responsibility is to read the Report on Activities and, in doing so, consider whether it is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we find a material misstatement of the Report on Activities, we are required to state this fact in our auditor's report. In accordance with the requirements of the Certified Auditors Act, it is also our responsibility to issue an opinion whether the Report on Activities has been prepared in accordance with binding regulations, and whether it is consistent with the information presented in the financial statements.

Opinion on the Report on Activities

Based on the work we have performed during the audit, in our opinion the Report on Activities:

- has been prepared in accordance with Article 49 of the Accounting Act;
- is consistent with the information presented in the financial statements.

Furthermore, based on our knowledge obtained during the audit about the Company and its environment we have identified no material misstatements in the Report on Activities.

The auditor in charge of the audit resulting in this independent auditor's report is Anna Bernaziuk, PhD.

BDO spółka z ograniczoną odpowiedzialnością sp.k. with its registered office in Warsaw
entered on the list of audit firms in number 3355

on behalf of which the audit was performed by the auditor in charge

/Signed with a qualified electronic signature on the Polish original/

Anna Bernaziuk, PhD
Certified Auditor
Registration No. 173

Warsaw, February 28th 2023