

asreco

# Asseco Group

March 2024







The bottom of the slide features a decorative graphic consisting of several overlapping geometric shapes in various shades of blue, including light blue, medium blue, and dark blue, creating a modern, abstract design.

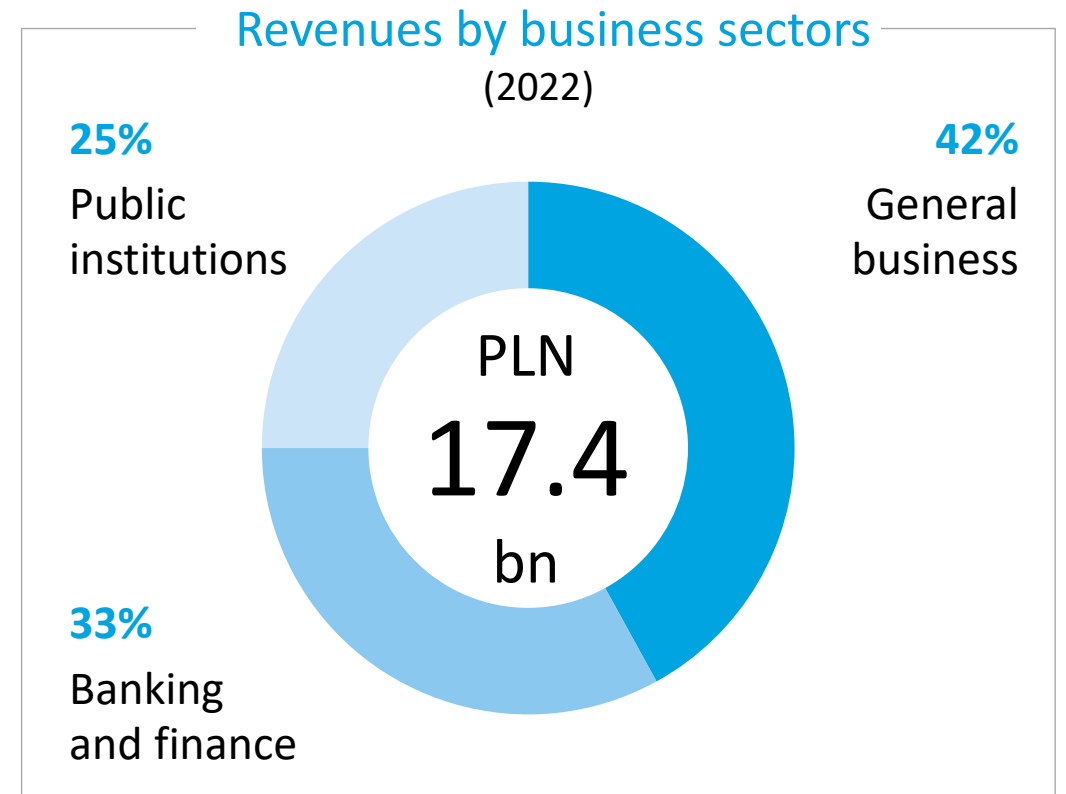
# About Asseco



# Asseco overview

Focus: software for the most important business processes in key sectors of economy

-  One of the largest European software houses
-  The largest IT group in CEE
-  Proprietary software supports mission-critical areas of various clients from key market sectors
-  Over 33 thousand highly experienced IT experts
-  Presence in 60 countries, a long list of references from blue chip companies from all over the world
-  Asseco's companies are listed on the Warsaw Stock Exchange (WSE), NASDAQ and Tel Aviv Stock Exchange



# Key figures

Financial highlights (PLNm)	2016	2017 PF*	2018	2019	2020	2021	2022
Revenues	7 932	8 698	9 329	10 671	12 193	14 498	17 370
Proprietary software and services	6 351	6 987	7 505	8 652	9 637	11 309	13 414
Operating profit	769	612	797	975	1 215	1 455	1 815
Non-IFRS operating profit**	883	819	1 048	1 204	1 479	1 783	2 028
EBITDA	1 070	1 001	1 256	1 612	1 922	2 245	2 708
Net profit attributable to shareholders of the parent company	301	467	333	322	402	468	503
Non-IFRS net profit attributable to shareholders of the parent company***	339	265	371	366	454	516	547
EPS attributable to shareholders of the parent company (PLN)	3.63	5.62	4.02	3.88	4.84	5.63	6.06

**2022**

- Revenues – PLN **17.4** bn
- Revenues from proprietary software and services – PLN **13.4** bn
- Operating profit – PLN **1.8** bn
- Net profit – PLN **503** m
- EPS – PLN **6.06**
- Market capitalization – PLN **6.4** bn\*\*\*\*
- Dividend payment – PLN **291** m
- Dividend per share – PLN **3.50**

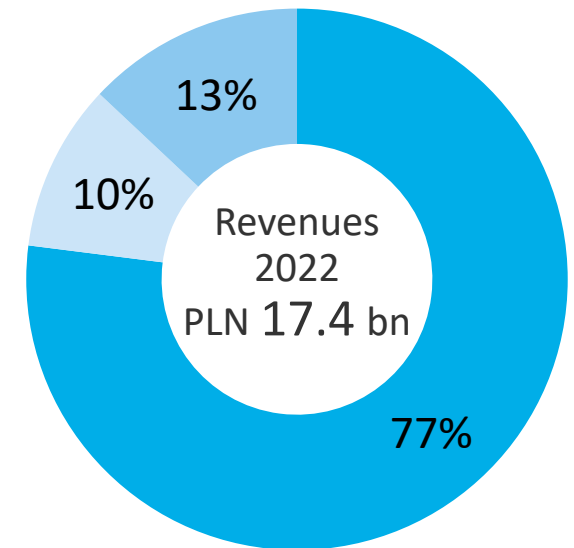
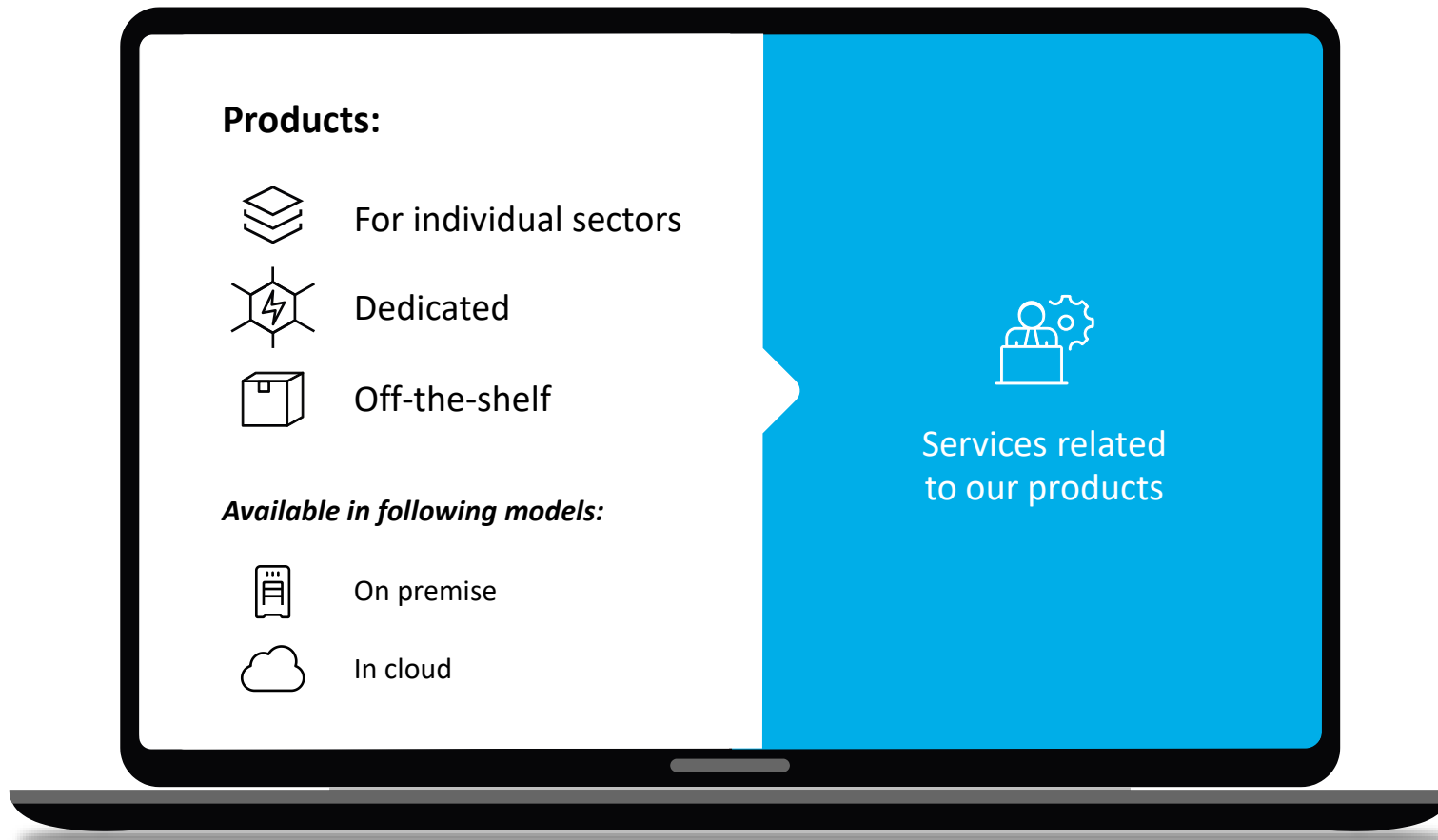
\* Figures 2017 PF, i.e. including Formula Group's results for August and September 2017.

\*\* Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs resulting from the transactions of purchase and sales of companies (M&A) and one-offs.

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\*\*\*\* As at November 30, 2023.

# Main focus – proprietary software and services



- Proprietary software and services
- Third-party software and services
- Hardware and infrastructure

# We are experts in key sectors



## Banking and finance

- Banks and financial institutions
- Insurance companies
- Brokerage houses
- Investment funds
- Leasing companies
- Factoring companies



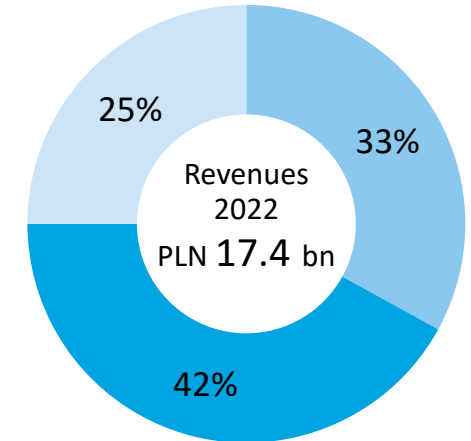
## General business

- Telecommunication
- Energy sector
- Utility
- Gas sector
- Manufacturing, trade and services
- FMCG
- E-commerce
- Multimedia



## Public institutions

- Central administration
- Local administration
- Healthcare
- International organizations
- Uniformed services
- GIS
- Education



- Banking and finance
- General business
- Public institutions

ERP solutions

Security

Cloud services

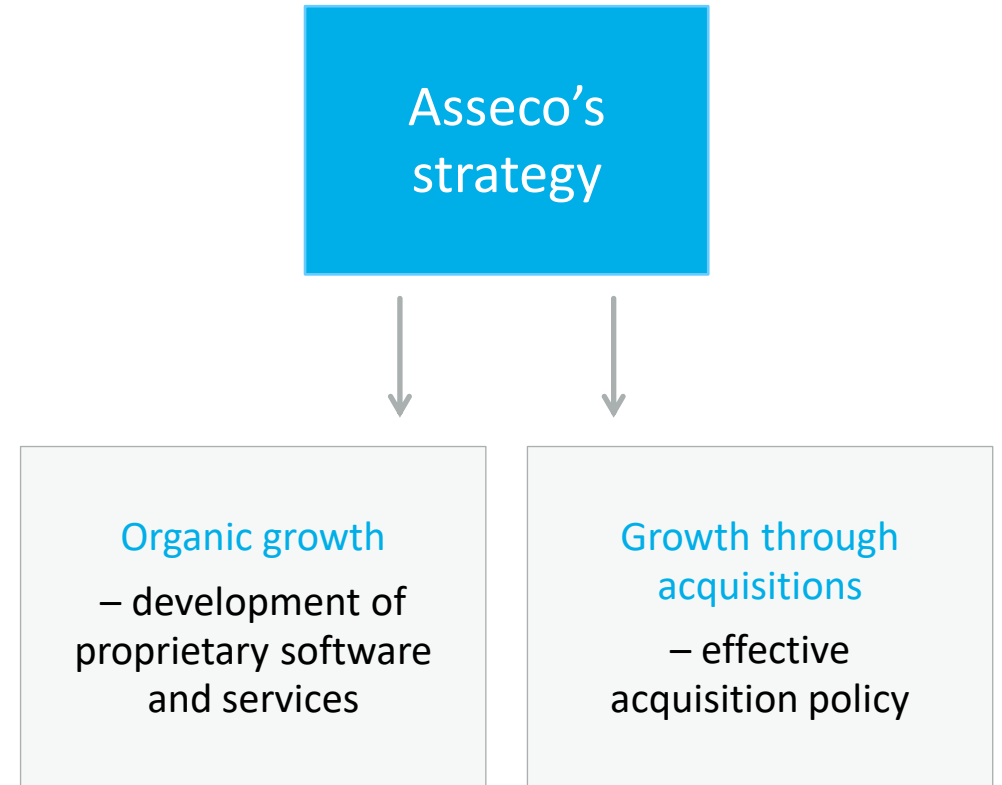
Business Intelligence

Artificial Intelligence

**10%:** 10 largest customers account for 10% of revenues

# Our strategy focuses on building long-term value

- Our **mission** is to improve the quality of life by **providing solutions for people and technologies for business.**
- According to the **vision**:
  - Asseco Poland wants to be reliable and fast, with the best product and service to support customers around the world in achieving their goals.
  - The company has been building an international group of technology entities whose federation model allows it to take advantage of local entrepreneurship and market knowledge, while the company's affiliation with the group increases its execution capabilities and credibility among demanding clients.





# Our M&A targets

Asseco is interested in companies that allow for increasing competences in specific sectors and entering new geographical regions.



## Preferred sectors:

- banking and finance
- ERP
- healthcare
- cyber security

## Preferred geographic regions:

- Asseco Poland segment – Poland
- Asseco International segment – Europe
- Formula Systems segment – Israel, Europe, America



## We are interested in:

- technological companies which:
  - generate profits
  - develop proprietary IT products
  - offer development prospects
  - offer engaged and motivated management teams
  - offer attractive valuations
- start-ups offering technological products and experienced IT teams

# Global player with local approach

Our federation model - building strong competitive advantages and unique M&A's approach

## Our federation model

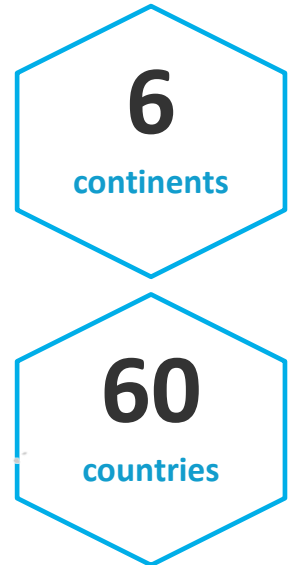
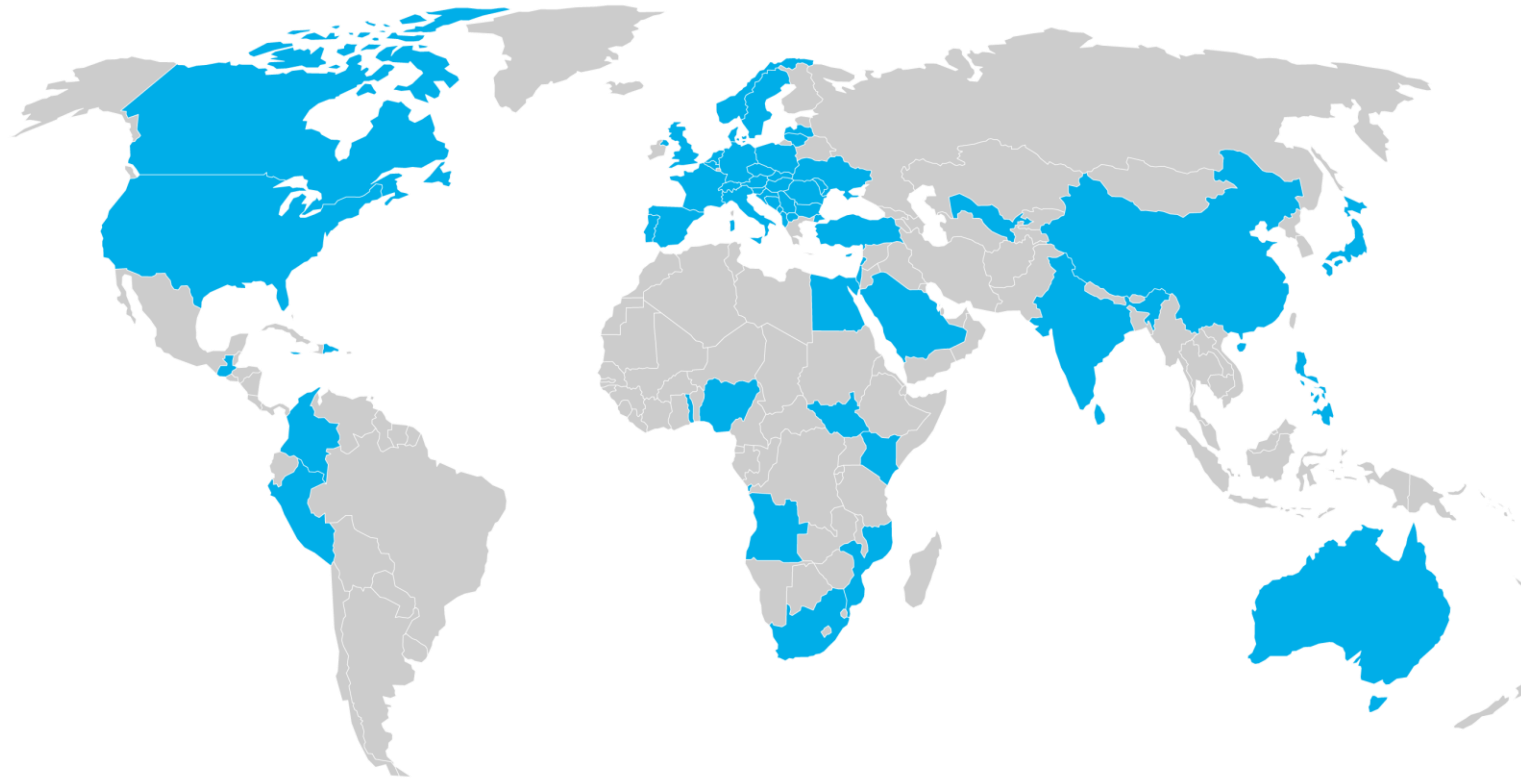
- We are a group of quasi-independent subsidiaries
- Asseco usually buys more than 50% of equity
- In principle we keep the people, managers and products after the acquisition
- Asseco is present in supervisory board or board of directors of acquired companies
- We focus on local market with local IT products, but leverage knowledge, experiences and investments from the whole Group

## Competitive advantages of federation model

- Local expertise and experience
- Knowledge of clients, environment, local specifics
- Well-known and trusted locally, adapted to local needs and regulations concerning IT products
- Local people with local language
- Strong entrepreneurial spirit
- Fast adaptation to changes
- Potential of scale and synergies from international operations and the whole Asseco Group

# From start-up to international IT company

- **Over 130 successful acquisitions** since 2004
- **Consistent growth** on new markets thanks to acquired companies
- Experience in integrating **knowledge of local markets, customer relations and innovative solutions**



1991	2004	2007-2009	2010	2013-2014	2015-2016	2017-2018	2019	2020-2022
Launch of operations in Poland	Asseco Poland's IPO on the Warsaw Stock Exchange Entering Central European market – establishment of the Asseco Group	Expansion of activity in Poland (acquisitions of Softbank and Prokom) Expansion into Western Europe, South-Eastern Europe and Scandinavia	Entering Israeli and US markets (acquisition of Formula Systems)	Expansion into Eastern Europe Launch in Africa	Development in Portuguese-speaking countries Further expansion in Israel	Further development on US and Israeli markets	Development in new areas – cloud solutions and cyber security	Dynamic growth thanks to accelerated digitisation Expansion of proprietary product portfolio (e.g. ERP, payments) Building new competence in cyber security, Industry 4.0 and cloud computing

# Asseco Group's structure – business segments

% of 2022 Group's:

Revenues: **10%**

Net profit\*: **42%**

% of 2022 Group's:

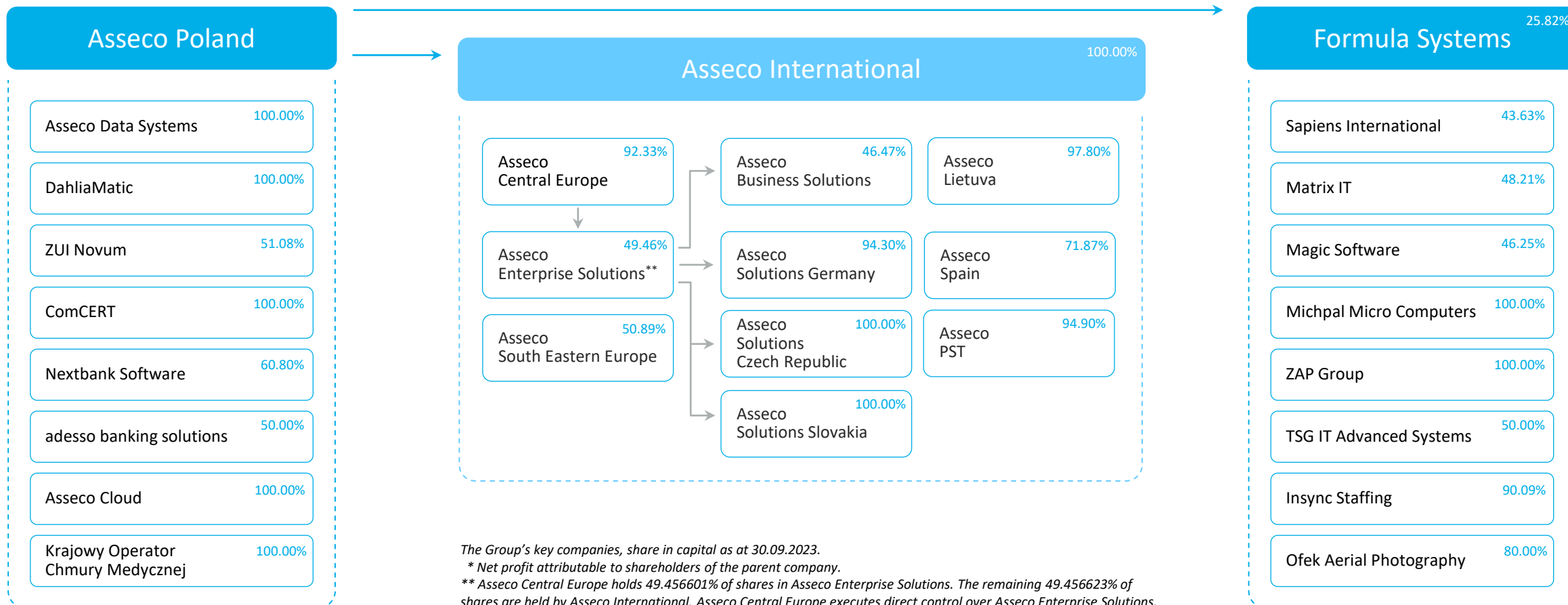
Revenues: **24%**

Net profit\*: **42%**

% of 2022 Group's:

Revenues: **66%**

Net profit\*: **16%**

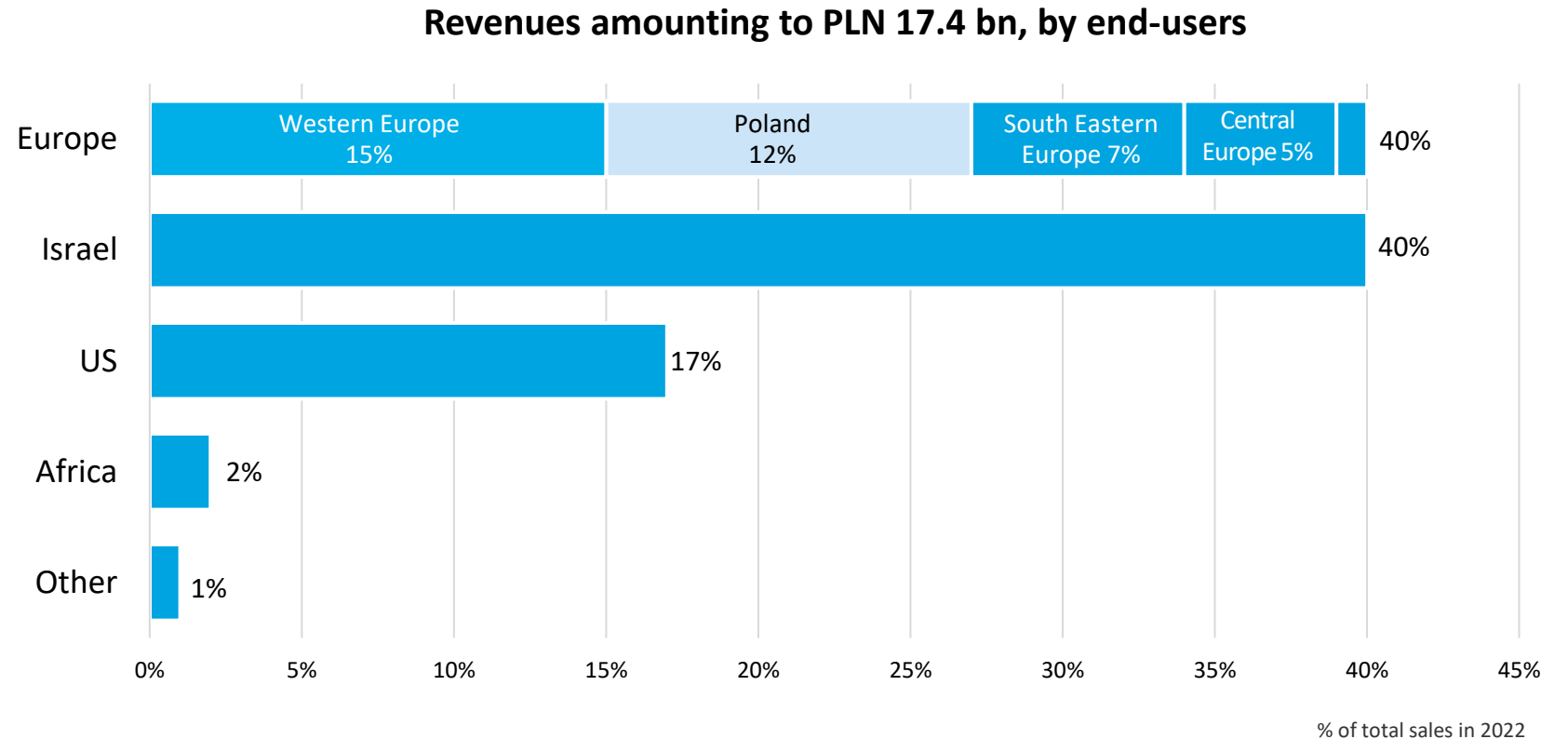
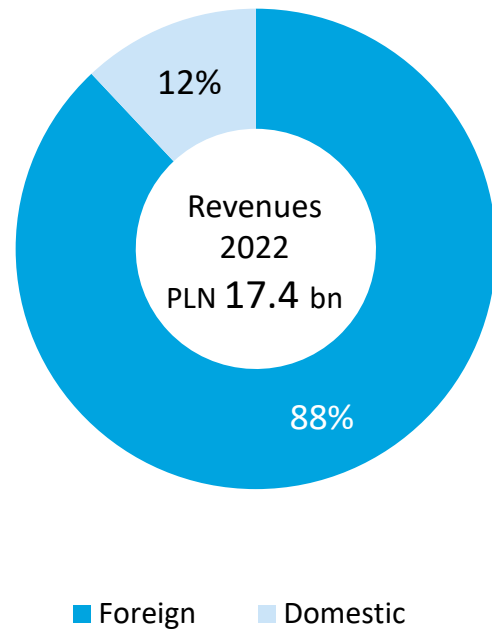


The Group's key companies, share in capital as at 30.09.2023.

\* Net profit attributable to shareholders of the parent company.

\*\* Asseco Central Europe holds 49.456601% of shares in Asseco Enterprise Solutions. The remaining 49.45623% of shares are held by Asseco International. Asseco Central Europe executes direct control over Asseco Enterprise Solutions.

# Group's revenues by geographic regions



# Asseco Group leaders

Our strength lies in people – highly skilled and experienced entrepreneurs and managers



**ADAM GÓRAL**  
CEO  
Asseco Poland  
*Founder of Asseco Group*



**JOZEF KLEIN**  
CEO, Asseco International  
*Asseco International  
segment leader*



**GUY BERNSTEIN**  
CEO, Formula Systems  
*Formula Systems  
segment leader*



**RAFAŁ KOZŁOWSKI**  
CEO, Asseco Enterprise Solutions  
Member of the MB, Asseco International  
*Responsible for the ERP business area*



**MAREK PANEK**  
Member of the MB,  
Asseco International  
*Responsible for development  
of international operations  
of the Asseco Group*



**KAROLINA RZONCA-BAJOREK**  
Vice President of the MB, CFO  
Asseco Poland  
*Asseco Group CFO*



**PRZEMYSŁAW SĘCZKOWSKI**  
Member of the MB, Asseco International  
*Responsible for development of international  
operations of the Asseco Group*



**ZBIGNIEW POMIANEK**  
Vice President of the MB,  
Asseco Poland  
*Responsible for banking area  
in Poland*



**DANIEL ARAÚJO**  
CEO, Asseco PST  
*Responsible for banking area  
in Asseco International  
in Western Europe*

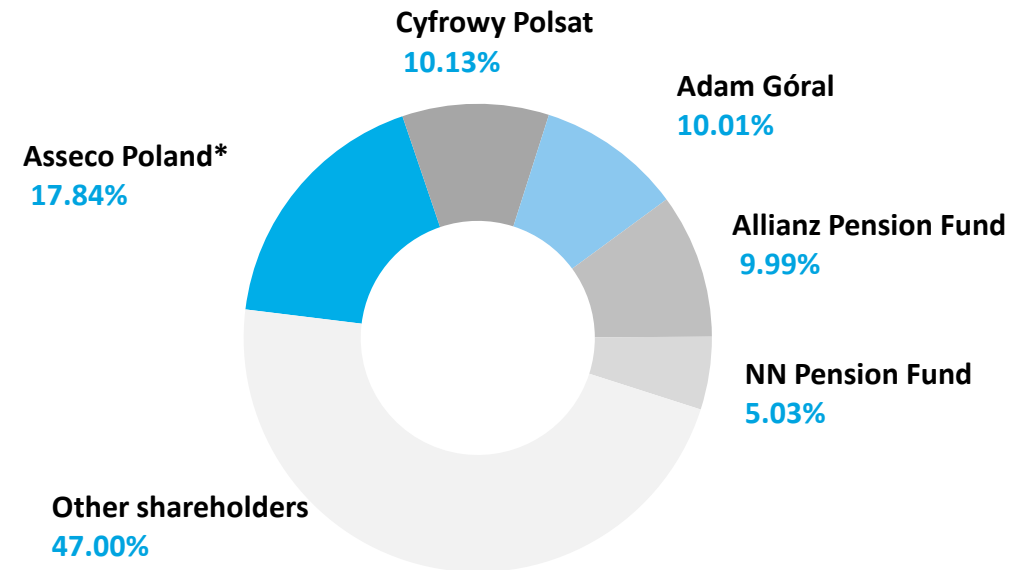


**PIOTR JELEŃSKI**  
CEO, Asseco South Eastern Europe  
*Responsible for overall strategy  
in payment segment*

# Shareholders – stable and long term, including CEO

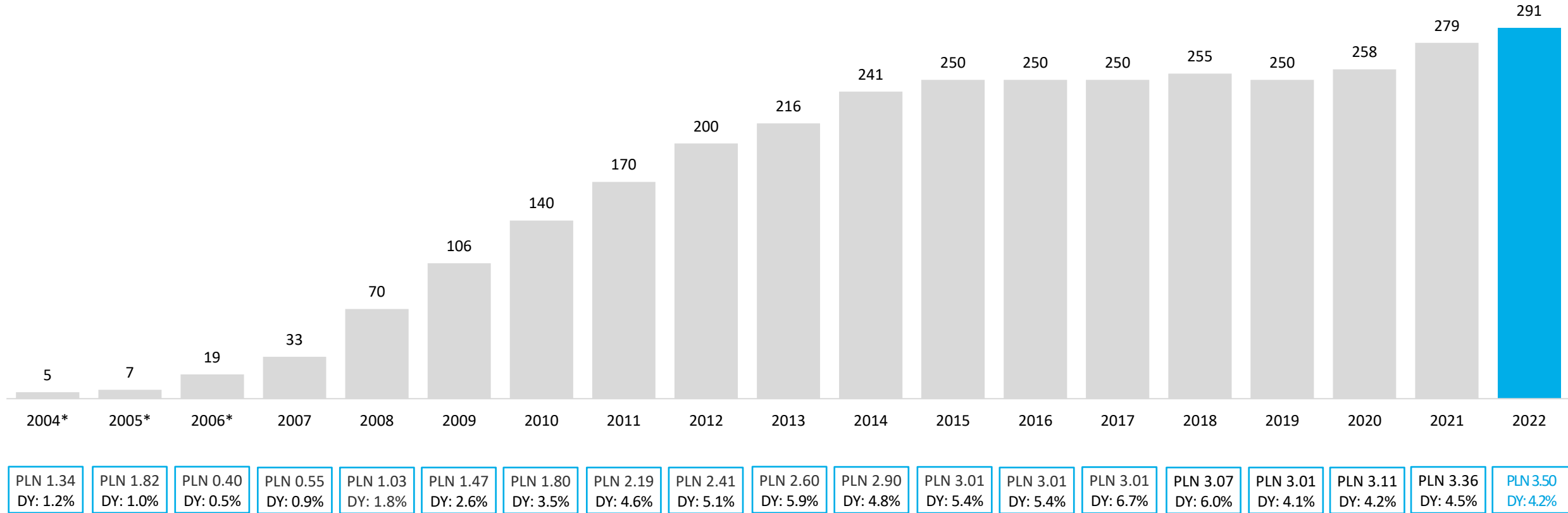
	Number of shares and votes at GMS	Voting interest at GMS
Cyfrowy Polsat	8,405,327	10.13%
Adam Góral	8,310,000	10.01%
Allianz OFE	8,300,027	9.99%
NN Pension Fund	4,171,121	5.03%
Other shareholders	39,004,956	47.00%
Asseco Poland (own shares)*	14,808,872	17.84%
	<b>83,000,303</b>	<b>100.00%</b>

## Shareholding structure



\* Own shares acquired under the buy-back announced on 6.09.2023. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, Asseco Poland S.A. does not exercise voting rights attached to own shares.

# Over PLN 3 billion in dividends paid



Dividends paid in PLNm.

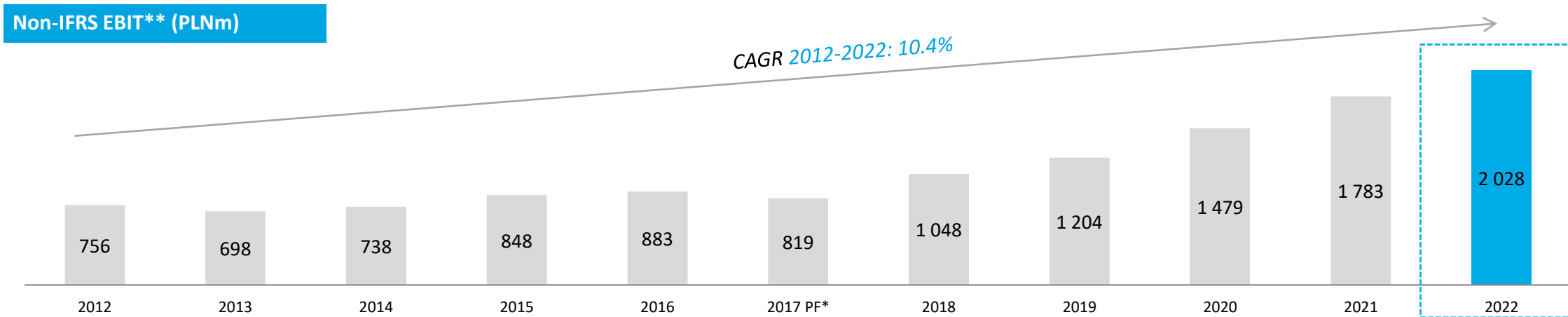
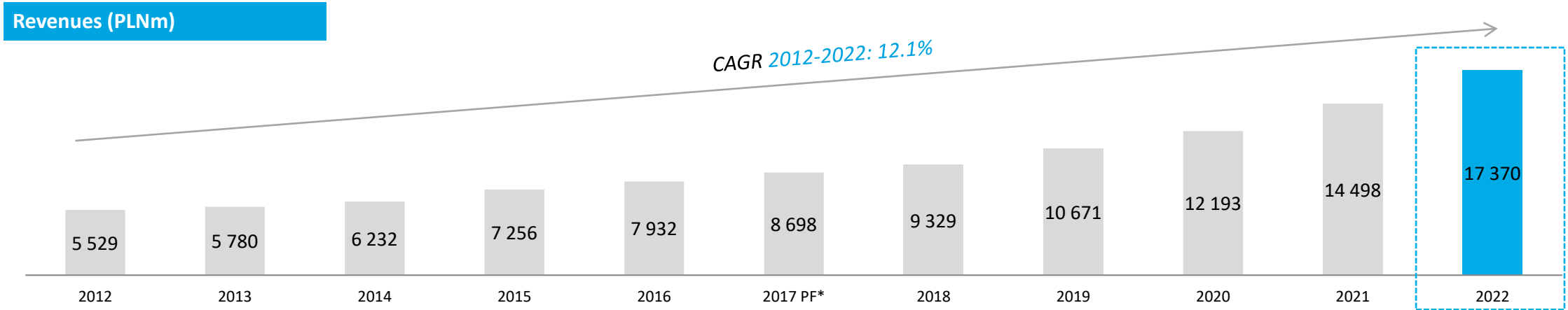
\* Before the merger with Softbank.



# Financial overview



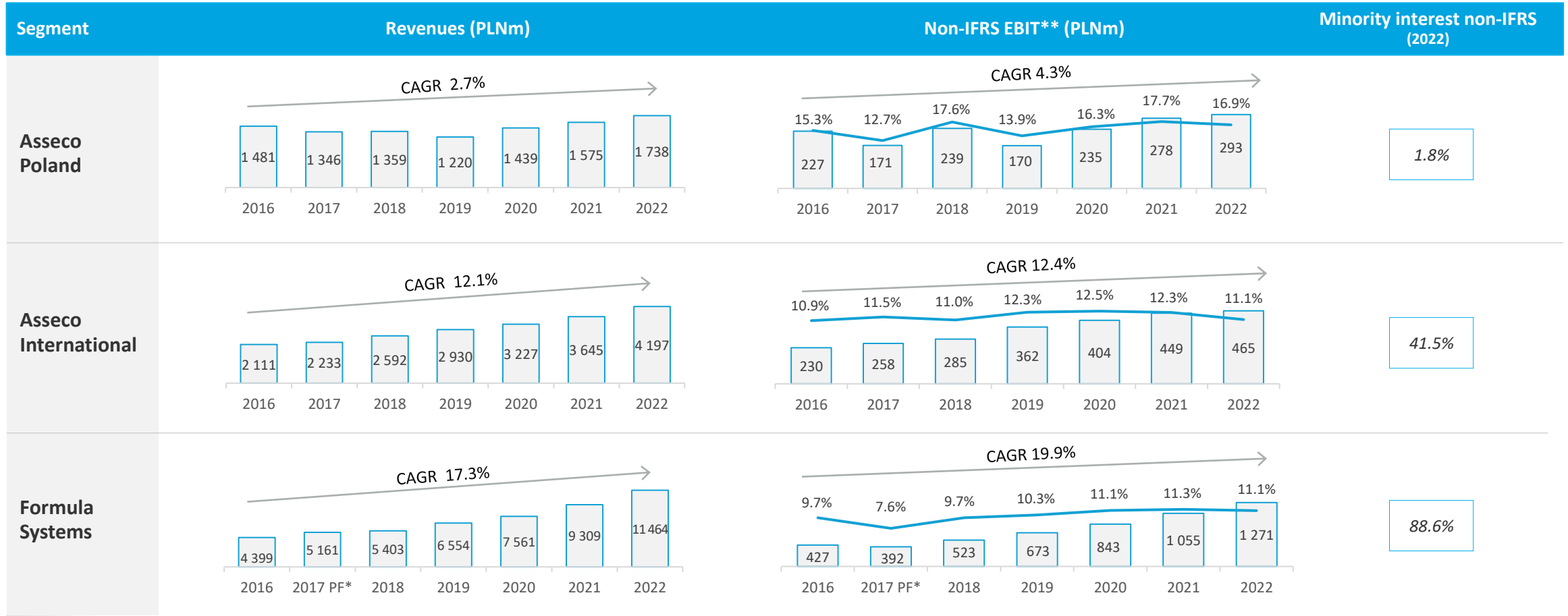
# Consistently strong financial performance



\* Figures 2017 PF, i.e. including Formula Group's results for August and September 2017.

\*\* Non-IFRS figures including adjustments for amortization charges on intangible assets recognized in purchase price allocation (PPA) as well as for the costs of share-based payment (SBP) transactions with employees.

# Geographic divisions



\* Figures 2017 PF, i.e. including Formula Group's results for August and September 2017.

\*\* Non-IFRS figures including adjustments for amortization charges on intangible assets recognized in purchase price allocation (PPA) as well as for the costs of share-based payment (SBP) transactions with employees.

# Q1-Q3 2023 results



# Revenues and operating profit

	Q1-Q3 2023	Q1-Q3 2022	Δ	Q3 2023	Q3 2022	Δ
<b>Sales revenues</b>	<b>12 610.6</b>	<b>12 706.8</b>	<b>-1%</b>	<b>4 095.2</b>	<b>4 456.8</b>	<b>-8%</b>
Proprietary software and services	9 983.4	9 914.3	+1%	3 263.2	3 472.7	-6%
<b>Non-IFRS EBITDA*</b>	<b>1 893.8</b>	<b>1 913.3</b>	<b>-1%</b>	<b>615.1</b>	<b>667.9</b>	<b>-8%</b>
<i>Profitability</i>	15.0%	15.1%	-0.1 p.p.	15.0%	15.0%	-
<b>Non-IFRS operating profit*</b>	<b>1 452.4</b>	<b>1 475.6</b>	<b>-2%</b>	<b>470.1</b>	<b>511.5</b>	<b>-8%</b>
<i>Profitability</i>	11.5%	11.6%	-0.1 p.p.	11.5%	11.5%	-
PPA and SBP	-275.4	-270.2	+2%	-90.5	-89.9	+1%
M&A and one-offs	-10.9	141.4	-108%	-6.0	2.0	-403%
<b>Operating profit</b>	<b>1 166.1</b>	<b>1 346.8</b>	<b>-13%</b>	<b>373.6</b>	<b>423.6</b>	<b>-12%</b>
<i>Profitability</i>	9.2%	10.6%	-1.4 p.p.	9.1%	9.5%	-0.4 p.p.

Figures in PLN million.

\* Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs resulting from the transactions of purchase and sales of companies (M&A) and one-offs (and related tax effects).

# Reconciliation of operating profit and net profit

	Q1-Q3 2023	Q1-Q3 2022	Δ	Q3 2023	Q3 2022	Δ
<b>Non-IFRS operating profit*</b>	<b>1 452.4</b>	<b>1 475.6</b>	<b>-2%</b>	<b>470.1</b>	<b>511.5</b>	<b>-8%</b>
<b>Operating profit</b>	<b>1 166.1</b>	<b>1 346.8</b>	<b>-13%</b>	<b>373.6</b>	<b>423.6</b>	<b>-12%</b>
Net interest income	-67.8	-62.4	-	-23.6	-22.8	-
Foreign exchange transactions	10.5	26.8	-	6.0	9.1	-
M&A transactions	-6.4	-4.4	-	-0.8	-4.7	-
Hyperinflation	21.1	23.2	-	10.3	8.6	-
Other	0.0	-0.1	-	-1.0	-3.8	-
<b>Gross profit</b>	<b>1 123.6</b>	<b>1 330.1</b>	<b>-16%</b>	<b>364.4</b>	<b>409.9</b>	<b>-11%</b>
Tax	-233.7	-282.3	-17%	-72.8	-80.6	-10%
<i>Effective tax rate</i>	20.8%	21.2%	-0.4 p.p.	20.0%	19.7%	+0.3 p.p.
Share of profit/loss of associates	2.0	11.6	-83%	2.2	1.3	69%
<b>Non-IFRS net profit</b>	<b>1 117.8</b>	<b>1 147.3</b>	<b>-3%</b>	<b>366.6</b>	<b>397.2</b>	<b>-8%</b>
<b>Net profit</b>	<b>891.9</b>	<b>1 059.4</b>	<b>-16%</b>	<b>293.8</b>	<b>330.6</b>	<b>-11%</b>
<b>Non-IFRS net profit attributable to shareholders of the parent company*</b>	<b>384.4</b>	<b>410.0</b>	<b>-6%</b>	<b>124.1</b>	<b>138.6</b>	<b>-10%</b>
PPA and SBP	-47.7	-47.3	+1%	-16.1	-15.7	+3%
M&A and one-offs	7.5	13.0	-42%	5.7	4.9	+16%
<b>Net profit attributable to shareholders of the parent company</b>	<b>344.2</b>	<b>375.7</b>	<b>-8%</b>	<b>113.7</b>	<b>127.8</b>	<b>-11%</b>

Figures in PLN million.

\* Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs resulting from the transactions of purchase and sales of companies (M&A) and one-offs (and related tax effects).

# Financial results of regions and subsidiaries

	Sales revenues		Non-IFRS operating profit*		Non-IFRS net profit contribution to Asseco Poland*	
	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022	Q1-Q3 2023	Q1-Q3 2022
<b>Asseco Poland Segment</b>	<b>1 415.3</b>	<b>1 258.4</b>	<b>214.6</b>	<b>224.0</b>	<b>174.3</b>	<b>178.8</b>
Asseco Poland (excluding dividends)	1 007.0	876.4	157.9	150.2	346.0	304.4
Asseco Data Systems	277.1	245.3	43.0	39.5	38.1	35.3
Other companies and consolidation adjustments	131.2	136.7	13.7	34.4	-209.8	-160.9
<b>Formula Systems Segment</b>	<b>8 339.1</b>	<b>8 477.4</b>	<b>939.9</b>	<b>932.9</b>	<b>80.4</b>	<b>81.4</b>
Matrix IT	4 501.5	4 602.0	370.9	363.8	29.5	30.2
Magic Software	1 733.7	1 863.8	229.0	246.7	18.5	20.1
Sapiens International	1 624.6	1 577.9	305.5	279.6	26.6	24.0
Holding and other companies, consolidation adjustments	479.3	433.7	34.5	42.8	5.7	7.1
<b>Asseco International Segment</b>	<b>2 890.0</b>	<b>2 991.4</b>	<b>299.4</b>	<b>320.6</b>	<b>130.8</b>	<b>150.8</b>
Central European market	1 214.5	1 139.8	110.4	134.1	46.9	70.3
South Eastern European market	1 155.9	1 081.0	172.4	164.6	71.3	68.7
Western European market	517.1	764.9	33.7	32.2	27.1	22.0
Holding and other companies, consolidation adjustments	2.5	5.7	-17.2	-10.2	-14.5	-10.3
consolidation adjustment	-33.8	-20.4	-1.4	-2.0	-1.1	-1.0
<b>Asseco Group</b>	<b>12 610.6</b>	<b>12 706.8</b>	<b>1 452.4</b>	<b>1 475.6</b>	<b>384.4</b>	<b>410.0</b>

Figures in PLN million.

\* Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs resulting from the transactions of purchase and sales of companies (M&A) and one-offs (and related tax effects).

# Cash generated (LTM)

	Asseco Group	Formula Systems Segment	Asseco International Segment	Asseco Poland Segment
CFO	2 585.9	1 625.2	622.8	339.9
CAPEX* + leasing**	-696.6	-388.9	-208.5	-100.9
Free cash flow***	1 889.3	1 236.3	414.3	239.0
Cash conversion ratio****	94%	97%	93%	84%

Figures in PLN million; figures for the Group include consolidation adjustments; figures for the last 12 months, i.e. X 2022 - IX 2023.

\* Less financing.

\*\* Repayment of lease obligations.

\*\*\* CFO + CAPEX + leasing.

\*\*\*\* Free cash flow / EBIT non-IFRS.



# Stable liquidity situation

As at September 30, 2023

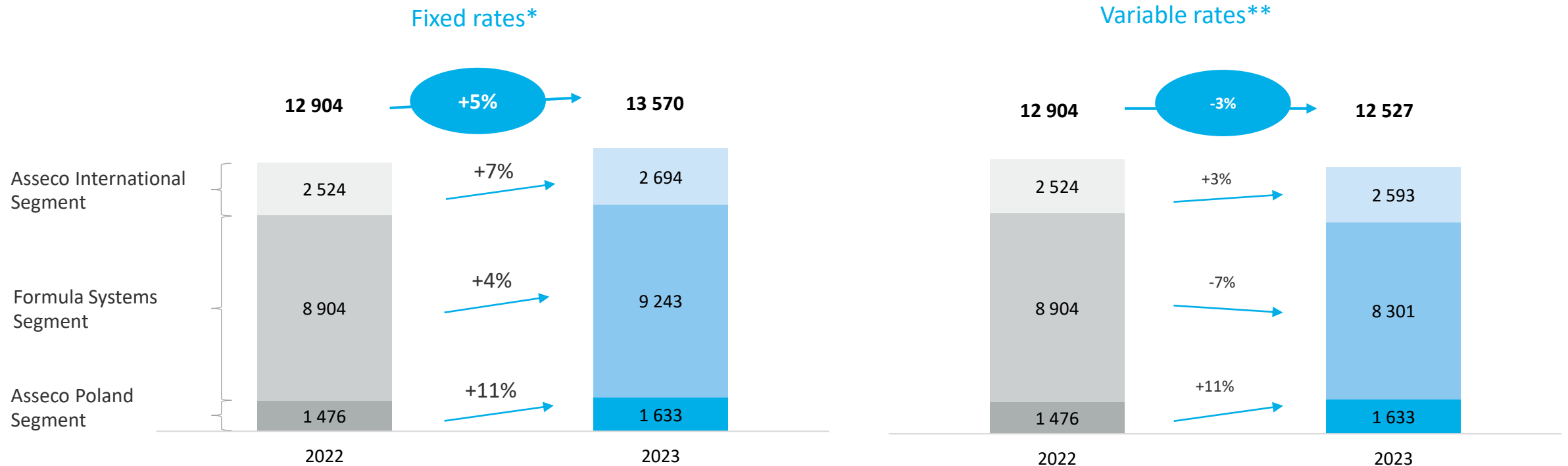
	Grupa Asseco	Formula Systems Segment	Asseco International Segment	Asseco Poland Segment	Eliminations
Cash	2 594.7	1 726.3	640.4	228.0	-
Interest-bearing liabilities (ST)	-1 514.2	-1 204.6	-193.8	-117.5	1.7
Loan liabilities (ST)	-1 270.4	-1 023.8	-144.1	-102.5	-
Leasing (ST)	-243.8	-180.8	-49.7	-15.0	1.7
Net cash (ST)	1 080.5	521.7	446.6	110.5	1.7
Inventories + ST receivables - ST liabilities*	1 597.3	1 107.5	217.0	275.8	-3.0
Net operating assets (ST)	2 677.8	1 629.2	663.6	386.3	-1.3
Net debt (ST + LT)	1 923.3	1 307.0	-174.9	801.3	-10.1

Figures in PLN million.

\* Inventories + short-term receivables + short-term prepayments – short-term liabilities excluding bank loans and finance lease liabilities.

# The Group's order backlog

## Proprietary software and services



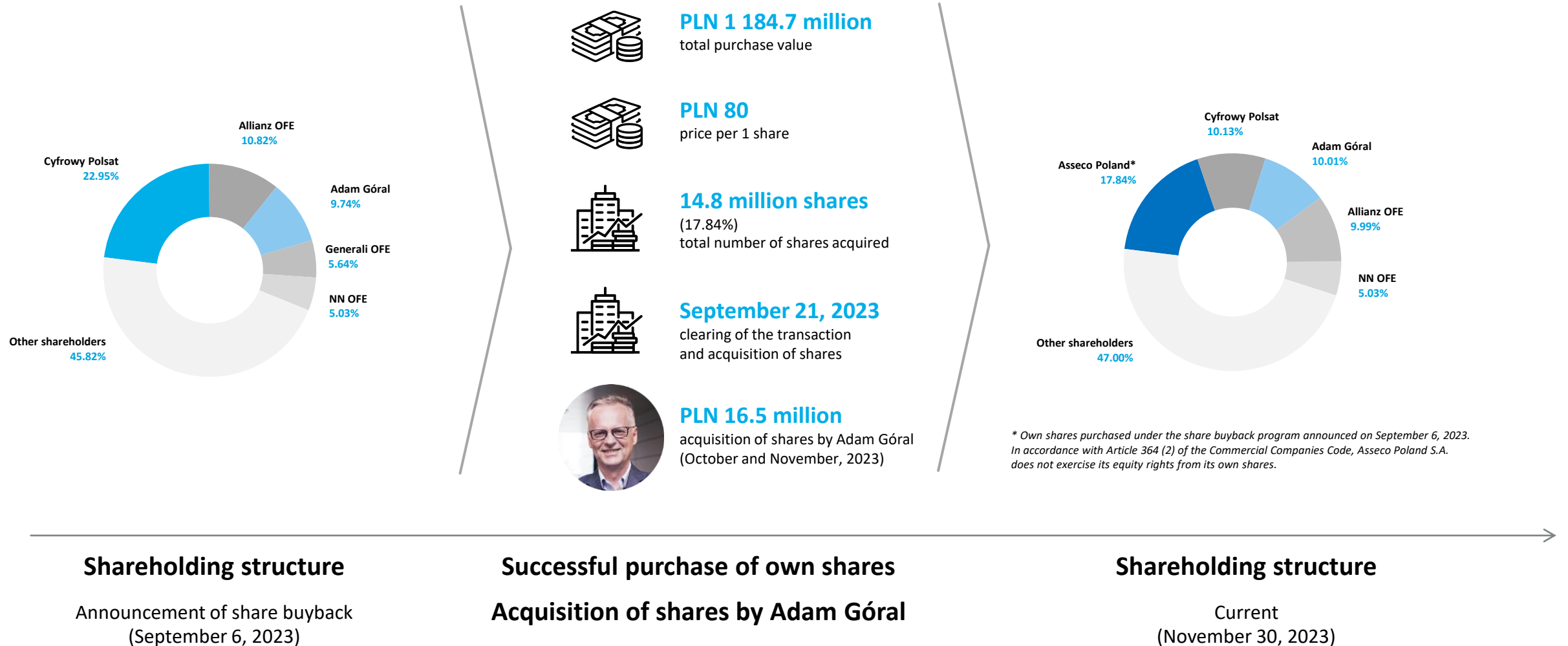
Figures in PLN million.

Value of order backlog for 2023 as at November 16, 2023; value of order backlog for 2022 as at November 18, 2022.

\* Calculating the 2023 backlog according to the rates with which the 2022 backlog was calculated.

\*\* Calculating the 2023 backlog at rates: execution of Q1-Q3 at Q1-Q3 2023 average rates and Q4 2023 data at rates as at November 16, 2023.

# Successful share buyback



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# Technology for business, solutions for people.

## Asseco Group

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