



WARSAW  
STOCK  
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# Listing on the Warsaw Stock Exchange

June 2013



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## Warsaw Stock Exchange

Main Market  
Shares, Regulated

Main Market  
Derivatives, Regulated

NewConnect  
Shares, Alternative Trading System

Catalyst  
Municipal & Corporate Bonds  
Regulated + Alternative Trading System



# Why foreign companies list in Poland?

## Possible listing motives:

- ❖ Raising capital for investment
- ❖ Reduction of barriers for the Polish investors
  - ❖ regulatory barriers, transaction costs, websites in Polish
- ❖ Capitalizing product reputation on the market
- ❖ Liquidity
- ❖ Increase of visibility and investor recognition for the company
  - ❖ Enhancing the corporate image
  - ❖ Better local press coverage
  - ❖ Familiarity with local financial community
- ❖ Committing to disclosure and corporate governance standards
- ❖ Possibility for M&A
- ❖ Exits



## Listing requirements on the WSE Main and Parallel markets:

- ❖ Appropriate public information document prepared and approved by relevant supervision authority in EU („single passport rule”), unless such information document is not required,
- ❖ No bankruptcy or liquidation proceedings underway with respect to the issuer,
- ❖ Transferability not restricted,
- ❖ Value of shares/equity no less than PLN equivalent of EUR 15 million
- ❖ Shares are held by such a number of shareholders that gives sufficient grounds to develop liquidity of exchange trading
- ❖ Dispersion:
  - ❖ 15% of all company shares held by small shareholders (shareholders each of whom controls no more than 5% of GM votes), and
  - ❖ 100,000 shares referred to in the application for admission to exchange trading with a value equal at least to EUR 1,000,000, calculated based on the last sale or issue price held by small shareholders.



## Additional listing requirements on the WSE Main Market:

- ❖ All shares of the same type are referred to in the application for admission;
- ❖ Shareholders, each of which may exercise no more than 5% of votes at the meeting of shareholders, hold at least 25% of shares referred to in the application for admission to exchange trading, or shareholders, each of which may exercise no more than 5% of votes at the meeting of shareholders, hold at least 500,000 shares with a value equal at least to the PLN equivalent of EUR 17,000,000 (shares may be admitted even if this condition is not fulfilled where the Exchange Management Board decides that the number of shares referred to in the application and the subscription or sale procedure give sufficient grounds that shares on the main market will develop liquidity of trading);
- ❖ Financial statements together with auditor's opinions for at least past three consecutive financial years published (IFRS).



- ❖ A company admitted to trading on one of the EU markets discloses information according to a given member state's regulations,
- ❖ In Poland a company discloses information in English or in Polish,
- ❖ According to Polish regulations information must be disclosed through ESPI – system of exchange of information,
- ❖ Obligations :
  - ❖ Current reports,
  - ❖ Interim reports (consolidated and non-consolidated, IFRS):
    - ❖ Quarterly reports (not audited)
    - ❖ Semi-annual reports (not audited, reviewed by an auditor)
    - ❖ Annual reports (audited)
  - ❖ Compliance with corporate governance rules not mandatory, but strongly recommended.



## Listing requirements on the NewConnect market:

- ❖ the status of a joint-stock company;
- ❖ nominal value of share - min. 0,10 PLN;
- ❖ unlimited transferability of shares;
- ❖ the company has not been declared insolvent nor is in the process of undergoing liquidation proceedings;
- ❖ agreement with an Authorized Advisor (for min. 3 years) and Market Animator;
- ❖ preparation of an information document (Public information document i.e. Prospectus or Information Memorandum, approved by the competent authority; OR: Information document approved by the Authorised Advisor, provided to the WSE); the issuer has to present in the information document the financial statements or consolidated financial statements for the last financial year;
- ❖ Application for introduction of financial instruments to trading in the Alternative Trading System;
- ❖ dispersion: 15% of shares referred to in the application for introduction are held by at least 10 shareholders, each holding no more than 5% of the total vote at the general meeting and not being a related party of the issuer;
- ❖ the issuer's equity is at least PLN 500,000.



- ❖ More liberal requirements than in the regulated market
- ❖ Current reports
- ❖ Periodic reports
  - ❖ Quarterly
  - ❖ annual (accounting standards: internationally recognized or national accounting standards applicable to the place of the issuer's registered office)
- ❖ Best Practice of NewConnect Listed Companies



## Catalyst's characteristics

- ❖ The first organised debt instruments market in Poland which accommodates issues of various sizes and features to address the needs of a wide range of investors.
- ❖ The transaction platforms of Catalyst run by the Warsaw Stock Exchange (WSE) and BondSpot (BS).
- ❖ Corporate, municipal, treasury, co-operative and covered bonds are listed.
- ❖ Trading on Catalyst markets is conducted continuously from 9:00 am till 5:05 pm CET.
- ❖ Transaction settlement is managed and guaranteed by the National Depository for Securities. Settlement period for bonds – T+2

## The advantages of listing on Catalyst

- ❖ **Access to capital**, the diversification of funding sources
- ❖ **Safety** - encourages those investors, who otherwise were not interested in such securities
- ❖ **Liquidity** – investors are ready to accept lower revenues for liquidity
- ❖ **Transparency** of instruments
- ❖ **Building the credibility** – transparency and equal access for investors to information
- ❖ **Promotion** – ongoing and free of charge – better press coverage
- ❖ **Creating opportunities for future**
- ❖ Interest from pension funds and investment funds in bonds
- ❖ Introduction to trading on Catalyst – more often a requirement for the issuers, demanded by the investment funds
- ❖ Bonds in trading - easier exit for investors
- ❖ Fast track for WSE-listed companies





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