

Records of the retail investor chat with Izabela Olszewska, Member of the GPW Management Board held at 1 p.m. on Wednesday, 21 April 2021

Izabela Olszewska: Good afternoon and welcome to our latest chat dedicated to the activity of GPW. We are ready for your questions.

Albercik "short-term": Last year's financial results of your company were very good. Will 2021 be better, comparable, or worse?

Izabela Olszewska: The year 2020 brought record-high revenues and EBITDA, but it was a very special period due to the pandemic. The early months of 2021 suggest that the entire year should also be good for the company. In view of continued strong investor interest in the exchange, potential new interesting IPOs, rising importance of the PPK scheme, and new development projects under our strategy GPW2022, GPW's results are expected to be strong. However, our company publishes no financial projections.

Analitik: Dividends: the company had a very good year. Will you pay any extra dividend? When will you announce the dividend amount?

Izabela Olszewska: GPW has for years paid stable dividends to the shareholders. According to the existing dividend policy, it is the intention of the Exchange Management Board to recommend to the General Meeting a payment of dividend from the 2020 profits of at least PLN 2.5 per share and to increase the dividend from the profits of 2020-2022 by at least PLN 0.1 per share annually.

The Exchange Management Board is monitoring the implementation of the strategy as well as M&A processes. The GPW Group had a very good year, and we will soon announce in a current report our decision concerning the recommended dividend amount.

Albercik "short-term": The company is cash-rich and probably doesn't know what to do with all that cash. Are you finally planning any specific M&A?

Izabela Olszewska: The implementation of the GPW Group's strategy includes our review of potential M&As. The key areas of interest include other exchanges (for instance, we are looking at the Armenia Stock Exchange) and technology companies. We look at potential business development benefits case by case.

Rafał B.: Which market has better prospects to grow in the coming years: the financial market or the commodity market?

Izabela Olszewska: We want to grow several business lines at the same time, which is why we will develop both the financial market and the commodity market. The agricultural market will provide an additional boost for the commodity market. Historically, when the financial market thrives, the commodity market underperforms, and vice versa, which means that they complement each other in overall stable business.

Filip: Where does the Group generate better earnings: on the commodity market or the financial market? Is the trend likely to continue?

Izabela Olszewska: Earnings on both markets are comparable but the commodity market has so far enjoyed a slight advantage. The profit margins on both markets should remain comparable.

Monika Nowacka: What is the IPO market looking like in 2021? Is it possible to reverse the negative trends of the past years?

Izabela Olszewska: Last year was very good for IPOs and this year is also looking good. There are eight prospectuses pending before the Polish Financial Supervision Authority. Five companies have been newly listed on the Main Market and ten companies on NewConnect year to date. Last year's IPO of Allegro gave a strong incentive to many high-tech, retail and gaming companies, confirming that the public market is essential to raising capital for growth.

Analitik: PCOL – why is GPW entering such a remote business segment? Does it make any sense for you at all?

Izabela Olszewska: The success of the Polish Digital Logistics Operator project (PCOL) will help GPW enter a new business segment and diversify its revenue. The Polish transport, shipping and logistic business looks very promising from GPW's perspective. The PCOL initiative will set up and invest in a company responsible for the project. GPW expects to invest up to PLN 18.7 million in the initiative in 2021. We have applied for co-financing of the project in the Fast Track procedure of the National Centre for Research and Development. The grant money will finance research and development. GPW has signed memoranda of understanding with companies interested in participating in the PCOL project. The next step is to define the terms of co-operation with those partners.

Dawid Kaczmarek: Are you planning to introduce new single-stock futures into trading?

Izabela Olszewska: We are flexible. If a company attracts interest and we find a market maker, we can quickly introduce new futures into trading. We are planning to introduce new single-stock futures.

Mirosław Paprocki: The GPW Group reported one of the lowest ROE readings in several years at 14.6%, which is still better than in 2019 (13.6%) but ROE was more than 16% in previous years, reaching up to 20%. Are you likely to bounce back to such ROE levels?

Izabela Olszewska: ROE depends among others on profits as well as cash which impacts the level of the Company's equity. In the implementation of the Strategy, we are looking for attractive M&A opportunities, which will directly impact liquid assets and so ROE should improve.

Radek S.: How did stronger market activity in 2020 impact GPW's results?

Izabela Olszewska: All groups of investors became more active on the markets operated by GPW in 2020, with the segment of retail investors growing the fastest. 85 thousand new brokerage accounts were opened in Poland in 2020. Those developments impacted the structure of investors on our markets. The share of retail investors on the Main Market increased from 12% at the end of 2019 to 25% in 2020. Turnover in equities and derivatives increased strongly year on year, which had a direct impact on the financial results generated by the GPW Group last year. The GPW Group reported record-high sales revenue and EBITDA in 2020.

Dominik J.: What is the current status of GPW's crowdfunding platform project?

Izabela Olszewska: The GPW Private Market project is running in several strands including research, legal initiatives, development of the platform technology, business initiatives such as consultations with potential participants and users of the platform. To launch the platform and develop it efficiently and securely, we need to define proposed legal solutions for digital assets.

The implementation of the platform is one of GPW's priority projects and a strategic initiative by 2022 under the GPW Group's strategy. GPW will offer tokenisation of selected property rights using blockchain technology in the first phase and solutions for companies to raise capital in the next phase. Platform tests are scheduled to commence later this year.

Albercik "short-term": Are you generating any revenue on strategic initiatives in 2021?

Izabela Olszewska: Revenue from strategic initiatives should reach several million PLN in 2021.

Artur: What key development initiatives are you planning to implement in 2021?

Izabela Olszewska: New products based on product development; we are working to further develop the lending system; new technology products should be offered on the market later this year; further development of the agricultural market.

Grzegorz Walczyński: In your opinion, what key factors should investors look at when analysing the GPW Group's results?

Izabela Olszewska: I recommend watching three key areas: factors driving our revenues, expenses, and the external environment. We publish monthly turnover figures for our markets, also available on our website, which gives an overview of market trends and the evolution of our revenue. We regularly communicate our cost policy whenever we publish quarterly results, and we disclose any events which could impact our expenses in current reports. It is also important to follow trends in the environment which also impact our results, including macroeconomic factors, market regulation, IPO trends, the development of the PPK scheme, and the announced OFE reform.

analitik: What could be your company's key growth driver in 2021?

Izabela Olszewska: As a long-time business practitioner, I believe that clients are always the key driver. We must attract as many clients as possible and ensure customer satisfaction.

Albercik "short-term": What's up with PAR? Is the company in business?

Izabela Olszewska: PAR has recently signed an agreement to provide a portfolio monitoring service with its first client. In the next step, PAR will look for new clients to use its scoring services later this year. Eventually, the shareholders will decide to re-submit the application for ESMA's rating agency licence.

Byk: Are you expecting that the strong interest in the capital market will continue in 2021?

Izabela Olszewska: Yes, I am optimistic about that.

Kamil: What are your development plans for NewConnect?

Izabela Olszewska: The Exchange Management Board is planning to further develop the market in the coming years with a focus on improved disclosure standards for issuers as well as improved liquidity. NC was named an SME Growth Market in July 2019. That status implies specific legal instruments which should in general lessen the burden on companies.

Rafał W.: What is GPW doing to attract more companies to go public?

Izabela Olszewska: We are working on many levels, reaching out to companies at different stages of development. We focus strongly on education. GPW Growth is a crucial programme as it offers training for companies delivered by experts in many business segments. We host Innovation Days where investors meet companies which are planning to go public. We also offer one-on-one meetings where we tell companies about the opportunities and benefits of financing their growth on the capital market. We approach family companies which may consider succession on the stock exchange as a gateway to further growth. The exchange may be attractive for companies which are growing fast as well as more mature companies.

Izabela Olszewska: Thank you very much for attending this chat and for your interesting questions. Please stay in touch with our Investor Relations at ir@gpw.pl. I hope that our next investor chat will take place face to face. We will publish the answers to your remaining questions in the Investor Relations tab of our website.