

# **Asseco Poland S.A.**

# **Annual Report**

Annual Report  
for the year ended December 31,  
2017

**861.2**<sub>mPLN</sub>

in sales revenues for  
2017

**175.6**<sub>mPLN</sub>

in net profit for 2017

**249.8**<sub>mPLN</sub>

paid out in dividends in  
2016

**2,456**

highly committed  
employees

**44.3**<sub>mPLN</sub>

of income tax paid in  
Poland in 2017

**6<sup>th</sup>**

largest software  
vendor in Europe

# President's Letter



## PRESIDENT'S LETTER



### Dear Shareholders,

It is my pleasure to present to you the report on business operations of Asseco Poland for the year 2017. As for the whole IT sector in Poland, it was a challenging time for us. We focused on further development of our Company in Poland and took important decisions from the point of view of the entire Asseco Group, strengthening its international character.

Asseco Poland operates in the prospective but also demanding market. In order to use the full potential of the Company and reduce the risk related to the economic situation in various sectors of the economy, we focus on a strong diversification of the sources of our revenues. We operate in three main areas - the banking and finance, the general business and the public administration sectors.

In the Banking and Finance sector, we developed the exports of our banking products, including Asseco Customer Banking Platform and Asseco Treasury. We started the cooperation with banks in Austria and the Czech Republic, Georgia or Vietnam. We also participated in the Golden Sand Bank project, where we

implemented the central banking system. 2017 was a year of important legal changes for the Polish financial sector, which is why we supported our clients in adapting to the new regulations. We developed a new product for the banking sector called Asseco Advisory Banking Platform. This product supports bank advisors in sales activities and in modern customer service.

Last year, we continued our close cooperation with brokerage houses, and in addition, we carried out a project with the Warsaw Stock Exchange (WSE), as part of which we implemented the PROMAK TS system, one of the most modern solutions for trading in financial instruments, also meeting the requirements of the MIFID II Directive.

In 2017, we continued our cooperation with our existing clients in the general business sector. In Ethiopia, we successfully implemented our first foreign project. Last year we introduced a new product to our offer - AUMS Digital. The solution is an innovative platform taking into account the latest trends in customer service in the energy sector. As part of our R&D projects and activities, we launched a project aimed at developing the world's first prototype system using advanced learning mechanisms to process information in multiple contexts.

Asseco Poland is one of the most important providers of software for the public administration. The Company has extensive experience and an established position in this area, being a reliable partner for the most important public institutions operating in Poland. Although the past year remained difficult for the IT companies operating in the public sector, we managed to implement and launch new projects in this segment. Among others, we signed a new agreement with the Ministry of Justice for the maintenance and modification of the Electronic Land and Mortgage Register system, and as part of the agreement executed for the Social Insurance Institution (ZUS) we adapted the Comprehensive Information System (KSI) to legal changes and implemented modifications which are very important from the point of view of the social security system. As a result, ZUS was able to perform its tasks in a timely manner.

In addition, we supported healthcare institutions in adapting to the requirements of the new act on the so-called hospital network by introducing completely new system modules in the AMMS and InfoMedica solutions. We significantly strengthened our

competencies in the security and defense sector, among others by creating a new IT system for the Military Geographical Center.

In 2017, we began the construction of the Asseco Innovation Hub, an innovative R&D center in Rzeszów, where advanced technologies and IT products for key sectors of the economy will be developed in the future, both in terms of the Polish market and foreign markets, focusing on the most important innovations and trends in the world of new technologies, such as: artificial intelligence, the Internet of Things, telemedicine, electro-mobility and smart power grids.

On behalf of myself and the entire Management Board, I would like to thank all employees, shareholders and business partners for their contribution in building a strong, international IT company - Asseco Poland.

With best regards,

Adam Góral

President of the Management Board  
Asseco Poland S.A.

# Management Report on Operations of Asseco Poland S.A.



## MANAGEMENT REPORT ON OPERATIONS OF ASSECO POLAND S.A.

for the year ended December 31, 2017

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**MANAGEMENT REPORT ON OPERATIONS OF ASSECO POLAND S.A.**

for the year ended December 31, 2017

This Management Report on Operations has been approved for publication by the Management Board of Asseco Poland S.A. on March 19, 2018.

Management Board:

Adam Góral  
President  
of the Management Board

Andrzej Dopierała  
Vice President  
of the Management Board

Tadeusz Dyrga  
Vice President  
of the Management Board

Krzysztof Groyecki  
Vice President  
of the Management Board

Rafał 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

Artur Wiza  
Vice President  
of the Management Board

Gabriela Żukowicz  
Vice President  
of the Management Board



## GENERAL INFORMATION ON ASSECO POLAND S.A.

### AssecoPoland S.A.

Asseco Poland (WSE: ACP) is a leading Polish information technology company listed on the Warsaw Stock Exchange. With a market capitalization reaching about PLN 4.0 billion (about EUR 0.9 billion), the Company is included in the WIG30 index. It is also the largest company listed in the IT industry index, WIG-Informatyka.

Asseco Poland leads international Asseco Group and is a unique combination of a software and service provider. It produces technologically advanced, top quality software that supports key business processes of companies in all key sectors of the economy. Asseco's applications are used by over a half of Polish banks, the largest insurance, energy, telecommunication, healthcare companies, as well as public administration institutions at various levels, from local governments to central offices and uniformed services.

Over twenty years of consistent development strategy, aimed at building expert competencies and developing proprietary products, has brought the Company the position of the leader of the IT market in Poland and has given it the necessary potential to build a global company.

## COMPANY'S AUTHORITIES

### 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.



**Andrzej Dopierała**  
Vice President of the Management Board

responsible for the International Organizations and Security Sector Solutions Division, the Office for Infrastructure Projects and the Office for Protection of Non Public Information.



**Tadeusz Dyrka**  
Vice President of the Management Board

responsible for the Social Insurance Division, the Systems Maintenance Division, the Public Administration Division, the Agriculture Division and the ICT division.



**Krzysztof Groyecki**  
Vice President of the Management Board

responsible for the Healthcare Division.



**Rafał Kozłowski**  
President of the Management Board

as the Chief Financial Officer (CFO) responsible for the Finance Division of the Asseco Group, and the Logistics Division.



**Marek Panek**  
Vice President of the Management Board

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



**Paweł Piwowar**  
Vice President of the Management Board

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



**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.



**Artur Wiza**  
Vice President of the Management Board

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



**Gabriela Żukowicz**  
Vice President of the Management Board

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

During the period of 12 months ended December 31, 2017, the Company's Management Board was composed of the following persons:

Management Board	Period of service
Adam Góral	01.01.2017 – 31.12.2017
Przemysław Borzestowski <sup>1)</sup>	01.01.2017 – 17.09.2017
Andrzej Dopierają <sup>2)</sup>	01.10.2017 – 31.12.2017
Krzysztof Groyecki	01.01.2017 – 31.12.2017
Tadeusz Dyrğa	01.01.2017 – 31.12.2017
Rafał Kozłowski	01.01.2017 – 31.12.2017
Marek Panek	01.01.2017 – 31.12.2017
Paweł Piwowar	01.01.2017 – 31.12.2017
Zbigniew Pomianek	01.01.2017 – 31.12.2017
Przemysław Sęczkowski	01.01.2017 – 31.12.2017
Robert Smułkowski <sup>3)</sup>	01.01.2017 – 28.03.2017
Gabriela Żukowicz <sup>4)</sup>	01.10.2017 – 31.12.2017

1) In accordance with the regulatory filing no. 21/2017

2) In accordance with the regulatory filing no. 22/2017

3) In accordance with the regulatory filing no. 8/2017

4) In accordance with the regulatory filing no. 22/2017

On February 1, 2018, Mr. Przemysław Sęczkowski submitted his resignation from the membership in the Management Board of the Company, from the position of the Vice President of the Management Board.

On February 21, 2018, the Supervisory Board of the Company appointed Mr. Artur Wiza to the Management Board of the Company as the Vice President of the Management Board, effective as of March 1, 2018.

**SUPERVISORY BOARD**



**Jacek Duch**  
Chairman of the Supervisory Board



**Adam Noga**  
Vice Chairman of the Supervisory Board



**Izabela Albrycht**  
Member of the Supervisory Board



**Piotr Augustyniak**  
Member of the Supervisory Board



**Dariusz Brzeski**  
Member of the Supervisory Board



**Artur Kucharski**  
Member of the Supervisory Board

During the period of 12 months ended December 31, 2017, the Company's Supervisory Board was composed of the following persons:

<b>Supervisory Board</b>	<b>Period of service</b>
Jacek Duch	01.01.2017 – 31.12.2017
Izabela Albrycht	01.01.2017 – 31.12.2017
Adam Noga	01.01.2017 – 31.12.2017
Piotr Augustyniak	01.01.2017 – 31.12.2017
Dariusz Brzeski	01.01.2017 – 31.12.2017
Artur Kucharski	01.01.2017 – 31.12.2017

## Awards and accolades



In 2017, Asseco took the leading position in 10 categories of the 25th edition of the Computerworld TOP 200 report, summarizing the Polish IT market.

The Asseco Group was ranked 1st among the largest capital groups. In turn, Asseco Poland recorded the highest net profit. In addition, the Company maintained its position as the largest provider of IT solutions and services both in the entire market, as well as in individual sectors: public administration, healthcare, and large companies and corporations. Asseco is also a leader among providers of customized software, as well as maintenance and integration services. The company also won in the category of companies acting for the benefit of responsible development.



The President of Asseco was included in the list of 50 most influential people in the Polish economy prepared by Dziennik Gazeta Prawna. The editors appreciated Asseco's foreign expansion, the changes in the Group that took place in 2016, as well as the decision to invest in domestic start-ups. In addition, the company's activities in new areas, such as the cooperation with the European Space Agency, were highly valued.



Asseco Poland was ranked among the top ten companies from the WIG30 index in a rank prepared by the Parkiet daily and the

Chamber of Brokerage Houses which assessed the level of IR quality. In the assessment of investor relations conducted among readers of Parkiet and individual investors, Asseco ranked 4th. In turn, ratings received from analysts and institutional investors allowed the company to win 9th place.

Asseco Poland received the main award - the Eagle of the Republic of Poland - in the category of the best company of the new economy. The company has



been recognized for its consistent, long-term and stable development. In addition, it was ranked 37th on the "List 500" prepared by the Rzeczpospolita daily, covering half a thousand of the largest Polish companies. Asseco has received the award for the third time.

Asseco took the 7th place in the rank of the Wprost weekly - "Polish Ambassadors". The company took the



highest position among the IT companies included in the rank. Companies with the largest foreign sales were awarded the distinction.

Once again, Asseco was awarded the title of the Great Pearl of the Polish Economy by the Polish Market monthly. The rank is



prepared by scientists from the Department of Decision Support and Analysis at the Institute of Econometrics of the Warsaw School of Economics.

The Asseco Group was ranked 20th in the rank of 200 largest Polish companies prepared by the Wprost weekly. In 2016, the



Group's revenues amounted to over PLN 7.9 billion, which is a 9% improvement versus the previous year's figure.

## INFORMATION TECHNOLOGY MARKET AND ITS FUTURE OUTLOOK

### Development prospects of the global IT market

According to Gartner's estimates, in 2017 the global IT market grew by 3.3%, whereas in 2018 it is expected to grow by 4.5% to USD 3.65 billion. As in previous years, telecommunication services will have the largest market share, and the purchases of software for general business sector and IT services will increase the fastest.

### IT market in Poland

According to the latest PMR's report of September 2017, the Polish ICT market is growing at a rate of approximately 4%-5% annually, driven by economic growth, which, according to the European Commission's estimates, accelerated to 4.6% in 2017 and is still faster than in many European countries.

According to PMR, the Polish IT market should have grown by 2.7% in 2017, while in 2018 it should grow to over 6%. Software and IT services will be the engine of the market growth, while the situation will deteriorate in the hardware segment.

### Situation in the public administration segment

According to estimates of market research companies, the public administration remains one of the leading recipients of services from the IT industry. Therefore, the situation in this sector has a significant impact on the situation in the whole services and software market. For the most part of 2017, we observed continued stagnation in the announced public tenders, while at the end of 2017 the value of investments approved by the public sector increased. Tenders supported by the EU subsidies were launched, and the public procurement decisions of the Ministry of Finance and the Ministry of Justice were published. In addition, a tender procedure for the maintenance of the Comprehensive Information System for the Social Insurance Institution (KSI ZUS) was settled. As expected by the market, the number of public tenders is expected to increase in 2018 and 2019.

### Situation in the financial and general business segments

The economic growth contributes to increasing spending on software and IT services by the general business sector. This trend is clearly visible among smaller and mid-sized companies whose IT needs grow along with the scale of their operations and drive demand for the ERP solutions.

Among banks and financial institutions, the spending on technology is determined by intense fight for the

customer and competition, in which modern solutions play a very important role. This phenomenon, supporting the demand for IT services, is partially offset by the need for cost savings and a conservative financial policy of these institutions.

According to market research, cloud and SaaS solutions, although still represent small part of the IT market, will grow particularly dynamically in the near term. These solutions are particularly attractive for small and mid-sized companies, which can gain access to more advanced products with relatively lower costs. The growing importance of products from that market area will be one of the factors enhancing the need for the expansion of data centers - another rapidly growing sector of the IT market in Poland.

### Company's market position

The Polish IT sector is a competitive and diversified market consisting of both local and leading global companies. Asseco Poland S.A. is one of the largest IT companies in Poland and the largest company in the country focused on the sales of proprietary software and services, and not computer hardware.

According to the latest available estimates of COMPUTERWORLD TOP200, Asseco Poland ranked 16th in the category of the "Largest IT companies operating in Poland", however, it is worth noting that almost all the companies listed above Asseco Poland are either hardware manufacturers or companies with over 60% share of hardware in their sales.

IT companies with highest net profit in 2016	Net profit (in millions of PLN)
Asseco Poland	352.1
CD Projekt	249.7
AB	51.0
PKO BP Finat	45.7
Comarch	45.6
Asseco Business Solutions	42.4
Medicalgorithmics	41.6

Source: Computerworld Top200 2017, Ranking of IT and telecom companies by net profit generated in 2016.

The Asseco Group is also the largest capital group in Poland and the IT company with the highest net profit. It is also worth noting that another company from the Asseco Group - Asseco Business Solutions – holds 6th position in the rank in terms of profitability.

Asseco Poland's leading market position is confirmed by the next table, which presents the positions taken by the Company in the Polish market by the type of business. Asseco Poland is a clear leader in the category of customer-tailored software and IT services for the business sector.

<b>Ranking</b>	<b>Ranking position</b>
Producers of customer-tailored software	1
Providers of IT maintenance services	1
Providers of IT services	1
Providers of system integration services	1

*Source: Computerworld Top200 2017, Ranking of IT and telecom companies by net profit generated in 2016.*

In terms of sectors, Asseco Poland is the leader or one of the leading suppliers in the key segments of its business. The positions in individual segments are presented below:

<b>Ranking of providers of software and services to the sector of</b>	<b>Ranking position</b>
Public administration	1
Healthcare	1
Large companies and corporations	1
Banking	4
Energy industry	3
Finance and insurance	8
Telecommunication	5

*Source: Computerworld Top200 2017, Ranking of IT and telecom companies by net profit generated in 2016.*



## STRATEGY AND DIRECTIONS OF DEVELOPMENT

### Mission

Our **mission** is to build a reliable and profitable, global information technology company providing high quality software and services.

### Values of Asseco Poland - our Source Code

Asseco Poland has come up with its own "source code" that lists the common values shared by Asseco employees. They include:

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

**Respect** - We require trust, honesty and mutual respect both from ourselves and from others.

**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.

### Strategy

The foundation of the strategy of Asseco Poland S.A. is providing proprietary software and IT services to business customers and public administration. The strategy of Asseco Poland S.A. is based on two pillars. The first is organic growth which is achieved through proprietary software and services, whereas the second one involves expansion through acquisitions.

#### Organic growth

The strategy of organic growth of Asseco Group is based on providing proprietary IT software and services to clients in Poland and abroad. Asseco'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 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.

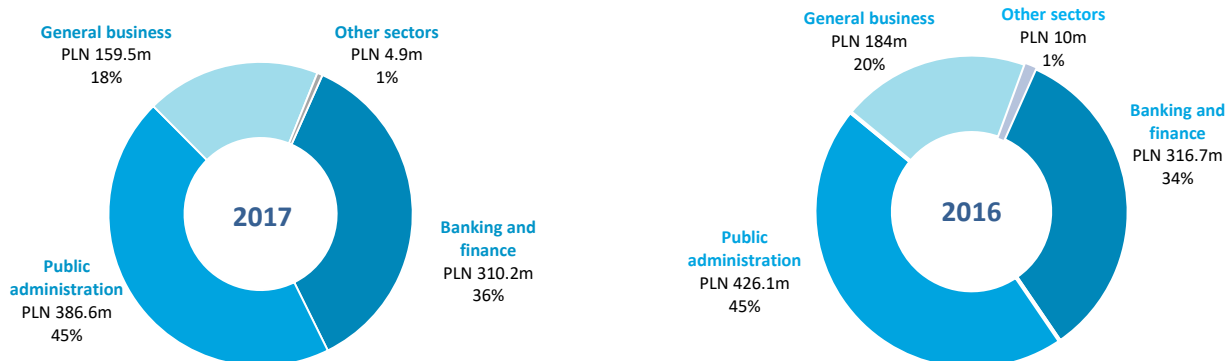
#### Development through acquisitions

Asseco Poland S.A. has been pursuing successful acquisition policy in Poland and abroad for many years. It is ranked among the most experienced companies in this field in Poland. Since 2004, the Company has finalized over 65 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. The purpose of acquisitions of Asseco 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.



## Operations by sectors



Asseco Poland specializes in the development of proprietary IT solutions and provision of services for all sectors of the economy. By sectors, the Asseco's offer can be divided into three main areas: financial, public administration and general business sector. Each of the three sectors is composed of a number of institutions for which Asseco Poland, if necessary, also provides third-party infrastructure and software.

### Financial sector

The production of banking software is one of the key businesses of Asseco Poland. The Company constantly develops and improves its IT solutions tailored to meet the banking sector's growing expectations from information technology.

Asseco Poland is a leading provider of software for financial institutions in Poland. More than half of the banks in the country use solutions implemented by the Company. The Company is also one of the leaders in the development of IT solutions for capital market institutions.

Asseco's flagship product for the banking sector is def3000, a comprehensive IT system used by a dozen or so financial institutions in Poland. The Company also offers several dozen specialized solutions to support specific areas of financial institutions' operations, both as finished products and in combination with the def3000 solution, which only need to be adapted specific operations of a particular institution. In order to meet the expectations of the market, Asseco Poland has developed modern omni-channel products for e-banking (Asseco Customer Banking Platform) as well as "cloud-based" solutions.

Apart from the above-mentioned products and services for the banking sector, Asseco also offers comprehensive IT solutions supporting the operations

of brokerage houses and capital market players. The flagship product offered in this area is the PROMAK program.

### Public institutions

Asseco Poland is the largest IT provider for the public administration sector in the country. The company has been developing dedicated solutions for central administration and advanced products for local government structures for many years.

**Central level** - 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. Asseco Poland has got vast experience in the execution of complex IT projects for the public administration. The largest information technology project in Poland - the Comprehensive Information System of the Social Insurance Institution (KSI ZUS) - has been implemented by Asseco. Also the Central Register of Vehicles and Drivers for the Ministry of the Interior, the IT system for the Border Guard and the solutions for the Agency for Restructuring and Modernization of Agriculture have been developed by Asseco.

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. Experience gained during the implementation of projects for international institutions allowed the Company to move from the position of a service provider to the position of a supplier of solutions and products.

Over the past two years, the Company 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 administration** - 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** - Asseco is an undisputed leader in the market of IT solutions for all types of medical facilities. Our solutions are used by hundreds of major hospitals, majority of clinics in Poland and Blood Donation and Haemotherapy Centers, that use the Blood Bank system. 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 company also implements e-health projects, which are implemented by Marshal and Voivodship Offices within regional projects. Asseco's flagship product in this sector is AMMS (Asseco Medical Management Solution) - a comprehensive IT system designed to support large and mid-sized hospitals, clinics, medical centers and outpatient clinics.

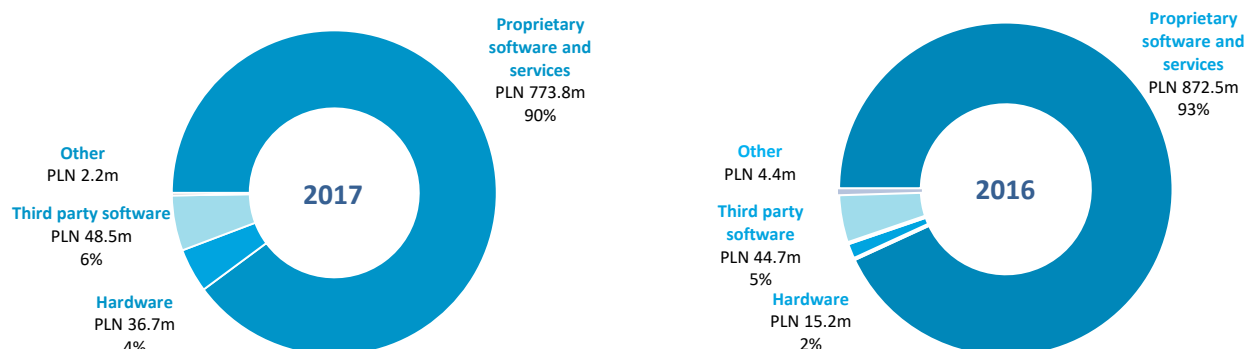
#### ▪ **General business**

Asseco Poland 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. Over 20-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 flexibility of our solutions.

Our product portfolio dedicated to the Energy, Gas, Telecommunication and Media sectors 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 has, for many years, been one of the key providers of billing systems to Orange Polska. Our software solutions are also used by other mobile operators - T-Mobile, Polkomtel - as well as by media companies. In addition, our solutions are utilized by major energy holdings operating in Poland, such as Tauron and Enea.

## Product portfolio



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

### ▪ Dedicated software solutions

Asseco Poland 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 and is used by over 40 thousand users on a daily basis.

In 2017, KSI ZUS received a special award from Computerworld during the "IT Leader 2017" gala.

### ▪ 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). In the previous years, Asseco's software was appreciated by industry institutions, both domestic and international. In 2017, the AUMS IT solution was awarded the title of the "HIT of the Year 2017" as part of a technological competition organized by Gazeta Bankowa.

### ▪ 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 out-of-the-box software to support their routine enterprise management functions. A good example of a standard software package is mMedica – a solution dedicated to clinics and small hospitals.

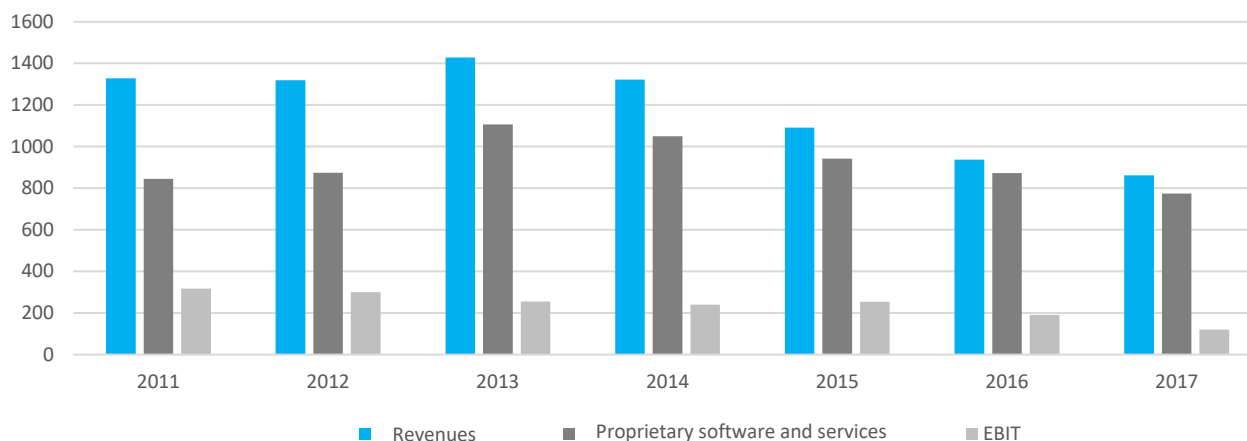
### ▪ Cloud computing solutions

Small and mid-sized enterprises can use our IT solutions available over the Internet. With a minimum of effort and cost and maximum benefits, our customers may take advantage of our knowledge and experience without investing large sums of money in IT infrastructure or a team of IT experts. Major clients for cloud-based e-banking systems delivered by Asseco Poland are cooperative banks operating in Poland.

## FINANCIAL INFORMATION

### Financial results

Key operation data of Asseco Poland in 2011-2017



In 2017, the Company's sales revenues dropped by 8.1% on annual basis. The sales of proprietary software and services went down by 11.3% on year-on-year basis. The decreases are to a large extent the result of stagnation in the settlement of new contracts in the public administration sector.

Presented below are the operating results for the year ended December 31, 2017 as well as for the comparable period of the previous year:

mPLN	12 months ended Dec. 31, 2017 (audited)	12 months ended Dec. 31, 2016 (audited)	Change
<b>Revenues</b>	<b>861.2</b>	<b>936.8</b>	<b>(8.1%)</b>
Proprietary software and services	773.8	872.5	(11.3%)
<b>Gross profit/(loss) on sales</b>	<b>257.6</b>	<b>314.6</b>	<b>(18.1%)</b>
Selling costs	(50.8)	(44.2)	14.9%
General and administrative expenses	(87.2)	(81.0)	7.7%
Other operating activities	1.0	1.6	(37.5%)
<b>Operating profit</b>	<b>120.6</b>	<b>191.0</b>	<b>(36.9%)</b>
<b>EBITDA</b>	<b>174.7</b>	<b>243.4</b>	<b>(28.2%)</b>
<b>Net profit</b>	<b>175.6</b>	<b>352.1</b>	<b>(50.1%)</b>

EBITDA = EBIT + amortization

#### Revenues

In 2017 Asseco Poland's revenues went down by 8.1% on annual basis to PLN 861.2 million.

The revenues of Asseco Poland are well diversified between three key segments of the Company's activity – the public administration, the banking and finance and the general business sector. In 2017, the Public Administration segment accounted for 45% of the Company's total sales. In turn, the Banking and Finance and General Business accounted for 36% and 18% of the Company's total revenues, respectively.

#### Public administration

Asseco Poland is the largest provider of software for the Public Administration sector in terms of revenues<sup>1</sup>.

In 2017, the Company generated PLN 386.6 million in revenues in this area, which marked a decrease by 9.3% on annual basis.

The results of this segment in 2017 were mainly affected by a delay in the expected recovery in announcing new tenders related to the absorption of the EU funds.

In the case of Asseco Poland, this decrease was compensated by a significant share of long-term contracts concluded with customers, both for the

<sup>1</sup> According to the Computerworld 200 Report, Edition 2017

maintenance of IT systems implemented in the prior years, as well as for the development of key solutions.

In 2017, the cooperation with the Social Insurance Institution (ZUS) continued with regard to the maintenance and development of the Comprehensive Information System (KSI). Asseco Poland adapted the system to changes in the law by implementing very significant modifications. The system was adjusted to the amendment of the pension reform. Asseco also prepared the implementation of the e-Contribution project, which aimed to simplify the payment of contributions to the Social Insurance Institution (ZUS) by business owners.

In November 2017, the Social Insurance Institution (ZUS) settled a tender for the maintenance of KSI within the framework of a four-year contract by selecting another tenderer who had submitted the cheapest offer. Asseco appealed against this decision to the National Chamber of Appeal (KIO). In the decision issued on January 23, 2018, the appeal was dismissed. Asseco Poland filed a complaint with the court against the ruling.

Asseco Poland signed a Letter of Intent with ZUS, in which it expressed its readiness to maintain KSI in a transitional period, which may last up to 12 months. The current contract for the maintenance of the system is valid until the end of June 2018.

In 2017, Asseco continued or began the cooperation with public institutions. The Company signed a new 4-year agreement with the Ministry of Justice for the maintenance and modification of the Electronic Land and Mortgage Register system.

In the healthcare segment, Asseco Poland worked on supporting institutions in adjusting them to the requirements of the new Act on the so-called hospital network, which introduced significant changes in the manner of financing medical facilities. In order to streamline the process of adjustment to the new model as much as possible, Asseco developed the Flat Fee Simulator module, which cooperates with the AMMS and InfoMedica systems. In addition, the application was adapted to the regulations on the introduction of electronic sick leave (eZLA). Finally, new e-services for hospitals were launched.

In 2017, the Company strengthened its competencies in the security and defense sector. Under the agreement signed with the Military Geographical Center, Asseco Poland will deliver a new IT system, Geoserver 2, which will serve as the central digital geographic data catalogue. The Ministry of National Defense's investment is part of the plan to modernize the Polish army in the area of command and reconnaissance support systems.

The Company developed the cooperation with the European Space Agency (ESA) - in 2017 it signed an agreement for the construction of new IT tools supporting the operation of the European satellite system and started a project with ESA, under which a tool used in the management of space missions will be developed.

Cyber security is an important area of development of Asseco Poland's advanced solutions. The Company has been also improving control systems for unmanned platforms. In 2017, it also implemented further projects for the European Border and Coast Guard Agency Frontex.

### **Banking and finance**

In 2017, the segment's sales revenues amounted to PLN 310.2 million and were lower by 2.1% than in the previous year.

In 2017, Asseco Poland implemented solutions supporting its clients in adapting to the new regulations, such as the Act on the Information and Communication System of the Clearing House (STIR) and the Split Payment model legal changes, which are to become effective in 2018. The company implements new licensed STIR and Split Payment support functionalities in the following systems: def3000/CB, def3000/CL, def3000/SP.

Asseco Poland has been developing further products, among others in the area of corporate banking, as well as in the area of the Advisory Banking Platform (Asseco ABP) functionality.

An important step in strengthening Asseco's international position was signing an agreement with Sberbank Europe AG, based in Austria, for the implementation of the Asseco Treasury system, including new treasury transaction processing functionalities.

In 2017, long-term cooperation with the largest bank in the region - PKO BP - was continued. Asseco has strengthened its position as a leading provider of software for cooperative banks. In this context, it is worth mentioning the implementation of the Asseco CustomerBanking Platform (Asseco CBP) in over a dozen of SGB Cooperative Banks.

In addition, last year Asseco developed its cooperation with companies operating in the capital market. The introduction of the EU Directive MIFID II meant that brokerage houses had to adapt their systems to the new legal requirements. Also, the cooperation with the Warsaw Stock Exchange (WSE) began, and at the beginning of 2018 Asseco Poland implemented the PROMAK TS system on the WSE. It is one of the most modern solutions for trading in

financial instruments, which meets the requirements of the current EU directive MIFID II. It gives investors access to WSE markets and full control over transactions.

### General business sector

In 2017, Asseco Poland generated sales revenues of PLN 159.5 million in the general business sector. The decrease by 13.3% as compared to 2016 resulted, among other things, from a smaller scope of implementation works.

In 2017, Asseco Poland continued the cooperation with its existing clients from the general business sector, but it also developed new projects, among others in Ethiopia. Last year, AUMS Digital was introduced to the offer - a modern platform dedicated to the energy industry, which takes into account important trends in customer service, such as the omnichannel approach.

As part of the development and R&D projects, work on the AVAGAT system - Asseco Context Awareness Platform - began. The project concerns the development of the world's first prototype system, which will use advanced learning mechanisms to process information in multiple contexts.

#### ▪ Profitability

Presented below are the key profitability results for the year ended December 31, 2017 as well as for the comparable period of the previous year:

	Dec. 31, 2017 (audited)	Dec. 31, 2016 (audited)	Change
Gross profit margin	29.9%	33.6%	-11.0%
EBITDA margin	20.3%	26.1%	-22.2%
Operating profit margin	14.0%	20.4%	-31.4%
Net profit margin	20.4%	37.6%	-45.7%

With lower revenues on annual basis, gross profit on sales decreased by 18.1% to PLN 257.6 million. Gross profit margin dropped by 3.7 percentage points to 29.9%.

The decrease in the result at the level of gross profit on sales also translated into lower results at the level of EBITDA, which in the previous reporting period amounted to PLN 174.7 million and was by 28.2% lower than in the previous year. The EBITDA margin was 20.3%.

With the Company's amortization levels stable, the drop in EBITDA also meant lower operating profit EBIT, which dropped by 36.9% to PLN 120.6 million in 2017.

The Asseco Poland's results in 2017 were negatively affected by a one-off factor - the write-down on goodwill allocated to the Public Administration segment, for which the Company's Management Board, based on a conducted test, determined an

impairment totaling PLN 80.1 million. The results were also affected by the deferred payment write-down of PLN 43.6 million resulting from the sale of 51% of shares in R-Style Softlab. At the same time, a write-down of the investment in R-Style Softlab's associate company, totaling PLN 52.5 million, was made. As a result of impairment of goodwill, the companies of Asseco Nigeria, Sintagma, Asseco Georgia, and Asseco Kazakhstan recognized a total of PLN 27.7 million in write-downs.

In turn, the following one-off factors had a positive impact on Asseco Poland's results: the gross result on sales of Formula Systems, Ltd. amounting to PLN 182.5 million, the reversal of the write-down amounting to PLN 19.8 million on Asseco Western Europe S.A., and the gross result on the sales of shares in subsidiary companies of Asseco South Eastern Europe S.A. (PLN 1.6 million).

Net profit and net profit margin of Asseco Poland are substantially dependent on the level of dividends received from its subsidiary companies, which constitute the Company's financial revenues. In 2017, dividend income reached PLN 127.4 million and was by 39.1% lower than in 2016.

### Quarterly financial results

The tables below present our financial results for the individual quarters of 2017 as well as for the comparable periods of 2016:

mPLN	Q1'17	Q2'17	Q3'17	Q4'17
Revenues	202.9	196.3	202.9	259.1
of which proprietary software and services	189.1	184.1	184.5	216.1
Margin IV	31.0	21.4	30.9	36.3
EBIT	31.5	22.1	32.4	34.6
Net profit	146.3	26.8	45.2	(42.7)
Depreciation and amortization	(13.3)	(13.6)	(13.6)	(13.6)
CFO	(7.4)	42.0	(25.0)	57.5
CAPEX (incl. R&D)	(5.0)	(7.2)	(7.3)	4.2

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 for R&D projects

mPLN	Q1'16	Q2'16	Q3'16	Q4'16
Revenues	213.0	239.5	233.0	251.3
of which proprietary software and services	198.6	221.7	232.8	219.4
Margin IV	42.8	46.9	50.3	49.3
EBIT	43.6	47.1	50.7	49.6
Net profit	183.1	74.0	45.2	49.8
Depreciation and amortization	(13.6)	(13.2)	(13.3)	(12.3)
CFO	19.3	(13.0)	73.3	69.6
CAPEX (incl. R&D)	(5.2)	(4.8)	(7.0)	(7.3)

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 for R&D projects

## Cash flows

In 2017, cash flows from operating activities (CFO) were lower than in 2016 due to delays in payments from Asseco Poland's business partners.

Lower cash flows from operating activities were partially offset by positive cash flows from investing (CFI). Cash flows from investing were mostly affected by the sale of shares in the following companies: Formula Systems Ltd., Asseco Central Europe, a.s. and Asseco South Eastern Europe. The total receipts from these transactions amounted to PLN 340.3 million.

The following table presents major lines of the separate statement of cash flows for the years 2017 and 2016.

	Dec. 31, 2017 (audited)	Dec. 31, 2016 (audited)
CFO	67.1	149.2
CFI	484.9	113.6
CAPEX*	(15.3)	(24.3)
M&A expenditures	(10.4)	(124.0)
Free cash flow	51.8	124.9
Dividend income	156.2	193.3
CFF	(263.6)	(286.2)
Dividend payment	(249.8)	(249.8)
Net change in cash and cash equivalents	288.4	(23.4)
Cash conversion rate (FCF/EBIT Non-IFRS)	38.86%	61.86%

*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 2017, a dividend for 2016 was paid in the amount of PLN 249.8 million, thus it remained at the level from the previous year.

The significant increase in cash at the end of the year resulted from the proceeds from the sale of shares/stake in affiliated companies in 2017.

The lower level of the cash conversion rate (i.e. FCF/adjusted EBIT) in 2017 was a result of lower operating cash flows related to a delay in the payments of Asseco Poland's business partners. As a result, the rate dropped to 39% at the end of 2017 from 62% in the corresponding period in the previous year.



## Statement of financial position

In 2017, the total value of Asseco Poland's assets amounted to PLN 5.5 billion versus PLN 5.6 billion at the end of 2016. The Company's assets consist primarily of non-current assets worth PLN 4.7 billion.

Among non-current assets, the most important items are: goodwill from business combinations, amounting to PLN 1.93 billion as at December 31, 2017 and investments in subsidiaries and associates, which increased to PLN 2.05 billion at the end of the year.

### Liquidity

In the analysis of liquidity, Asseco Poland S.A. 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.

An increase in that ratio is a result of higher level of current assets as at December 31, 2017, which was mainly caused by higher level of cash at the end of that period.

In turn, higher level of working capital at the end of 2017 positively affected liquidity ratios. The current liquidity ratio and the quick liability ratio both went up to 2.8.

As in the previous reporting periods, both ratios in 2017 are close to each other, which is a result of low level of inventories held by the Company (PLN 2.7 million at the end of 2017) and prepayments (PLN 8.1 million at the end of 2017).

The table below presents the closing balances of working capital as at December 31, 2017 and at the end of the previous comparable period.

	Dec. 31, 2017 (audited)	Dec. 31, 2016 (audited)
Working capital (in millions of PLN)	506.8	216.2
Current liquidity ratio	2.8	1.9
Quick liquidity ratio	2.8	1.8
Absolute liquidity ratio	1.1	0.1

*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*

Thanks to a significant increase in cash as at the end of 2017 as compared to the end of the previous year and a moderate increase in current liabilities as at the end of the previous year, the absolute liquidity ratio improved and amounted to 1.1.

### Debt

As at December 31, 2017, the total value of Asseco Poland S.A.'s assets amounted to PLN 5.5 billion. As a result of lower non-current liabilities, the total debt ratio dropped. The debt/equity ratio decreased to 3.1% thanks to the reduction in the interest-bearing debt.

The below table presents debt ratios as at December 31, 2017 and at the previous reporting date.

	Dec. 31, 2017 (audited)	Dec. 31, 2016 (audited)
Total debt ratio	8.4%	8.7%
Debt/equity ratio	3.1%	3.4%
Short-term debt ratio	5.1%	4.5%
Long-term debt ratio	3.3%	4.3%

*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*

Non-current liabilities dropped thanks to regular repayment of non-current loans and finance lease liabilities. A reduction in these liabilities translated into a drop in non-current liabilities by PLN 55.9 million and the improvement in the long-term debt ratio, which reached 3.3% at the end of December 2017 versus 4.3% in the same period in the previous year.

Due to an increase in the current liabilities by PLN 28.4 million (by 11.4%), the short-term debt ratio increased at the end of 2017 by 0.6 percentage point to 5.1%.

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

Non-recurring events with impact on the financial performance, assets and cash flow of the Asseco Poland in the year 2017 and in the comparable period were as follows:

- The sale of shares in R-Style Softlab Joint Stock Company, representing 51% of the share capital and total voting rights at the General Meeting of Shareholders of R-Style. The price under the agreement reached PLN 71.0 million and its payment was to be made within 60 months from the transaction date.
- The sale by Asseco Poland S.A. of shares in Asseco Central Europe a.s. representing 6.51% of the share capital and total voting rights at the General Meeting of Shareholders of that company. The transaction value was PLN 32.8



million and the payment will be made in 8 annual installments, of which the first two installments were paid by the date of the publication of this report. The shares were transferred on March 29, 2017.

- The sale of the shares in Asseco South Eastern Europe S.A. representing 4.28% of the share capital and total voting rights at the General Meeting of Shareholders of that company. The transaction value was PLN 24.2 million and the payment will be made in 8 annual installments.
- The increase of the share capital of Asseco Enterprise Solutions a.s. through non-cash contribution of shares in Asseco Solutions a.s. seated in Slovakia as well as in Asseco Solutions A.G. seated in Germany by Asseco Central Europe a.s. seated in Slovakia. Following this transaction, the direct shareholding of Asseco Poland S.A. in Asseco Enterprise Solutions a.s. decreased to 60.3%, while the direct shareholding of Asseco Central Europe, a.s. in Asseco Enterprise Solutions a.s. reached 39.7%. Due to provisions in the articles of association of Asseco Enterprise Solutions a.s., direct control over that company is held by Asseco Central Europe a.s., whereas Asseco Poland controls Asseco Enterprise Solutions a.s. indirectly through the ACE Group. On December 8, 2017 the share capital of Asseco Enterprise Solutions a.s. was increased through a non-cash contribution of shares in Asseco Solution a.s. seated in the Czech Republic by Asseco Central Europe a.s. seated in Slovakia. As a result of this transaction, the direct shareholding of Asseco Poland S.A. in Asseco Enterprise Solutions a.s. dropped to 49.9%, and the direct shareholding of Asseco Central Europe a.s. in Asseco Enterprise Solutions a.s. reached 50.1%.
- The sale of shares in Formula Systems:
  - In August 2017, Asseco Poland S.A. concluded a transaction of the sale of shares in the subsidiary company Formula Systems (1985) Ltd seated in Tel Aviv, representing 20% of the share capital and total voting rights at the General Meeting of Shareholders of that company. Following the transaction, the Company's stake in the share capital of Formula Systems amounts to 26.33%. The transaction took place in Israel, outside the regulated market, with eleven Israeli financial institutions. The total

value of the transaction was NIS 365.7 million.

- The conclusion of the agreement regarding the voting at the General Meeting of Formula Systems (1985) Ltd. with the Chief Executive Officer of Formula Systems (1985) Ltd. and the entity controlled by him. The agreement concluded on October 11, 2017 regulates the mutual relations of the parties as Formula's shareholders with respect to voting at the General Meeting of Shareholders of Formula. As a result of the agreement, at the beginning of Q4 2017 the Company regained control over Formula Systems.
- The establishment by Asseco Poland S.A. of a company under the Slovak law - Asseco International, a.s. The company was registered on November 1, 2017.

On December 5, 2017, the share capital of Asseco International was increased by a non-cash contribution of all the shares in Asseco Central Europe held by Asseco Poland. The merger was registered on December 19, 2017.

On December 14, the share capital of Asseco International was further increased through a non-cash contribution of all the shares held by Asseco Poland in the following companies: Asseco South Eastern Europe, Exictos, R-Style Softlab, Asseco Denmark, Peak Consulting, Asseco Lietuva, Sintagma, Asseco Georgia, Asseco Kazakhstan, and Asseco Software Nigeria in exchange for the acquisition of shares in the increased share capital. The merger was registered on December 19, 2017.

Asseco Poland holds 100% of shares in the share capital of Asseco International, a.s.

- Write-down on goodwill allocated to the Public Administration segment, for which the Company's Management Board, based on the conducted test, determined an impairment. The write-down reached PLN 80.1 million.

### Opinion on feasibility of investment plans

Asseco Poland S.A. pays its trade payables, settles the state obligatory charges, and fulfils its investment obligations on a timely basis. We maintain loan facilities at various banks in order to diversify our sources of financing. The Company pays its liabilities from current operating revenues which may be supplemented with third party financing, in the form of short-term bank overdraft facilities, bank term loans, borrowings, or capital contributions.

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



	2017-01-02	2017-03-31	2017-06-30	2017-09-29	2017-12-29	Δ 12M
<b>Asseco Poland S.A. (PLN)</b>	<b>51.42</b>	<b>51.35</b>	<b>48.77</b>	<b>46.29</b>	<b>43.98</b>	<b>-14.47%</b>
WIG30 (pkt.)	2,249.35	2,516.38	2,663.68	2,848.87	2,825.27	<b>25.60%</b>
WIG (pkt.)	51,907.77	57,911.31	61,018.36	64,289.69	63,746.20	<b>22.81%</b>
WIG-Info (pkt.)	2,169.82	2,359.40	2,287.84	2,095.18	2,041.80	<b>-5.90%</b>

### Company's stock information

<b>Total number of shares</b>	<b>83,000,303</b>
ISIN	PLSOFTB00016
GPW	ACP
Reuters	ACPP.WA
Bloomberg	ACP PW

In the first half of 2017, the share price of Asseco Poland was in the process of consolidation, and in the second half of the year it came under pressure. As a result, the price of Asseco Poland's shares decreased by 14.47% in the period from January to December 2017.

An important event for the investors of Asseco Poland in 2017 was the payment of a dividend of PLN 3.01 per share. The dividend yield on the day of its payment was 5.9%.

Last year, the WIG30 index increased by 25.60%, and the broad market WIG index was higher by 22.81% at the end of the previous year. The WIG-Informatyka sector index recorded a drop of 5.90%.

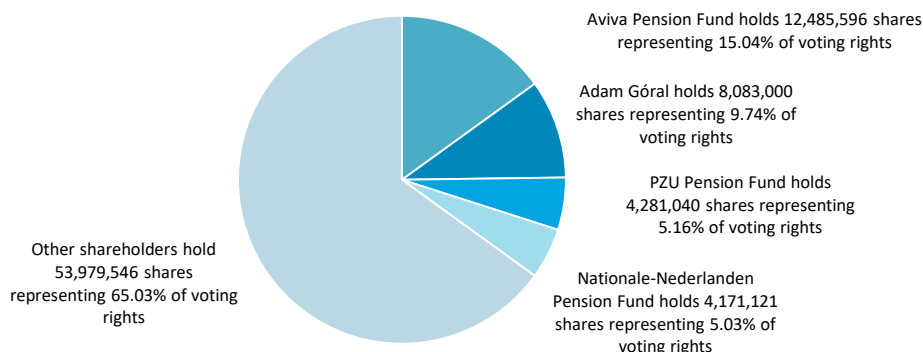
In 2017, the main indices of the Warsaw Stock Exchange (WSE) increased significantly. After the declines recorded in 2016, the situation on the WSE

radically reversed. Improved conditions on the WSE were a result of a number of economic, political and financial factors. Many indicators improved - we observed an acceleration in the GDP growth, a reduction in the budget deficit and an increase in wages and employment. The market segments that recorded the highest growth in 2017 were the banking, oil and clothing sectors.

2017 was a successful year for the global stock exchanges. The US stock exchange recorded another year of increase in S&P500 and volatility remained low - the stock price increases were accompanied only by minor corrections. In 2017, investors observed the first year of Donald Trump's presidency in the US and assessed the effects of Britain's exit from the European Union. The very good situation on the global stock exchanges had a positive impact on the mood on the WSE.

## Shareholder structure

### Major Shareholders as at December 31, 2017



In the management board's best judgment, as at the date of publication of this report, i.e. on March 19, 2018, the Shareholders who, either directly or through their subsidiaries, hold at least 5.0% of total voting rights are as follows:

Shareholders as at March 19, 2018	Number of shares held	Percentage of total voting rights
Aviva OFE <sup>1)</sup>	12,485,596	15.04%
Adam Góral, President of the Management Board <sup>2)</sup>	8,083,000	9.74%
PZU OFE <sup>3)</sup>	4,281,040	5.16%
NN OFE <sup>4)</sup>	4,171,121	5.03%
Other shareholders	53,979,546	65.03%
	<b>83,000,303</b>	<b>100%</b>

(1) In accordance with the regulatory filing no. 26/2017 of December 12, 2017  
(2) In accordance with the regulatory filing no. 51/2012 of December 15, 2012  
(3) In accordance with the regulatory filing no. 38/2010 of June 2, 2010  
(4) In accordance with the regulatory filing no. 21/2015 of October 19, 2015

In the management board's best judgment, as at December 31, 2017, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Shareholders as at December 31, 2017	Number of shares held	Percentage of total voting rights
Aviva OFE <sup>1)</sup>	12,485,596	15.04%
Adam Góral, President of the Management Board <sup>2)</sup>	8,083,000	9.74%
PZU OFE <sup>3)</sup>	4,281,040	5.16%
NN OFE <sup>4)</sup>	4,171,121	5.03%
Other shareholders	53,979,546	65.03%
	<b>83,000,303</b>	<b>100%</b>

(1) In accordance with the regulatory filing no. 26/2017 of December 12, 2017  
(2) In accordance with the regulatory filing no. 51/2012 of December 15, 2012  
(3) In accordance with the regulatory filing no. 38/2010 of June 2, 2010  
(4) In accordance with the regulatory filing no. 21/2015 of October 19, 2015

In the management board's best judgment, as at the publication date of the prior report, i.e. on November

20, 2017, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Shareholders as at November 20, 2017	Number of shares held	Percentage of total voting rights
Aviva OFE <sup>1)</sup>	11,788,707	14.20%
Adam Góral, President of the Management Board <sup>2)</sup>	8,083,000	9.74%
PZU OFE <sup>3)</sup>	4,281,040	5.16%
NN OFE <sup>4)</sup>	4,171,121	5.03%
Other shareholders	54,676,435	65.87%
	<b>83,000,303</b>	<b>100%</b>

1) In accordance with the regulatory filing no. 20/2017 of September 13, 2017  
(2) In accordance with the regulatory filing no. 51/2012 of December 15, 2012  
(3) In accordance with the regulatory filing no. 38/2010 of June 2, 2010  
(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 19, 2018	December 31, 2017	November 20, 2017
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
Tadeusz Dyrka – Vice President of the Management Board	3,710	3,710	3,710
Robert Smułkowski – Vice President of the Management Board <sup>1)</sup>	2,212	n/d	n/d

1) In accordance with the regulatory filing no. 8/2017 of March 28, 2017, Mr. Robert Smułkowski submitted his resignation from the membership in the Management Board of the Company, from the position of the Vice President of the Management Board

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

### Remuneration policy report

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 in the gross amount of PLN 30,000 per month;

- 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.

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 S.A. during the year 2017:

Gross amount of remuneration for the period (in millions of PLN)	Variable remuneration	Total remuneration
Adam Góral	1.13	1.50
Przemysław Borzestowski <sup>1)</sup>	0.83	1.10
Andrzej Dopierała <sup>2)</sup>	-	-
Tadeusz Dyriga	1.09	1.50
Krzysztof Groyecki	0.44	0.80
Rafał Kozłowski	0.67	1.00
Marek Panek	0.67	1.00
Paweł Piwowar	0.86	1.20
Zbigniew Pomianek	2.42	2.80
Włodzimierz Serwiński	-	-
Przemysław Sęczkowski	0.62	1.00
Robert Smułkowski <sup>3)</sup>	0.19	0.80
Gabriela Żukowicz <sup>4)</sup>	0.14	0.20
<b>Total</b>	<b>9.06</b>	<b>12.90</b>

*1) Mr. Przemysław Borzestowski served as the Vice President of the Management Board of the Company until September 17, 2017.*

*2) Mr. Andrzej Dopierała was appointed the Vice President of the Management Board of the Company with effect from October 1, 2017.*

*3) Mr. Robert Smułkowski served as the Vice President of the Management Board of the Company until March 28, 2017.*

*4) Mrs. Gabriela Żukowicz was appointed the Vice President of the Management Board of the Company with effect from October 1, 2017.*

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.

The table below presents the gross amounts of remuneration payable to the Management Board Members for performing supervisory duties on the Supervisory Boards of Asseco Group companies:

mPLN	Grupa ABS	Grupa ACE	Grupa ASEE	Grupa Formula	ZUI Novum Sp. z o.o.
Adam Góral	0.06	0.05	0.02	-	0.06
Rafał Kozłowski	-	-	-	0.12	-
Marek Panek	-	0.03	-	0.12	-
Zbigniew Pomianek	0.05	-	-	-	0.04
Przemysław Sęczkowski	-	0.03	-	-	-
Andrzej Dopierała	-	-	-	-	-
Gabriela Żukowicz	-	-	0.03	-	-
<b>Total:</b>	<b>0.11</b>	<b>0.11</b>	<b>0.05</b>	<b>0.24</b>	<b>0.10</b>

As regards the package of additional employee benefits, 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.

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. Over the last year, the Company did not introduce any significant changes to its remuneration policy.

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

The table below presents the gross amounts of fixed and variable remuneration payable for performing managerial duties at the Group's subsidiary companies:

mPLN		
Asseco Western Europe S.A.		
	fixed	variable
Rafał Kozłowski	0.17	0
Przemysław Sęczkowski	0.17	0.36
Asseco Data Systems		
	fixed	variable
Andrzej Dopierała	0.36	0.82
<b>Total:</b>	<b>0.70</b>	<b>1.18</b>

The policy of remuneration payable to the members of management bodies at the Group's subsidiary companies is similar that applicable in the Parent Company:

- fixed remunerations are paid on a monthly basis;
- variable remunerations depend on:

- the amount of margin IV achieved by the business units of Asseco Data Systems Group;
- the amount of net profit earned by Asseco Western Europe Group.

The Management Board Members are not entitled to any other packages of additional benefits, also in terms of severance payments upon their dismissal.

Information on the full amount or remunerations paid to the Members of the Management Board and Supervisory Board of Asseco Poland S.A. is provided in explanatory note 33 to the financial statements of Asseco Group for the year ended December 31, 2017.

## Discussion of significant risk factors and threats

Asseco Poland S.A. 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 the compliance with the law and general standards, as well as the market standards adopted by the Company;
- internal control system.

The systems and smoothly functioning internal audit effectively reduce the negative impact of the following risk factors and threats to the Company's operations.

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

The business operations of Asseco Poland S.A. 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 Poland'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 Asseco Poland 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 Asseco Poland S.A.

### **Risk related to market saturation**

Technological saturation that begins to emerge in the Polish banks and private enterprises may prompt them to focus their strategies on smaller or mid-size IT projects that would address their current needs only. Such circumstances might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco.

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

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

### **Risk involved in gaining new contracts**

It is characteristic of the IT business that most of contracts of Asseco Poland S.A. are awarded under tendering procedures. Therefore, it is not certain that



the Company 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 Asseco Poland S.A.

**Risk related to Poland's macroeconomic situation**

Development of the IT services sector is closely correlated to the overall economic prosperity. The main factors affecting the financial results of Asseco Poland S.A. include the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, inflation rate and the exchange rate of foreign currencies versus PLN.

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

**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 Asseco Poland S.A..

In order to manage the risk of higher cost of work, the Company takes a number of measures which can help reduce potential negative effects of rising salaries. Among other things, Asseco Poland S.A. (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 of changes in regulations and their interpretation**

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 Asseco Poland S.A. 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 Company conducts with its related parties. This might have a significant adverse impact on the operations, financial position, financial results and prospective development of Asseco Poland S.A.

**Risk of losing the clients' trust**

Operations of Asseco Poland S.A. 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 underestimation of the project cost**

Most of Asseco Poland S.A.'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, Asseco Poland S.A. 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 concluding a contract with a dishonest customer**

Asseco Poland S.A. 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 addition, the Company uses processes for the initial and periodic verification of the operating process for external entities. 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 of inability to effectively integrate the taken-over companies or to achieve the intended rates of return on acquisitions or investments**

Asseco Poland S.A. 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 related to losing the key personnel**

The Company's 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 Asseco Poland S.A..

**Risk associated with cybersecurity, data leakage**

In recent years, cyber security has become one of the major challenges which contemporary states and economies have to face. The scale of cybercrime has been growing at an unprecedented pace so far.

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 Asseco, 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 Company's operations, financial position, financial results and prospective development.



## OTHER INFORMATION

**Explanation of differences between the financial results disclosed in the annual report and previous financial forecasts for the year.**

Asseco Poland S.A. did not publish any financial forecasts for the year 2017.

**Opinion on feasibility of the Management Board financial forecasts for 2018**

The management board of Asseco Poland S.A. has not published financial forecasts for 2018 and other reporting periods.

**Changes in the Company's management policies**

During the year 2017, the Company's management practices remained unchanged.

**Remuneration of the management and supervisory personnel**

The amounts of remuneration due to our management and supervisory staff have been disclosed in explanatory note 33 to the separate financial statements of Asseco Poland S.A. for the year ended December 31, 2017.

**Description of the Company's sponsoring and charity policy**

Since 2006, Asseco Poland has been a major sponsor of the leading volleyball team Asseco Resovia Rzeszów. The Company also supports one of the best teams in the Polish basketball league, namely Asseco Gdynia. The Management of Asseco Poland is an active supporter, not only in financial terms, but also by devoting their time and expertise to assist the players and help the teams in building their strategies for development.

On the occasion of Christmas, Asseco Poland provides one-time financial donations to institutions and foundations selected by the company's employees. These organizations operate in the regions where the divisions of Asseco Poland are based. The charity campaign "We Help" has been created on the initiative of the Management Board of Asseco Poland that decided to resign from buying any Christmas presents for the company's clients. This way the company saved PLN 200,000 and allocated this money to a campaign, where our employees take part in an internal competition to come up with the best project of aid for various social institutions.

**Agreements concluded by Asseco Poland S.A. with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions**

Asseco Poland S.A. 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 share-holders and bondholders**

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

**Organizational and equity relationships**

Asseco Poland S.A. is the parent company of Asseco Poland Group, and its equity relationships have been presented in explanatory note 10 to the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017.

**Related party transactions**

Related party transactions have been presented in explanatory note 26 to the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017. These transactions were carried out on an arm's length basis.

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

Bank loans drawn, loans granted, as well as sureties and guarantees granted have been described in explanatory notes 21 and 28 to the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017.

**Loans granted during the financial year**

Information on loans granted by Asseco Poland S.A. has been presented in explanatory note 12 to the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017.

**Off-balance-sheet items**

The nature, purpose and value of significant off-balance-sheet items have been presented in explanatory notes 28 and 29 to the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017.

### Utilization of proceeds from issuance of shares

In the period of 12 months ended December 31, 2017, Asseco Poland S.A. did not issue any new shares.

### Monitoring of employee stock option plans

As at the date of preparation of this report, the Company did not run any share-based employee incentive scheme.

### Significant agreements concluded by the Company

The criterion for considering an agreement as significant is its value exceeding 5% of revenues from the sales of the capital Group in the last financial year from the consolidated financial statements of the capital Group for the last financial year or the fact that the agreement concluded by the Company or the Subsidiary has obtained the status of a significant agreement.

In 2017, Asseco Poland sold shares in its subsidiary Formula Systems (1985) Ltd. seated in Tel Aviv:

- On August 3, 2017 Asseco Poland S.A. concluded a transaction of the sale of shares in the subsidiary company Formula Systems (1985) Ltd seated in Tel Aviv, representing 16% of the share capital and total voting rights at the General Meeting of Shareholders of that company. Following the transaction, the Company's stake in the share capital of Formula Systems dropped to 30.33%. The transaction took place in Israel, outside the regulated market, with eleven Israeli financial institutions. The total value of the transaction was NIS 292.6 million.
- In addition, on August 22, 2017, Asseco Poland S.A. concluded a transaction of the sale of shares in Formula representing 4% of the share capital and total voting rights at the General Meeting of Shareholders of Formula Systems. The transaction was executed in Israel, outside the regulated market, with an entity controlled by the CEO of Formula Systems. Following this transaction the Company's stake in the share capital of Formula Systems amounts to 26.33%. The total value of the sales of 4% of shares was NIS 73.1 million.

The Company informed about the transactions in its Regulatory Filings 18/2017 of August 3, 2017 and 19/2017 of August 22, 2017.

### Information on judicial proceedings where the value in dispute exceeds 10% of the amount of equity

At the publication date of this report, the Company was not a party to any proceedings pending before

any court, arbitration authority or public administration authority, under which the value in dispute would exceed 10% of the Company's equity.

### Information on adhering to the corporate governance standards

Information on adhering to the corporate governance standards has been contained in the separate Report on compliance of Asseco Poland S.A. with the corporate governance standards in the year 2017.

### Agreement with the entity authorized to audit financial statements

The agreement with the entity authorized to audit financial statements, namely Ernst & Young Audyt Polska Sp. z o.o. sp. k., to carry out audits of the separate and consolidated financial statements of Asseco Poland S.A. drawn up for the year ended December 31, 2017 was signed on June 2, 2017.

### 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 32 to the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017.

This Management Report on Operations was approved for publication by the Management Board of Asseco Poland S.A. on March 19, 2018.

### Information on Asseco Poland's diversity policy with respect to the Company's authorities

Asseco Poland S.A. 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.

**Statements by the  
Management of Asseco  
Poland S.A.  
to the Annual Report**



**Statement made by the Management Board of Asseco Poland S.A. on the reliability of preparation of the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017**

The Management Board of Asseco Poland S.A. hereby declares that, to the best of its knowledge, the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017 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.

Furthermore, the Management Board declares that the presented data give a true, reliable and fair view of the Company's assets, financial position and financial performance. The report on operations of Asseco Poland S.A. provides a fair description of the development, achievements and economic position of the Company, inclusive of major risks and threats to its operations.

Adam Góral  
President of the Management Board

Andrzej Dopierała  
Vice President of the Management Board

Tadeusz Dyrga  
Vice President of the Management Board

Krzysztof Groyecki  
Vice President of the Management Board

Rafał 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

Artur Wiza  
Vice President of the Management Board

Gabriela Żukowicz  
Vice President of the Management Board

**Statement made by the Management Board of Asseco Poland S.A. on the entity authorized to audit the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017**

The Management Board of Asseco Poland S.A. hereby declares that the entity authorized to audit the annual financial statements of Asseco Poland S.A. for the year ended December 31, 2017, namely Ernst & Young Audyt Polska Sp. z o.o. Sp.k., seated in Warsaw, has been chosen in accordance with the provisions of the law in force. This entity as well as certified auditors, who audited these financial statements, satisfied the conditions for expressing an impartial and independent opinion on the audited annual financial statements, in line with the applicable regulations and professional standards.

Adam Góral  
President of the Management Board

Andrzej Dopierała  
Vice President of the Management Board

Tadeusz Dyrga  
Vice President of the Management Board

Krzysztof Groyecki  
Vice President of the Management Board

Rafał Kozłowski  
Vice President of the Management Board

Marek Panek  
Vice President of the Management Board

Paweł Piwowar  
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Zbigniew Pomianek  
Vice President of the Management Board

Artur Wiza  
Vice President of the Management Board

Gabriela Żukowicz  
Vice President of the Management Board

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POLAND