



**REPORT OF
THE SUPERVISORY BOARD
OF THE WARSAW STOCK EXCHANGE
FOR 2023**

Warsaw, 23 May 2024

I. INTRODUCTION

Dear Sir or Madam,

We present this report of the Supervisory Board of the Warsaw Stock Exchange ("Exchange Supervisory Board", "Supervisory Board") for 2023 and the reports of the Committees of the Supervisory Board.

This report of the Exchange Supervisory Board fulfils the obligations of the supervisory body under:

- ◆ the Commercial Companies Code;
- ◆ the Best Practice for GPW Listed Companies 2021;
- ◆ the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority.

The report of the Supervisory Board on the assessment of:

- ◆ the Report of the Management Board on the Activity of the Parent Entity and the Warsaw Stock Exchange Group in 2023;
- ◆ the Separate Financial Statements of the Warsaw Stock Exchange for the year ended 31 December 2023;
- ◆ the Consolidated Financial Statements of the Warsaw Stock Exchange Group for the year ended 31 December 2023

was published on 10 April 2024 together with the annual report of the Warsaw Stock Exchange (hereinafter also the "Exchange", "GPW" or the "Company") for 2023.

On 23 May 2024, the Exchange Supervisory Board reviewed the motion of the Exchange Management Board concerning distribution of the Company's profit for the financial year 2023 and approved the report on the review of the motion.

II. REPORT ON THE ACTIVITY OF THE SUPERVISORY BOARD AS AN AUTHORITY OF THE COMPANY IN 2023

1) Term of office, composition of the Supervisory Board and changes to the composition of the Supervisory Board in 2023

The current joint three-year term of office of the Supervisory Board of the Warsaw Stock Exchange started on 23 June 2020. Pursuant to Article 369 § 1 of the Commercial Companies Code, the term of office is calculated in full financial years; pursuant to Article 369 § 4 of the Commercial Companies Code, the mandate of a member of the Supervisory Board expires no later than on the date of the general meeting approving the financial statements for the last full financial year in office, i.e. for 2023.

The composition of the Exchange Supervisory Board in 2023 was as follows:

Composition of the Exchange Supervisory Board as at 1 January 2023

Full name	Function
Dominik Kaczmarski	Chairman of the Supervisory Board
Izabela Flakiewicz	Deputy Chairman of the Supervisory Board
Michał Bałabanow	Secretary to the Supervisory Board, independent member of the Supervisory Board
Janusz Krawczyk	Member of the Supervisory Board, independent member of the Supervisory Board
Filip Paszke	Member of the Supervisory Board, independent member of the Supervisory Board
Leszek Skiba	Member of the Supervisory Board, independent member of the Supervisory Board
Adam Szyszka	Member of the Supervisory Board, independent member of the Supervisory Board

Composition of the Exchange Supervisory Board as at 31 December 2023

Full name	Function
Dominik Kaczmarski	Chairman of the Supervisory Board
Izabela Flakiewicz	Deputy Chairman of the Supervisory Board
Michał Bałabanow	Secretary to the Supervisory Board, independent member of the Supervisory Board

Janusz Krawczyk	Member of the Supervisory Board, independent member of the Supervisory Board
Eva Sudol	Member of the Supervisory Board, independent member of the Supervisory Board
Adam Szyszka	Member of the Supervisory Board, independent member of the Supervisory Board

According to § 14(1) of the Articles of Association of the Exchange, at least two members of the Exchange Supervisory Board should meet the independence criteria defined for members of audit committees in regulations governing audit firms and auditors and in the corporate governance rules issued under the Exchange Rules. According to presented declarations, four Members of the Exchange Supervisory Board met the independence criteria set out in § 14(1) of the Exchange Articles of Association as at 31 December 2023.

On 1 June 2023, Leszek Skiba resigned from the Exchange Supervisory Board with effect from 25 June 2023. On 26 June 2023, the Annual General Meeting dismissed Filip Paszke from the Exchange Supervisory Board and appointed Eva Sudol to the Exchange Supervisory Board.

2) Activity of the Supervisory Board in 2023

The activity of the Exchange Supervisory Board is based, among others, on the Commercial Companies Code, the Company's Articles of Association, the Rules of the Exchange Supervisory Board, the Best Practice for GPW Listed Companies 2021, and the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority.

The Exchange Supervisory Board exercised supervision over the activity of the Exchange in accordance with its obligations and powers. The activity of the Exchange Supervisory Board in 2023 was documented in minutes of meetings.

In 2023, the Exchange Supervisory Board held ten meetings on the following dates:

- ◆ 10 February 2023
- ◆ 23 March 2023
- ◆ 12 April 2023
- ◆ 24 May 2023
- ◆ 6 July 2023
- ◆ 31 August 2023
- ◆ 19 October 2023
- ◆ 9 November 2023
- ◆ 29 November 2023
- ◆ 18 December 2023

The Supervisory Board took decisions at meetings, by way of resolutions adopted in the circular procedure, and in Committees of the Supervisory Board. In 2023, the Exchange Supervisory Board adopted 83 resolutions, including 16 resolutions adopted outside of meetings.

3) Issues discussed by the Supervisory Board in 2023

The Exchange Supervisory Board discussed issues falling within the remit of the Exchange Supervisory Board and the approved work plan of the Supervisory Board for 2023, as well as additional issues relating to the current situation and activity of the Company. Similar to previous years, the Exchange Supervisory Board reviewed strategic issues as well as matters of supervision over on-going activities of the Company in 2023.

a) Strategy

The Exchange Supervisory Board regularly monitored the status of initiatives and strategic projects of the GPW Group under the Strategy #GPW2022, including the implementation of the project developing a proprietary trading system of the Exchange. The Exchange Supervisory Board monitored the status of the Exchange's non-organic growth initiatives.

The Exchange Supervisory Board met with Company employees and representatives of the consultancy The Boston Consulting Group to develop the GPW Group's strategy 2023-2027. On 24 May 2023, the Exchange Supervisory Board passed a resolution approving the Warsaw Stock Exchange Group Strategy for 2023-2027.

The Exchange Supervisory Board analysed the current business position of the Exchange and monitored the markets operated by the Exchange.

b) ICT security including the trading system

The Exchange Supervisory Board reviewed regular reports of the Management Board concerning IT and ICT environment security.

c) Amendments to the Exchange Rules and other regulatory changes

The Exchange Supervisory Board adopted amendments to the Exchange Rules in 2023 consisting in changes to the rates and rules for calculating fees charged to issuers of shares on the GPW Main Market and issuers of debt financial instruments on the Catalyst regulated market referred to in Exhibits 2 and 3 to the Exchange Rules. The amendments were designed to optimise the fee structure for issuers of listed instruments and for potential issuers with a view to increasing the attractiveness of the markets operated by GPW and their competitiveness with the European equities and bond markets.

The Exchange Supervisory Board regularly monitored measures taken by the Management Board to align the Company with new and amended regulatory requirements. The Exchange Supervisory Board analysed regular reviews of GPW's internal regulations.

The Exchange Supervisory Board approved and/or issued opinions on the following regulations:

- ◆ the consolidated text of the Company's Articles of Association,
- ◆ updated Rules for Proprietary Transactions and Investments in Financial Instruments by Members of the Exchange Management Board and Rules for Proprietary Transactions and Investments in Financial Instruments by Members of the Exchange Supervisory Board.

The Exchange Supervisory Board approved the new wording of the Rules of the Exchange Supervisory Board.

d) [Financial control, compliance, internal audit and risk management at GPW](#)

In February 2022, the Exchange Supervisory Board approved the Financial Plan of the Warsaw Stock Exchange Group for 2023. The Exchange Supervisory Board approved the Sponsoring Plan for 2023. The Exchange Supervisory Board analysed the financial results of the Exchange and the GPW Group and regularly monitored the implementation of the financial plan in 2023 by the Company and the Group.

The Exchange Supervisory Board reviewed the Separate Financial Statements of the Exchange for the year ended 31 December 2022, the Consolidated Financial Statements of the Warsaw Stock Exchange Group for the year ended 31 December 2022, the Report of the Management Board on the activity of the Parent Entity and the Warsaw Stock Exchange Group in 2022 against the books, documents, and facts. The Exchange Supervisory Board evaluated the motion of the Management Board concerning distribution of the profit for the financial year 2022 and approved the report of the Exchange Supervisory Board for 2022 including:

- ◆ a report on the activity of the Exchange Supervisory Board as an authority of the Company in 2022;
- ◆ assessment of the situation of the Company in 2022 including:
 - a) assessment of the financial standing of GPW;
 - b) assessment of the internal control system, the risk management system, the compliance system and the internal audit function on a consolidated basis;
 - c) GPW's fulfilment of disclosure requirements concerning compliance with the corporate governance principles defined under the Exchange Rules and regulations concerning current and periodic reports published by issuers of securities;
 - d) assessment of compliance with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority;
 - e) assessment of GPW's sponsoring, charity and other similar activities;
 - f) assessment of the functioning of GPW's remuneration policy;
- ◆ assessment of the financial standing of the GPW Group;
- ◆ information on the status of implementation of the diversity policy for the Management Board and the Supervisory Board.

The Exchange Supervisory Board approved the Management Board Report on representation expenses, expenses for legal services, marketing services, public relations and social communication services, and management advisory services in 2022 and issued an opinion on the annual report on GPW's sponsoring activity in 2022.

The Exchange Supervisory Board selected the audit firm BDO spółka z ograniczoną odpowiedzialnością sp.k. to audit the financial statements and review the condensed interim financial statements of the Warsaw Stock Exchange and the Warsaw Stock Exchange Group for the years 2024, 2025 and 2026.

The Exchange Supervisory Board carried out a periodic review of the internal audit, internal control and compliance system and the implementation status of audit recommendations. The Exchange Supervisory Board oversaw GPW's risk management system. In this regard, the Exchange Supervisory Board among others:

- ◆ approved the annual Report on the functioning of the Compliance and Risk Department in the period from 1 January to 31 December 2022 which summarised the activity of the Compliance and Risk Department in 2022 in connection with the management of the compliance, risk, business continuity and critical infrastructure system;
- ◆ monitored the effectiveness of the internal control system of the Exchange, including financial reporting, including among others review and opinions on the extent of implementation of recommendations of internal auditors, external auditors and inspections of supervisory authorities and recommendations issued following the financial audit;
- ◆ approved the annual internal audit plan;
- ◆ reviewed reports from internal audits carried out by the Internal Audit Department;
- ◆ reviewed reports on the inspection carried out in the Company by the Polish Financial Supervision Authority.

The Exchange Supervisory Board monitored risk management and business continuity measures taken in GPW.

e) [Compliance with the guidelines of the Best Practice for GPW Listed Companies 2021 and the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority](#)

Concerning compliance with the Best Practice for GPW Listed Companies 2021 and the Principles of Corporate Governance for Supervised Institutions, the Exchange Supervisory Board performed:

- ◆ assessment of the rationality of the policy conducted by the Company in 2022 with regard to sponsoring, charity and other similar activities;
- ◆ assessment of the functioning of the remuneration policy in the Company in 2022 and presentation of the assessment to the General Meeting;
- ◆ assessment of the Company's compliance in 2022 with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority;
- ◆ review of compliance of the Exchange and issuers listed on GPW in 2022 with the Best Practice for GPW Listed Companies 2021.

f) [Corporate matters concerning members of the GPW Management Board](#)

In 2023, the Exchange Supervisory Board discussed corporate matters relating to:

- ◆ assessment of the performance of management objectives by the Exchange Management Board in 2022 and the award of variable remuneration to the Members of the Exchange Management Board for 2022,
- ◆ setting the maximum limit of variable remuneration for 2023 and the management objectives for the Exchange Management Board in 2023,
- ◆ authorising a Member of the Exchange Management Board to act on the authorities of

another entity,

- ◆ approval of the 2024 training budget for the Members of the Exchange Supervisory Board,
- ◆ approval of the 2024 training budget for the Members of the Exchange Management Board.

g) [Other areas of work of the Exchange Supervisory Board](#)

In addition to the foregoing, the Exchange Supervisory Board discussed current matters related with the functioning of the Exchange and the markets operated by the Exchange tabled, as required, by Members of the Exchange Supervisory Board and the Exchange Management Board including:

- ◆ monitoring and assessment of third-party advisory services commissioned by the Management Board, including public relations and social communication services, legal services, marketing services and management consulting services in the context of their business case and cost efficiency;
- ◆ review of the Management Board's reports on material actions and decisions in the GPW Group;
- ◆ approval of donation agreements (donation to the GPW Foundation), advisory service agreements (exceeding PLN 500 thousand),
- ◆ issuance of opinions on draft resolutions of the General Meeting.

4) Committees of the Supervisory Board

In addition to attending meetings of the Exchange Supervisory Board, Members of the Exchange Supervisory Board also worked in 2023 within four Committees appointed by the Exchange Supervisory Board:

- ◆ Audit Committee,
- ◆ Regulation and Corporate Governance Committee,
- ◆ Strategy Committee,
- ◆ Remuneration and Nomination Committee.

The composition of the Committees of the Exchange Supervisory Board as at 31 December 2023 was as follows:

Audit Committee	
Adam Szyszka	Chairman of the Committee independent member of the Supervisory Board
Michał Bałabanow	Member of the Committee Secretary to the Supervisory Board independent member of the Supervisory Board
Eva Sudol	Member of the Committee independent member of the Supervisory Board

Regulation and Corporate Governance Committee

Izabela Flakiewicz	Chairman of the Committee Deputy Chairman of the Supervisory Board
Michał Bałabanow	Member of the Committee Secretary to the Supervisory Board independent member of the Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Supervisory Board
Janusz Krawczyk	Member of the Committee independent member of the Supervisory Board

Strategy Committee

Michał Bałabanow	Chairman of the Committee Secretary to the Supervisory Board independent member of the Supervisory Board
Izabela Flakiewicz	Member of the Committee Deputy Chairman of the Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Supervisory Board
Eva Sudol	Member of the Committee independent member of the Supervisory Board
Adam Szyszka	Member of the Committee independent member of the Supervisory Board

Remuneration and Nomination Committee

Janusz Krawczyk	Chairman of the Committee independent member of the Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Supervisory Board
Izabela Flakiewicz	Member of the Committee Deputy Chairman of the Supervisory Board

The composition of the Audit Committee met the criteria defined in Article 129(3) of the Act on Auditors, Audit Firms and Public Supervision of 11 May 2017. According to submitted declarations, all members of the Audit Committee met the independence criteria defined in § 14(1) of the Articles of Association of Giełda Papierów Wartościowych w Warszawie S.A., i.e., the criteria defined for members of audit committees in regulations governing audit firms and auditors and in the corporate governance rules issued under the Exchange Rules. Two Members of the Audit Committee declared that they have the knowledge and skills in accounting and financial audit and all Members of the Audit Committee declared that they have the knowledge in the sector of the Exchange in view of their long-term practice on the financial market.

The detailed responsibilities and the rules of appointment and operation of the committees are laid

down in the Articles of Association, the Rules of the Exchange Supervisory Board, and the Rules of the Committees. The reports on the activity of the Committees of the Exchange Supervisory Board for 2023 are attached hereto.

5) Compliance of Members of the Supervisory Board with the independence criteria

Pursuant to section 2.3. of the Best Practice for GPW Listed Companies 2021, at least two members of the Supervisory Board meet the independence criteria laid down in the Act of 11 May 2017 on Auditors, Audit Firms and Public Supervision and have no real and significant links with a shareholder holding at least 5% of the total number of votes in the company.

According to 14(1) of the Exchange Articles of Association, at least two members of the Exchange Supervisory Board should meet the independence criteria defined for members of audit committees in regulations governing audit firms and auditors and in the corporate governance rules issued under the Exchange Rules.

Four members of the Exchange Supervisory Board (Michał Bałabanow, Janusz Krawczyk, Eva Sudol, Adam Szyszka) met the independence criteria and had no real and significant links with a shareholder holding at least 5% of the total number of votes in the Exchange.

6) Information on the degree of implementation of the diversity policy for the management board and the supervisory board

In accordance with principles 2.11.1 and 2.11.6 of the Best Practice for GPW Listed Companies 2021, the annual report of the Supervisory Board includes information on the composition of the Supervisory Board in the context of its diversity and information on the degree of implementation of the diversity policy for the Management Board and the Supervisory Board.

The objective of the Diversity Policy for Members of the Warsaw Stock Exchange Management Board and the Diversity Policy for Members of Bodies Appointed by the General Meeting of the Warsaw Stock Exchange is to ensure high quality of the performance of the Exchange's functions by selecting competent persons to serve as Members of the Exchange Management Board and the Exchange Supervisory Board, in the first place by applying objective substantive criteria and taking into account the benefits of diversity. The regulations also set out the principles for selecting members of the Exchange Supervisory Board and the Exchange Management Board with a view to achieving gender balance, including a minimum gender quota of 30% both on the Management Board and the Exchange Supervisory Board. As at 31 December 2023, the Company's corporate bodies (Management Board and Supervisory Board) comprised 4 women and 6 men, representing a minority gender ratio of 40%.

7) Self-assessment of the Supervisory Board

In the opinion of the Exchange Supervisory Board, based on documented activities of the Exchange Supervisory Board, it performed its obligations in 2023 by exercising continuous supervision over

the activity of the Exchange. The Exchange Supervisory Board discussed at its meetings such issues raised by the Exchange Management Board which were relevant or necessary for the on-going efficient operation of the Company and its markets and for the pursuit of the strategic goals of the Company and its Group. The Exchange Supervisory Board also took up topics and issues at its meetings on its own initiative arising from its oversight of the Exchange's activities.

The activity and the composition of the Exchange Supervisory Board in 2023 complied with the applicable law including the requirements for public companies, the Company's Articles of Association, the Company's internal regulations, the Best Practice for GPW Listed Companies 2021 and the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority. The members of the Exchange Board represented the due level of professional experience.

The number and duration of meetings were sufficient for the Exchange Supervisory Board to fulfil all of its obligations. All Members of the Exchange Supervisory Board actively participated in meetings of the Exchange Supervisory Board and its Committees.

In 2023, the Exchange Supervisory Board held 10 meetings with the following members present:

	10.02	23.03	12.04	24.05	06.07	31.08	19.10	09.11	29.11	18.12
Michał Bałabanow	present	present	present	present	present	—	present	present	present	present
Izabela Flakiewicz	present	—	present							
Dominik Kaczmarski	present									
Janusz Krawczyk	—	—	—	present	—	present	present	present	present	present
Filip Paszke	present	present	present	present						
Leszek Skiba	present	present	present	present						
Eva Sudol					present	present	present	present	present	present
Adam Szyszka	present									

The Exchange Supervisory Board in 2023 supported the Exchange Management Board in the implementation of tasks and strategic goals in line with its competences under the legislation and the Articles of Association and in line with the practice of corporate governance

III. ASSESSMENT OF THE SITUATION OF THE WARSAW STOCK EXCHANGE IN 2023 INCLUDING:

- 1) Assessment of the financial standing of GPW
- 2) Assessment of the internal control system and the risk management system of GPW
- 3) Assessment of GPW's compliance with disclosure requirements concerning compliance with the corporate governance principles defined in the Exchange Rules and regulations concerning current and periodic reports published by issuers of securities
- 4) Assessment of compliance with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority
- 5) Assessment of GPW's sponsoring, charity and other similar activities
- 6) Assessment of the functioning of GPW's remuneration policy
- 7) Assessment of the fulfilment of the obligations set out in Article 380¹ and Article 382 § 4 of the Commercial Companies Code by the Company's Management Board
- 8) Information on aggregate fees due from the Company for all reviews commissioned by the Supervisory Board during the financial year under Article 380² – advisors to the supervisory board of a joint-stock company

1) Assessment of the financial standing of GPW

Summary of GPW's separate results

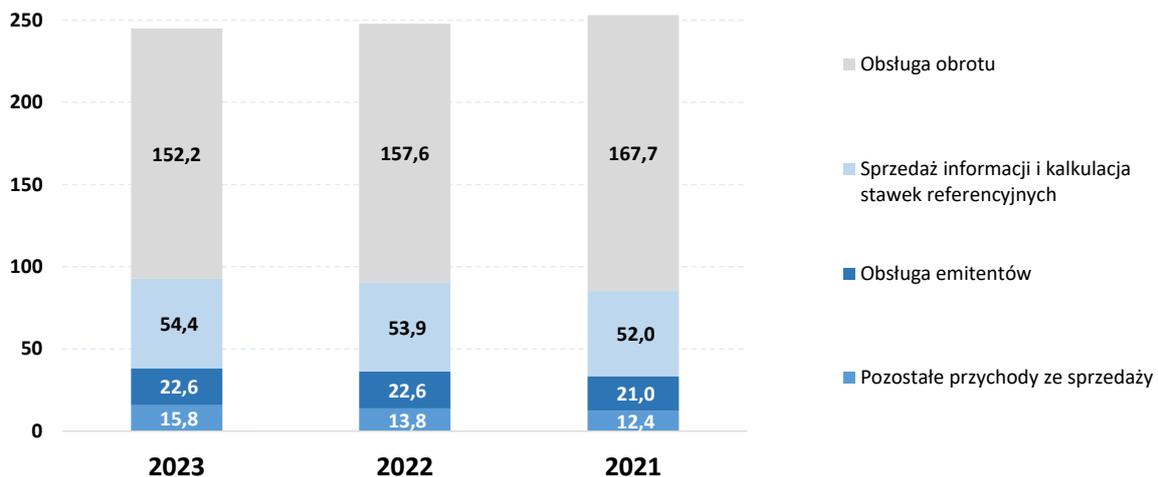
GPW generated a net profit of PLN 116.9 million in 2023 (+PLN 17.3 million i.e. +17.4% YoY) as its operating profit decreased from PLN 69.2 million in 2022 to PLN 57.3 million in 2023 (-17.2% YoY) and its positive net financial income increased (+PLN 26.6 million i.e. +57.9% YoY).

EBITDA reached PLN 77.9 million (-PLN 16.5 million i.e. -17.5% YoY).

Sales revenue

GPW's sales revenue in 2023 stood at PLN 245.0 million (-PLN 3.0 million i.e. -1.2% YoY).

Figure: Structure and value of separate sales revenue (PLN mn)



GPW's main revenue stream in 2023, similar to previous years, was the trading revenue on the financial market, which generated 62.1% of the total sales revenue and stood at PLN 152.2 million (-PLN 5.5 million i.e. -3.5% YoY). The trading revenue on the financial market decreased owing to a year-on-year decrease in turnover in shares on the GPW Main Market.

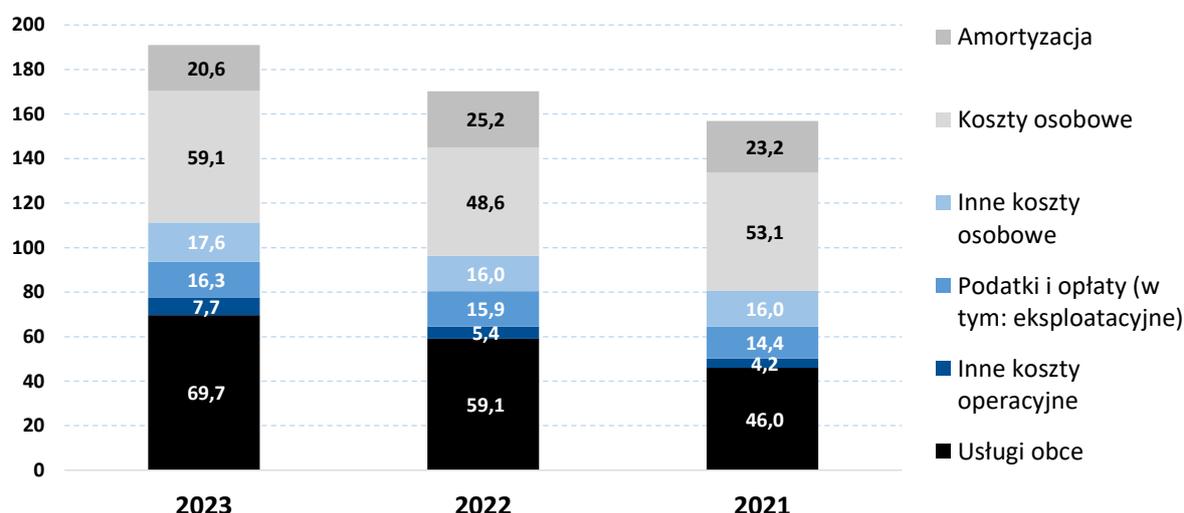
Operating expenses

GPW's operating expenses in 2023 stood at PLN 191.0 million (+PLN 20.6 million i.e. +12.1% YoY). External service charges (+PLN 10.6 million i.e. +18.0% YoY) and salaries and other employee costs (+PLN 12.0 million i.e., +18.6% YoY) increased in particular.

Table: Operating expenses

	Year ended 31 December	
	2023	2022
Depreciation	20 628	25 228
- including: capitalised amortisation	(10 857)	(2 072)
Salaries	59 051	48 602
Other employee costs	17 552	16 006
Rent and other maintenance fees	5 433	5 019
Fees and charges	10 894	11 015
- including: PFSA fees	9 146	8 305
External service charges	69 721	59 089
Other operating expenses	7 674	5 383
Total operating expenses	190 953	170 342

Figure: Structure and value of separate operating expenses (PLN mn)



Depreciation charges decreased year on year and stood at PLN 20.6 million, including depreciation of plant, property and equipment at PLN 8.8 million, amortisation of intangible assets at PLN 8.5 million, and lease-related depreciation at PLN 3.3 million.

Salaries and other employee costs stood at PLN 76.6 million (+PLN 12.0 million i.e. +18.6% YoY). The headcount was 306 FTEs as at 31 December 2023 vs. 291 FTEs in 2022. The increase of the headcount was driven by the implementation of the Strategy which provides for the Company's business expansion and dynamic growth in new business segments.

Maintenance fees stood at PLN 5.4 million (+PLN 0.4 million i.e. +8.2% YoY) and included mainly maintenance fees of Centrum Giełdowe.

Fees and charges stood at PLN 10.9 million (-PLN 0.1 million i.e. -1.1% YoY) including mainly the fee due to PFSA which is beyond the Company's control. The capital market supervision fee in 2023 stood at PLN 9.1 million (+PLN 0.8 million i.e. +10.1% YoY).

External service charges stood at PLN 69.7 million (+PLN 10.6 million i.e. +18.0% YoY). An increase was mainly reported in IT costs (+PLN 4.9 million i.e. +23.0% YoY) due to a higher cost of IT hardware maintenance and software modifications; advisory costs (+PLN 3.1 million i.e. +28.4% YoY) due to GPW's higher costs of advisory in strategic and development projects and a higher cost of tax advisory.

Other operating expenses stood at PLN 7.7 million (+PLN 2.3 million i.e. +42.6% YoY). The increase was driven by an increase of the cost of material and energy consumption and an increase of the cost of electricity and heat consumption.

Other income and expenses

Other income increased to PLN 6.9 million (+PLN 4.6 million i.e. +203.4% YoY) due to higher income from grants, gains from the sale of property, plant and equipment and income from the annual adjustment of input VAT.

Other expenses decreased to PLN 3.2 million (-PLN 8.1 million i.e. -71.8% YoY) due to lower donations paid (-PLN 1.5 million i.e. -36.7% YoY) as well as assets impairment at PLN 6.6 million in 2022.

Financial income and expenses

Financial income stood at PLN 73.6 million (+PLN 23.7 million i.e. +47.6% YoY). The increase was driven by a higher dividend paid by related parties. GPW received PLN 63.4 million dividend in 2023 (+PLN 27.0 million i.e. +74.0% YoY) including PLN 54.7 million from Towarowa Giełda Energii (TGE), PLN 0.7 million from BondSpot, PLN 7.1 million from Krajowy Depozyt Papierów Wartościowych (KDPW), and PLN 0.9 million from Centrum Giełdowe. The Company earned lower interest income (PLN 12.4 million in 2022 vs. PLN 9.5 million in 2023).

Financial expenses stood at PLN 1.1 million (-PLN 2.8 million i.e. -71.5% YoY). The decrease of financial expenses was mainly driven by the absence of interest cost on bonds in issue compared to 2022 (-PLN 3.4 million).

Separate statement of financial position

GPW's **total assets** as at 31 December 2023 stood at PLN 729.5 million (+PLN 33.7 million i.e. +4.8% YoY). The increase was the effect of revaluation of leases due to extension of the lease term.

Non-current assets as at 31 December 2023 stood at PLN 562.9 million (+PLN 70.8 million i.e. +14.4% YoY), representing 77.2% of total assets (vs. 70.7% in 2022).

Current assets as at 31 December 2023 stood at PLN 166.7 million (-PLN 37.0 million i.e. -18.2% YoY) representing 22.9% of total assets (vs. 29.3% in 2022). The significant decrease of non-current assets was driven by a decrease in cash and cash equivalents to PLN 49.8 million (-PLN 50.2 million i.e. -50.2% YoY).

Non-current liabilities of the Company as at 31 December 2023 stood at PLN 78.5 million (+PLN 31.9 million i.e. +68.6% YoY) representing 10.8% of total equity and liabilities (vs. 6.7% in 2022). Non-current liabilities were mainly driven by an increase in accruals (+PLN 13.9 million i.e. +51.4%) related to grants received as well as an increase in lease liabilities from PLN 0.4 million as at 31 December 2022 to PLN 19.6 million as at 31 December 2023.

Current liabilities of GPW as at 31 December 2023 stood at PLN 51.0 million (-PLN 2.5 million i.e. -4.6% YoY) representing 7.0% of total equity and liabilities (vs. 7.7% in 2021). Current liabilities were mainly driven by a decrease in accruals related to grants received as well as a VAT adjustment provision set up in the comparative period.

Separate statement of cash flows

GPW generated positive **cash flows from operating activities** in 2023 at PLN 51.8 million, a decrease year on year driven by a lower operating profit.

The **cash flows from investing activities** were positive at PLN 17.6 million in 2023 (-PLN 201.5 million i.e. -92.0% YoY). The decrease in the cash flows was mainly due to a surplus of expense for new investments in bank deposits and bonds (-PLN 341.1 thousand) over the income from investments in deposits and bonds (PLN 336.8 thousand).

The Company received PLN 63.4 million in dividends from related parties in 2023 and invested PLN 5.7 million in a share capital increase of subsidiaries.

Cash flows related to investments in plant, property and equipment stood at PLN 14.3 million and investments in intangible assets at PLN 39.8 million. Capital expenditure for property, plant and equipment in 2023 included mainly computer and IT equipment. Capital expenditure for intangible assets included software licences as well as development work including among others the New Trading System (WATS), Telemetry and PCOL (Polish Digital Logistics Operator) projects. The expenditure was partly offset by grants received from NCBR.

Table: Grants received in 2023

	Grants received in 2023 (PLN'000)
New Trading System Project	3 145
Private Market Project	285
Telemetry Project	3 137
PCOL Project	2 798
Gospostrateg Project	98
Total	9 463

The **cash flows from financing activities** were negative at PLN 119.6 million in 2023 (+PLN 250.9 million i.e. +67.7% YoY) due to a dividend paid to the shareholders at PLN 113.3 million and lease payments (PLN 6.3 million). The decrease in expenditure for financing activities was mainly due to the absence of payments in respect of bonds compared to the previous period (PLN 244.9 million).

Selected separate financial indicators

Table: Selected separate financial indicators

	As at/Year ended 31 December		
	2023	2022	2021
Debt and financing			
Net debt / EBITDA (12 months)	(1.1)	(1.6)	(0.5)
Debt to equity	4.0%	0.8%	41.8%
Liquidity			
Current liquidity	3.3	3.8	1.7
Bond interest coverage ratio	-	27.5	20.4
Profitability			
EBITDA margin	31.8%	38.1%	46.9%
Operating profit margin	23.4%	27.9%	37.8%
Net profit margin	47.7%	40.2%	68.9%
Cost / income	78.0%	68.7%	62.0%
ROE	19.6%	16.5%	30.3%
ROA	16.4%	12.1%	19.1%

Net debt was negative because liquid assets were much greater than interest-bearing liabilities. Liquid funds decreased from PLN 153.7 million in 2022 to 107.7 million in 2023 while interest-bearing liabilities increased (PLN 5.0 million in 2022 vs. PLN 24.2 in 2023), resulting in an increase in the debt-to-equity ratio.

Current liquidity decreased modestly year on year due to a bigger decrease of current assets than current liabilities.

Operating profit margin and EBITDA margin decreased as a result of lower profits in 2023 compared to 2022.

The cost/income ratio increased year on year due to a higher growth rate of operating expenses and persistent inflationary pressures.

ROE and ROA increased year on year as a result of a higher net profit in 2023. Profit was supported by higher financial income, in particular higher dividends received from related parties (PLN 36.5 million in 2022 vs. PLN 63.5 million in 2023).

The Warsaw Stock Exchange was a profitable company in 2023, reporting profitability ratios at a relatively high level, and its liquidity position in 2023 can be described as safe.

2) Assessment of the internal control system and the risk management system of GPW

GPW has in place a risk management system, a compliance system, an internal control system, and an audit function, which all support the decision-making process and contribute to the efficiency, effectiveness and security of GPW's activity.

a) Risk management system

GPW's risk management system is designed to ensure that all material risks inherent in GPW's activity are appropriately identified, measured, mitigated, reported and controlled, and that they do not represent a threat to stability and business continuity.

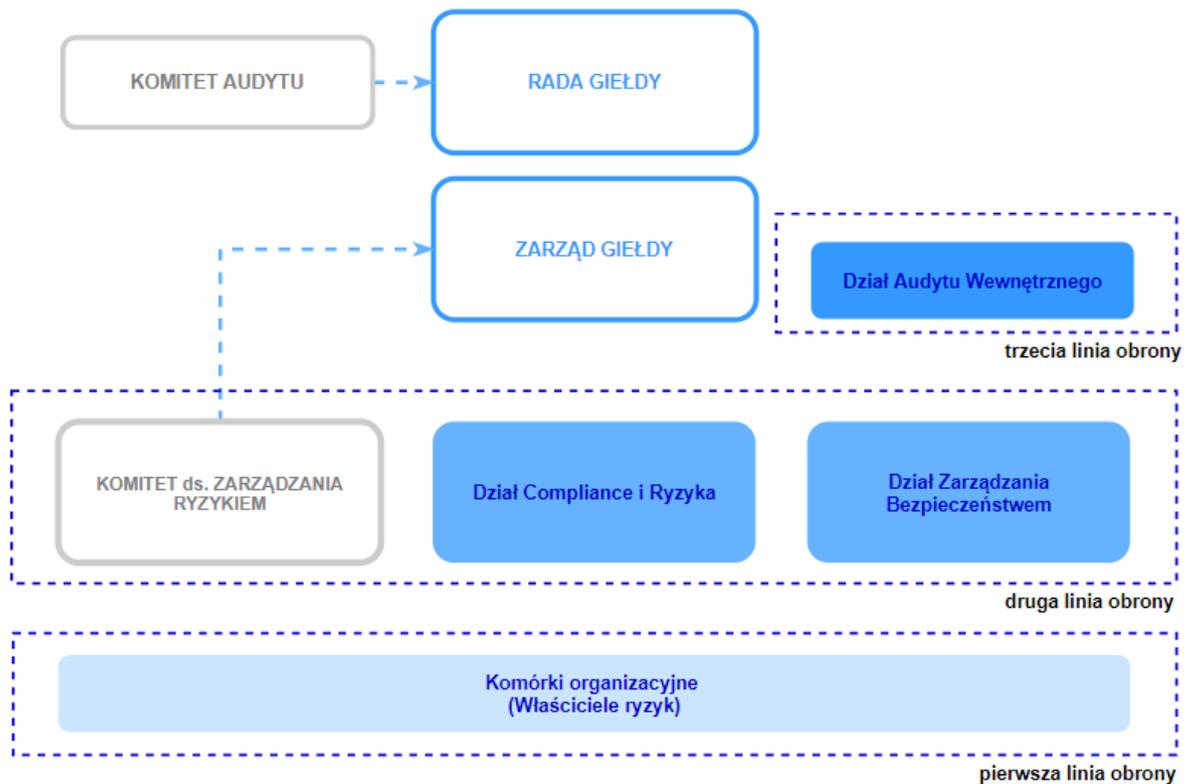
According to the Warsaw Stock Exchange Risk Management Strategy, in view of the nature and of its activity, the Company is exposed to the following risks:

- ◆ financial risks:
 - credit risk,
 - liquidity risk,
 - market risk,
- ◆ non-financial risks:
 - business risk,
 - operational risk,
 - compliance risk,
 - reputation risk,
 - AML/CFT risk,
 - ESG risk.

In GPW, risk management roles and responsibilities are organised based on a model of three lines of defence:

- a. The first line of defence involves the day-to-day management of risks in GPW's operations by organisational units which, within their areas of responsibility, take risks into account when making any decisions within the limits of the risk appetite defined for GPW.
- b. The second line of defence provides the framework for risk management in GPW and ensures that the risk management processes implemented by the first line of defence are appropriately designed and operate as intended. The responsibilities of the second line of defence also include monitoring the first line of defence to the extent of risk management and overseeing risk exposures. The function of the second line of defence in developing risk management system solutions is independent of the function of the first line of defence.
- c. The role of the third line of defence is performed by the Internal Audit Department, which performs an independent assessment of risk management actions performed by the first and second lines of defence.

GPW's risk management organisation



- ◆ The Internal Audit Department independently audits the risk management system. Internal audits verify the effectiveness of the implemented risk management system and the adequacy and effectiveness of the control mechanisms in place.
- ◆ The Compliance and Risk Department:
 - monitors and coordinates risk management activities on the basis of information provided by Risk Owners, in particular to the extent of operational risk, in accordance with the rules adopted by GPW;
 - monitors and assesses risks of non-compliance of GPW's business with the law, guidelines of the supervisory bodies, internal regulations and standards.
- ◆ The Security Management Department performs functions involving ICT and information security management and coordination of physical security management in GPW.
- ◆ The Risk Owner is responsible for actions related to the implementation of the risk management process within the assigned area of responsibility.

The organisation of the risk management system includes the Exchange Supervisory Board, which is supported by the Audit Committee, and the Exchange Management Board, which is supported by the Risk Management Committee.

By Resolution No. 84/1982/2022 of 22 December 2022, the Supervisory Board of the Warsaw Stock Exchange approved the Risk Management Strategy of the Warsaw Stock Exchange as adopted by the Exchange Management Board.

As part of the monitoring of the risk management system in 2023, the Exchange Supervisory Board received the following reports:

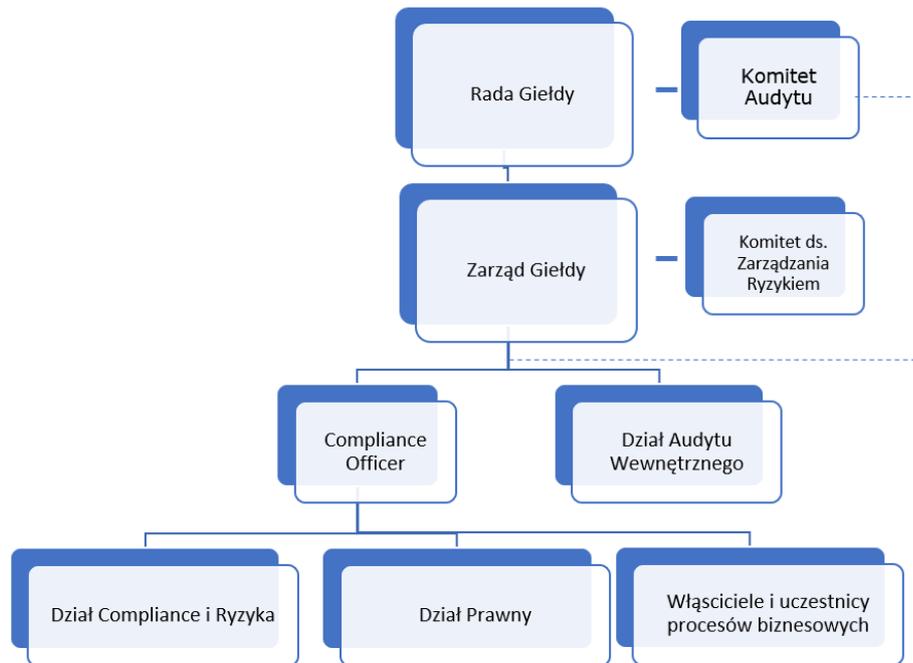
- Report on the activities of the Compliance and Risk Department for the period from 1 January to 31 December 2022.
- Activities carried out by the Compliance and Risk Department with regard to operational risk and business continuity management at the Warsaw Stock Exchange in the period from 1 January 2023 to 30 June 2023.

b) [Compliance management system](#)

The objective of compliance management in GPW is to ensure compliance of GPW with laws, internal regulations and accepted standards.

GPW’s compliance management system is a set of processes, organisational solutions and documented rules necessary to ensure compliance of GPW with laws, regulations and accepted standards.

GPW’s compliance management structure



The Exchange Supervisory Board supervises the management of the compliance risk of GPW based on a report on the operation of the compliance system prepared by the Director of the Compliance and Risk Department and information provided by the GPW Management Board. The Audit Committee assesses GPW’s compliance system at least once a year on the basis of an annual report prepared by the Compliance and Risk Department. The Exchange Supervisory Board’s oversight of compliance risk management is based on the reporting lines in place from the Compliance and Risk Department. The Exchange Supervisory Board in 2023 received quarterly reports from the Compliance and Risk Department on the updates of internal regulations in force at GPW and on the ongoing processes for amending and reviewing internal regulations. The Exchange Supervisory Board, in performing the

above-mentioned supervisory function in 2023, relied in particular on the following reports provided by the Compliance and Risk Department: (a) a report on the functioning of the compliance system for 2022, (b) reports on potential/actual conflicts of interest reported in relation to Exchange Management Board Members, (c) a report on violations reported in 2022 in accordance with the procedure provided for in the Violation Reporting Procedure.

In 2023, the Exchange Supervisory Board (including the Regulation and Corporate Governance Committee and the Audit Committee), in performing its oversight duties under the compliance management system, in addition to the reports listed above, received ongoing information from the Director of the Compliance and Risk Department regarding compliance risk management.

c) [Internal control system](#)

GPW's internal control system is a set of solutions and measures (controls) executed in response to identified risks in order to ensure that tasks are executed in an effective and secure manner in compliance with regulations.

The internal control system comprises:

- ◆ institutional controls performed by the Internal Audit Department,
- ◆ functional controls performed as part of supervision over reporting organisational units by all employees in managerial positions,
- ◆ control actions performed by all employees as part of their duties,
- ◆ controls performed by the Compliance & Risk Department, controls performed by the Security Management Department, controls performed by the Data Protection Officer.

The Exchange Supervisory Board monitored the effectiveness of the internal control system on an ongoing basis in 2023.

d) [Internal audit function](#)

The Internal Audit Department provides the internal audit function. The Internal Audit Department performs its tasks by means of assurance audits (planned and ad-hoc) and advisory activities.

The Internal Audit Manager must communicate and cooperate directly with the Supervisory Board.

According to the Standards, the Internal Audit Manager must report periodically to senior management and the Exchange Supervisory Board on internal audit's purpose, powers, responsibilities, degree of plan execution and compliance with the Code of Ethics and the Standards.

The Internal Audit Department submits annual reports to the GPW corporate bodies on internal audit activities, which consist of information on the degree of implementation of the audit plan and the self-assessment of internal audit activities in terms of compliance with the Standards, the Code of Ethics. In addition, after each audit, the Director of the Internal Audit Department communicates the results of each completed audit to the Exchange Management Board and the Exchange Supervisory Board through the Audit Committee.

The activity of GPW's internal audit unit is supervised by the Audit Committee within the Exchange Supervisory Board. The Exchange Supervisory Board approves audit plans following the opinion of the Audit Committee and receives periodic reports on the performance of internal audit tasks as well as reports on the status of implementation of issued recommendations.

As a result of the performance of tasks of the Internal Audit Department, the Exchange Management Board and the Exchange Supervisory Board receive reports on the effectiveness of GPW's internal control system and the effectiveness of implemented corrective actions, as well as compliance of GPW's operations with internal regulations.

In 2023, the Exchange Supervisory Board regularly monitored the effectiveness of the internal control, compliance, risk management, and internal audit systems of the Exchange. The Exchange Supervisory Board received the annual report on internal audit activities and the report of the Compliance & Risk Department on the management of the compliance, risk, business continuity, and critical infrastructure systems. The Exchange Supervisory Board also received periodic reports concerning the above-mentioned areas, and discussed them at meetings, without the participation of Exchange Management Board Members, with persons responsible for the operation of the above-mentioned systems and internal audit.

The Exchange Supervisory Board did not raise any concerns in 2023 regarding the operation of the aforementioned systems, hence it is true to say that GPW's internal control and risk management systems operate adequately.

e) [GPW Group's internal systems](#)

The subsidiaries prepared information concerning their internal systems for risk management, compliance management, internal control, and internal audit. Based on the documents submitted by the supervisory boards of the subsidiaries, it has been concluded that those GPW Group companies whose business activity requires such information and whose size and structure allow for such information (Towarowa Giełda Energii S.A., Izba Rozliczeniowa Giełd Towarowych S.A. (IRGiT), BondSpot S.A. GPW Benchmark S.A.) have established separate, adequate and effective systems for internal control, risk management, compliance management, and internal audit.

3) Assessment of GPW's compliance with disclosure requirements concerning application of corporate governance rules defined in the Exchange Rules and regulations concerning current and periodic information submitted by the issuers of securities

Resolution No. Nr 13/1834/2021 of the Exchange Supervisory Board of 29 March 2021 adopted the corporate governance rules for companies listed on the GPW Main Market applicable in 2023.

Accordingly, as of July 1, 2021, the Company has complied with the principles contained in the Best Practice for GPW Listed Companies 2021 (Best Practice 2021). The document is available on the Exchange's website in the listed companies corporate governance section (<https://www.gpw.pl/dobre-praktyki2021>).

As at 31 December 2022, the Company complied with all the corporate governance principles contained in the Best Practice for GPW Listed Companies 2021 (Best Practice 2021).

As at 1 January 2023, the Company did not comply with two principles of Best Practice 2021: Principle 2.1. and Principle 2.2.

On 24 March 2023, the Company provided, in the form of an EBI report, updated information on the status of compliance with Best Practice 2021, which took into account a change in the compliance status of Principle 2.1. and Principle 2.2 due to the adoption of an approach in line with the Corporate Governance Committee's Guidance on compliance with the principles of the Best Practice for GPW Listed Companies 2021 (version 2 of 29.07.2021):

- ◆ Principle 2.2, which introduces the requirement of diversity on the management board and the supervisory board, requires the relevant bodies of the company to adopt and consistently implement an action plan in the diversity policy. In view of the fact that, in the opinion of the Exchange, it is not the intention of the authors of the Best Practice for GPW Listed Companies 2021 that the implementation of Principle 2.2. should entail the necessity of interrupting the term of office of the current bodies of the company during their term of office; the minimum participation should be achieved as soon as possible, i.e., after the end of the term of office of the current bodies. This will allow the company to smoothly meet the diversity targets set out in the policy referred to in Principle 2.1. The implementation of the principle obliging those who make decisions on the election of members of the company's Management Board or Supervisory Board to ensure the diversity of these bodies means that these persons should be guided by this principle, and thus in practice by the adopted policy, at each election of the body made after the effective date of the Best Practice for GPW Listed Companies 2021. Given the wording of this principle, it should be concluded that the time set for its full implementation must not be later than the date of the election of the members of each body for the next term of office, and that any changes to the bodies of the ongoing term of office should also be made with the diversity policy in mind (Guidance..., v. of 29.07.2021, 2.2. – Q3, pp. 27-28).

Both the Management Board of the Company and the Exchange Supervisory Board met the gender diversity criterion as at 31 December 2023 by achieving a minimum minority gender participation rate set at no less than 30% in both cases.

As at 31 December 2023, the Company complied with all the corporate governance principles contained in the Best Practice for GPW Listed Companies 2021 (Best Practice 2021).

On 10 April 2024, acting pursuant to § 70 and § 71 of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent, GPW published its Separate Annual Report for 2023 and the Consolidated Annual Report of the GPW Group for 2023 including the Report of the Management Board on the activity of the Parent Entity and the Warsaw Stock Exchange Group in 2023 containing a Statement of compliance with corporate government principles which provides the information required under the aforementioned regulations. The reports contain an assessment of the Exchange Supervisory Board concerning the reports against the books, documents and facts, as well as a statement of the Exchange Supervisory Board concerning the functioning of the Audit Committee. The documents are available on the website www.gpw.pl.

In the opinion of the Exchange Supervisory Board, the Company properly fulfilled the disclosure requirements in compliance with the corporate governance principles, as defined in the Exchange Rules and regulations governing current and periodical information provided by issuers of securities.

In the opinion of the Exchange Supervisory Board, the explanations published by GPW concerning the scope of the Company's compliance with the corporate governance principles provide a transparent, precise and exhaustive presentation of how the Company functions for shareholders, investors and other interested parties.

4) Assessment of compliance with the Principles of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority

GPW is subject to the Rules of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority (KNF) on 22 July 2014, which represent a set of principles governing external and internal relations of supervised institutions. The document is available on the website of the Polish Financial Supervision Authority (www.knf.gov.pl) and on the corporate website of GPW together with a statement of the Supervisory Board and the Management Board of the Warsaw Stock Exchange of 16 December 2014 concerning compliance with the Rules of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority (KNF) and a resolution of GPW's Ordinary General Meeting of 25 June 2015 adopting the Rules of Corporate Governance (www.gpw.pl/lad-korporacyjny).

According to § 27 of the Rules of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority, the Exchange Supervisory Board reviewed compliance of the

Warsaw Stock Exchange with the Rules in 2022. The Warsaw Stock Exchange complied with the Rules of Corporate Governance for Supervised Institutions in 2022 with the exception of:

- ◆ three rules which were waived (§ 10(2), § 12(1), § 28(4) – the Resolution of the Annual General Meeting of 25 June 2015 approving the Corporate Governance Rules),
- ◆ seven rules which do not apply to GPW's activity, listed in Section 9 "Exercising rights to assets purchased at clients' risk" (§ 53 to § 57). GPW manages no assets of clients.

The statement of the Exchange Supervisory Board concerning assessment of compliance with the Rules was published on the corporate website of GPW (www.gpw.pl/lad-korporacyjny).

5) Assessment of the GPW Group's sponsoring, charity and other similar activities

WARSAW STOCK EXCHANGE

GPW's sponsoring and charity activities are implemented in accordance with the Company's internal regulations. The Company's sponsoring expenses and donations followed the applicable regulations in 2023:

- › *The rules of sponsoring activity conducted by the Warsaw Stock Exchange, and*
- › *The Warsaw Stock Exchange's procedure for granting donations.*

Sponsorship in 2023

The Company's sponsorship expenses stood at PLN 1,207.55 thousand in 2023.

The sponsorship included events dedicated to the capital market, supporting the community of brokerage houses in Poland. GPW was the Main Partner of the 23rd IDM Conference in Bukowina Tatrzańska organised by the Chamber of Brokerage Houses. In 2023, it was entitled "Capital Market Participants Facing the Challenges of the Modern Economy". The IDM Conference is an annual meeting of leading capital market representatives aimed at supporting the development of the capital market in Poland in order to build a competitive economy.

As part of its sponsorship, GPW supported events serving the issuer community. These included two congresses: the 14th Investor Relations Congress and the 11th SEG Listed Companies CFO Congress organised by the Association of Listed Companies (SEG). These were cyclical meetings organised as part of SEG's educational mission to share experiences of CFOs and IR departments of listed companies.

GPW took part in Invest Cuffs 2023, an annual meeting bringing together the investment market industry - equities, currencies, commodities, cryptocurrencies, investment funds. It is one of the largest events of its kind in Europe. Every year, it attracts experts, representatives of key players in the industry, institutional and retail clients.

Another event which discussed the challenges and problems of the investment industry in Poland was the 17th Investment Funds Forum. GPW was a strategic partner of the conference. In addition, in 2023, GPW was involved in subsidising training courses organised by the Financial Markets

Association ACI Poland on financial instruments, risk management and legal aspects of financial markets. These trainings were prepared and conducted in cooperation with national and international experts.

As part of its sponsorship, GPW supported as a partner the 22nd Local Government Forum on Capital and Finance organised by MUNICIPIUM, which is the largest local government event in Poland. Each year, the event is attended by executives of local governments and organisational units, including representatives of the largest cities, districts and regions.

In 2023, GPW was active in supporting events dedicated to stock market investors. As part of its long-standing cooperation with the Association of Individual Investors (SII), GPW was the Organising Partner of the WallStreet27 Conference. During the conference addressed to individual investors, investors, analysts, representatives of companies and institutions of the Polish capital market discussed its condition and prospects of development.

GPW was the Strategic Partner of the 21st National Investor Survey organised by the SII. It is the largest and most important survey on the basis of which the profile of the Polish individual investor is created every year. The results of last year's survey were announced in November during the ForFin Forum of Finance and Investment (an educational event addressed to all those interested in managing their own finances).

In 2023, GPW sponsored the Krynica Forum conference, an event bringing together business, politics and academia. The project aims to strengthen the security, social cohesion and economic position of Poland and the countries of the Central and Eastern European region.

GPW was a partner of the Three Seas Local Government Congress, an economic event bringing together representatives of central and local government administration, the scientific sector and business from 13 member states of the Three Seas Initiative (Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia and Greece), representatives of strategic partners (the European Union, the United States and Germany) and partner regions from Ukraine and Moldova. An integral part of the Congress is the Economic Forum which aims to create conditions for the development of entrepreneurship and investor services, as well as to develop advanced forms of international cooperation.

As part of its cooperation with the Project PL Foundation, GPW sponsored the conference "Polka XXI w.", where women experts jointly debated the most important issues for Polish women.

GPW sponsored the "International Women in IT Career Day", which aims to support women at various stages of their IT careers by enabling participants to consciously build their careers in the world of technology.

As part of its sponsorship activities, GPW supported investor conferences such as:

- ◆ Wood's Winter Wonderland, EME Conference 2023 and Poland Cyclical: into the new business cycle organised by Wood&Company,
- ◆ Future in CEE - ERSTE Consumer & Technology Conference organised by Erste Securities Polska,
- ◆ the conference on Poland's 5th anniversary in the FTSE index organised by mBank.

In 2023, GPW cooperated with and supported events organised by national media. As every year, GPW was a partner of the "Stock Exchange Company of the Year" event organised by the daily Puls Biznesu. The survey was conducted for the 24th time on a sample of 103 people (68 analysts and 35 managers). They evaluated 140 companies included in the WIG20, mWIG40 and sWIG80 indices. The experts assessed, among others, the competence of the management board, growth prospects, innovation of products and services, the company's success in 2022, and the quality of investor relations. In addition, the companies that take ESG most seriously, the companies that are most attractive from an investment perspective, and those that are worth paying attention to on NewConnect were selected. On the one hand, the "Stock Exchange Company of the Year" ranking underlines the importance of GPW for the financing of the Polish economy; on the other hand, it identifies those companies whose management boards, products, services or corporate culture are at the forefront and which are worth emulating, appreciating and promoting. The results of the ranking are also a valuable indication for stock market investors.

Another event was the Byki i Niedźwiedzie (Bulls and Bears) Gala organised by Gazeta Giełdy i Inwestorów Parkiet which, since its inception, annually awards the best companies, managers and institutions, and presents Golden Portfolios to the best managers.

A new initiative supported by GPW as a supporting partner last year was the POLAND PRESS Business Giants 2023 initiative. The organisers honoured brands, institutions and personalities that contribute to Poland's security, actively support and develop its socio-economic and business potential.

The Exchange was a Gala Partner of the ninth edition of the Polish Compass, a yearbook of financial institutions and joint-stock companies published by FratRIA, which is a summary of the state of the economy, a review of financial and insurance institutions, as well as companies listed on GPW.

GPW was a Partner in three projects of wprost.pl: Polish 200, Wprost Innovators, White Red Capital Report. The Polish 200 ranking is published annually at the end of May and the beginning of June at wprost.pl and consists of the Main Ranking, the Polish Ambassadors Ranking and the Polish Cheetahs Ranking.

Own initiatives - promotional and educational activities in 2023.

In 2023, GPW participated in a number of events and conferences that were key to the capital market. The key of those included:

- ◆ The Year on the Exchange Gala 2022 organised by GPW together with its partners: KDPW, BondSpot and GPW Benchmark presented awards to the most active and particularly successful participants of the capital market.
- ◆ The Knowledge Exchange Forum, an event held under GPW's strategy, was organised by GPW together with foreign partners: the World Federation of Exchanges and the International Sustainable Finance Centre. The idea behind the Forum is to support participants of the Polish capital market in gaining expert knowledge based on reliable and verified sources of information.
- ◆ Three editions of the GPW Innovation Day took place in 2023. It is one of the largest events of its kind in Poland where innovative companies listed on GPW markets meet individual and

institutional investors in an online format. The Innovation Day also features presentations by companies that are yet to be listed on GPW.

- ◆ The conference "Artificial Intelligence on the Capital Market" organised by GPW is an event which seeks to develop the range of information and services available to support investors in the process of analysing stock market data. Modern technologies such as algo trading and artificial intelligence are becoming an important element of today's capital markets.
- ◆ "Investing in times of uncertainty" - GPW in co-operation with the GPW Foundation organised two conferences for investors interested in capital markets, investing and long-term savings.
- ◆ Training course entitled "Discover GPW" - in 2023, the Exchange for the first time organised a training course for employees of brokerage houses and banks to present GPW's current offerings, bring stock market issues closer to the participants and disseminate knowledge of stock market products among private banking representatives, as well as to build relationships with distributors who have direct contact with existing and potential retail investors.
- ◆ GPW prepared 5 episodes of "It's worth being a listed company: Get to know us better", a series of video materials and accompanying podcasts. Each material is devoted to a listed company that presents its business profile, its history and the challenges it has faced. The CEO of the company talks about the advantages of the company's presence on the stock exchange and how it can contribute to the company's further development. This is accompanied by podcasts of interviews with the CEO, available on the stock exchange's YT channel and #GPWpodcasts.

GPW conducted educational activities with regard to the Best Practice for GPW Listed Companies, the Best Practice for NewConnect Listed Companies, the Best Practice for NewConnect Authorised Advisers, as well as with regard to the regulations applicable to companies listed on the GPW Main Market and in the Alternative Trading System and to Authorised Advisers. As part of these activities, workshops were organised for companies listed on NewConnect, Catalyst ATS and Authorised Advisers, whose programme included:

- ◆ discussion of the most significant amendments to the ATS Rules,
- ◆ presentation of the new Best Practice for NewConnect Listed Companies 2024,
- ◆ presentation of the new Best Practice for NewConnect Authorised Advisers,
- ◆ presentation of the most important changes concerning the process of introduction of securities to the alternative trading system and the presence of companies on the NewConnect market,
- ◆ discussion of the tasks of Authorised Advisers in the context of listing requirements.

GPW organised and held the Corporate Governance & Compliance Conference "Corporate Governance and Ethical and Compliance Management Standards in Listed Companies" with the participation of national and international experts. The conference programme included discussion of the following issues:

- ◆ legal protection of whistleblowers; whistleblowing through the eyes of market practitioners,

- ◆ modern corporate governance standards, governance reporting,
- ◆ foreign guest speakers: "Corporate governance applications for listed companies", "Global capital market trends and their influence on the revised G20/OECD Principles of Corporate Governance".

Initiatives in which GPW was a co-organiser or partner - promotional and educational activities

Representatives of GPW appeared as experts as special guests at events. The key of those included:

- ◆ World Economic Forum in Davos - GPW was a co-organiser of the "Polish Zone" event, hosted by Powszechny Zakład Ubezpieczeń S.A.
- ◆ Ring the Bell for Gender Equality – co-organised by GPW and UN Global Network Poland. In 2023, for the ninth time, stock exchanges around the world took part in the event. On the occasion of International Women's Day on 8 March at 9 a.m., also in Poland, the bell symbolically rang on the Trading Floor of the Warsaw Stock Exchange to draw attention to the problem of inequality between men and women in the labour market and society.
- ◆ ESG Warsaw conference, hosted jointly with Goldman Sachs, Erste Securities Polska and CFA Society Poland. The conference mainly aimed at listed companies and issuers presented, among others, how to create a green strategy and how to access sources of financing for sustainable projects, while institutional investors were introduced to the criteria for evaluating companies and the investment process.
- ◆ ESG Leaders competition - the third edition of the competition was organised by the Warsaw Stock Exchange and PwC Poland. The strategic partner of the project was the UN Global Compact Network Poland, its partners were the European Bank for Reconstruction and Development, Konfederacja Lewiatan, the Polish Association of Capital Investors (PSIK), the Łukasiewicz Research Network, the Polish Bank Association (ZBP), the Responsible Business Forum (FOB) and the non-financial reporting portal ESGInfo.pl, and the media partner was Dziennik Gazeta Prawna. The competition is aimed at companies implementing an outstanding ESG strategy, offering innovative products and services with a positive impact on the environment, and running effective information and promotion campaigns in the area of sustainable development.
- ◆ Supervisory Boards Forum conference, a joint initiative of the Warsaw Stock Exchange, PwC and the Association of Listed Companies. The Forum provides a platform for communication between supervisory board members, management board members and regulators. The Supervisory Boards Forum included workshop meetings and conferences. The Forum is also a centre for research and analysis on key market challenges and the professionalisation of supervisory board members.

Events aimed at investors

The Exchange organised and co-organised conferences and webinars aimed at investors. The key of those included:

- ◆ ING's investment competition - GPW once again partnered with ING N.V. and was the Main Partner of the investment competition, which invests virtual funds in Turbo certificates, selected stocks and ETFs.
- ◆ Warsaw Passive Investment Conference - the fourth edition was organised in 2023 by GPW in cooperation with Beta Securities Poland S.A. and the Brokerage Office of mBank. It is a forum that brings together institutional investors, fund managers, issuers and individual investors. The conference is designed to increase knowledge of, among others, the prospects for passive investing, as well as building investment portfolios using ETFs.
- ◆ Warsaw Structured Products Day - September 2023 saw the first edition of the conference dedicated to structured products listed on GPW, organised by GPW in cooperation with ING N.V. and Raiffeisen Bank International. The aim of the conference was to raise interest in the structured products market, to educate individual and institutional investors in Poland about the market (primarily to reach employees of Exchange Members who will be able to get their clients interested in structured products) and to present foreign experiences and practices in the use of structured products in asset management.
- ◆ Webinar "Discover ETCs on GPW" - GPW in cooperation with HANetf organised a webinar on the first ETC on physical gold, which was newly listed on GPW in August 2023. The aim was to explain the mechanism of ETC-type instruments and the first such product listed on GPW (RMAU).
- ◆ "Passive Revolution" conference - the annual conference on passive investing was organised by Stockbroker.pl. GPW was a Strategic Partner of the Conference, which aims to show what passive funds are, how to use them in passive and active investing, and to introduce current trends in the ETF and index funds market.
- ◆ Structured Retail Products Europe - the conference was organised by Euromoney Trading Limited in London with GPW as Partner. It is Europe's most important structured products conference. GPW had the opportunity to present its market offering, the evolution of the market (growth since 2020) and its potential.

In addition, GPW organised and co-organised conferences to introduce investors to companies in various sectors of the economy:

- ◆ 10th edition of "Gaming on the Exchange", an event where specialists in the games production industry discussed the most important trends in the sector,
- ◆ International Investor Day, a conference organised jointly with InnerValue dedicated to companies successfully building their business on foreign markets,
- ◆ Space Day Conference, an event organised jointly with CC Group dedicated to the space industry. The conference presented companies from this sector, both listed on GPW and unlisted,
- ◆ Progressive Investor Day - a conference organised jointly with InnerValue devoted to companies using funding through GPW.

In 2023, GPW established a year-long cooperation with the following media: FXMAG, Investor Zone, Stockwatch and Comparic.TV to educate and promote GPW markets and products to retail investors.

GPW cooperated in the organisation of events and conferences with many organisations, societies, chambers of commerce and institutions including:

- ◆ the Centre for Strategic Thought,
- ◆ ICAN Institute (MIT Sloan Management Review Poland),
- ◆ the Lesław A. Paga Foundation,
- ◆ the Poland Great Project Foundation,
- ◆ the Association of Alumni of Master of Business Administration,
- ◆ the Patent Office of the Republic of Poland,
- ◆ the "Dialog" Club of CFOs,
- ◆ the Academic Circles at universities.

The educational activities of GPW were largely focused on the GPW Foundation, which was established in May 2015. The Foundation's projects and initiatives reach a wide range of audiences, from primary school students, to investors at various levels, to listed companies and those planning to go public on GPW markets. The educational activities are described in detail in section 4.9.3 of this Report.

Polish National Foundation (PFN) - the contribution to the Foundation results from the obligations contained in the notarial deed establishing PFN. GPW is one of the Founders of the Foundation named in the document. To date, PFN has not published a report for 2023 and there is no way to verify the activities carried out by the Foundation. The new Management Board and Council of PFN have not been appointed to date.

Charity activities in 2023

GPW's donations in 2023 stood at PLN 3,921.78 thousand including PLN 2,394.98 thousand for the GPW Foundation for statutory purposes, in accordance with the donations plan. The funds were used for the implementation of educational projects addressed to school and university students, teachers of economic subjects, potential stock exchange investors, and for the current activity of the GPW Foundation.

In addition, GPW made the following donations:

- ◆ PLN 8.8 thousand for the purchase of Allegro gift cards on the occasion of Children's Day for the charges of orphanages supported by GPW,
- ◆ PLN 4.4 thousand for the purchase of vouchers for the charges of the Regional Care and Therapeutic Centre in Gdańsk "Dom im. J. Korczaka",
- ◆ PLN 13.5 thousand to purchase and donate 90 Allegro gift cards worth PLN 150 each for the charges of orphanages taken care of by GPW,
- ◆ PLN 1,500 thousand for the Polish National Foundation.

TOWAROWA GIEŁDA ENERGII

In 2023, Towarowa Gielda Energii participated in a number of events and conferences that were key to the energy industry and the development of the Company's offering. TGE representatives acted as experts and special guests. The most important events included:

- ◆ 14th Solar+ Forum,
- ◆ EuroPOWER Energy Conference,
- ◆ Derivatives Forum Frankfurt 2023,
- ◆ Quick wins for the Polish energy sector - transition security,
- ◆ European Economic Congress,
- ◆ Conference "Energy clusters, local government and industry cooperation - climate action and development",
- ◆ 6th Development Vision Forum,
- ◆ Lower Silesian Energy Congress,
- ◆ GAZTERM Conference,
- ◆ Energy Fair,
- ◆ Scientific Conference "Energy Security - Pillars and Development Perspectives",
- ◆ Regular meetings of the Energy Club.

Education and partnership

Towarowa Gielda Energii was involved in 2023, as in previous years, in projects aimed at the school and academic community. Among them were:

- ◆ 15th National Energy Competition organised by the Climate Aware Foundation,
- ◆ Energy Academy, organised by the Lesław A. Paga Foundation,
- ◆ Go4Poland programme and the Student Session on the Trading Floor project implemented by the GPW Foundation.

As part of its efforts to enhance the knowledge of market participants in 2023, TGE organised two seminars "The impact of the current market situation on the exchange trading surveillance process" and "The exchange trading surveillance process carried out by trading participants in the existing market conditions". A workshop and exam on sampling of cereal grains, pulses and pulse products and oilseeds were developed as part of the Exchange Agricultural Market.

Training and examinations for TGE Broker candidates

In 2023, TGE delivered six training rounds (in Polish and/or English) for TGE Broker candidates closed with examinations for 92 participants. All training was delivered by means of remote communication. As a result of the training programmes, 80 TGE Broker certificates were issued in 2023 authorising

the holders to represent an Exchange Member or OTF Member in transactions on the Exchange Commodity Market, the Organised Trading Platform, and the Financial Instrument Market.

Media competition and workshop

In 2023, for the ninth time, TGE organised the "Platinum Megawatts" Media Competition to promote high quality journalism governed by the principles of ethics and objectivity, reporting complex issues of the energy sector in an accessible way. The Minister of State Assets, the Minister of Climate and the Environment and the President of the Energy Regulatory Authority were honorary patrons of the 2022 edition. Partners included: TAURON Polska Energia S.A. (Strategic Partner), Fortum Power and Heat Polska Sp. z o.o., GAZ-SYSTEM S.A., Izba Rozliczeniowa Giełd Towarowych S.A., PGE Polska Grupa Energetyczna S.A., PGE Energetyka Kolejowa S.A., Polskie Sieci Elektroenergetyczne S.A., Respect Energy S.A. and Veolia Energy Contracting Poland Sp. z o.o. The award ceremony took place on 24 May 2023. A workshop for journalists on the energy transition and the challenges facing market participants was organised in cooperation with TAURON Polska Energia S.A. on 15 November.

Information meetings for TGE members

TGE organised the 15th Trading Forum as part of a conference for market participants. Guests could participate in the main part, which consisted of two panels: "The energy market in the new regulatory environment" and "The gas market - opportunities and challenges in the area of infrastructure and regulation". In addition, the event included three thematic workshops: New Product Development, New Animation Model and New Billing System. The Exchange Gala 2022 was held during the 2023 Trading Forum. The Platinum Megawatt awards went to the most active companies and traders on the stock exchange.

Dialogue with market participants

The dialogue with market participants takes place among others via the Market Council, an advisory body to the TGE Management Board with regard to the development of the product offer and the best solutions for entities operating on the exchange. The Council is composed of the representatives of eleven industry associations including: Gas Transmission Operator GAZ-SYSTEM S.A., Chamber of Brokerage Houses, Chamber of Industrial Energy and Energy Recipients, Gas Industry Economic Chamber, Polish Association of Professional Heat and Power Plants, Association of Energy Trading, Polish Economic Society of Power Plants, Renewable Energy Association, Polish Wind Energy Association, Association of Private Employers of the Energy Industry (Lewiatan), EFET, as well as the representatives of TGE and IRGiT.

In addition to the Market Council, the Agricultural Market Council brought together representatives of the agricultural and food industry to provide opinions and advice to the TGE Management Board on matters concerning the development of the Agricultural Market, including the Authorised Warehouse System. The Agricultural Market Council comprises representatives of the most important industry organisations related with the agricultural sector, scientific institutes, the public administration and the GPW Group.

GPW BENCHMARK

Promocja i edukacja

In 2023, GPW Benchmark co-organised the 3rd Interest Rate Benchmark Congress. The leading topics at the Congress were issues related to the WIBOR/WIRON transition. The event featured presentations by leading benchmark experts and panel discussions, as well as workshop and training sessions on the most important aspects related to the benchmark reform.

In 2023, staff of GPW Benchmark were involved in the work of the Benchmark Reform National Working Group. The Benchmark Reform National Working Group (NGR) was established in connection with the planned reform of benchmarks in Poland, including the introduction of a new interest rate benchmark with inputs of ON (overnight) transactions. The NGR's work aims to ensure credibility, transparency and reliability in the provision and use of the new interest rate benchmark.

In educational activities, GPW Benchmark conducted among others:

- ◆ on-site workshop for representatives of cooperative banks "Replacing WIBOR with WIRON";
- ◆ training for audit firms and domestic banks on "External Audit of Input Data for benchmarks under the BMR";
- ◆ webinar "Provision of the WIBOR benchmark - legal status and case law".

In addition, GPW Benchmark Management Board Members actively participated in many educational initiatives covering the topic of interest rate benchmarks:

- ◆ European Financial Congress 2023,
- ◆ 6th Development Vision Forum,
- ◆ 3rd National Scientific Conference Copernican Digital Forum,
- ◆ Convention for Cooperation and Development of Polish Cooperative Banking 2023,
- ◆ Forum of Cooperative Bank Leaders 2023.

GPW Benchmark's educational activities were also addressed to journalists, including participation of Aleksandra Bluj (Vice-President of the Management Board) in a Polish Bank Association webinar for journalists which discussed the WIBOR and WIRON benchmarks, the process of providing benchmarks, subsequent stages of the Roadmap for benchmark reform, and examples of reforms from other countries.

IZBA ROZLICZENIOWA GIEŁD TOWAROWYCH

In order to make its offer and the principles of IRGiT more familiar, IRGiT participated in conferences as a partner, dedicated to current issues concerning the functioning of IRGiT and its offer, as well as issues related to the current situation on the market. In particular:

- ◆ participation in the Energy Academy as a Partner (extensive educational modules on the energy market - a formula recognised as the leading educational event in Poland with a

long history).

- ◆ Another edition of "Go4Poland" organised by the GPW Foundation. The project is aimed at Polish students and Polish graduates of foreign universities and scholarship holders of the General Władysław Anders Programme of the National Agency for Academic Exchange (NAWA). It aims to encourage young people to build their careers in companies/institutions operating in Poland or in public administration.
- ◆ 18th Energy Fair in Jachranka - The Association of Energy Trading and the Chamber of Industrial Energy and Energy Recipients have been organising the ENERGY FAIR for many years, and they are now a landmark annual conference and an event attended by representatives of central administration, energy recipients, as well as a very wide group of specialists from the leading companies of the energy sector in Poland.
- ◆ Platinum Megawatts competition as the founder of one of the awards. The competition has been organised by TGE since 2014 and aims to promote objective, highly factual journalism in line with ethical principles, develop public debate and educate the media by organising workshops. The competition is aimed at journalists from all over Poland who focus on energy, gas and renewable energy topics in their daily work.
- ◆ Christmas Meeting of the Capital Market - GPW organised a long-standing tradition: a meeting where those involved in the capital market have the opportunity to summarise the past months of common challenges in a festive atmosphere.

Charitable activities in 2023

IRGiT assisted the following establishments/individuals with the amount of PLN 25,000 in 2023 as part of its CSR activities:

- ◆ PLN 5,000 for the "Na Przedwiośniu" Social Support Centre - support through the purchase of essential hygiene supplies. The facility provides services for adults and children with intellectual and motor disabilities. It offers 24-hour care as well as day support and sheltered housing.
- ◆ PLN 5 thousand for Fundacja Siepomaga - financial support for Ada, who has a defect in her cervical and thoracic vertebrae, kyphoscoliosis of the spine with multiple malformations of the thoracic vertebrae, the number of ribs on her left side is 13 and on the right side is 10, a fused high right scapula and a reduced right lung.
- ◆ PLN 15,000 for the HELENÓW TPD Centre for Rehabilitation, Education and Care - financial support for the ongoing needs of their facility to fund the costs of creating a complete detailed design documentation for the much-needed Psychological and Pedagogical Clinic building in Helenów. This is a care facility for children with varying degrees of disability. The only facility of its kind in Poland, it houses a day care centre, a kindergarten, a primary school and a vocational secondary school.

The Exchange Supervisory Board assesses the expenditure incurred by the GPW Group for sponsoring and charitable activities related to initiatives dedicated to capital market issues. In the opinion of the

Exchange Supervisory Board, not all implemented sponsoring initiatives meet the assumed objectives of GPW's sponsoring activity. The Exchange Supervisory Board recommends to the Exchange Management Board to review past sponsorship initiatives and to select further sponsorship projects in line with the objectives of GPW's sponsorship activity. In particular, the Exchange Supervisory Board negatively assesses the merits of the Warsaw Stock Exchange's participation in the Polish National Foundation and the expenditure incurred for this purpose.

6) Assessment of the functioning of the remuneration policy in GPW

Pursuant to § 28 of the Rules of Corporate Governance for Supervised Institutions issued by the Polish Financial Supervision Authority, the Warsaw Exchange as a supervised institution should have a transparent policy of remuneration of members of the management body and the supervisory body, as well as key personnel.

Pursuant to Article 90d(1) of the Act of 29 July 2005 on Public Offering, Conditions of Introduction of Financial Instruments to an Organised Trading System, and Public Companies, the Annual General Meeting of the Warsaw Stock Exchange in its Resolution No. 31 of 22 June 2020 approved the Remuneration Policy for Members of the Management Board and the Supervisory Board of the Warsaw Stock Exchange.

a) Remuneration policy of the supervisory body

According to the Act of 9 June 2016 concerning the rules of determining remuneration of persons managing certain companies ("Act") and Resolution No. 37 of the Annual General Meeting of 17 June 2019 concerning the rules of determining remuneration of Members of the Supervisory Board of the Warsaw Stock Exchange, the monthly remuneration of Members of the Supervisory Board is equal to 1.5 times the basis of calculation referred to in Article 1(3)(11) of the Act.

In addition:

- ◆ the monthly remuneration of the Chairman of the Exchange Supervisory Board is increased by 10%;
- ◆ the monthly remuneration of the Deputy Chairman of the Exchange Supervisory Board is increased by 9%;
- ◆ the monthly remuneration of the Secretary to the Exchange Supervisory Board is increased by 8%;
- ◆ the monthly remuneration of the Chairmen of the Committees of the Exchange Supervisory Board is increased by 9%.

The remuneration for more than one function is not additive.

Members of the Exchange Supervisory Board are eligible for reimbursement of expenses related to their functions on the Exchange Supervisory Board and the cost of training necessary for Members of the Exchange Supervisory Board to improve their qualifications as necessary to duly perform their functions, on terms defined in the training policy established by the Exchange in accordance with the

ESMA Guidelines on the management body of market operators and data reporting services providers (ESMA70-154-271).

The rules of remuneration of Exchange Supervisory Board Members are public. The relevant Resolution of the General Meeting has been published in a current report and is available on the GPW corporate website. The total annual remuneration of each Exchange Supervisory Board Member is published annually in the Management Board's report on the activity of the GPW Group's in the financial year.

b) Remuneration policy of the management body

According to the Articles of Association, the General Meeting defines the general terms of remuneration of the Members of the Exchange Management Board, and the Exchange Supervisory Board defines the terms of employment and remuneration of the Members of the Exchange Management Board according to a resolution of the General Meeting.

The rules of determining the terms of remuneration of Exchange Management Board Members were adopted in Resolution No. 3 of the Extraordinary General Meeting of 30 November 2016 concerning the rules of determining remuneration of Members of the Management Board of the Warsaw Stock Exchange. The terms of remuneration under the Resolution derived from Article 2 (1) of the Act of 9 June 2016 concerning the rules of determining the remuneration of managers of certain companies. The Resolution was amended by Resolution No. 42 of the Annual General Meeting of 19 June 2017. Both Resolutions (the Resolution of 30 November 2016 and the Resolution of 19 June 2017) were revoked by Resolution No. 36 of the Annual General Meeting of 17 June 2019 concerning the rules of determining remuneration of Members of the Management Board of the Warsaw Stock Exchange.

The remuneration system for the Exchange Management Board is comprised of a basic salary (fixed remuneration) and a variable part which constitutes supplementary remuneration (variable remuneration). The current remuneration system was implemented in the Company as of March 2017.

The monthly fixed remuneration of each Member of the Company's Management Board falls within the range from 4 to 8 times the basis of calculation referred to in Article 1(3)(11) of the Act.

The variable remuneration depends on the degree of attainment of the management objectives and cannot exceed 100% of the fixed remuneration in the previous financial year. Management objectives include growth of the Company's value and achievement of economic and financial targets. The Exchange Supervisory Board sets specific management objectives and defines the weight of each objective as well as objective and measurable criteria (indicators) of their attainment. Furthermore, the variable remuneration also depends on: (1) the determination and application of the terms of remuneration of members of managing and supervisory bodies in line with the Act of 9 June 2016 concerning the rules of determining the remuneration of managers of certain companies; and (2) compliance with the obligations defined in Articles 17-20, Article 22 and Article 23 of the Act of 16 December 2016 on the terms of management of state assets – in the Company's subsidiaries within the meaning of Article 4(3) of the Competition and Consumer Protection Act of 16 February 2007.

Members of the Management Board are eligible to receive additional cash and non-cash benefits including:

- ◆ medical services to the extent and on the terms defined in the rules of remuneration of Exchange employees applicable to Exchange employees in management positions;
- ◆ participation in the Company's Employee Pension Scheme on the terms of the Work Agreement between the Exchange and the Exchange Employee Trade Union;
- ◆ insurance:
 - liability insurance of members of corporate bodies (D&O),
 - life and health insurance, insurance of lost remuneration due to inability to work as a result of an illness or accident;
- ◆ technical equipment and resources of the Exchange, e.g., company car;
- ◆ training and co-financing of education improving the professional qualifications adequate to the function of Management Board Member necessary for Members of the Management Board to improve their qualifications as necessary to duly perform their functions, on the terms defined in the training policy established by the Exchange in accordance with the ESMA Guidelines on the management body of market operators and data reporting services providers.

The Company has no equity-based incentive or bonus scheme other than described above (there are no schemes based on bonds with pre-emptive rights, convertible bonds, subscription warrants or stock options).

The remuneration policy of GPW Management Board Members and the amount of annual remuneration paid to each Member of the Management Board are public and disclosed annually in the Management Board's reports on the activity of GPW in the financial year.

c) [Remuneration policy of the key personnel](#)

GPW's key personnel participate in the appraisal system as do all employees under the Company's Bonus Rules. Targets set for each calendar year in the appraisal form are consistent with the job description and critical processes and are monitored on a semi-annual basis. The Company's key personnel are remunerated according to the Remuneration Rules. Job positions are allocated to pay grades in individual employment agreements.

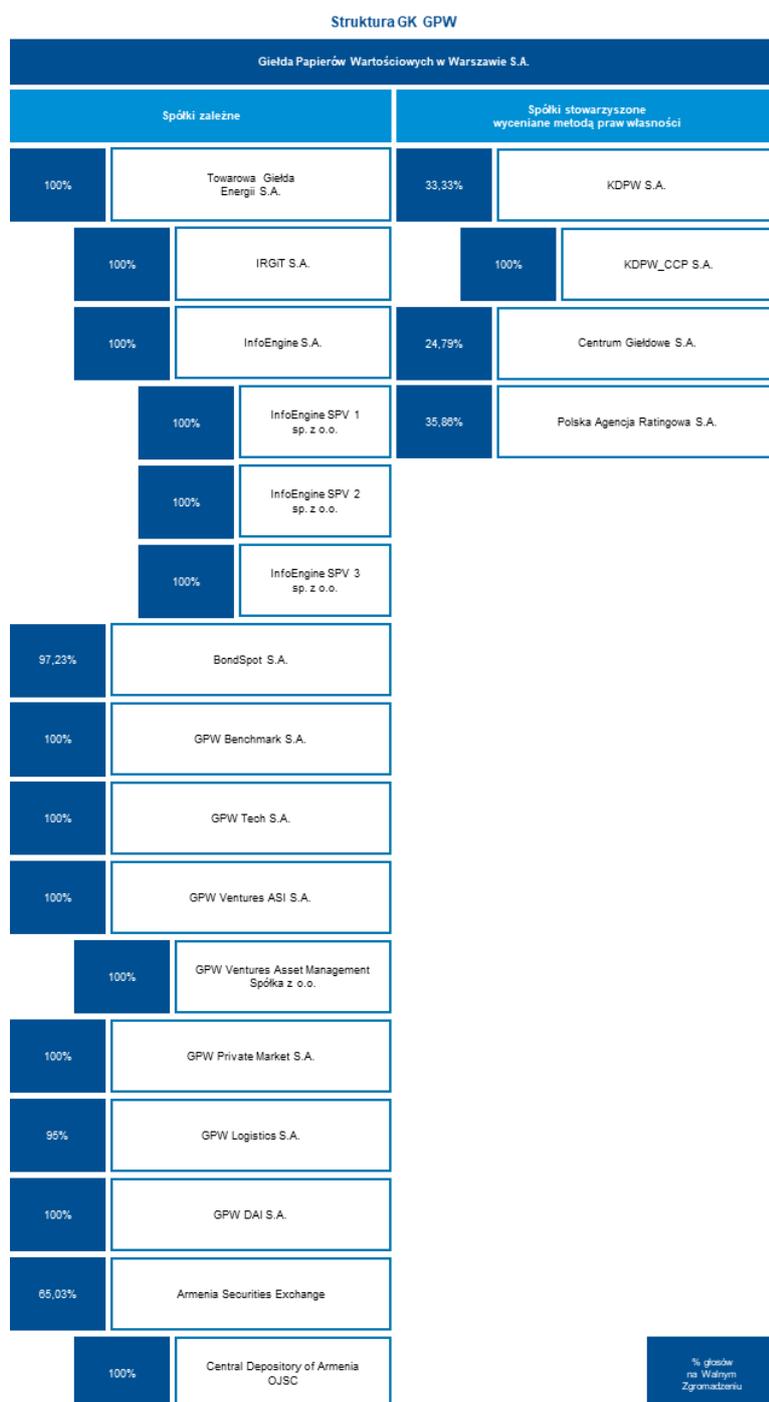
In the opinion of the Exchange Supervisory Board, the remuneration policy pursued by the Warsaw Stock Exchange is consistent with the aforementioned detailed principles.

IV. ASSESSMENT OF THE FINANCIAL STANDING OF THE GPW GROUP

Assessment of the financial standing of the GPW Group

Structure and composition of the Group

Chart: GPW Group, associates and joint ventures as at the date of publication of the report



*Polska Agencja Ratingowa S.A. is a joint venture

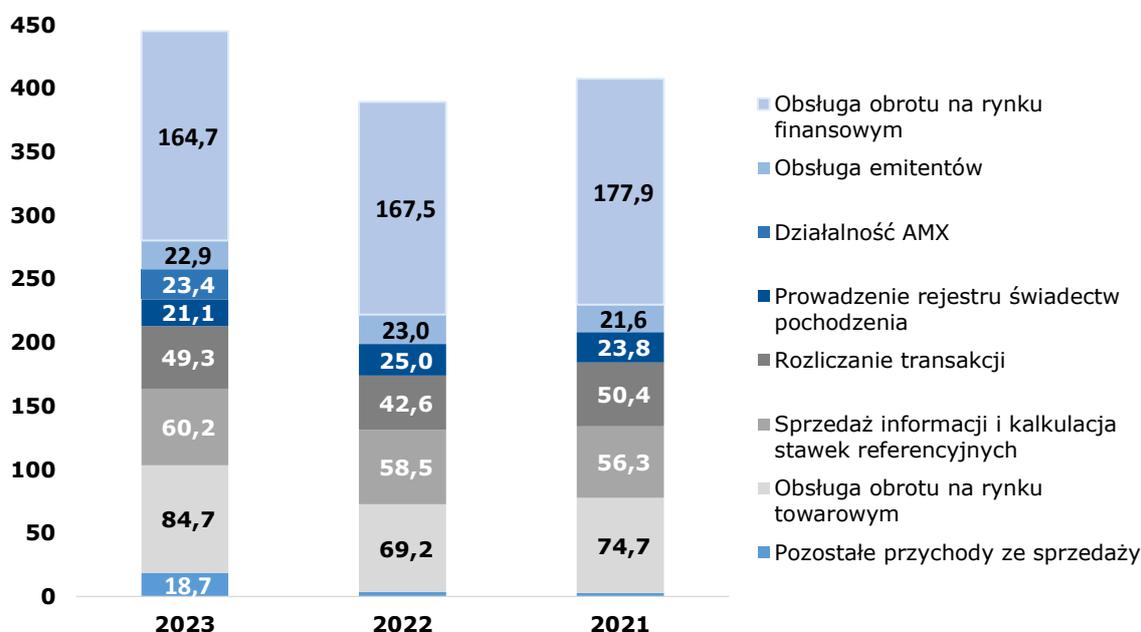
Summary of GPW Group results

The GPW Group generated a consolidated net profit of PLN 157.6 million in 2023 (+PLN 12.6 million i.e. +8.7% YoY). The increase in profit was driven by an increase of sales revenue from PLN 389.3 million in 2022 to PLN 444.9 million in 2023 (+PLN 55.7 million i.e. +14.3% YoY). The operating profit stood at PLN 128.0 million (-PLN 2.6 million i.e. -2.0% YoY). EBITDA stood at PLN 160.2 million (-PLN 7.2 million i.e. -4.3% YoY). The operating expenses were largely driven by the implementation of strategic and development projects.

Sales revenue – summary

The GPW Group’s sales revenue increased year on year to PLN 444.9 million in 2023 (+PLN 55.7 million i.e. +14.3% YoY) driven by higher turnover on the commodity market and the impact of new initiatives (Armenia Securities Exchange and revenue of GPW Logistics).

Figure: Structure and value of consolidated sales revenue (PLN mn)



The biggest revenue streams in 2023 included trading on the financial market (37.0%), trading on the commodity market (19.0%), information services and calculation of reference rates (13.5%). The share of those revenue streams in 2022 was 43.0%, 17.8% and 15.0%, respectively.

Operating expenses

Operating expenses in 2023 stood at PLN 319.5 million (+PLN 64.6 million i.e. +25.4% YoY). In particular, external service charges increased substantially.

Figure: Structure and value of consolidated operating expenses (PLN mn)



Depreciation charges in 2023 decreased year on year and stood at PLN 32.3 million (-PLN 4.6 million i.e. -12.4% YoY), including depreciation of property, plant and equipment at PLN 12.7 million, amortisation of intangible assets at PLN 13.3 million, and lease-related depreciation at PLN 6.3 million.

Salaries and other employee costs of the Group in 2023 increased year on year to PLN 146.9 million (+PLN 35.3 million i.e. +31.6% YoY). The increase is mainly due to salary increases and the addition of the AMX Group.

Due to GPW's active development projects, some salaries are capitalised and will be recognised as depreciation charges under expenses after the projects are rolled out. Capitalisation of salaries and other employee costs in 2023 stood at PLN 13.1 million.

Maintenance fees stood at PLN 5.5 million (+PLN 0.3 million i.e. +5.7% YoY) and included mainly maintenance fees of Centrum Giełdowe.

Fees and charges stood at PLN 18.0 million (-PLN 0.1 million i.e. -0.7% YoY) including the capital market supervision fee for 2023 at PLN 15.5 million (+PLN 0.7 million i.e. +4.9% YoY). The amount of capital market supervision fees is subject to much volatility YoY and remains beyond the Group's control.

External service charges stood at PLN 105.4 million (+PLN 29.3 million i.e. +38.6% YoY). The year-on-year increase was due to the following changes: transport services – an increase of PLN 13.5 million (+3,090.2% YoY) due to the high cost of outsourced transport and forwarding services; IT costs – an increase of PLN 6.1 million (+16.0% YoY) due to a higher cost of licence fees, IT hardware maintenance and software modifications; advisory – an increase of PLN 8.4 million (+62.9% YoY) due to GPW's higher costs of advisory in strategic and development projects.

Other operating expenses stood at PLN 11.5 million (+PLN 4.4 million i.e. +61.9% YoY) including mainly the cost of material and energy consumption at PLN 6.5 million, industry organisation membership fees at PLN 1.2 million, insurance at PLN 0.7 million, business travel at PLN 1.6 million, and participation in conferences at PLN 0.3 million. The increase of other operating expenses was

mainly driven by an increase of the cost of material and energy consumption and an increase of the cost of electricity consumption.

Other income, other expenses, gains on reversal of impairment/(losses) on impairment of receivables

Other income of the Group stood at PLN 6.3 million in 2023 (-PLN 3.8 million i.e. -37.6% YoY). Grants received stood at PLN 2.5 million; however, other income was lower than in 2022 due to one-off events that occurred in the comparative period (income recognised on the acquisition of AMX).

Other expenses stood at PLN 3.4 million (-PLN 11.0 million i.e. -76.6% YoY). The lower expenses in 2023 were driven by the recognition of an impairment loss on BondSpot goodwill in the comparative period. The Group also made less donations in 2023 (-PLN 1.5 million YoY).

As at the balance-sheet date, the **loss on reversed impairment of receivables** stood at PLN 0.3 million (-PLN 0.9 million i.e. -158.8% YoY) and concerned mainly GPW.

Financial income and expenses

Financial income of the Group stood at PLN 28.4 million (+PLN 4.9 million i.e. +20.8% YoY) and included mainly interest on bank deposits and financial instruments (corporate bonds, certificates of deposit, banks deposits, loans granted). The increase of financial income from interest was due to persistent high interest rates.

Financial expenses of the Group amounted to PLN 2.1 million (-PLN 5.4 million i.e. -71.6% YoY). The sharp decrease year on year was a result of the redemption of bonds in January and October 2022 and the absence of their costs in 2023.

Share of profit of entities measured by the equity method

The Group's share of profit of entities measured by the equity method in 2023 stood at PLN 34.1 million (+PLN 5.9 million i.e. +20.8% YoY). The increase of the share of profit of entities measured by the equity method in 2023 was driven mainly by an increase of the KDPW Group's profit.

The GPW Group's share of profit of the KDPW Group in 2023 stood at PLN 34.0 million (vs. PLN 27.8 million in 2022, i.e. +22.3% YoY) owing to an increase in the KDPW Group's revenue (+PLN 31.4 million i.e. +14.5% YoY), including fees for acceptance and recording and depository fees. Operating expenses increased by PLN 17.9 million i.e. 12.7% YoY.

The share of profit of Centrum Giędowne in 2023 was PLN 0.1 million (-PLN 0.4 million i.e. -79.0% YoY).

The Group's profit for 2019 included the profit of Polska Agencja Ratingowa (formerly IAIr) for the period from 1 January 2019 to 30 September 2019 when the investment in PAR was fully written off. The profits of PAR are no longer included in the Group's profits as of 30 September 2019.

Consolidated statement of financial position

The structure of the Group's statement of financial position is very stable: equity was the predominant source of the Group's financing while current assets had a predominant share in total assets as at 31 December 2023 and as at 31 December 2022. As at 31 December 2023, the Group's net working capital, understood as the surplus of current assets over current liabilities or the surplus of non-current capital over non-current assets, was positive at PLN 379.3 million (-PLN 23.7 million i.e. -5.9% YoY), which reflects the Group's safe financial position.

The total assets of the Group stood at PLN 1.3 billion and increased by PLN 75.4 million (i.e. +6.4%) year on year mainly as a result of an increase in non-current assets and a corresponding increase in sources of financing.

Non-current assets as at 31 December 2023 stood at PLN 758.0 million (+PLN 106.4 million i.e. +16.3% YoY) representing 60.3% of total assets as at 31 December 2023 vs. 55.1% as at 31 December 2022. The biggest year-on-year increase in 2023 was reported in intangible assets (+PLN 40.9 million i.e. +14.4% YoY) and investments in entities measured by the equity method (+PLN 32.9 million i.e. +13.6% YoY). The increase in intangible assets in 2023 was mainly driven by investments in GPW's strategic projects. The increase in investments in entities measured by the equity method was mainly driven by strong profits of the KDPW Group.

Current assets as at 31 December 2023 stood at PLN 499.7 million (-PLN 31.0 million i.e. -5.8% YoY) and represented 39.7% of total assets as at 31 December 2023 vs. 44.9% as at 31 December 2022. The year-on-year increase in current assets as at 31 December 2023 was driven mainly by a decrease in cash and cash equivalents and other receivables (-PLN 131.9 million i.e. -34.8% YoY) which was greater than the increase in financial assets measured at amortised cost (+PLN 107.5 million i.e. +168.0% YoY).

Equity as at 31 December 2023 stood at PLN 1,049.9 million (+PLN 49.1 million i.e. +4.9% YoY) representing 83.5% of the Group's total equity and liabilities as at 31 December 2023 vs. 84.6% as at 31 December 2022. Non-controlling interests as at 31 December 2023 increased to PLN 10.7 million and remained stable year on year (+PLN 0.6 million i.e. +6.4%).

Non-current liabilities as at 31 December 2023 stood at PLN 87.4 million (+PLN 33.6 million i.e. +62.5% YoY) representing 6.9% of the Group's total equity and liabilities as at 31 December 2023 vs. 4.6% as at 31 December 2022. The increase in non-current liabilities was due to an increase of non-current deferred income from grants (+PLN 15.2 million i.e. +49.1%). Non-current deferred income was the biggest item of liabilities as at 31 December 2023 and mainly included grants received in projects. Non-current liabilities were also affected by an increase of lease liabilities by PLN 19.9 million.

Current liabilities as at 31 December 2023 stood at PLN 120.3 million (-PLN 7.3 million i.e. -5.7% YoY) representing 9.6% of total equity and liabilities as at 31 December 2023 vs. 10.8% as at 31 December 2022. The decrease in current liabilities was mainly driven by changes in other liabilities.

Consolidated statement of cash flows

The Group generated positive **cash flows from operating activities** at PLN 146.4 million (-PLN 69.8 million i.e. -32.3% YoY) driven by changes in the Group's working capital.

The **cash flows from investing activities** were negative at -PLN 157.3 million (-PLN 341.0 million YoY). The decrease in the cash flows was mainly due to a surplus of expense for new investments in bank deposits and bonds (PLN 529.7 million) over the income from investments in deposits and bonds (PLN 424.4 million).

The **cash flows from financing activities** were negative at -PLN 120.4 million (+PLN 250.3 million i.e. +67.5% YoY) mainly including the dividend paid by GPW at -PLN 113.4 million (+PLN 1.7 million i.e. +1.4% YoY).

Selected consolidated financial indicators

	As at/Year ended 31 December		
	2023	2022	2021
Debt and financing			
Net debt / EBITDA (12 months)	(2.4)	(2.6)	(1.0)
Debt to equity	2.4%	0.5%	26.4%
Liquidity			
Current liquidity	4.2	4.2	2.0
Bond interest coverage ratio	-	48.8	36.9
Profitability			
EBITDA margin	36.0%	43.0%	52.8%
Operating profit margin	28.8%	33.5%	44.1%
Net profit margin	35.4%	37.2%	39.6%
Cost / income	71.8%	65.5%	56.3%
ROE	15.4%	14.7%	17.1%
ROA	12.9%	11.2%	11.6%

Net debt to EBITDA was negative as liquid assets were much greater than interest-bearing liabilities. Net debt to EBITDA remained stable year on year.

Debt to equity increased year on year due to an increase of interest-bearing liabilities (lease liabilities).

Current liquidity remained stable year on year. The coverage ratio of interest expenses on the bond issue was nil as no interest was paid on bonds in issue in 2023.

EBITDA margin and operating profit margin decreased due to an increase in operating expenses, including external service charges and salaries.

Net profit margin decreased modestly. The cost/income ratio increased by 6.7 pps year on year as expenses increased more than did the revenue.

ROA and ROE recorded a modest increase.

In summary, the Warsaw Stock Exchange Group was profitable in 2023, it reported relatively high profitability ratios, and its liquidity position in 2023 was safe.

V. ASSESSMENT OF FULFILMENT OF THE OBLIGATIONS SET OUT IN ARTICLE 380¹ AND ARTICLE 382 § 4 OF THE COMMERCIAL COMPANIES CODE BY THE COMPANY'S MANAGEMENT BOARD

Pursuant to Article 380¹ and Article 382 § 3¹ (3) and (4) in conjunction with Article 382 § 4 of the Commercial Companies Code, the Supervisory Board of the Company received from the Management Board:

- ◆ reports presenting the monthly financial results of the GPW Group;
- ◆ reports and information prepared by the Departments responsible for particular areas of activity as well as functions and systems implemented in the Company and the GPW Group;
- ◆ presentations containing information on, among others, ongoing projects and their status, current business activity, business risks and other relevant issues concerning the Company and its subsidiaries;
- ◆ information on Management Board resolutions and their subject matter.

The Supervisory Board of the Warsaw Stock Exchange, on the basis of information from the Members of the Exchange Supervisory Board serving in 2023, assesses that the fulfilment of the obligations to provide it with information and communication with the Management Board of the Company did not proceed without reservations, including with regard to the timeliness of providing it with the requested information.

VI. INFORMATION ON AGGREGATE FEES DUE FROM THE COMPANY FOR ALL REVIEWS COMMISSIONED BY THE SUPERVISORY BOARD

The Company's Supervisory Board made use of the option to appoint a Supervisory Board adviser pursuant to Article 382¹ of the Commercial Companies Code, and the total costs stood at PLN 140,000 gross.

VII. CONCLUSIONS

Considering the foregoing and the report of the Exchange Supervisory Board on the assessment of the Report of the Management Board on the Activity of the Parent Entity and the Warsaw Stock Exchange Group in 2023, the Separate Financial Statements of the Warsaw Stock Exchange for the year ended 31 December 2023; the Consolidated Financial Statements of the Warsaw Stock Exchange Group for the year ended 31 December 2023, and the Exchange Supervisory Board's assessment of the motion of the Exchange Management Board concerning distribution of the profit of 2023, the Exchange Supervisory Board moves that the Annual General Meeting:

- ◆ approve the Report of the Management Board on the Activity of the Parent Entity and the Warsaw Stock Exchange Group in 2023;
- ◆ approve the Separate Financial Statements of the Warsaw Stock Exchange for the year ended 31 December 2023;
- ◆ approve the Consolidated Financial Statements of the Warsaw Stock Exchange Group for the year ended 31 December 2023;
- ◆ pass a resolution distributing the net profit of 2023 according to the motion of the Management Board.

PhD Iwona Sroka

Chairman of the Supervisory Board

Report on the Activity of the Audit Committee of the Exchange Supervisory Board in 2023

The Audit Committee of the Exchange Supervisory Board is a standing committee of the Exchange Supervisory Board appointed under the Exchange Articles of Association and the Rules of the Exchange Supervisory Board.

The Audit Committee performs functions set out in the legislation including the Act on Auditors, Audit Firms and Public Supervision, Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board, and the Good practice for public-interest entities concerning the appointment, composition and functioning of audit committees. The Committee provides expert advice to the Exchange Supervisory Board within the powers of the Committee defined in the Rules of the Committee, as well as all other functions entrusted to the Committee by the Exchange Supervisory Board.

From 1 January 2023 to 25 June 2023, the Audit Committee was comprised of the following members:

Full name	Function
Adam Szyszka	Chairman of the Committee independent Member of the Exchange Supervisory Board
Filip Paszke	Member of the Committee independent Member of the Exchange Supervisory Board
Leszek Skiba	Member of the Committee independent Member of the Exchange Supervisory Board

On 26 June 2023, the Audit Committee was comprised of the following members:

Full name	Function
Adam Szyszka	Chairman of the Committee independent Member of the Exchange Supervisory Board
Filip Paszke	Member of the Committee independent Member of the Exchange Supervisory Board

From 27 June 2023 to 5 July 2023, the Audit Committee was comprised of the following members:

Full name	Function
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Adam Szyszka	Chairman of the Committee independent Member of the Exchange Supervisory Board
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From 6 July 2023 to 31 December 2023, the Audit Committee was comprised of the following members:

Full name	Function
Adam Szyszka	Chairman of the Committee independent Member of the Exchange Supervisory Board
Michał Bałabanow	Member of the Committee independent Member of the Exchange Supervisory Board
Eva Sudol	Member of the Committee independent Member of the Exchange Supervisory Board

The Audit Committee held 13 meetings in 2023 with the following participants:

	24.01	7.02	20.03	5, 11.04	23.05	7.08	29.08	11.10	17,19 11	7.11	27.11	29.11	18.12
Adam Szyszka	present	present	present	present	present	present	present	present	present	present	present	present	present
Filip Paszke	present	present	present	present	present								
Leszek Skiba	present	present	present	present	present								
Michał Bałabanow						present	present	present	present	present	present	present	present
Eva Sudol						present	present	—	present	present	present	present	present

The composition of the Audit Committee meets the criteria defined in Article 129(3) of the Act on Auditors, Audit Firms and Public Supervision of 11 May 2017. According to submitted declarations, all members of the Audit Committee meet the independence criteria defined in § 14(1) of the Articles of Association of Giełda Papierów Wartościowych w Warszawie S.A., i.e., the criteria defined for members of audit committees in regulations governing audit firms and auditors and in the corporate governance rules issued under the Exchange Rules. Most Members of the Audit Committee (Adam Szyszka, Filip Paszke, Leszek Skiba, Eva Sudol) have declared that they have the knowledge and skills in accounting and financial audit; all Members of the Audit Committee have declared that they have the knowledge and skills in the sector of the Exchange.

The Audit Committee worked at meetings according to the work plan of the Audit Committee for 2023. Thirteen meetings of the Committee were held in 2022 on the following dates: 24 January, 7 February, 20 March, 5 April (continued on 11 April), 23 May, 7 August, 29 August, 11 October, 17 October (continued on 19 October), 7 November, 27 November, 29 November, 18 December. The Members of the Committee performed their functions also by expressing their opinions, providing the Exchange Supervisory Board with recommendations in votes, and on-going exchange of opinions

and views. The number of Members of the Audit Committee participating in meetings in 2023 was sufficient to ensure appropriate proceedings at all meetings of the Committee.

Acting within its powers, in 2023, the Audit Committee took among others the following actions:

I. With respect to accounting and reporting, the Audit Committee:

- drafted recommendations for the Exchange Supervisory Board on approval of the Financial Plan of the GPW Group for 2023;
- drafted recommendations for the Exchange Supervisory Board on approval of the Financial Plan of the GPW Group for 2024;
- analysed the financial results of the GPW Group on an on-going basis and monitored the performance of the financial plan by the Company and the GPW Group in 2023;
- reviewed and drafted recommendations for the Exchange Supervisory Board on the assessment of:
 - the separate financial statements of the Warsaw Stock Exchange for the year ended 31 December 2022, the consolidated financial statements of the Warsaw Stock Exchange Group for the year ended 31 December 2022, the report of the Management Board on the activity of the GPW Group in 2022 including a report of the Management Board on the activity of the Warsaw Stock Exchange in 2022, against the books, documents and facts;
 - the motion of the Management Board concerning the distribution of the net profit for 2022 and approval of the report on the results of the assessment;
- reviewed the supplementary report presented by the Auditor to the Audit Committee in connection with the audit of the financial statements (separate and consolidated) for 2022;
- drafted a recommendation for the Exchange Supervisory Board on the submission of declarations under the Regulation of the Minister of Finance of 29 March 2018 *on current and periodic information provided by issuers of securities and the conditions for recognising as equivalent the information required by the laws of a non-member state*, related to the publication of the annual report;
- drafted a recommendation for the Exchange Supervisory Board on the approval of an assessment of the situation of the Company in 2022 including:
 - assessment of the financial situation of GPW and the GPW Group;
 - assessment of the Company's situation in 2022 on a consolidated basis, taking into account: assessment of the internal control system and the management system of risks significant to the GPW Group;
 - assessment of the Company's sponsorship and charitable or other similar activities;
- drafted a recommendation for the Exchange Supervisory Board on the approval of the Management Board report on representation expenses, costs of legal services, marketing services, public relations services, social communication services, and management advisory services in 2022;

- reviewed the report on the spending of the donations budget in 2022;
- drafted a recommendation for the Exchange Supervisory Board on the approval of the sponsorship plan and donation budget for 2023;
- reviewed transactions referred to in Article 90j(1)(1) of the Act on Public Offering and the Conditions of Introduction of Financial Instruments to an Organised Trading System and on Public Companies in accordance with the *Procedure for regular assessment of significant transactions with related parties* approved by the Exchange Supervisory Board;
- drafted a recommendation for the Exchange Supervisory Board on the approval of GPW's acquisition of interest in a subsidiary (GPW Logistics S.A.);
- drafted a recommendation for the Exchange Supervisory Board on amendment of the resolution of the Exchange Supervisory Board concerning the selection of the audit firm to audit the financial statements and review the condensed interim financial statements of the Warsaw Stock Exchange and the GPW Group;
- drafted a recommendation for the Exchange Supervisory Board on the achievement of the financial management objectives in 2022;
- participated in the drafting of a recommendation to the Exchange Supervisory Board on the setting of management objectives for the Exchange Management Board for 2023;
- drafted a recommendation for the Exchange Supervisory Board on the selection of the audit firm to audit and review the financial statements of the Warsaw Stock Exchange and the GPW Group for 2024-2026;
- drafted a recommendation for the Exchange Supervisory Board on the approval and presentation to the Exchange Supervisory Board of a report on the procedure for the selection of the audit firm and a recommendation for the selection of the audit firm;
- reviewed information on the principles of purchasing non-audit services from the auditor and its network companies at the GPW Group Companies;
- reviewed information on the role of the Audit Committee in confirming the auditor's independence;
- reviewed information on the status of implementation of financial and accounting services in GPW Group Companies;
- reviewed information on the HR situation in the Financial Department.

The Audit Committee met with the audit firm in connection with the audit of the financial statements of the Company and the Group for 2022 to discuss the results and findings of the audit of the financial statements of the members of the GPW Group.

The key auditors took part in those meetings.

II. With respect to internal audit, the internal and external control system, the Audit Committee:

- issued an opinion on the report on the internal audit activity at the Warsaw Stock Exchange in the reporting period 2022;

- issued an opinion and drafted a recommendation for the Exchange Supervisory Board on the approval of the internal audit plan for the period 1 January 2024 – 31 December 2024;
- discussed reports on internal audits carried out by the Internal Audit Department;
- approved the budget and resources plan of the Internal Audit Department for 2023;
- approved the budget and resources plan of the Internal Audit Department for 2024;
- reviewed a report on the self-assessment of the effectiveness of the internal audit function in the Warsaw Stock Exchange Group;
- held regular meetings with the Director of the Internal Audit Department;
- reviewed a report on the internal control and internal audit system of the GPW Group Companies;
- reviewed the final report on the inspection of the Polish Financial Supervision Authority;
- monitored on an ongoing basis the effectiveness of the internal control system of the Exchange among others by reviewing and issuing opinions on the extent of implementation of recommendations of internal auditors, external auditors and external inspectors;
- approved a report of the Internal Audit Department on the implementation of recommendations issued as a result of audits and inspections.

III. With respect to compliance and risk management, the Audit Committee:

- reviewed and approved the Report on the functioning of the Compliance and Risk Department in the period from 1 January to 31 December 2022 in connection with the management of the compliance, risk, business continuity and critical infrastructure system;
- approved a report on the Warsaw Stock Exchange’s money laundering and terrorist financing risk assessment;
- reviewed a report on the GPW Group’s ESG strategy and ESG risk management and the GPW Group’s preparations for increasing non-financial reporting requirements;
- reviewed a report on the actions taken by GPW regarding companies listed on NewConnect;
- reviewed information concerning key relations with the Polish Financial Supervision Authority and disputes to which the Exchange is a party.

IV. With respect to ICT security and IT management, the Audit Committee:

- reviewed regular reports from the Management Board on IT, ICT security and cybersecurity;
- reviewed a report on the HR situation in the Security Management Department.

V. With respect to the functioning of the Audit Committee, the Audit Committee:

- approved the Report of the Audit Committee for 2022;
- approved the work plan of the Audit Committee for 2024;
- reviewed the Rules of the Audit Committee;
- reviewed the independence of the Members of the Audit Committee.

The Audit Committee adopted 19 resolutions in 2023. The conclusions and recommendations of the Audit Committee were presented to the Exchange Supervisory Board on an on-going basis at meetings.

Paweł Homiński

Chairman of the Committee

**Report on the Activity of the Regulation and Corporate Governance Committee
of the Exchange Supervisory Board in 2023**

The Regulation and Corporate Governance Committee of the Exchange Supervisory Board is a standing committee of the Exchange Supervisory Board appointed under the Exchange Articles of Association and the Rules of the Exchange Supervisory Board. The Committee provides expert advice to the Exchange Supervisory Board within the powers of the Committee defined in the Rules of the Exchange Supervisory Board, the Rules of the Committee, as well as all other functions entrusted to the Committee by the Exchange Supervisory Board.

In 2023, the Regulation and Corporate Governance Committee was comprised of the following members:

From 1 January 2023 to 26 June 2023

Full name	Function
Izabela Flakiewicz	Chairwoman of the Committee Deputy Chairwoman of the Exchange Supervisory Board
Michał Bałabanow	Member of the Committee Secretary to the Exchange Supervisory Board independent Member of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Exchange Supervisory Board
Filip Paszke	Member of the Committee independent Member of the Exchange Supervisory Board

From 27 June 2023 to 28 November 2023

Full name	Function
Izabela Flakiewicz	Chairwoman of the Committee Deputy Chairwoman of the Exchange Supervisory Board
Michał Bałabanow	Member of the Committee Secretary to the Exchange Supervisory Board independent Member of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Exchange Supervisory Board

From 29 November 2023 to 31 December 2023

Full name	Function
Izabela Flakiewicz	Chairwoman of the Committee Deputy Chairwoman of the Exchange Supervisory Board
Michał Bałabanow	Member of the Committee Secretary to the Exchange Supervisory Board independent Member of the Exchange Supervisory Board
Dominik Kaczmarski	Member of the Committee Chairman of the Exchange Supervisory Board
Janusz Krawczyk	Member of the Committee independent Member of the Exchange Supervisory Board

According to submitted declarations, the following members of the Regulation and Corporate Governance Committee: Michał Bałabanow, Filip Paszke, Janusz Krawczyk met the independence criteria defined in § 14(1) of the Articles of Association of Giełda Papierów Wartościowych w Warszawie S.A., i.e., the criteria defined for members of audit committees in regulations governing audit firms and auditors and in the corporate governance rules issued under the Exchange Rules.

The changes in the composition of the Regulation and Corporate Governance Committee in 2023 resulted from: changes in the composition of the Exchange Supervisory Board made by the Annual General Meeting of the Warsaw Stock Exchange on 26 June 2023 and the decision of the Exchange Supervisory Board of 29 November 2023 to appoint a member of the Exchange Supervisory Board (Janusz Krawczyk) to the Committee.

The Regulation and Corporate Governance Committee worked at meetings (seven meetings were held in 2023). The members of the Committee performed their duties also by providing the Exchange Supervisory Board with recommendations in votes held by means of direct remote communication and through on-going exchange of opinions and views. The number of Members of the Regulation and Corporate Governance Committee participating in Committee meetings in 2023 was sufficient to ensure appropriate proceedings at all meetings of the Committee.

The Regulation and Corporate Governance Committee held 7 meetings in 2023, with the following members present:

	20.01	21.03	23- 24.05	30.08	18.10	28.11	18.12
Izabela Flakiewicz	present	present	present	present	present	present	present
Michał Bałabanow	present	present	present	—	present	present	present

Dominik Kaczmarek	present	present	present	present	present	present	—
Filip Paszke	present	present	present				
Janusz Krawczyk							present

In 2023, the Regulation and Corporate Governance Committee adopted 25 resolutions.

Acting within its powers, in 2023, the Regulation and Corporate Governance Committee covered among others the following issues:

- approval of the report on the activity of the Regulation and Corporate Governance Committee in 2022;
- analysis of compliance of GPW in 2022 with the “Code of Best Practice for GPW-Listed Companies 2021”;
- reply to the letter of a NewConnect issuer;
- regulatory challenges for the GPW Group in 2024;
- report of the inspection carried out by the Polish Financial Supervision Authority;
- draft *Rules for the management of conflicts of interest at the Warsaw Stock Exchange with regard to Management Board members and Supervisory Board members.*

The Committee discussed and issued recommendations to the Exchange Supervisory Board concerning:

- opinion on the reconsideration of the delisting of TAXUS FUND S.A. on NewConnect;
- opinion on the reconsideration of penalties imposed on selected companies on NewConnect;
- determination by the Exchange Supervisory Board of the time limits and form of the Exchange Management Board’s communication of information referred to in Article 380¹ of the Code of Commercial Companies;
- assessment of GPW’s compliance in 2022 with the Corporate Governance Principles for Supervised Institutions issued by the Polish Financial Supervision Authority;
- amendments to Exhibits 2 and 3 to the Exchange Rules;
- approval of the consolidated text of the Company’s Articles of Association;
- amendment of the Rules of the Exchange Supervisory Board;
- approval of the *Rules for the execution of proprietary transactions and investments in Financial Instruments by members of the Exchange Management Board;*
- approval of the *Rules for the execution of proprietary transactions and investments in Financial Instruments by members of the Exchange Supervisory Board;*
- approval of the assessment of the Company’s situation in 2022 to the extent of the assessment of GPW’s compliance with its disclosure obligations regarding the application of the corporate governance principles set out in the Exchange Rules and regulations concerning current and periodic reports published by issuers of securities, as well as the assessment of the application

of the Corporate Governance Principles for Supervised Institutions issued by the Polish Financial Supervision Authority;

- issuing an opinion on draft resolutions of the Annual General Meeting.

The Committee reviewed status reports on reviews of GPW's internal regulations.

The Committee performed an annual review of the Rules of the Regulation and Corporate Governance Committee and decided not to recommend that the Exchange Supervisory Board approve any amendments to the Rules.

The findings of the Regulation and Corporate Governance Committee were presented on an on-going basis at meetings of the Exchange Supervisory Board.

Małgorzata Rusewicz

Chairwoman of the Committee

**Report on the Activity of the Strategy Committee
of the Exchange Supervisory Board in 2023**

The Strategy Committee of the Exchange Supervisory Board is a standing committee of the Exchange Supervisory Board appointed under the Exchange Articles of Association and the Rules of the Exchange Supervisory Board. The Committee provides expert advice to the Exchange Supervisory Board within the powers of the Committee defined in the Rules of the Committee, as well as all other functions entrusted to the Committee by the Exchange Supervisory Board.

In 2023, the Strategy Committee was comprised of the following members:

From 1 January 2023 to 25 June 2023

Full name	Function
Leszek Skiba	Chairman of the Committee independent Member of the Exchange Supervisory Board
Michał Bałabanow	Member of the Committee Secretary to the Exchange Supervisory Board independent Member of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Exchange Supervisory Board
Izabela Flakiewicz	Member of the Committee Deputy Chairwoman of the Exchange Supervisory Board
Adam Szyszka	Member of the Committee independent Member of the Exchange Supervisory Board

From 26 June 2023 to 5 July 2023

Full name	Function
Michał Bałabanow	Member of the Committee Secretary to the Exchange Supervisory Board independent Member of the Exchange Supervisory Board
Izabela Flakiewicz	Member of the Committee Deputy Chairwoman of the Exchange Supervisory Board
Adam Szyszka	Member of the Committee independent Member of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Exchange Supervisory Board

From 6 July 2023 to 31 December 2023

Full name	Function
Michał Bałabanow	Member of the Committee (from 29 August 2023 - Chairman of the Committee) Secretary to the Exchange Supervisory Board independent Member of the Exchange Supervisory Board
Eva Sudol	Member of the Committee independent Member of the Exchange Supervisory Board
Adam Szyszka	Member of the Committee independent Member of the Exchange Supervisory Board
Izabela Flakiewicz	Member of the Committee Deputy Chairwoman of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Exchange Supervisory Board

According to submitted declarations, four members of the Strategy Committee (Leszek Skiba, Michał Bałabanow, Adam Szyszka, Eva Sudol) meet the independence criteria defined in § 14(1) of the Articles of Association of Giełda Papierów Wartościowych w Warszawie S.A., i.e., the criteria defined for members of audit committees in regulations governing audit firms and auditors and in the corporate governance rules issued under the Exchange Rules.

The changes in the composition of the Strategy Committee in 2023 were due to: the resignation of Leszek Skiba as a Member of the Exchange Supervisory Board as of 25 June 2023; the changes in the composition of the Exchange Supervisory Board made by the Annual General Meeting of the Warsaw Stock Exchange on 26 June 2023; and the Exchange Supervisory Board's decision of 6 July 2023 to appoint a Member of the Exchange Supervisory Board (Eva Sudol) to the Committee.

The Strategy Committee of the Exchange Supervisory Board worked at meetings (nine meetings were held in 2023) and through on-going exchange of opinions and views. The number of Members of the Strategy Committee participating in Committee meetings in 2023 was sufficient to ensure appropriate proceedings at all meetings of the Committee.

The Strategy Committee of the Exchange Supervisory Board held 9 meetings in 2023 with the following participants:

	25.01	20.03	19.05	29.08	18-19.10	9.11	22.11	29.11	18.12
Michał Bałabanow	present	present	present	present	present	present	present	present	present
Izabela Flakiewicz	present	—	present	present	present	present	present	present	present
Dominik Kaczmarek	present	present	present	present	present	present	present	present	—

Leszek Skiba	present	present	present						
Eva Sudol				present	present	—	present	present	present
Adam Szyszka	present								

The Strategy Committee adopted 8 resolutions in 2023.

In 2023, the Strategy Committee analysed the status of implementation of the GPW Group Strategy including potential implementation of new strategic initiatives.

Acting within its powers, the Strategy Committee covered among others the following issues:

- approval of the report of the Strategy Committee for 2022;
- election of the Chairman of the Strategy Committee;
- projects: Ola, Fiona, Telemetry Operator (TeO) and WATS;
- status of the investment in Armenia Securities Exchange OJSC;
- project of development of the GPW Group’s new Strategy by The Boston Consulting Group;
- trends in the operation of stock exchange operators worldwide;
- regular review of the implementation of the GPW Group Strategy;
- format for reporting on the implementation of strategic initiatives and projects;
- cooperation agreement in the area of legal assistance with an external law firm.

The Committee reviewed and drafted recommendations for the Exchange Supervisory Board on:

- approval of GPW Group Strategy 2023-2027;
- determination of the criteria for assessing the Management Board’s 2023 objectives;
- performance of the strategic management objectives in 2022;
- optimisation of the fees charged to issuers of equities and issuers of debt instruments;
- approval to enter into a contract with a consultancy firm to provide consultancy services to the Fiona Project;
- approval to enter into a transaction with an external company as part of the Fiona Project.

The Committee performed an annual review of the Rules of the Strategy Committee and decided not to recommend any amendment to the Rules to the Exchange Supervisory Board.

The Strategy Committee’s conclusions and recommendations were presented on an on-going basis at meetings of the Exchange Supervisory Board.

Michał Bałabanow

Chairman of the Committee

**Report on the Activity of the Remuneration and Nomination Committee
of the Exchange Supervisory Board in 2023**

The Remuneration and Nomination Committee of the Exchange Supervisory Board is a standing committee of the Exchange Supervisory Board appointed under the Exchange Articles of Association and the Rules of the Exchange Supervisory Board. The Committee performs functions set out in the Act of 29 July 2005 on Trading in Financial Instruments and provides expert advice to the Exchange Supervisory Board within the powers of the Committee defined in the Rules of the Committee, as well as all other functions entrusted to the Committee by the Exchange Supervisory Board.

In 2023, the Remuneration and Nomination Committee was comprised of the following members:

From 1 January 2023 to 26 June 2023

Full name	Function
Janusz Krawczyk	Chairman of the Committee independent Member of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Exchange Supervisory Board
Filip Paszke	Member of the Committee independent Member of the Exchange Supervisory Board

From 27 June 2023 to 5 July 2023

Full name	Function
Janusz Krawczyk	Chairman of the Committee independent Member of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee Chairman of the Exchange Supervisory Board

From 6 July 2023 to 31 December 2023

Full name	Function
Janusz Krawczyk	Chairman of the Committee

	independent Member of the Exchange Supervisory Board
Izabela Flakiewicz	Member of the Committee Chairwoman of the Exchange Supervisory Board
Dominik Kaczmarek	Member of the Committee independent Member of the Exchange Supervisory Board

According to submitted declarations, two members of the Remuneration and Nomination Committee (Janusz Krawczyk and Filip Paszke) meet the independence criteria defined in § 14(1) of the Articles of Association of Giełda Papierów Wartościowych w Warszawie S.A., i.e., the criteria defined for members of audit committees in regulations governing audit firms and auditors and in the corporate governance rules issued under the Exchange Rules.

The changes in the composition of the Remuneration and Nomination Committee in 2023 were due to: the changes in the composition of the Exchange Supervisory Board made by the Annual General Meeting of the Warsaw Stock Exchange on 26 June 2023; and the Exchange Supervisory Board's decision of 6 July 2023 to appoint a Member of the Exchange Supervisory Board (Izabela Flakiewicz) to the Committee.

The Remuneration and Nomination Committee of the Exchange Supervisory Board worked at meetings (six meetings of the Committee were held in 2023). The Members of the Committee performed their duties also by providing the Exchange Supervisory Board with recommendations in votes held by means of direct remote communication and through on-going exchange of opinions and views. The number of Members of the Remuneration and Nomination Committee participating in Committee meetings in 2023 was sufficient to ensure appropriate proceedings at all meetings of the Committee.

The Remuneration and Nomination Committee held six meetings in 2023 with the following participants:

	21.23.03	23.05	30.08	19.10	28.11	18.12
Janusz Krawczyk		present	present	present	present	present
Dominik Kaczmarek	present	—	present	present	present	—
Filip Paszke	present	present				
Izabela Flakiewicz			present	present	present	present

Acting within its powers, in 2023, the Remuneration and Nomination Committee covered among others the following issues:

- approval of the report on the activity of the Remuneration and Nomination Committee in 2022;
- delivery of training to Members of the Exchange Management Board and the Exchange Supervisory Board in 2022 and 2023;

- proposed training to Members of the Exchange Management Board and the Exchange Supervisory Board in 2023;
- discussion of the criteria for assessing the Management Board's 2023 objectives: implementation of the strategic projects set out in the GPW Group Strategy 2023 - 2027;
- an industrial dispute over pay at GPW S.A.;
- HR situation of GPW and GPW Group companies;
- periodic assessment of the structure, size, composition, knowledge, competences and experience of the Exchange Management Board;
- periodic review of the *Policy of the Exchange Management Board for the Selection and Appointment of Managers*.

The Committee discussed and issued recommendations to the Exchange Supervisory Board concerning:

- amendments to the *Rules on Assessing the Performance of Management Objectives of Warsaw Stock Exchange Management Board Members*;
- setting the maximum variable remuneration and management objectives for the Exchange Management Board for 2022;
- amendment of Resolution No. 12/97/2023 of the Remuneration and Nomination Committee of the Supervisory Board of the Warsaw Stock Exchange of 30 August 2023 on the recommendation to the Exchange Supervisory Board on the assessment of the Management Board's performance of the Management Objectives for 2022 and the amount of the Variable Remuneration for the Members of the Exchange Management Board;
- matters concerning the assessment of the Management Board's achievement of its management objectives for 2022 and the decision on the allocation of variable remuneration to the Management Board Members for 2022;
- acceptance of the report of the Exchange Supervisory Board on remuneration prepared on the basis of the *Remuneration Policy for Members of the Management Board and Supervisory Board of the Warsaw Stock Exchange*;
- assessment of the functioning of the *Remuneration Policy for Members of the Management Board and Supervisory Board of the Warsaw Stock Exchange* in terms of achievement of its objectives;
- approval of an assessment of the Company's situation in 2022, including an assessment of the functioning of the remuneration policy at GPW;
- review of compliance of Members of the Exchange Management Board with the requirements under the Regulation of the Minister of Finance, Funds and Regional Policy of 24 November 2020 concerning requirements applicable to members of the management board and of the supervisory board of a company operating a regulated market and the terms and conditions of maintaining and improving their knowledge and competences;
- consent for an Exchange Management Board Member to sit on the governing bodies of other entities;
- appointment of counsel by the Exchange Supervisory Board in connection with the investigation of a former employee of the Company;
- increasing the training budget for 2023 for Exchange Management Board Members;
- defining the training budget for Members of the Exchange Management Board and the Exchange Supervisory Board for 2024.

The Remuneration and Nomination Committee adopted 20 resolutions in 2023.

The Committee performed an annual review of the Rules of the Remuneration and Nomination Committee and decided not to recommend any amendment to the Rules to the Exchange Supervisory Board.

The Remuneration and Nomination Committee's conclusions were presented on an on-going basis at meetings of the Exchange Supervisory Board.

Katarzyna Szwarc

Chairwoman of the Committee