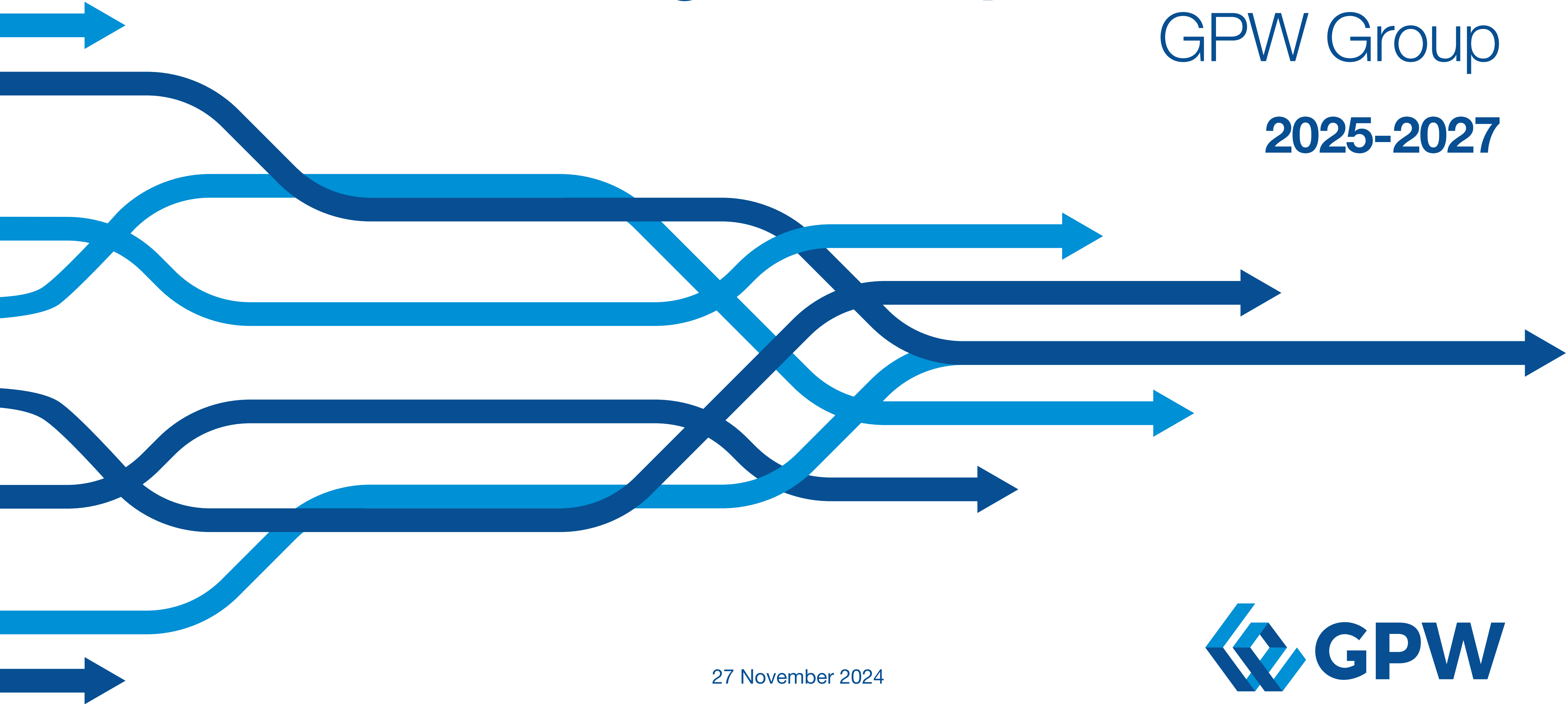


Strategic development directions

GPW Group

2025-2027



27 November 2024



GPW's mission has two complementary priorities: capital market development and building shareholder and stakeholder value - with the support of modern technology



Capital market development

GPW actively strives to increase the share of capital market in financing of the economy, including support for innovative and development activities



Building shareholder and stakeholder value

GPW builds shareholder and stakeholder value by increasing the scale of its operations while maintaining cost discipline, in line with the best standards of sustainable development



Summary of conditions and opportunities for the development of the Polish capital market

Status quo

Decreasing role of the capital market in financing the growth of the Polish economy - decline in market capitalisation in relation to GDP to 25% in 2023 from 35% in 2014

Small pool of domestic institutional capital in the public and private capital market

Household savings structure is unfavorable for capital market development.

Low returns on the WIG20 index between 2015 and 2023, among others due to lowered standards of corporate governance in state-owned companies

Opportunities

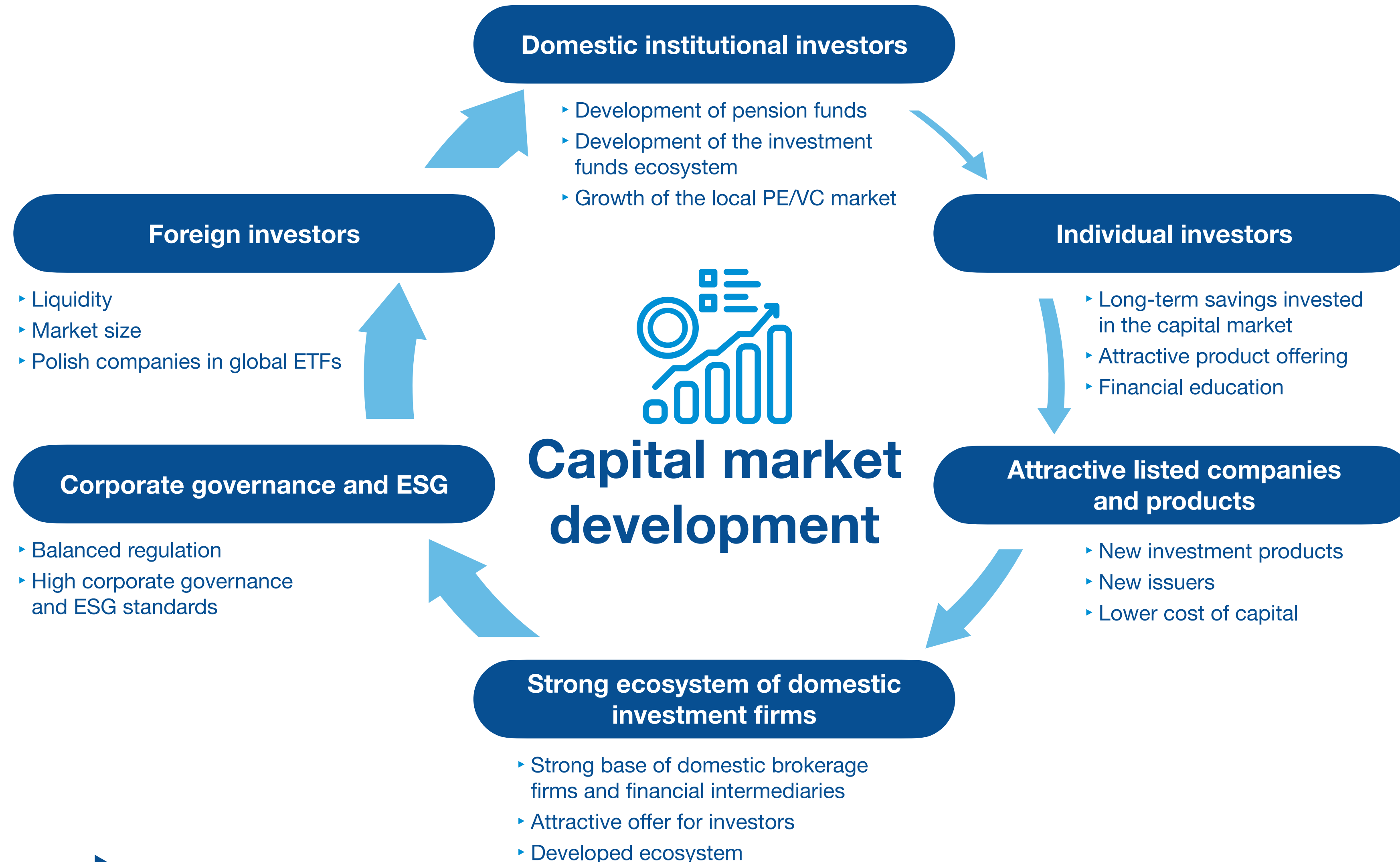
Significant potential to increase the scale of financing the economy on the exchange, subject to increased inflow of long-term capital

Further increase in PPK participation and increased popularity of pension products (IKE, IKZE); development of the PE/VC market

Reallocating part of bank deposits and cash holdings to long-term investments representing a dual opportunity for capital market growth and savers

Improved corporate governance and a transparent dividend policy will support long-term returns

Capital market development cycle - building domestic capital drives the market



GPW Group's Strategy Pillars



Capital market development

1. Proactive market development in cooperation with market participants
2. Growing the number of companies raising capital on the exchange and active support for issuers
3. Increasing and activating the domestic base of individual investors
4. Supporting financial education, promoting and building confidence in the capital market
5. European financial hub and an active role in shaping market regulation



Building shareholder and stakeholder value

1. Developing a portfolio of cutting-edge services and products
2. Strengthening sustainable development engagement
3. Improving cost and process efficiency and fostering synergies in the GPW Group through technology platforms
4. Increasing the share of recurring revenues and accelerating growth through strategic partnerships and M&A
5. Attractive dividend policy with the ambition to increase dividends



1. Proactive market development in cooperation with market participants

Initiating and supporting actions aimed at developing the capital market

- ➔ **Cooperating with capital market stakeholders** (including the area of regulation and supervision) to strengthen the role of the capital market in the financing of the economy
- ➔ **Active cooperation with investment firms** to build scale of Poland's capital market
- ➔ **Development of green financing instruments** to support the energy transition
- ➔ Supporting measures aimed at **regulatory simplification for issuers**
- ➔ Initiatives aimed at **increasing long-term investment** of households on the capital market
- ➔ Initiating and supporting **digital transition projects** of the capital market





2a. Growing the number of companies raising capital on the exchange

Attracting new issuers

- ➔ Active cooperation between potential **issuers - investment firms - investors:** promotion and support of funding through the capital market
- ➔ Matching potential issuers, brokerage firms and potential investors: **GPW IPO Bridge**
- ➔ Expanding the educational offer for companies considering listing on GPW: establishment of **GPW IPO Academy**
- ➔ Facilitating capital raising for SMEs by revitalising **NewConnect**
- ➔ Intensification of actions to promote bond issues on Catalyst: **GPW Catalyst Forum**





2b. Active support for issuers

Expanding the benefits of being listed on GPW

- ➔ **Supporting liquidity** of small and mid-cap stocks: active cooperation with issuers, investors and market makers
- ➔ Improving the availability of analysis and research on listed companies: expansion of **the Analytical Coverage Support Program**
- ➔ Facilitating and supporting the implementation of regulatory requirements, including **the creation of an ESG competence centre**
- ➔ Support for issuers in their communication with investors: organisation of **investor conferences and meetings** in modern formats
- ➔ Initiatives to promote the long-term commitment of individual investors: **support in building loyalty programs**





3. Increasing and activating the domestic base of individual investors

Attracting individual investors to GPW

- ➔ Introducing attractive **long-term investment products**
- ➔ **Price promotions** on selected products for individual investors
- ➔ Adaptation to **the needs of young investors** through a modern product offering, including digital assets
- ➔ Introducing tools facilitating access to market information - development of **GPW App**
- ➔ Development of modern **channels of communication** with investors and increased presence of exchange-related topics in the information and educational sphere





4. Supporting financial education, promoting and building confidence in the capital market

Building a culture of long-term investment on GPW

Financial education

- ➔ **Promotion of the capital market** as a place to build financial security
- ➔ GPW's active role in **the National Strategy for Financial Education**
- ➔ Extension of **the GPW Foundation's** educational offer with increased emphasis on the benefits of long-term investment and financing on the capital market

Building confidence in the capital market

- ➔ Promotion of best **corporate governance** practices among listed companies
- ➔ Working with financial market institutions to **increase the level of investor protection**
- ➔ Modern **capital market communication** aimed at building awareness of its role in financial security





5. European financial hub and an active role in shaping market regulations

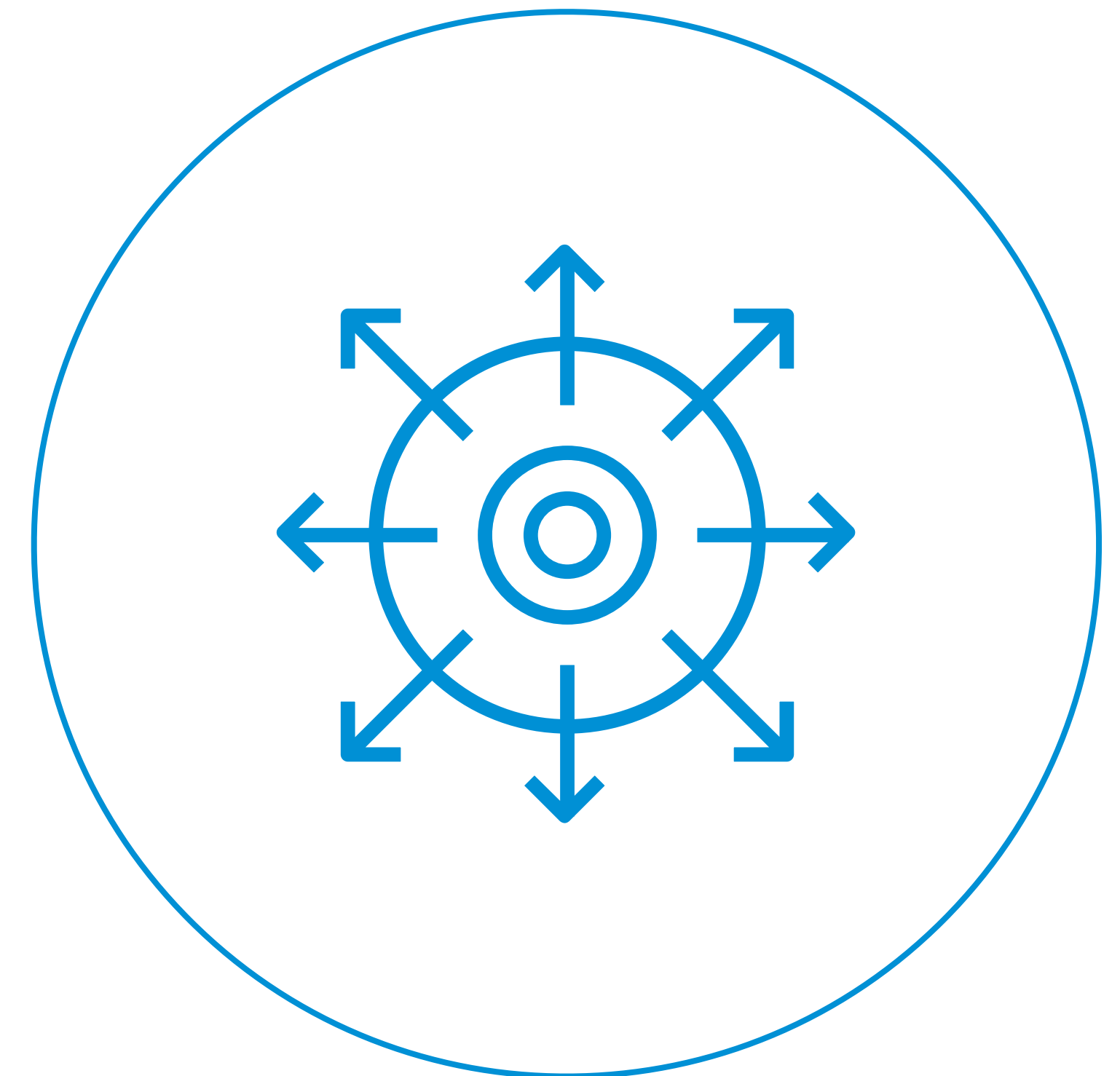
Increasing role of Warsaw as a regional and European financial hub

Regional financial hub

- ➔ **Increased cooperation** among **the region's** exchange infrastructures, including exchange of knowledge, promotion of markets and harmonisation of regulations
- ➔ Working towards **multi-listing of issuers** on stock exchanges in the region
- ➔ **Building liquidity** and facilitating investor access to regional markets

Active role in shaping European regulation

- ➔ **A common voice** with domestic capital market and exchanges in the region **in consulting EU regulations**, in order to create a favorable regulatory environment for the development of the capital market in CEE region
- ➔ **Promoting regulation** which supports the development of the exchange market and its products

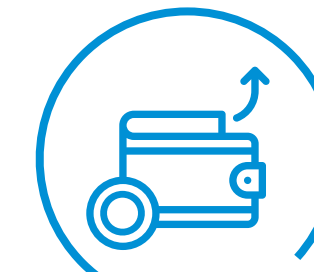


GPW Group's Strategy Pillars



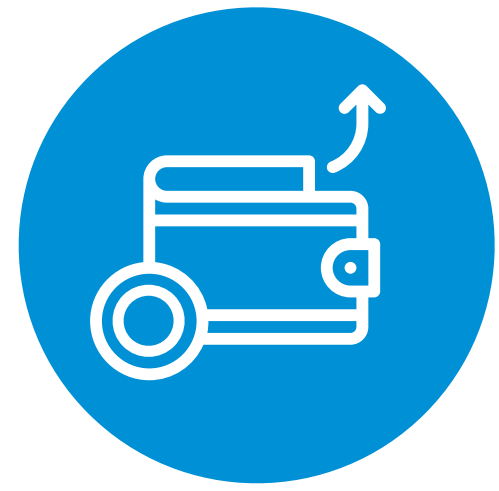
Capital market development

1. Proactive market development in cooperation with market participants
2. Growing the number of companies raising capital on the exchange and active support for issuers
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Building shareholder and stakeholder value

1. Developing a portfolio of cutting-edge services and products
2. Strengthening sustainable development engagement
3. Improving cost and process efficiency and fostering synergies in the GPW Group through technology platforms
4. Increasing the share of recurring revenues and accelerating growth through strategic partnerships and M&A
5. Attractive dividend policy with the ambition to increase dividends



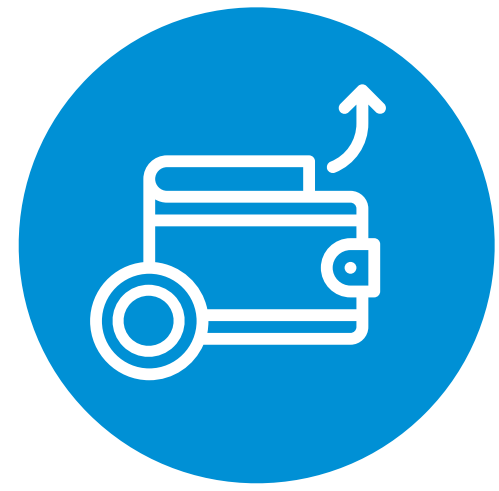
1. Developing a portfolio of cutting-edge services and products



1a. Products for individual investors

1b. Modern financial market and digital asset products and services

1c. Development of the commodity market

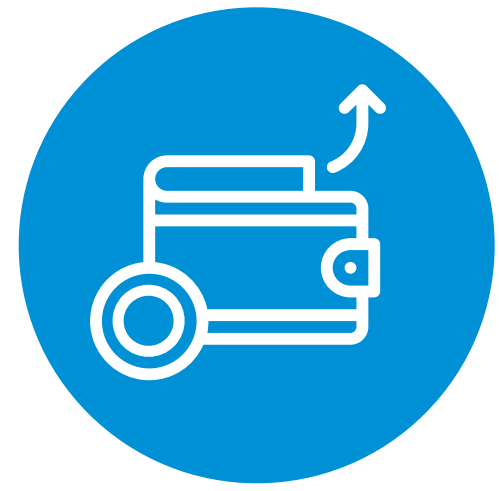


1a. Products for individual investors

Attractive long-term investment products

- ➔ Increased availability of **long-term investment products for retail clients:**
 - ▶ **ETFs** - development of the product range and promotion of instruments based on domestic indices
 - ▶ **REITs** - support for the introduction of solutions providing an alternative to real estate investment
 - ▶ **Debt instruments** – bonds and covered bonds with parameters adapted to retail investors
- ➔ **Increasing liquidity in the segment of small and mid-cap stocks:** attracting new market makers and introducing derivatives such as mini-futures
- ➔ **GlobalConnect:** access to global investments
- ➔ **Digital assets:** including development of tokenization of non-financial assets





1b. Modern financial market and digital asset products and services

Development of technology platforms in the financial, ESG, and digital asset markets

Government and corporate bonds (including green bonds)



- ▶ Development of the Treasury BondSpot Poland Market as a wholesale market of first choice for government bonds



- ▶ Simplified structure based on WATS
- ▶ Improved liquidity, including new market makers
- ▶ Development of the green bond market

All-to-All market for government bonds

Development of debt derivatives

Financial and ESG information services

Development of financial information services

- ▶ Expanding the range of value-added information services
- ▶ Development of GPW Benchmark indices



Development of ESG services

- ▶ Development of ESG products and services for issuers

Development of digital assets and technology platforms

Development of technology products

- ▶ Exploitation of synergies of the proprietary trading platform GPW WATS in the GPW Group and its commercialisation
- ▶ Development of GPW WATS interoperable products

Digital asset platform

- ▶ Development of a blockchain platform
- ▶ Working with partners to tokenize non-financial assets



1c. Strategic conditions of the commodity market

Energy transition of the power sector

- ➔ Declining importance of trading in electricity generated from conventional energy sources and growing importance of RES
- ➔ Development of RES driving the importance of balancing and flexibility markets managed by grid operators

Integration of European markets

- ➔ Increasing integration of the pan-European electricity market
- ➔ Increasing competition between exchanges

Energy security of the gas sector

- ➔ Building energy independence for the gas sector based, among others, on decarbonised gases

Expectations of market participants

- ➔ Market expectations for the introduction of solutions to hedge electricity and gas prices, taking into account RES sources, e.g. through electricity and gas futures

The draft National Energy and Climate Plan to 2030 foresees an increase in the share of RES in the power sector to 56% in 2030.

Electricity production in Poland

	2023	2030	2040	2023	2030	2040
	TWh			%		
coal	101	43	4	60	22	1
RSE	43	108	195	26	56	63
natural gas and H ₂	17	31	28	10	16	9
nuclear	0	0	58	0	0	19
storage, ESP	1	7	20	1	4	7
other	4	4	3	3	2	1
Total	166	193	308			

Source: National Energy and Climate Plan to 2030, October 2024 draft



1c. Development of TGE Group's product offering

Electricity and gas futures

- ➔ Offering tools to hedge electricity and gas prices commonly used on European markets
- ➔ Potential to increase trading volumes and attract new market participants

Development of the Register of Guarantee of Origin

- ➔ New renewable energy carriers: heat, cold, biogas, biomethane, green hydrogen, and the development of transaction mechanisms to facilitate the matching of demand and supply

New products developed in cooperation with grid operators

- ➔ Increasing the efficiency and safety of the electricity market using balancing arrangements
- ➔ Developing a concept for the operation of a flexibility service market

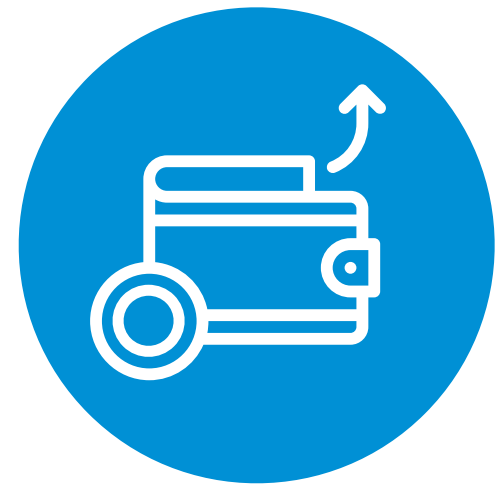
Development of RES sector indices

- ➔ Adaptation of RES indices to the current electricity generation from renewable sources

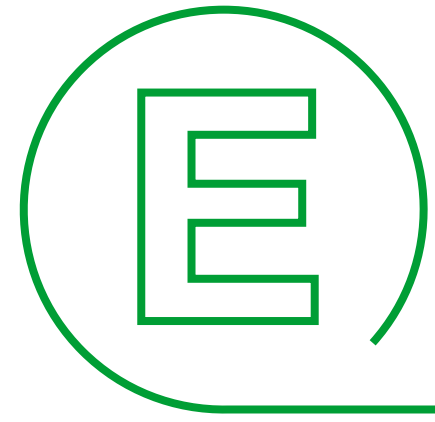
New agricultural market model

- ➔ Initiative to launch trading in electronic warehouse receipts





2a. Strengthening GPW's sustainable development engagement



environment

Adoption of the **transition plan**

Reaching **net-zero by 2045**

Setting **Scope 3** emission reduction plans



employees, education, community

Supporting the **development of professional competences of employees**

Increasing the proportion of the underrepresented gender among senior and middle management

Actions to promote **financial and investment education** in the community

Reducing the pay gap

Initiatives to support **diversity**

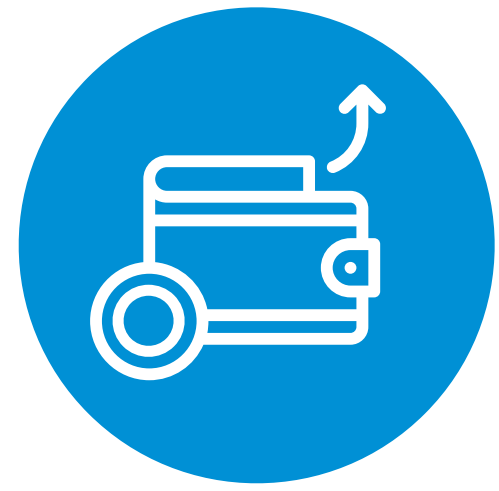


corporate governance

Implementation of **ESG objectives** in the remuneration system for management and employees

Stepping up activities to support **the implementation of regulations aimed at improving the gender balance in bodies of listed companies**

90%+ of employees trained in anti-bribery and corruption, respect for human rights, code of ethics

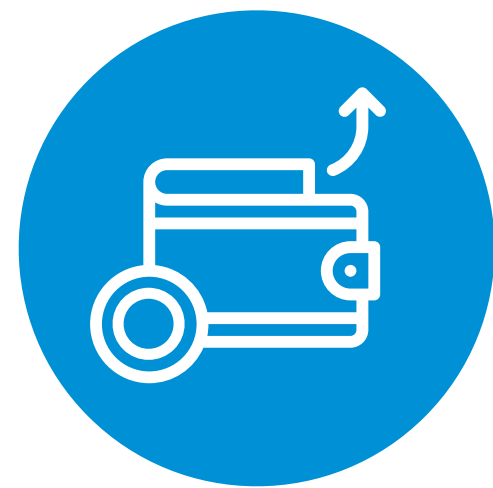


2b. Starting the GPW FutureBridge programme

Leadership development programme matching women leaders with GPW-listed companies seeking management and leadership talent

- ➔ **Inter-university Educational Programme** to prepare candidates for positions on management and supervisory boards, taking into account the specificity of companies listed on GPW and corporate requirements
- ➔ **Cooperation** with partners and organisations offering support in career planning.
Regular meetings for programme participants with listed companies in selected industries
- ➔ **Marketplace of development programmes** giving access to a broad spectrum of training, courses and programmes





3. Improving cost and process efficiency and fostering synergies in the GPW Group through technology platforms

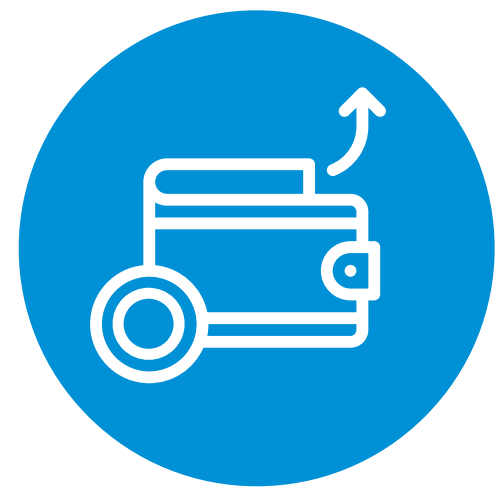
Controlling costs and improving organisational efficiency with the support of innovative technologies

Improving cost and process efficiency

- ➔ Review of non-core projects and focus on financial and commodity market activities
- ➔ Further cost and process optimisation measures
- ➔ Strengthening synergies in the GPW Group through creation of competence centres and centralisation of selected functions
- ➔ Improving collaboration between trade and post-trade areas of financial and commodity markets

Implementation of modern technological solutions to improve process efficiency as part of the IT Strategy, including AI

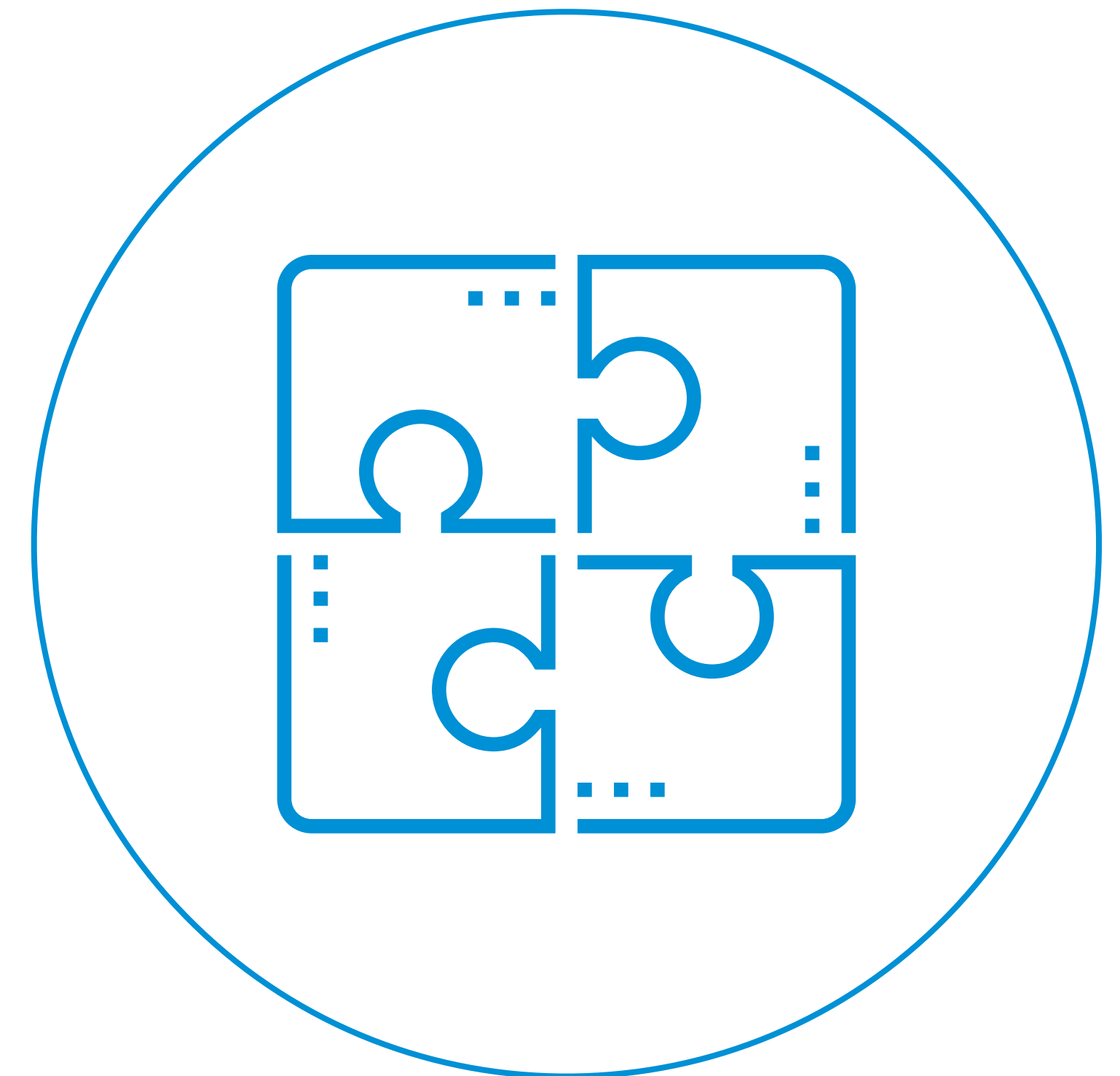
- ➔ Implementation and development of the WATS platform
- ➔ Integration and consolidation of the core IT infrastructure
- ➔ Digitalisation and robotisation of internal and sales processes using artificial intelligence (AI)
- ➔ Implementation of an integrated management and data sharing platform
- ➔ Use of cloud computing

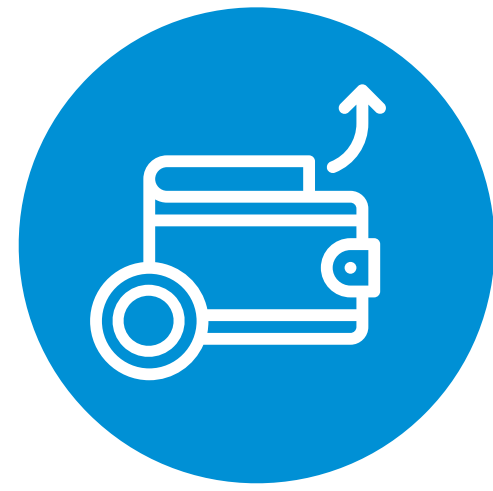


4. Increasing the share of recurring revenues and accelerating growth through strategic partnerships and M&A

Strategic partnerships and value enhancing acquisitions

- ➔ Increasing the share of **recurring revenue** not directly linked to turnover
- ➔ **Strategic partnerships** as an effective method to expand the range of products and services offered by the GPW Group, in areas such as fintech, financial data, wealthtech and ESG
- ➔ The primary objective of the **M&A strategy** is to selectively seek out potential acquisitions in the market for financial services and products which show clear synergies with the strategic directions of GPW's development



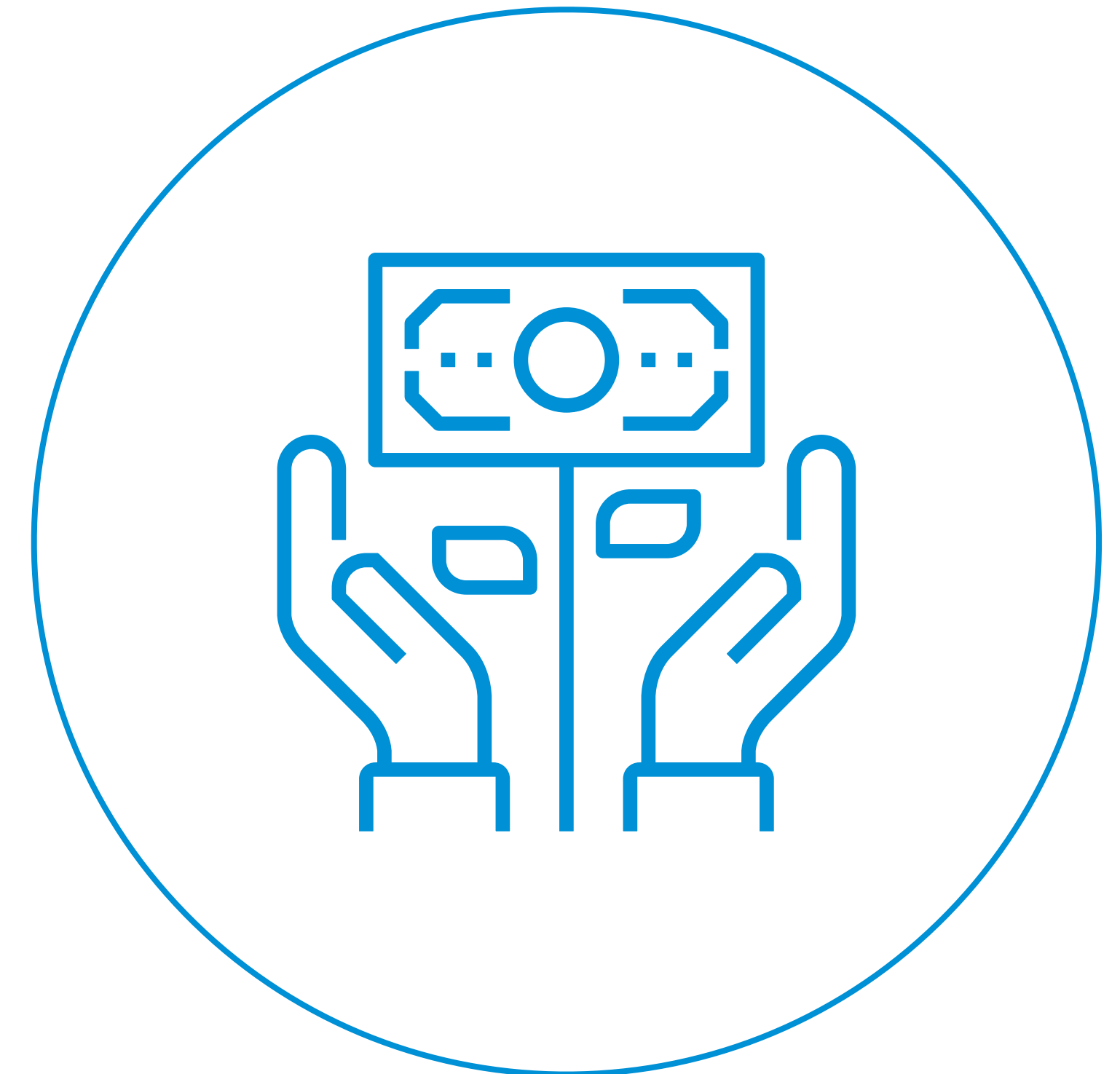
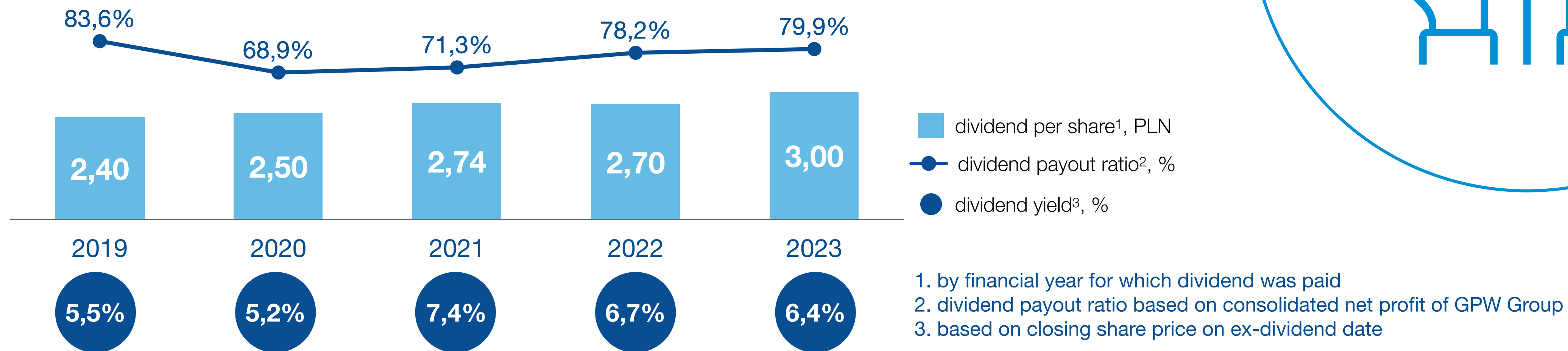


5. Attractive dividend policy with the ambition to increase dividends

Policy to pay out 60-80% of the consolidated net profit of the GPW Group

- ➔ Continuation of attractive dividend policy with the ambition to increase dividends: GPW has paid PLN 1.35 billion in dividends since the IPO
- ➔ Proposal to pay dividends more often than once a year

Dividends paid by GPW for 2019-2023



GPW Group's financial ambitions by 2027



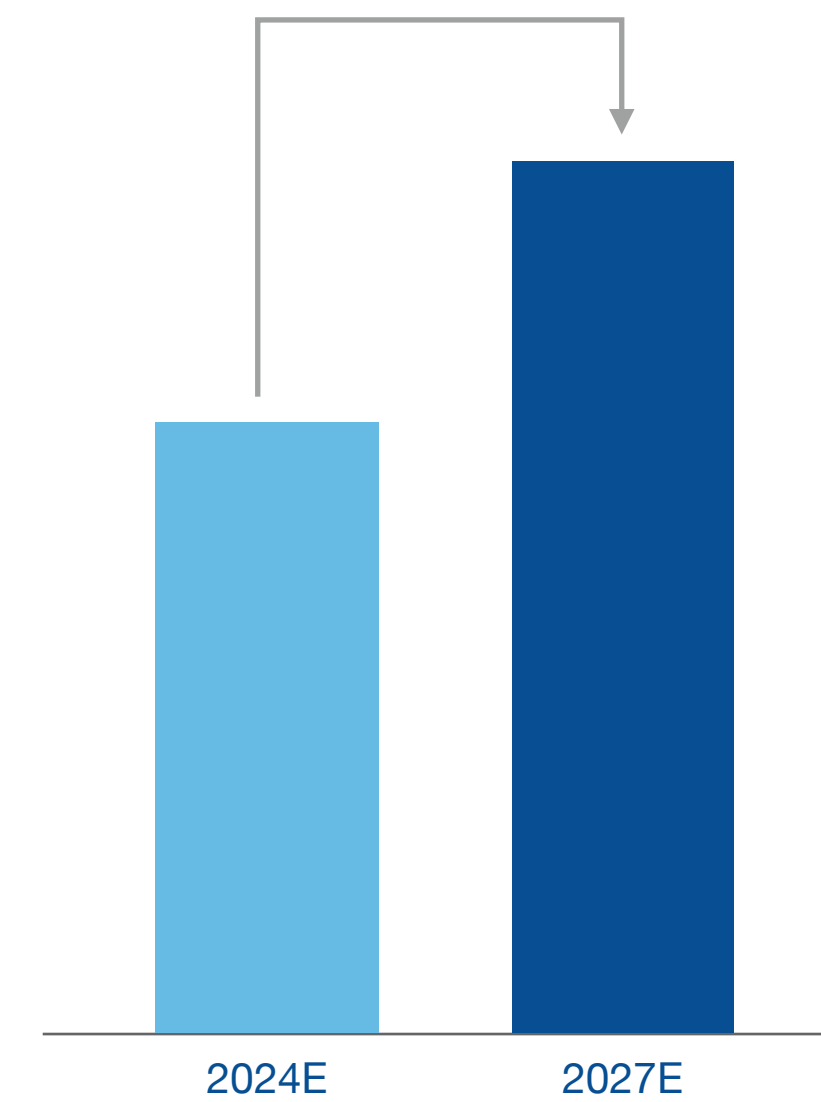
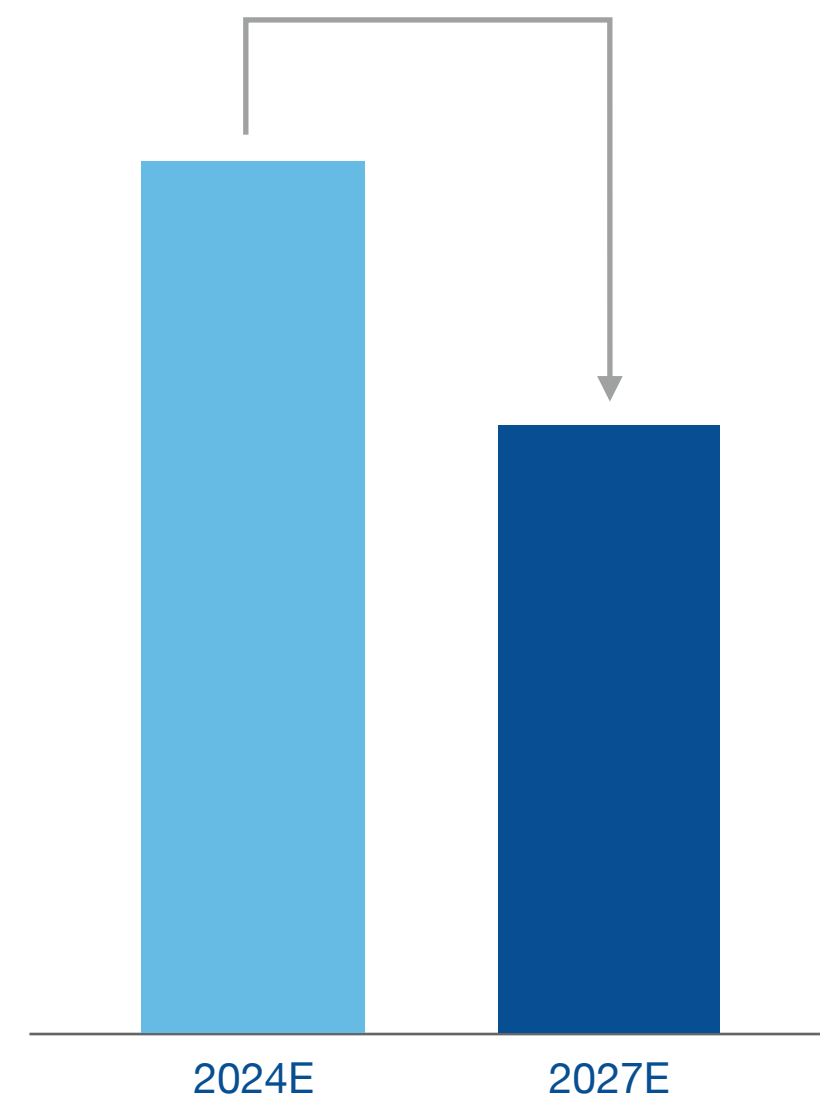
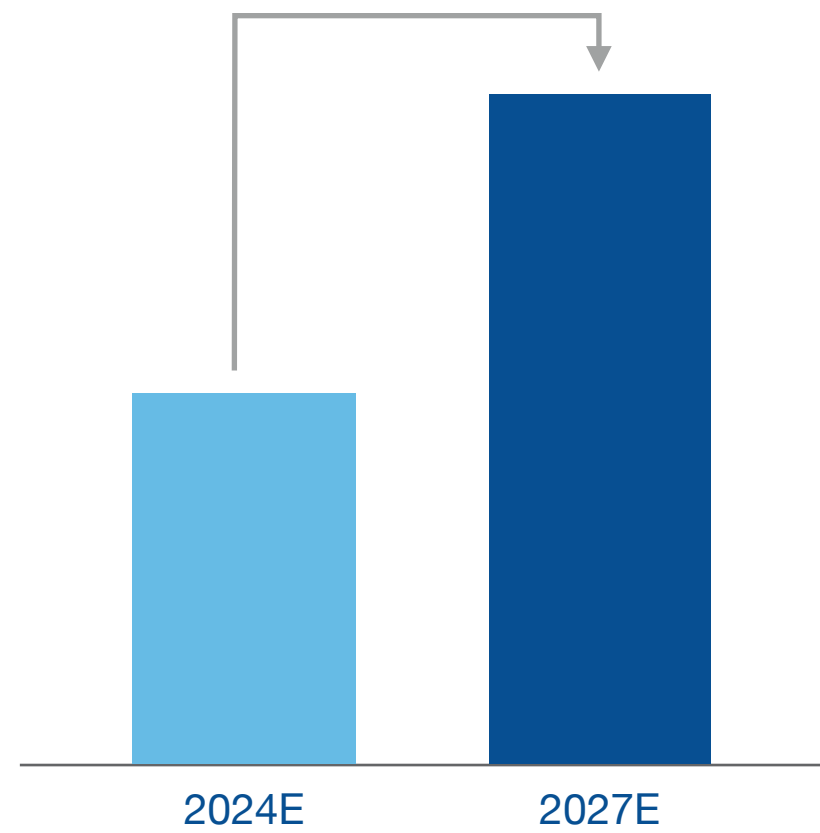
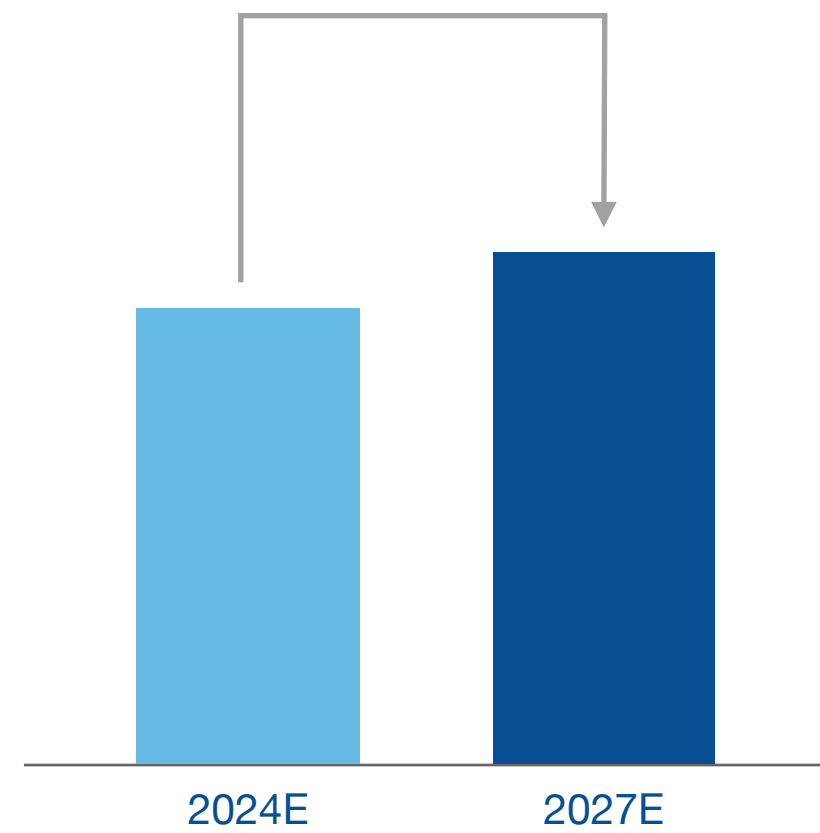
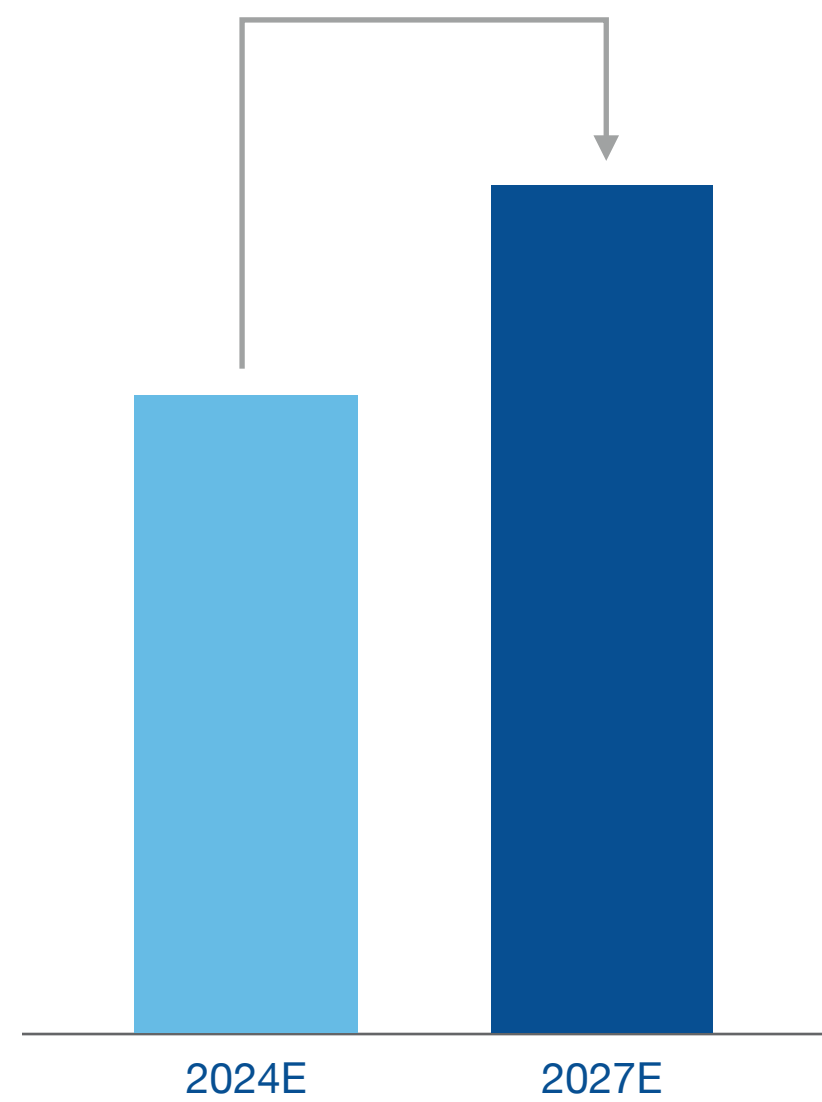
Revenue

Operating expenses

EBITDA

Cost / Income

ROE



CAGR
6-8%

CAGR
4-6%

CAGR
8-12%

~65%

~18%





Role of the capital market in the financing of the economy

Individual investors and new issuers

Long-term investment culture

Warsaw as a European financial hub

 **GPW**
#2027

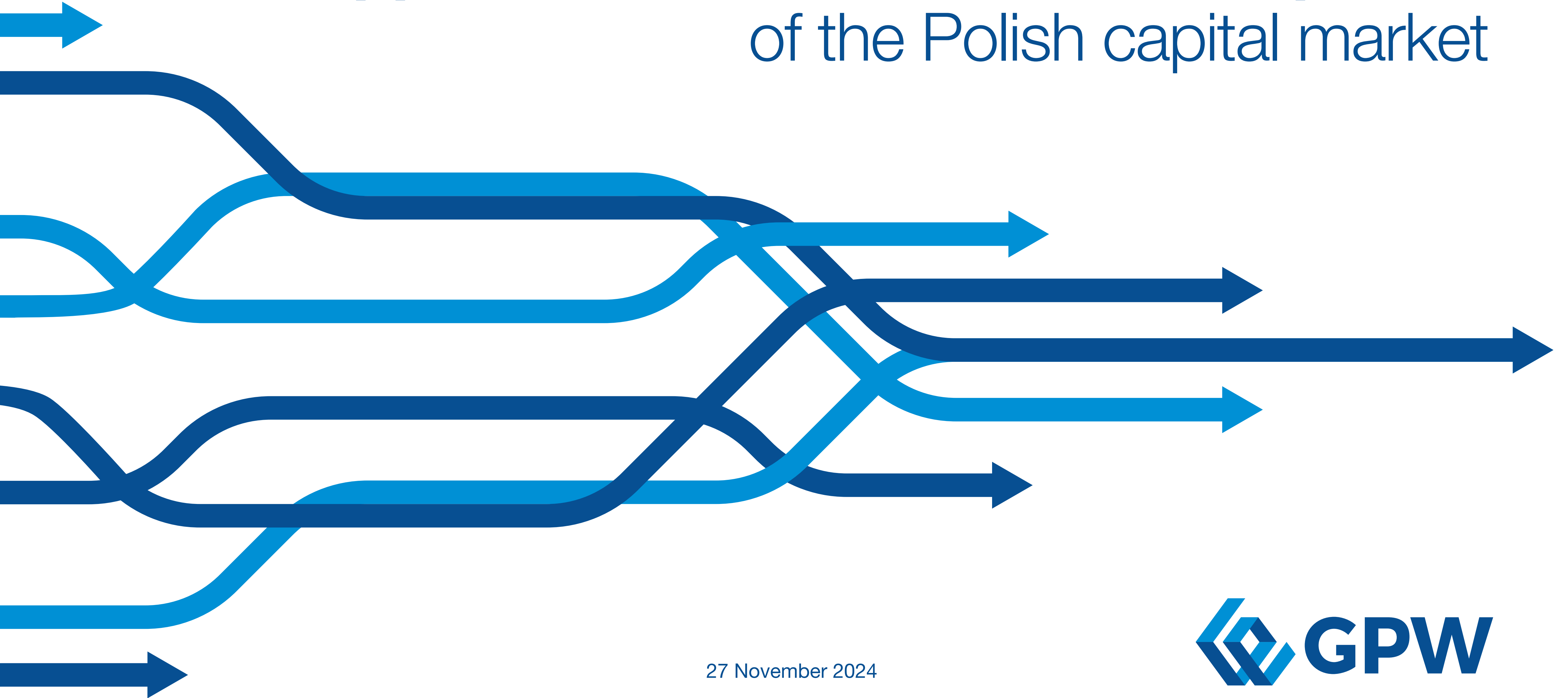
Attractive investment products

Sustainable development

Improved profitability and attractive dividend policy

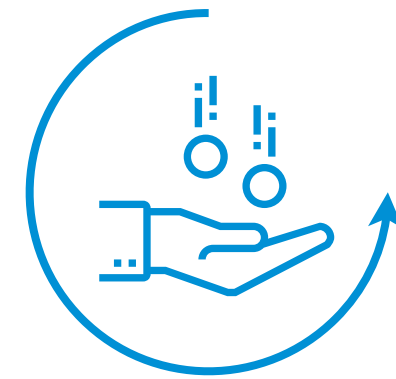
Growth through partnerships and acquisitions

Appendix – Conditions of development of the Polish capital market



27 November 2024

The role of the capital market in financing the growth of the Polish economy has declined significantly in recent years



The market capitalisation of the exchange relative to GDP decreased from 35% in 2014 to around 25% at the end of 2023 and the number of domestic companies listed on the GPW's Main Market dropped from 420 in 2014 to 368 in October 2024

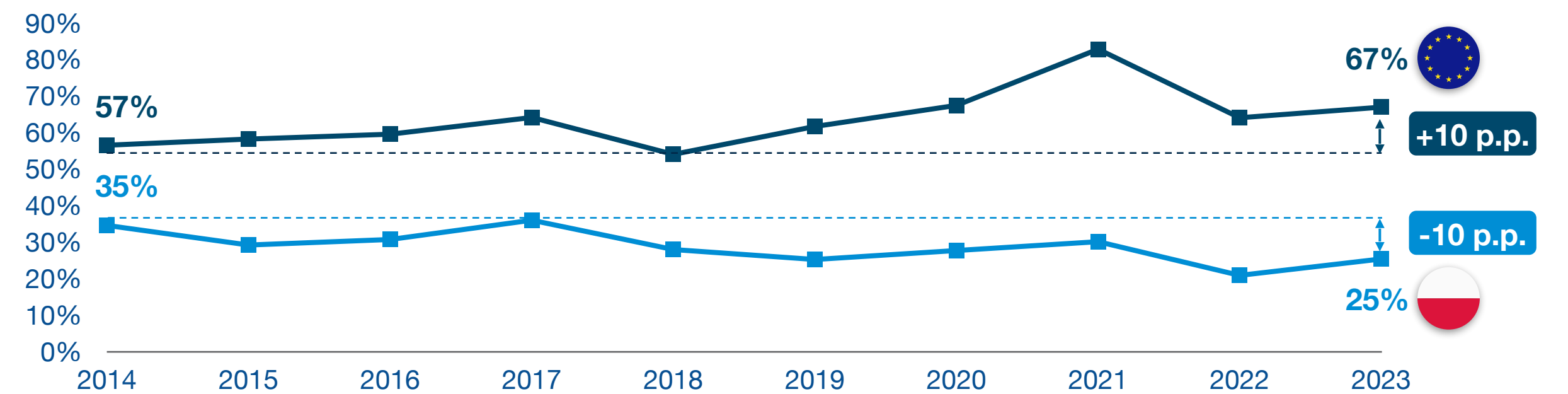


The domestic capital market reflects less and less what is happening in the Polish economy and does not play an important role in financing growth

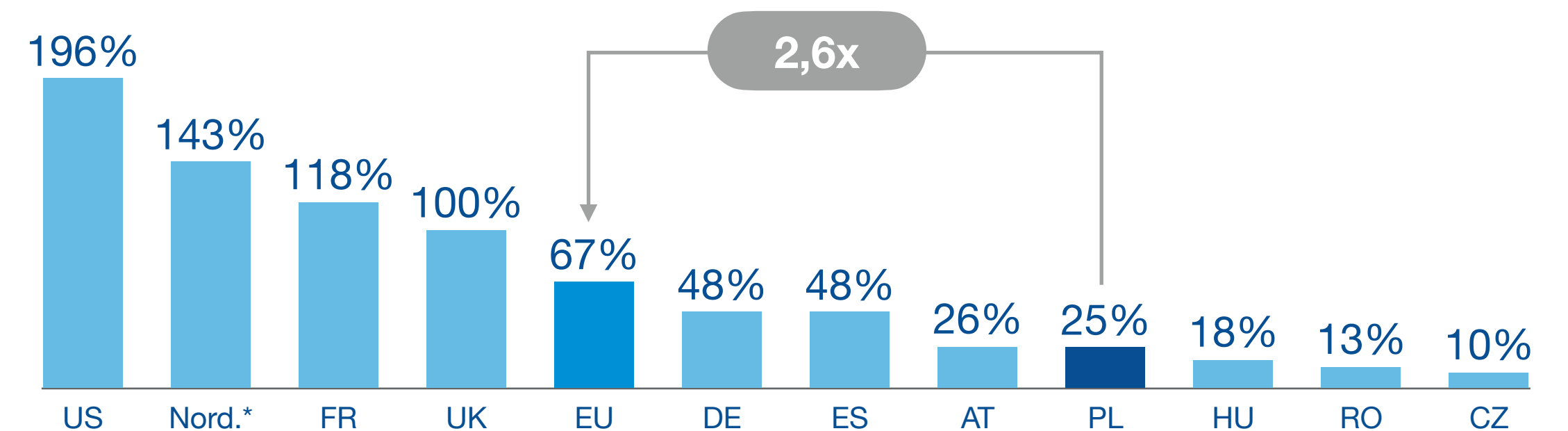


In the EU, the average capitalisation of exchanges relative to GDP increased from around 57% in 2014 to nearly 67% in 2023. In the US, the market capitalisation to GDP ratio reached 196% in 2023. The US accounts for a growing share of global market capitalisation, which is due to the dominance of the technology sector, innovation, and the global reach of US companies

Market capitalisation of the exchange to GDP in Poland and the EU in 2014-2023 (%)**



Market capitalisation of the exchange to GDP in 2023 (%)

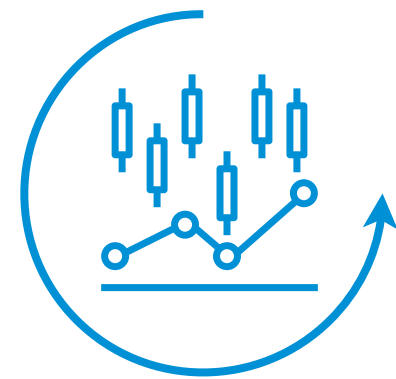


Source: GPW, FESE, Bloomberg, Eurostat | * Nasdaq Nordics & Baltics | **According to FESE methodology

The small pool of domestic institutional capital is a key barrier to further capital market growth



Assets of pension and investment funds in Poland remain at one of the lowest levels in Europe, much lower than in the most developed capital markets

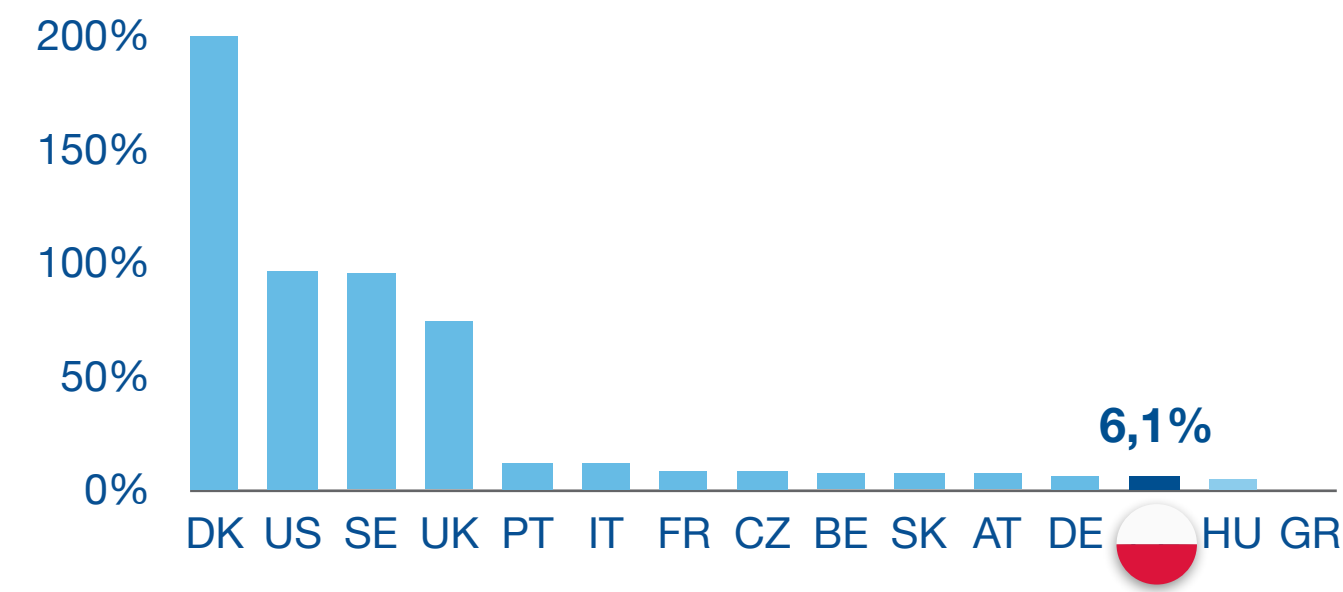


Low share of TFI assets in domestic equities due to popularity of debt funds is an opportunity at a time of falling interest rates

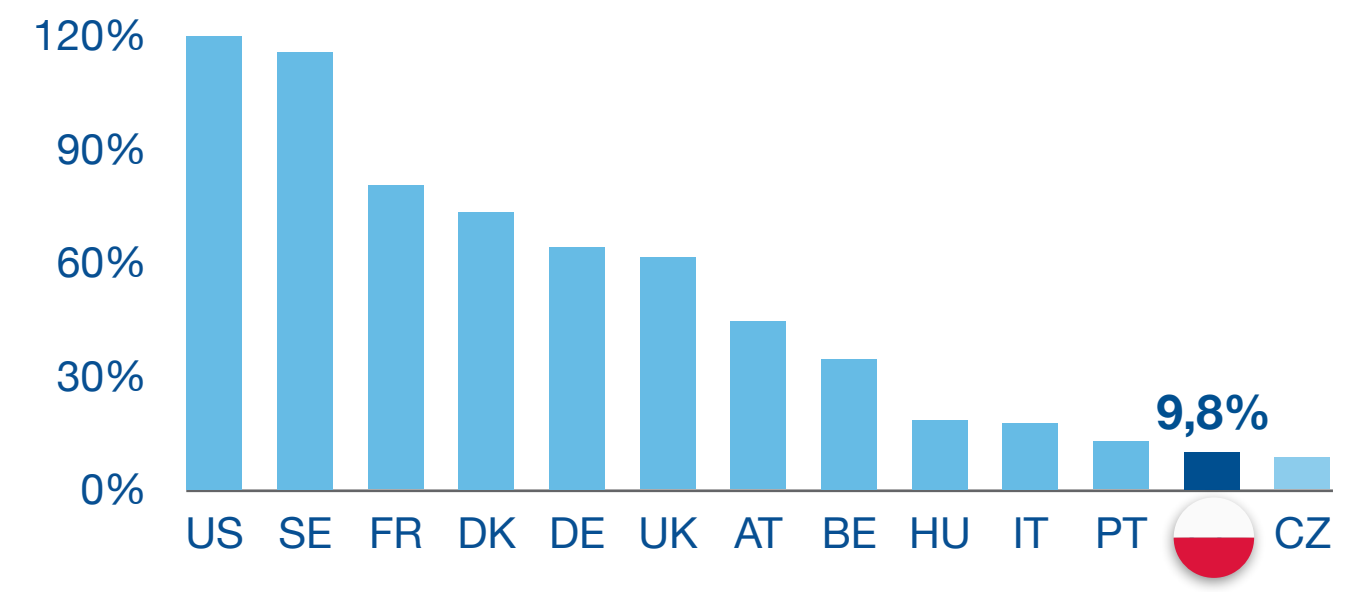


Open-ended Pension Funds (OFEs) remain the dominant player on the domestic market: their investments account for almost a half of all free-float shares on GPW. Long-term investment in the capital market will be supported by the further growth of Employee Capital Plans (PPK) and the growing popularity of pension products, such as IKE and IKZE, but will be weakened by the shift of assets from OFE to ZUS

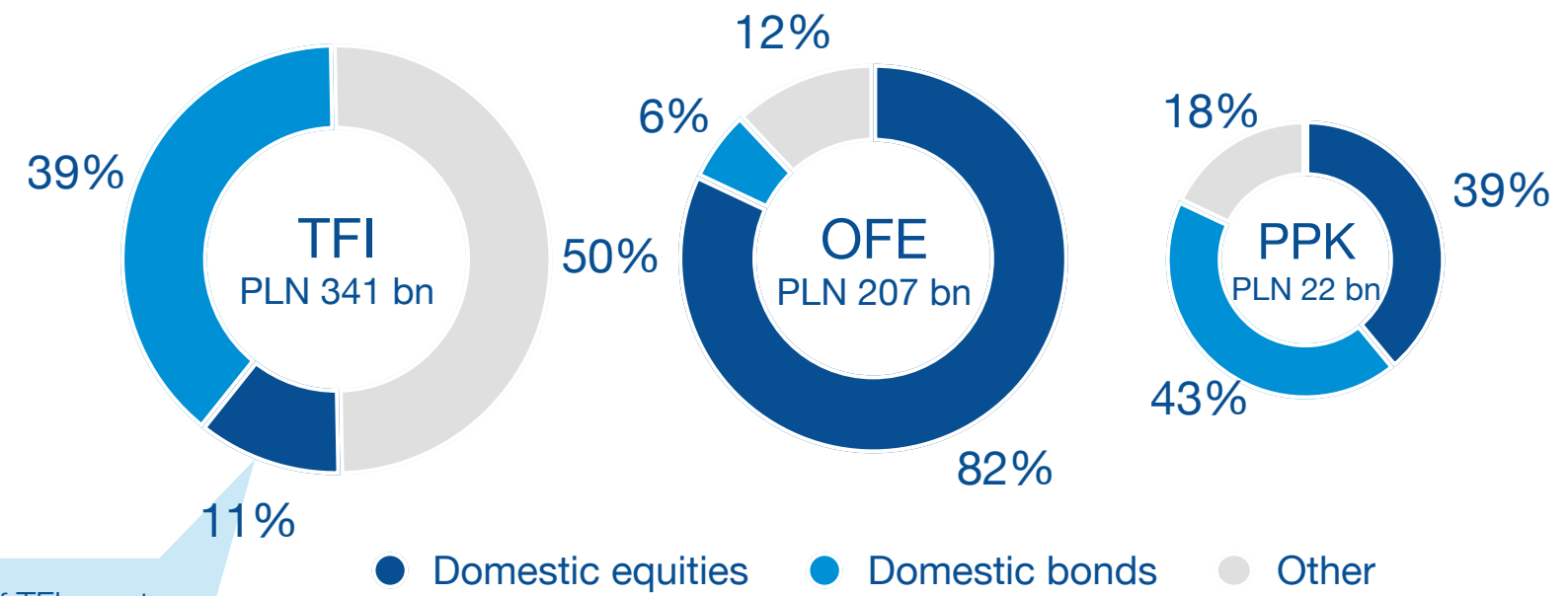
Pension fund assets* as a % of GDP in 2023 (%)



Investment fund assets as a % of GDP in 2023 (%)

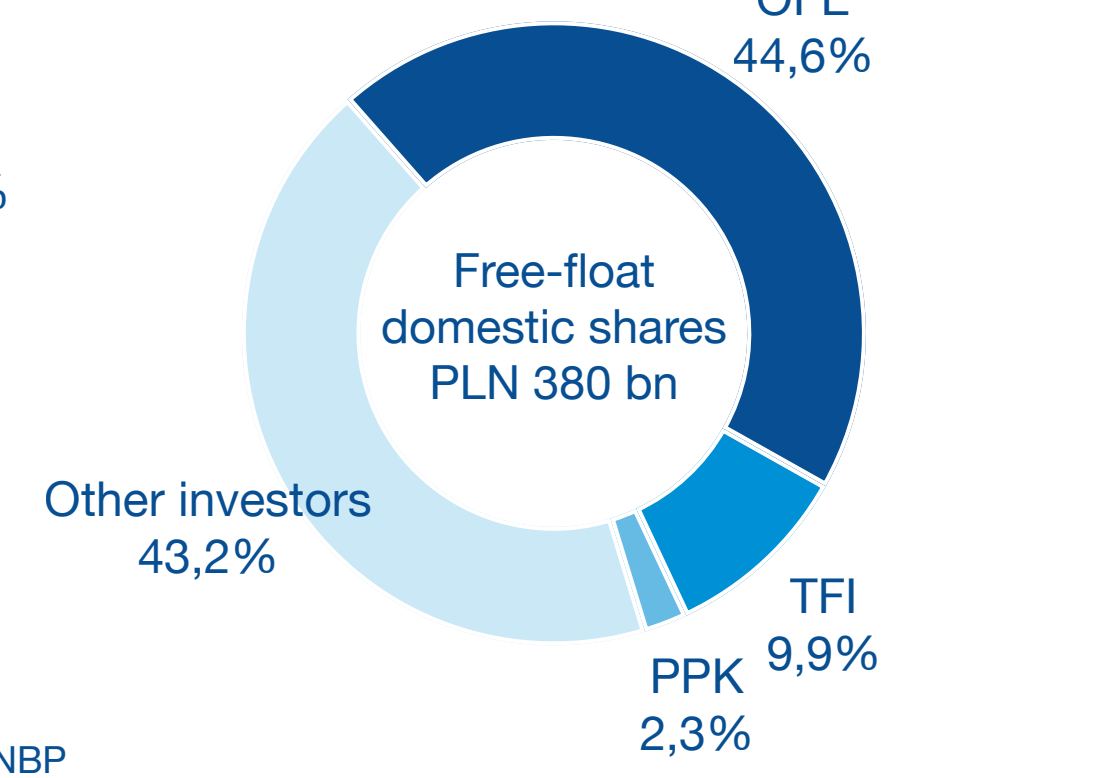


OFE, PPK and TFI assets in 2023 (%)



Only a small proportion of TFI assets is allocated in domestic equities.

Share of funds in free-float of domestic shares in 2023 (%)



Source: OECD | *Pension fund assets - assets acquired with contributions to pension plans, dedicated exclusively to finance pension benefits | EFAMA, KNF, NBP

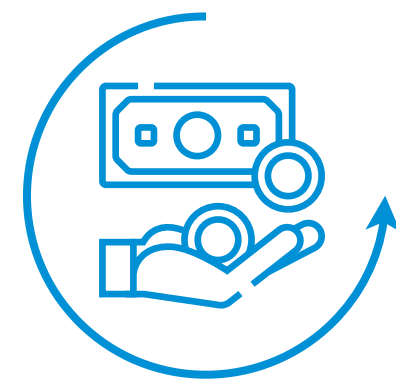
Shifting part of household assets from bank deposits as an opportunity for the capital market and for savers



Poland has one of the highest shares of cash and bank deposits in household financial assets among EU countries and at the same time one of the lowest shares of investments in the capital market

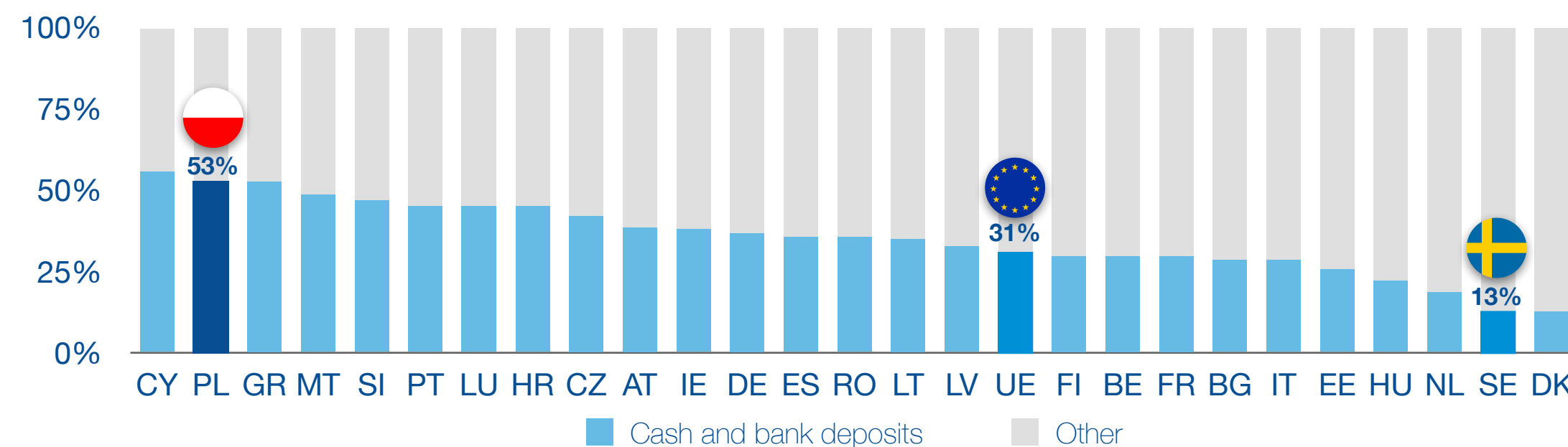


With household financial assets in Poland of over PLN 3 trillion, bringing cash and bank deposits down to the EU average would free up over PLN 0.6 trillion of assets, and bringing them down to the level observed in Sweden, a country which is often cited as an example of a well-developed capital market, could free up around PLN 1.2 trillion of additional assets for investment, including in the capital market



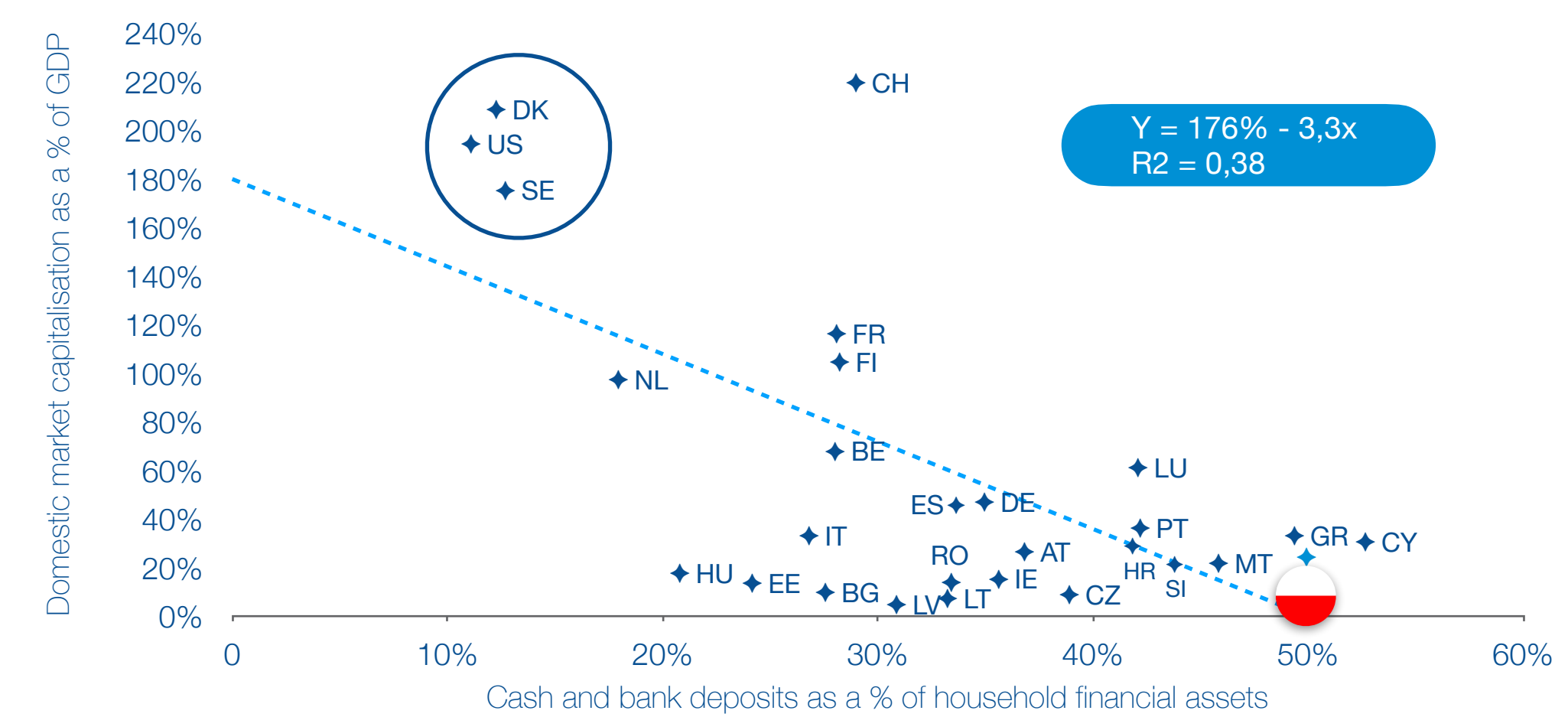
53% of household savings in Poland are held in cash and bank deposits, with the EU average at 31%

Household financial assets in 2023 (%)

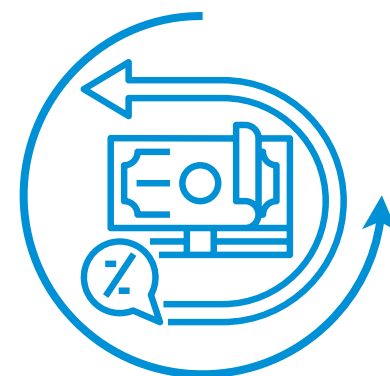


Source: GPW analysis based on Bloomberg, Eurostat, EC and OECD data

Domestic market capitalisation to GDP and share of cash and bank deposits in household financial assets, 2023



An efficient capital market supports the economy and delivers attractive long-term return rates for investors

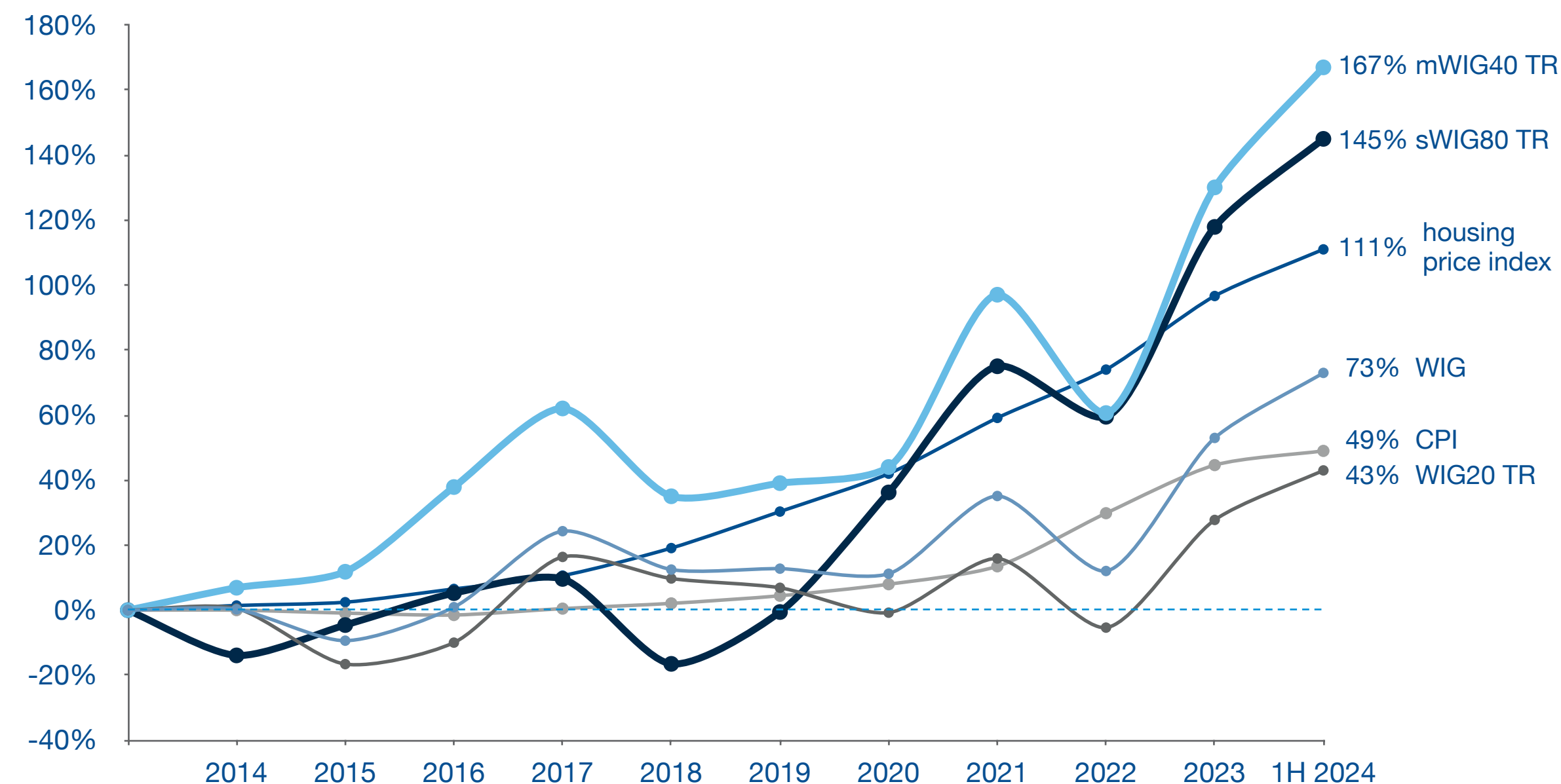


In the long term, an efficient capital market is capable of delivering attractive real return rates, as demonstrated by the rise of the small and mid-cap indices mWIG40 TR* and sWIG40 TR* over the past 10 years



The broad stock market achieved lower returns between 2014 and 2023 due to, among others, lowered standards of corporate governance in state-owned companies, which have a significant share in the WIG and WIG20 indices

Relative change in WIG, WIG20 TR, mWIG40 TR and sWIG80 TR vs. CPI and housing price index in Poland (% , 2013 = 0)



*total return index including dividends paid by participating companies. Source: GPW, Refinitiv, GUS

Regulatory changes relating to the Capital Markets Union in the EU will impact the domestic capital market, which is why we should have an influence on their shape



One of the potential priorities for the new European Commission is to accelerate work on the concept of the Capital Markets Union and the Savings and Investment Union



According to GPW, in addition to top-down regulatory changes at EU level aiming at integration of the European capital market, bottom-up initiatives are needed to strengthen regional capital markets through operational integration and business cooperation



The Warsaw Stock Exchange actively participates in many forms of dialogue concerning the impact of European regulations on the domestic capital market



The Polish presidency of the European Union, which begins in January 2025, can provide a platform for discussion regarding the CMU and the role of regional capital markets

Potential changes in the structure of European capital markets related to the Capital Markets Union concept may create the following for GPW:

- a) challenges related to increased competition from global players and alternative trading platforms
- b) opportunities resulting from the possibility of expansion of the portfolio of international clients, including retail clients, and increased liquidity



Disclaimer

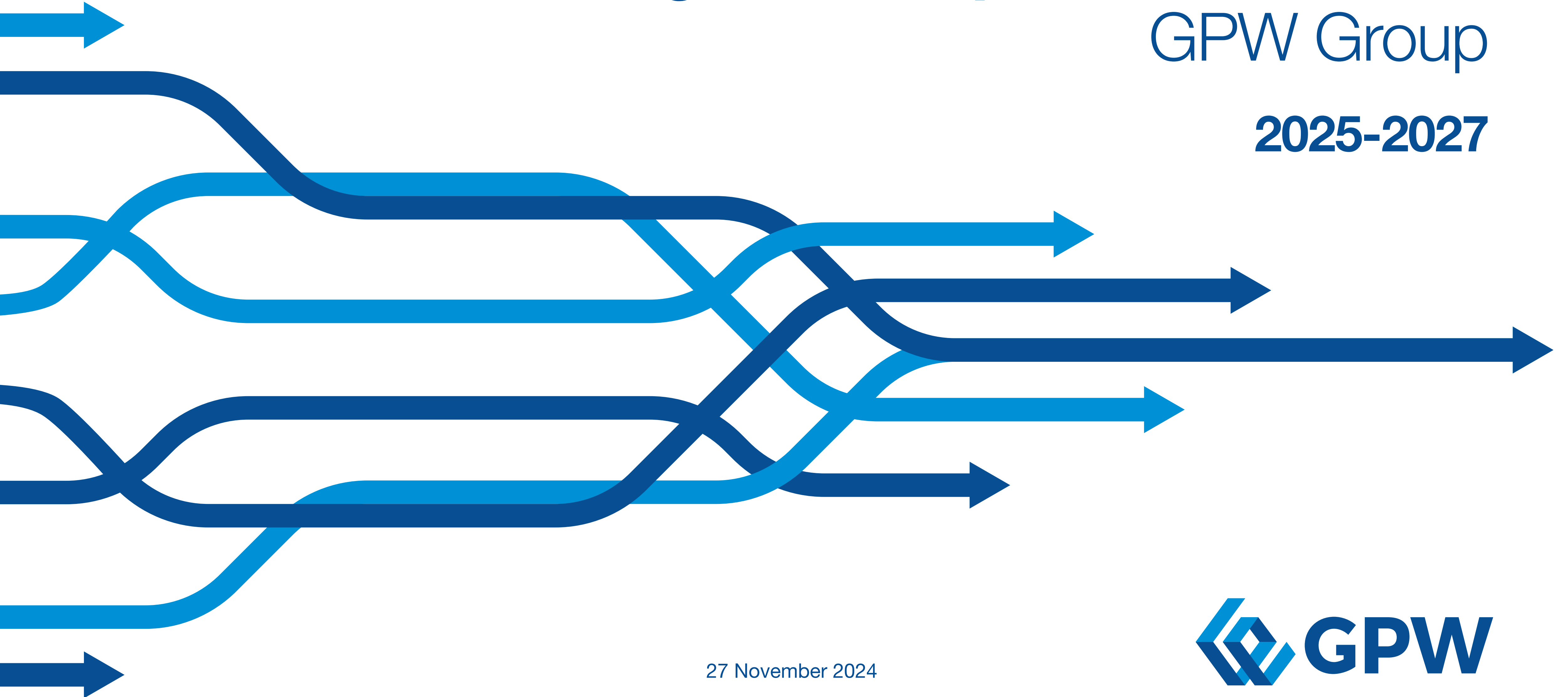
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Strategic development directions

GPW Group

2025-2027



27 November 2024

