

# Asseco Group Annual report

for the year ended December 31, 2020

ASSECO



Present in  
**60 countries**



Sales revenues  
**PLN 12 190 million**



**28 009**

highly committed  
employees



Net profit attributable  
to the parent  
company's shareholders  
**PLN 401.9 million**



Order backlog\*  
for 2021  
**PLN 7 642 million**



**PLN 5.7 billion**  
market capitalization

\* Refers to proprietary software and services

# Asseco Group in 2020

## non-IFRS measures (unaudited data)

Non-IFRS figures presented below have not been audited or reviewed by an independent auditor. Non-IFRS figures are not financial data in accordance with EU IFRS. Non-IFRS data are not uniformly defined or calculated by other entities, and consequently they may not be comparable to data presented by other entities, including those operating in the same sector as the Asseco Group. Such financial information should be analyzed only as additional information and not as a replacement for financial information prepared in accordance with EU IFRS. Non-IFRS data should not be assigned a higher level of significance than measures directly resulting from the Consolidated Financial Statements.

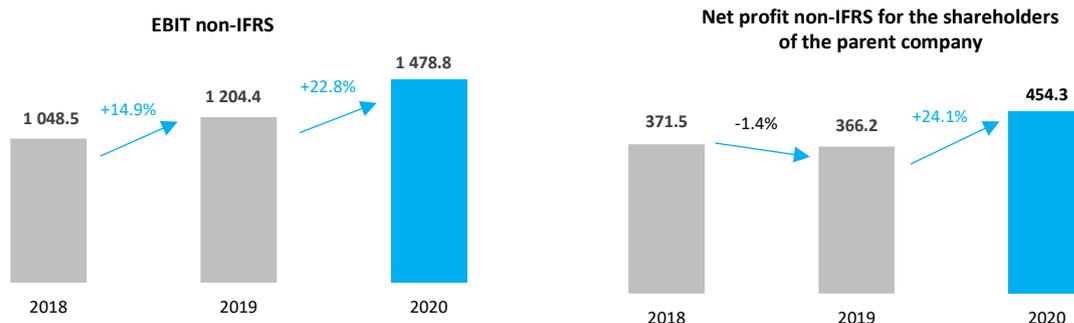
### Financial and operational summary:

- Increase in the Group's revenues by **14%** to **PLN 12 190 million**
- Increase in non-IFRS EBIT to **PLN 1 479 million** and contribution to non-IFRS net profit to **PLN 454 million**
- Higher sales in **all sectors and segments** of the Group's activity
- **79%** revenues from the sale of proprietary software and services
- Strong business **diversification** (geographical, sectoral, product)

### Selected consolidated financial data for 2020 on a non-IFRS basis

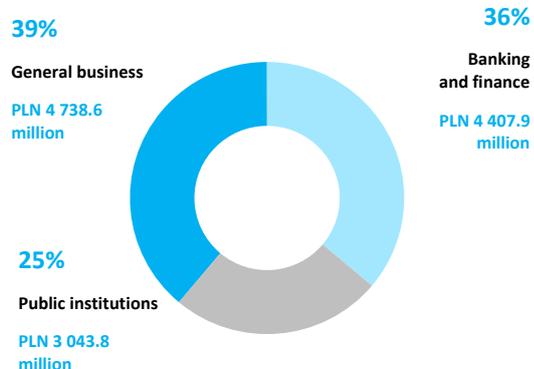
For the assessment of the financial position and business development of the Asseco Group, the basic data published on a non-IFRS basis constitute an important piece of information. They are complementary to the data reported under the IFRS standard.

Non-IFRS figures include adjustments for: the cost of amortization of intangible assets recognized under the combination settlement (PPA), the costs of share-based payment transactions with employees (SBP) and the costs and financial revenues resulting from the transactions of purchase and sales of companies (M&A) and tax effects associated with them).

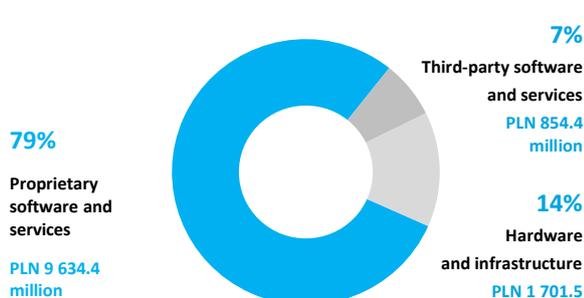


### The Group's revenue structure in 2020

#### Revenues by sectors



#### Revenues by products



## PRESIDENT'S LETTER



**Dear Ladies and Gentlemen,**

the past year showed that it is necessary to be humble and careful in planning the future. However, I firmly believe that the situation surrounding the coronavirus pandemic has made us better equipped today to function in such extraordinary conditions. The sector in which Asseco operates has proved even more necessary at this difficult time for all. Digitization processes in companies and institutions have significantly accelerated, resulting in increased demand for IT solutions and services. However, we cannot exclude that, in a longer term, the negative impact of the pandemic on the overall economic situation in Poland and the world can translate into the whole economy, and indirectly also our business. That is why we are moderate optimists. We think positively, do our bit and count we will all come away

unscathed from this tough period.

In the face of COVID-19, the Asseco Group has taken a number of aid ventures. Asseco Poland has allocated over PLN 1 million to support the healthcare sector. In addition to this, we prepared a package of IT services “#stayhome, patient” for medical institutions, which has improved remote contact with patients and adapted the Polish National Health Fund’s (NFZ) systems to the epidemic situation. We also created new e-Services for cooperative banks in the scope of, among others, the handling of PFR Financial Shield aid applications. We also carried out key activities from the point of view of the support for citizens in relation to the alignment of the Social Insurance Institution’s (ZUS) IT systems to handle the Anti-Crisis Shields and the Polish Tourist Voucher. Asseco Data Systems, in partnership with Operator Chmury Krajowej (*the Domestic Cloud Operator*), provided a platform for education to higher schools as part of the Partnership for Universities program, free of charge. We have provided aid efforts on other markets as well. Asseco South Eastern Europe successfully deployed its product “Live” in the information center of the government of the Republic of North Macedonia, an institution that during the pandemic supports entrepreneurs and citizens on economic issues. Asseco Central Europe developed and launched the central IS COVID IT system in Slovakia to register orders for laboratory tests and test results for the virus, which has helped to significantly increase the number of people tested. The system has brought together state and private laboratories in an integrated environment, enabling mass examination of population.

In the past year, we focused on providing the best possible support to our Clients in the face of the pandemic. We consistently pursued the strategy of business diversification — at the level of countries, sectors and products. We developed our proprietary software and services that were responsible for 79% of the total sales. We grew organically as well as through acquisitions. The Asseco Group was joined by 15 new companies that added value in the form of interesting products and customers, as well as presence on new markets and segments. We continue to operate in a federation model and I am confident that this is the key to our success. Each new company joining the Group maintains

its unique nature and freedom to operate while also drawing on the opportunities offered by the affiliation with Asseco, including access to products and competencies of other companies, a common sales network or even image benefits thanks to becoming the part of a recognizable international brand.

Thanks to the consistently executed strategy and hard work of the Group's Employees, of which there are already more than 28,000, we observed double-digit result gains in 2020 and strengthened our position across all business segments and sectors. Our consolidated revenues amounted to PLN 12.2 billion, operating profit exceeded PLN 1.2 billion and net profit, after an increase of 25%, reached PLN 402 million. Our revenues are still strongly sector-diversified: general business accounted for 39% of sales, banking and finance for 36% and the public sector for 25%. Revenues from companies outside Poland accounted for 88% of the Group's total sales last year.

The 2020 results show that Asseco is not slowing down and is still developing dynamically. 2021 is a special year for us as we celebrate our 30th birthday. When in 1991 I was starting a company without yet knowing that it was one of the first IT startups in Poland, I believed that the future of computer science was software. Today Asseco is not only the largest IT company in Poland and the Central and Eastern Europe region, but primarily a global player, present in 60 countries. It would not have been possible without the great people I have met on my path. I would like to take this opportunity and thank my entire Team for many years of cooperation, intensive work and commitment. The greatest reward for the effort is the satisfaction of our Customers, whom I also would like to thank for another year of fruitful cooperation. Finally, I would like to thank you, dear Shareholders, for the trust you have given us for many years and that you are also with us during this special year.

I am presenting to you the Management Board's report on operations of Asseco Poland and the Asseco Group in 2020, which summarizes our financial and operating results as well as achievements and prospects. I wish you a pleasant reading.

Best regards,

Adam Góral,

President of the Management Board of Asseco Poland

A handwritten signature in black ink, appearing to read 'Góral', written in a cursive style.



**Management Board's report on operations of [the Asseco Capital Group](#) and [Asseco Poland S.A.](#)**

# Management Board's report on operations of the Asseco Capital Group and Asseco Poland S.A.

for the year ended December 31, 2020

<b>PRESIDENT'S LETTER</b> .....	<b>4</b>
<b>GENERAL INFORMATION ON ASSECO POLAND AND THE ASSECO GROUP</b> .....	<b>10</b>
<b>AUTHORITIES OF ASSECO POLAND S.A.</b> .....	<b>11</b>
Management Board.....	11
Supervisory Board .....	17
<b>STRATEGY AND DIRECTIONS OF DEVELOPMENT</b> .....	<b>22</b>
<b>ORGANIZATIONAL STRUCTURE OF THE ASSECO GROUP</b> .....	<b>25</b>
Federation model .....	25
Organizational structure of the Asseco Group .....	29
<b>TARGET MARKETS, BUSINESS SECTORS AND PRODUCT PORTFOLIO OF THE ASSECO GROUP</b> .....	<b>30</b>
The Asseco Group's segments and geographical markets .....	30
Business sectors of the Asseco Group .....	31
Product offer of the Asseco Group .....	34
Development prospects for the Asseco Group and key factors for further development.....	36
<b>IT MARKET AND ITS PROSPECTS</b> .....	<b>37</b>
Development prospects of the IT market.....	37
Asseco's market position .....	38
Awards and distinctions received in 2020 .....	40
<b>MAJOR EVENTS WITH IMPACT ON FINANCIAL PERFORMANCE OF THE ASSECO CAPITAL GROUP IN 2020</b> .....	<b>43</b>
<b>Asseco Poland Segemnt</b> .....	<b>43</b>
<b>Formula Systems Segment</b> .....	<b>50</b>
<b>Asseco International Segment</b> .....	<b>52</b>
<b>FINANCIAL INFORMATION OF THE ASSECO GROUP</b> .....	<b>56</b>
Financial results of the Asseco Group .....	56
Revenues structure of the Asseco Group .....	59
Cash flow .....	61
Statement of financial position .....	61
Quarterly financial results .....	62
Consolidated order backlog for 2021 .....	65
<b>FINANCIAL INFORMATION OF ASSECO POLAND S.A.</b> .....	<b>66</b>
Financial results of Asseco Poland S.A. ....	66
Revenues structure of Asseco Poland S.A. ....	67
Cash flow .....	68
Statement of financial position .....	68
Quarterly financial results .....	69
<b>SHARES AND SHAREHOLDING</b> .....	<b>72</b>

Shareholder structure .....	72
Asseco Poland S.A. on the capital market .....	73
Dividend.....	74
Investor relations.....	75

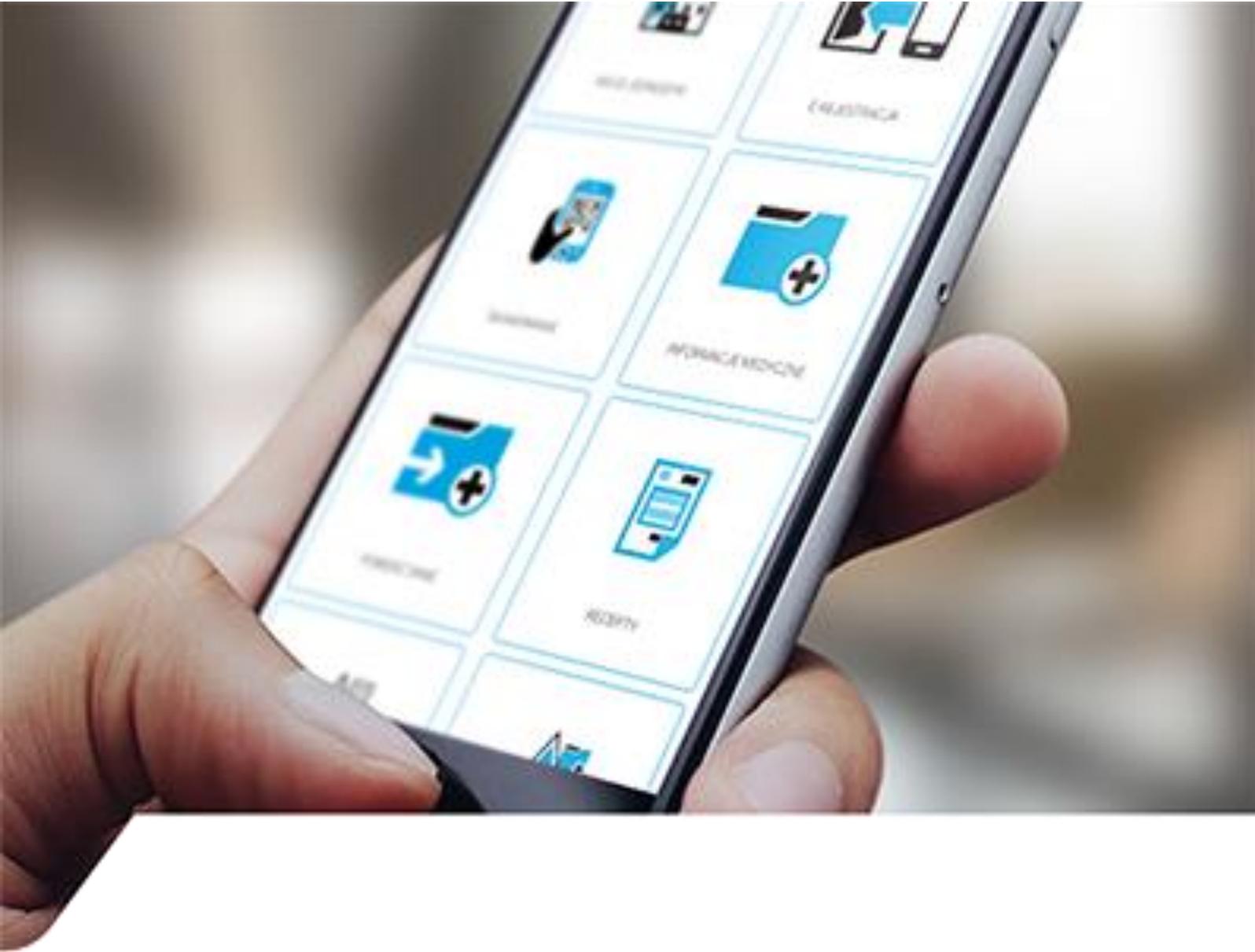
**STATEMENT ON COMPLIANCE WITH CORPORATE GOVERNANCE STANDARDS..... 78**

Set of corporate governance standards applicable to Asseco Poland .....	78
Corporate governance standards which have been waived by Asseco Poland and the rationale for doing so .....	78
Main features of the internal audit and risk management systems applied by Asseco Poland in the process of preparing its stand-alone and consolidated financial statements .....	79
Shareholders who, directly or indirectly, hold significant stakes of shares .....	81
Holders of any securities carrying special controlling rights .....	81
Limitations on the exercise of voting rights .....	81
Limitations on transferability of ownership rights to the issuer's securities .....	81
Rules regarding appointment and dismissal of the management personnel and determining their authority, in particular the right to decide on the issuance or redemption of shares .....	81
Rules regarding amendment of Asseco Poland's articles of association or agreement .....	82
Manner of operation of the general meeting and its basic powers, as well as shareholders' rights and the manner of their exercise .....	82
Description of activities of the management, supervisory and administrative bodies of Asseco Poland and their committees, including the audit committee, along with indication of the composition of those bodies and changes which occurred in them during the last financial year .....	85
Description of the diversity policy applied to the issuer's administrative, management and supervisory bodies .....	91
Remuneration of the management and supervisory personnel .....	92

**OTHER INFORMATION ON THE ASSECO GROUP AND ASSECO POLAND S.A..... 96**

Discussion of significant risk factors and threats .....	96
Non-recurring events with impact on our financial performance.....	99
Significant events with impact on the Asseco Group operations after December 31, 2020.....	100
Opinion on feasibility of investment plans.....	100
Financial forecasts .....	100
Changes in the Capital Group and the Company management policies .....	100
Agreements concluded by the Capital Group with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions.....	100
Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders .....	100
Changes to equity relationships .....	100
Related party transactions .....	100
Bank loans, borrowings, sureties and guarantees.....	100
Information on loans granted in 2020.....	101
Off-balance-sheet items .....	101
Structure of main capital investments made within the Asseco Group.....	101
Monitoring of employee stock option plans .....	101
Information on obligations arising from pensions and benefits of a similar nature .....	101
Information on significant judicial proceedings .....	101
Remuneration of the entity authorized to audit financial statements .....	101
Agreement with the entity authorized to audit financial statements.....	101
Reports on non-financial information .....	102

**STATEMENT OF THE MANAGEMENT BOARD OF ASSECO POLAND S.A. TO ANNUAL REPORT ..... 103**



## **General information on** **Asseco Poland and the Asseco Group**

## GENERAL INFORMATION ON ASSECO POLAND AND THE ASSECO GROUP

The parent company of Asseco Group (the "Group", "Asseco Group") is Asseco Poland S.A. (the "Company", "Asseco").

Asseco Poland (WSE: ACP) is a leading Polish information technology company listed on the Warsaw Stock Exchange (WSE). With a market capitalization reaching about PLN 5.7 billion (about EUR 1.2 billion), the Company is included in the WIG20 index. It is also the largest company listed in the IT sector index, WIG-Informatyka.

Asseco Poland leads international Asseco Group, which is present, via its subsidiaries, in 60 countries worldwide, including most of the European countries as well as Israel, the US and African countries. The Asseco Group is one of the largest software producers in Europe and the largest supplier of modern IT solutions in Central Eastern Europe.

The Group's companies are listed not only on the Warsaw Stock Exchange, but also on the NASDAQ Global Markets as well as on the Tel Aviv Stock Exchange.

The Asseco Group is a unique combination of a software and service provider. It produces technologically advanced, top quality software which supports key business processes of companies in all key sectors of the economy. Revenues from proprietary software and services represent 79% of the Group's total sales.

The Asseco Group is a unique federation of companies which are allowed a great deal of independence in making business based on their local competencies, while taking advantage of synergies arising from their cooperation within the whole Asseco Group.

### **The Asseco Group is a European producer of software**

- We focus on our proprietary software and services
- We develop our cross-sectoral competences
- We employ the best programmers and IT specialists
- We work with global providers of IT technology and solutions
- Our objective is to increase shareholder value; Asseco Poland is a dividend company
- We are a socially-engaged group, we support the development of local economies

## AUTHORITIES OF ASSECO POLAND S.A.

### Management Board



**Adam Góral**

President of the Management Board

Responsible for the development vision and strategy of the Asseco Group and the Internal Audit Division. The founder and the President of the Management Board of Asseco Poland. In 1991 he began developing COMP Rzeszów, which, after a listing on the Warsaw Stock Exchange (WSE), as Asseco Poland, became the leader of the Asseco Group's development on the international markets.

The graduate of the Academy of Economics in Kraków (major in economic cybernetics and IT); he holds a PhD in economy. In 1979-1990 he worked in a branch of the Maria Skłodowska-Curie University in Rzeszów - at the beginning he was an assistant and when he was finishing his cooperation with this university he held the position of an adjunct professor. In 1991-1993 he was engaged in the Polish-American Project of Creating Entrepreneurship Institutes in Poland.

In 1999-2006 he was the Chairman or Member of the Supervisory Boards in ABAS, COMP Soft, Softlab, Softlab Trade, WA-PRO, Asseco Romania, Vistula & Wólczanka, ABG (previously DRQ) and Asseco Systems. Currently, he is the Chairman of the Supervisory Board of Asseco International, Asseco Central Europe, Asseco Western Europe, Asseco Data Systems and the Gdynia Basketball Club ARKA, as well as the Vice Chairman of the Supervisory Board in Asseco South Eastern Europe and Asseco Business Solutions. The member of the Supervisory Board of Asseco Enterprise Solutions and the Podkarpacki Business Club.

He is the Honorary Consul of the Slovak Republic.



**Andrzej Dopierała**

Vice President of the Management Board

Responsible for the International Organizations and Security Sector Solutions and Agriculture Insurance Divisions, as well as the Office for Infrastructure Projects and the ICT division.

Andrzej Dopierała graduated from the Warsaw University of Technology's Electrical Faculty in 1988, when he obtained a Master of Electrical Engineering degree.

He began his professional career in the United States as a service engineer and as a service director at Hogan Technical Services (USA), a company dealing with repairs and maintenance of industrial electronics equipment. From 1989 to 1991 he worked in a Canadian company designing, manufacturing and selling electronic equipment for the mining industry. In 1992-1993 he worked in Bull Poland and Digital Equipment Polska.

From January 1994 to February 2006 he worked in HP Polska, holding the following positions: the Marketing and Partner Channel Director (January 1994-May 1996), the Director of Computer Products Division (May 1996-July 1998) and the President of the Management Board (July 1998 - February 2006). In 2006, he was appointed as the President of the Management Board of Oracle Polska. From June 2006 to November 2007 he was the Director of Oracle Middleware in Central Europe.

In the period from September 2013 to June 2016, he served as the Vice President of the Management Board of Asseco Poland responsible for the Infrastructure Division, the Data Processing Centre and the ICT Department. Since January 4, 2016 he has been the President of the Management Board of Asseco Data Systems - a company established through the consolidation of six Polish companies of the Asseco Group and the Infrastructure Division of Asseco Poland. Since October 1, 2017 he has held the position of the Vice President of the Management Board of Asseco Poland. The President of the Management Board of ComCERT.



**Krzysztof Groyecki**

Vice President of the Management Board

Responsible for the Healthcare Division.

The graduate of the Silesian University of Technology in Gliwice, the Faculty of Automation, Electronics and Informatics, with a Master's degree in IT.

In 1981-1987 he was an assistant and senior assistant at the Institute of Computer Science of the Silesian University of Technology in Gliwice, and in 1987-1998 he was the founder and co-owner and the President of the Management Board of PiK Systemy Informatyczne Gliwice. Subsequently, in the years 1994-2000 he was the founder and co-owner and the Member of the Management Board of PiK-Net, then in the years 1999-2001 he was the Vice President of the Management Board of ComputerLand Zdrowie, and in the years 1999-2005 he was the General Director of the Healthcare Sector of ComputerLand. In the years 2004-2006 he was the Member of the Management Board of RUM IT Sp. z o.o. In 2005-2008, he was the Plenipotentiary of the Management Board for Health Care at ComputerLand and Sygnity, in 2008-2010 he was the Director of the Health Care Solutions Division at ABG. Since 2010 he has been the Director of the Healthcare Division in Asseco Poland.

In addition, he was the Member of the Supervisory Board of Clinika (2002-2003), Serum Software (2008-2010) and 3S - Śląskie Sieci Światłowodowe (2007 - 2013).

Since June 1, 2016, he has been the Vice President of Asseco Poland. Since May 29, 2020, he has been the President of the Management Board of Equator Software.



**Rafał Kozłowski**

Vice President of the Management Board

As the Chief Financial Officer (CFO), he is responsible for the Finance Division of Asseco Poland and the Finance Division of the Asseco Group.

He graduated from the University of Warsaw, the Faculty of Organization and Management, where he received his Master's degree in 1998. He completed a project management course organized by PMI in 2004 and a course on International Accounting Standards organized by Ernst & Young Academy of Business in 2005-2006.

In 1996-1998 he held the position of the Finance Director at Delta Software. In 1998-2003 he held the position of the Senior Manager at Veraudy. In the years 2004-2006 he held the position of the Director of the Treasury Division in Softbank and was delegated to the subsidiary Sawan, where he held the position of the Vice President responsible for finance. From 2007 to June 2009 he was the Director of Controlling and Investment Division of Asseco Poland.

From 2008 to 2012, he was the Vice President of Asseco South Eastern Europe, responsible for the company's finances. He was directly involved in the acquisition of the companies constituting the Asseco South Eastern Europe holding and in the process of introducing the holding to the Warsaw Stock Exchange. Since June 1, 2012 he has held the position of the Vice President of the Management Board of Asseco Poland, and as the Chief Financial Officer of the Asseco Group he has been overseeing the finances of the Group's companies. He was the President of the Management Board of UNIZETO Technologies and the Member of the Management Board of Infovide-Matrix. He is the President of the Management Board of Asseco Enterprise Solutions and the Vice President of the Management Board of Asseco Western Europe and Park Wodny Sopot, the Member of the Board of Directors (BoD) of R-Style Softlab and Formula Systems, the Member of the Management Board of Asseco International. He is the Member of the Supervisory Board of DahliaMatic, Aquapark Sopot and Asseco Solutions companies. He serves as the Chairman of the Supervisory Board of GSTN Consulting.



**Marek Panek**

Vice President of the Management Board

Responsible for the Development Division of the Asseco Group, and the EU Projects Office.

He graduated from the Rzeszów University of Technology, the Faculty of Mechanical Engineering and Aeronautics, where in 1994 he received his M.Sc. diploma. In 1995 he began his work in COMP and since 1995 he has been involved with Asseco Poland (former COMP Rzeszów), where he has worked his way up the career ladder from a Marketing Specialist, through the Director of Sales and Marketing Department, to the Member of the Management Board in the years 2004-2007.

Since March 22, 2007 he has served as the Vice President of the Management Board of Asseco Poland. He has performed managerial functions in Asseco Group companies: the Chairman of the Board of Directors of Formula Systems, the Member of the Board of Directors of Peak Consulting Group and Asseco Denmark, the Chairman of the Supervisory Board of Nextbank Software and ComCERT. He is the Member of the Supervisory Board in Sintagma, Asseco Lietuva, Asseco Central Europe, Asseco Innovation Fund and adesso banking solutions. He is also the President of the Management Board of GSTN Consulting and the Member of the Management Board of Asseco International.



**Paweł Piwowski**

Vice President of the Management Board

Responsible for the Energy and Gas Industry Division, the Telecommunication and Media Division, and the ERP Projects Office.

The graduate of the Faculty of Electronics at the Warsaw University of Technology, where he earned his Master of Science degree. In 1991, he began working for Computerland, where he ended up as the Vice President of the Management Board.

Between 1998 and 2007 he was the President of the Management Board of Oracle Polska, where in 2004 he became the head of the Baltic countries group in Oracle Central Europe: Czech Republic, Estonia, Lithuania, Latvia, Poland, Slovakia, Hungary. Between 2008 and 2010 he held the position of the First Vice President of the Management Board in ABG. He is also the Chairman of the Supervisory Board at PGS Software.

Since October 1, 2009 he has been employed in Asseco Poland as the Vice President of the Management Board.

The Chairman of the Supervisory Board of DahliaMatic.



**Zbigniew Pomianek**

Vice President of the Management Board

Responsible for the Commercial Banks Division, the Cooperative Banks Division, the Business Intelligence and Capital Market Division, PKO BP Division, and the Data Processing Center, the Operational Services Center and Asseco Innovation Hub.

The graduate of the Faculty of Construction and Environmental Engineering at the Rzeszów University of Technology. In 1990-1992 he was an assistant in this department. In 1992 he became a computer scientist in Jazcoop company, from 1993 to 1995 in COMP.

He co-founded Asseco Poland, where he has been working since September 1995 at the following positions: the Director of Banking Services, the Deputy General Manager, the Director of the Software Division, the Director of the Commercial Banks Division, and since March 22, 2007 the Vice President of the Management Board.

In the years 2000-2004 the Member of the Supervisory Board of the GALKOM Computer Studio. In 2007-2009 the Chairman of the Supervisory Board of Anica System. In the years 2007-2015 he was the Member of the Supervisory Board of Postdata. He was also the member of the Supervisory Board of ZUI Novum. Currently, he is the Member of the Supervisory Board in Asseco Business Solutions, Nextbank Software and adesso banking solutions. The Chairman of the Supervisory Board in Asseco Innovation Fund and Asseco Services.



**Sławomir Szmytkowski**

Vice President of the Management Board

He is responsible for the Social Security, System Maintenance, Agriculture and Postal Divisions and the Government Administration Division.

The graduate of the Faculty of Civil Engineering at the Gdańsk University of Technology. Employed at Prokom Software: in the IT Project Coordination Office (1996-2002) and as the Director of Department of Strategic Clients (2003-2007). Since the merger of Asseco Poland and Prokom Software in 2007, employed in Asseco Poland as the Managing Director (2007-2009). Since 2009 the Director of the Systems Maintenance Division. Since July 1, 2019 the Vice President of the Management Board of the Company.



**Artur Wiza**

Vice President of the Management Board

Responsible for the PR, IR and Marketing Division, and Asseco Poland's cooperation with start-ups.

The graduate of the University of Szczecin, he majored in Economic Cybernetics and Information Technology. He started his professional career in 1994 in Computerland, being responsible for sales to corporate clients. In 1997 he started working at the Polish branch of Hewlett-Packard Polska, where he was responsible for product marketing, SMB market development, marketing and cooperation with business partners. In 2000 he started holding the position of the Marketing Director of Hewlett Packard Polska responsible for Enterprise and Corporate market. In the years 2002-2005 he was the Chairman of the Polish Board of Marketing Directors at The Conference Board.

From September 2006 to March 2011 the Member of the Management Board of Getin Holding, responsible for marketing, external and internal communication and investor relations.

He was also the spokesman for the Getin Holding group, Getin Noble Bank and LC Corp (currently Develia). He was the Member of the Supervisory Boards of Fiolet Powszechny Dom Kredytowy, Panorama Finansów, OOO Carcade based in Kaliningrad, SC Perfect Finance in Bucharest and LC Corp (currently Develia). Since 2012 the Managing Director at Asseco Poland responsible for Corporate Communications (marketing, PR and investor relations). He is also the Vice President of the Management Board of the Lewiatan Association of Digital Technology Employers and the Chairman of the Board of the Polish Chamber of Information Technology and Telecommunications at the Polish Chamber of Information Technology and Telecommunications. Since March 1, 2018 the Vice President of the Management Board of Asseco Poland.



**Gabriela Żukowicz**

Vice President of the Management Board

Responsible for the Organizational and Legal Division, the HR Division, the Personnel Administration Division, the Compliance, Maintenance and Development of Back-Office Systems Division, as well as the Administration and Purchase Division.

In 1998, she graduated from the Faculty of Law of the Jagiellonian University in Kraków and completed her legal adviser's training in 2002.

She has been working at Asseco Poland since 1998. She served as the Director of the Management Board Office (October 2004 - December 2009) and since January 2010 as the Director of the Legal and Organizational Department. In addition, from August 2012 to September 2017 she held the position of the Company's Proxy. She is the Chairperson of the Supervisory Board of Park Wodny Sopot, the Vice Chairperson of the Supervisory Board in Asseco Services and Asseco Innovation Fund, and the Member of the Supervisory Boards in the companies: Asseco Western Europe, Sintagma and Asseco Lietuva. Since October 1, 2017, she has been the Vice President of the Management Board of Asseco Poland.

During the period of 12 months ended December 31, 2020, Asseco Poland's Management Board was composed of the following persons:

<b>Management Board</b>	<b>Period of service</b>
Adam Góral	01.01.2020 - 31.12.2020
Andrzej Dopierała	01.01.2020 - 31.12.2020
Krzysztof Groyecki	01.01.2020 - 31.12.2020
Rafał Kozłowski	01.01.2020 - 31.12.2020
Marek Panek	01.01.2020 - 31.12.2020
Paweł Piwowar	01.01.2020 - 31.12.2020
Zbigniew Pomianek	01.01.2020 - 31.12.2020
Sławomir Szmytkowski	01.01.2020 - 31.12.2020
Artur Wiza	01.01.2020 - 31.12.2020
Gabriela Żukowicz	01.01.2020 - 31.12.2020

During the reporting period as well as until the date of publication of this report, no change in the composition of the Company's Management Board took place.

## Supervisory Board

At the end of the reporting period and at the date of publication of this report, the composition of the Company's Supervisory Board was as follows:



**Jacek Duch**

Chairman of the Supervisory Board

The graduate of the Warsaw University of Technology (a specialization in information technology) with extensive, long-term technical experience in software engineering as well as in management of international and Polish IT corporations.

He began his professional career as a PhD student working at the Nixdorf Computer software development centre in Germany and then as a research worker at PSI AG in West Berlin. In 1978-1993 he worked for Digital Equipment Corporation (DEC), where he led projects in Munich, Vienna and Paris. From 1989 he supervised the creation of DEC branches in Central European countries, including Poland. From 1993 to 1998 he headed Oracle Polska and then served in the management boards of Prokom Software and Prokom Internet, as well as in numerous supervisory boards: Postdata, Bank Pocztowy, PVT, numerous companies of the Asseco Group (Asseco South Eastern Europe, Asseco Germany, Matrix42 AG and others). He participated in work of sector organizations: the American Chamber of Commerce, the Polish Chamber of Information Technology and Telecommunications and the Polish Confederation of Private Employers.

He is a partner/shareholder in Allterpower, Bioalter, Decsoft and R22. Currently he is the Chairman of the Supervisory Board of Asseco Poland, R22 and Decsoft and the Member of the Supervisory Board of Asseco Data Systems, Asseco South Eastern Europe and Asseco International, among others.

The Member of the Audit Committee of Asseco Poland.

Jacek Duch has knowledge of the sector the Company operates in, which is confirmed by his professional career.



**Adam Noga**

Vice Chairman of the Supervisory Board

The Full Professor of economic sciences. In 1991-1992 he completed a short MBA at L'Universite du Quebec in Montreal. In 1985 he was awarded the degree of PhD in Economics, then the habilitation degree, the Associate Professor degree (the Warsaw School of Economics), and in 2009 the title of Full Professor. He was the director of the Institute of Finance. Since 2005 he has been the professor at the Koźminski University and its vice chancellor. He is the author of five and the co-author of 18 books and over 100 scientific articles. He is also the first winner of the Bank Handlowy Award for outstanding achievements in the field of finance and economics.

In 1988-1989 he worked in the Ministry of Finance as the chief specialist. From 1991 to 1992 he lectured at the L'Universite du Quebec a Montreal. In 1996-1999, he was the vice chancellor for didactics and students of the Warsaw School of Economics.

In 1995 he worked as an expert of the Ministry of Ownership Transformations. In 1996, he was the representative of the President of the Republic of Poland in public debates on privatization and universal enfranchisement. In the years 1996-1999 he was the author of reports on privatization of the Polish economy. From 1998 to 1999 he was the member of the Supervisory Board of PTE Epoka. In 2003-2005 he was the Chairman of the Supervisory Board of the Polish Information and Foreign Investment Agency. In 2002-2005 he was an advisor to the Deputy Prime Minister and Minister of Finance. Since 1987 he has been the editor of *Ekonomista*.

In 1998-2006, he served as the Chairman of the Supervisory Board of Asseco Poland. He was the member of the Supervisory Board of Prokom Software, the member of the Supervisory Board of Kredyt Bank, and in 2005 he became its Vice Chairman. He sat on the Supervisory Boards of Warta TUIR and Warta UnŻ. He was the member of the audit committees of Kredyt Bank (2000-2014), Warta TUIR and Warta UnŻ (2011-2013). Since January 2007 he has been the Vice Chairman of the Supervisory Board of Asseco Poland.



**Izabela Albrycht**

Member of the Supervisory Board

The President of the Kościuszko Institute since 2010, engaged in public policy and decision-making activities in the area of digital transformation and security, including energy and digital. Since 2014 she has been the President of the Organizing Committee of the European Cybersecurity Forum — CYBERSEC. Since 2020 she has been the member of the management board of Digital Europe, representing in it the Polish Chamber of Informatics and Telecommunications and the largest Polish organizations bringing together IT sector companies. She has been also the member of the NATO Advisory Group on New and Breakthrough Technologies (EDTs).

In the period of 2016-2018, she was the President of the Digitization Council of the 2nd term, an advisory committee of the Minister of Digitization with competence in the field of proposals and opinion of government and EU documents in the topics of digital transformation, information society, data-driven economy, cybersecurity and new technologies (e.g. artificial intelligence, 5G, quantum computer science). She is currently the member of the 3rd term Council.

She has been the member of the Supervisory Board of Asseco Poland since 2017 and of ComCERT since 2019.

Ms. Izabela Albrycht has built a network of professional relationships within an environment of experts dealing with digital change. Since 2019, she has been the member of the Global Future Council on Cybersecurity within the World Economic Forum in Geneva and the co-founder of Women4Cyber, an initiative inaugurated by the European Cyber Security Organisation (ECSO) in Brussels. In 2020, she was elected to the Management Board of of DIGITALEUROPE, Europe's largest organization representing the interests of digital technologies, where she is a joint representative of the Polish Chamber of Computer Science and Telecommunications (PIIT), the Cyfrowa Polska Union (ZIPSEE Digital Poland) and the National Chamber of Informatics and Telecommunications (KIGEIT).

In 2017, she was included in the prestigious 2017 New Europe 100 Challengers list compiled by the Financial Times Res Publica, Google and the International Visegrad Fund. In 2019, she was included in the list of Europe's 50 Most Influential Women in Cybersecurity prepared by SC Media UK).

The co-author of reports, publications and analyses focusing on issues related to EU policies and international relations. Her research interests include issues such as: the EU institutional system, energy policy, strategic challenges related to digital transformation and cybersecurity system construction, including, among others, public-private cooperation, education system, innovation. She also currently serves as the Deputy Editor-in-Chief of the European Cybersecurity Journal, previously she was the Editor-in-Chief of the International Shale Gas & Oil Journal. Izabela Albrycht is a political scientist, the graduate of the Faculty of International and Political Studies of the Jagiellonian University, and has also completed postgraduate studies in Public Relations at the Fr. Józef Tischner European Higher School, as well as a course for Members of Supervisory and Management Boards certified by the Ministry of the Treasury and professional training "Decision-making and legislative processes in the EU" and "Lisbon Treaty" in the European Parliament. She is the alumna of the prestigious International Visitor Leadership Program (IVLP) of the US Department of State in the field of NGO management. Izabela Albrycht meets the independence criteria set out in Article 129 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Supervision and specified in the Code of Best Practice for WSE Listed Companies 2016.



**Piotr Augustyniak**

Member of the Supervisory Board

Currently the member of supervisory boards in the following public companies: Asseco Poland, Ciech, PZ Cormay, in the years 2013-2014 also Kopex.

In 1994-2011, he worked for Enterprise Investors (EI). As EI's partner (2006-2011) he was responsible for monitoring, listing on the Warsaw Stock Exchange, sales of significant shareholdings in EI's portfolio companies on the public and private markets. He represented EI as the member of the supervisory boards of the following companies: Polfa Kutno, Energoaparatura, Elektrobudowa, Wizów, Sfinks, CSS, Bauma, Comp Rzeszów (Asseco Poland at present), Agros Nova, Teta, Opoczno, AB, Siveco (Romania), STD Donivo (Slovakia), AVG Technologies (Netherlands).

In 2001, the President of the Management Board of Energoaparatura, delegated as part of his work at EI to carry out restructuring of the company.

In 1993-1994, he worked for the Ministry of Ownership Transformations, successively as project manager and privatization project manager. In 1992-1993 he worked at the Foundation for Ownership Transformations at the Ministry of Ownership Transformations.

The graduate of the University of Warsaw in English Philology (1990) and Management (1994). In 1991-1992, the translator at the New York Times Warsaw.

The Member of the Audit Committee of Asseco Poland

Piotr Augustyniak meets the independence criteria set out in Article 129 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Supervision and specified in the Code of Best Practice for WSE Listed Companies 2016.



**Dariusz Brzeski**

Member of the Supervisory Board

In 1988 he graduated from the Warsaw School of Planning and Statistics (now the Warsaw School of Economics) and received a master's degree in economics. In 1988-1990, he was a specialist for IT System Implementations in Microsystem JGU.

In 1991-1994 he was the Sales Network Director at InterAms. In 1995-1996, he was the President of the Management Board of Towarzystwo Finansowo Leasingowe. In 1997-2000 he was the main shareholder and the President of the Management Board of lease company Financial Management. In 1994-2009 he was the co-founder, the main shareholder and the President of the Management Board of listed IT company ABG, which merged with Asseco Poland in 2009. Since then, he has been the member of the Supervisory Board of Asseco Poland. He is also the main shareholder and Chairman of the Supervisory Board of Fundusz Hipoteczny FAMILIA.



**Artur Kucharski**

Member of the Supervisory Board

In 1995 he graduated from the University of Central London and the Warsaw University of Technology with a Master of Science degree.

In 2011 he completed Executive MBA studies at the Warsaw University of Technology Business School.

In 1995-2002 he worked for PricewaterhouseCoopers in the Financial Statements Department, taking up positions from Assistant to Manager. From 2002 to 2010 he worked at PwC Polska in the Advisory Department in positions ranging from Senior Manager to Director. In 1999 he was awarded the diploma of Association of Chartered Certified Accountants (ACCA).

From July 2010 to May 2013 he was the Member of the Supervisory Board of Globe Trade Centre, and from August 2010 he has been the Member of the Supervisory Board of Asseco Poland. He is also the Chairman of the Audit Committee of Asseco Poland. In the 2010-2012 period he was the Member of the Supervisory Board of Hydrapres. From February 2011 to September 2012 he held various positions in Kopex - he was the Vice Chairman and Chairman of the Supervisory Board, the Director for Development of Structures, Organization and Internal Control Systems, then the Member of the Management Board, the Director for Strategy responsible for HR Division. From October 2011 to July 2017 the Member of the Supervisory Board of Zakłady Azotowe w Tarnowie-Mościcach and since March 2016 also the Chairman of the Audit Committee there. From November 2011 to December 2012 he was the Member of the Supervisory Board of Mostostal Zabrze Holding. In 2015-2019 the Member of the Supervisory Board and Audit Committee of Prime Car Management. In addition, the Member of the Supervisory Board of Alior Bank, Asseco South Eastern Europe and Budimex.

Artur Kucharski meets the independence criteria set out in Article 129 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Supervision and specified in the Code of Best Practice for WSE Listed Companies 2016.

He has knowledge and skills in financial reporting. His competence in the field of financial reporting is confirmed by his professional career and the diploma awarded by the Association of Chartered Certified Accountants (ACCA).



**Piotr Żak**

Member of the Supervisory Board

He graduated with a degree in economics from Royal Holloway, University of London. He is also the graduate of the Faculty of Management of the University of Warsaw.

Since 2014, he has been conducting business activities in Poland in the area of, among others, building and supporting start-up ventures. He focuses his activity in the modern technology sector, in particular creating and developing innovative projects related to the use of the potential of online and traditional media, Internet entertainment, the use of data transmission in solutions, services and products aimed at individual and business customers. He also pursues his professional interests in the development and implementation of modern tools in marketing communications of enterprises in the media and telecommunications sectors.

He is the founder of companies such as Frenzy - a fast-growing company in the e-sports sector, which has been producing broadcasts for Polsat Games since 2018 and Golden Coil, which operates in the field of marketing and online advertising.

Since March 2016, he has been sitting on the Supervisory Board of Telewizja Polsat, the leading broadcaster on the Polish television market, and since June 2018 on the Supervisory Board of Netia, one of the largest Polish telecommunications operators which is part of the Cyfrowy Polsat Group, in which he currently serves as the President. Since June 2018, he has been the Member on the Supervisory Board of Cyfrowy Polsat company. In April 2019, he was appointed to the Supervisory Board of Polkomtel, the operator of the Plus network. He has been the member of the Supervisory Board of Asseco Poland since July 2020. In July 2020, he was appointed to the Supervisory Board of Mobiem Polska. Since November 2020, he has been sitting in the Supervisory Board of Interia.pl Group.

During the period of 12 months ended December 31, 2020, the company's Supervisory Board was composed of the following persons:

Supervisory Board	Period of service
Jacek Duch	01.01.2020 - 31.12.2020
Adam Noga	01.01.2020 - 31.12.2020
Izabela Albrycht	01.01.2020 - 31.12.2020
Piotr Augustyniak	01.01.2020 - 31.12.2020
Dariusz Brzeski	01.01.2020 - 31.12.2020
Artur Kucharski	01.01.2020 - 31.12.2020
Piotr Żak	01.07.2020 - 31.12.2020

In connection with the registration of the amendment of the Articles of Association on July 1, 2020, the Resolution No. 26 of the Ordinary General Meeting of Asseco Poland of May 27, 2020 on the appointment of Piotr Żak to serve as the Member of the Supervisory Board of the Company in the term covering the years 2017-2021 came into force.

Apart from the above change during the reporting period, as well as until the date of publication of this report, there were no changes in the composition of the Supervisory Board of the Company.

Within the Supervisory Board, the Audit Committee operates. Its composition is the following: Artur Kucharski – the Chairman, Jacek Duch and Piotr Augustyniak – the Members of the Audit Committee.

## STRATEGY AND DIRECTIONS OF DEVELOPMENT

### Mission and vision

The **mission** of Asseco Poland and the Asseco Group is to improve the quality of life by providing solutions for people and technologies for business.

Driven by the **vision**:

- Asseco Poland is willing to be reliable and fast and offer the best products and services to support customers around the world in achieving their goals. Its employees form a competent and passionate team combining traditional values with modern approach
- The company builds an international group of technology companies, whose federal model allows for the use of local entrepreneurship and market knowledge. When a company joins the group, it increases its implementation capabilities and credibility towards demanding customers

### Strategy

The strategy of Asseco Poland is focused on building long-term value for its stakeholders. It is based on two key pillars: development of proprietary software and services and increasing the scale of operations through acquisitions.

- **Organic growth**

The strategy of organic growth of Asseco Poland S.A. is based on providing proprietary IT software and services to clients in Poland and abroad. The company's strategy relies on sector-specific business expertise, which is supported by technological competence. In addition, Asseco leverages on the vast experience of its international affiliated companies to create a comprehensive portfolio of products satisfying the highest needs of its customers.

The activities of the Asseco Poland S.A focus on providing a wide range of proprietary IT solutions and services. The company specializes in implementing the largest and most complex IT projects ordered by various clients, offering comprehensive solutions to all sectors of the economy, and also selling standardized products to smaller entities. The company builds long-term trust-based relationships with customers, becoming their strategic business partner.

Apart from its operating activities, as the owner controlling other companies of the Asseco Group, Asseco Poland S.A. plays a key role in the Group. Asseco Poland sets strategic directions for the Group's development, monitors and supervises their implementation, sets forth internal rules of operation, and regulates mutual relations among the companies within the federation.

- **Development through acquisitions**

Asseco Poland S.A. has been pursuing successful acquisition policy in Poland and abroad for many years and is ranked among the most experienced companies in this field in Poland. Since 2004, the Company has finalized over 100 purchase transactions, repeatedly increasing the scale of its operations and geographic reach.

Above all, the Company is interested in profitable entities with committed and highly-specialized employees willing to further develop themselves by joining a unique federation model of Asseco or integrating with Asseco Poland S.A. The purpose of Asseco's acquisitions is to increase competence in key sectors of activity, enter new geographic markets, or strengthen the position of the entire Asseco Group in the countries where it has been already present.

### Strategic objectives in key areas

Market:

- directing the offer to the following sectors: financial, healthcare, general business and public administration, in Poland and abroad
- development and provision of software-based solutions in the areas of key importance for the Company customers' business
- striving to build repeatable solutions to achieve the right margin level while maintaining competitive prices
- striving for a stable source of revenues from maintenance and development services linked with the delivered software, by retaining at the Company and protecting copyrights to developed solutions,
- providing proprietary software-based solutions in the SaaS model

## Organization:

- business areas dedicated to serve different market sectors
- great diversity, as a consequence of different needs, specificities and development phases of each sector
- supporting all initiatives for the exchange of knowledge and experience between various areas
- a catalogue of common values and a vision, mission, strategy that can be specified by business areas
- backoffice processes common for all areas that support business objectives
- investment in research and development

## People:

- seeing people as the organization's greatest value
- high expert knowledge and use of team potential
- investments in the development of high expert and sectorial competences
- gathering knowledge and experience by maintaining a stable team
- promoting initiatives and innovative approaches

## Corporate social responsibility:

- taking care of important social interests
- supporting Polish sport
- helping those in need
- environmental protection measures

## Asseco Poland's values

### **Commitment**

We are fully committed to each and every project and the success of our Clients is our greatest satisfaction.

### **Respect**

We expect mutual respect from each other.

### **Quality**

We always maintain high quality standards in all of our activities.

### **Professionalism**

We continually upgrade our qualifications and are willing to share experience.

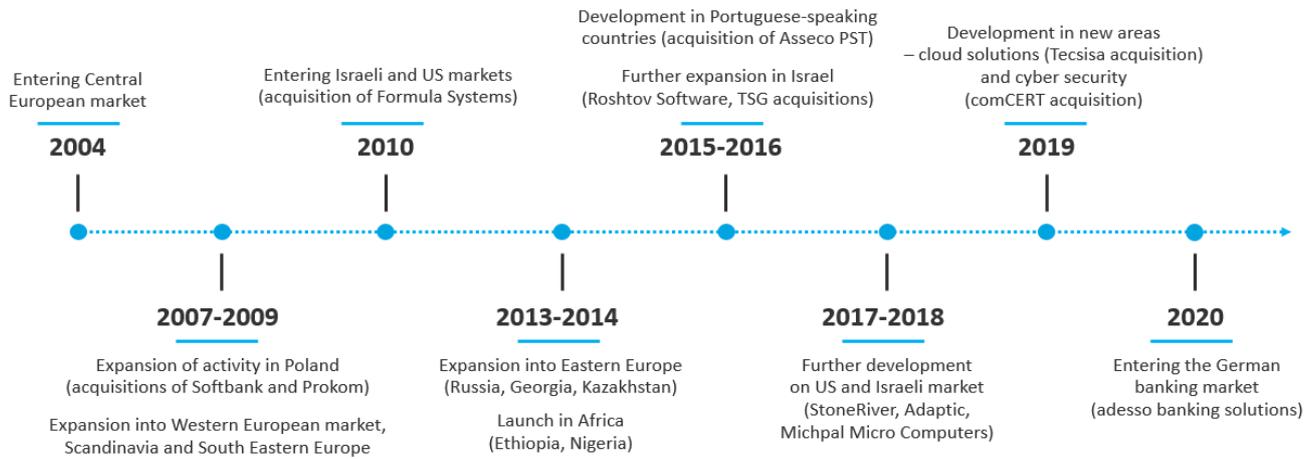
### **Effectiveness**

We are ambitious and consistent in striving to achieve our goals.

### **Responsibility**

We take full responsibility for our work and environment in which we operate.

**Expansion into new markets – milestones**



**Research and development activities**

The Asseco Group is actively looking for innovative solutions and supporting their development. Activities in this area are carried out in many ways.

**Innovations developed as part of business activity**

- Continuous development of advanced solutions in response to customer needs.

**Innovative R&D center in Rzeszów**

- A place for the development of proprietary products, e.g. in the areas of artificial intelligence, telemedicine or electromobility.

**Program for start-ups**

- Development of innovative products for the financial industry at an early stage of creation.

Asseco Poland has been developing the **Asseco Innovation Hub**, a dedicated program for start-ups which focuses on products and services for the financial sector at an early stage of their creation and support for their teams.

## ORGANIZATIONAL STRUCTURE OF THE ASSECO GROUP

### Federation model

The Asseco Group is based on a unique cooperation model - a federation model. Asseco Poland, acting as the leading company in the Group, is the largest shareholder in the companies which create the Group, but does not aim to have 100% of the stake in the companies or force the integration of the members of the Group. The companies which decide to join Asseco Group maintain a wide degree of autonomy in their daily activities, and the Group sets out their strategic directions of development and goals and monitors their achievement.

The functioning of the Group's federal model is based on mutual trust, focus on people and a set of clearly defined principles of cooperation between the entities of the Group. Therefore, the companies acquired by Asseco Poland retain their local character and are often managed by existing owners and management teams.

The Group's benefits resulting from the federation model are the following:

- Strengthening the market position and increasing customer confidence
- Access to interesting, locally well-known product solutions
- Knowledge of local markets, customers, business environment and unique circumstances
- Access to local teams of employees who speak their native language
- Conducting responsible business activities in relation to local stakeholders

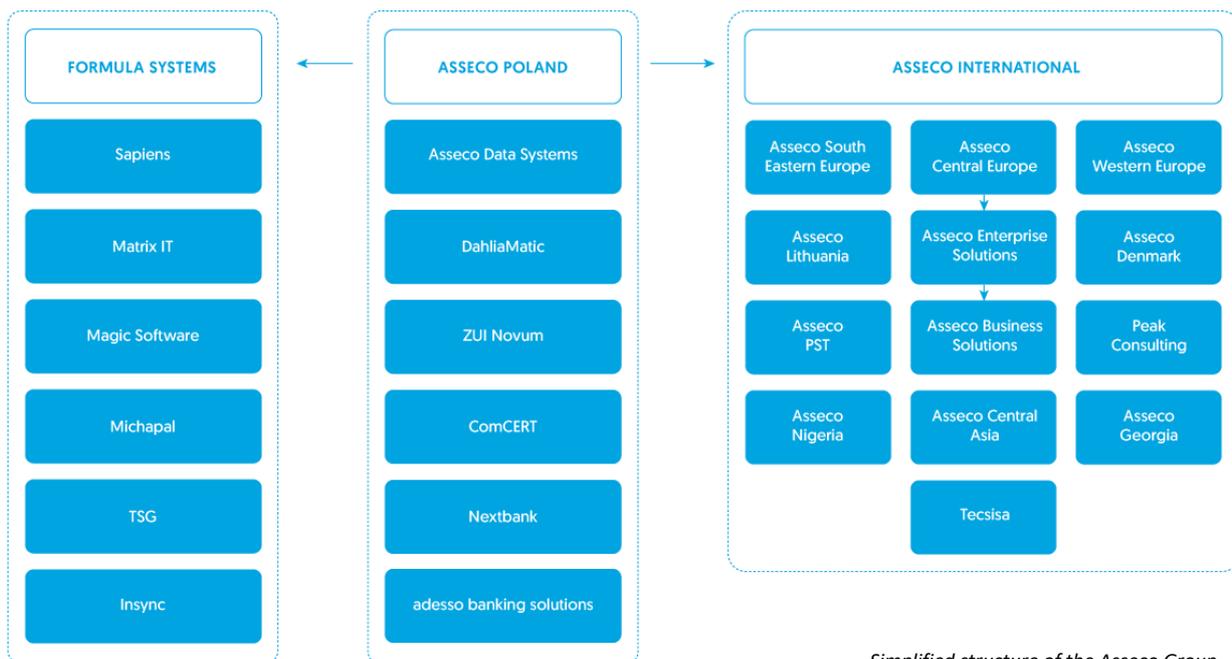
A company which becomes a part of the Asseco Group can count on:

- Access to the products and the experiences of other members of the Group
- Access to the sales network of the Asseco Group
- Strengthening of the financial position
- Becoming a part of international brand with a strong market position
- Access to global agreements with equipment suppliers

The cooperation model based on a federation creates a wide scope for sales and cost synergies in the activities of the Group.

### Structure of the Asseco Group

The Asseco Group has identified three geographical markets where the Group companies conduct their business operations: the Asseco Poland segment, the Formula Systems segment and the Asseco International Segment.



*Simplified structure of the Asseco Group*

## Asseco Poland Segment

The Asseco Group's operations on the Polish market are organized around three main companies with clearly defined competences:

- Asseco Poland
- Asseco Data Systems
- DahliaMatic

In addition, within the Asseco Poland segment there are a number of smaller companies offering specialized and dedicated solutions for specific customer groups, including GSTN Consulting Sp. z o.o., ZUI Novum Sp. z o.o., Nextbank Software Sp. z o.o., ComCERT S.A. or adesso banking solutions GmbH.

As of July 1, 2020, SKG S.A., part of the Asseco Group was incorporated into the structures of Asseco Poland. SKG has more than 30 years of experience in creating dedicated IT systems for customs processes, retail, transport and forwarding. The merger of SKG and Asseco Poland was followed by an acquisition on the basis of Art. 492 § 1 point 1 of the Commercial Companies Code (KSH) and transfer of the entire assets of SKG to Asseco. As a result of the merger, SKG was dissolved without any liquidation.

On November 26, 2020, Asseco Poland disposed of shares of Eversoft Poland Sp. z o.o – a company specializing in IT services outsourcing.

### **Asseco Poland S.A.**

Asseco Poland (WSE: ACP) has been operating on the Polish market since 1991. It is the largest Polish IT company listed on the Warsaw Stock Exchange (WSE). With the capitalization of approximately PLN 5.7 billion (EUR 1.2 billion) it is included in the WIG30 index. It is also the largest company in the sector WIG-Informatyka index.

Asseco Poland is a producer of state-of-the-art software that supports critical business processes of enterprises in all key sectors of the Polish economy. Asseco's software applications are used by more than half of Polish banks, the largest insurance, energy and telecommunication companies, various healthcare institutions, local and central public administration bodies, as well as by the uniformed services.

### **Asseco Data Systems S.A.**

The company produces and develops software for the leasing sector and local governments, provides products and services based on proprietary and third-party software, as well as solutions for intelligent cities and buildings. It also offers data centers, trainings and human capital management systems, and specializes in security and data trust services and mass communication. The activity is focused on providing services to enterprises and local government administration institutions on the Polish market.

### **DahliaMatic Sp. z o.o.**

Dahlia Matic is one of the largest Polish consulting and implementation companies in the field of IT solutions. Within the Asseco Group, the company is responsible for a competence center for implementation of business software and third-party solutions - primarily SAP, Oracle, and Microsoft.

### **ZUI Novum Sp. z o.o.**

The company specializes in the development of IT systems for the cooperative banking sector. It operates as a developer of banking applications, software for ATMs, as well as an integrator and supplier of ATM equipment.

### **Nextbank Software Sp. z o.o.**

A company providing solutions for the banking sector in the Philippines. Nextbank is a manufacturer of a core banking system with a mobile access option for clients, available in the cloud.

### **ComCERT S.A.**

A company providing cyber security services, including security monitoring and detection of ICT threats. ComCERT is the first consulting company in Poland, specializing in CERT (ComputerEmergencyResponse Team) services for enterprises and institutions, not connected with any telecommunications operator.

**adesso banking solutions GmbH**

A joint venture of Asseco and adesso. The latter is a renowned and commercially recognizable core system provider for insurance companies and IT services for banks on the DACH market. Formally registered on September 14, 2020, the company operates in the banking sector in German-speaking countries (Germany, Austria, Switzerland).

**Formula Systems Segment**

This segment includes companies with revenues generated mainly on the markets of Israel, North America and the Middle East, Europe and Africa (the EMEA region).

Formula Systems, in which Asseco acquired shares in 2020, is a holding company, and its pillars are three operating companies:

- Matrix IT Ltd
- Sapiens International Corp. NV
- Magic Software Enterprises Ltd

In addition, the holding jointly controls TSG IT Advanced Systems Ltd, a company providing specialized software for the armed forces, and controls the US provider of HR, consulting and outsourcing solutions, Insync Staffing Ltd, as well as a producer of HR and payroll software for established companies in Israel - Michpal Micro Computers (1983) Ltd.

**Formula Systems (1985) Ltd**

Formula Systems is a holding company listed on the NASDAQ Global Markets (NASDAQ: FORTY) as well as on the Tel Aviv Stock Exchange in Israel (TASE). The companies of the Formula Systems group operate in over 50 countries: in Northern America (the US and Canada), Europe, EMEA (including Israel, the United Kingdom, Germany, the Netherlands, France and Nordic countries) and Asia (including Japan and India).

**Matrix Ltd**

The company is listed on the Tel Aviv Stock Exchange (TASE: MTRX). Matrix IT is a leading IT company in Israel. Its key competencies include IT services, security solutions, outsourcing as well as integration of information systems to the client's order. An important area of Matrix IT's operations in the US is providing financial customers with advanced security, risk management and compliance solutions.

Matrix IT also acts as a distributor of software and infrastructure solutions for the world's leading manufacturers. Through its subsidiary John Bryce, it also runs training and qualification centers offering professional courses and trainings for IT personnel.

**Sapiens International Corp. NV**

This company is listed on the American NASDAQ (NASDAQ: SPNS) and on the Israeli TASE. It is a leading global provider of IT solutions for the insurance industry. Sapiens operates in the US, Western Europe, Scandinavia, South Africa and Asia.

The company offers comprehensive solutions for all segments of the insurance market: for the life insurance segment, pension programs, property insurance, reinsurance, as well as supporting software for decision-making process in financial institutions. Sapiens offers both global solutions and software tailored to specific markets, such as the US.

**Magic Software Enterprises Ltd**

This company is listed on the American NASDAQ (NASDAQ: MGIC) and on the Israeli TASE. Technologies offered by Magic Software accelerate the processes of building and deployment of business applications that can be easily adapted to current and future demands or integrated with the customer's legacy enterprise systems.

Magic Software provides services taking a code-free approach, allowing users to focus on developing business applications and support existing IT resources in order to increase business capabilities.

## Asseco International Segment

### Asseco International

Asseco International is a holding company founded in October 2017 with its registered office in Slovakia. Its goal is to build the value of the Asseco Group on the basis of its international assets.

This segment includes all companies which generate their revenues primarily on the markets of Central Europe, South Eastern Europe and Western and Eastern Europe.

On the **Central European** market, the Asseco Group is represented by the Asseco Central Europe (ACE) group. The most important entities in the ACE Group include:

- Asseco Central Europe a.s. Słowacja and Asseco Central Europe a.s. Czechy
- Companies of Asseco Solutions
- Asseco Business Solutions S.A.
- CEIT a.s.
- DWC Slovakia a.s.

In addition, the group has smaller companies focusing on the health sector (ACE Magyarország, Prosoft).

#### **Asseco Central Europe a.s.**

Asseco Central Europe is the group's leading company, which operates mainly on the Slovakian and Czech markets. It provides comprehensive IT solutions and services for international financial institutions, for the private sector enterprises, as well as for the public institutions of central and local administration. Its product portfolio comprises information systems for banks, insurance companies and construction firms, card transaction systems, healthcare information systems, data warehouses, Business Intelligence and e-Commerce solutions, reporting systems, and turn-key projects.

#### **Asseco Solutions companies**

The companies of Asseco Solutions are a manufacturer of high end Enterprise Resource Planning (ERP) software for mid-sized and large enterprises, primarily in the manufacturing and service sectors. The group operates primarily in the Slovak and Czech markets, as well as in German-speaking European countries (Germany, Austria, Switzerland).

#### **Asseco Business Solutions S.A.**

Asseco Business Solutions is listed on the Warsaw Stock Exchange (WSE: ABS) and delivers state-of-the-art IT solutions for businesses, regardless of their sector, size and specificity. In the Asseco Group, Asseco Business Solutions is a competence center responsible for the ERP systems, software for small and mid-sized companies and the IT outsourcing. The company's product portfolio also includes mobile solutions, factoring systems as well as electronic data exchange platforms.

#### **CEIT a.s.**

CEIT is a Slovakian manufacturer of innovative solutions in the field of industrial automation and robotics. The dominant areas of the Group's activity are automation and robotics for the automotive industry.

#### **DWC Slovakia a.s.**

DWC deals with the implementation of process management and document management systems, providing solutions related to ERP systems and databases.

### South Eastern European market

In the South Eastern European market, Asseco Group is represented by Asseco South Eastern Europe, which comprises from several companies operating in Serbia, Croatia, Montenegro, Bosnia and Herzegovina, Kosovo, Moldova, Albania, Bulgaria, Romania and Turkey.

#### **Asseco South Eastern Europe S.A.**

The company is listed on the Warsaw Stock Exchange (WSE: ASE) and is the parent company of Asseco South Eastern Europe Group. It was created by integrating the competence, experience, know-how, software solutions and customer base of many South Eastern European companies. Since the beginning of its operations, it has focused

on the development of proprietary IT solutions. Asseco South Eastern Europe runs its business operations in three segments: solutions and services for the banking sector, payment solutions and integration services.

### **Western European market**

Asseco Group's operations in the Western European market are focused around the companies operating in the Iberian Peninsula and in Northern Europe. Key companies operating in that regions include:

- Asseco Spain S.A.
- Asseco PST Holding – SGPS, S.A.

The segment also includes Tecnología, Sistemas y Aplicaciones, S.L. (Tecsisa), a company providing IT solutions for the energy sector. It specializes in creating software in the cloud for electricity producers and sellers.

In addition, companies operating in the Scandinavian and Baltic regions play an important role. Asseco Denmark and Peak Consulting are companies providing consulting services, ensuring development of competence in project management and delivering ready-made IT solutions to public and private sector entities. In turn, Asseco Lietuva UAB is a leading software manufacturer and information systems integrator in Lithuania.

#### **Asseco Spain S.A.**

The company is a provider of modern IT infrastructure consulting services, security solutions, human resources management solutions, outsourcing services, as well as fully comprehensive IT support.

#### **Asseco PST Holding – SGPS S.A.**

A Portuguese company offering IT services and providing software to the general business and banking sectors. Its main markets are Portuguese-speaking countries in Africa – Angola and Mozambique.

### **Eastern European market**

The Asseco Group's operations on the Eastern European market are conducted by a company controlled by Asseco International - Asseco Georgia LLC. It offers software and services dedicated to the banking, insurance and public administration sectors. In addition, R-Style Softlab, a Russian producer of software for banks, in which Asseco International holds a 49% stake, operates on the Eastern European market.

### **Organizational structure of the Asseco Group**

The complete organizational structure of the Group and the information on the changes that took place in the Asseco Group's capital structure during 2020 are presented in the item III of Supplementary Information to the consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020.

## TARGET MARKETS, BUSINESS SECTORS AND PRODUCT PORTFOLIO OF THE ASSECO GROUP

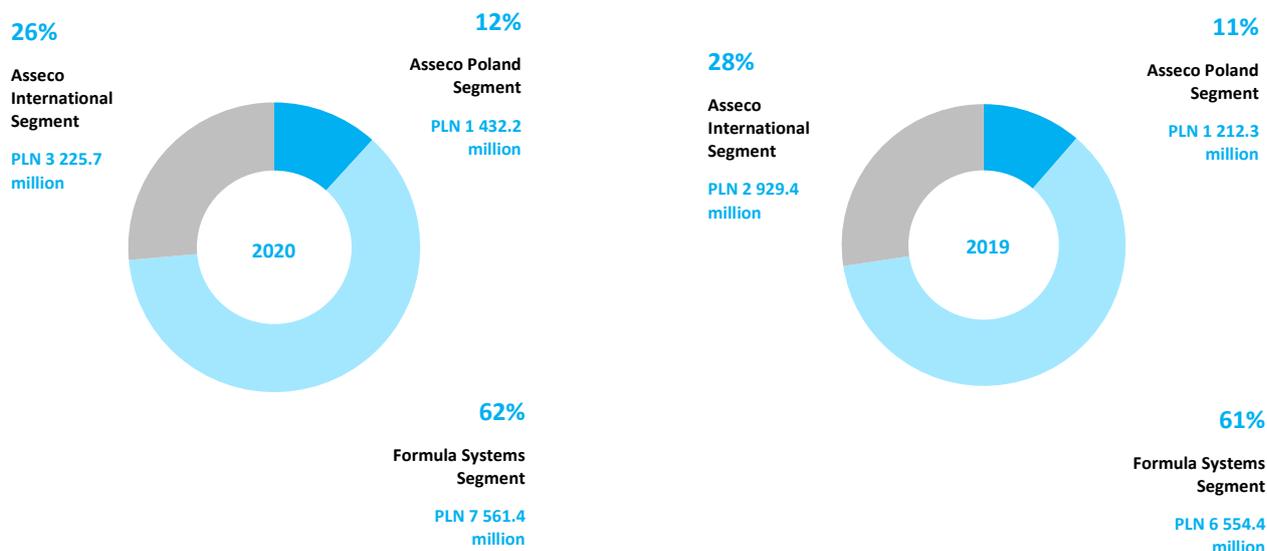
### The Asseco Group's segments and geographical markets

An important goal for the Asseco Group is to pursue product and geographical diversification, thanks to which neither Asseco Poland nor the Asseco Group is dependent on one or more customers and suppliers. Such an approach allows for a significant reduction of the impact of negative market factors on the Group's operations. Owing to the Group's geographical diversification, the risk of negative impact of local factors on the Group's operations is significantly reduced, and the wide range of products makes Asseco resilient to possible collapses in individual market sectors.

The Asseco Group's operations are focused on three segments:

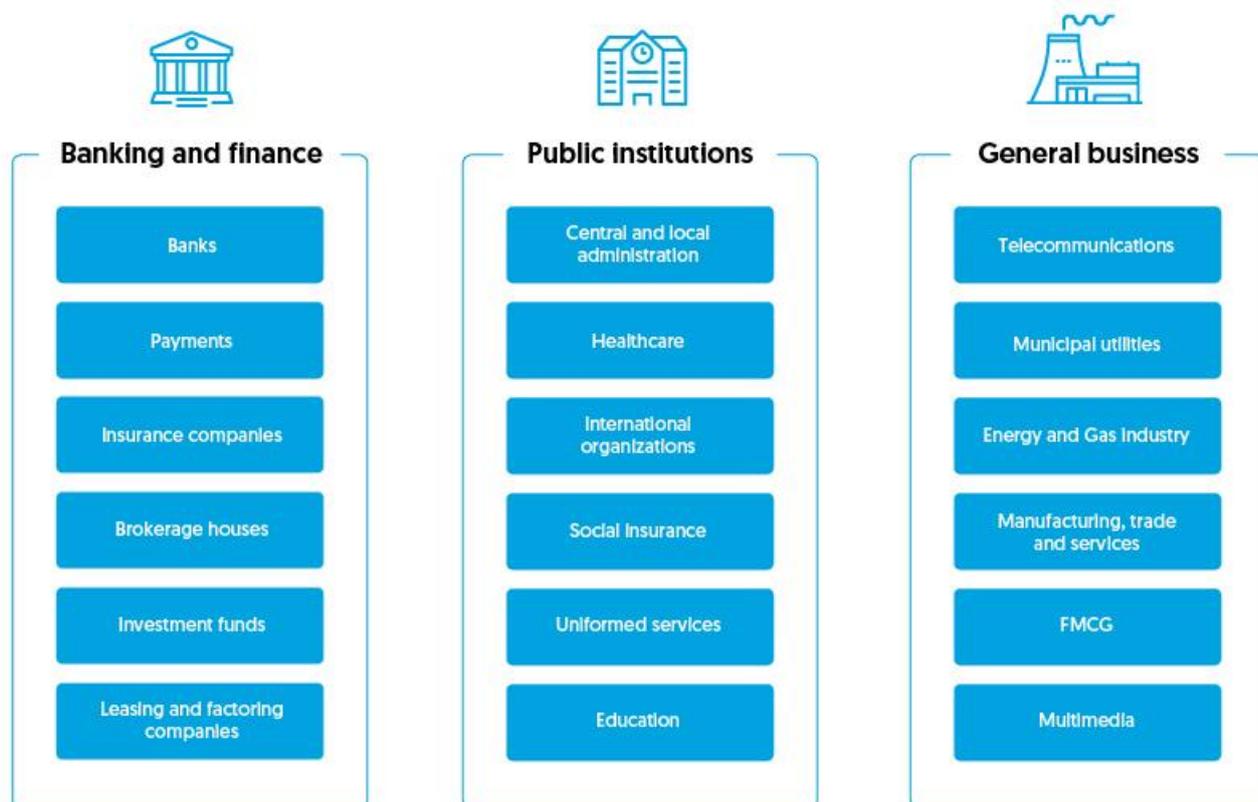
- Asseco Poland includes the operating activities of the parent company and the companies operating on the Polish market. In accordance with the strategic objective of building a global company, the Asseco Group's development is driven by foreign markets.
- Formula Systems is responsible for the largest share of revenues generated by the Asseco Group. Within the segment, the Group operates mainly on the Israeli, US and European markets. At present, this is the most dynamically-developing area in the Asseco Group.
- Asseco International, under which Asseco conducts business operations mainly on the markets of Central Europe, Central and Eastern Europe, as well as Western Europe.

### Group's revenues in individual business segments

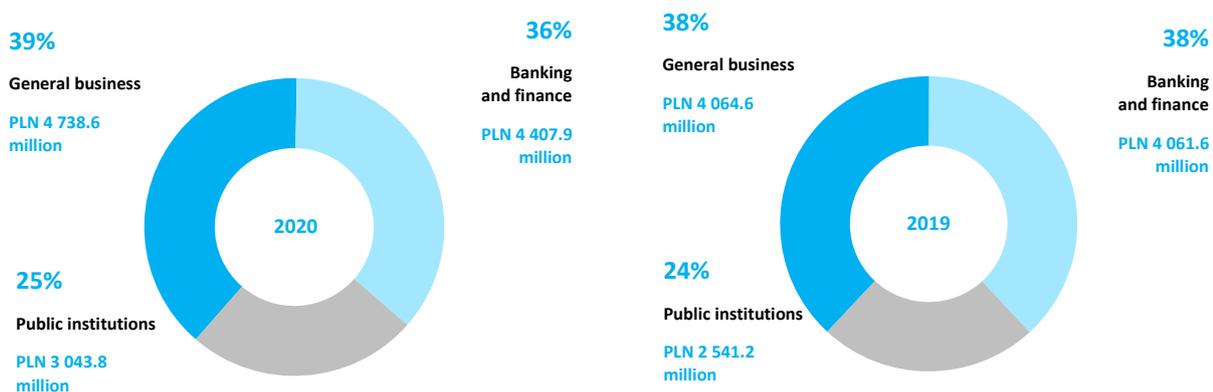


\* Data includes sales between segments.

Business sectors of the Asseco Group



Group's revenues in individual business sectors



## Banking and finance



**Banks** – The production of banking software is one of the key businesses of the majority of the Asseco Group subsidiaries. Both regional and international expansion of our Group is largely dependent upon continuing development and further improvement of IT solutions tailored to meet the banking sector's growing expectations from information technology.

The Group's flagship product for the banking sector is *def3000*, a comprehensive IT system developed by Asseco Poland. Asseco develops omni-channel solutions that enable the development of modern internet and mobile banking, tailored to the individual needs of its clients. In addition, we offer dozens of specialized ready-to-implement solutions, requiring only some adaptation to specific operations of a particular institution. Asseco's portfolio for the financial sector also includes cloud-based solutions.

Comprehensive banking systems are also offered by other companies of our Group. Asseco Central Europe, thanks to its proprietary StarBANK solutions, has gained a strong position in the Slovak market for banking industry software. Asseco South Eastern Europe offers core banking systems, payment gateways, business intelligence solutions, and customer relationship management (CRM) solutions, and is engaged in the installation and maintenance of ATMs and POS terminals. In turn, Portuguese company Asseco PST specializes in the production and implementation of software for the banking sector, and its operations are focused on the Iberian Peninsula and African markets.



**Insurance** – The Asseco Group has cooperated with large international insurance companies for many years. Sapiens International, the Group's competence center in that field, is the second-largest software provider for the insurance sector in the world. The Group's clients include life insurance companies, property insurance companies, insurance brokers and insurance market regulators. Asseco's advanced services, adjusted to regulations applicable to insurers, are distinguished by the highest level of security.

The Group's portfolio features core insurance systems and a variety of specialized solutions, including billing and collection systems, applications supporting claim settlement processes, reinsurance, co-operation with agents, and detection of insurance frauds. We also provide tools enabling insurance companies to fulfill the requirements of Solvency II and the IFRS 17 standard.

The Group's flagship insurance industry products are ALIS, IDIT, and INSIGHT systems which are offered by our Israeli Sapiens group. In turn, Asseco Central Europe offers its proprietary StarINS software suite.

To complement the above described banking and insurance industry competencies, Asseco is also a provider of all-in-one IT solutions for brokerage houses, as well as for leasing and factoring companies.

## Public administration



The Asseco Group is the largest IT provider for the public administration sector in Central Europe and one of the leading players in that market in Israel. The Group supplies the largest and most complex projects at the central level, in the defense sector, as well as smaller solutions at the local level and in the healthcare sector.

**Central administration** – Asseco Poland develops and implements software solutions for public administration in the areas that cannot be supported by ready-made tools. These are mostly complex systems with powerful functionality suitable for processing of large data volumes. The largest information technology project in Poland - the Comprehensive Information System of the Social Insurance Institution (KSI ZUS) - has been implemented by Asseco. The companies from the group of Asseco Central Europe also have a long track record of cooperation with the institutions of central administration. For years, they have been offering high quality solutions and services to the Ministry of Finance, the Ministry of Interior Affairs and the equivalent of the Polish Supreme Audit Office (NIK) in Slovakia. In turn, Matrix IT is one of the key partners of the Israeli government.

The Asseco Group also has broad competencies and experience in the security sector. As the only IT company from Central and Eastern Europe, we have executed over 50 prestigious projects for the EU and NATO agencies, including the EU border protection system for the Frontex agency. Our competencies in the security field are strengthened by Israeli company TSG IT Advanced Systems, associated with Formula Systems. It is an important supplier of software and services to the Israeli defense and interior ministries.

Experience gained during the implementation of projects for international institutions allowed the Group to move from the position of a service provider to the position of the supplier of solutions and products. Over the last years, the Group has invested in the development of innovative solutions in the areas of: unmanned platforms, examination and data analysis, command support systems, satellite solutions and cybersecurity.

**Local governments** – In cooperation with other companies from the Group, Asseco Poland provides proprietary IT solutions for all levels of local administration. A significant advantage of our software is that it can be easily integrated with specialized tools such as digital maps or metropolitan networks.

**Healthcare** – The Asseco Group continues to build its market leadership in the provision of IT solutions for all types of medical facilities. Our solutions are used by hundreds of major hospitals and most clinics in the region of Central and Eastern Europe. Asseco's services include professional consulting on the design, implementation and maintenance of information systems for health insurance companies, and the provision of comprehensive solutions for hospitals and clinics. Asseco delivers patient service solutions, contract settlement systems as well as facility management solutions.

The Group's flagship product is AMMS (Asseco Medical Management Solutions), Asseco Poland's comprehensive package of information systems designed to help manage large and medium-sized hospitals, polyclinics, medical centers, outpatient clinics and emergency departments. Asseco Central Europe also provides a proprietary healthcare information system, which is called Mediform. The Group's portfolio for the healthcare sector is complemented with Hungarian Asseco Central Europe Magyarország's solutions. In turn, the Israeli center of innovation develops pioneering IT solutions for the largest medical centers in the world. These include Tanit, which meets the specific needs of hospital management.

### General business



**Telco & Utilities** – The Asseco Group offers comprehensive proprietary solutions that are capable of handling multi-million customer databases and are customized for the specific needs of telecommunication, media, energy, gas and utility enterprises. Almost a 30-year long presence of our solutions in this sector resulted in strategic partnerships with many major companies in Europe, which appreciate Asseco specialists' in-depth professional knowledge and experience, just as the quality of our solutions.

Our product portfolio dedicated to the Telco & Utilities sector includes billing systems, fraud detection systems, sales and CRM applications, portal applications, data warehouses, BI tools, and many more. The product portfolio is supplemented with technical infrastructure and asset management systems, and GIS/NIS solutions.

Asseco Poland's solutions are used by the largest mobile and fixed-line operators, as well as by media companies. In addition, our solutions are utilized by major energy holdings operating in Poland, such as Tauron, PGNiG, Enea and PGE.

Thanks to the acquisition of Tecsisa by Asseco International in July 2019, the Group extended its product portfolio with native solutions available in the SaaS model, which will be developed together with the Spanish team and will strengthen its international position in the utilities sector.

At the same time, Asseco Central Europe specializes in technical infrastructure management systems for network enterprises, while Asseco South Eastern Europe delivers IT solutions to many leading telecom operators in the Balkans region.

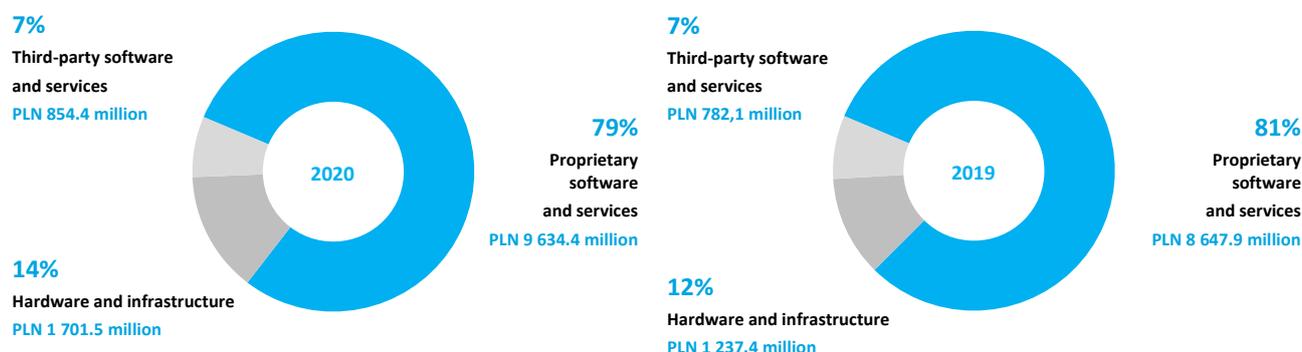
**ERP solutions** – The Asseco Group offers a full range of state-of-the-art ERP systems for small, mid-sized and large companies. All of them are fully integrated software packages designed to support enterprise management processes. Owing to their diversified functionality and module-based structure, our solutions can be utilized in virtually every industry.

Within the Asseco Group, the competence center responsible for ERP systems, software for SMEs, and IT outsourcing is the Asseco Enterprise Solutions holding, whose companies specialize in ERP systems, mobile reporting systems (SFA class), data exchange systems, factoring systems, and software for SMEs.

Furthermore, the Asseco Group provides consulting and implementation services covering SAP, Oracle, and Microsoft Dynamics AX solutions.

## Product offer of the Asseco Group

### The Group's revenues by products



The Asseco Group is focused on providing customers with proprietary solutions in the form of software and services. Third-party software and IT equipment are provided when necessary. As a result, the Company offers its customers top-class solutions tailored to their needs.

- **Dedicated software solutions**

The Asseco Group is the most experienced Polish IT company when it comes to the execution of large-scale and complex IT projects, implemented to individual customer needs. A good example of Asseco's competence in this area is the IT project implemented for the Social Insurance Institution (ZUS), the largest in the history of our country. The Comprehensive Information System handles 25 million unique accounts of Poles and is used by over 45,000 ZUS employees on a daily basis.

- **Comprehensive solutions for business sectors**

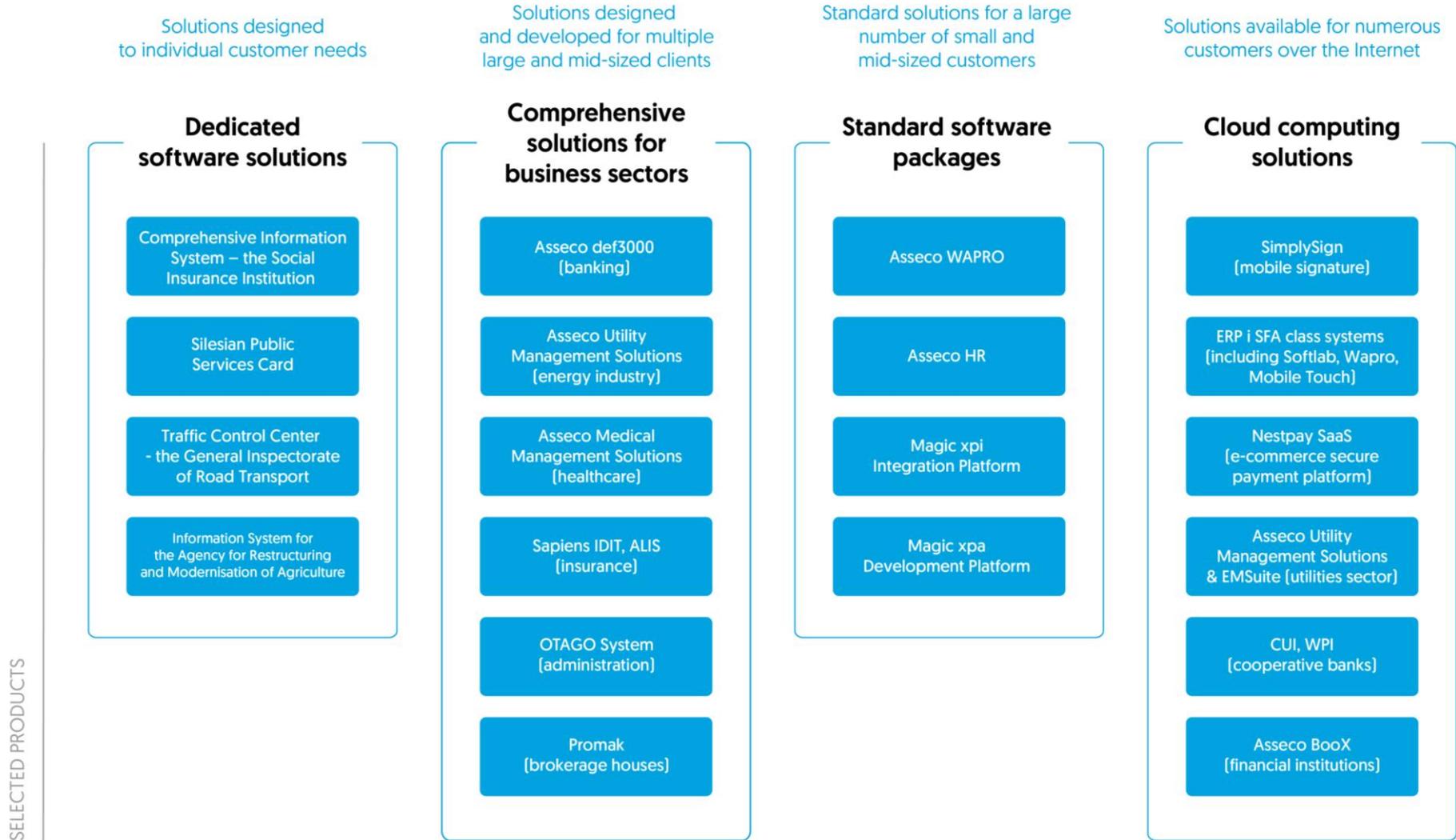
We offer comprehensive IT packages that are customized to individual needs of large and mid-sized companies virtually from every sector of the economy. In this category, our product portfolio includes comprehensive systems dedicated to the banking sector (Asseco def3000), power industry (AUMS), healthcare (AMMS), as well as for brokerage houses (PROMAK) and the insurance sector (IDIT, ALIS).

- **Standard software packages**

We also provide standard software packages for thousands of small and mid-sized companies. With no need for customer-tailored products and at an affordable cost, firms can use Asseco's off-the-shelf software to support their routine enterprise management functions. A good example of a standard software package is Magic xpa – a platform for creating and developing applications.

- **SaaS model solutions**

The Asseco Group also offers its IT solutions via the Internet. With little effort, minimum costs and maximum benefits, our clients can profit from our best knowledge and experience without incurring large expenditures associated with IT infrastructure and team of IT experts. Asseco provides in the cloud the SimplySign electronic signature, an educational platform, systems for the power industry, an application for remote contact between a patient and a doctor, the Asseco BooX (Bank out of the Box) universal financial services platform, ERP and SFA solutions or online payment solutions. In addition, modern Internet banking services provided in the SaaS model are used by nearly 330 cooperative banks in Poland. The Common IT Platform (WPI), which aims to standardize the work of banks in order to facilitate and increase the efficiency of customer service, is also dedicated to cooperative banks.



## Development prospects for the Asseco Group and key factors for further development



### **Banking and finance**

- Increased demand for advanced technologies used in financial services
- New trends in the area of IT solutions dedicated to financial institutions
- Development of omni-channel solutions
- Dynamically changing legal environment requiring constant adaptation of IT systems
- The growing importance of cyber security



### **General business**

- Companies' growing IT needs along with the development of the scale of operations - higher demand for ERP solutions
- Demand for advanced solutions with the assumption of cost optimization - development of cloud and SaaS solutions
- The need to manage a huge amount of data
- Legal changes resulting in the need of IT systems adaptation



### **Public sector**

- The sector remains one of the largest recipients of IT services
- Demand for advanced solutions, where security, reliability of systems and their supplier play a very important role
- High demand for IT solutions in the areas of social insurance, central and local government administration, health care or the uniformed services

## IT MARKET AND ITS PROSPECTS

### Development prospects of the IT market

#### IT market in the world

According to Gartner's January forecasts, global IT spending will grow by 6.2% in 2021 to reach USD 3.9 trillion. All the market segments should record growth, with the highest increases expected in the case of enterprise software - by 8.8% and IT devices - by 8.0%. For the data centre, IT services and communications services segments, the projected increases are 6.2%, 6.0% and 4.5%, respectively.

Additionally, Gartner analysts point out that in order to survive in the post-COVID reality, companies will have to accelerate their digital transformation plans by at least 5 years. Experts forecast that global IT spending related to remote working will reach USD 332.9 billion in 2021, up by 4.9% versus 2020.

In 2022, global IT spending is expected to increase by 4.6% to USD 4.1 trillion. The highest growth should be recorded in enterprise software - by 10.2%. The second highest growth - by 6.3% - is expected in the case of IT services.

IT spending (in billions of USD)	2020	Change y/y (%)	2021 (forecast)	Change y/y (%)	2022 (forecast)	Change (%)
Data center systems	215	0.0	228	6.2	236	3.4
Enterprise software	465	-2.4	506	8.8	557	10.2
Devices	653	-8.2	705	8.0	714	1.3
IT services	1 012	-2.7	1 073	6.0	1 140	6.3
Communications services	1 350	-1.7	1 411	4.5	1 457	3.3
<b>Total</b>	<b>3 695</b>	<b>-3.2</b>	<b>3 923</b>	<b>6.2</b>	<b>4 105</b>	<b>4.6</b>

Source: Gartner (<https://www.gartner.com/en/newsroom/press-releases/2020-01-25-gartner-forecasts-worldwide-it-spending-to-grow-6-point-2-percent-in-2021>)

In turn, according to International Data Corporation's (IDC) March 2021 forecasts, ICT spending in Europe will see a 2.0% increase in 2021 versus last year, reaching USD 944 billion. IDC experts are predicting that the European software market will grow by 4.2% this year, and the services market - by 1.3%.

#### IT market in Poland

According to a report published in January 2021 by Bank Pekao experts, "Software and IT services. Sector Characteristics, Development Prospects, Key Areas", the coronavirus pandemic had an impact on the IT sector in Poland, but due to its role in the modern world and the need to preserve processes, it should remain relatively immune to its effects. According to the bank's analysts, from the second half of 2021 the sector should return to the trajectory of dynamic growth in line with the global economic recovery. In the medium to long term (starting from 2022), the experts are expecting the numerous development opportunities for the sector to outweigh the existing barriers to growth.

Among the opportunities for the sector they list:

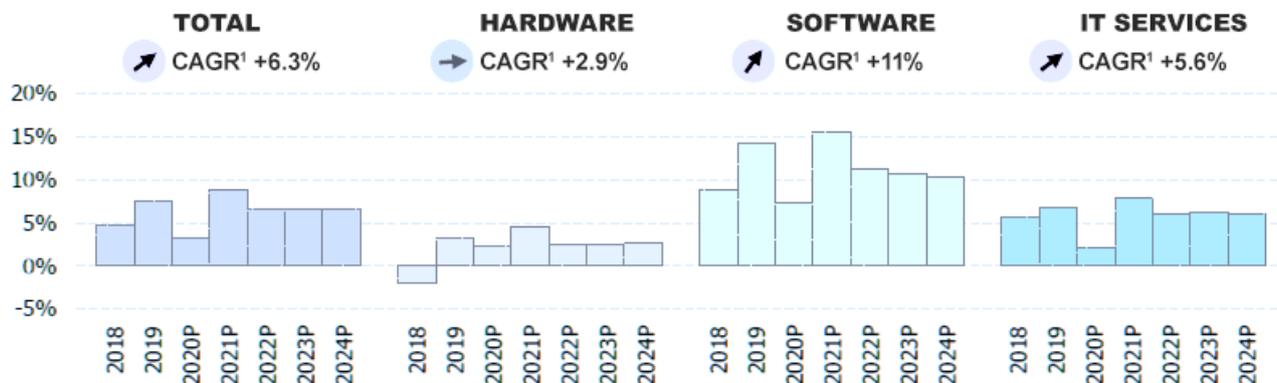
- further digitization process, digital transformation of the economy, companies and citizens (acceleration of changes by COVID crisis),
- still low saturation with IT services in Poland,
- new IT products and services constantly appearing, providing new development opportunities and creating market niches,
- Poland's possession of measurable competitive advantages - high competences and organizational advantages, at relatively low costs - which allow to look upon the possibilities of IT export with optimism.

In turn, in their opinion the barriers for the sector are as follows:

- rising labor costs and talent drain,
- still moderately favorable structure of the economy (relatively high share of simple processes and less advanced sectors),

- low awareness of the benefits from IT investments in the SME sector,
- capital shortages of companies - both IT companies themselves and service recipients, potentially aggravated by the crisis.

Development prospects for the Polish IT market - dynamics in % y/y:



<sup>1</sup>) Predicted annual average growth rate until 2024. The forecast from November 2020  
Source: Fitch, Pekao

Source: Pekao Bank

[https://www.pekao.com.pl/dam/jcr:f3970db3-6df9-4aed-b165-dabe4ee2b77b/Oprogramowanie%20i%20us%C5%82ugi%20IT\\_raport\\_05012021.pdf](https://www.pekao.com.pl/dam/jcr:f3970db3-6df9-4aed-b165-dabe4ee2b77b/Oprogramowanie%20i%20us%C5%82ugi%20IT_raport_05012021.pdf)

### Asseco's market position

Asseco is one of the leading software manufacturers in Europe.

Asseco Poland S.A. is one of the largest IT companies in Poland and the largest company in the country focused on selling its proprietary software and services related to it. The Polish IT market is a competitive and diversified market in which both domestic companies and leading global companies operate.

Asseco's strong market position was confirmed in the recent Computerworld TOP200 report, which represents a comprehensive study of the Polish ICT market. The company became the leader of this ranking, winning in 7 categories.

IT groups with the highest sales revenues from IT products and services in 2019	Net result (mPLN)
Grupa Asseco	10 667
AB	9 056
Komputronik	1 592
Action in restructuring process	1 534
Comarch Group	1 386
Veracomp	1 274
Orange Group	803
APN Promise	599

Source: Computerworld TOP200, Ranking of IT and telecommunication companies, Edition 2020, ranking according to the results recorded in 2019.

IT companies with the highest net IT profit for 2019	Net result (mPLN)
Asseco Poland	206.8
CD Projekt	172.8
Huawei Polska	112.4
Sii	96.1
Capgemini Polska	90.7
Ten Square Games	73.8
Asseco Business Solutions	73.4

Ericsson	67.7
LiveChat Software	62.1

Source: Computerworld TOP200, Ranking of IT and telecommunication companies, Edition 2020, ranking according to the sales recorded in 2019.

IT companies with the highest R&D spending in 2019	Expenditures (mPLN)
Asseco Poland	203.2
Comarch	192.7
CD Projekt	152.4
Orange Polska	53.0
Transition Technologies	40.6

Source: Computerworld TOP200, Ranking of IT and telecommunication companies, Edition 2020, ranking according to the sales recorded in 2019.

The leading market position of Asseco Poland is reflected in the following comparison of sales by type of activity:

Category	Rank position
Companies providing servicing	1
Custom software producers	2
Integration services companies	3
CRM system manufacturers	3
IT services companies	4
Manufacturers of Business Intelligence, Big Data and Data Discovery systems	4

Source: Computerworld TOP200, Ranking of IT and telecommunication companies, Edition 2020, ranking according to the sales recorded in 2019.

On a sectoral basis, Asseco Poland is the leader or one of the leading suppliers in key segments of its business. Items in individual segments are shown by the table:

Ranking of software and service providers to the sector:	Rank position
Public Administration	1
Healthcare	1
Large companies and corporations	1
Banking	3
Energy	4

Source: Computerworld TOP200, Ranking of IT and telecommunication companies, Edition 2020, ranking according to the sales recorded in 2019.

In the latest edition of the Computerworld TOP200 ranking, the Asseco Group company - Asseco Business Solutions - retained its first position in the category of the largest providers of Enterprise Resource Planning (ERP) systems.

Asseco Poland is also the leader in 6 categories of the ITwiz BEST100 ranking, which lists the largest IT companies in Poland. For yet another year running, the company took the first place in the categories of companies with the highest net profit, the sales of maintenance services and sales to the public administration and uniformed services, healthcare sector, as well as large enterprises. Moreover, the Asseco Group generated the highest revenues in the IT sector.

Category	Rank position
IT companies with the highest net profit in 2019	1
Revenues of the largest IT Groups and their subsidiaries in 2019	1
Companies with the largest revenues from the sales of maintenance services in Poland in 2019	1
IT companies with the largest sales to the public administration and uniformed services sector in 2019	1
Companies with the largest sales to the healthcare sector in 2019	1
Companies with the largest sales to large enterprises in 2019	1
Companies with the largest sales of proprietary software in 2019	2
Companies with the largest revenues from the sales of custom developed software in Poland in 2019	2
Companies with the largest revenues from the sales of integration services in Poland in 2019	2

Companies with the largest sales of CRM software in 2019	2
The largest companies with Polish capital selling their proprietary products and services in 2019	2
IT companies with the largest sales to the banking sector in 2019	2
Companies with the largest sales of analytics and Big Data solutions in 2019	3
Companies with the largest revenues from the sales of IT services in Poland in 2019	3
Companies with the largest revenues from the sales of security solutions in 2019	3
Companies with the largest sales to the energy sector in 2019	4

Source: ITwiz BEST100, 2020 Edition, ranking by sales obtained for 2019.

Asseco Business Solutions, the subsidiary of the Asseco Group, was ranked 1st in the ITwiz BEST100 ranking of companies with the highest sales of ERP systems. In turn, Asseco Data Systems ranked 2nd in the ranking of companies with the highest revenues from training courses in Poland. Furthermore, Asseco Data Systems rose to the 4th position in the category of companies with the largest sales to the education and R&D sector. It also remains in the lead of IT suppliers for public administration, uniformed services and commerce. Very good results were also achieved in the sale of maintenance services and application implementation.

It is also worth mentioning that another Group company, Asseco Central Europe, won in three categories of this year's Information Technology Trend TOP ranking prepared by the Slovak economic weekly Trend. The company maintained its leading position in the following categories: IT services provider, the largest IT provider to the private financial sector, and IT products and services provider in terms of added value. The ranking is the equivalent of the Polish Computerworld TOP200 report. The company's results demonstrate its strong position on the Slovak market.

**Asseco Central Europe in the Information Technology Trend TOP:**

Category	Rank position
IT service provider in Slovakia	1
The largest IT provider to the private financial sector	1
IT products and services provider in the Slovak Republic in terms of added value	1
Producer of software in Slovakia	2
Producer of proprietary software in Slovakia	2
The largest IT provider for the public sector	2
IT products and services provider in the Slovak Republic in terms of revenues	2
The largest IT provider to the industrial sector	2
The largest IT services provider to the services sector	2
The largest IT provider to the business sector	2

Source: Information Technology Trend TOP, Edition 2020, ranking by sales achieved for 2019.

**Awards and distinctions received in 2020**

- Title of **"The largest employer in 2019"** according to Rzeczpospolita

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- Award for Adam Góral in the **"President of the Year"** category by the Parkiet daily in the **"Bulls and Bears"** competition

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- The **Jan Kulczyk Award** of the Polish Business Council in the category **"Success"** for Adam Góral

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- The award in the competition **"The best presidents of WIG30 companies for difficult times"** for Adam Góral, granted by the daily Parkiet

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- Asseco among **"50 Best Employers in Poland"** according to Wprost Magazine

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- Asseco among **"The Most Innovative Companies in Poland"** according to Rzeczpospolita daily

Award in the category of **"The Most Innovative Banks and Fintech Companies - Central & Eastern Europe"** in the competition **"The Innovators 2020"** organized by Global Finance

**"The Innovators 2020 in Corporate Finance"** award in **"The Innovators 2020"** competition organized by Global Finance

**"Best Trade Finance Provider 2020"** award in the category **"World's best use of artificial intelligence in trade finance"** in a competition organised by Global Finance

**"Eagle of Rzeczpospolita"** title in the **"Trade and non-financial services"** category

**4th place** in the ranking **"Polish Ambassadors"** prepared by Wprost weekly

**1st place** in **7 categories** of the **"Computerworld TOP200"** report

**1st place** in the **"Companies with the highest R&D spending"** ranking prepared by Rzeczpospolita daily

**1st place** in **6 categories** of the **"ITwiz Best 100"** report

**3rd place** in the ranking of the **"Largest Polish private dividend companies 2020"** prepared by the daily newspaper Rzeczpospolita

The **"Golden Herold"** title awarded by the Programme Council of the ICT Forum

**5th place** in the ranking of **"Companies with the highest sales results abroad"** prepared by Rzeczpospolita daily

Adam Góral among the **"Most Valuable Presidents of the WSE"** according to the Martis Consulting report **"Valuation of Polish Managers"**

**3rd place** in the **"National Champions"** ranking prepared by Polityka Insight

Special award **"Leader of Tomorrow"** granted to Adam Góral by ICAN Management Review

**7th place** in the **"100 Largest Polish Private Companies"** ranking prepared by Forbes and Haitong Bank

**5th place** in the **"Top Brands 2020"** ranking among technology companies, prepared by Press

**"Good Company"** title in the category of **"Best Innovator Large and Mid-sized Companies"** awarded by the Association of Entrepreneurs and Employers

**1st place** in the ranking of **"The most dynamic exporters on the Warsaw trading floor"** prepared by the Parkiet daily

**3rd place** in the ranking of the **"Largest exporters on the WSE"** prepared by the Parkiet daily

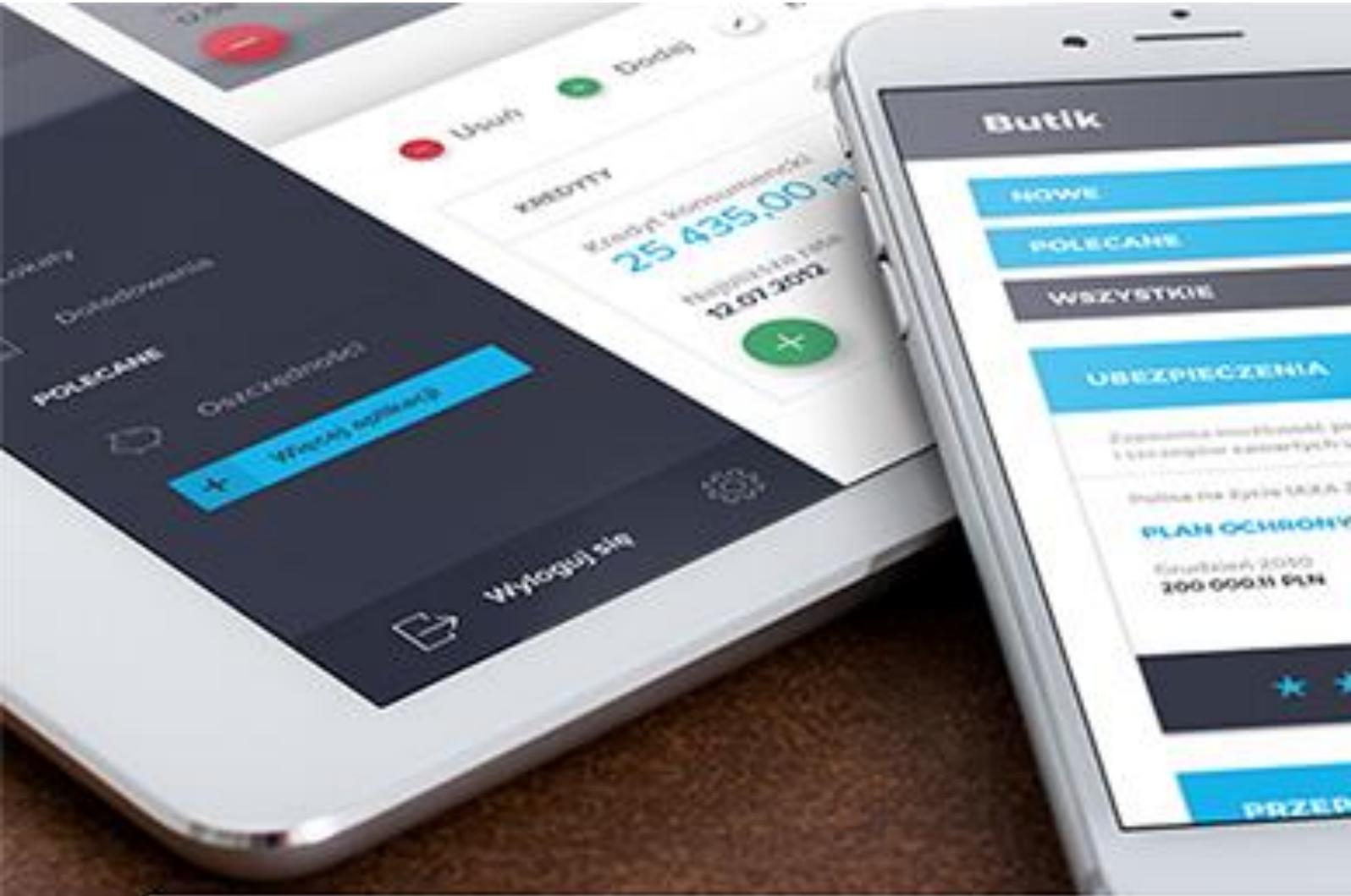
**55th place** in the **"TOP 500 Central and Eastern Europe"** ranking prepared by Rzeczpospolita and Coface

**3rd place** in the ranking **"Largest Polish private investors abroad 2020"** prepared by Forbes

**1st place** in the ranking **"IT@Bank"** prepared by the Bank Financial Monthly Bank

**1st place** in the category **"Investor - Large Enterprises"** in the competition **"Polish Company - International Champion"** organized by PwC and Puls Biznesu

**1st place** in the category **"Software producers and IT integrators"** in the competition **"Book of Lists"** organized by Warsaw Business Journal

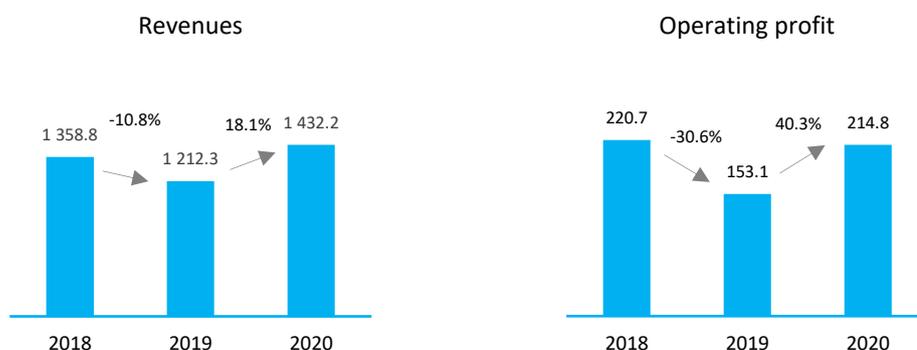


Major events with impact  
on financial performance  
of the **Asseco Group** in 2020

## MAJOR EVENTS WITH IMPACT ON FINANCIAL PERFORMANCE OF THE ASSECO CAPITAL GROUP IN 2020

### ASSECO POLAND SEGMENT

#### Asseco Poland Segment



The following table presents the key financial results generated by the Asseco Poland segment in the period of 12 months ended December 31, 2020 and in the corresponding period in 2019 and 2018:

mPLN	12 months ended December 31, 2020	12 months ended December 31, 2019	12 months ended December 31, 2018	Change 2020/2019	Change 2019/2018
<b>Sales revenues*</b>	<b>1 432.2</b>	<b>1 212.3</b>	<b>1 358.8</b>	<b>18.1%</b>	<b>(10.8%)</b>
EBIT	214.8	153.1	220.7	40.3%	(30.6%)
EBIT margin	15.0%	12.6%	16.2%	2.4 p.p	(3.6) p.p
Non-IFRS EBIT	235.2	169.8	238.5	38.5%	(28.8%)
Non-IFRS EBIT margin	16.4%	14.0%	17.6%	2.4 p.p	(3.6) p.p
<b>EBITDA</b>	<b>306.6</b>	<b>244.8</b>	<b>303.8</b>	<b>25.2%</b>	<b>(19.4%)</b>
EBITDA margin	21.4%	20.2%	22.4%	1.2 p.p	(2.2) p.p
CFO BT	317.6	295.7	354.4	7.4%	(16.6%)
CAPEX	(85.7)	(90.4)	(61.6)	(5.2%)	46.8%
Lease expenses	(32.9)	(36.4)	(24.6)	(9.6%)	48.0%
FCF	199.0	168.9	268.2	17.8%	(37.0%)
Cash conversion rate	84.6%	99.5%	112.5%	(14.9) p.p	(13.0) p.p
Cash and cash equivalents (as at December 31)	271.7	215.2	284.2	26.3%	(24.3%)
Interest-bearing debt (as at December 31)**	(85.1)	(93.7)	(110.0)	(9.2%)	(14.8%)
of which bank loans, borrowings and bonds issued	(4.8)	-	(61.2)	-	(100.0%)
of which lease liabilities	(80.3)	(93.7)	(48.8)	(14.3%)	92.0%

\* Sales revenues to external customers as well as inter-segment sales.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFOBT = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = |CFOBT| - |CAPEX| - lease expenditures.

Cash conversion rate = FCF/(non-IFRS EBIT).

In 2020, the Group's revenues generated in the Asseco Poland segment amounted to PLN 1 432.2 million vs. PLN 1 212.3 million in the previous year. Operating profit amounted to PLN 214.8 million compared to PLN 153.1 million in 2019. The Asseco Poland segment accounted for 12% of the Group's total sales in the reporting period.

In the finance area in 2020, the Company continued to work with its existing customers, under which it executed, among others, long-term servicing contracts, accounting for approximately 40% of the area's revenues.

In the period reported Asseco Poland expanded its cooperation with such institutions as Bank Pekao, Volkswagen Bank, and Raiffeisen Bank International AG. Furthermore, the Company signed an agreement with Bank Gospodarstwa Krajowego for the maintenance, optimum development and transformation of the def2000 system into an open system that would enable further maintenance and development of the system without any significant technological and legal limitations. During the period reported Asseco continued its sales efforts aimed at winning new projects both in Poland and abroad. The Company implemented its plans to enter the German banking market. Our cooperation with adesso, a well-known and recognized provider of core systems for insurance companies and IT services for banks on the DACH market, resulted in the establishment of a new company seated in Frankfurt am Main, namely adesso banking solutions GmbH, in which Asseco and adesso each hold 50% of shares. The newly established company operates in the banking sector in German-speaking countries (Germany, Austria, and Switzerland). Additionally, in 2020, under the Common Information Technology Platform (WPI) project, Asseco launched Poland's first universal and comprehensive technology and process platform for the sale and handling of financial products - Asseco BooX (Bank out of the Box). The platform not only provides access to all the systems necessary for the performance of banking services, but also includes IT BPO services provided by Asseco's employees at the subscription price of the whole service. The solution, in the first step intended for cooperative banks, is also offered to commercial banks and fintechs. In the past year, Asseco worked on further development of the BooX concept, which will be the basis of the Company's offer for the banking markets in Poland and worldwide. BooX, as a cloud-based subscription platform, is ideal for testing business hypotheses and proving the validity of new models for banks and e-commerce platforms. It is the perfect solution for neobanks, banks undergoing consolidation, test sandboxes, regulatory and marketplace solutions (in e-commerce). Already at an early stage of obtaining a banking licence, it enables new initiatives to prove high operational readiness to the national regulator. Entities already present on the market can use its features (subscription, working in a technology sandbox) in the process of testing and launching new services. Carrying out a transformation or consolidation of banks is a natural application of the BooX platform. Innovation necessary for the development of financial institutions will be ensured by the use of solutions embedded in the platform developed within the Asseco Innovation Hub, such as voicebots. Asseco BooX is available in the subscription model, but it can also operate traditionally - based on the purchase of a license. Operationally, it works in the following models: desktop, cloud or hybrid. Both the availability of particular functionalities and the cost incurred by institutions depend on the actual level of their use.

The Company continued its long-term cooperation with the largest bank in the region, i.e. PKO BP, within the framework of which it conducted activities related to, among others, the development and maintenance of the basic IT system supporting transactions of PKO BP customers, the system for interbank settlements in which the bank participates, as well as the system for the management and settlement of debit cards in PKO BP.

An important business area of the Asseco Poland segment is the cooperative banking market. The Asseco Group companies operating on the Polish market provide services to approx. 420 cooperative banks, and support nearly 330 of them in the area of modern internet banking offered in the Software as a Service (SaaS) model. In 2020, Asseco worked on solutions for cooperative banks of both Polish associations. Among other things, it continued the project of the Integrated Association Solution (ZRZ), implemented with SGB-Bank. The company is the author of a unique project - the Common IT Platform (WPI), implemented with the banks of the BPS Group. This is the first solution in Poland that can be described as a "bank in a socket", containing everything a modern financial institution needs today: a transaction system, online and mobile banking, reporting and analytical tools and intuitive omnichannel solutions. The platform can be parameterized according to needs. Processes that are similar in all banks (accounting, clearing, reporting, risk management, anti-money laundering, price development), thanks to the solution can be unified and automated, and consequently lead to a reduction in back-office costs in each institution. At the same time, the platform allows for individual shaping of areas independent for each bank, such as building a commercial offer. WPI is available in the SaaS model, which reduces the costs associated with maintaining separate infrastructure and resources for its maintenance. Last year, the company finalized the implementation of WPI in the Cooperative Bank in Lubaczów and the Cooperative Bank in Płońsk. Furthermore, thanks to the tools available on the WPI platform, Asseco quickly and without any significant impact on its clients, migrated the databases of the Cooperative Bank in Załuski to the Cooperative Bank in Płońsk.

In the period reported the Company also signed new agreements, among others, for further migration projects and implementation of the following systems: Asseco AML (anti-money laundering), Asseco cSS (supporting the work of bank employees both in the area of building and maintaining lasting, positive relationships with customers, supporting the sales process, monitoring customer product preferences and quantitative and qualitative assessment) and Asseco def300/cIRM (risk measurement system). In view of the increased demand for banking services provided remotely, Asseco also focused on developing the functionality of its systems to transfer customer service as much as possible to the digital world. The Company made a mini-application "Applications" available in the Asseco CBP Internet banking system. It allows, without leaving home, to handle over a dozen of the most common issues with which clients have come to the bank's branches up until recently. Through the mini-applications, clients may, among other things, reserve an identity document, defer credit instalment repayments, grant power of attorney to an account or purchase insurance. Asseco also supports cooperative banks in handling applications for assistance under the PFR Financial Shield programme (in 2020 the PFR Financial Shield 1.0, in 2021 also the PFR Financial Shield 2.0) which can be submitted online via Internet banking in the Asseco Internet Services Centre. Additionally, the Company supported cooperative banks in the service of the anti-crisis Shield 4.0. Owing to the prepared solution, their clients could benefit from interest rate subsidies on bank loans granted in order to ensure financial liquidity for entrepreneurs.

Asseco Poland holds a leading position among providers of solutions for entities operating on the Polish capital market. In 2020, the Company signed an agreement to implement ePROMAK NEXT in the Brokerage Office of PKO BP. The platform made available by Asseco last year is one of the most modern trading solutions in this part of Europe. The system has been designed in accordance with the concept of design thinking, provides investors with access to many new functions through a modern and intuitive interface, and supports all financial instruments listed on stock markets. In the period reported, Asseco launched a new IT system for maintaining the register of shareholders - PROMAK RA - integrated with the Blockchain Platform for the Capital Market made available by the National Depository for Securities (KDPW). It allows for an electronic form of all brokerage activities related to the register of shareholders (register of contracts, issues, movements, pledges of shares, registration certificates), as well as handling rights resulting from shares, including dividends. Another solution introduced to the offer is PROMAK Mate - a system designed for complex support of individual customers of brokerage offices, especially those who have not yet used the services of professional advisers. Now they will be able to do it completely online. The use of the latest technology will automatically handle all stages of the process - from creating an individual investment profile to controlling the achieved results. It is the first tool of this type on the Polish market. PROMAK Mate is a fully scalable RWD (Responsive Web Design) class solution, ensuring comfort of work regardless of the type of the tool used (computer, tablet, smartphone). The solution can be easily integrated with existing tools in the area of digitization of investment services, banking systems, or AI and machine learning solutions. In combination with ePROMAK NEXT system created by Asseco, it offers the possibility of creating a unique service where an investor has access to both automated consulting and management of investment accounts. In the period reported Asseco worked on further development of functionalities of its PROMAK family systems, e.g. a new version of PROMAK Plus (transaction processing system ensuring efficient and automated handling of business processes carried out in a brokerage house) was developed and adjusted to the EU directives MIFID II and SRD2, or new functionalities were implemented in PROMAK POWIERNIK system ensuring comprehensive handling of fiduciary activities, including the automation of such processes as payment of dividend or interest on bonds, redemption of bonds, handling of pre-emptive rights, split and assimilation.

In 2020, we continued cooperation with major public sector institutions, such as the Social Insurance Institution (ZUS), the National Healthcare Fund (NFZ), the Ministry of Finance, the Ministry of Justice, the Agency for Restructuring and Modernization of Agriculture (ARiMR), the Agricultural Social Insurance Fund (KRUS), and the General Inspectorate of Road Transportation (GITD).

In the past year, Asseco carried out activities under the agreement signed in 2018 and annexed in 2019 for the support of operation and maintenance of KSI ZUS.

In addition, at the end of December 2020, the Company was carrying out 8 executive agreements under the framework agreement concluded in 2018 for the modification and development of KSI ZUS software. The executive agreements concern:

- adaptation of the KSI system to legislative changes in the subject of taxation of benefits and handling of benefit and pension benefits in the tax action for 2019 and 2020 (contract signed in 2019),
- adjustment of functions of the KSI application and the replica to changes in the scope of enabling individual customers to generate confirmations directly from their PUE account as part of the so-called self-service,

optimization of the doctor's profile and the wizard for issuing electronic sick leaves (e-ZLA) and creation of wizards for submitting applications by individual customers via PUE (agreement signed in Q1 2020),

- optimization of the functions of interactive applications supporting ZUS employees in performing tasks in the processes (agreement signed in Q2 2020),
- adjustment of the KSI system to the legislative changes resulting from the amendment to the Act on enforcement proceedings in administration and certain other acts (agreement signed in Q2 2020),
- automation of processes in the E2 application for handling pensions with ENP and END symbols and for handling deaths, as well as adaptation of the EPWD application to handle applications (agreement signed in Q3 2020),
- adaptation of the ZUS IT system to legislative changes related to the introduction of the so-called e-file and small business and other acts, stage II (agreement signed in Q4 2020),
- taxation of benefits - legislative changes 2020 and optimization (agreement signed in Q4 2020),
- adjustment of KSI to legislative changes related to recording of contracts for specific work in ZUS (agreement signed in Q4 2020).

Asseco Poland also implemented the agreement concluded in 2018 for the development and maintenance of the Customer Portal and the Service Bus (ESB) as part of the ZUS Electronic Services Platform. A supplementary agreement to the aforementioned contract was concluded last year.

In March 2020, an agreement was signed with ZUS for the preparation of the KSI IT systems and the PUE Portal for tasks resulting from the implementation of the Act on specific solutions related to preventing, counteracting and combating COVID-19, other infectious diseases and crisis situations caused by them. In the reporting period, five annexes to the above-mentioned agreement were concluded.

In July 2020, Asseco Poland concluded an agreement with ZUS for the preparation of KSI ZUS information systems and PUE Portal for tasks resulting from the implementation of the Polish Tourism Voucher Act. The agreement was annexed three times until the end of December 2020.

In October last year an agreement was concluded with ZUS for the preparation of the KSI ZUS IT system for tasks arising from the implementation of the Act of August 14, 2020 on amending the Act on anti-communist opposition activists and persons repressed for political reasons and some other acts.

In the reporting period, activities were continued under the agreement with ARiMR on the development and maintenance of the SIA system - 14 orders for system modification and 48 operational orders were signed. An agreement was also signed with ARiMR on the purchase of technical assistance and maintenance services for LIDS software as well as consultations.

On the basis of executive agreements to the framework agreement, Asseco Poland provided IT services to the Ministry of Justice. The term of the framework agreement ended in June 2020, which means that from July to December the Company did not sign any more new executive agreements under this contract, focusing on the implementation of previously initiated projects.

In March 2020, the Company signed a contract with the Ministry of Justice for the construction, 3-year maintenance and development of a system supporting the National Debtors Register (KRZ), which will streamline restructuring and bankruptcy proceedings. The contract was annexed in November due to the entry into force of the Act of October 7, 2020 on amending certain laws to counteract the socio-economic effects of COVID-19, amending the Act on the National Register of Debtors as regards the date of launching the KRZ from December 1, 2020 to July 1, 2021.

Asseco Poland also implemented an agreement concluded in 2017 with the Ministry of Justice for the maintenance, modification and training for the Electronic Land and Mortgage Register (EKW) ICT system. Last year, a supplementary agreement to the aforementioned contract was concluded.

Furthermore, Asseco Poland provided support to the Ministry of Finance, among others, for the maintenance and development of two customs and taxation systems, as well as for the maintenance and development of the Automatic Road Traffic Supervision Centre (CANARD) at the General Inspectorate of Road Transport (GITD).

As part of our cooperation with the Agricultural Social Insurance Fund (KRUS), Asseco Data Systems was engaged in the maintenance and development of the Farmer system for handling pensions and disability benefits. Asseco is also

responsible for the maintenance and development of the Workflow system, which is a central component of the Integrated Information System (ZSI) used to handle the most important business processes, as well as for the comprehensive support of IT systems designed to handle insurance and short-term benefits provided by KRUS.

In the period reported Asseco signed an agreement with the National Agricultural Support Centre for technical assistance and maintenance of ZSI.

Asseco Poland continues to strengthen its position on the healthcare market. At the end of 2020, it cooperated with over 400 hospitals. In turn, in the segment encompassing doctor's offices, medium and small clinics and medical practices, it supported 10,800 locations (36,000 users), which accounted for approximately 40% of the market.

Last year Asseco won consecutive proceedings for the implementation of e-Services for patient services and availability of Electronic Medical Records by hospitals, among others at the Military Medical Institute, the Mazowiecki Specialized Hospital in Radom, the Maria Skłodowska-Curie National Institute of Oncology - the Gliwice Branch of the State Research Institute, the M. Kopernik Regional Multi-specialty Oncology and Traumatology Center in Łódź, the Primate Cardinal Stefan Wyszyński Regional Hospital in Sieradz, or the Independent Public Clinical Hospital No. 4 in Lublin. As part of the implementation of these agreements, Asseco has been implementing software intended primarily to facilitate patient registration for appointments, checking of examination results, as well as access to medical records online. The new e-Services are fully integrated with the existing solutions operating in hospitals, including the Hospital Information Systems - HIS and Enterprise Resource Planning - ERP.

The Company also performed maintenance contracts for the already implemented systems in hospitals, which accounted for over 50% of revenues generated by the healthcare sector.

In 2020, Asseco Poland, in cooperation with Medicover Poland, conducted preparatory work for the launch of a platform that will improve communication and billing of medical networks with partner facilities. Importantly, it will also be usable by other networks that would like to improve the quality and efficiency of their services.

During the reporting period, the Company also implemented the contract signed in 2019 with the National Health Fund for the maintenance and development of the IT System for Supporting the Activities of the National Health Fund - SIWDzNFZ. In addition - in connection with the SARS-CoV-2 virus pandemic - as part of its handling of the National Health Fund, in March 2020 Asseco implemented a new functionality into the eWUŚ system, which confirms eligibility for free medical benefits, allowing for the identification of people in quarantine. As the eWUŚ has been supplemented with the so-called quarantine marker, in addition to information on the right to benefits, a note about the quarantine and its duration will appear next to the name of the patient in quarantine.

In order to improve the handling of diagnosed or suspected coronavirus and to facilitate remote contact with patients in pandemic conditions, the IT toolkit "Together against COVID" - was made available free of charge to medical facilities by Asseco Poland until July 31, 2020. The services have been prepared using the infrastructure of Chmura Krajowa (the Domestic Cloud).

Taking into account the actions to be taken by a medical facility in the event of suspicion or diagnosis of COVID-19 virus in a patient, Asseco has prepared two unique services which have been added to the package of ICT services. A special BioHazard module allows a hospital to appropriately mark and search its database for patients with suspected COVID-19 or other dangerous viral or bacterial disease. The second tool, the COVID Patient Registry, enables integration with the National COVID Patient Registry. This eliminates possible duplication of entered information and immediately confirms the case of a previous coronavirus diagnosis. Hospitals have also gained access to the 'PreTRIAGE' medical record form, which collects information from the initial interview.

Other solutions provided as part of the 'Together Against COVID' package support remote patient communication. Tele-advice, using audiovisual communication technology, allow doctors to give advice remotely, providing access to the patient's digital medical records. E-Notifications improve communication with the patient by allowing the implementation of automatic text messages or e-mails. Their important functionality is also the ability to send a PIN code for the execution of e-Prescription. E-confirmations, on the other hand, allow the patient to easily confirm or cancel the appointment by e-mail or text message, relieving overloaded telephone lines of medical facilities and reducing the number of missed appointments.

The launch of additional IT services does not require the medical facility to undertake a complex implementation and additional investments in infrastructure. Also, the patient does not need to install any software - just access to a web browser on a telephone or computer.

Asseco, drawing on its long-standing experience in the computerization of medical facilities, develops its applications dedicated to patients: Medical Information (management of information provided by medical units) and Medical First Aid Kit (management of medicines). In the reporting period, the Company also released a new mobile application - My Health Parameters - for self-monitoring of health by patients. It allows patients to collect and update data on various health parameters. Additionally, thanks to integration with the Medical Information solution, they can be sent directly to the doctor's office and be recorded in the patient's medical history.

Regulatory changes, the new obligation to keep part of medical records in electronic form and the ongoing epidemic make digitization of medical facilities even more important. The systems of Asseco Medical Management Solutions (AMMS) and mMedica provide them with comprehensive support for their processes and are fully ready for the legal changes in the field of e-Health. As of January 8, 2021, e-referrals will become mandatory in Poland. In addition, from July 1, 2021, the exchange of Electronic Medical Records (EDM) and information on medical events will take effect, which means that it will be possible to obtain data on the patient's medical history and treatment in the P1 System. Asseco participates in pilot projects, providing IT solutions that ensure compliance with this obligation.

Asseco Poland is a recognized provider of solutions for the Polish uniformed services, institutions and agencies of NATO and the European Union. In 2020 the Company continued to implement contracts signed in the prior reporting periods with domestic and international institutions and agencies, such as the North Atlantic Alliance (NATO), the European Border Agency (Frontex), the European Chemicals Agency (ECHA), the European Defence Agency (EDA), the European Space Agency (ESA), the Ministry of National Defence, or the National Centre for Cybersecurity. It also concluded new contracts, including with the Armament Inspectorate for the delivery of 24 micro-class unmanned aerial vehicles for the Polish Armed Forces. The drones will be used to conduct day-night surveillance during military operations. The proprietary hardware and software will be manufactured in Poland.

In the general business sector, Asseco works with key clients in the telecommunications and energy sectors.

The company is a leader among Polish producers of IT solutions for the domestic energy sector. Asseco Utility Management Solutions (AUMS) is a set of integrated products providing comprehensive support for all areas of the sector's operations, from generation, transmission and distribution to the sale of products and services. Over the last year Asseco Poland continued to work for the leading power industry groups under the concluded agreements and new orders acquired in the period reported, which included the implementation of functionalities for the power market, Comprehensive Customer Service Systems, and development of the reading data acquisition system AUMS ADO.

In March 2020, Asseco Poland signed a bridge agreement with the Cyfrowy Polsat Group allowing for the commencement of cooperation under the project of transformation of the IT systems of the Cyfrowy Polsat Group. In addition, dedicated, separated teams also carried out projects for other telecommunications and media clients of Asseco. The Company continues to develop its product portfolio and the functionalities of available solutions, e.g. in the reporting period, with the support of its technology partners - IBM, Google Cloud and Red Hat, it created a new model of the Asseco Convergent Services Environment (Asseco CSE) platform. This platform is a proprietary Asseco solution of the Business Support Systems (BSS) class, created to support the business of telecommunications operators, Internet and television providers in the sale, operation and settlement of services. For them, it constitutes a multi-channel package of systems supporting everyday processes. It also enables combining many different products into one coherent offer, settled within one invoice. It can support the processes of sales, maintenance and settlement of convergent services. Making Asseco CSE available in the cloud as a service is an innovation on the Polish market. For ordering parties, this means optimization of costs related to software implementation, as well as operating and maintenance fees in proportion to the size of their business.

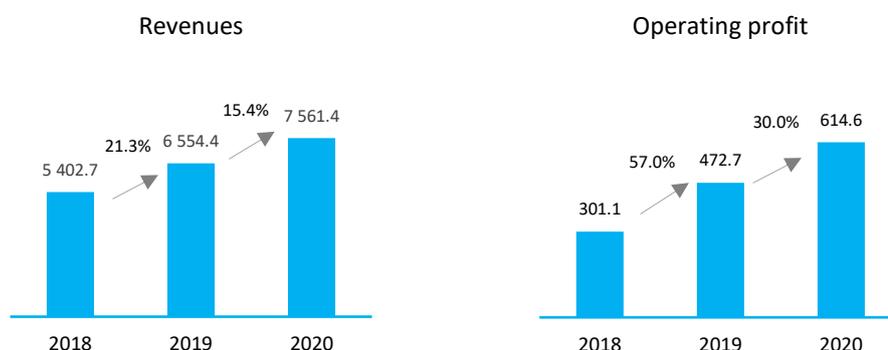
2020 was also an intensive period for Asseco Data Systems (ADS) operating on the Polish market. The company developed sales of security and trust services, including electronic signature. In the reported period, for example, an integrated Asseco platform was implemented in the Żabka shopping chain for the remote signing of documents between Żabka's headquarters and franchisees. Thanks to the possibility to provide qualified electronic signatures, e.g. deliveries are faster and more convenient for franchisees. They can use the solution from any mobile device with Internet access. Asseco's e-signature platform has been tailored to the internal systems of Żabka and additionally connected to the qualified validation service WebNotarius. Żabka, in cooperation with ADS, is the first company in the Polish retail sector to use qualified trust services on a mass scale in logistics. The chain implemented the first and is designing further mechanisms for confirming all logistical activities related to the delivery of goods to all franchisees throughout the country. Thanks to the use of qualified signatures and time-stamped seals, as well as qualified validation, the entire

proof process of completed deliveries and acceptance activities has been designed and implemented in electronic form. In 2020, the KRUK Group implemented an ADS solution based on the so-called biometric electronic signature. It enables the conclusion of agreements with clients without the need to sign paper documents. In addition, in the reporting period ADS integrated the qualified electronic signature validation service with the SzuKIO.pl service - a search engine for public procurement rulings. Since 2018, all proceedings whose value exceeds the EU threshold have been carried out using e-documents bearing a qualified electronic signature. Thanks to the integration of Asseco's qualified service with the SzuKIO service, users can automatically, reliably and efficiently confirm the validity of the electronic signature. ADS has been expanding its qualified services portfolio. In November 2020, the company implemented an advanced one-time electronic signature at Santander Consumer Bank. The aim of the project was to create a consumer credit signing process compliant with the idea of paperless, EU eIDAS regulations and the highest user experience standards. The system designed and implemented by ADS together with the bank, thanks to the digitization of the confirmation of credit documentation, reduced the time of customer service, enabling remote conclusion of agreements and their acceptance with the use of advanced one-time signatures authorized with sms codes. The project also used a qualified electronic seal and a qualified validation service. Last year, the company also participated in standardization work at the national and European level related to video identity verification, on the basis of which it will be possible to issue a qualified certificate for e-signature. In 2020, ADS developed a platform for managing HR processes in business, as well as integrated IT solutions for managing universities, the teaching process and the development of employee competences. The company actively joined in supporting universities in connection with the coronavirus pandemic - in cooperation with Operator Chmury Krajowej (the Domestic Cloud Operator), it provided an educational platform for universities free of charge for 6 months under the "Partnership for Universities" programme. Asseco's educational platform is recommended by the Conference of Rectors of Academic Schools in Poland (CRASP) and was included in the list of remote learning tools published by the Ministry of Science and Higher Education. Last year, the company also focused on activities related to the digitization of local administration entities. Furthermore, the company implemented software projects supporting the management of leasing contracts, mass communication, i.e. handling of correspondence and management of paper and electronic documents, as well as active planning, implementation and monitoring of Smart City services, such as the first in Poland Visual Monitoring System for Bus Stops implemented in Rzeszów and the system for management of the Rzeszów Local Bus Station.

Last year, Asseco strengthened its position in the cybersecurity consulting segment with the acquisition of ComCERT in 2019. ComCERT is the first consulting company in Poland specializing in CERT (Computer Emergency Response Team) services for businesses and institutions, not affiliated with any telecommunications operator. ComCERT experts analyze vulnerabilities to hacking attacks in clients' systems, support them during an incident and analyze the status of systems after the event. At the intersection of these three services, they also develop clients' Security Operations Center teams - not only proactively, helping to maintain a high level of network security, but also expanding their competences.

On July 1, 2020, SKG, a member of the Asseco Group, was incorporated into the structures of Asseco Poland. The combined experience and potential of both companies will translate into stronger competencies in IT solutions for the public finance sector as well as in support of customs, transport and forwarding processes. SKG joined the Asseco Group in 2012. It has over 30 years of experience in developing dedicated IT systems to support customs, retail, transport and forwarding processes. The company has completed numerous projects for the Polish Customs Service, where it has developed and implemented, among others, systems for declarations handling, export control, intra-EU trade statistics, and customs and tax settlement. SKG has also implemented projects for the customs administrations of Slovakia, Bulgaria and Lithuania. Among SKG's existing clients are several Polish central offices, regional government bodies and local administration bodies as well as private enterprises operating in the sectors of pharmaceuticals, finance and insurance, energy, fuels, retail trade, transportation and food industry. The Merger of SKG and Asseco Poland was executed pursuant to article 492 § 1 item 1 of the Polish Commercial Companies Code, this is by transferring all the assets of SKG to Asseco. Following the merger, SKG was dissolved without liquidation.

## FORMULA SYSTEMS SEGMENT



The following table presents the key financial results generated by the Formula Systems segment in the period of 12 months ended December 31, 2020 and in the corresponding period in 2019 and 2018:

mPLN	12 months ended December 31, 2020	12 months ended December 31, 2019	12 months ended December 31, 2018	Change 2020/2019	Change 2019/2018
Sales revenues*	7 561.4	6 554.4	5 402.7	15.4%	21.3%
EBIT	614.6	472.7	301.1	30.0%	57.0%
EBIT margin	8.1%	7.2%	5.6%	0.9 p.p	1.6 p.p
Non-IFRS EBIT	842.7	672.5	523.4	25.3%	28.5%
Non-IFRS EBIT margin	11.1%	10.3%	9.7%	0.8 p.p	0.6 p.p
EBITDA	1 060.9	872.3	576.1	21.6%	51.4%
EBITDA margin	14.0%	13.3%	10.7%	0.7 p.p	2.6 p.p
CFO BT	1 336.2	982.1	426.1	36.1%	130.5%
CAPEX	(131.5)	(125.3)	(75.6)	4.9%	65.7%
Lease expenses	(125.3)	(120.7)	-	3.8%	-
FCF	1 079.4	736.1	350.5	46.6%	110.0%
Cash conversion rate	128.1%	109.5%	67.0%	18.6 p.p	42.5 p.p
Cash and cash equivalents (as at December 31)	1 884.0	1 391.6	1 009.4	35.4%	37.9%
Interest-bearing debt (as at December 31)**	(2 514.4)	(2 294.0)	(1 434.5)	9.6%	59.9%
of which bank loans, borrowings and bonds issued	(2 049.7)	(1 877.0)	(1 434.5)	9.2%	30.8%
of which lease liabilities	(464.7)	(417.0)	-	11.4%	-

\* Sales revenues to external customers as well as inter-segment sales.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFOBT = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = |CFOBT| - |CAPEX| - lease expenditures.

Cash conversion rate = FCF/(non-IFRS EBIT).

In 2020, revenues generated by the Formula Systems Group companies were 15.4% higher than in 2019, amounting to PLN 7 561.4 million. The share of revenues generated in the Formula Systems segment in consolidated sales amounted to 62%.

Operating profit increased by 30.0% to PLN 614.6 million. EBIT reported by the Formula Systems segment is substantially affected by additional amortization charges of intangible assets recognized under purchase price settlements (PPA) as well as by the costs of transactions with employees settled in the form of equity instruments (SBP). In 2020, PPA and SBP decreased the segment's EBIT by PLN 228.1 million.

In the period reported, companies of the Formula Group reported substantial growth in sales and operating profit.

Matrix IT, a leading IT company in Israel, generated record financial results in 2020 at all major levels of the income statement. The increases are the result of organic growth as well as completed acquisitions. In the past year, 66% of the increase in sales revenues was thanks to the company's organic growth. During the reporting period, Matrix IT took over:

- Gestetnertec – the oldest, leading company in Israel engaged in the management and distribution of office documents for companies, which has been operating since 1931 as the exclusive representative of the global Gestetner and sells, among other things, advanced office automation
- Right Star – a company providing consulting services in both ITSM / ITSM and Dev / Ops Lean-Agile, as well as in the area of portfolio management and delivery of BMC and Atlassian solutions. Additionally, the company provides consulting and advisory services in the area of Application Lifecycle Management

In 2020, the company focused on supporting existing customers and winning new orders. It seeks to increase the share of recurring revenues, particularly in areas that are driving growth in its results (including digital transformation, cloud, cybersecurity, data processing and analysis, artificial intelligence or machine learning). Last year, recurring sales accounted for approximately 40% of Matrix IT's total sales. In 2021, the company intends to maintain its leading position on the Israeli market and expand its scale of operations in the US and Europe.

The financial results of Sapiens International, a global provider of software and IT services for the insurance sector, reflect the company's focus on providing the broadest possible support to its more than 600 existing clients and on winning new business. The current situation with the coronavirus pandemic has increased the importance of digitization and highlighted to insurance companies the need to migrate from legacy solutions to new platforms. The company generated USD 384 million in revenues in 2020 against a forecast of USD 381 million - USD 383 million. Sapiens continues to develop the functionalities of its solutions and expand its portfolio of products and services, which puts it in a strong position in the processes of enhancing cooperation with existing contractors. Over the last 3 years, revenues from existing customers accounted for approximately 86-88% of sales. The company in 2020 increased revenues in North America and Europe, which drive its growth and together accounted for 94% of sales. The property and casualty insurance segment in North America and Europe and the life and annuity insurance segment in Europe were mainly responsible for the increases. Sapiens has a strongly diversified client portfolio. In 2020, the largest client accounted for 4% of its revenues and the 10 largest clients accounted for 23.5% of revenues.

In the reporting period, Sapiens continued to pursue its growth strategy through acquisitions - it acquired:

- sum.cumo – a German technology provider offering digital, innovative and consumer-focused solutions for the insurance sector
- Tiful Gemel – an insurance and pension fund management services company
- Delphi Technology companies (Delphi Technology Inc. and Delphi Technology Inc. China) providing IT software solutions for the non-life and medical professional liability insurance sector
- the Thor Denmark Holding group consisting of 4 companies (Thor Denmark Holding ApS - the parent company and three Tia companies - Tia Technology A/S, Tia Technology UAB and Tia South Africa (Pty) Ltd), whose main business is providing specialized IT services in the field of commercial insurance

Increased demand for digital products, coupled with a high proportion of recurring revenues and a strong balance sheet, determine the company's strong position in a challenging market environment. For 2021, Sapiens expects revenues in the range of USD 457 million - USD 463 million.

Magic Software, a global provider of application development platforms and solutions for the integration of systems and business processes, as well as IT consulting services, posted double-digit revenue growth in 2020, which amounted to USD 371 million vs. the forecast range of USD 358 million - USD 365 million. The Israeli market was responsible for 52% of the growth generated, while North America accounted for 46% of the growth. In the period under analysis, 22% of Magic Software's revenues were generated from the sale of IT solutions, and 78% from the provision of professional services. A significant portion of the company's revenues was generated in the following sectors: healthcare, finance

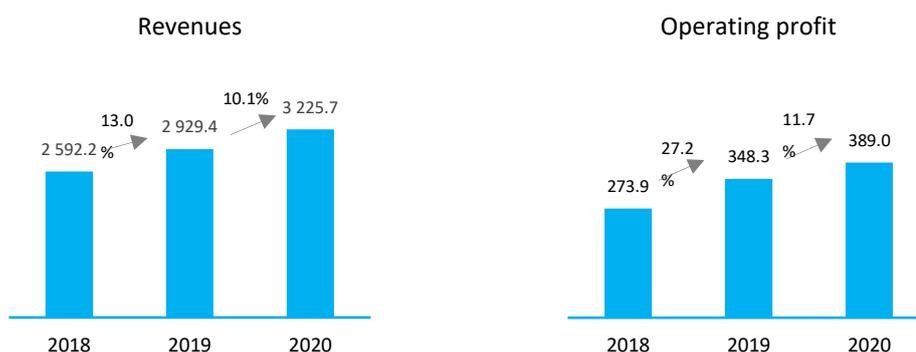
and defense. The financial results of Magic Software are a consequence of focusing on building long-term partnerships with clients, gaining new clients, and acquisitions completed. Approximately 85% of last year's sales were generated by the company's existing customers. The remaining part was generated by new partners; in 2020, over 200 new clients started cooperating with the company. In the period reported, Magic Software took over the following companies:

- Aptonet – a provider of specialized services in the area of operational research, IoT, mobile and Internet solutions
- Magic Hands – providing primarily complete and innovative IT solutions for the entire SME sector, but also engaged in the design of innovative and mobile business applications
- Mobisoft – which develops digital products that support the sales process
- Stockell Information Systems – providing IT consulting services (design, development, maintenance and implementation of ERP systems)

Magic Software is still searching for potential acquisition targets - small and mid-sized companies with revenues in the range of USD 10 million- USD 15 million, which are consistent with the directions of its geographical expansion and which will enable it to broaden its product portfolio and customer base.

According to the forecast presented, the company expects revenues in the range of USD 420 million - USD 430 million in 2021.

## ASSECO INTERNATIONAL SEGMENT



The following table presents the key financial results generated by the Asseco International segment in the period of 12 months ended December 31, 2020 and in the corresponding period in 2019 and 2018:

mPLN	12 months ended December 31, 2020	12 months ended December 31, 2019	12 months ended December 31, 2018	Change 2020/2019	Change 2019/2018
<b>Sales revenues*</b>	<b>3 225.7</b>	<b>2 929.4</b>	<b>2 592.2</b>	<b>10.1%</b>	<b>13.0%</b>
<b>EBIT</b>	<b>389.0</b>	<b>348.3</b>	<b>273.9</b>	<b>11.7%</b>	<b>27.2%</b>
<i>EBIT margin</i>	<i>12.1%</i>	<i>11.9%</i>	<i>10.6%</i>	<i>0.2 p.p</i>	<i>1.3 p.p</i>
Non-IFRS EBIT	403.9	361.5	285.4	11.7%	26.7%
<i>Non-IFRS EBIT margin</i>	<i>12.5%</i>	<i>12.3%</i>	<i>11.0%</i>	<i>0.2 p.p</i>	<i>1.3 p.p</i>
<b>EBITDA</b>	<b>559.5</b>	<b>498.6</b>	<b>378.9</b>	<b>12.2%</b>	<b>31.6%</b>
<i>EBITDA margin</i>	<i>17.3%</i>	<i>17.0%</i>	<i>14.6%</i>	<i>0.3 p.p</i>	<i>2.4 p.p</i>
CFO BT	579.8	493.2	395.7	17.6%	24.6%
CAPEX	(85.7)	(98.9)	(110.3)	(13.3%)	(10.3%)
Lease expenses	(65.8)	(50.4)	(4.7)	30.6%	972.3%
FCF	428.3	343.9	280.7	24.5%	22.5%
Cash conversion rate	106.0%	95.1%	98.4%	10.9 p.p	(3.2) p.p

Cash and cash equivalents (as at December 31)	740.3	546.7	506.9	35.4%	7.9%
Interest-bearing debt (as at December 31)**	(400.1)	(370.5)	(181.0)	8.0%	104.7%
of which bank loans, borrowings and bonds issued	(200.8)	(178.6)	(168.8)	12.4%	5.8%
of which lease liabilities	(199.3)	(191.9)	(12.2)	3.9%	1 473%

\* Sales revenues to external customers as well as inter-segment sales.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFGBT = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = |CFGBT| - |CAPEX| - lease expenditures.

Cash conversion rate = FCF/(non-IFRS EBIT).

In 2020, the Asseco International segment generated a 10.1% increase in revenues, which amounted to PLN 3 225.7 million. Operating profit was 11.7% higher at PLN 389.0 million. The segment's share in consolidated sales reached 26%.

The Asseco Central Europe Group, which represents Asseco in the **Central European** region, reported similar sales figures for 2020 on a year-on-year basis.

In the period reported, our companies in the Czech Republic and Slovakia continued to cooperate with the country's public sector institutions. New projects were also implemented for, among others, the Health Office of the Slovak Republic, the Czech Social Security Administration or the Ministry of Labour and Social Affairs of the Czech Republic. Additionally, in April 2020, Asseco Central Europe developed and launched the central IT system IS COVID in Slovakia for the registration of laboratory test orders and test results for the SARS-CoV-2 virus, which helped significantly increase the number of samples tested daily. The system linked state and private laboratories together in an integrated environment, enabling mass population testing. In turn, the company's IT services packages in the area of e-Health contribute to the development of remote medical care and prevent the spread of infectious diseases. Last year Asseco Central Europe intensively developed its operations in the area of digital insurance. Among other things, the company intensified its cooperation with the international insurance company Youplus. In addition to supporting Youplus in the Czech Republic and Slovakia, the company also signed an agreement with Youplus Insurance International AG of Liechtenstein. Asseco Central Europe met the requirements of Youplus Insurance International AG with a comprehensive front-end and back-office solution called looX - Insurance out of the Box, which supports the digitization of insurance documents and processes. The front-end solution, which supports the automation of processes including medical underwriting, was developed in close cooperation with Youplus as a tailor-made tool that meets the specific requirements of the local market. The signed agreement is a manifestation of the strategic cooperation between Youplus Insurance International AG and Asseco, whereby Asseco's role is to implement the looX - Insurance out of the Box solution for the newly established offices of Youplus in German-speaking countries (Austria, Germany, and Switzerland).

The Asseco Central Europe Group records high demand for its ERP solutions gathered from Asseco Enterprise Solutions. Asseco Business Solutions, which specializes in business management systems, generated 3.0% higher sales revenues in 2020 compared to 2019. The company recorded higher sales both on the domestic market (by 1.4% y/y) and on foreign markets (by 15.0% y/y). Asseco BS's solutions have been implemented in more than 50 countries worldwide on all continents. Over the past five years, the Company has expanded beyond Europe - into Asia, Australia, the Middle East and Latin America. It reached Africa in 2020, while it is currently completing its inaugural launch in North America. In the past year, the biggest contributors to overseas sales were countries such as: France, Germany, the Netherlands, the UK, Romania and Luxembourg. Together they accounted for 89% of revenues from international markets. In the reporting period 92% of sales revenues of Asseco BS were generated by the general business sector, while the remaining 8% were generated by the banking and finance and public administration sectors. Also the Asseco Solutions companies operating in German-speaking countries, the Czech Republic and Slovakia reported good sales results.

Operating on the **South Eastern Europe** market, the Asseco South Eastern Europe Group achieved its best financial results ever in 2020 owing primarily to organic growth. Such a significant improvement over the previous year was primarily attributable to increased efficiency in the segments of solutions in the banking sector and dedicated solutions, as well as an increase in the scale of operations in the segment of payment solutions (Payten). The segment line responsible for payment terminal maintenance services recorded the highest sales growth in Payten. Further growth drivers were the segment lines responsible for maintaining ATMs and for e-commerce. The improved sales performance in the Banking Solutions segment is primarily attributable to increased demand in the segment line offering mobile solutions.

Higher revenues were also recorded by the line responsible for central banking systems and other software. In the dedicated solutions segment, sales increases were recorded by both segment lines, with sales of the line responsible for infrastructure and third-party solutions growing slightly more rapidly than the proprietary solutions line. During 2019 and 2020, several acquisitions were finalized, which impacted the financial results generated in the reporting period. As of May 1, 2019, the Asseco SEE Group consolidates by the full method the results of Multicard Serbia, which was previously accounted for by the equity method. From August 1, 2019, the results of B Services Montenegro and Bassilichi Serbia are consolidated using the full method, and from September 1, 2019 the results of Sonet (Czech Republic and Slovakia) and Mobven in Turkey are consolidated in the same manner. In the fourth quarter of 2019, the acquisitions of Monri in Bosnia and Herzegovina and Croatia, which the Asseco SEE Group has been consolidating since November 1 last year, were completed. In addition, in January 2020, the acquisition of Bassilichi Bosnia and Herzegovina was carried out, the results of which have been consolidated since February 1, 2020, and in June 2020 the acquisition of IPS Croatia, which has been consolidated since June 1, 2020. In July 2020, in turn, the acquisition of Gastrobit GRC Group in Croatia was closed, whose results have been consolidated since August.

In 2020, the Group recorded higher sales on **Western European** markets. Asseco PST, which operates in Portugal and the Portuguese-speaking countries of Africa, continued its cooperation with banks in the area of maintenance services for central banking systems, implemented migration projects, as well as projects related to payment card management. The company signed new agreements related to the implementation of Internet and mobile banking in financial institutions with a strong market position in Mozambique and Angola.

During the period reported, Asseco Western Europe's Asseco Spain concluded new agreements for the supply of IT hardware, software and related services. The company was engaged in projects related to telework and remote education. It strengthened its cooperation with public institutions on the Spanish market as well as with clients from the training and transportation industry.

In the past period Asseco Lithuania carried out projects, among others, for the Lithuanian National Museum of Art for the modernization of its information system and development of new e-services for the museum and for the Lithuanian National Library for development of the Virtual Electronic Heritage System. Among the new contracts concluded, one should mention the agreement with the state-owned energy group Ignitis for the maintenance and development of a billing system. This is the first implementation of Asseco Lithuania in the utilities sector. The company also entered into a tender for the development of a new billing system for Ignitis, which is present in 4 countries (Lithuania, Latvia, Estonia and Poland). Contracts were also signed with the Lithuanian Ministry of the Interior, the Sejm Chancellery, the National Land Service under the Ministry of Agriculture and the National Education Agency. In addition, the company entered into a contract with the Lithuanian Transport Safety Administration to develop and implement an electronic system of services, advice and information for the transport industry. The aim of the project is to create tools for the provision of e-services related to the activities of the road and rail transport sector, thereby reducing the administrative, time and cost burdens associated with the provision of services. Asseco Lithuania expanded sales of its document and process management system, e.g. during the reporting period it signed an agreement with a leading producer of nitrogen fertilizers and chemical products in Lithuania and the Baltic States.

Peak Consulting, which operates in Denmark, carried out projects for, among others, the Danish armed forces, police, courts, financial institutions, the Ministry of Food, Agriculture and Fisheries, as well as the state-owned energy company or the Nordic Regional Security Coordinator, which is a joint office of electricity transmission system operators from Finland, Norway, Sweden and Denmark.

Acquired in 2019, Spain-based Tecsis, which provides software for electricity producers and retailers, signed an international agreement to extend its existing cooperation with Italian energy group Enel, which operates in 33 countries on 5 continents. The new three-year contract covers the development and maintenance of systems already deployed, as well as deployments in new countries including the migration of systems to the Kommodo platform, which is a cloud-based Big Data solution designed specifically for the utilities sector.



## Financial information of the Asseco Group and Asseco Poland

## FINANCIAL INFORMATION OF THE ASSECO GROUP

### Financial results of the Asseco Group

The Asseco Group's sales revenues in 2020 amounted to PLN 12 190.3 million compared to PLN 10 667.4 million in the previous year. The Group recorded increases in all operating segments: Asseco Poland, Formula Systems and Asseco International.

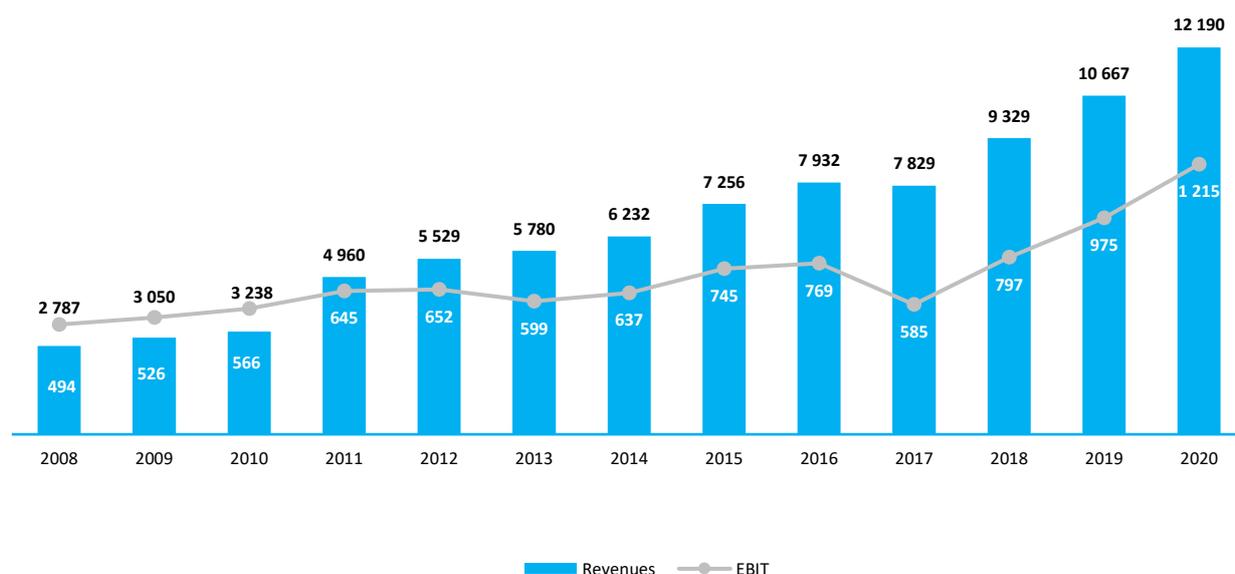
A significant disproportion between operating profit and net profit for shareholders of the parent company results primarily from significant stake of minority shareholders in our subsidiaries, primarily in the Formula Systems Group.

The table below presents key consolidated financial results for the period of 12 months ended December 31, 2020 and the comparable periods in 2019 and 2018.

mPLN	12 months ended December 31, 2020	12 months ended December 31, 2019	12 months ended December 31, 2018	Change 2020/2019	Change 2019/2018
<b>Revenues</b>	<b>12 190.3</b>	<b>10 667.4</b>	<b>9 328.6</b>	<b>14.3%</b>	<b>14.4%</b>
Proprietary software and service	9 634.4	8 647.9	7 504.8	11.4%	15.2%
<b>Gross profit/(loss) on sales</b>	<b>2 664.2</b>	<b>2 299.4</b>	<b>1 989.2</b>	<b>15.9%</b>	<b>15.6%</b>
Selling costs	(610.1)	(568.3)	(503.9)	7.4%	12.8%
General and administrative expenses	(821.5)	(745.2)	(676.1)	10.2%	10.2%
Other operating activities	(17.2)	(11.3)	(12.4)	52.2%	(8.9%)
<b>Operating profit</b>	<b>1 215.4</b>	<b>974.6</b>	<b>796.8</b>	<b>24.7%</b>	<b>22.3%</b>
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>401.9</b>	<b>321.9</b>	<b>333.3</b>	<b>24.9%</b>	<b>(3.4%)</b>
<b>EBITDA</b>	<b>1 922.1</b>	<b>1 611.6</b>	<b>1 256.3</b>	<b>19.3%</b>	<b>28.3%</b>

EBITDA = EBIT + amortization.

### Revenues and EBIT of the Asseco Group 2008-2020 (mPLN)



The following table presents the key financial results generated by our various geographical segments in the period of 12 months ended December 31, 2020.

2020 (mPLN)	Asseco Poland Segment	Formula Systems Segment	Asseco International Segment
<b>Sales revenues*</b>	<b>1 432.2</b>	<b>7 561.4</b>	<b>3 225.7</b>
EBIT	214.8	614.6	389.0
<i>EBIT margin</i>	<i>15.0%</i>	<i>8.1%</i>	<i>12.1%</i>
Non-IFRS EBIT	235.2	842.7	403.9
<i>Non-IFRS EBIT margin</i>	<i>16.4%</i>	<i>11.1%</i>	<i>12.5%</i>
<b>EBITDA</b>	<b>306.6</b>	<b>1 060.9</b>	<b>559.5</b>
<i>EBITDA margin</i>	<i>21.4%</i>	<i>14.0%</i>	<i>17.3%</i>
CFO <sub>BT</sub>	317.6	1 336.2	579.8
CAPEX	(85.7)	(131.5)	(85.7)
Lease expenses	(32.9)	(125.3)	(65.8)
FCF	199.0	1 079.4	428.3
Cash conversion rate	84.6%	128.1%	106.0%
Cash and cash equivalents at the end of the period	271.7	1 884.0	740.3
Interest-bearing debt at the end of the period**	(85.1)	(2 514.4)	(400.1)
<i>of which bank loans, borrowings and bonds issued</i>	<i>(4.8)</i>	<i>(2 049.7)</i>	<i>(200.8)</i>
<i>of which lease liabilities</i>	<i>(80.3)</i>	<i>(464.7)</i>	<i>(199.3)</i>

\* Sales revenues to external customers as well as inter-segment sales.

\*\* Debt towards entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFO<sub>BT</sub> = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = CFO<sub>BT</sub> – CAPEX.

Cash conversion rate = FCF/Non-IFRS EBIT).

The following table presents the key financial results generated by our various geographical segments in the period of 12 months ended December 31, 2019.

2019 (mPLN)	Asseco Poland Segment	Formula Systems Segment	Asseco International Segment
<b>Sales revenues*</b>	<b>1 212.3</b>	<b>6 554.4</b>	<b>2 929.4</b>
EBIT	153.1	472.7	348.3
<i>EBIT margin</i>	<i>12.6%</i>	<i>7.2%</i>	<i>11.9%</i>
Non-IFRS EBIT	169.8	672.5	361.5
<i>Non-IFRS EBIT margin</i>	<i>14.0%</i>	<i>10.3%</i>	<i>12.3%</i>
<b>EBITDA</b>	<b>244.8</b>	<b>872.3</b>	<b>498.6</b>
<i>EBITDA margin</i>	<i>20.2%</i>	<i>13.3%</i>	<i>17.0%</i>
CFO <sub>BT</sub>	295.7	982.1	493.2

CAPEX	(90.4)	(125.3)	(98.9)
Lease expenses	(36.4)	(120.7)	(50.4)
FCF	168.9	736.1	343.9
Cash conversion rate	99.5%	109.5%	95.1%
Cash and cash equivalents at the end of the period	215.2	1 391.6	546.7
Interest-bearing debt at the end of the period**	(93.7)	(2 294.0)	(370.5)
<i>of which bank loans, borrowings and bonds issued</i>	-	(1 877.0)	(178.6)
<i>of which lease liabilities</i>	(93.7)	(417.0)	(191.9)

\* Sales revenues to external customers as well as inter-segment sales.

\*\* Debt towards entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFO BT = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = CFOBT – CAPEX.

Cash conversion rate = FCF/Non-IFRS EBIT).

The following table presents the key financial results generated by our various geographical segments in the period of 12 months ended December 31, 2018.

2018 (mPLN)	Asseco Poland Segment	Formula Systems Segment	Asseco International Segment
<b>Sales revenues*</b>	<b>1 358.8</b>	<b>5 402.7</b>	<b>2 592.2</b>
EBIT	220.7	301.1	273.9
<i>EBIT margin</i>	<i>16.2%</i>	<i>5.6%</i>	<i>10.6%</i>
Non-IFRS EBIT	238.5	523.4	285.4
<i>Non-IFRS EBIT margin</i>	<i>17.6%</i>	<i>9.7%</i>	<i>11.0%</i>
<b>EBITDA</b>	<b>303.8</b>	<b>576.1</b>	<b>378.9</b>
<i>EBITDA margin</i>	<i>22.4%</i>	<i>10.7%</i>	<i>14.6%</i>
CFO <sub>BT</sub>	354.4	426.1	395.7
CAPEX	(61.6)	(75.6)	(110.3)
Lease expenses	(24.6)	-	(4.7)
FCF	268.2	350.5	280.7
Cash conversion rate	112.5%	67.0%	98.4%
Cash and cash equivalents at the end of the period	284.2	1 009.4	506.9
Interest-bearing debt at the end of the period**	(110.0)	(1 434.5)	(181.0)
<i>of which bank loans, borrowings and bonds issued</i>	<i>(61.2)</i>	<i>(1 434.5)</i>	<i>(168.8)</i>
<i>of which lease liabilities</i>	<i>(48.8)</i>	<i>-</i>	<i>(12.2)</i>

\* Sales revenues to external customers as well as inter-segment sales.

\*\* Debt towards entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFO BT = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = CFOBT – CAPEX.

Cash conversion rate = FCF/Non-IFRS EBIT).

## Profitability

EBIT operating profit for 2020 amounted to PLN 1 215.4 million versus PLN 974.6 million in the previous year and was higher across all of Asseco's business segments. In the Asseco Poland segment, operating profit increased by 40.3%, in the Formula Systems segment by 30.0%, and in the Asseco International segment by 11.7%.

In 2020, consolidated EBITDA margin stood at 15.8% (up by 0.7 pp), while operating profit margin was 10.0% (up by 0.9 pp). The net profit margin was 7.1% compared to 6.6% a year ago.

The table below presents the Asseco Group's key profitability ratios for 12 months of 2020 and the corresponding periods in 2019 and 2018.

	12 months ended December 31, 2020	12 months ended December 31, 2019	12 months ended December 31, 2018	Change 2020/2019	Change 2019/2018
Gross profit margin	21.9%	21.6%	21.3%	0.3 p.p	0.3 p.p
EBITDA margin	15.8%	15.1%	13.5%	0.7 p.p	1.6 p.p
Operating profit margin	10.0%	9.1%	8.5%	0.9 p.p	0.6 p.p
Net profit margin	7.1%	6.6%	6.4%	0.5 p.p	0.2 p.p

Gross profit margin = gross profit/revenues.

EBITDA margin = EBITDA/revenues.

Operating profit margin = operating profit/revenues.

Net profit margin = net profit/revenues.

## Revenues structure of the Asseco Group

The Asseco Group's revenues in 2020 amounted to PLN 12 190.3 million and were by 14.3% higher year-on-year.

In 2020, revenues from the Group's key proprietary software and services segment amounted to PLN 9 634.4 million versus PLN 8 647.9 million, representing 79% of the total sales. Third-party software and services sales stood at PLN 854.4 million and accounted for 7% of consolidated revenues, while hardware and infrastructure sales amounted to PLN 1 701.5 million and accounted for 14% of the Group's revenues.

The tables below present the consolidated revenues of the individual segments in 2018-2020, broken down by products.

mPLN	Asseco Poland Segment	Asseco International Segment	Formula Systems Segment	Eliminations	Total
<b>12 months ended December 31, 2020</b>					
Proprietary software and services	1 230.3	2 146.8	6 282.0	(24.7)	<b>9 634.4</b>
Third-party software and services	144.4	379.8	334.5	(4.3)	<b>854.4</b>
Hardware and infrastructure	57.5	699.1	944.9	-	<b>1 701.5</b>
<b>Total operating revenues</b>	<b>1 432.2</b>	<b>3 225.7</b>	<b>7 561.4</b>	<b>(29.0)</b>	<b>12 190.3</b>

mPLN	Asseco Poland Segment	Asseco International Segment	Formula Systems Segment	Eliminations	Total
<b>12 months ended December 31, 2019</b>					
Proprietary software and services	1 055.1	1 987.6	5 626.2	(21.0)	<b>8 647.9</b>
Third-party software and services	106.9	378.6	305.0	(8.4)	<b>782.1</b>
Hardware and infrastructure	50.3	563.2	623.2	0.7	<b>1 237.4</b>
<b>Total operating revenues</b>	<b>1 212,3</b>	<b>2 929,4</b>	<b>6 554,4</b>	<b>(28,7)</b>	<b>10 667,4</b>

mPLN	Asseco Poland Segment	Asseco International Segment	Formula Systems Segment	Eliminations	Total
<b>12 months ended December 31, 2018</b>					
Proprietary software and services	1 143.2	1 714.8	4 653.4	(6.6)	<b>7 504.8</b>
Third-party software and services	126.8	324.8	240.6	(14.8)	<b>677.4</b>
Hardware and infrastructure	88.8	552.6	508.7	(3.7)	<b>1 146.4</b>
<b>Total operating revenues</b>	<b>1 358.8</b>	<b>2 592.2</b>	<b>5 402.7</b>	<b>(25.1)</b>	<b>9 328.6</b>

Last year, the Asseco Group reported higher revenues in the banking and finance as well as general business sectors. The revenues from the banking and finance sector were responsible for 36% of consolidated sales and amounted to PLN 4 407.9 million versus PLN 4 061.6 million in 2019. The sales in the general business segment accounted for 39% of the Group's revenues in 2020 and stood at PLN 4 738.6 million versus PLN 4 064.6 million in the previous year. The public sector generated 25% of sales, recording PLN 3 043.8 million in revenues compared with PLN 2 541.2 million in revenues generated a year earlier.

The tables below present consolidated revenues of the individual segments in 2018-2020, broken down by segments of activity.

mPLN	Asseco Poland Segment	Asseco International Segment	Formula Systems Segment	Eliminations	Total
<b>12 months ended December 31, 2020</b>					
Banking and finance	440.1	1 070.6	2 909.8	(12.6)	<b>4 407.9</b>
General business	335.2	1 488.0	2 925.1	(9.7)	<b>4 738.6</b>
Public institutions	656.9	667.1	1 726.5	(6.7)	<b>3 043.8</b>
<b>Total operating revenues</b>	<b>1 432.2</b>	<b>3 225.7</b>	<b>7 561.4</b>	<b>(29.0)</b>	<b>12 190.3</b>

mPLN	Asseco Poland Segment	Asseco International Segment	Formula Systems Segment	Eliminations	Total
<b>12 months ended December 31, 2019</b>					
Banking and finance	443.5	996.3	2 637.7	(15.9)	<b>4 061.6</b>
General business	277.9	1 265.8	2 530.6	(9.7)	<b>4 064.6</b>
Public institutions	490.9	667.3	1 386.1	(3.1)	<b>2 541.2</b>
<b>Total operating revenues</b>	<b>1 212.3</b>	<b>2 929.4</b>	<b>6 554.4</b>	<b>(28.7)</b>	<b>10 667.4</b>

mPLN	Asseco Poland Segment	Asseco International Segment	Formula Systems Segment	Eliminations	Total
<b>12 months ended December 31, 2018</b>					
Banking and finance	473.9	901.7	2 333.6	(16.0)	<b>3 693.2</b>
General business	334.7	1 136.6	2 085.1	(7.1)	<b>3 549.3</b>
Public institutions	550.2	553.9	984.0	(2.0)	<b>2 086.1</b>
<b>Total operating revenues</b>	<b>1 358.8</b>	<b>2 592.2</b>	<b>5 402.7</b>	<b>(25.1)</b>	<b>9 328.6</b>

The below table presents the currency structure of the sales in 2018-2020.

	12 months ended December 31, 2020	12 months ended December 31, 2019	12 months ended December 31, 2018
NIS (new Israeli shekel)	38.5%	38.0%	34.8%
EUR (euro)	18.2%	17.6%	17.9%
USD (US dollar)	16.8%	17.7%	17.6%
PLN (Polish zloty)	13.2%	13.1%	16.6%
CZK (Czech crown)	2.5%	2.9%	2.3%
RSD (Serbian dinar)	2.4%	2.0%	1.6%
GBP (British pound)	1.9%	2.3%	2.3%
DKK (Danish krone)	1.1%	1.1%	1.1%
Other currencies	5.4%	5.3%	5.8%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Cash flow

In 2020, net cash flows from operating activities (CFO) of the Asseco Group increased by 30.6% versus the previous year to PLN 1 960.7 million. The increase in the level of cash flows from operating activities resulted, among other things, from an improvement in the Group's operating result.

In 2020, cash flows from investing (CFI) went up to PLN 737.7 million from PLN 669.7 million in the previous year.

Negative cash flows from financing activities reached the level of PLN 520.3 million versus PLN 496.7 million in the previous year.

	2020	2019	2018
CFO	1 960.7	1 501.3	1 000.7
CFI	-737.7	-669.7	-500.1
CAPEX	-302.9	-314.6	-247.5
CFF	-520.3	-496.7	-264.3
Dividend payment	-249.8	-254.8	-249.8
Change in cash and cash equivalents	702.7	334.9	236.3

*CFO i.e. net cash from operating activities.*

*CFI i.e. net cash generated (used) from (in) investing activities.*

*CAPEX includes expenditures on the acquisition of fixed assets and intangible assets, expenditures on ongoing research and development projects and the reduction on account of grants received.*

*CFF i.e. net cash from financing activities.*

### Statement of financial position

In the analysis of liquidity, Asseco Group uses the ratio of working capital, defined as the difference between current assets and current liabilities. It represents the amount of capital which is used to finance current assets.

In 2020, the level of working capital increased to PLN 2 334.5 million from PLN 1 886.2 million in 2019.

	December 31, 2020	December 31, 2019	December 31, 2018
Working capital (in millions of PLN)	2 334.5	1 886.2	1 862.9
Current liquidity ratio	1.5	1.5	1.6
Quick liquidity ratio	1.4	1.4	1.5
Absolute liquidity ratio	0.6	0.6	0.6

Cash conversion ratio	115%	104%	86%
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*Working capital = current assets - current liabilities*

*Current liquidity ratio = current assets / current liabilities.*

*Quick liquidity ratio = (current assets - inventories - prepayments) / current liabilities.*

*Absolute liquidity ratio = (cash + short-term bank deposits) / current liabilities.*

At the end of 2020, the debt ratios were the following:

	December 31, 2020	December 31, 2019	December 31, 2018
Total debt ratio	46.4%	45.3%	39.4%
Debt/equity ratio	33.3%	34.4%	22.5%
Debt/(debt + equity) ratio	25.0%	25.6%	18.4%

*Total debt ratio = (non-current liabilities + current liabilities) / assets.*

*Debt/equity ratio = (interest-bearing bank loans + debt securities + finance lease liabilities) / equity.*

*Debt/(debt + equity) ratio = (interest-bearing bank loans + debt securities + finance*

*lease liabilities) / (interest-bearing bank loans + debt securities + finance lease liabilities + equity).*

## Quarterly financial results

In the fourth quarter of 2020, the Group's revenues increased by 18.5% to PLN 3 483.0 million, with the sales of proprietary software and services up 13.9% to PLN 2 651.3 million. Operating profit for the period was PLN 362.5 million, up by 39.2%. Net profit attributable to the shareholders of the Parent Company amounted to PLN 134.2 million versus PLN 83.8 million a year ago.

The table below presents selected consolidated financial results for the period of 3 months ended December 31, 2020 and the comparable periods in 2019 and 2018.

mPLN	3 months ended December 31, 2020	3 months ended December 31, 2019	3 months ended December 31, 2018	Change 2020/2019	Change 2019/2018
<b>Revenues</b>	<b>3 483.0</b>	<b>2 938.1</b>	<b>2 650.3</b>	<b>18.5%</b>	<b>10.9%</b>
Proprietary software and service	2 651.3	2 328.0	2 051.0	13.9%	13.5%
<b>Gross profit/(loss) on sales</b>	<b>790.4</b>	<b>628.1</b>	<b>568.7</b>	<b>25.8%</b>	<b>10.4%</b>
Selling costs	(174.0)	(158.0)	(134.5)	10.1%	17.5%
General and administrative expenses	(248.9)	(206.4)	(189.9)	20.6%	8.7%
Other operating activities	(5.0)	(3.3)	(6.2)	51.5%	(46.8%)
<b>Operating profit</b>	<b>362.5</b>	<b>260.4</b>	<b>238.1</b>	<b>39.2%</b>	<b>9.4%</b>
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>134.2</b>	<b>83.8</b>	<b>98.0</b>	<b>60.1%</b>	<b>(14.5%)</b>
<b>EBITDA</b>	<b>548.6</b>	<b>430.0</b>	<b>354.2</b>	<b>27.6%</b>	<b>21.4%</b>

*EBITDA = EBIT + amortization.*

The following table presents the key financial results generated by our various geographical segments in the period of 3 months ended December 31, 2020.

3 months ended December 31, 2020 (mPLN)	Asseco Poland Segment	Formula Systems Segment	Asseco International Segment
<b>Sales revenues*</b>	<b>428.7</b>	<b>2 064.1</b>	<b>1 001.5</b>
EBIT	59.8	168.2	137.2
<i>EBIT margin</i>	<i>13.9%</i>	<i>8.1%</i>	<i>13.7%</i>
Non-IFRS EBIT	68.0	235.8	140.8
<i>Non-IFRS EBIT margin</i>	<i>15.9%</i>	<i>11.4%</i>	<i>14.1%</i>
<b>EBITDA</b>	<b>81.5</b>	<b>290.9</b>	<b>179.1</b>

EBITDA margin	19.0%	14.1%	17.9%
CFO <sub>BT</sub>	138.1	456.1	284.2
CAPEX	(18.5)	(38.8)	(23.0)
Lease expenses	(5.0)	(31.2)	(21.7)
FCF	114.6	386.1	239.5
Cash conversion rate	167.5%	163.7%	170.1%

\* Sales revenues to external customers as well as inter-segment sales.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFO<sub>BT</sub> = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = CFO<sub>BT</sub> – CAPEX.

Cash conversion rate = FCF/(Non-IFRS EBIT).

The following table presents the key financial results generated by our various geographical segments in the period of 3 months ended December 31, 2019.

3 months ended December 31, 2019 (mPLN)	Asseco Poland Segment	Formula Systems Segment	Asseco International Segment
Sales revenues*	318.5	1 732.5	896.6
EBIT	27.5	123.3	109.8
EBIT margin	8.6%	7.1%	12.2%
Non-IFRS EBIT	31.6	173.8	113.7
Non-IFRS EBIT margin	9.9%	10.0%	12.7%
<b>EBITDA</b>	<b>50.2</b>	<b>230.3</b>	<b>150.9</b>
EBITDA margin	15.8%	13.3%	16.8%
CFO <sub>BT</sub>	110.3	382.7	299.8
CAPEX	(22.7)	(33.4)	(22.7)
Lease expenses	(10.0)	(31.8)	(14.6)
FCF	77.6	317.5	262.5
Cash conversion rate	245.6%	182.7%	230.9%

\* Sales revenues to external customers as well as inter-segment sales.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFO<sub>BT</sub> = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = CFO<sub>BT</sub> – CAPEX.

Cash conversion rate = FCF/(Non-IFRS EBIT).

The following table presents the key financial results generated by our various geographical segments in the period of 3 months ended December 31, 2018.

3 months ended December 31, 2018 (mPLN)	Asseco Poland Segment	Formula Systems Segment	Asseco International Segment
Sales revenues*	382.2	1 488.2	787.1
EBIT	47.6	99.7	91.1

<i>EBIT margin</i>	12.5%	6.7%	11.6%
Non-IFRS EBIT	52.4	154.7	94.9
<i>Non-IFRS EBIT margin</i>	13.7%	10.4%	12.1%
<b>EBITDA</b>	<b>69.2</b>	<b>169.7</b>	<b>116.3</b>
<i>EBITDA margin</i>	18.1%	11.4%	14.8%
CFO <sub>BT</sub>	128.4	241.5	229.9
CAPEX	(20.5)	(20.2)	(39.7)
Lease expenses	(6.4)	-	(1.1)
FCF	101.5	221.3	189.1
Cash conversion rate	193.7%	143.1%	199.3%

\* Sales revenues to external customers as well as inter-segment sales.

EBIT = operating profit.

Non-IFRS EBIT = EBIT+PPA+SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees.

EBITDA = EBIT + amortization.

CFO<sub>BT</sub> = cash generated from operating activities, before income tax.

CAPEX = segment's capital expenditures for non-current assets.

FCF = CFO<sub>BT</sub> – CAPEX.

Cash conversion rate = FCF/(Non-IFRS EBIT).

The tables below present consolidated revenues of individual segments in the fourth quarter of 2020 and in the comparative period in 2019 and 2018, broken down by segments of activity.

Sales revenues by sectors	3 months ended December 31, 2020	3 months ended December 31, 2019	3 months ended December 31, 2018	Change Q4'20 vs Q4'19	Change Q4'19 vs Q4'18
Banking and finance	1 210.7	1 076.5	1 041.0	12.5%	3.4%
General business	1 403.6	1 127.9	947.3	24.4%	19.1%
Public institutions	868.7	733.7	662.0	18.4%	10.8%
<b>Total</b>	<b>3 483.0</b>	<b>2 938.1</b>	<b>2 650.3</b>	<b>18.5%</b>	<b>10.9%</b>

The table below presents the Asseco Group's key profitability ratios for the fourth quarter in 2020 and the corresponding period in 2019 and 2018.

	3 months ended December 31, 2020	3 months ended December 31, 2019	3 months ended December 31, 2018	Change Q4'20 vs Q4'19	Change Q4'19 vs Q4'18
Gross profit margin	22.7%	21.4%	21.5%	1.3 p.p	(0.1) p.p
EBITDA margin	15.8%	14.6%	13.4%	1.2 p.p	1.2 p.p
Operating profit margin	10.4%	8.9%	9.0%	1.5 p.p	(0.1) p.p
Net profit margin	7.8%	6.6%	7.0%	1.2 p.p	(0.4) p.p

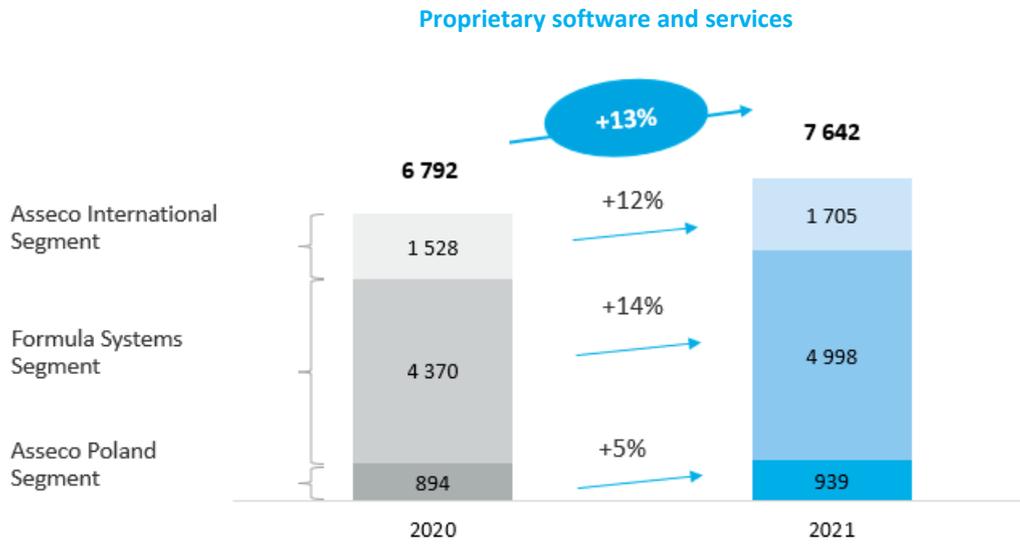
Gross profit margin = gross profit/revenues.

EBITDA margin = EBITDA/revenues.

Operating profit margin = operating profit/revenues.

Net profit margin = net profit/revenues.

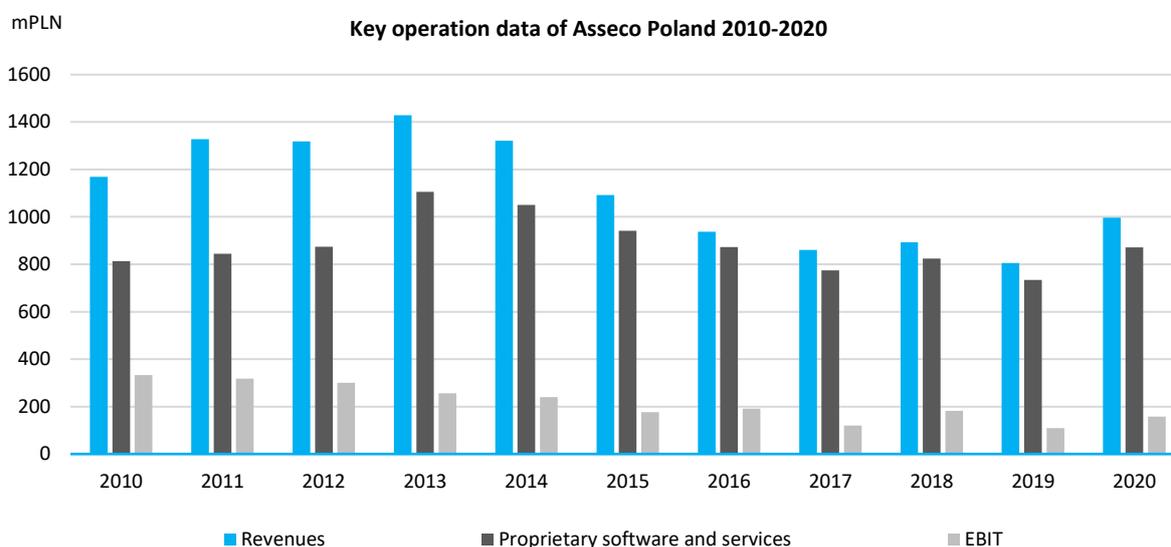
Consolidated order backlog for 2021



Figures in mPLN.  
 When calculating the backlog for 2021 according to the exchange rates used for calculating the backlog for 2020, the change amounts to: **+9%**.  
 Value of the backlog for 2021 as at March 15, 2021; value of the backlog for 2020 as at March 17, 2020.

## FINANCIAL INFORMATION OF ASSECO POLAND S.A.

### Financial results of Asseco Poland S.A.



In 2020, Asseco Poland reported 23.8% higher revenues compared to 2019, amounting to PLN 996.9 million. The sales of proprietary software and services increased by 18.8% as compared to the previous year and amounted to PLN 871.4 million.

Presented below are the operating results for the year ended December 31, 2020 as well as for the comparable periods in 2019 and 2018:

mPLN	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018	Change 2020/2019	Change 2019/2018
<b>Revenues</b>	<b>996.9</b>	<b>805.5</b>	<b>893.3</b>	<b>23.8%</b>	<b>(9.8%)</b>
Proprietary software and services	871.4	733.5	824.4	18.8%	(11.0%)
<b>Gross profit/(loss) on sales</b>	<b>284.2</b>	<b>233.7</b>	<b>308.1</b>	<b>21.6%</b>	<b>(24.1%)</b>
Selling costs	(41.0)	(46.3)	(46.4)	(11.4%)	(0.2%)
General and administrative expenses	(87.6)	(79.0)	(82.0)	10.9%	(3.7%)
Other operating activities	2.5	0.9	2.0	177.8%	(55.0%)
<b>Operating profit</b>	<b>158.1</b>	<b>109.3</b>	<b>181.7</b>	<b>44.6%</b>	<b>(39.8%)</b>
<b>EBITDA</b>	<b>221.7</b>	<b>173.0</b>	<b>238.3</b>	<b>28.2%</b>	<b>(27.4%)</b>
<b>Net profit</b>	<b>265.6</b>	<b>206.8</b>	<b>166.5</b>	<b>28.5%</b>	<b>24.2%</b>

EBITDA = EBIT + amortization.

### Profitability

In 2020, the Company generated a gross profit of PLN 284.2 million on sales, PLN 158.1 million in operating profit and PLN 221.7 million in EBITDA profit, which corresponds to margins at the level of 28.5%, 15.9%, and 22.2%, respectively.

The net profit and margin of Asseco Poland substantially depend upon the level of dividends received from subsidiaries, which constitute financial revenues for the Company. In 2020, dividend revenues reached PLN 136.2 million versus PLN 114.8 million in 2019.

Presented below are the key profitability results for the year ended December 31, 2020 as well as for the comparable periods in 2019 and 2018:

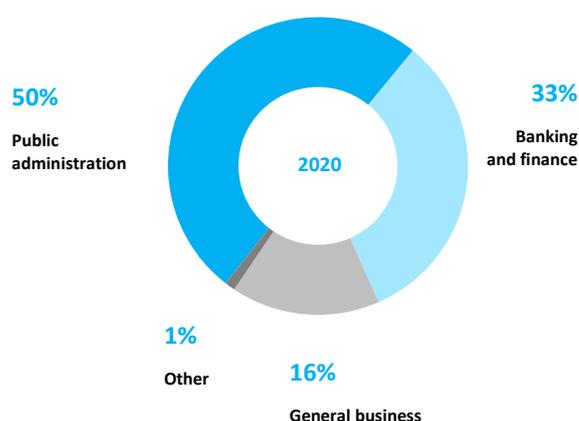
	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018	Change 2020/2019	Change 2019/2018
Gross profit margin	28.5%	29.0%	34.5%	(0.5) p.p.	(6.0) p.p.
EBITDA margin	22.2%	21.5%	26.7%	0.8 p.p.	(4.4) p.p.
Operating profit margin	15.9%	13.6%	20.3%	2.3 p.p.	(4.5) p.p.
Net profit margin	26.6%	25.7%	18.6%	1.0 p.p.	8.0 p.p.

### Revenues structure of Asseco Poland S.A.

In 2020, the sales revenues of Asseco Poland reached PLN 996.9 million and were by 23.8% higher than in the previous year.

Asseco Poland's revenues are diversified among three main business segments - public administration, banking and finance, as well as general business.

### The Group's revenues in individual segments



mPLN	12 months ended Dec. 31, 2020	12 months ended Dec. 31, 2019	12 months ended Dec. 31, 2018
Banking and finance	323.8	327.1	343.4
Public administration	501.9	364.8	407.8
General business	160.1	105.1	136.6
Other	11.1	8.5	5.5
<b>Total</b>	<b>996.9</b>	<b>805.5</b>	<b>893.3</b>

Asseco Poland is the largest provider of software for the Public Administration sector in terms of revenues<sup>1</sup> in Poland. In 2020, the public sector accounted for 50% of the Company's sales. Asseco Poland generated PLN 501.9 million in this area.

<sup>1</sup> According to the Computerworld TOP200 report, a rank of IT and telecommunications companies, 2020 edition, based on sales achieved in 2019.

Asseco Poland holds a significant share of long-term contracts in its portfolio, both for the maintenance of IT systems implemented in the previous years, as well as for the development of key solutions.

In 2020, the sales revenues in the banking and finance segment accounted for 33% of the Company's total revenues and amounted to PLN 323.8 million.

The sale to the general business sector accounted for 16% of stand-alone revenues in 2020 and amounted to PLN 160.1 million.

## Cash flow

The following table presents major lines of the separate statement of cash flows for 2018-2020.

	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
CFO	177.3	180.8	299.1
CFI	88.4	63.3	(22.1)
CAPEX	(65.9)	(66.7)	(38.7)
M&A expenditures	(10.3)	(3.6)	(31.4)
Free cash flow	111.4	114.1	260.4
Dividend income	141.6	112.2	16.3
CFF	(269.7)	(340.2)	(320.4)
Dividend payment	(249.8)	(254.8)	(249.8)
Change in cash and cash equivalents	(4.0)	(96.1)	(43.4)
Cash conversion rate (FCF/EBIT Non-IFRS)	7.6%	135.3%	135.3%

*CFO = net cash provided by (used in) operating activities.*

*Free cash flow - CFO-CAPEX.*

*CFI = net cash provided by (used in) investing activities.*

*CAPEX = expenditures for purchases of property, plant and equipment and intangible assets + expenditures for R&D projects.*

*M&A expenditures = expenditures for company acquisitions.*

*CFF = net cash provided by (used in) financing activities.*

In 2020, cash flows from operating activities (CFO) amounted to PLN 177.3 million versus PLN 180.8 million in the previous year.

In 2020, free cash flow, including capital expenditures of PLN 65.9 million, amounted to PLN 111.4 million. In 2019, free cash flow, including capital expenditures of PLN 66.7 million, amounted to PLN 114.1 million.

In 2020, a dividend from the profit generated in 2019 was paid - it reached PLN 249.8 million versus PLN 254.8 million paid out in 2019 for the 2018 profit.

During 2020, Asseco Poland's level of cash and cash equivalents decreased by PLN 4.0 million and amounted to PLN 164.8 million at the end of December 2020.

## Statement of financial position

At the end of 2020, the total value of Asseco Poland's assets amounted to PLN 5.4 billion versus PLN 5.2 billion at the end of 2019.

The Company's assets consist primarily of non-current assets worth PLN 4.8 billion (in 2019 – PLN 4.8 billion), among which the most important items are: goodwill from business combinations, amounting to PLN 1.9 billion as at December 31, 2020 and investments in subsidiaries and associates, which amounted to PLN 2.1 billion at the end of the year.

The most important item on the liabilities side is equity, which at the end of 2020 amounted to PLN 4.9 billion and remained at the similar level to the one recorded in 2019.

## Liquidity

In the analysis of liquidity, Asseco Poland uses the ratio of working capital, defined as the difference between current assets and current liabilities. It represents the amount of capital which is used to finance current assets.

A stronger increase in current assets at the end of 2020 versus 2019, compared to an increase in current liabilities at the end of 2020 versus 2019, resulted in an increase in working capital from PLN 255.6 million to PLN 291.0 million.

At the end of 2020, the current liquidity ratio was 2.1 (2.2 a year ago), the quick liquidity ratio was 1.9 (2.0 a year ago) and the absolute liquidity ratio was 0.6 (0.8 a year ago).

The table below presents the closing balances of working capital as at December 31, 2020 and at the end of the previous comparable periods in 2019 and 2018.

	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Working capital (in millions of PLN)	291.0	255.6	379.2
Current liquidity ratio	2.1	2.2	2.7
Quick liquidity ratio	1.9	2.0	2.6
Absolute liquidity ratio	0.6	0.8	1.2

*Working capital = current assets - current liabilities.*

*Current liquidity ratio = current assets / current liabilities.*

*Quick liquidity ratio = (current assets - inventories - prepayments) / current liabilities.*

*Absolute liquidity ratio = (cash + short-term bank deposits) / current liabilities.*

## Debt

As at December 31, 2020, the total value of Asseco Poland's assets amounted to PLN 5.4 billion. At the end of 2020, the Company did not have any liabilities due to bank loans, borrowings or debt securities.

In 2020, the Company's total debt ratio increased to 8.7% from 6.6%. The debt/equity ratio decreased by 0.2 percentage point to 1.5%. The short-term debt ratio amounted to 5.1% (increase by 1.2 percentage point). The long-term debt ratio increased by 0.9 percentage point to 3.6%.

The below table presents debt ratios as at December 31, 2020 and at the end of the previous comparable periods in 2019 and 2018.

	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Total debt ratio	8.7%	6.6%	6.9%
Debt/equity ratio	1.5%	1.7%	2.0%
Short-term debt ratio	5.1%	3.9%	4.3%
Long-term debt ratio	3.6%	2.6%	2.6%

*Total debt ratio = (non-current liabilities + current liabilities) / assets.*

*Debt/equity ratio = (interest-bearing bank loans + debt securities + finance lease liabilities) / equity.*

*Short-term debt ratio = (current liabilities / assets).*

*Long-term debt ratio = (non-current liabilities / assets).*

## Quarterly financial results

The tables below present financial results for the individual quarters of 2020 as well as for the comparable periods in 2019 and 2018:

mPLN	Q1'20	Q2'20	Q3'20	Q4'20
Revenues	203.9	226.5	261.3	305.2

<i>of which proprietary software and services</i>	188.9	204.7	222.9	254.9
Margin IV	30.8	33.5	43.0	48.3
EBIT	31.4	34.0	44.0	48.7
Net profit	129.0	48.6	41.2	46.8
Amortization	(15.9)	(15.8)	(16.9)	(15.0)
CFO	30.2	29.5	31.0	86.6
CAPEX (incl. R&D)	(12.6)	(16.5)	(20.9)	(15.9)

Margin IV = net profit on sales.

CFO = net cash provided by (used in) operating activities.

CAPEX = expenditures for purchases of property, plant and equipment and intangible assets + expenditures on R&D projects and reductions on the account of subsidies received.

mPLN	Q1'19	Q2'19	Q3'19	Q4'19
<b>Revenues</b>	195.1	210.0	191.7	208.7
<i>of which proprietary software and services</i>	184.8	189.1	174.1	185.5
Margin IV	29.7	31.8	27.4	19.5
EBIT	29.1	31.9	28.1	20.2
Net profit	103.4	49	30.6	23.8
Amortization	(16.8)	(15.5)	(15.6)	(15.8)
CFO	32.2	(6.6)	70.0	85.2
CAPEX (incl. R&D)	(19.2)	(9.8)	(18.7)	(19.0)

Margin IV = net profit on sales.

CFO = net cash provided by (used in) operating activities.

CAPEX = expenditures for purchases of property, plant and equipment and intangible assets + expenditures on R&D projects and reductions on the account of subsidies received.

mPLN	Q1'18	Q2'18	Q3'18	Q4'18
<b>Revenues</b>	205.4	225.4	211.0	251.5
<i>of which proprietary software and services</i>	187.6	212.4	196.6	227.8
Margin IV	45.8	43.1	47.0	43.8
EBIT	46.4	43.1	47.6	44.6
Net profit	45.3	40.1	40.2	40.9
Amortization	(13.5)	(13.5)	(15.0)	(14.6)
CFO	12.3	120.3	58.4	108.1
CAPEX (incl. R&D)	(8.7)	(7.4)	(13.9)	(18.2)

Margin IV = net profit on sales

CFO = net cash provided by (used in) operating activities.

CAPEX = expenditures for purchases of property, plant and equipment and intangible assets + expenditures on R&D projects and reductions on the account of subsidies received.



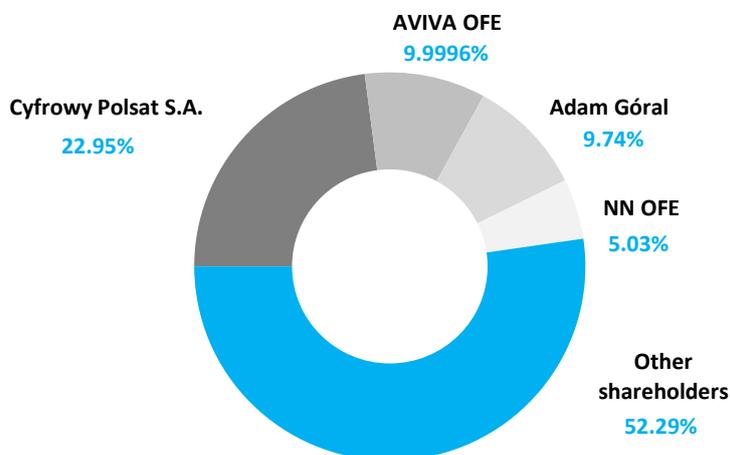
# Shares and shareholding

**Asseco Poland**

## SHARES AND SHAREHOLDING

### Shareholder structure

Major Shareholders as at March 23, 2021, December 31, 2020 and November 23, 2020



Major Shareholders as at March 23, 2021, December 31, 2020 and November 23, 2020	Number of shares held /rights resulting from them	Percentage of share capital /total voting rights
Cyfrowy Polsat S.A. <sup>1)</sup>	19 047 373	22.95%
AVIVA OFE <sup>2)</sup>	8 299 733	9.9996%
Adam Góral, President of the Management Board <sup>3)</sup>	8 083 000	9.74%
NN OFE <sup>4)</sup>	4 171 121	5.03%
Other shareholders	43 399 076	52.29%
<b>Razem</b>	<b>83 000 303</b>	<b>100.00%</b>

1) In accordance with the regulatory filing no. 20/2020 of July 31, 2020.

2) In accordance with the regulatory filing no. 6/2020 of March 20, 2020.

3) In accordance with the regulatory filing no. 51/2012 of December 15, 2012.

4) In accordance with the regulatory filing no. 21/2015 of October 19, 2015.

### Shares held by the management and supervisory personnel

The numbers of Asseco Poland shares held by its management and supervisory staff are presented in the table below:

	March 23, 2021	December 31, 2020	November 22, 2020
Jacek Duch – Chairman of the Supervisory Board	31 458	31 458	31 458
Adam Góral – President of the Management Board	8 083 000	8 083 000	8 083 000

The remaining members of the Supervisory Board and Management Board did not hold any shares in Asseco Poland in any of the above-mentioned periods.

The table below presents the shareholding in affiliated entities by managing and supervising persons as at March 23, 2021, December 31, 2020 and November 22, 2020:

Name	Affiliated entity	Number of shares	Nominal value of one share	Nominal value of all shares
Adam Noga	Asseco South Eastern Europe	150	PLN 10	PLN 1 500

Zbigniew Pomianek	Asseco South Eastern Europe	700	PLN 10	PLN 7 000
Marek Panek	Asseco South Eastern Europe	300	PLN 10	PLN 3 000
Rafał Kozłowski	Asseco South Eastern Europe	150	PLN 10	PLN 1 500
Gabriela Żukowicz	Asseco South Eastern Europe	150	PLN 10	PLN 1 500
Paweł Piwowar	PGS Software S.A.	155 000	PLN 0.02	PLN 3 100

## Asseco Poland S.A. on the capital market

### Company's stock information

Total number of shares	83 000 303
ISIN	PLSOFTB00016
GPW	ACP
Reuters	ACPP.WA
Bloomberg	ACP PW
Presence in stock exchange indices	WIG20, WIG20TR, WIG30, WIG30TR, WIGdiv, WIG-ESG, WIG-Poland, InvestorMS, WIG-informatyka, WIGtech, WIGtechTR, WIG

Following the extraordinary adjustment of index portfolios, carried out by the Warsaw Stock Exchange (GPW) Benchmark - a company of the Warsaw Stock Exchange Group responsible for developing the portfolio of benchmarks for the Polish financial market - Asseco Poland's shares were included in the **WIG20** index after the trading session ended on November 26, 2020.

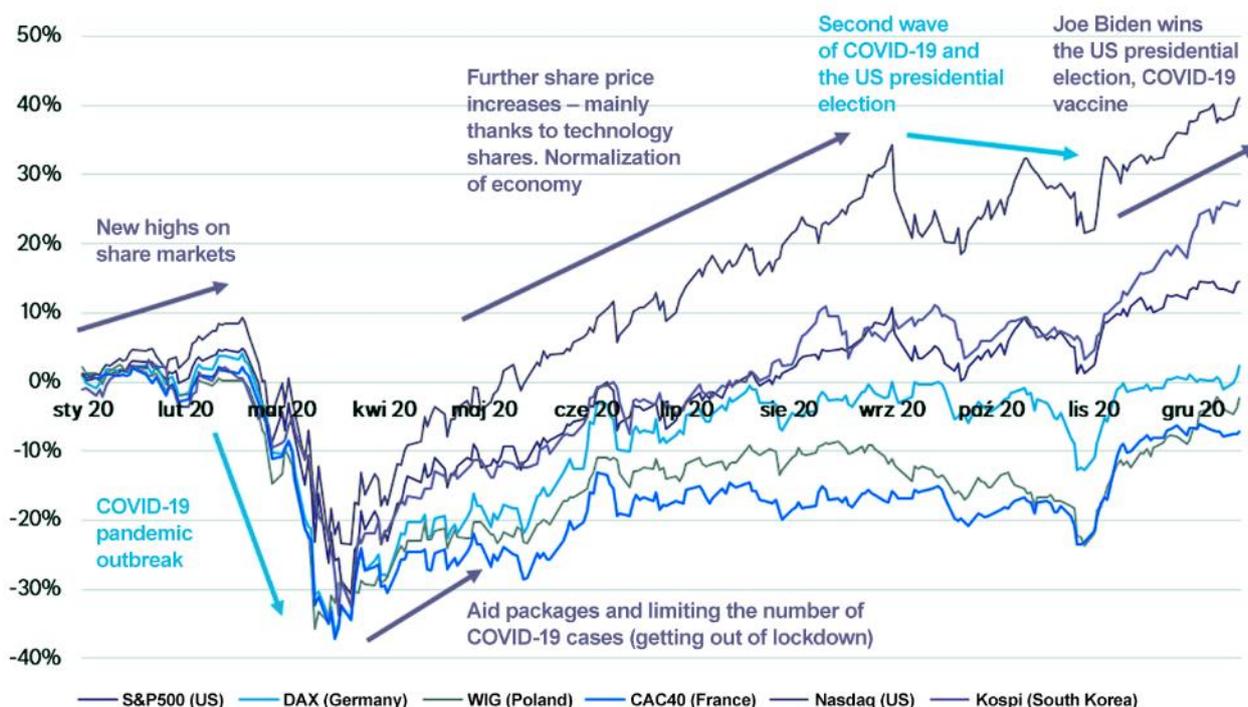
Asseco Poland's shares are also included in the following indices: **FTSE Russell** (FTSE Developed Small Cap Index), **CECE SOFT** and **CEEplus**.



	2019-12-30	2020-03-31	2020-06-30	2020-09-30	2020-12-30	Δ 12M
<b>Asseco Poland S.A. (PLN)</b>	<b>61.03</b>	<b>55.62</b>	<b>66.00</b>	<b>69.50</b>	<b>69.10</b>	<b>11.58%</b>
WIG20 (pt)	2 150.09	1 512.84	1 758.82	1 712.73	1 983.98	-7.73%
WIG (pt)	57 832.88	41 624.62	49 569.17	49 411.53	57 025.84	-1.40%
WIG-Informatyka (pt)	2 834.29	2 663.12	3 419.23	3 837.18	3 863.01	36.30%

Asseco Poland's share price rose by 11.58% in 2020, and at the end of December it amounted to PLN 69.10, giving the Company a market capitalization of PLN 5.7 billion. The annual high was set at PLN 75.00, while the minimum price was PLN 50.44.

In 2020, the Polish equity market, like global markets, was characterized by high volatility caused by the coronavirus pandemic. Last year, the value of the WIG20 index fell by 7.73%, and the WIG broad market index at the end of the year was 1.40% lower than the year before. Among Warsaw's main indices, the sWIG80 index did best, registering a year-on-year increase of 33.64%. The sector-specific index WIG-informatyka increased by 36.30%.



Source: Own study. Data: Stooq, as at December 16, 2020.

Source: Nationale-Nederlanden PTE  
<https://www.nn.pl/aktualne-komunikaty-inwestycyjne/podsumowanie-2020-na-rynkach-akcji.html>

At the end of 2020, 433 companies were listed on the regulated market and 373 on NewConnect. 7 companies made an IPO on the WSE's main market last year, and 23 companies were delisted. The number of IPOs on NewConnect was 14 and the number of delisted companies was 16.

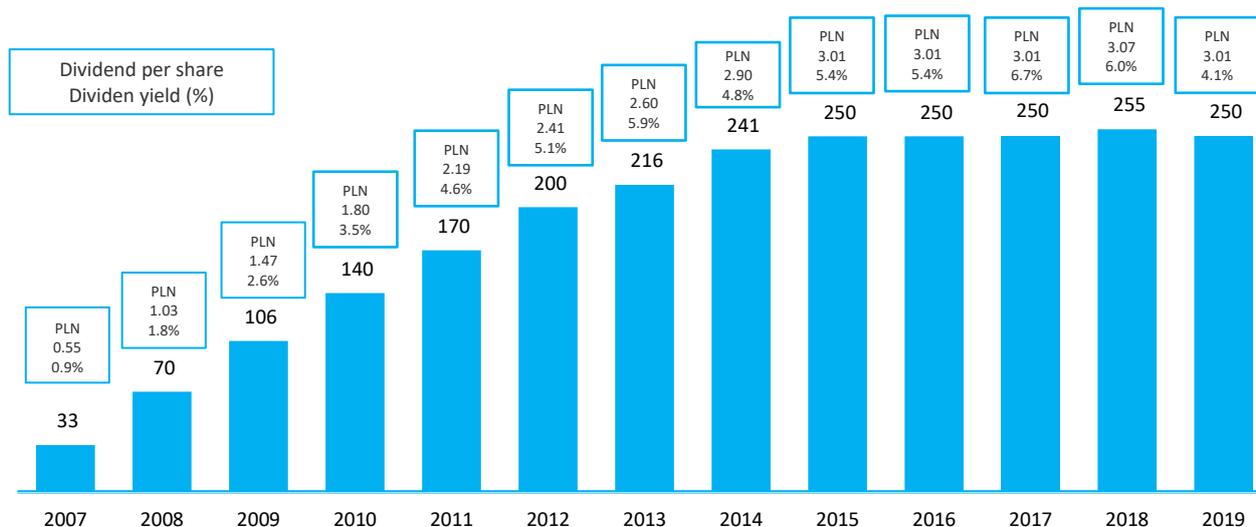
## Dividend

On May 27, 2020, the Ordinary General Meeting of Shareholders of Asseco Poland passed a resolution on the distribution of profit generated by Asseco Poland S.A. in the financial year 2019 and the payment of a dividend.

The Ordinary General Meeting of Shareholders decided that the stand-alone net profit generated in 2019 in the amount of PLN 206 798 620.21 was allocated in full to the payment of a dividend. In addition, part of the funds accumulated in the reserve capital from net profit from previous years in the amount of PLN 43 032 291.82 was allocated to the payment of dividends. The total amount allocated for a dividend payment amounted to PLN 249 830 912.03, i.e. PLN 3.01 per share. The dividend record date was June 5, 2020 and the dividend payment date was June 17, 2020. The dividend yield was 4.1%.

Asseco Poland is included in the WIGdiv index portfolio, which covers companies participating in the WIG20, mWIG40, and sWIG80 indices and which paid out dividends regularly during the last five years. The company's share in the WIGdiv portfolio stood at 9.61% at the end of December 2020.

Dividends paid to shareholders in 2007-2019



Investor relations

Asseco Poland actively communicates with stock market investors. In 2020, the Company's representatives took part in 5 investor conferences, which - due to the coronavirus pandemic - were conducted online:

- BM Santander – 2020 Outlook Conference,
- Daiwa Capital Markets & Warsaw Stock Exchange – Poland Day,
- DM Trigon – Trigon Investor Week,
- Erste Group – CEE Innovation Conference,
- BM Pekao – 17th Emerging Europe Investment Conference.

Asseco Poland held 4 conferences for representatives of financial institutions and media, highlighting its financial performance. All the conferences were conducted remotely; the recordings are available on the Company's website: <https://inwestor.asseco.com/en/informational-materials/videos/2020/>.

Asseco also communicated with representatives of Polish and foreign financial institutions via tele-/videoconferences.

With a view to effective communication, the Company prepares additional materials, which are posted on its website. These include:

- [fact sheet](#), i.e. two-page summaries of the most important events in a given period,
- [basic financial data](#) from individual quarters available for download in Excel format,
- [investor presentations](#).

Asseco maintains active communication via social media:

Asseco Poland

- @asseco\_pl
- linkedin.com/company/asseco-poland
- youtube.com/user/AssecoPolandSA
- facebook.com/AssecoPolandKariera/

## Asseco Group



@asseco\_group



linkedin.com/company/asseco-group

Since 2011, the Company has made the recordings of the General Meeting of Shareholders available on its website (<https://inwestor.asseco.com/en/about-asseco/corporate-governance/agm/2020/>) and in 2020 it enabled shareholders to participate in the General Meeting also by electronic means.

In March 2021, Asseco Poland's investor relations were recognized in the largest survey in Poland organized by "Parkiet" and the Chamber of Brokerage Houses. The best companies from the WIG30 index communicating with the market were selected in two parts of the survey, through votes of representatives of financial institutions as well as readers of the daily newspaper and individual investors. The company ranked third in the part conducted among institutional investors and analysts and fifth in the part dedicated to individual investors.



## STATEMENT ON COMPLIANCE WITH CORPORATE GOVERNANCE STANDARDS

### Set of corporate governance standards applicable to Asseco Poland

On October 13, 2015, the Supervisory Board of the Warsaw Stock Exchange (WSE) passed the resolution no. 26/1413/2015 regarding the adoption of a new set of corporate governance standards entitled the “Best Practice for WSE Listed Companies 2016” (hereinafter the “Best Practice 2016”), which has become effective since January 1, 2016. This document is available on the website [www.gpw.pl/best-practice](http://www.gpw.pl/best-practice).

On January 15, 2016 and February 22, 2016, the Company published an appropriate report on its compliance with the new best practices, and a statement on the Company’s compliance with the corporate governance recommendations and principles contained in the Best Practice 2016 has been posted on the Company’s website as required by principle I.Z.1.13.

### Corporate governance standards which have been waived by Asseco Poland and the rationale for doing so

The Company does not adhere to Recommendation IV.R.2 and Principles I.Z.1.16., IV.Z.2., VI.Z.1. and VI.Z.2.

#### Recommendation IV.R.2

If it is justified by a shareholder structure or expectations of shareholders of a company, and if a company is able to provide the technical infrastructure necessary to efficiently carry out general meeting of shareholders using electronic means of communication, a company should enable its shareholders to participate in a general meeting using electronic communication means through:

- 1) real-time broadcasting of general meetings,
- 2) real-time bilateral communication, where shareholders may take the floor during a general meeting from a location other than the general meeting,
- 3) exercising, in person or by proxy, the voting rights in the course of a general meeting.

The Company does not enable its shareholders to participate in its general meetings by means of electronic communication, nor does it provide the ability to broadcast its general meetings in real time. In the Company’s opinion, the implementation of each of these principles would now involve fairly high risks of both technical and legal nature. Allowing the shareholders to participate and, in particular, to speak during a general meeting without their physical presence at the meeting venue, by using means of electronic communication, would result in technical and legal risks for the proper and efficient conduct of such general meeting. The present legal regulations do not regulate issues related to the organization of the so-called online general meetings. As yet, there is no comprehensive description of the rules for conducting such general meetings, identification of shareholders or their proxies, raising an objection against a passed resolution, as well as for dealing with any broadcasting disruptions (whether to all or some shareholders entitled to participate in a general meeting) preventing the proper participation of shareholders in a general meeting by means of electronic communication, or reception of a broadcast of the general meeting proceedings in real time. Companies have not yet developed a widely accepted practice for conducting their general meetings in such a manner. Furthermore, there are no specific regulatory consequences of being responsible for the improper conduct of a general meeting, including, in particular for an interruption in electronic access to the general meeting proceedings, which may be caused either by the Company or reasons beyond its control. In the Company’s opinion, the above-mentioned arguments prove that such instruments are highly risky and impractical due to potential compensatory claims against the Company as well as its exposure to allegations of unequal treatment of shareholders. The Company believes that the currently applicable rules of participation in general meetings enable adequate and effective execution of shareholder rights and appropriately protect the interests of all shareholders.

#### Principle I.Z.1.16.

In line with the explanations described in IV.R.2.

#### Principle IV.Z.2.

In line with the explanations described in IV.R.2.

Asseco Poland S.A., acting on the basis of 406<sup>5</sup> of the Polish Commercial Companies Code ("CCC"), decided to hold its Annual General Meeting on May 27, 2020 using means of electronic communication. In accordance with the applicable regulations, on April 24, 2020, the Company's Supervisory Board adopted "Regulations setting out detailed rules for participation in the General Meeting by means of electronic communication".

Principle VI.Z.1.

The Company does not offer incentive programs based on options or other instruments related to the Company's shares. Instead, the Company's remuneration policy provides for the dependence of remuneration on financial results determined separately for each financial year. The financial goals, set and achieved by the Company, result in generating high net profits and increasing the value for the shareholders as a result of the Company's payment of dividends to shareholders.

Principle VI.Z.2:

The Company does not offer incentive programs based on options or other instruments related to the Company's shares. Instead, the Company's remuneration policy provides for the dependence of remuneration on financial results determined separately for each financial year. The financial goals, set and achieved by the Company, result in generating high net profits and increasing the value for the shareholders as a result of the Company's payment of dividends to shareholders.

**Main features of the internal audit and risk management systems applied by Asseco Poland in the process of preparing its stand-alone and consolidated financial statements**

The Company's stand-alone and consolidated financial statements are prepared in compliance with the International Financial Reporting Standards ("IFRS"). IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

One of the key mechanisms of control in the process of preparing the Company's financial statements involves periodical verification of such financial statements by independent certified auditors, and in particular the review of semiannual financial statements as well as the audit of annual financial statements.

In order to ensure the compliance of the Company's operations with the change of legal regulations resulting from the entry into force of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight, in connection with the provisions of the Regulation No 537/2014 of the European Parliament and of the Council of the European Union of April 16, 2014 on detailed requirements concerning statutory audit of public interest entities, as of October 16, 2017, the Company applied new rules concerning the selection and rotation of the entity authorized to review/examine financial statements and the provision of services by these entities other than the review/examination of financial statements. The implementation of the provisions resulted in a significant increase in responsibility, but also in the operational involvement of the Audit Committee in the tasks related to the selection of an entity authorized to review/examine financial statements in accordance with the requirements of the law. The Company's Audit Committee is responsible for conducting a tender procedure of an entity authorized to review/examine financial statements and for making recommendations to the Supervisory Board in this respect. However, if the selection does not concern the extension of the agreement for the audit of financial statements, the Audit Committee is obliged to present recommendations by indicating minimum two offers from the audit firms and an indication of a preference for one of them.

An entity authorized to audit is selected by the Supervisory Board from among reputable auditing firms, which guarantee high standards of service and independence. A contract to carry out audits is signed for a minimum period of 2 years.

An entity authorized to review/examine financial statements of the Company is selected in such a way as to ensure its independence in the performance of the tasks entrusted to it. In order to ensure independence of an audit, it is necessary not only to change an entity authorized to review/examine financial statements of the Company, but also to change a key certified auditor performing the review/examination.

In order to ensure the independence of the external auditors, the Committee:

- 1) makes recommendations to the Supervisory Board concerning the selection and changes of an entity to audit the financial statements (an external auditor), and assesses its performance, in particular with respect to its independence,
- 2) expresses an opinion on the involvement of an external auditor in the performance of services other than the audit of the Company's financial statements and presents its views on the Company's policy in this respect,
- 3) monitors an external auditor's independence and objectivity in relation to the performed audit,
- 4) reviews the effectiveness of the external audit process.

In order to ensure accuracy of the Company's accounting books as well as generation of highly reliable financial data, the following documents have been adopted:

- 1) Finance and Accounting Policy and Chart of Accounts, both consistent with the International Financial Reporting Standards.
- 2) Several control mechanisms limiting the risk resulting from the specific nature of the Company's business, within the framework of the so-called first line of defense. They are documented in the form of the Quality Management System - a set of rules regulating the Company's operations.
- 3) The second line of defense is coordinated by a separate Compliance and Risk Management Department, which, together with other compliance functions, independently controls compliance with these rules and compliance of the Company with the law, internal regulations, norms, as well as market and ethical standards adopted by it.
- 4) Separate Internal Audit Department is the third line of defense. It assesses the Company's control environment, conducts audits of the Company's processes, taking into account their risks, independently informs the Audit Committee and the Management Board about the condition of the control environment and the Company's exposure to risk.

The Head of the Internal Audit Department, Magdalena Jędrzejewska, meets twice a year with the auditor. She discusses with it the internal audits carried out and those planned for the next period.

The Internal Audit Department also holds regular meetings with Vice President responsible for the Company's Financial Division and Asseco Group Financial Division, Rafał Kozłowski, and Director of the Controlling Department, Justyna Hawro-Ulma. It clarifies with them the purpose and scope of internal audits in order to support the financial reporting process as much as possible during audits of entities that have an impact on the reported data.

An important role in the internal control system with respect to the process of preparing financial statements, stand-alone and consolidated, is played by the Audit Committee appointed from among the members of the Supervisory Board.

Pursuant to the Bylaws of the Supervisory Board of the Company, the Audit Committee performs the following tasks with respect to monitoring of the financial reporting process:

- 1) it analyses information presented by the Management Board concerning significant changes in the accounting policy or financial reporting,
- 2) it analyses the financial statements of the Company and the Group as well as the results of the audit of such statements, if they were the subject of an audit by a certified auditor,
- 3) it makes recommendations to the Supervisory Board on approving the annual financial statements of the Company and the Asseco Group that have been audited by an external auditor.

As part of the supervision over risk management and internal control, the Audit Committee:

- 1) verifies the adequacy and effectiveness of risk management and internal control,
- 2) verifies the effectiveness of the supervision over the compliance of the Company's operations with the law,
- 3) assesses the effectiveness of the risk management systems, internal control and compliance as well as the internal audit function on the basis of reporting by the Management Board, the Internal Audit Department and the Compliance and Risk Management Department,
- 4) assesses the adaptation of the Company to the observations, positions and decisions addressed to the Company by an external auditor or other entities that supervise the activities conducted by the Company.

The Audit Committee works in accordance with the Audit Committee Work Plan adopted annually, which specifies in detail the number of meetings of the Audit Committee and the scope of matters discussed at each meeting.

The internal control and risk management procedures applied in the process of preparing the financial statements of Asseco Poland are very effective and enable production of high quality reports, which is best proved by the opinions issued by certified auditors following their audits of the Company's annual financial statements.

### Shareholders who, directly or indirectly, hold significant stakes of shares

To the best knowledge of the Company's Management Board, as at December 31, 2021 and as at the date of the publication of this report, i.e. March 23, 2021, the shareholders who, either directly or through their subsidiaries, hold at least 5% of total voting rights at the General Meeting of Shareholders are as follows:

Shareholders as at March 23, 2021 and December 31, 2020	Number of shares held /rights resulting from them	Percentage of share capital /total voting rights
Cyfrowy Polsat S.A. <sup>1)</sup>	19 047 373	22.95%
AVIVA OFE <sup>2)</sup>	8 299 733	9.9996%
Adam Góral, President of the Management Board <sup>3)</sup>	8 083 000	9.74%
NN OFE <sup>4)</sup>	4 171 121	5.03%
Other shareholders	43 399 076	52.29%
<b>Total</b>	<b>83 000 303</b>	<b>100.00%</b>

1) In accordance with the regulatory filing no. 20/2020 of July 31, 2020

2) In accordance with the regulatory filing no. 6/2020 of March 20, 2020

3) In accordance with the regulatory filing no. 51/2012 of December 15, 2012

4) In accordance with the regulatory filing no. 21/2015 of October 19, 2015

### Holders of any securities carrying special controlling rights

There are no holders of securities carrying special controlling rights.

### Limitations on the exercise of voting rights

There are no limitations on the exercise of voting rights, such as limitations on the exercise of voting rights by holders of a certain percentage or number of votes, time limitations on the exercise of voting rights, or provisions under which capital rights attached to securities are separated from the holding of securities.

### Limitations on transferability of ownership rights to the issuer's securities

There are no limitations on the transfer of ownership of Asseco Poland securities.

### Rules regarding appointment and dismissal of the management personnel and determining their authority, in particular the right to decide on the issuance or redemption of shares

The Management Board shall be composed of 1 (one) to 12 (twelve) Members, including the President, Vice Presidents and the remaining Members of the Management Board. The joint term of office of Members of the Management Board shall last 5 (five) years. Each Member of the Management Board may be reappointed for the next term of office. The Members of the Management Board may be appointed from among the Company's shareholders or other persons.

The Management Board shall be appointed and dismissed by the Supervisory Board, whereas any motions for determining the number of persons in the Management Board composition, or for appointment of other Members of the Management Board, shall be submitted by President of the Management Board to Chairman of the Supervisory Board.

The mandate of a Management Board Member who is appointed for a joint term of office shall expire simultaneously with the expiry of mandates of the remaining Management Board Members; however, at the latest on the date of holding the General Meeting of Shareholders that approves the report on the Company's operations and its financial statements for the last financial year during which such Management Board Members performed their functions. The mandate of a Management Board Member shall also expire as a result of their death, resignation or dismissal from the Management Board.

A Member of the Management Board may be dismissed at any time. Such dismissal shall not deprive the dismissed person of any rights under their employment contract or any other legal relationship incidental to performing the function of the Management Board Member. A dismissed Member of the Management Board shall be entitled and obliged to provide explanations during preparation of the Company's Management report and financial statements for the period when he/she acted as Member of the Management Board, as well as to participate in the General Meeting of Shareholders which is to approve the reports/statements referred to in art. 395 § 2 item 1 of the Commercial Companies Code, unless the dismissal document determines otherwise. Responsibilities and authority of the management personnel are described in art. 371 and subsequent articles of the Commercial Companies Code.

The Company's Articles of Association do not provide for any special rights of the Management Board to decide on the issuance or redemption of the Company's shares.

### **Rules regarding amendment of Asseco Poland's articles of association or agreement**

Amendments to the Company's Articles of Association, including the adoption of resolutions to increase and reduce the share capital, are within the competence of the General Meeting under the terms of Articles 430 and subsequent articles of the Commercial Companies Code. The Articles of Association of Asseco Poland do not contain any detailed regulations pertaining to amendments thereof. In this respect the Company adheres to the provisions of the Commercial Companies Code.

#### Registration obligations

An amendment of the Articles of Association shall become effective once it is entered in the National Court Register. Any amendment of the Articles of Association shall be submitted for registration by the Company's Management Board, within 3 months from the adoption of a relevant resolution. However, when the Articles of Association are amended following an increase of the company's share capital, such amendment may be submitted for registration within 6 months from the adoption of a resolution on the share capital increase, or from the date of an approval to introduce the newly issued shares to public trading if such approval is granted, provided a request for such approval or an announcement of a share issuance is made within 4 months from the adoption of a resolution on the share capital increase.

### **Manner of operation of the general meeting and its basic powers, as well as shareholders' rights and the manner of their exercise**

The General Meeting of Shareholders constitutes the Company's supreme governing body. The General Meeting of Shareholders operates pursuant to the generally applicable legal regulations as well as in accordance with the Company's Articles of Association.

The General Meeting of Shareholders is the Company's supreme governing body. It shall act in accordance with the provisions of law as well as the principles set forth in the Articles of Association of Asseco Poland S.A. and in compliance with the Bylaws of the General Meeting of Shareholders of Asseco Poland S.A. adopted by the Meeting, which specify the organization and course of General Meetings. The General Meetings of Shareholders shall be held at the Company's seat or in Warsaw, and may be ordinary or extraordinary. An Ordinary General Meeting of Shareholders shall be convened by the Company's Management Board no later than June 30 of each calendar year. An Extraordinary General Meeting of Shareholders shall be convened by the Management Board of the Company on its own initiative or at the written request of those entitled under the provisions of Article 400 of the Commercial Companies Code. The Supervisory Board may convene an Ordinary General Meeting if the Management Board fails to convene it within the legal or statutory time limit, and an Extraordinary General Meeting if it considers it appropriate to do so. The Meeting shall be convened in the manner provided for by the law - by way of an announcement on the Company's website and in

the manner specified for providing current information in accordance with the provisions on public offering and conditions for introducing financial instruments to organized trading and on public companies. The announcement should be made at least twenty six days before the date of the General Meeting.

The persons entitled to participate in the General Meeting are those who are the shareholders of the Company sixteen days before the date of the General Meeting (the date of registration of participation in the General Meeting). Participation in the General Meeting may also be taken by means of electronic communication if the convener of the General Meeting decides so. On April 24, 2020, the Supervisory Board passed a resolution on adopting the Bylaws for participation in the General Meeting of Asseco Poland S.A. by means of electronic communication. The Management Board or the Supervisory Board may invite other persons whose participation is justified, such as the representatives of the auditor, the representatives of legal and financial advisors, when complex legal and economic issues are raised.

The list of Shareholders entitled to participate in the General Shareholders' Meeting, signed by the Management Board, including the names and surnames or companies (names) of those entitled, their place of residence (registered office), the number, type and numbers of shares and the number of votes they are entitled to, is displayed each time at the Company's registered office and the Office of the Company's Management Board for three working days before the General Shareholders' Meeting is held. The Shareholders may participate in the General Meeting and exercise their voting rights in person or by proxy, whereby the relevant powers of attorney should be granted in writing or in electronic form. Granting a power of attorney in electronic form does not require a safe electronic signature verified by a valid qualified certificate. A public company shall take appropriate actions to identify the shareholder and the proxy in order to verify the validity of a power of attorney granted in electronic form.

The General Meeting shall be opened by the Chairman of the Supervisory Board or a person delegated by him, and in the absence of these persons the General Meeting shall be opened by the President of the Management Board or a person appointed by the Management Board, after which the Chairman of the General Meeting shall be elected from among those entitled to vote. After the election of the Chairperson, an attendance list is drawn up and displayed, listing the participants in the General Meeting with the number of shares and votes to which they are entitled. The Chairman of the General Meeting shall conduct the meeting in accordance with the agenda that was communicated to the shareholders in the announcement of convening the General Meeting. The agenda shall be determined by the Management Board of Asseco Poland S.A., whereas the Company's Supervisory Board as well as other persons entitled under art. 401 of the Polish Commercial Companies Code may request including particular items in the agenda for the next General Meeting of Shareholders. Such a request should be submitted to the Management Board in writing or in an electronic form no later than twenty-one days before the set date of the General Meeting. Resolutions of the General Meeting are adopted by an absolute majority of votes, unless other provisions of the Statute or the Commercial Companies Code state otherwise, regardless of the number of shares represented.

The powers of the General Meeting, in addition to the matters specified in the provisions of the Commercial Companies Code, include:

- 1) examining and approving the Management Board's report on the Company's activities and the financial statements for the previous financial year,
- 2) taking decisions on the distribution of profits or coverage of losses, the amount of provisions for the supplementary capital and other funds, setting the date for determining the right to a dividend, the amount of the dividend and the date of payment of the dividend,
- 3) acknowledging the fulfilment of duties by members of the Company's bodies,
- 4) taking decisions concerning the received claims for compensation of losses incurred whilst establishing, managing or supervising the Company,
- 5) passing resolutions on disposal, leasing or establishing a limited property right on the Company's enterprise,
- 6) passing resolutions on the Company's merger with another company, on liquidation of the Company and appointment of a liquidator,
- 7) passing resolutions on issuance of convertible or privileged bonds or subscription warrants as indicated in art. 453 § 2 of the Commercial Companies Code,

- 8) amending the Company's Articles of Association, inclusive of passing resolutions on increase or decrease of the Company's share capital,
- 9) changing the scope of the Company's business operations,
- 10) defining the principles for or the amount of remuneration payable to Members of the Supervisory Board,
- 11) adopting the Bylaws of the General Meeting of Shareholders,
- 12) passing resolutions on the cancellation of shares,
- 13) taking other decisions provided for in the provisions of law and the Articles of Association, as well as settlement of cases submitted by the Company's shareholders, Management Board or Supervisory Board.

The Company's shareholders have the following rights connected with participation in the Company:

- 1) the right to participate in the General Meeting (Article 412 of the Commercial Companies Code) and the right to vote at the General Meeting (Article 411 § 1 of the Commercial Companies Code). According to the Articles of Association, each share shall be entitled to one vote at the General Meeting,
- 2) the right to request that the Extraordinary General Meeting be convened and to request that specific matters be put on the agenda granted to shareholders holding at least one twentieth of the Company's share capital (Article 400 § 1 of the Commercial Companies Code). The request to convene the Extraordinary General Meeting shall be submitted to the Management Board in writing or in electronic form. If within two weeks from the date of submitting the request to the Management Board the Extraordinary General Meeting is not convened, the registration court may authorise the shareholders making the request to convene the Extraordinary General Meeting. The court shall appoint the chairman of such Meeting (Article 401 § 1 of the Commercial Companies Code),
- 3) the right to challenge resolutions of the General Shareholders Meeting in line with the principles specified in Article 422-427 of the Commercial Companies Code,
- 4) the right to demand that the Supervisory Board be elected by separate groups, pursuant to Article 385 § 3 of the Commercial Companies Code at the request of shareholders representing at least one fifth of the share capital, the Supervisory Board should be elected by the next General Shareholders Meeting by voting in separate groups,
- 5) the right to obtain information about the Company within the scope and in the manner prescribed by law, in particular pursuant to Article 428 of the Commercial Companies Code, during the General Shareholders Meeting the Management Board shall be obliged to provide a shareholder at his/her request with information concerning the Company if it is justified for the assessment of the issue included in the agenda; a shareholder who has been refused the disclosure of the requested information during the General Shareholders' Meeting and who raised an objection to the minutes may apply to the Registry Court to oblige the Management Board to provide the information (Article 429 of the Commercial Companies Code),
- 6) the right to a registered certificate of the right to participate in the General Meeting,
- 7) the right to request copies of the Management Board's report on the Company's operations and of the financial statements together with a copy of the Supervisory Board's report and the auditor's opinion no later than fifteen days prior to the General Shareholders Meeting (Article 395 § 4 of the Commercial Companies Code),
- 8) the right to review, at the Management Board's premises, the list of shareholders authorized to participate in the General Shareholders Meeting and to request a copy of the list against reimbursement of the costs of its preparation (Article 407 § 1 of the Commercial Companies Code). Shareholders may request that the list of shareholders be sent to them free of charge by e-mail, stating the address to which the list should be sent (Article 407 § 1<sup>1</sup> of the Commercial Companies Code),
- 9) the right to request a copy of motions concerning issues on the agenda within one week prior to the General Meeting (Article 407 § 2 of the Commercial Companies Code),
- 10) the right to request that the attendance list at the General Meeting be checked by a committee elected for this purpose, composed of at least three persons. The request may be submitted by shareholders holding one-tenth

of the share capital represented at this General Meeting. The petitioners have the right to elect one member of the committee (art. 410 § 2 of the Commercial Companies Code),

- 11) the right to inspect the book of minutes and to request copies of resolutions certified by the Management Board (Article 421 § 3 of the Commercial Companies Code),
- 12) the right to bring an action for remedying the damage inflicted on the Company under the principles specified in Article 486 and 487 of the the Commercial Companies Code if the Company fails to bring an action for remedying the damage within a year from the date of disclosure of the act causing the damage,
- 13) the right to review documents and to demand that copies of the documents referred to in Article 505 § 1 of the Commercial Companies Code (in the case of a merger), in Article 540 § 1 of the Commercial Companies Code (in the case of a division of the Company) and in Article 561 § 1 of the Commercial Companies Code (in the case of a transformation of the Company) be made available at the Company's premises free of charge,
- 14) the right to demand that a commercial company which is a shareholder of the Company provide information whether it remains in a relation of domination or dependence with respect to a particular commercial company or a cooperative being a shareholder of the Company or whether such relation of domination or dependence has ceased to exist. A shareholder may also demand disclosure of the number of shares or votes, or the number of shares or votes held by that commercial company, including as a pledgee, usufructuary or under agreements with other persons. The request for information and the response should be submitted in writing (Article 6 § 4 and 6 of the Commercial Companies Code),
- 15) the right to dividend, i.e. the share in the Company's profit, indicated in the financial statement, audited by an expert auditor, allocated by the General Shareholders' Meeting for payment to the shareholders (Article 347 of the Commercial Companies Code),
- 16) the pre-emptive right to take up new shares in proportion to the number of shares held),
- 17) the right to share in the Company's assets remaining after satisfying or securing creditors in the event of its liquidation. Pursuant to Article 474 § 2 of the Commercial Companies Code, the assets remaining after satisfying or securing the creditors are divided among the shareholders in proportion to the payments made by each of them for the share capital,
- 18) the right to dispose of and encumber the shares held with limited rights in rem, including the right to pledge or usufruct the shares held. During the period when shares in a public company on which a pledge or usufruct has been established are recorded in securities accounts in a brokerage house or in a bank keeping securities accounts, the shareholder shall have the right to vote on such shares (Article 340 § 3 of the Commercial Companies Code).

The manner of functioning of the General Meeting is described in detail in the Bylaws of the General Meeting, adopted by the General Meeting of the Company on September 21, 2011. The Articles of Association and the Bylaws of the General Meeting of the Company have been published on the Company's website <https://inwestor.asseco.com/en/> in the tab Corporate Governance/Corporate Regulations.

### **Description of activities of the management, supervisory and administrative bodies of Asseco Poland and their committees, including the audit committee, along with indication of the composition of those bodies and changes which occurred in them during the last financial year**

The activities of the Management Board, Supervisory Board, and Audit Committee, except where explicitly regulated by the applicable provisions of law, are governed by the Bylaws of the Management Board or the Bylaws of the Supervisory Board, respectively, both of which have been published on the Company's corporate website <https://inwestor.asseco.com/en/> in the tab Corporate Governance/Corporate Regulations.

#### Management Board

The Management Board operates pursuant to the Commercial Companies Code, in particular art. 368 and subsequent articles of the CCC, as well as in accordance with the Company's Articles of Association, and the Bylaws of the Management Board.

The Management Board is the executive body of the Company. It manages the affairs of the Company, i.e. leads the operations of the Company, manages its assets and represents the Company externally in all matters not reserved by the provisions of the Articles of Association, legal regulations or other internal acts binding within the Company, to the exclusive competence of the Supervisory Board and the General Meeting.

The President of the Management Board, acting alone, or two Members of the Management Board acting jointly, or a Member of the Management Board acting together with a proxy, are authorized to make representations and to sign on behalf of the Company.

Meetings of the Management Board shall be convened by the President of the Management Board or the 1st Vice President of the Management Board, and in justified cases by another Member of the Management Board. The person calling the meeting shall notify all Members of the Management Board about convening a meeting of the Management Board at least 5 days before the date of such meeting, in writing or by e-mail. Meetings of the Management Board of Asseco Poland S.A. shall be held at least twice a month; during the year 2020, 26 meetings were held. Resolutions may be adopted at a meeting of the Management Board or outside the meeting, unless any Member of the Management Board raises an objection (in writing or using means of direct remote communication). Resolutions of the Management Board shall be adopted by a simple majority of votes. In case of a tie in the voting, the President of the Management Board shall have the deciding vote.

The detailed division of powers of the Members of the Management Board shall be set out in the Organizational Bylaws of the Company, the amendment of which shall require a resolution of the Management Board.

During 2020, the composition of the Company's Management Board was as follows:

Member of the Management Board	Responsibilities
Adam Góral President of the Management Board	Vision and development strategy of the Capital Group Internal Audit Department
Andrzej Dopierała Vice President of the Management Board	International Organizations and Security Solutions Division Agricultural Insurance Division Infrastructure Projects Office ICT Department
Krzysztof Groyecki Vice President of the Management Board	Healthcare Division
Rafał Kozłowski Vice President of the Management Board	Finance Division of Asseco Poland Finance Department of the Asseco Group
Marek Panek Vice President of the Management Board	Group Development Division European Union Projects Office
Paweł Piwowar Vice President of the Management Board	Power and Gas Industry Division Telecommunication and Media Division ERP Projects Office
Zbigniew Pomianek Vice President of the Management Board	Commercial Banks Division Cooperative Banks Division PKO BP Division Capital Market Division Business Intelligence Division Data Processing Centre Asseco Innovation Hub Operations Services Centre
Sławomir Szmytkowski Vice President of the Management Board	Social Insurance Division Systems Maintenance Division Agriculture and Post Division

	Government Administration Division
Artur Wiza Vice President of the Management Board	Marketing Division Public Relations & Investor Relations Division
Gabriela Żukowicz Vice President of the Management Board	Legal and Organizational Division Human Resources Division Human Resources Administration Division Compliance and Process Management Internal Systems Maintenance and Development Purchase Division Administration Division

The detailed rules of operation of the Company's Management Board, the description of the procedure for convening meetings of the Management Board, the method of adopting resolutions, including voting and taking minutes, and the scope of matters in which the Management Board may adopt resolutions are contained in the Bylaws of the Management Board, available on the Company's website <https://inwestor.asseco.com/en/> in the tab Corporate Governance/Corporate Regulations.

#### Joint commercial power of attorney

On December 5, 2017, acting on the basis of art. 109<sup>1</sup> and art. 109<sup>4</sup>§1<sup>1</sup> of the Civil Code, and art. 371 §4 of the Commercial Companies Code, as well as § 14 item 12 of the Company's Articles of Association, by virtue of a resolution of the Management Board of Asseco Poland passed on December 5, 2017, the Company's Management Board granted a joint commercial power of attorney to Mr. Andrzej Gerlach and Mrs. Renata Bojdo.

The granted power of attorney is a joint irregular power of attorney, referred to in art. 109<sup>4</sup>§1<sup>1</sup> of the Civil Code, which means that the appointed person with a power of attorney is authorized to represent the Company only acting together with a Vice President of the Management Board but not with any other person with power of attorney.

#### Supervisory Board

The Supervisory Board operates in accordance with the Commercial Companies Code, the Company's Articles of Association and the Bylaws of the Supervisory Board.

The Supervisory Board consists of 5 to 8 members, including the Chairman of the Supervisory Board. The Supervisory Board is appointed and dismissed by the General Meeting of Shareholders. The Members of the Supervisory Board are appointed for a joint term of office of 5 years. Each member of the Supervisory Board may be re-elected to this function.

The duties of the Supervisory Board include constant supervision over the activities of the Company in all areas of its operations and over the matters stipulated in the Code of Commercial Companies and other regulations.

Specific duties of the Supervisory Board include:

- 1) assessment of the annual financial statements of the Company and the Group in terms of their conformity with the accounting books and evidence as well as with the actual state of affairs,
- 2) assessment of the Management's report on the Company's and Group's operations in terms of their conformity with the accounting books and evidence as well as with the actual state of affairs,
- 3) assessment of the Management Board recommendations concerning the distribution of profit or coverage of loss,
- 4) submitting, on an annual basis, a written report on the results of the abovementioned assessments (No 1, 2 and 3 above) to the General Meeting of Shareholders,
- 5) submitting to the General Shareholders Meeting a brief assessment of the Company's standing, including an assessment of the internal control system and the significant risk management system,
- 6) granting consent to conclude transactions referred to in Article 90h(1)(1) of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies (i.e. of February 22, 2019, Journal of Laws of 2019, item 623) with related parties (i.e. the group's companies

or persons performing functions in the bodies) with a value exceeding 5.00% of the total assets of the Company's last approved annual financial statements,

- 7) preparing annual remuneration reports providing a comprehensive overview of remuneration, including all benefits, regardless of their form, received by or due to individual Management Board and Supervisory Board Members in the last financial year, in accordance with the Company's Remuneration Policy for Management Board and Supervisory Board Members.

The Supervisory Board performs its duties by continuously supervising the Company's activities, including at meetings and by passing resolutions. In 2020, the Supervisory Board held six meetings and passed one resolution by means of direct remote communication.

The Supervisory Board may also perform control and advisory activities.

Meetings of the Supervisory Board are convened by the Chairman or, in his stead, by the Deputy Chairman or by another Member of the Supervisory Board. Meetings of the Supervisory Board should be held at least every three months. Each Member of the Management Board and each Member of the Supervisory Board may request that the Supervisory Board be convened. In such a case the meeting of the Supervisory Board shall be convened within two weeks from the date of the request. Members of the Management Board or other persons invited by the Chairman may participate in the meeting.

Resolutions of the Supervisory Board may be adopted if all its Members have been notified in writing of the date and place of the meeting, at least one week before the meeting, and at least half of them are present at the meeting. Members of the Supervisory Board may participate in the adoption of resolutions of the Supervisory Board by casting their vote in writing through another Member of the Supervisory Board or by using means of direct communication over distance or in writing.

In accordance with the Regulations of the Supervisory Board, the Supervisory Board's powers include:

- 1) appointing and dismissing the President of the Management Board,
- 2) appointing the Members of the Management Board (including Vice Presidents of the Management Board) and dismissing the appointed Members of the Management Board at the request of the President of the Management Board,
- 3) representing the Company in agreements with the Management Board's Members and in disputes with Management Board or its Members,
- 4) determining the principles of hiring and remunerating members of the Management Board,
- 5) approving the Bylaws of the Management Board adopted by the Management Board,
- 6) appointing a certified auditor to audit the financial statements of the Company and of the Asseco Group,
- 7) suspending, for important reasons, individual or all members of the Management Board in their duties and delegating members of the Management Board of the Company, for a period not longer than three months, to perform the duties of the Members of the Management Board of the Company who were dismissed, resigned or for other reasons cannot perform their duties,
- 8) convening the General Meeting in the cases referred to in Article 399 §2 of the CCC,
- 9) drawing up a consolidated text of the amended Articles of Association and introducing other editorial changes specified in a resolution of the General Meeting of Shareholders and authorized by the General Meeting of Shareholders, in accordance with Article 430 §5 of the CCC,
- 10) assessing the Management Board's proposals for the issue of bonds,
- 11) giving opinions on draft resolutions for the General Meeting.

The specific powers of the Supervisory Board, as well as its organization, the manner in which it performs its tasks and the procedure for convening meetings and adopting resolutions are set out in the Bylaws of the Supervisory Board adopted by the Supervisory Board and available on the Company's website <https://inwestor.asseco.com/en/> in the tab Corporate Governance/Corporate Regulations.

In 2020, the composition of the Supervisory Board was as follows:

- Jacek Duch – Chairman of the Supervisory Board
- Adam Noga – Vice Chairman of the Supervisory Board

- Izabela Albrycht – Member of the Supervisory Board
- Dariusz Brzeski – Member of the Supervisory Board
- Artur Kucharski – Member of the Supervisory Board
- Piotr Augustyniak – Member of the Supervisory Board
- Piotr Żak<sup>1)</sup> – Member of the Supervisory Board

<sup>1)</sup> Piotr Żak was appointed to the Company's Supervisory Board by the Ordinary General Meeting of the Company on May 27, 2020. Due to the need to register amendments to the Articles of Association with respect to increasing the number of Supervisory Board Members, his appointment became effective as of July 1, 2020.

As at the date of publication of this report, this is on March 23, 2021, the composition of the Company's Supervisory Board remained unchanged.

#### Audit Committee

Activities of the Audit Committee have been regulated and described in Chapter X "STANDING AUDIT COMMITTEE" of the Bylaws of the Supervisory Board.

In 2020, the composition of the Audit Committee was as follows:

- Artur Kucharski – Chairman of the Audit Committee
- Jacek Duch – Member of the Audit Committee
- Piotr Augustyniak – Member of the Audit Committee

The Supervisory Board, acting pursuant to art. 129 of the Act on Statutory Auditors, Audit Firms and Public Oversight and §8 of the Bylaws of the Supervisory Board, assessed the fulfillment of requirements for the Audit Committee. The independence criteria are met by Piotr Augustyniak and Artur Kucharski, who at the same time has knowledge and skills in the field of financial reporting. Artur Kucharski's competence in financial reporting is confirmed by his professional career and the diploma awarded by the Association of Chartered Certified Accountants (ACCA).

Jacek Duch has knowledge of the industry in which the Company operates, which is confirmed by the course of his professional career.

As at the date of the publication of this report, the composition of the Audit Committee of the Supervisory Board of the Company remained unchanged.

#### The scope of work of the Audit Committee of the Supervisory Board

In 2020, the Audit Committee held nine meetings during which it performed the tasks specified in art. 130 of the Act on Statutory Auditors, Audit Firms and Public Oversight. In addition, the Audit Committee adopted six resolutions using means of direct remote communication.

In order to properly fulfill the obligations imposed, the Audit Committee adopted the Work Plan of the Audit Committee for 2020, which defined the scope of tasks to be fulfilled during individual meetings of the Audit Committee scheduled for 2020. The tasks specified in the Work Plan have been fulfilled. The Audit Committee also decided to adopt and implement the Work Plan in the following years.

During the meetings, the Audit Committee met with the auditing firm Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. prior to the publication of financial results for the year 2019 as well as for the first half of 2020. The representatives of the Auditor Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. presented the report summarizing the audit and review of the financial statements of the Company and the Asseco Poland Group as well as the additional report for the Audit Committee prepared pursuant to Article 11 of the Regulation of the European Parliament and of the (EU) Council on detailed requirements regarding statutory audits of financial statements of public-interest entities. All significant issues concerning those financial statements were discussed. For the purpose of an in-depth financial analysis, Chairman of the Audit Committee Artur Kucharski filed a request to the auditor to provide additional information, which was both presented at the meeting and made available to the members of the Audit Committee outside the meeting. Subsequently, the Audit Committee informed the Supervisory Board about the results of the audit and how the audit contributed to the integrity of financial reporting in the public interest entity and the role of the Audit Committee in the audit process. The Audit Committee verified the progress of the process of preparing the financial statements and the effectiveness of key procedures ensuring that the financial statements as well as management and financial reports are properly prepared and contain reliable data.

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. did not provide Asseco Poland S.A. with any permitted non-audit services, except for the reviews of interim condensed financial statements.

The Audit Committee also verified the auditor's independence and agreed to the provision by the auditor and its network companies of non-audit permitted services for the Company and companies of the Asseco Poland Group. The Auditor presented to the Audit Committee a summary list of all services. The list of services is included in the Additional Report for the Audit Committee. The following table presents in aggregate the permitted services provided to companies of the Asseco Poland Group.

Description of services rendered	Remuneration (mPLN)
Audit and review of the stand-alone and consolidated financial statements of Asseco Poland for the year ended December 31, 2020	1.3
Audit of the stand-alone financial statements of Asseco Data Systems for the year ended December 31, 2020	0.2
Other non-audit services for Asseco Data Systems	0.5
Audit of financial statements of companies of the Asseco South Eastern Europe Group	0.1
Other non-audit services for the Asseco South Eastern Europe Group	0.1
Audit of financial statements of companies of the Formula Systems Group	7.1
Audit of the stand-alone and consolidated financial statements of Asseco Central Europe and Asseco International for the year ended December 31, 2020	1.8
Tax Advisory Services and Other Non-audit Services at the Formula Systems Group	2.5
<b>Total</b>	<b>13.6</b>

On December 2, 2020, the Audit Committee adopted a resolution recommending to the Supervisory Board the appointment of Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. seated in Warsaw (hereinafter "EY"), Rondo ONZ 1, 00-124 Warsaw (KRS 0000481039), entered in the list of entities authorized to audit financial statements under the number 130 by the National Chamber of Statutory Auditors, as the entity authorized to review the semi-annual stand-alone financial statements of Asseco Poland S.A. and the semi-annual consolidated financial statements of the Asseco Poland Group for the period of 6 months ended June 30, 2021, for the period of 6 months ended June 30, 2022, and for the period of 6 months ended June 30, 2023, as well as to carry out the audits of: the annual stand-alone financial statements of Asseco Poland S.A. and the annual consolidated financial statements of the Asseco Group for the year ended December 31, 2021 and the annual stand-alone financial statements of Asseco Poland S.A. and the annual consolidated financial statements of the Asseco Poland Group for the year ended December 31, 2022; and the annual stand-alone financial statements of Asseco Poland S.A. and the annual consolidated financial statements of the Asseco Poland Group for the year ended December 31, 2023.

The recommendation was free from any third-party influence and the audited entity did not conclude any agreements containing the clauses referred to in art. 66 sect. 5a of the Accounting Act.

Following the recommendation, on December 16, 2020 the Supervisory Board of Asseco Poland S.A. appointed the auditing firm Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. within the aforementioned scope.

The Audit Committee's activities with respect to recommending and selecting the audit firm for the next 3-year period were based on the documents of the Policy for Selection of the Auditor and the Procedure for Selection of the Auditor, as well as the Policy for Provision of Permitted Services, which were developed by the Audit Committee and adopted by the Supervisory Board on October 16, 2017 (the documents are reviewed on an ongoing basis and updated as necessary).

The Audit Committee directly communicated and cooperated with the Head of Internal Audit, Magdalena Jędrzejewska, who was present at 6 Committee meetings. The Committee received reports from the Head of the Internal Audit Department on audits completed in 2019 and 2020, including completed audits, information on the status of the 2020 audit plan and other issues in the area of competence of the Internal Audit Department. The Audit Committee reviewed the development of the Internal Audit Department in overseeing the internal audit process in the Group companies.

The Audit Committee considers the Internal Auditor to be independent and the audits to have been performed in a proper and reliable manner.

The Audit Committee also met with the Director of the Compliance and Process Management Department, Ewa Kwiatkowska-Łada. During these meetings the Audit Committee verified:

- 1) the Company's exposure to individual risks, the ways in which these risks are identified and monitored, and the Management Board's actions to reduce their impact on the Company's operations. The basis for the verification is the map of risks identified at the central level and managed both at the central level and in individual units. In order to reduce the level of risk in the Company, control mechanisms are in place in these areas.
- 2) the level of compliance of the Company's activities with the law and internal regulations, recommendations and good market practices and the effectiveness of compliance risk management.

The compliance plan created for 2020 includes over 20 areas supervised by the compliance functions, within which the necessary actions for implementation and maintenance of legal regulations and good market practices and recommendations, certification of the reference standards relevant to the areas of activity, as well as the objectives necessary for implementation and the principles implemented within the organization, have been identified and monitored.

The most important actions taken in the Company, in terms of compliance in 2020, were included in the annual compliance report, which was accepted by the supervising Management Board Member on February 10, 2021 and presented to the Audit Committee for information. The planned legal changes and compliance risks identified back in 2020 formed the basis for the creation of the compliance plan for 2021, which was approved and presented for the Audit Committee's opinion on the same date as the annual compliance report was presented. This marked the start of a new cycle of monitoring the implementation of the plan's objectives.

The Audit Committee positively evaluates the functioning of internal control, risk management and supervision of legal compliance, as well as the effectiveness of internal audit in the Company and the Asseco Poland Group.

### **Description of the diversity policy applied to the issuer's administrative, management and supervisory bodies**

Asseco Poland does not have a diversity policy in the form of a single regulation, developed and formally approved by the Company's governing bodies. The principles and guidelines of the diversity policy are regulated by the Company's internal documents, including in particular the Personnel Policy, the Code of Ethics, the Compliance Policy and the Work Regulations. These documents relate to the area of diversity and are addressed to all employees, including executives. The standards of conduct and values concerning human relations defined in them are based on the Company's common values, which form the basis for conduct and serve to build mutual trust, honesty and respect.

Asseco Poland is committed to the principles of equal treatment irrespective of gender, age, nationality, sexual orientation, beliefs, political or religious opinions, property status, family situation or physical fitness, i.e. all factors which may result in direct or indirect discrimination. The Company applies its diversity policy by hiring employees of varied gender, age, work experience, education and cultural backgrounds and by ensuring that all employees are treated equally in the workplace, taking into account their different needs, and using these differences between them to achieve the Company's objectives.

At the stage of recruitment of an employee, a selection method is applied, which enables an objective assessment of the substantive competence of candidates, excluding any discrimination or unequal treatment. The Company ensures equal working conditions conducive to full utilization and development of unique features, skills and interests of its employees, including managerial staff, through participation in training courses, among others. The organization's employees receive training based on the recognition of different personality traits and benefiting from them through their recognition and ability to use them to ensure effective cooperation. Every staff member is entitled to promotion to a management post if he or she has demonstrated adequate professional performance.

The Company's authorities and its employees are aware of the importance of diversity as a factor releasing creativity and encouraging them to search for non-standard solutions and optimize their activities. These aspects translate into the quality of services provided and economic effects, and in consequence may significantly contribute to the building of the Company's competitive advantage.

## Remuneration of the management and supervisory personnel

### Report on the remuneration policy

The objective of the Company's remuneration policy is to support the strategy of achieving the target business results, while meeting the needs of employees within the Company's financial capabilities.

The human resources policy is implemented in accordance with the provisions of law as well as internal procedures and standards adopted by the Company.

The policy guidelines take into account the processes of recruitment, retaining and development of employees.

The rules included in this policy are applied to all of the Company's employees.

General rules for remuneration practices:

- the remuneration system should be adjusted to match the Company's business strategy, objectives and long-term interests,
- an incentive system should be used in order to ensure adequate human resources,
- the amount of remuneration should depend on the type of work performed and qualifications required for the job, taking into account the quality of work performed,
- the remuneration system is based on the Company's competence scheme which organizes the tasks and roles of employees, and also promotes the development of organizational culture oriented towards customers, quality, achievement of results, collaboration, and professional development,
- the remuneration system should be designed, implemented and supervised in compliance with the principles of effective finance and risk management of the Company,

The policy of remuneration payable to the members of the Company's management body is based on the below listed principles; however, the amount of variable remuneration shall be subject to an upper limit:

- each of the Management Board Members is be paid a fixed remuneration,
- variable remuneration of a Member of the Management Board depends on:
  - the amount of margin IV achieved by the business units supervised directly by a particular Member of the Management Board,
  - the amount of net profit earned by the Company's capital group.

Pursuant to the obligations resulting from the amendment of the Act of July 29, 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, the Company is obliged to draw up a remuneration policy for the Members of the Management Board and Supervisory Board.

The document will specify the basis, principles and procedures for determining, calculating and paying remuneration to the members of the Company's Management Board and Supervisory Board, and the solutions adopted therein should contribute to the implementation of the business strategy, long-term interests and stability of the Company.

The remuneration policy for the members of the Management Board and the Supervisory Board was adopted on May 27, 2020 by the Ordinary General Meeting of the Company by Resolution No. 7.

The Supervisory Board in 2021, acting on the basis of Article 90g of the Act of July 29, 2005 on public offering and the conditions for introducing financial instruments to the organized trading system and on public companies (Journal of Laws 2020.2080 i.e.) will prepare for the first time a Remuneration Report, for the years 2019-2020. The Report will present a comprehensive overview of employment-related remuneration, including all benefits, regardless of their form, received or due to individual Members of the Management Board and Supervisory Board in the years 2019-2020, in accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board of Asseco Poland S.A. adopted in the Company. The report, once approved by the Supervisory Board, will be presented to the General Meeting of Shareholders for its opinion.

The table below presents the gross amounts of total and variable remuneration payable to the Members of the Management Board for performing their managerial duties at Asseco Poland during the year 2020:

Gross amount of remuneration for the period (in millions of PLN)	Variable remuneration	Total remuneration
Adam Góral	1.9	2.3
Andrzej Dopierała	0.3	0.5
Krzysztof Groyecki	0.7	1.1
Rafał Kozłowski	0.9	1.1
Marek Panek	0.7	0.9
Paweł Piwowar	1.0	1.4
Zbigniew Pomianek	2.9	3.3
Sławomir Szmytkowski	1.9	2.3
Artur Wiza	0.8	1.2
Gabriela Żukowicz	0.8	1.2
<b>Total</b>	<b>11.9</b>	<b>15.3</b>

The table below presents gross remuneration payable to the Members of the Supervisory Board before performing their duties at Asseco Poland during the year 2020:

Gross amount of remuneration for the period (in millions of PLN)	
Izabela Albrycht	0.12
Jacek Duch	0.23
Piotr Augustyniak	0.15
Dariusz Brzeski	0.12
Artur Kucharski	0.15
Adam Noga	0.16
Piotr Żak <sup>1)</sup>	0.06
<b>Total</b>	<b>0.99</b>

1) Since July 1, 2020

The table below presents gross remuneration payable to the Members of the Management Board or the Supervisory Board for performing duties at the Group's subsidiary companies in 2020:

Gross amount of remuneration for the period (in millions of PLN)	
<b>Management Board</b>	
Adam Góral	0.1
Andrzej Dopierała	1.8
Krzysztof Groyecki	-
Rafał Kozłowski	1.5
Marek Panek	1.4
Paweł Piwowar	-
Zbigniew Pomianek	-
Sławomir Szmytkowski	-
Artur Wiza	0.4
Gabriela Żukowicz	0.4
<b>Total</b>	<b>5.6</b>

Supervisory Board	
Izabela Albrycht	0.03
Jacek Duch	0.12
Adam Noga	-
Dariusz Brzeski	-
Artur Kucharski	0.09
Piotr Augustyniak	0.06
Piotr Żak <sup>1)</sup>	-
<b>Total</b>	<b>0,30</b>

1) Since July 1, 2020

The total amount of remuneration payable to the Management Board Members is largely dependent on the Company's financial performance. The remuneration model adopted by the Company is aimed to award the Management Board Members and other managerial staff depending on the actually achieved financial results, as well as to constantly motivate them to accomplish the business targets set for a given period.

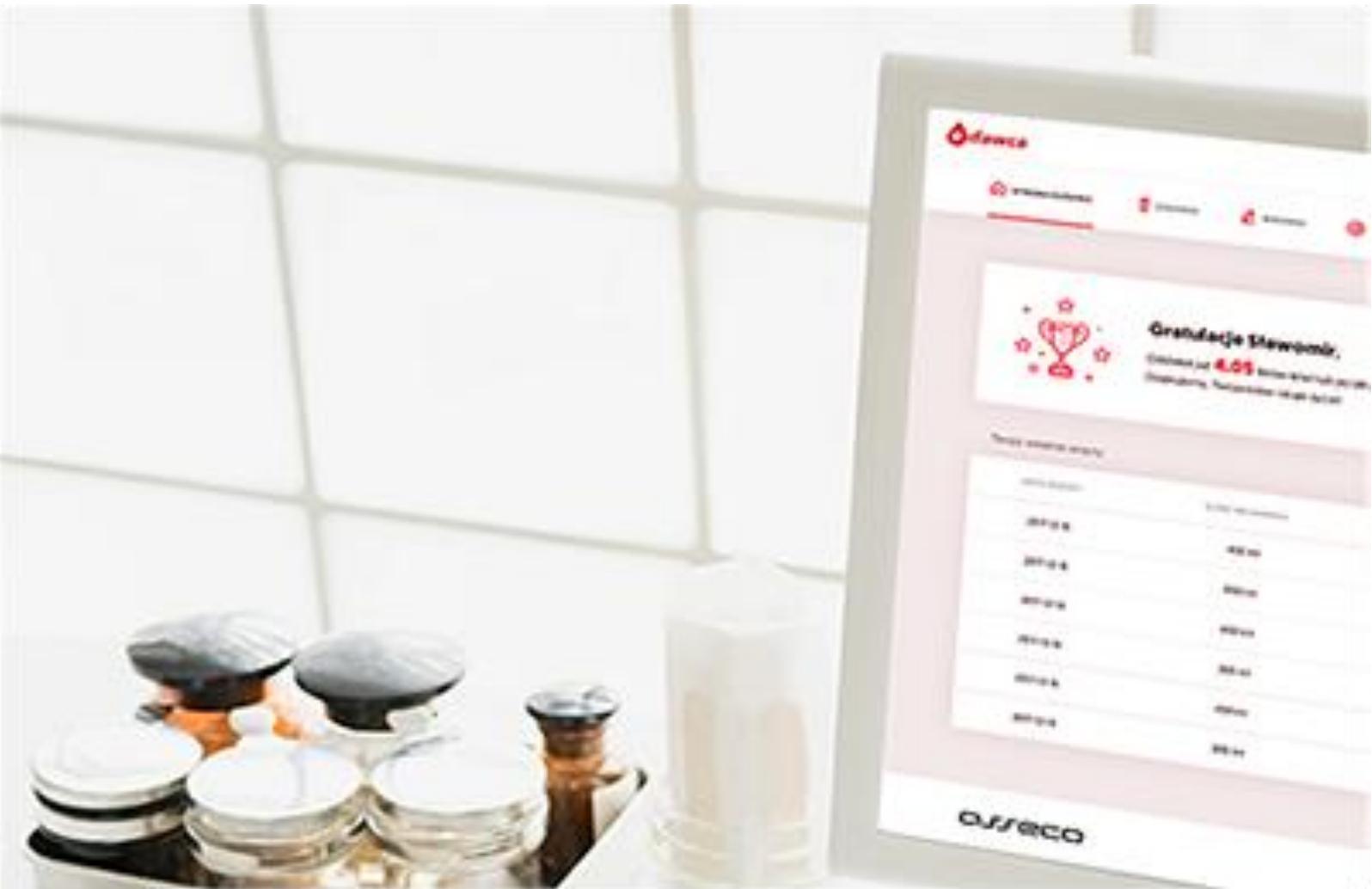
As regards the package of additional employee benefits, the Members of the Management Board and key managers, just like other employees, are subject to the labor law regulations. Moreover, the Company provides specialized medical care and subsidies to the employees' participation in sports activities.

Members of the Management Board enjoyed additional benefits (including private medical care, costs of development activities, as well as additional benefits granted under the Company's Social Benefits Fund, accident insurance) on the same basis as the Company's employees (including on the basis of provisions set forth in concluded contracts constituting the basis for employment, as well as other documents in force in the Company, e.g. regulations, procedures, principles adopted in the Company, etc.).

Members of the Management Board used company cars as a tool necessary to perform their official duties on the same basis as other employees of the Company.

The Company believes that the applied remuneration policy supports the implementation of the Company's objectives and development strategy, particularly in terms of long-term shareholder value growth and the stability of its operations.

These remunerations were paid generally on a monthly basis, whereas in the case of Formula Systems Ltd. – on a quarterly basis.



**Other information  
on the Asseco Group  
and Asseco Poland**

## OTHER INFORMATION ON THE ASSECO GROUP AND ASSECO POLAND S.A.

### Discussion of significant risk factors and threats

The Asseco Group constantly monitors major factors posing risk to its operations in order to identify, prevent and mitigate their possible effects. For this purpose, Asseco Poland introduced a number of management systems as well as control procedures and internal audit. In particular, Asseco Poland uses the following systems:

- quality management system,
- risk management system,
- business continuity management system,
- information security management system,
- system monitoring compliance with law,
- environment protection management system,
- occupational health and safety management system,
- internal control system.

The systems in use, including integrated management structures and smoothly functioning internal audit effectively reduce the negative impact of the following risk factors and threats to the Company's and Group's operations.

#### **Risk related to intensified competition**

The business operations of the Asseco Group are under the pressure of intense competition both from Polish players and international IT corporations. Competitors with global reach are getting continually stronger as they have got faster access to innovative technological solutions, but also to cheaper sources of funds which makes it possible to finance large contracts more efficiently. It is not certain whether the increasing competition will have no significant adverse impact on the Asseco Group's operations, financial position, financial results and future development outlook.

#### **Risk related to technological changes in the industry and development of new products**

The IT sector is characterized by rapid development of new solutions and technologies, which shorten the lifecycle of products. Therefore, the future success of the Asseco Group will largely depend upon our capability to incorporate the latest technological solutions into our products and services. In order to maintain the competitive advantage in this market, it is necessary to conduct research work and to invest in new products. Asseco keeps on monitoring the present information technology trends and develops and upgrades its business offer accordingly. However, there is still a risk that the market will receive new products, which will cause our products and services to become less attractive, and eventually not as profitable as expected. Additionally, it cannot be taken for granted that the new solutions which are, or will be, created or developed by Asseco will satisfy the technological requirements, and whether they will be accepted positively by their potential users. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

#### **Risk related to consolidation and structural changes in the financial sector**

The finance sector is the place of ongoing consolidation processes. There is a risk that consolidators of this sector will force the acquired financial institutions to use their global IT solutions, which may slow down the process of gaining new contracts or even result in termination of already concluded contracts. In addition, in the finance sector, there is a growing trend of establishing both IT and finance services companies (fintechs), whose solutions may be competitive for the products of the Company or may introduce alternative mechanisms of the functioning of finance companies, which may affect acquiring new contracts. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

#### **Risk related to carrying out of public tenders**

Delays in finalization of the tendering procedures for delivery of IT infrastructure for the public administration may result in unstable revenues from this sector. If combined with unsatisfactory utilization of the EU funds granted for improving innovation at public offices, this might substantially reduce the local demand for IT services and thereby exert a negative impact on the operations, financial position, financial results and prospective development of the Asseco Group.

**Risk involved in gaining new contracts**

It is characteristic of the IT business that most of contracts of the Asseco Group are awarded under tendering procedures. Therefore, it is not certain that the Group's companies will be able to gain such new contracts that would ensure sufficiently high and satisfactory revenues in the future. These factors might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

**Risk of underestimation of the project cost**

Most of the Asseco Group's profits are derived from the execution of complex information technology projects carried out under long-term agreements with a predefined remuneration. Implementation of such projects requires very good planning both in terms of the schedule of work and the resources needed to provide the promised scope of the contract. Here the Company follows complex procedures, which on one hand facilitate the process of preparation of reliable plans and on the other hand prevent the incurrence of unexpected costs.

In order to manage the risk of the project cost underestimation, the Asseco Group applies the methods (either based on the world recognized standards or proved by own experience) for estimation of the project costs, preparation of work schedules, and identification of risks that may hinder timely, professional or financial performance under a contract.

**Risk of changes in regulations and their interpretation**

The companies of the Capital Group fulfil various regulatory obligations resulting from the changes in law and administrative decisions. Frequent amendments, lack of cohesion and uniform interpretations of the provisions of law, concerning in particular the tax regulations, banking law, insurance law (inclusive of social insurance), public procurement law, personal data protection law, regulations pertaining to trading in securities and public offering, and commercial companies law, give rise to the regulatory risk occurring in the environment in which the Asseco Group operates. The tax regulations and their interpretations are more than others prone to numerous changes. Practices of the internal revenue administration and the court judicature are not uniform in this domain. In the event the taxation authorities take a position that is different from our interpretation of tax regulations, the operations, financial position and financial results of Asseco may be exposed to negative consequences thereof. Such risk may be materializing especially due to potential doubts expressed by the taxation authorities over the transactions the parent Company conducts with its related parties. This might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

The development of the IT services sector is closely correlated to the overall economic prosperity. The main factors affecting the financial results of the Asseco Group include the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, and inflation rate in countries where the Group's companies operate. The development and impact of the coronavirus SARS-CoV-2 pandemic causing the COVID-19 disease may have a negative impact on the economies of the countries where the Asseco Group companies operate, and thereby on the operations, financial position, financial results and prospective development of the Asseco Group.

**Risk of becoming dependent on the key customers**

The implementation of contracts with key clients will heavily impact the level of sales revenues generated by the Asseco Group in the coming years. It cannot be precluded that a potential loss of any major client, deterioration in the financial terms for provision of services, or potential compensatory claims would have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

**Risk of losing the clients' trust**

Operations of the Asseco Group are to a large extent based on the customers' trust. Implementation of an IT system, which has critical importance for the customer's business, usually results in signing a long-term agreement with the system user. The quality of solutions and services provided to such clients determines their confidence in the Asseco brand. In the event the quality of delivered products and services was poor, our customers might lose their trust in Asseco, which might hurt our reputation in the market and make it impossible to continue successful business operations.

**Risk of increasing cost of work**

Salaries account for a significant share of the project implementation costs. Taking into account such high human resource requirements, an increase in salaries would squeeze the margins achieved on projects, and consequently have an unfavorable impact on the financial results of the Asseco Group.

In order to manage the risk of higher cost of work, the Asseco Group takes a number of measures which can help reduce potential negative effects of rising salaries. Among other things, the Asseco Group (i) employs people in many geographical regions to diversify that risk, (ii) continually monitors the level of salaries in the market, and (iii) tries to maintain an appropriate structure of employment within particular levels of competence.

**Risk related to losing the key personnel**

The Group companies' operations and development outlook depend to a large extent on the knowledge, experience and professional qualifications of its employees, who implement the IT projects. A substantial demand for IT specialists and the competitors' activities may induce the key personnel to leave our organization, and also make it quite difficult to recruit new employees with suitable knowledge, experience and professional qualifications. Still there is a risk that resignation by the key personnel would have a negative impact on the execution of IT contracts conducted by the Company, as well as on ensuring the required quality and range of services provided. This in turn might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

**Personnel policy risk**

The Group companies may incur costs in connection with legitimate or illegitimate claims filed by their employees on the grounds of discrimination, working conditions, etc. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group companies.

**Foreign currency risk**

The currency used by the Asseco Group for presentation of its financial results is the Polish zloty (PLN). Moreover, functional currencies of the Group's foreign subsidiaries are the local currencies of the countries where they operate. Consequently, assets of such subsidiaries or groups need to be converted into PLN, and therefore their values presented in the consolidated financial statements may change as they remain under the influence of foreign exchange rates against PLN.

**Interest rate risk**

Changes in the market interest rates may have a negative influence on the financial results of the Asseco Group. The Group is exposed to the risk of interest rate changes primarily in two areas of its business activities: (i) change in the value of interest charged on loan facilities granted by external financial institutions, which are based on variable interest rates, and (ii) change in valuation of the concluded derivative instruments, which are based on the forward interest rate curve. In order to manage its interest rate risk: (i) the Group tries to avoid taking loans based on a variable interest rate, and (ii) if the first precaution is not possible, the Group may conclude forward interest rate agreements.

**Risk of potential legal disputes concerning copyrights**

Development of the Asseco Group's operations in the market of information technology products is highly dependent on intellectual property rights, in particular copyrights to computer programs. There is a risk that in some of the countries where the Asseco Group operates, doubts may arise as to the effectiveness of transferring copyrights to software codes created by employees of individual companies to the Group companies, mainly due to various regulations on intellectual property protection applicable in those countries. If the employment contracts or other contracts under which employees performed or continue to perform work for the Group companies did not contain or do not contain any relevant provisions regarding the transfer of rights in favor of the Group companies, the transfer of the rights to certain programs may not have been performed.

**Risk associated with IT licenses**

The Asseco Group's companies use IT software licenses under civil law agreements concluded with leading global software and application providers, including but not limited to: HP, IBM, Microsoft, Oracle and SAS Institute. By using the solutions and products of these companies, Asseco Group develops its most important products. Terminating license agreements or limiting the use of the licensed software, particularly developed by IBM and Oracle, can have a significant negative impact on the operations, the financial situation, results and development prospects of the Asseco Group.

**Risk of concluding a contract with a dishonest customer**

The Asseco Group is exposed to the risk of defaulting contractors. This risk is connected firstly with the financial credibility and good will of customers to whom the Company provides IT solutions, and secondly with the financial credibility of contractors with whom supply transactions are concluded.

Hence, the risk control measures usually consist of monitoring the timely execution of bank transfers and, if needed, sending a reminder of outstanding payment. In the case of smaller clients, it is quite helpful to monitor their industry press as well as to analyze previous experience gathered by ourselves and by our competitors, etc.

**Risk related to market abuse**

The Company may be subject to suspicion of corruption or conflict of interest. Internal control aimed at corruption, where possible, does not allow for its occurrence or significantly affects the chances of detecting undesirable activities related to concluded transactions. It cannot be precluded that Asseco Poland or the Group companies may be exposed to the suspicion of corrupt activities or conflicts of interest, despite the implemented control mechanisms.

**Risk of inability to effectively integrate the taken-over companies or to achieve the intended rates of return on acquisitions or investments**

The Asseco Group implements the strategy of development, among others, through acquisitions of or capital investments in IT companies. Valuation of the future acquisitions or investments will depend on the market conditions as well as on other factors beyond the Asseco's control. It cannot be entirely precluded that the investor company may be unable to accurately estimate the values of undertaken acquisitions or investments. There is also a risk that earnings generated by the acquired or investee companies fall short of the initial estimates which might prevent us from achieving the rates of return that were originally expected from such transactions.

**Risk involved in insufficient insurance coverage**

Business activities conducted by the Group companies, including production and supply of software as well as implementation of integration projects, give rise to a risk of damages that may be incurred by the Group clients or their end customers as a result of defective operation or failure of the products delivered by Asseco, whether attributable to its negligence or not. The agreements concluded by the Group companies provide for contractual penalties in the event of non-performance or improper performance of obligations. Any claims for compensation in excess of the guarantee amounts under the carried insurance policies might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Asseco Group.

**Risk of business continuity**

The occurrence of an emergency situation at one of the Asseco Group companies may impair our ability to continue to provide services to our clients, which in turn may lead to delays, failure to comply with our obligations, claims for damages, or loss of reliability for our clients. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of the Group.

**Risk associated with data leakage**

As a result of deliberate actions of third parties or dishonest employees, as well as mistakes or carelessness of our employees or contractors, confidential data of the Group or of our clients may be disclosed to unauthorized persons. Such circumstances might have an adverse impact on the perception of Asseco by our clients, and consequently on the Group's operations, financial position, financial results and prospective development.

**Risk of property damage**

As a result of abuse or errors committed by employees of the Asseco Group, the Company may suffer damage to its property. Such circumstances might have an adverse impact on the Group's financial condition and business continuity, and consequently on the Group's operations, financial position, financial results and prospective development.

**Non-recurring events with impact on our financial performance**

The occurrence of the pandemic during the reporting period ended December 31, 2020 had no significant impact on the financial results of the Asseco Group generated in that period.

During the period of 12 months ended December 31, 2020, there were no items with a significant impact on assets, liabilities, equity, net income or cash flows that were unusual due to their nature, value or frequency.

Other information related to the assessment of the impact of COVID-19 on the results achieved in the period reported herein as well as on the results generated in later periods has been presented in explanatory note 2.2 to the consolidated

financial statements of the Asseco Group for the year ended December 31, 2020 as well as in explanatory note 2.2 to the stand-alone financial statements of Asseco Poland for the year ended December 31, 2020.

### **Significant events with impact on the Asseco Group operations after December 31, 2020**

Significant events after the balance sheet date of December 31, 2020 have been described in explanatory note 9.7 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in explanatory note 8.8 to the annual stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020.

### **Opinion on feasibility of investment plans**

The companies of the Asseco Group meet on an ongoing basis their obligations towards their business partners, as well as their obligations towards the state and investment obligations. The companies maintain credit lines in various banks, which allows for diversification of financing sources. The companies settle their liabilities with funds derived from operating income, using external capital, i.e. short-term credit lines in current accounts, credits and loans and capital inflows.

### **Financial forecasts**

Neither the Asseco Group nor Asseco Poland have published financial forecasts for 2020 and other reporting periods.

### **Changes in the Capital Group and the Company management policies**

In 2020, the Capital Group's and Asseco Poland's management practices remained unchanged.

### **Agreements concluded by the Capital Group with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions**

The Asseco Group did not conclude any agreements with their management officers that would provide for payment of compensations in the event such persons resign or are dismissed from their positions without substantial reason, or when they are dismissed as a result of a company merger by acquisition.

### **Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders**

There are no agreements which may result in future changes of the equity interests held by the existing shareholders and bondholders.

### **Changes to equity relationships**

A description of the changes to equity relationships has been presented in Point III of the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020.

### **Related party transactions**

Related party transactions have been presented in explanatory note 6.23 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in explanatory note 5.20 to the annual stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020.

### **Bank loans, borrowings, sureties and guarantees**

Bank loans drawn, loans granted, as well as sureties and guarantees granted have been described in explanatory note 6.16 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in explanatory note 5.13 to the annual stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020.

### **Information on loans granted in 2020**

Information on loans granted in 2020 have been described in explanatory note 6.11 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in explanatory note 5.8 to the annual stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020.

### **Off-balance-sheet items**

The nature, purpose and value of significant off-balance-sheet items have been presented in the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in the annual stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020.

### **Structure of main capital investments made within the Asseco Group**

The structure of main capital investments made within the Asseco Group has been described in explanatory note 6.5 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020.

### **Monitoring of employee stock option plans**

As at the date of this report, the Company did not operate any incentive scheme based on the Issuer's shares.

Information on transactions with employees settled in the form of equity instruments has been presented in explanatory note 5.2 ii to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020.

### **Information on obligations arising from pensions and benefits of a similar nature**

As at December 31, 2020, Asseco Poland did not have any liabilities due to retirement pensions and benefits of a similar nature for former members of its management, supervisory or administrative bodies.

### **Information on significant judicial proceedings**

At the publication date of this report, neither the Group nor the Company were a party to any proceedings pending before any court, arbitration authority or public administration authority. Information on judicial proceedings has been presented in explanatory note 9.1 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in explanatory note 8.2 to the annual stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020.

### **Remuneration of the entity authorized to audit financial statements**

Information on remuneration due to the entity authorized to audit financial statements has been provided in explanatory note 9.4 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in explanatory note 8.5 to the annual stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020.

### **Agreement with the entity authorized to audit financial statements**

The agreement with the entity authorized to audit financial statements, namely Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k., to carry out audits of the consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and the stand-alone financial statements of Asseco Poland for the period of 12 months ended December 31, 2020 was signed on June 2, 2017. The audit company was chosen by the Supervisory Board of Asseco Poland S.A.

Information on the scope of services provided by an entity authorized to audit financial statements for the companies of the Asseco Group as well as on remuneration of an entity authorized to audit financial statements has been provided

in explanatory note 9.4 to the annual consolidated financial statements of the Asseco Group for the period of 12 months ended December 31, 2020 and in the statement on corporate governance being a part of this report.

### **Reports on non-financial information**

The Parent Company has prepared reports on non-financial information - the Report of Asseco Poland on non-financial information for 2020 and the Report of the Asseco Group on non-financial information for 2020 - in form of separate documents which constitute an integral part of the annual report for 2020.

## STATEMENT OF THE MANAGEMENT BOARD OF ASSECO POLAND S.A. TO ANNUAL REPORT

### **Statement of the Management Board of Asseco Poland pursuant to §70 section 1 item 6 of the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and the conditions for recognizing as equivalent the information required by the laws of a non-member state**

The Management Board of Asseco Poland hereby declares that, to the best of its knowledge, the annual consolidated financial statements of the Asseco Group for the period of twelve months ended December 31, 2020 and comparable data contained therein as well as the annual stand-alone financial statements of Asseco Poland for the period of twelve months ended December 31, 2020 and comparable data contained therein have been prepared in compliance with the applicable accounting standards, namely the International Financial Reporting Standards, as endorsed by the European Union.

In addition, the Management Board declares that the presented data give a true, reliable and fair view of the Group's assets, financial position and financial performance. The report on operations of the Asseco Group and Asseco Poland provides a fair description of the development, achievements and economic position of the Group and Company, inclusive of major risks and threats to their operations.

We hereby approve the Management Board's Report on business operations of the Asseco Group and Asseco Poland and confirm the accuracy of the above statement.

**Management Board:**

President  
of the Management Board

Adam Góral

Vice President  
of the Management Board

Andrzej Dopierała

Vice President  
of the Management Board

Krzysztof Groyecki

Vice President  
of the Management Board

Rafał Marek Kozłowski

Vice President  
of the Management Board

Marek Panek

Vice President  
of the Management Board

Paweł Piwowar

Vice President  
of the Management Board

Zbigniew Pomianek

Vice President  
of the Management Board

Sławomir Szmytkowski

Vice President  
of the Management Board

Artur Wiza

Vice President  
of the Management Board

Gabriela Żukowicz

# Technology for business, solutions for people.

[Asseco Poland S.A.](#)

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ASSECO