

asreco

Asseco Group's Results

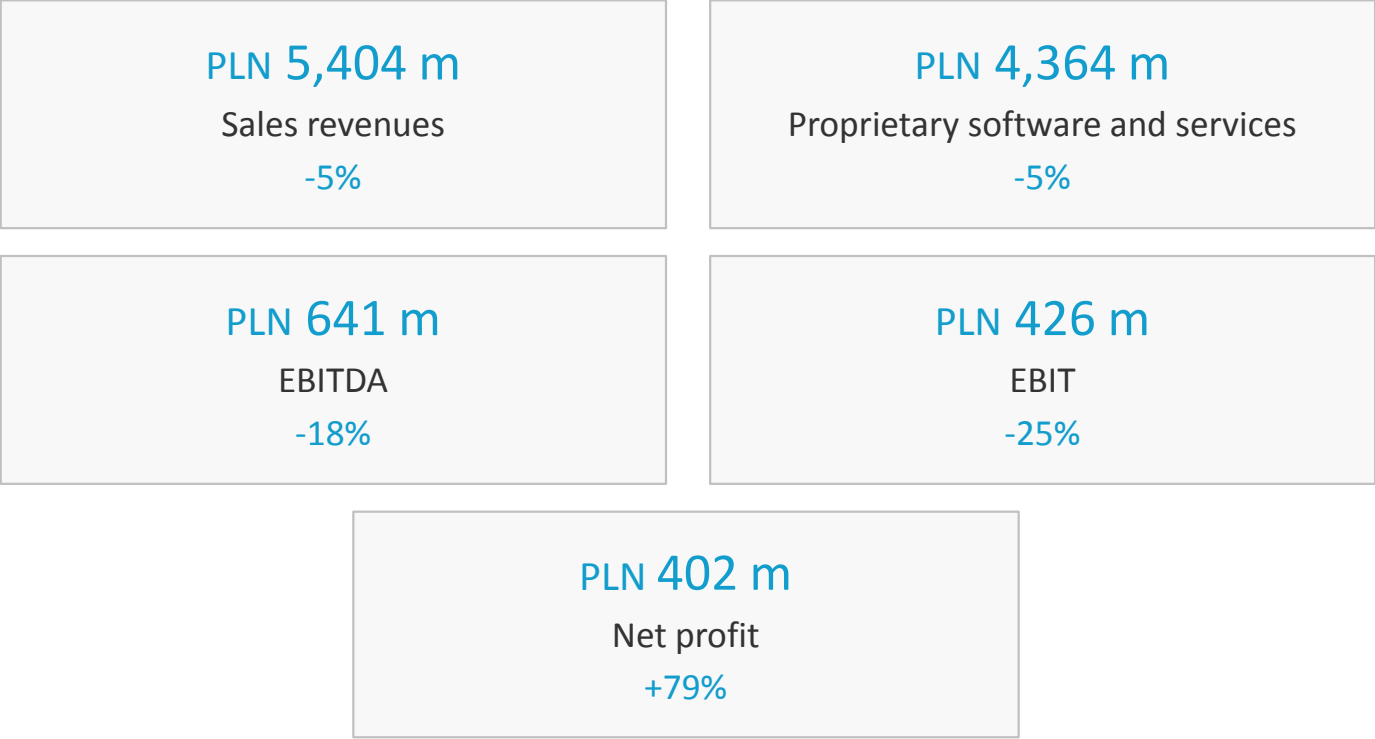
Q1-Q3 2017

Key events in the Asseco Group

- The sale of a stake in Formula Systems
 - Positive impact on results from financial activities
 - Lack of consolidation in August and September 2017
- Further development and positive results of the Group in international markets
- Organizational changes in the Group and the establishment of Asseco International

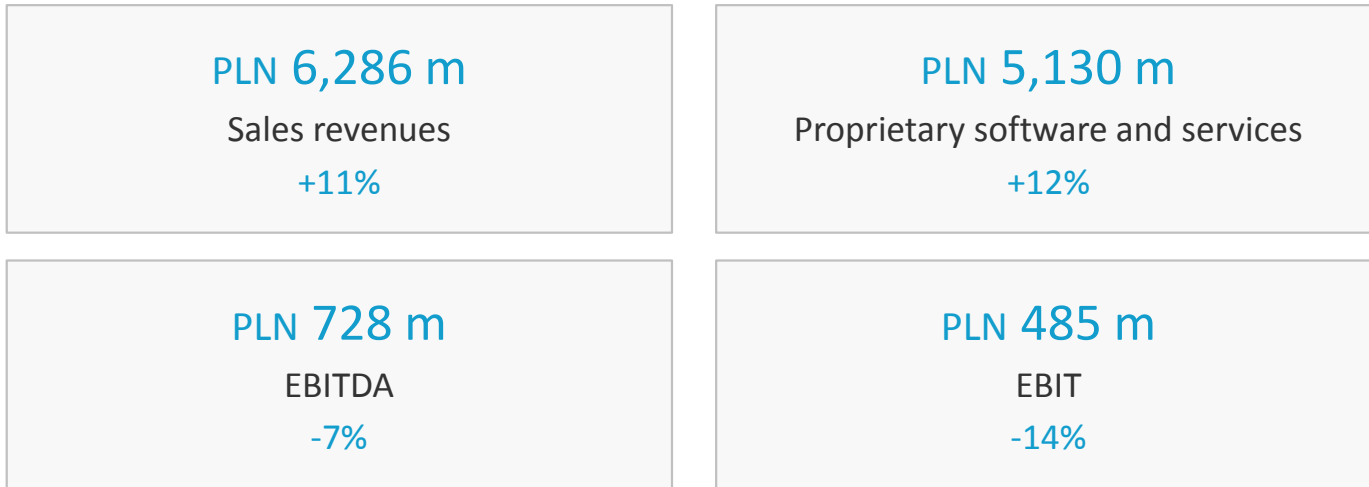


Consolidated financial highlights for Q1-Q3 2017*



* Lack of consolidation of the results of Formula Group in August and September in 2017 due to the sale of a stake and loss of control.

Pro forma consolidated financial highlights for Q1-Q3 2017*



Asseco Group in Q1-Q3 2017 – geographical regions

Polish market

Lower revenues in the public administration segment. Positive results in the banking and ERP segments.

Israeli market

Lack of consolidation of the revenues in the Israeli market in August and September. When taking the consolidation into account - an increase in sales. Significant improvement in the results of Sapiens in Q3.

Central European market

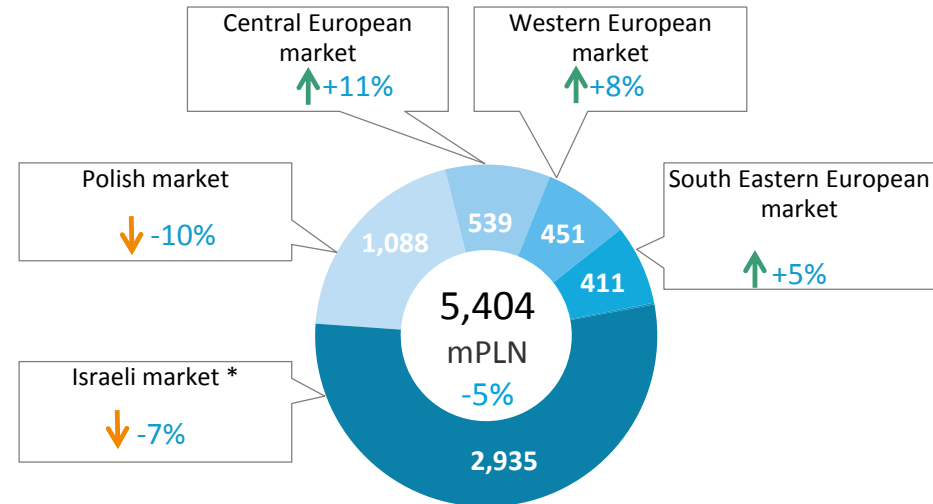
Positive sales results in Slovakia and the Czech Republic. Further sales growth in the ERP segment.

South Eastern European market

Higher sales in the payments segment and improved results in the banking and integration segments. Signing the largest contract for the implementation of the central system in a bank in Slovenia.

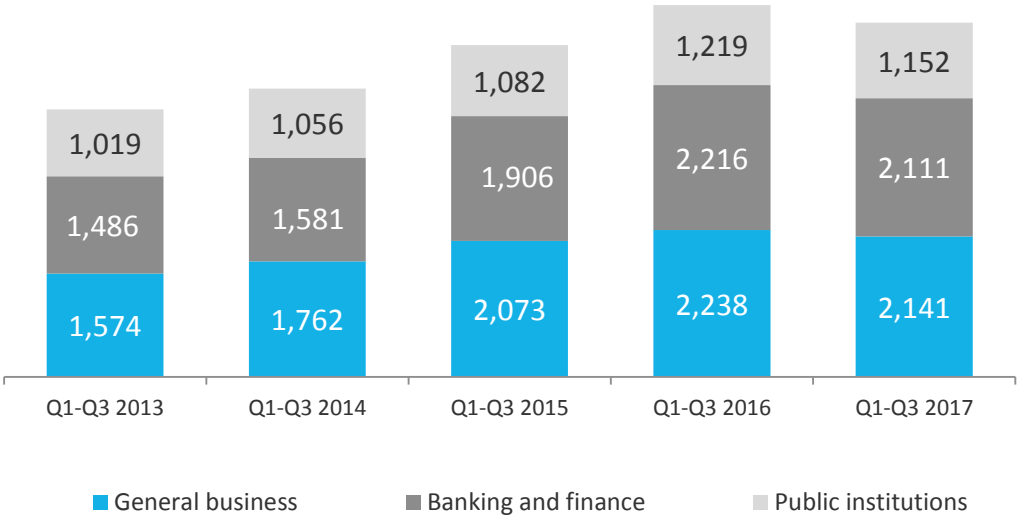
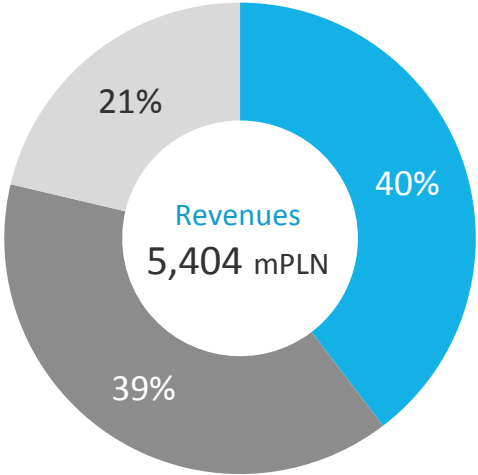
Western European market

Higher sales in the Spanish market and in Denmark.

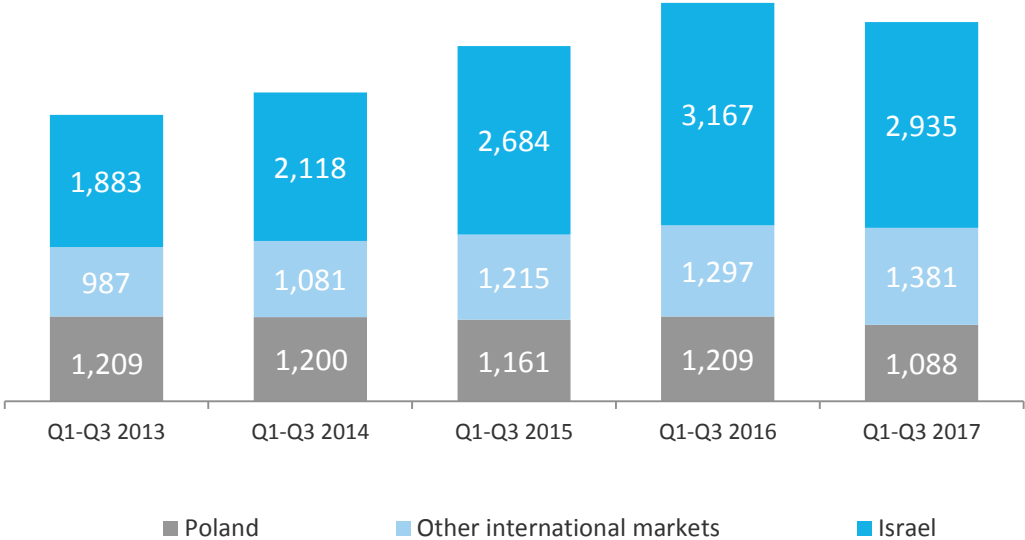
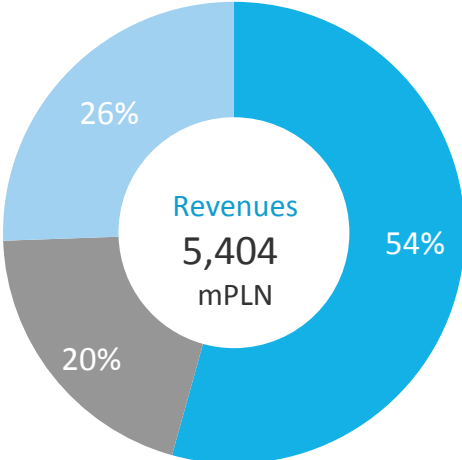


* including the revenues in the Israeli market for the period non-consolidated by Asseco Group, i. e. VIII-IX 2017: **PLN 3,818 million / +21%**.

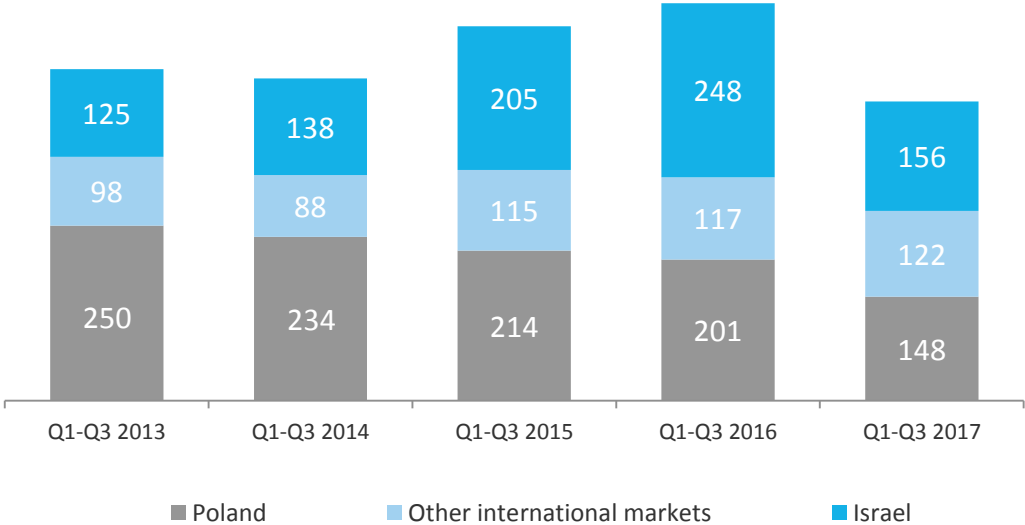
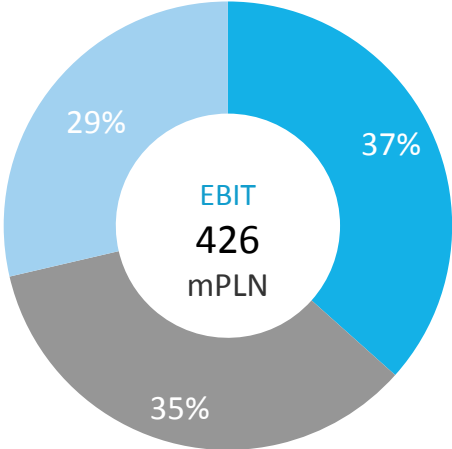
Revenue structure – strong diversification into sectors



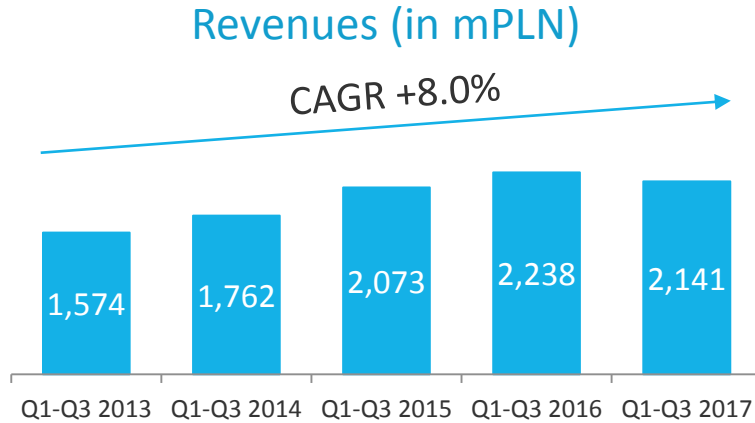
Significant share of foreign markets in the Group's revenues



Share of foreign operations in the Group's operating profit



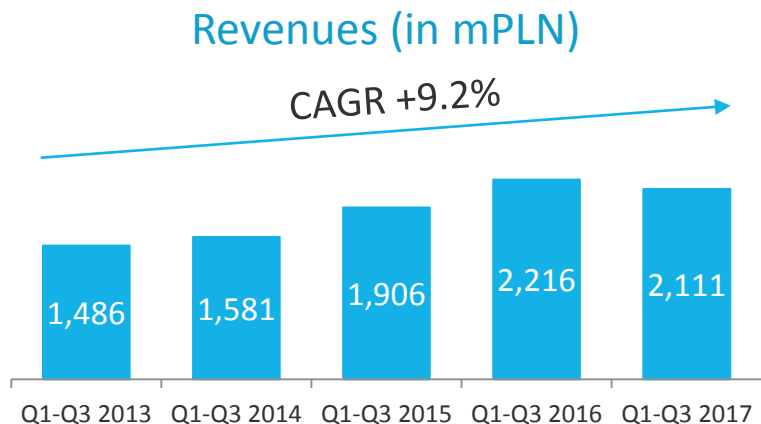
General business sector



	Q1-Q3 2017	Q1-Q3 2016	Change
Polish market	405.5	416.5	-3%
Israeli market	1,209.7	1,356.5	-11%
Central European market	267.2	215.0	+24%
South Eastern European market	65.4	62.4	+5%
Western European market	196.4	191.3	+3%
Eastern European market	0.7	0.8	-15%
Asseco Group*	2,141.2	2,238.4	-4%

- Higher sales and further development of the ERP segment in Poland and Central Europe
- Drop in revenues in the Israeli market due to the lack of consolidation in August and September 2017
- Impact of lower investment expenditures on IT in the telecommunication sector in Poland

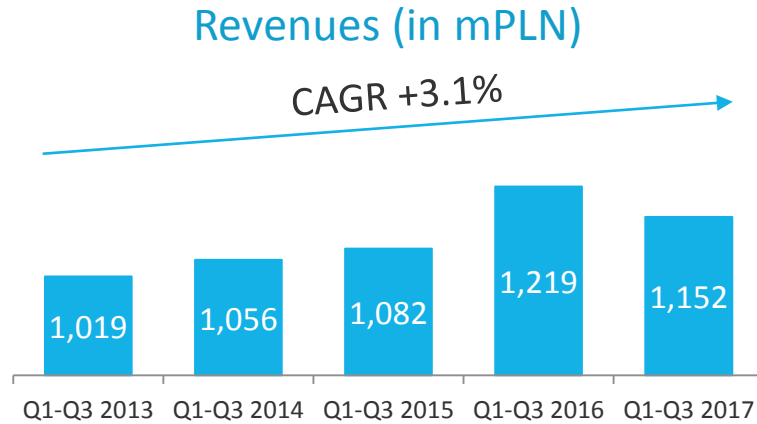
Banking and Finance sector



	Q1-Q3 2017	Q1-Q3 2016	Change
Polish market	337.4	366.8	-8%
Israeli market	1,193.1	1,284.0	-7%
Central European market	81.0	72.2	+12%
South Eastern European market	310.0	301.5	+3%
Western European market	203.5	189.3	+8%
Eastern European market	8.2	40.1	-80%
Asseco Group*	2,110.5	2,215.5	-5%

- Higher sales of software and services and lower sales of infrastructure in the financial sector in Poland
- Lower revenues in the Israeli market due to the lack of consolidation in August and September, improved results and increase in sales of Sapiens in Q3
- Better results in South Eastern Europe (ASEE) and Central Europe (ACE)

Public Institutions sector

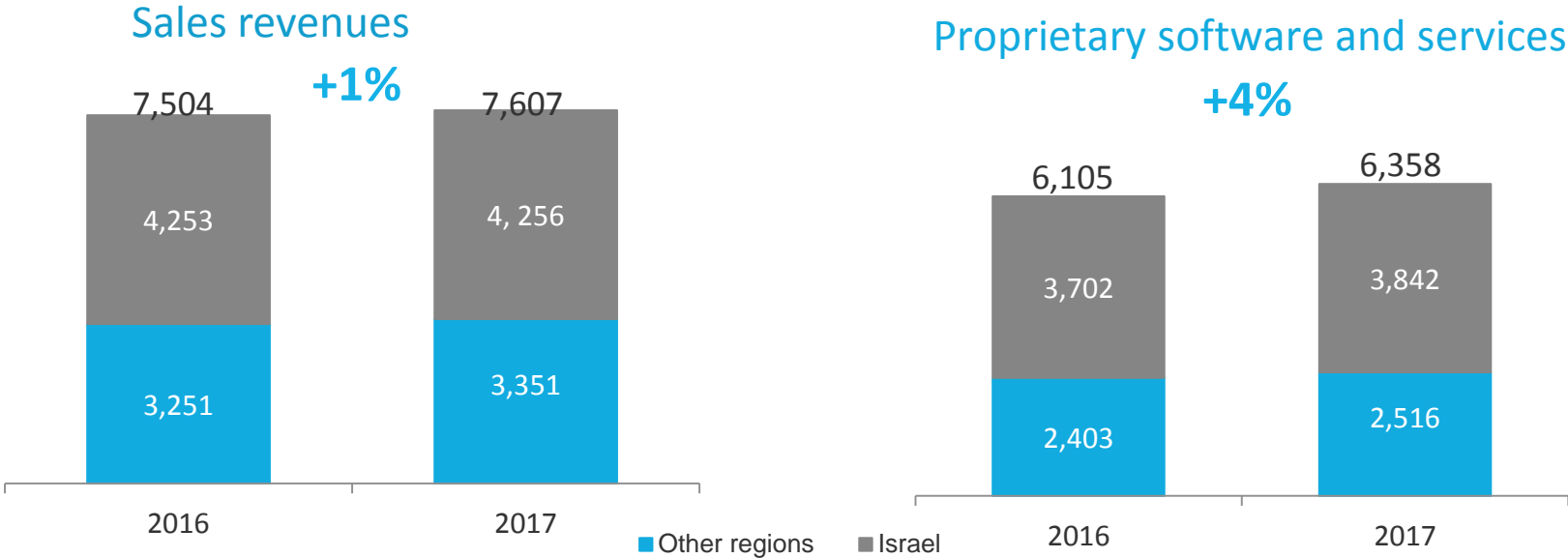


	Q1-Q3 2017	Q1-Q3 2016	Change
Polish market	344.6	426.0	-19%
Israeli market	532.4	526.5	+1%
Central European market	190.9	198.2	-4%
South Eastern European market	35.3	27.3	+29%
Western European market	51.0	36.7	+39%
Eastern European market	0.0	5.0	-
Asseco Group*	1,151.8	1,219.0	-6%

- Impact of drop in the number of orders and stagnation in the public tenders segment in Poland
- Lower revenue growth in the Israeli market due to the lack of consolidation in August and September 2017
- Lower sales of infrastructure and lack of new contracts in the Slovakian market

Consolidated order backlog for 2017*

In comparison to the order backlog presented in November, 2016



Figures in millions of PLN.;
 Value of the order backlog for 2017 as at November 15, 2017; value of the order backlog for 2016 as at November 14, 2016

*Including the revenues of Formula Group in August and September 2017: total revenues 8,490; +13%; own revenues 7,124, +17%

Formula Systems

Sale of a stake and regaining control

Sales of part of stake in Formula Systems

- Asseco Poland **has sold 20% stake** in Formula Systems, including:
 - 16% to 11 financial institutions from Israel;
 - 4% stake to CEO of Formula Systems – Guy Bernstein.
- From the initial investment amounting to PLN 427 million, Asseco Poland has already guaranteed itself a return of **PLN 457 million** and still holds stake worth over **PLN 590 million***.
- Return on sales of 20% stake reached 119.5%, which is equal to rate of return at 12.5%.
- After the transaction, Asseco Poland holds **26.31% stake** and is the largest shareholder of Formula Systems.
- Guy Bernstein holds **13.38% stake** and is the **second-largest** shareholder of Formula Systems.

Regaining control in Formula Systems

On October 11, 2017, Asseco Poland signed an agreement with Guy Bernstein, according to which Guy Bernstein grants Asseco Poland a power of attorney to vote at the General Meeting of Shareholders of Formula Systems for his stake.

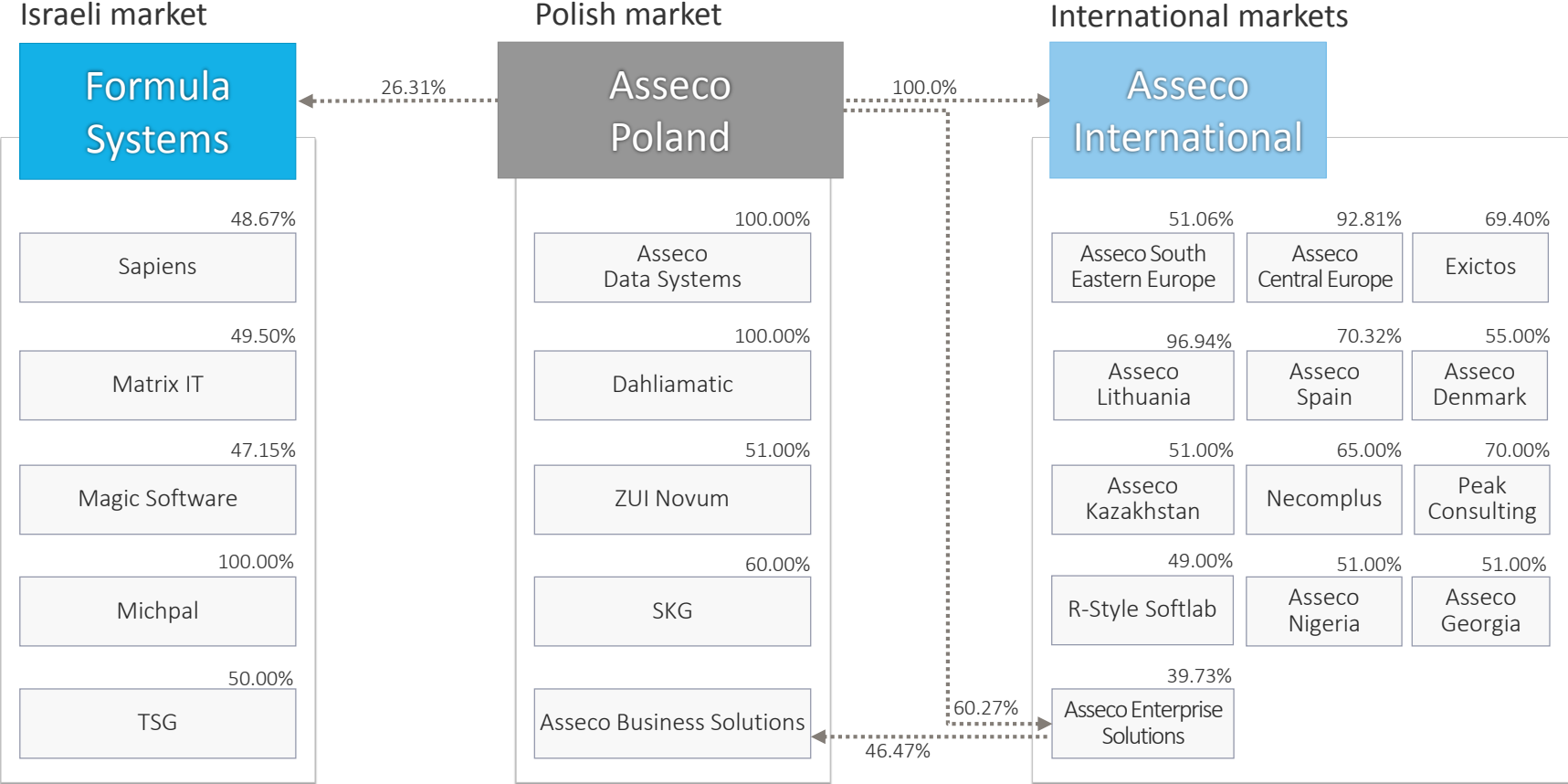
Key terms of the agreement:

- The agreement has been concluded for a period of 36 months and is automatically renewed for further 12-month periods.
- The parties may terminate the contract with six months' notice.
- Guy Bernstein may terminate the agreement when Adam Góral stops holding the position of the President of the Management Board or the Chairman of the Supervisory Board of Asseco Poland or when Asseco Poland's stake in Formula Systems falls below 20%.
- Asseco Poland may terminate the agreement when Guy Bernstein's stake in Formula Systems falls below 8%.
- Guy Bernstein is entitled to join the sale of shares by Asseco Poland on the same rights as Asseco Poland.
- The parties have the pre-emptive right to acquire the shares.

Asseco International

Purpose of Asseco International's establishment

1. Building the value of the Asseco Group based on international assets.
2. More effective management of the Group's international development.
3. Separation of Asseco Poland's operating activities from its activities aimed at supporting the Group's development.
4. Creation of a holding company with the prospect of dynamic development and going public on international markets.



Financial Information

Revenues and operating result of Asseco Group

	Q1-Q3 2017	Q1-Q3 2016	Δ	Q3 2017	Q3 2016	Δ
Revenues	5,403.5	5,672.9	-5%	1,241.5	1,902.3	-35%
Proprietary software and services	4,363.7	4,574.3	-5%	972.3	1,554.6	-37%
Gross profit/(loss) on sales	1166.3	1356.3	-14%	291.6	469.3	-38%
<i>Gross profit margin</i>	<i>21.6%</i>	<i>23.9%</i>	<i>-2.3 pp</i>	<i>23.5%</i>	<i>24.7%</i>	<i>-1.2 pp</i>
Selling costs	-318.7	-349.3	-9%	-70.5	-118.1	-40%
General and administrative expenses	-413.0	-441.1	-6%	-102.0	-146.7	-30%
Other operating activities	-8.2	0.5	-1740%	-1.9	0.2	-1050%
Operating profit	426.4	566.4	-25%	117.2	204.7	-43%
<i>Operating profit margin</i>	<i>7.9%</i>	<i>10.0%</i>	<i>-2.1 pp</i>	<i>9.4%</i>	<i>10.8%</i>	<i>-1.3 pp</i>
Operating profit non-IFRS	505.7	648.5	-22%	132.6	234.0	-43%
<i>Operating profit margin non-IFRS</i>	<i>9.4%</i>	<i>11.4%</i>	<i>-2.1 pp</i>	<i>10.7%</i>	<i>12.3%</i>	<i>-1.6 pp</i>
EBITDA	641.3	786.4	-18%	172.7	280.7	-38%
<i>EBITDA margin</i>	<i>11.9%</i>	<i>13.9%</i>	<i>-2.0 pp</i>	<i>13.9%</i>	<i>14.8%</i>	<i>-0.8 pp</i>

Figures in millions of PLN

Non-IFRS figures including adjustments for: i) income recognized in purchase price allocation, ii) amortization charges on intangible assets recognized in purchase price allocation as well as iii) for the costs of share-based payment transactions with employees

Reconciliation of operating profit and net profit

- 42.2: write-down of deferred payment from the sale of shares in R-Style Softlab
- 16.1: write-down for the investment in Sintagma
- 2.1: write-down for the investment in Asseco Georgia
- 1.0: write-down for the investment in Asseco Kazakhstan
- 0.9: write-down for the investment in Asseco Nigeria
- 0.6: other transactions

- 360.7: result due to loss of control over Formula Group, before tax and reduced by transaction costs
- 0.6: other transactions

- 38.8: write-down for the investment in R-Style Softlab
- +2.3: other

	Q1-Q3 2017	Q1-Q3 2016	Δ	Q3 2017	Q3 2016	Δ
Operating profit	426.4	566.4	-25%	117.2	294.7	-43%
Interest expense	-25.9	-29.5		-6.1	-12.7	
Foreign currency transactions	-36.0	-10.4		0.1	-6.6	
Other	286.2	-5.6		295.7	-0.7	
of which: gain/loss on transactions associated with company acquisitions	-66.7	-4.7		-62.9	-2.3	
gain/loss on transactions associated with company sales	361.2	0.0		361.3	0.0	
dividends paid to non-controlling shareholders	-5.1	-0.2		-1.7	0.0	
Pre-tax profit	650.8	520.9	+25%	406.9	184.7	+120%
Income tax	-111.8	-127.3	-12%	-50.4	-39.2	+29%
Share of profits /losses of associates	-37.2	3.6	-1133%	-36.5	2.1	-1838%
Net profit	501.8	397.2	+26%	320.0	147.6	+117%
Net profit attributable to shareholders of the parent company	401.9	224.5	+79%	288.6	82.1	+252%

Financial results of regions and subsidiaries

	Sales revenues		Operating profit		Net profit – contribution to Asseco Poland	
	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016
Polish market*	1,087.5	1,209.2	148.2	201.2	83.6	133.5
Asseco Poland (PF)*	602.1	700.9	86.0	142.4	77.7	108.1
Asseco Business Solutions	144.1	122.5	41.3	37.1	15.2	14.2
Asseco Data Systems (PF)*	228.8	264.7	12.5	10.9	9.1	6.5
Other	155.5	171.0	12.4	15.8	3.3	8.4
Consolidation adjustment	-42.9	-49.9	-3.9	-4.9	-21.7	-3.6
Israeli market	2,935.1	3,167.1	156.1	248.1	331.9	26.0
Matrix IT	1,715.4	1,906.4	114.6	135.5	18.3	18.9
Magic Software	571.4	574.9	59.8	64.9	9.1	10.1
Sapiens Int.	577.1	623.6	-4.4	75.3	-3.1	13.6
Other	80.5	85.2	0.8	-14.7	-11.9	-13.7
Consolidation adjustment	-9.2	-23.0	-14.8	-12.9	319.6	-3.0
Other international markets	1,409.4	1,339.8	122.5	117.1	-13.8	65.5
Central European market	539.0	485.4	45.7	40.4	39.2	29.5
South Eastern European market	410.6	391.2	44.1	34.9	19.5	15.5
Western European market	450.8	417.3	35.8	46.5	0.4	23.4
Eastern European market	8.9	45.9	-3.1	-4.7	-72.9	-2.8
Consolidation adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Consolidation adjustment	-28.5	-43.2	-0.3	0.0	0.3	-0.6
Asseco Group	5,403.5	5,672.9	426.4	566.4	401.9	224.5

*For the companies from the Polish market, the Q1-Q3 2016 data are pro forma figures, ie taking into account changes in the structure of the market.

Generated cash flows

	Asseco Group		Asseco Poland	
	Q1-Q3 2017	Q1-Q3 2016	Q1-Q3 2017	Q1-Q3 2016
CFO	374.7	657.9	38.6	100.3
CAPEX*	-153.0	-137.7	-19.5	-17.0
Free cash flow**	221.7	520.2	19.1	83.3
Cash conversion***	44%	80%	20%	56%

Figures in millions of PLN

Non-IFRS figures including adjustments for: i) income recognized in purchase price allocation, ii) amortization charges on intangible assets recognized in purchase price allocation as well as iii) for the costs of share-based payment transactions with employees

* Excluding investments in investment property, net of grants received.

** CFO+CAPEX.

*** Free cash flow / non-IFRS EBIT

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