



**The Exchange Supervisory Board's assessment of
the Exchange Management Board's motion
concerning the distribution of the profit for 2020**

May 2021

Assessment of the motion of the Exchange Management Board concerning the distribution of the profit for 2020

This report fulfils the obligations of the Exchange Supervisory Board under Article 382 § 3 of the Commercial Companies Code and § 18 subpara. 2 points 2 and 3 of the Company's Articles of Association. The subject matter of this report is the assessment of the motion of the Exchange Management Board concerning the distribution of the profit for 2020.

On 10 March 2021, following a review of the auditor's report and opinion and the additional report for the Audit Committee, the Exchange Supervisory Board has issued a positive assessment of:

- Report of the Management Board on the activity of the Parent Entity and the Warsaw Stock Exchange Group in 2020;
- Separate financial statements of the Warsaw Stock Exchange for the year ended 31 December 2020;
- Consolidated financial statements of the Warsaw Stock Exchange Group for the year ended 31 December 2020;

and concluded that the reports and financial statements were prepared fairly and truly. The Exchange Supervisory Board recommends that the Annual General Meeting should approve the reports and financial statements as consistent with the books and documents and true to fact.

The Exchange Supervisory Board has assessed the motion of the Exchange Management Board concerning the distribution of the profit for 2020 and decides to recommend that the General Meeting should approve the motion.

According to the motion of the Exchange Management Board, the Company's profit generated in 2020 at PLN 168 679 522.20 is to be distributed as follows:

- dividend payment PLN 104 930 000.00;
- other reserves PLN 63 749 522.20.

The proposed dividend payment at PLN 104 930 000.00 implies a payment of PLN 2.5 per share. The dividend payout rate will be 69.3% of the consolidated profit (77.3% of the net profit attributable to the shareholders of the parent entity adjusted for the share of profit of associates) and the dividend yield will be 5.36% based on the capitalisation of GPW as at 20 April 2021.

The proposal of the Exchange Management Board and the opinion of the Exchange Supervisory Board are consistent with the dividend policy of GPW, published in current report No. 4/2019, which provides for the payment of dividend, depending on the profitability and financial capacity of GPW, above 60% of the consolidated net profit of the GPW Group of the financial year attributable to the shareholders of GPW adjusted for the share of profit of associates.

According to the dividend policy of GPW, the Exchange Management Board declared his intention is to recommend to General Meeting to pay a dividend:

- from the profit of 2019 at PLN 2.4 per share;
- an annual increase of the dividend from the profits of 2020-2022 by at least PLN 0.1 per share each year.

In issuing a positive opinion on the proposal of the Exchange Management Board concerning the proposed dividend amount, the Exchange Supervisory Board has taken into consideration among others the following material factors indicated by the Exchange Management Board:

- very good financial results reported by the GPW Group in 2020,
- Guidelines for Companies of the State Treasury which Prepare Financial Statements for 2020, approved by the Chancellery of the Prime Minister in September 2020,
- consistently high return ratios: ROE (14.6%) and ROA (11.1%) in 2020, consistently high current liquidity – 4.9 in 2020, high and growing financial resources, and no risk to the payment of debt (negative net debt),
- investment needs derived from the implementation of the GPW Group's strategy #2022,
- the dividend yield and the payout ratios used by comparable companies,
- liquidity needs of the GPW Group depending on actual and expected market and regulatory conditions, current operating expenses and debt service, and optimisation of the structure of financing of the GPW Group,
- fees introduced by banks and low interest rates on deposits.

Dominik Kaczmarek

Chairman of the Exchange Supervisory Board