


asreco

# The Asseco Group's results

Q1-Q3 2023

November 23, 2023



# Summary of the Group's results for Q1-Q3 2023

- Stable business development and good financial performance:
  - revenues **PLN 12.6 billion**
  - non-IFRS operating profit **PLN 1.5 billion**
  - non-IFRS net profit **PLN 384 million**
  - net profit **PLN 344 million**
  - **79%** of revenues from proprietary software and services
- Significant impact of exchange rates – organic revenue growth of **6%** (considering fixed exchange rates)
- **Successful business model** based on proprietary software, combined with local experience and global expertise
- **Diversified client portfolio** – geographically, by sectors, mostly large and financially stable companies and public institutions
- Implementation of a **share buyback** plan – further goal of increasing share liquidity

# Summary of activities



# Selected consolidated financial data for Q1-Q3 2023

PLN 12 611 million

Sales revenues

-1%

PLN 9 983 million

Proprietary software and services

+1%

PLN 1 894 million

Non-IFRS EBITDA

-1%

PLN 1 452 million

Non-IFRS EBIT

-2%

PLN 384 million

Non-IFRS net profit

-6%

# The Asseco Group in Q1-Q3 2023

## Asseco Poland Segment

- Double-digit revenue growth in the areas of finance and banking, healthcare, energy and telecommunications
- Implementation of long-term contracts and projects in the central administration sector
- Very good sales results in ADS and Asseco Cloud

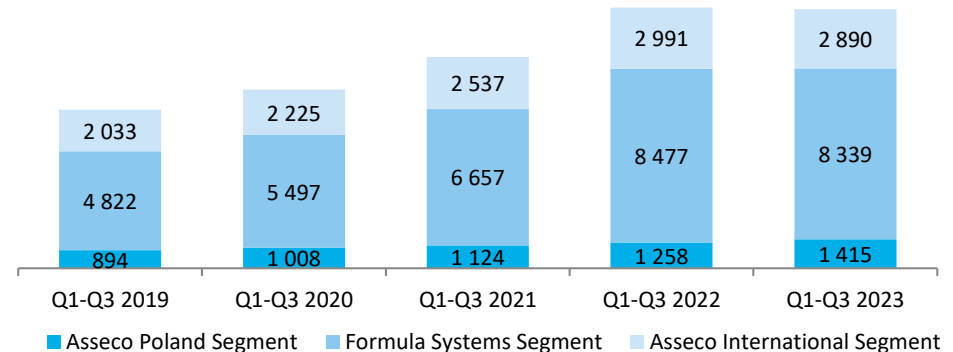
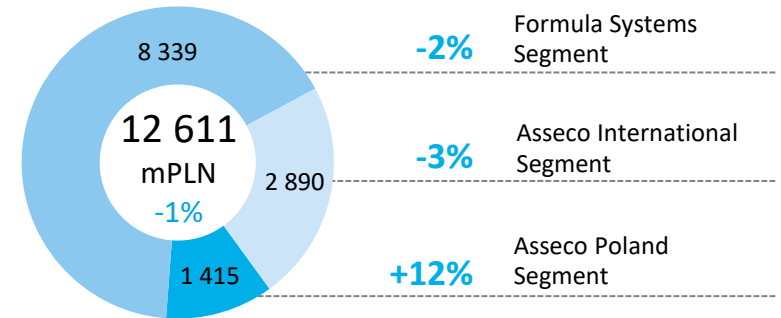
## Formula Systems Segment

- Organic revenue growth in fixed exchange rates of 7%
- Geographically diversified operations
- Broad portfolio of clients from the public sector and large, privately held companies with established market positions

## Asseco International Segment

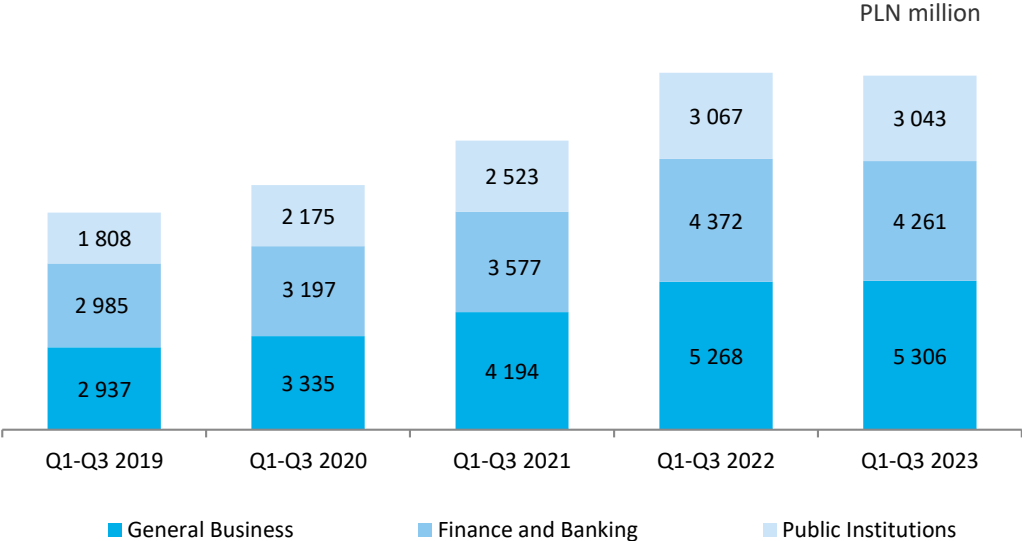
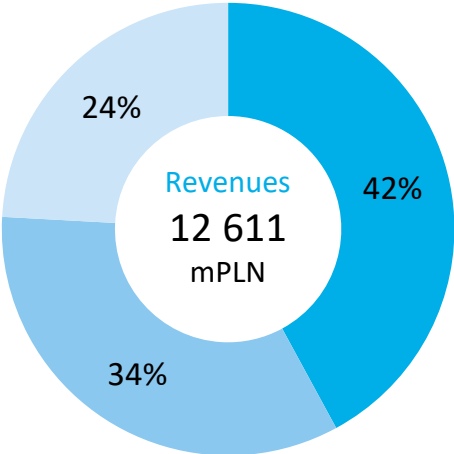
- Dynamic growth in sales of ERP systems in Poland, Czech Republic and the DACHI region
- ASEE – double-digit revenue growth in segments banking and dedicated solutions

Sales revenues (PLN million)



In addition: consolidation adjustment due to sales between markets – PLN 33.8 million

# Strong sectoral diversification of Asseco's revenues



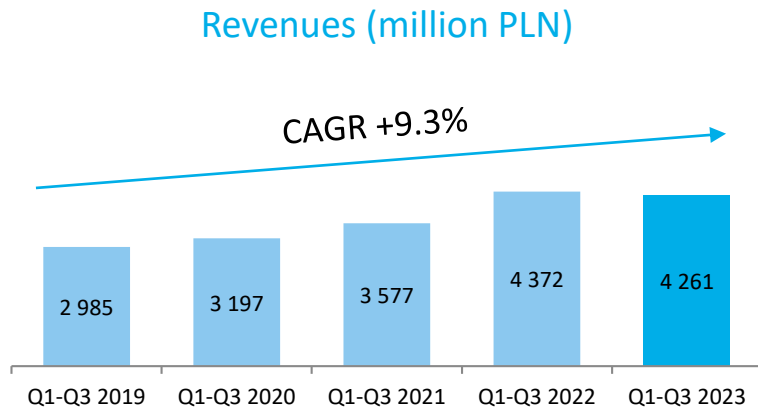
**10%**

Share of top 10 customers in the Group's revenues for Q1-Q3 2023

**2%**

Share of the largest customer in the Group's revenues for Q1-Q3 2023

# Finance and Banking Sector



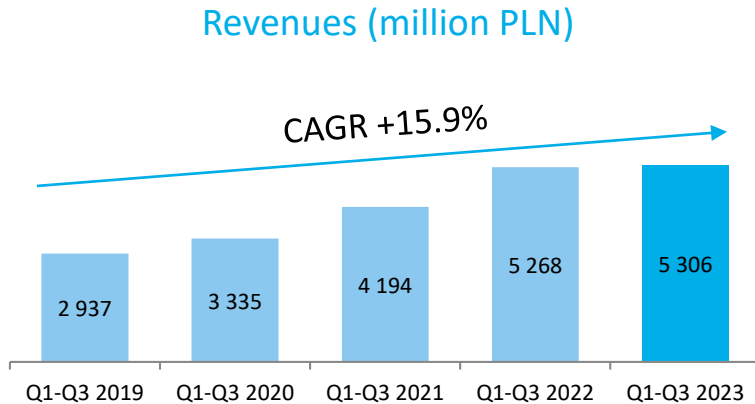
	Q1-Q3 2023	Q1-Q3 2022	Change
Formula Systems Segment	2 774.3	2 972.3	-7%
Asseco International Segment	1 066.6	1 052.6	+1%
Asseco Poland Segment	432.6	354.4	+22%
<b>Asseco Group*</b>	<b>4 261.4</b>	<b>4 372.1</b>	<b>-3%</b>

- **Formula Systems:** Sapiens – 66% share of software and re-occurring post-production services in total sales, focus on cloud solutions, more than 90% of sales outside Israel
- **Asseco International:** very good sales results in ASEE's banking segment, where growth was driven by the lines of central banking systems and omnichannel solutions
- **Asseco Poland:** 30% growth in revenues in the finance and banking sector in the parent company – high growth rates in the areas of commercial and cooperative banking, capital market, Business Intelligence (BI)

\* Figures including consolidation adjustment.



# General Business Sector

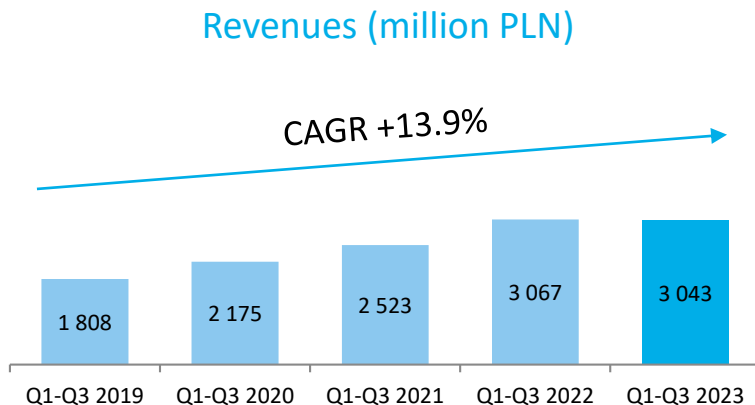


	Q1-Q3 2023	Q1-Q3 2022	Change
Formula Systems Segment	3 608.0	3 569.4	+1%
Asseco International Segment	1 376.1	1 447.2	-5%
Asseco Poland Segment	341.6	264.4	+29%
<b>Asseco Group*</b>	<b>5 306.1</b>	<b>5 268.0</b>	<b>+1%</b>

- **Formula Systems:** higher sales at Matrix IT and Insync Staffing
- **Asseco International:** double-digit growth in sales of ERP systems at AES Group and dedicated solutions at ASEE, no revenue from Danish companies sold in Q4 2022 (PLN 37 million), decline in infrastructure sales at Asseco Spain
- **Asseco Poland:** significant sales growth in Asseco Poland (energy and telecommunications), ADS and Asseco Cloud

\* Figures including consolidation adjustment.

# Public Institutions Sector



	Q1-Q3 2023	Q1-Q3 2022	Change
Formula Systems Segment	1 956.8	1 935.7	+1%
Asseco International Segment	447.3	491.6	-9%
Asseco Poland Segment	641.1	639.6	+0%
<b>Asseco Group*</b>	<b>3 043.1</b>	<b>3 066.7</b>	<b>-1%</b>

- **Formula Systems:** growth of Matrix IT revenues in health and uniformed services, increased sales in Michpal Micro Computers, contribution of Shamrad Electronics acquired in Q4 2022
- **Asseco International:** increased sales to central and local government in ASEE and AES Groups, no revenue from Danish companies sold in Q4 2022 (PLN 79 million)
- **Asseco Poland:** double-digit sales growth in healthcare, stable revenue stream from the central administration and local government sector

\* Figures including consolidation adjustment.

# The Group's development – acquisitions

## Acquisitions on the Israeli market:



**Zebra A.G.R Technologies** offers a wide range of cyber security and network management solutions along with consulting and training services.



**K.M.T (M.H.) Technologies Communication Computers** is a provider of comprehensive ICT solutions and services, including a private cloud available to customers on 4 continents (Asia, North America, Africa, Europe).



**Emalogic Software** is engaged in custom software development (conception, design, implementation and testing, implementation, maintenance, modification and development).

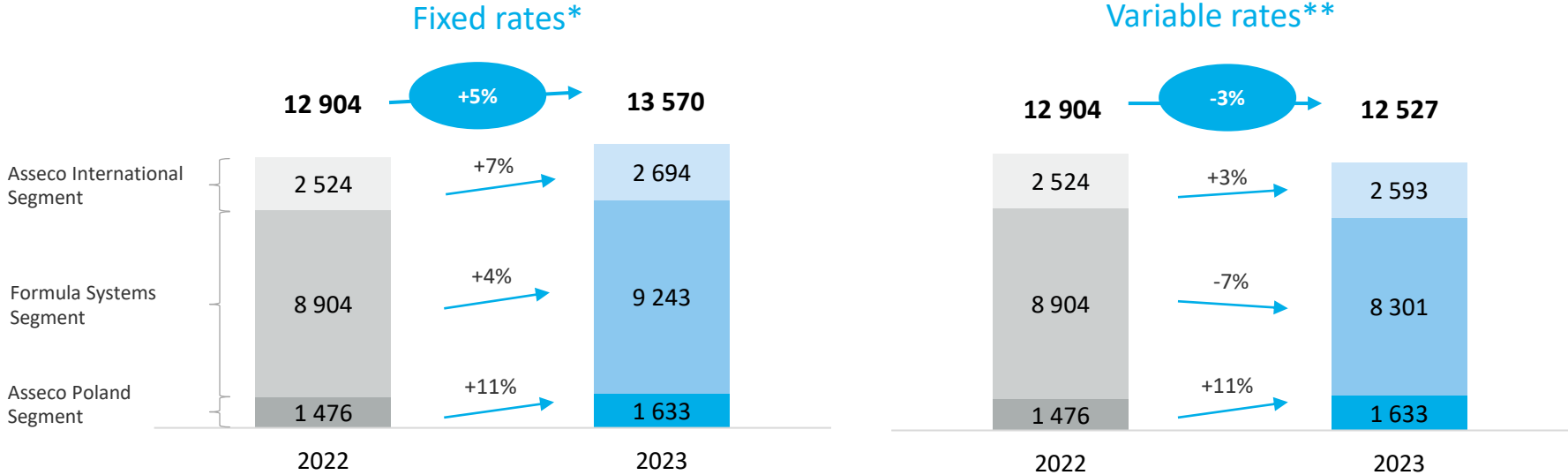
## Acquisitions on the European market:



**Ifthenpay** is a Portuguese company operating in the field of payments and e-commerce.

# The Group's order backlog

## Proprietary software and services



Figures in PLN million.

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

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

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

# Financial information



# Revenues and operating profit

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

Figures in PLN million.

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

# Reconciliation of operating profit and net profit

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

Figures in PLN million.

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

# Financial results of regions and subsidiaries

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

Figures in PLN million.

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



# Cash generated (LTM)

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

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

\* Less financing.

\*\* Repayment of lease obligations.

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

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

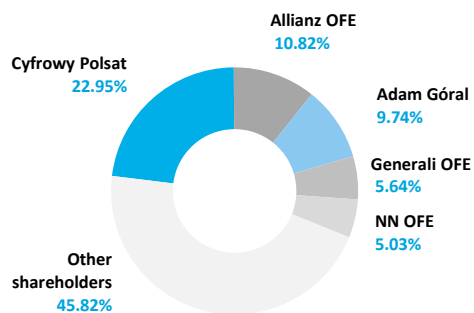
# Stable liquidity situation

		As at September 30, 2023			
	Grupa Asseco	Formula Systems Segment	Asseco International Segment	Asseco Poland Segment	Eliminations
Cash	2 594.7	1 726.3	640.4	228.0	-
Interest-bearing liabilities (ST)	-1 514.2	-1 204.6	-193.8	-117.5	1.7
<i>Loan liabilities (ST)</i>	-1 270.4	-1 023.8	-144.1	-102.5	-
<i>Leasing (ST)</i>	-243.8	-180.8	-49.7	-15.0	1.7
Net cash (ST)	1 080.5	521.7	446.6	110.5	1.7
Inventories + ST receivables - ST liabilities*	1 597.3	1 107.5	217.0	275.8	-3.0
Net operating assets (ST)	2 677.8	1 629.2	663.6	386.3	-1.3
Net debt (ST + LT)	1 923.3	1 307.0	-174.9	801.3	-10.1

Figures in PLN million.

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

# Successful share buyback



**PLN 1 184.7 million**

total purchase value



**PLN 80**

price per 1 share



**14.8 million shares**

(17.84%)  
total number of shares acquired



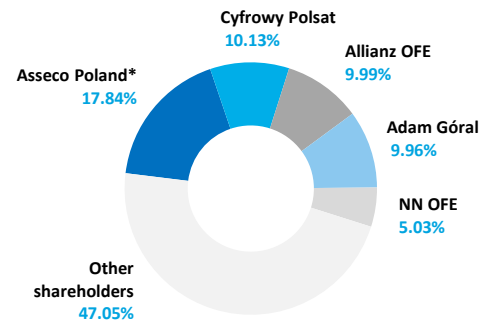
**September 21, 2023**

clearing of the transaction  
and acquisition of shares



**PLN 13.5 million**

acquisition of shares by Adam Góral  
(October 2-6, 2023)



*\* Own shares purchased under the share buyback program announced on September 6, 2023. In accordance with Article 364 (2) of the Commercial Companies Code, Asseco Poland S.A. does not exercise its equity rights from its own shares.*

## Shareholding structure

Announcement of share buyback  
(September 6, 2023)

## Successful purchase of own shares

Acquisition of shares by Adam Góral

## Shareholding structure

Current  
(November 23, 2023)

# Attachments



# Development of Asseco's competence areas

Revenues in Q1-Q3 2023

## Strong position in the area of:

**Finance and Banking**

PLN 4.3 billion

## Development in new areas:

**Cloud solutions**

PLN 825 million

**Cybersecurity**

PLN 223 million

**Robotics**

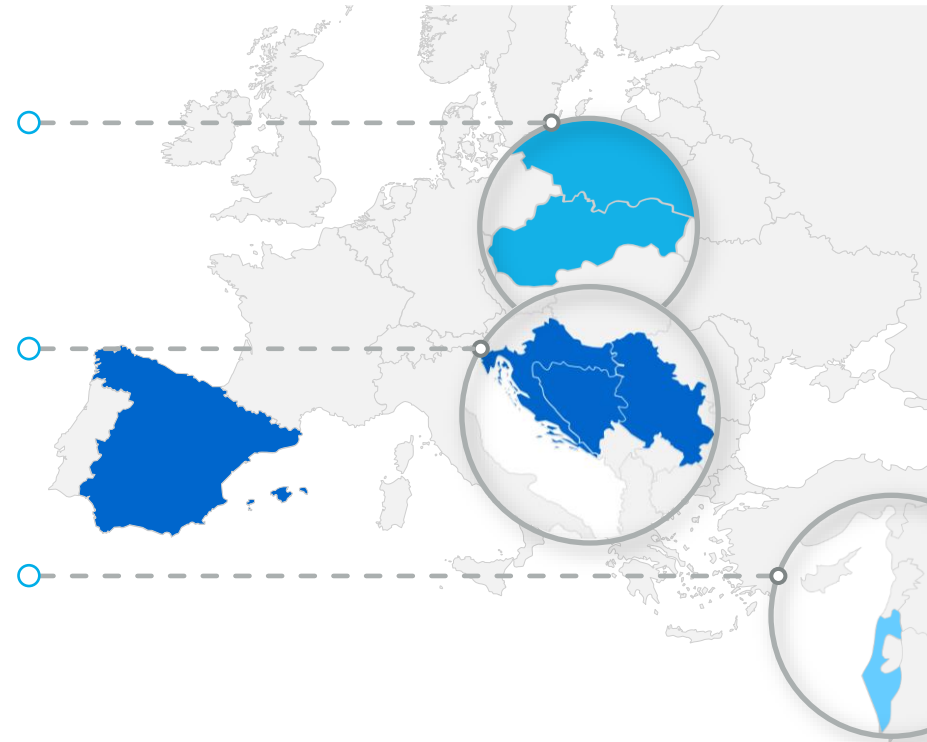
PLN 54 million

## INTERNATIONAL CENTERS OF COMPETENCE

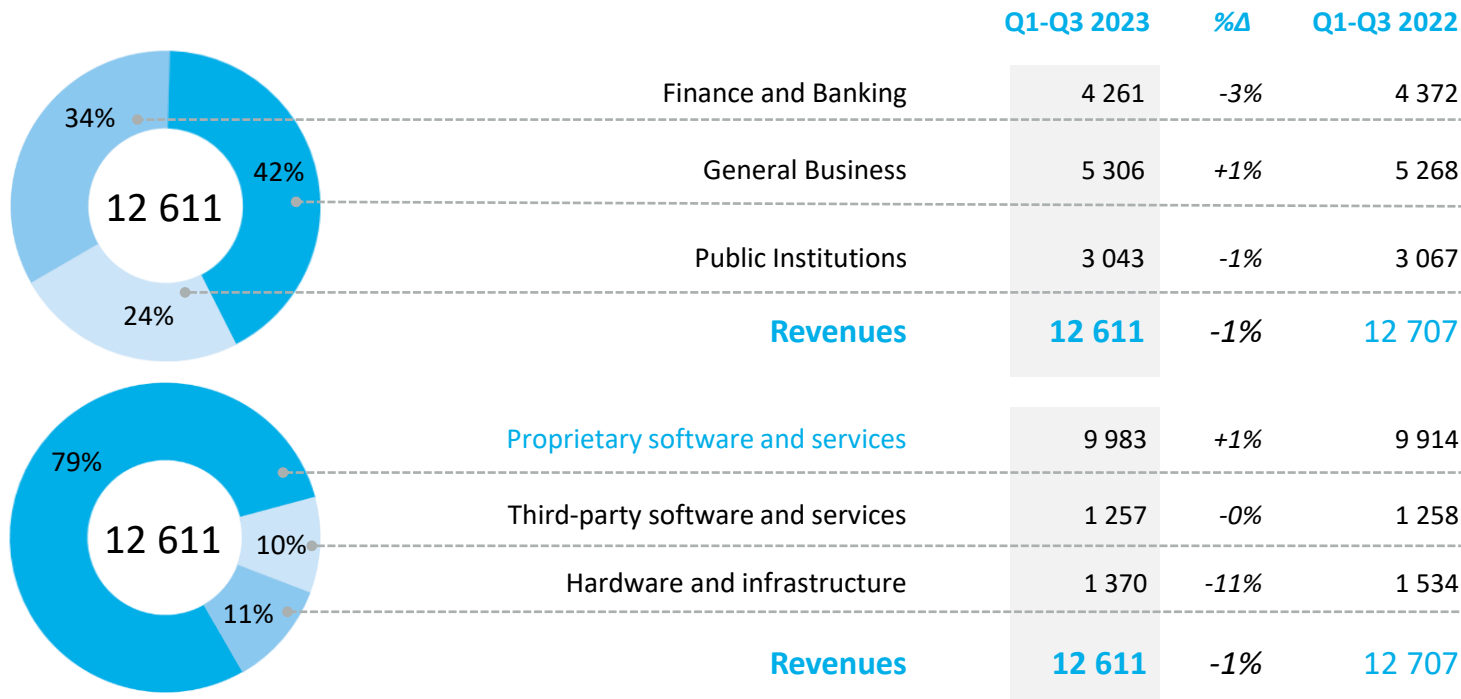
**ERP**  
 PLN 681 million  
 Asseco Enterprise  
 Solutions

**Payments**  
 PLN 538 million  
 Payten

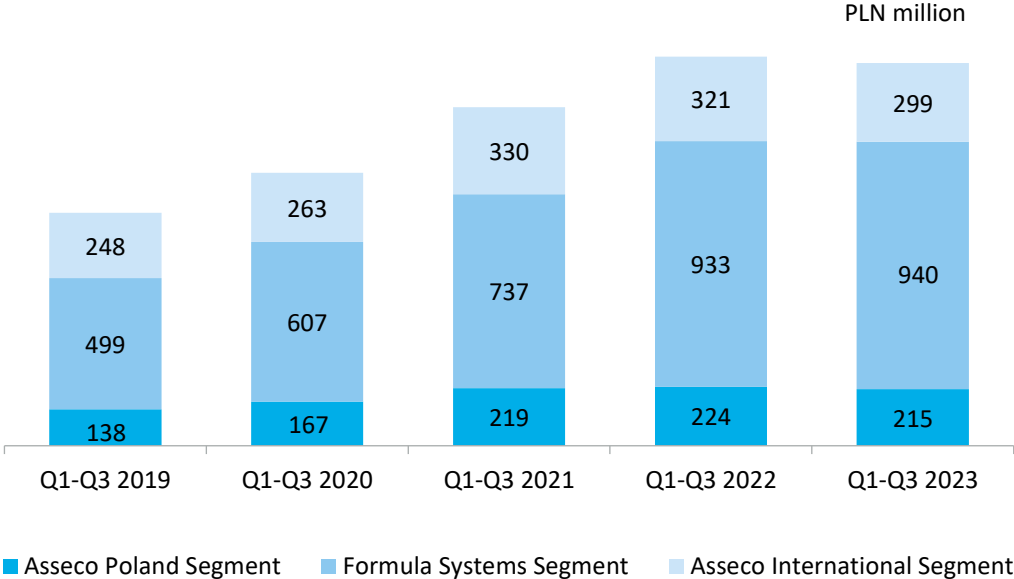
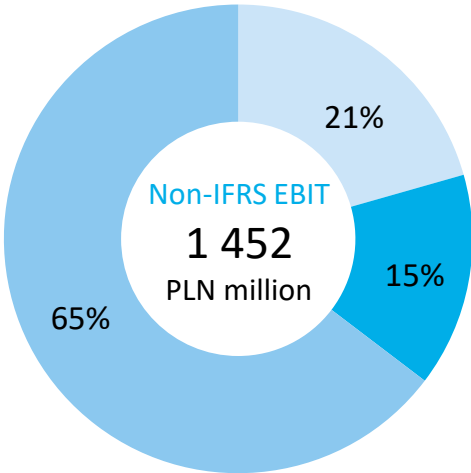
**Insurance**  
 PLN 1 625 million  
 Sapiens International



# Revenues by sectors and products

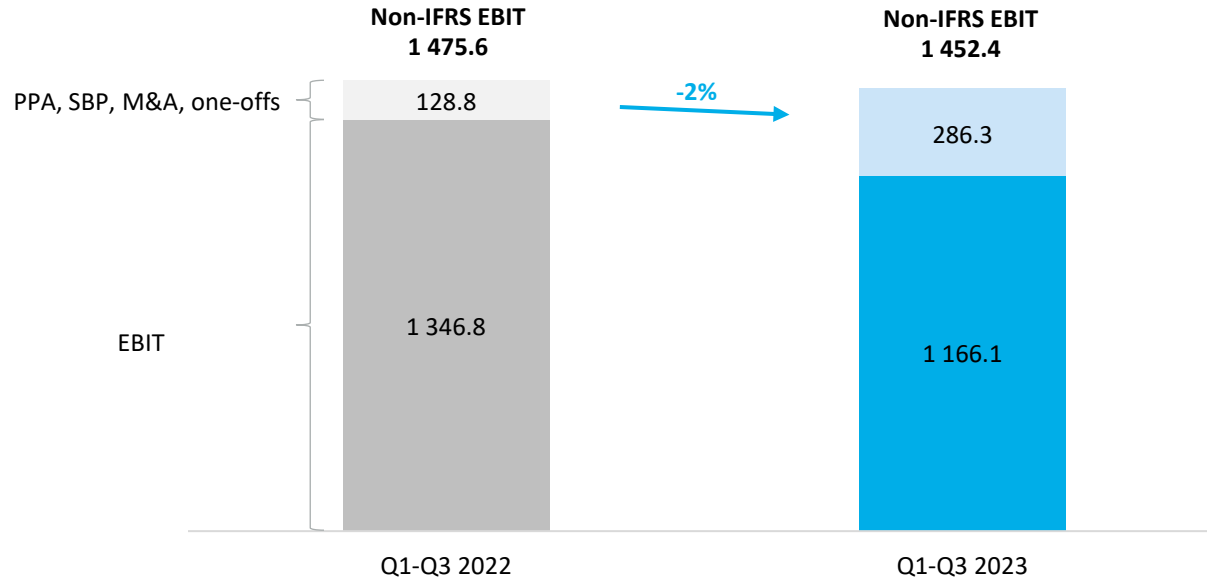


# Non-IFRS operating profit



Figures do not include consolidation adjustments.

# Non-IFRS operating profit



Figures in PLN million.

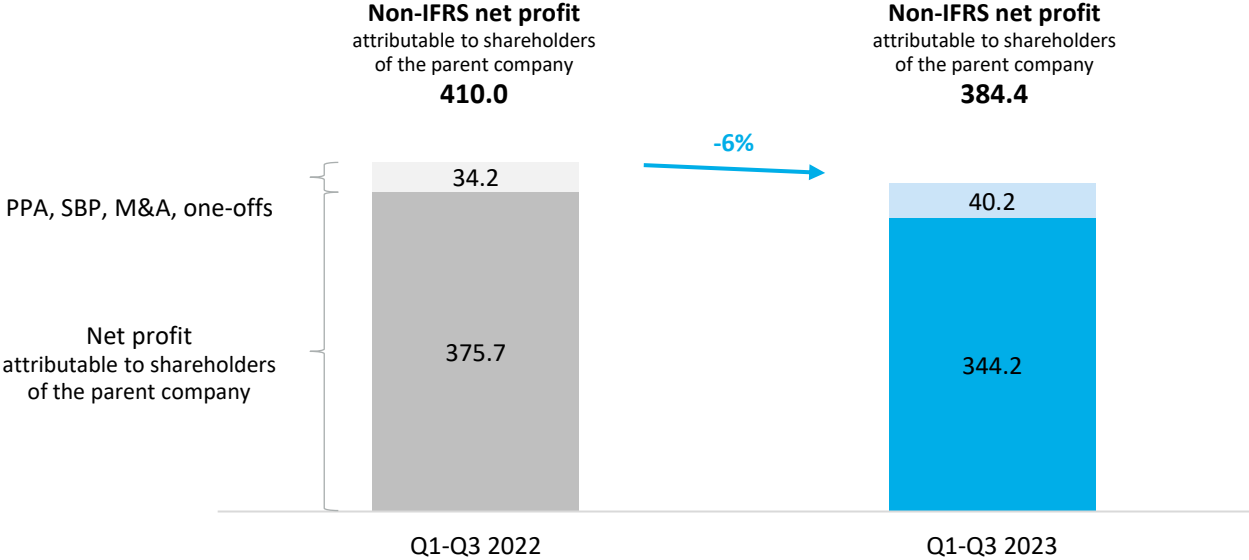
PPA: cost of amortization of intangible assets recognized in purchase price allocation.

SBP: costs of share-based payment transactions with employees.

M&A and one-offs: financial costs/revenues related to company acquisitions/sales transactions and one-offs.



# Non-IFRS net profit



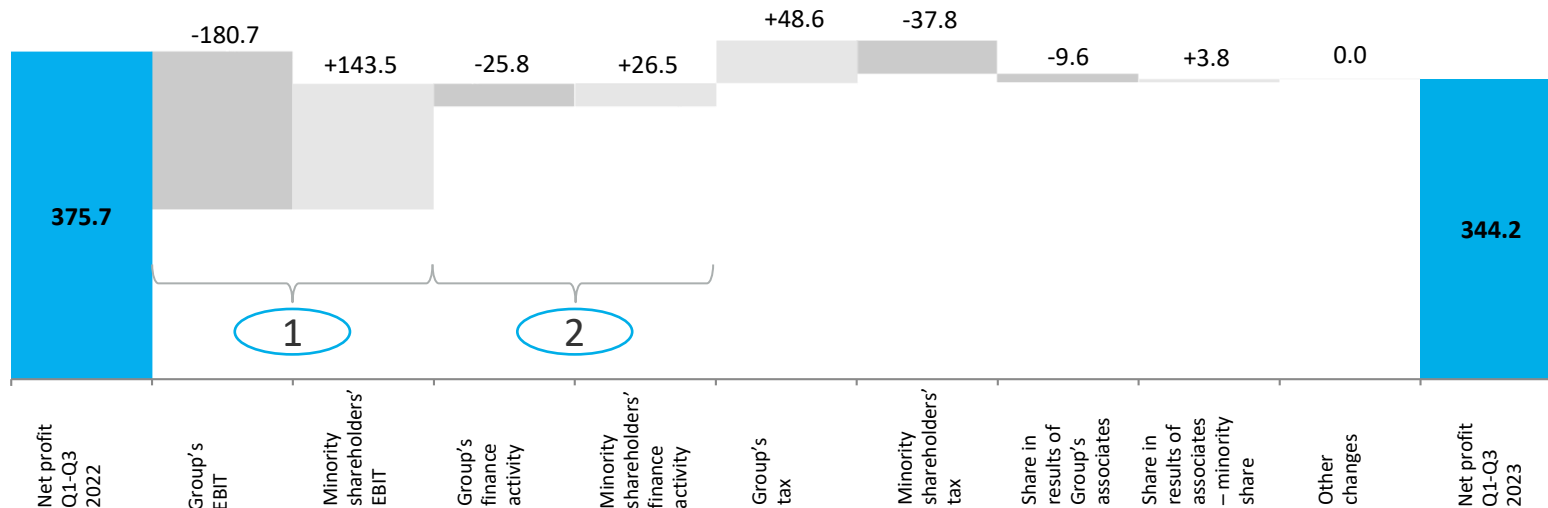
Figures in PLN million.

PPA: cost of amortization of intangible assets recognized in purchase price allocation.

SBP: costs of share-based payment transactions with employees.

M&A and one-offs: financial costs/revenues related to company acquisitions/sales transactions and one-offs.

# The Asseco Group: explanation of change in net profit



	EBIT change	Change for minority shareholders	Change for Asseco shareholders		Change in financial activity	Change for minority shareholders	Change for Asseco shareholders		
1	Asseco Poland Segment	-15.5	+1.2	-16.7	2	Asseco Poland Segment	+4.9	+1.1	+3.8
	Other markets	-165.2	-144.6	-20.6		Other markets	-30.7	-27.6	-3.1
	<b>Asseco Group</b>	<b>-180.7</b>	<b>-143.5</b>	<b>-37.2</b>		<b>Asseco Group</b>	<b>-25.8</b>	<b>-26.5</b>	<b>+0.7</b>

# Revenues by regions and sectors in Q1-Q3 2023

	General Business	Finance and Banking	Public Insitutions	Total**
Asseco Poland Segment	341.6	432.6	641.1	1 415.3
Formula Systems Segment	3 608.0	2 774.3	1 956.8	8 339.1
Asseco International Segment	1 376.1	1 066.6	447.3	2 890.0
Central European market	808.4	88.2	324.8	1 221.5
South Eastern European market	266.7	809.8	79.4	1 155.9
Western European market	298.7	168.3	50.1	517.1
<b>Asseco Group*</b>	<b>5 306.1</b>	<b>4 261.4</b>	<b>3 043.1</b>	<b>12 610.6</b>

Figures in PLN million.

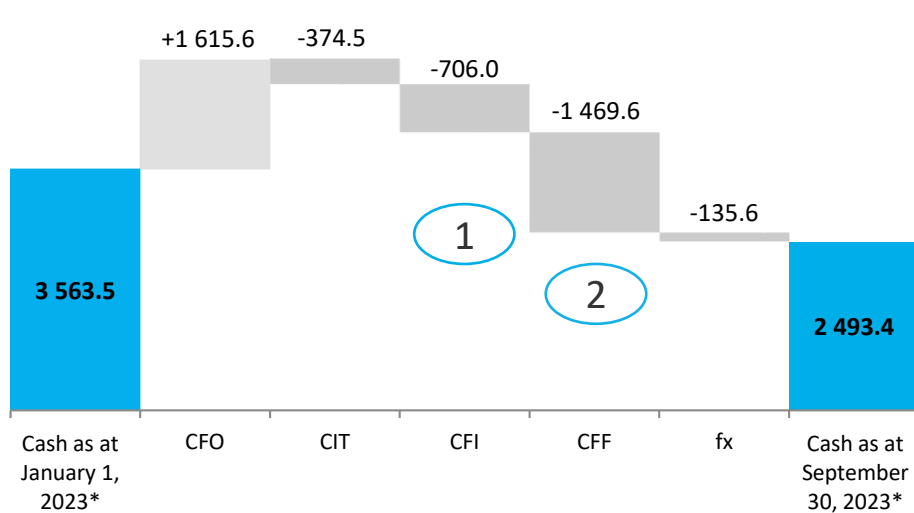
\* Figures including consolidation adjustments.

\*\* Market revenues include sales to external customers and sales between segments.

# The Asseco Group: non-IFRS adjustments

	Impact on operating profit			Impact on net result		
	Q1-Q3 2023	Q1-Q3 2022	Δ	Q1-Q3 2023	Q1-Q3 2022	Δ
<b>PPA</b>	<b>-218.1</b>	<b>-225.6</b>	<b>+7.5</b>	<b>-37.5</b>	<b>-38.2</b>	<b>+0.7</b>
Asseco Poland Segment	-10.6	-9.7	-0.9	-8.7	-7.8	-0.9
Formula Systems Segment	-193.8	-198.7	+4.9	-20.9	-21.3	+0.4
including those relating to the acquisition of Formula Group	<b>-74.8</b>	<b>-80.6</b>	<b>+5.8</b>	<b>-7.6</b>	<b>-8.2</b>	<b>+0.6</b>
Asseco International Segment	-13.7	-17.2	+3.5	-7.8	-9.0	+1.2
Central European market	-2.1	-1.9	-0.2	-1.5	-1.3	-0.2
South Eastern European market	-7.4	-10.0	+2.6	-3.2	-4.2	+1.0
Western European market	-4.2	-5.3	+1.2	-3.1	-3.5	+0.4
<b>SBP</b>	<b>-57.4</b>	<b>-44.6</b>	<b>-12.8</b>	<b>-10.2</b>	<b>-9.1</b>	<b>-1.1</b>
Formula Systems Segment	-56.9	-44.3	-12.6	-10.0	-9.0	-1.0
Asseco International Segment	-0.5	-0.3	-0.2	-0.2	-0.1	-0.1
South Eastern European market	-0.5	-0.3	-0.2	-0.2	-0.1	-0.1
<b>M&amp;A and one-offs</b>	<b>-10.9</b>	<b>141.4</b>	<b>-152.3</b>	<b>7.5</b>	<b>13.0</b>	<b>-5.5</b>
Asseco Poland Segment	-4.9	0.3	-5.2	-3.9	-0.1	-3.7
Formula Systems Segment	-11.3	188.7	-200.0	-2.0	18.3	-20.2
Asseco International Segment	5.3	-47.6	+52.8	13.4	-5.1	+18.5
South Eastern European market	2.8	-3.3	+6.1	10.9	13.3	-2.4
Western European market	2.2	-44.0	+46.2	2.2	-21.4	+23.6
Other	0.3	-0.2	+0.6	0.3	3.0	-2.7
<b>Total non-IFRS adjustments (PPA, SBP, M&amp;A and one-offs)</b>	<b>-286.3</b>	<b>-128.8</b>	<b>-157.6</b>	<b>-40.2</b>	<b>-34.2</b>	<b>-5.9</b>
including those relating to the acquisition of Formula Group	<b>-74.8</b>	<b>-80.6</b>	<b>+5.8</b>	<b>-7.6</b>	<b>-8.2</b>	<b>+0.6</b>

# Explanation of change in consolidated cash balance\*



1

## Cash from investing activities

M&A	-241.3
CAPEX + R&D	-249.9
Loans, debt instruments and other	-214.8
<b>Total</b>	<b>-706.0</b>

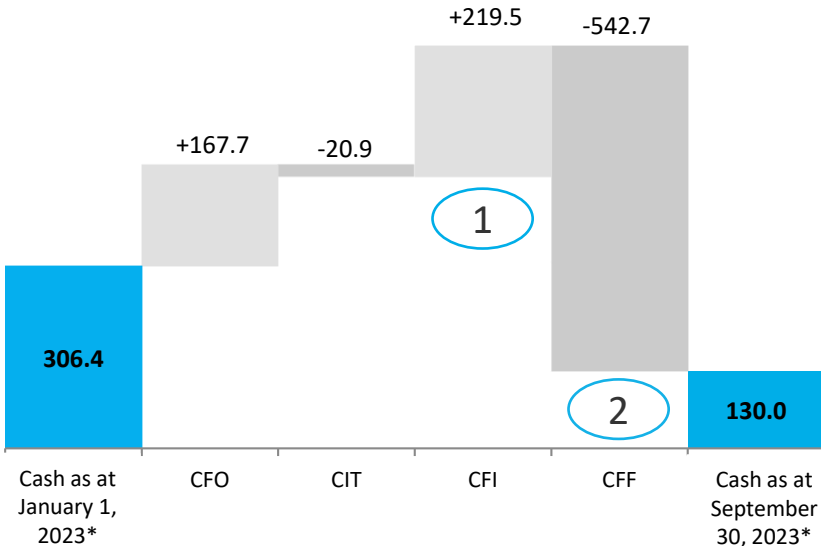
2

## Cash from financing activities

Dividends paid by Asseco Poland	-290.5
Dividends for minority shareholders	-402.5
Debt and leasing	+443.0
M&A	-67.6
Buyback of own shares	-1 184.8
Other	+32.8
<b>Total</b>	<b>-1 469.6</b>

\* Net cash and cash equivalents include bank credits on current account used for current liquidity management.

# Explanation of change in stand-alone cash balance\*



**1** Cash from investing activities

Dividends	+167.6
CAPEX + R&D	-38.8
M&A	+86.7
Loans	-1.2
Other	+5.2
<b>Total</b>	<b>+219.5</b>

**2** Cash from financing activities

Dividend	-290.5
Debt and leasing	+932.6
Purchase of own shares	-1 184.8
<b>Total</b>	<b>-542.7</b>

\* Net cash and cash equivalents include overdrafts used for day-to-day liquidity management.

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