



**Report on representation expenses,
expenses for legal services, marketing
services, public relations and social
communication services, and management
advisory services in 2021**

According to Article 18(2)(1) and Article 20a(1) of the GPW Articles of Association and Article 17(6) of the Act of 16 December 2016 on the Terms of Management of Public Assets, below is the **report on representation expenses, expenses for legal services, marketing services, public relations and social communication services, and management advisory services** in 2021.

1. CONSOLIDATED REPRESENTATION EXPENSES OF THE WARSAW STOCK EXCHANGE GROUP

Representation expenses, expenses for legal services, marketing services, public relations and social communication services, and advisory services, including management advisory services in the GPW Group, stood at PLN 14.6 million in 2021 (+62.1% i.e. PLN 5.6 million YoY). The significant increase of expenses was due to many promotion actions and events held, including on the 30th anniversary of GPW, which were absent in 2020 due to the strict lockdown. The cost of advisory was mainly driven by the cost of advisory services in connection with strategic and development projects carried out.

Table 1 Consolidated promotion and advisory expenses in 2019-2021

PLN'000	Year ended 31 December			Change (2021 vs 2020)	Change (%) (2021 vs 2020)
	2021	2020	2019		
Promotion, education, market development	6 862	4 364	3 884	2 498	57.2%
Advisory (including: audit services, legal services, business advisory)	7 787	4 673	7 394	3 114	66.6%
Total	14 649	9 037	11 278	5 612	62.1%

Source: Company

PROMOTION, EDUCATION, AND MARKET DEVELOPMENT COSTS

The costs of promotion, education, and market development, including the cost of marketing services, public relations and social communication services, stood at PLN 6.9 million in 2021 (+57.2% i.e. +PLN 2.5 million YoY). The costs of promotion, education, and market development included the costs presented in the table below.

Table 2 Consolidated costs of promotion, education, and market development in 2019 – 2021

PLN'000	Year ended 31 December			Change (2021 vs 2020)	Change (%) (2021 vs 2020)
	2021	2020	2019		
Sponsoring in cash and in kind	480	387	489	93	24.1%
Promotion and business development	2 012	1 953	1 859	59	3.0%
Catering services	331	237	422	94	39.9%
Media monitoring	111	77	65	34	43.2%
Public relations services	1 029	335	182	694	207.4%
Radio, TV and press advertising	1 833	1 004	538	829	82.5%
Hosting conferences and trainings	1 066	371	330	695	187.5%
Total	6 862	4 364	3 884	2 498	57.2%

Source: Company

The Group's representation expenses include mainly the cost of promotion and business development, advertising, and public relations services which stood at PLN 4.9 million in 2020 (+48% i.e. +PLN 1.6 million YoY) as well as the costs of hosting conferences and training which stood at PLN 1.1 million (+187.5% i.e. +PLN 0.7 million YoY). The Group's representation expenses also include the cost of advertising merchandise (presented in other operating expenses) at PLN 661.8 thousand in 2021 (+59.2% i.e. +PLN 246.2 thousand YoY).

ADVISORY COST

Advisory cost stood at PLN 7.8 million in 2021 (+66.6% i.e. +PLN 3.1 million YoY). The advisory cost included the costs presented in the table below.

Table 3 Consolidated advisory cost in 2019-2021

PLN'000	Year ended 31 December			Change (2021 vs 2020)	Change (%) (2021 vs 2020)
	2021	2020	2019		
Legal advisory	1 546	668	1 819	878	131.4%
Tax advisory	802	1 047	686	(245)	(23.4%)
Other advisory, including business and management advisory	4 592	2 217	4 135	2 375	107.1%
Tax and accounting audits	847	741	754	106	14.3%
Total	7 787	4 673	7 394	3 114	66.6%

Source: Company

Other advisory at PLN 4.6 million in 2021 included mainly business and management advisory including:

- advisory in strategic and development projects (GPW),
- maintenance of the representative office in London (GPW),
- financial and economic feasibility study of the launch of a financial market in electricity and gas (TGE),
- IT system security audit (TGE),
- implementation of process management (TGE),
- launch of the forward segment (TGE),
- cost of fees under B2B contracts (IRGiT),
- advisory in staff recruitment (GPW Group).

2. SEPARATE REPRESENTATION EXPENSES OF THE WARSAW STOCK EXCHANGE

GPW's representation expenses, expenses for legal services, marketing services, public relations and social communication services, and advisory services, including management advisory services in GPW, stood at PLN 11.3 million in 2021 (+91.1% i.e. +PLN 5.4 million YoY).

Table 4 Separate promotion and advisory expenses in 2019-2021

PLN'000	Year ended 31 December			Change (2021 vs 2020)	Change (%) (2021 vs 2020)
	2021	2020	2019		
Promotion, education, market development	5 408	3 302	3 884	2 106	63.8%
Advisory (including: audit services, legal services, business advisory)	5 935	2 633	4 601	3 302	125.4%
Total	11 343	5 935	8 485	5 408	91.1%

Source: Company

The costs of promotion, education, and market development, including the cost of marketing services, public relations and social communication services, stood at PLN 5.4 million in 2021 (+63.7% i.e. +PLN 2.1 million YoY). The costs of promotion, education, and market development included the costs presented in the table below.

Table 5 Separate costs of promotion, education, and market development in 2019 – 2021

PLN'000	Year ended 31 December			Change (2021 vs 2020)	Change (%)
	2021	2020	2019		

PLN'000	Year ended 31 December			vs 2020)	(2021 vs 2020)
	2021	2020	2019		
Sponsoring in cash and in kind	462	374	489	88	23.4%
Promotion and business development	1 428	1 475	1 859	(47)	(3.2%)
Catering services	228	155	422	73	47.5%
Media monitoring	111	62	65	50	80.4%
Public relations services	1 018	335	182	684	204.2%
Radio, TV and press advertising	1 521	624	538	897	143.8%
Hosting conferences and trainings	639	278	330	361	130.0%
Total	5 408	3 302	3 884	2 105	63.7%

Source: Company

The Company's representation expenses include mainly the cost of promotion and business development, public relations, and advertising which stood at PLN 4.0 million in 2021 (+63% i.e. PLN 1.5 million YoY), as well as the cost of advertising merchandise (presented in other operating expenses) at PLN 494.2 thousand in 2021 (+PLN 418.4 thousand YoY).

Advisory cost stood at PLN 5.9 million in 2021 (+125.4% i.e. +PLN 3.3 million YoY). The advisory cost included the costs presented in the table below.

Table 6 Separate advisory cost in 2019 – 2021

PLN'000	Year ended 31 December			Change (2021 vs 2020)	Change (%) (2021 vs 2020)
	2021	2020	2019		
Legal advisory	928	227	492	701	308.9%
Tax advisory	680	412	370	268	65.1%
Other advisory, including business and management advisory	3 780	1 467	3 137	2 313	157.7%
Tax and accounting audits	546	527	602	19	3.6%
Total	5 935	2 633	4 601	3 302	125.4%

Source: Company

Other advisory at PLN 3.8 million included mainly business and management advisory including:

- advisory to the Private Market project,
- advisory to the TeO project,
- advisory to the PCOL project,
- advisory to the WATS project,
- advisory to the new billing system project,
- implementation of the ESG strategy,
- maintenance of the representative office in London,
- advisory in staff recruitment.