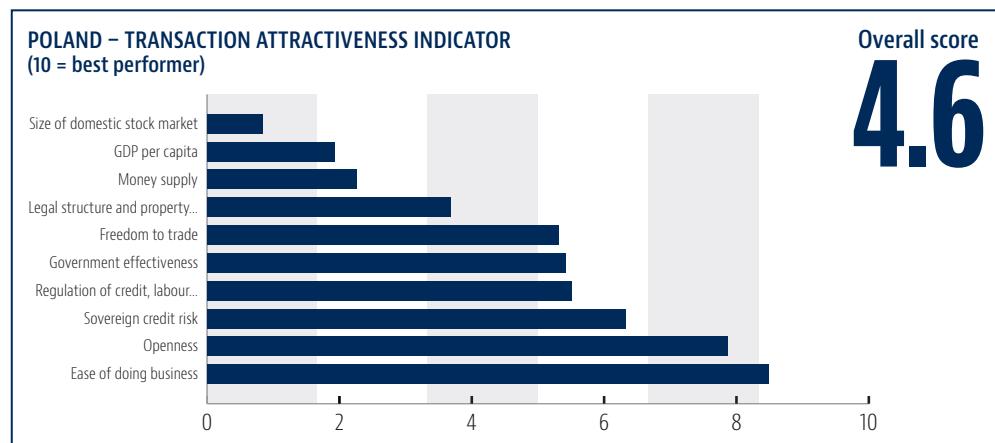


Poland has been characterised by continued growth in volumes of M&A activity so far this year, although average transaction values have been lower. Underscoring the continued attractiveness of Polish companies, the largest transaction so far this year was the \$1.3bn acquisition of DCT Gdansk S.A. by a group of investors. The outlook for transactions remains positive, notwithstanding an expected temporary moderation of activity levels in 2020.

| SUMMARY OF KEY DRIVERS (AVERAGE 2019-2022) | | |
|---|--------|--------|
| | Poland | Global |
| GDP growth (% annual) | 3.1 | 2.8 |
| Stock market capitalization (% of GDP) | 26 | 97 |
| Money supply (% of GDP) | 68 | 111 |
| Trade (% of GDP) | 85 | 45 |
| Ease of doing business (World Bank, DTF score, higher=better) | 77 | 77 |
| Legal structure (Fraser Institute) | 3.7 | 6.6 |
| Freedom to trade (Fraser Institute) | 5.3 | 7.4 |

Source: Oxford Economics



Source: Oxford Economics

The Transaction Attractiveness Indicator is an overall score calculated using a weighted average of the 10 factors included in the chart above. The score reflects the attractiveness of a country's current environment for M&A and IPO activity on a scale from 0 to 10. It's based on past transaction activity in that country and data on key economic, financial and regulatory factors that drive M&A and IPO activity, such as a country's sovereign credit risk, level of trade restrictions and ease of doing business rating by the World Bank. Because many of these factors change slowly over time, a country's current score is a strong indicator of whether it will have the right features to attract transactional activity in the future.

| POLAND – M&A AND IPO TRANSACTIONS | | | | | | | |
|---|--------------|----------------|-------------|-------------|-------------|--------------|--------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Total M&A transactions (US\$bn) | 5.0 | 10.4 | 7.5 | 9.6 | 5.1 | 9.7 | 10.7 |
| % of Global M&A transactions | 0.2 | 0.4 | 0.2 | 0.3 | 0.2 | 0.4 | 0.4 |
| Domestic (US\$bn) | 3.0 | 5.4 | 1.2 | 0.9 | 0.6 | 1.2 | 1.5 |
| Cross-border, inbound (US\$bn) | 2.0 | 5.0 | 6.4 | 8.7 | 4.5 | 8.5 | 9.2 |
| Total volume of M&A transactions (Number of deals) | 489 | 356 | 361 | 431 | 297 | 406 | 424 |
| Domestic (Number of deals) | 287 | 214 | 185 | 218 | 168 | 204 | 209 |
| Cross-border, inbound (Number of deals) | 202 | 142 | 176 | 213 | 129 | 202 | 215 |
| Total IPO transactions (US\$mn) | 285.9 | 1,981.0 | 90.7 | 58.9 | 51.0 | 225.5 | 245.1 |
| % Global IPO transactions | 0.2 | 1.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Domestic (US\$mn) | 254.9 | 432.9 | 58.0 | 58.9 | 51.0 | 225.5 | 245.1 |
| Cross-border (US\$mn) | 30.9 | 1,548.1 | 32.7 | 0.0 | 0.0 | 0.0 | 0.0 |

Source: Oxford Economics, Reuters

| POLAND – FORECAST FOR THE ECONOMY | | | | | | | |
|---|-------|-------|-------|-------|-------|-------|-------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Macroeconomic drivers | | | | | | | |
| Real GDP growth (% yoy) | 3.1 | 4.9 | 5.2 | 4.3 | 3.2 | 2.7 | 2.2 |
| CPI (% yoy) | -0.6 | 2.0 | 1.8 | 2.1 | 2.6 | 2.4 | 2.5 |
| Merchandise trade (% of GDP) | 80% | 83% | 84% | 84% | 85% | 85% | 86% |
| Financial drivers | | | | | | | |
| 10-year government bond yield (%) | 3.1 | 3.4 | 3.2 | 2.5 | 2.5 | 2.9 | 3.3 |
| Equity prices (LCU, end of year % change) | 11.4 | 23.2 | -9.5 | 5.7 | -5.5 | 4.4 | 4.3 |
| Stock market capitalisation (US\$bn) | 138.7 | 201.4 | 160.5 | 168.2 | 164.1 | 177.2 | 190.9 |

Source: Oxford Economics

IPO calculations account for the tentative Aramco listing in 2020 that has the potential to raise up to US 100 billion.