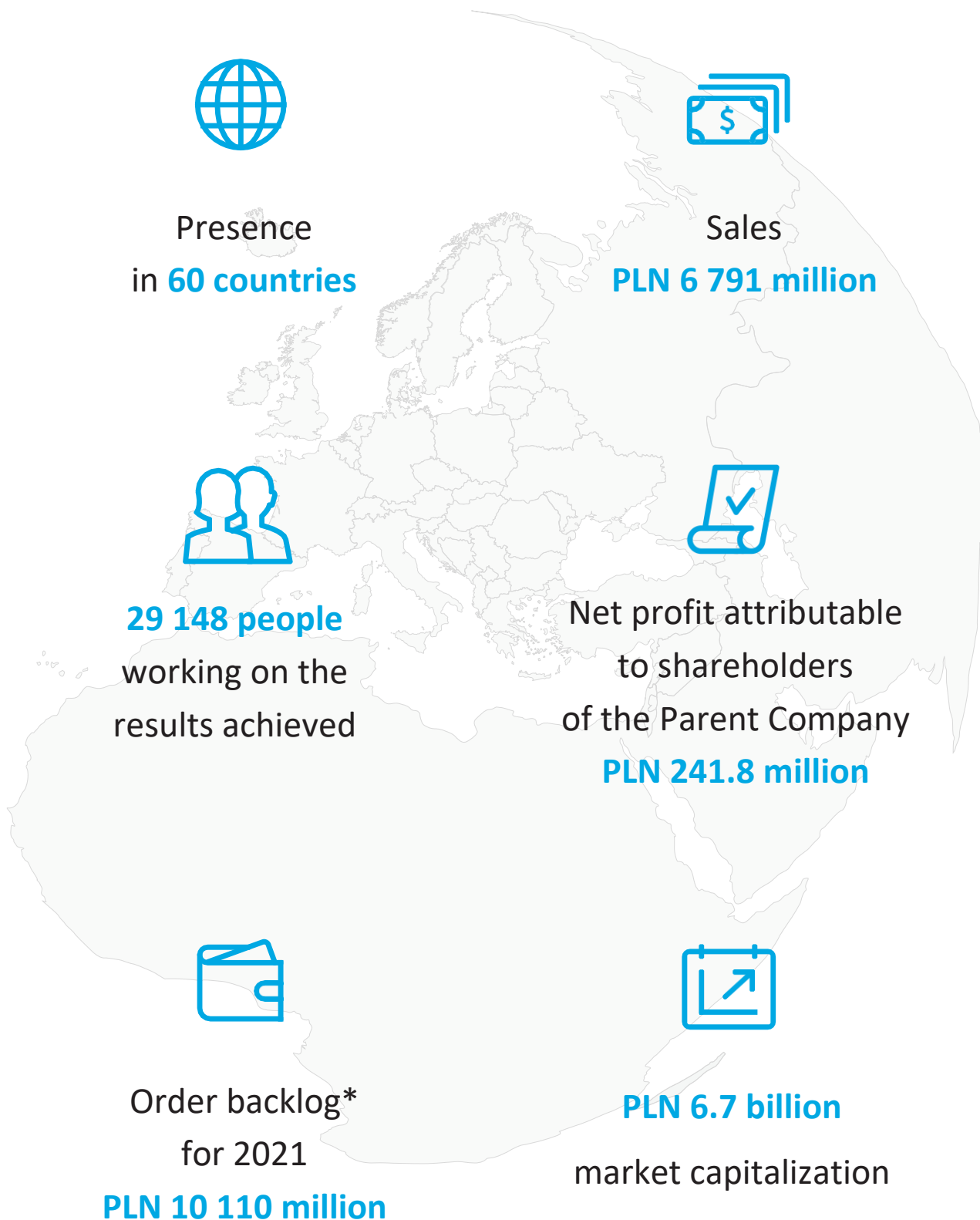


Asseco Group

H1 2021

asseco



* Applies to proprietary software and services

Asseco Group

in the first half of 2021 – non-IFRS

(non-audited figures)

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

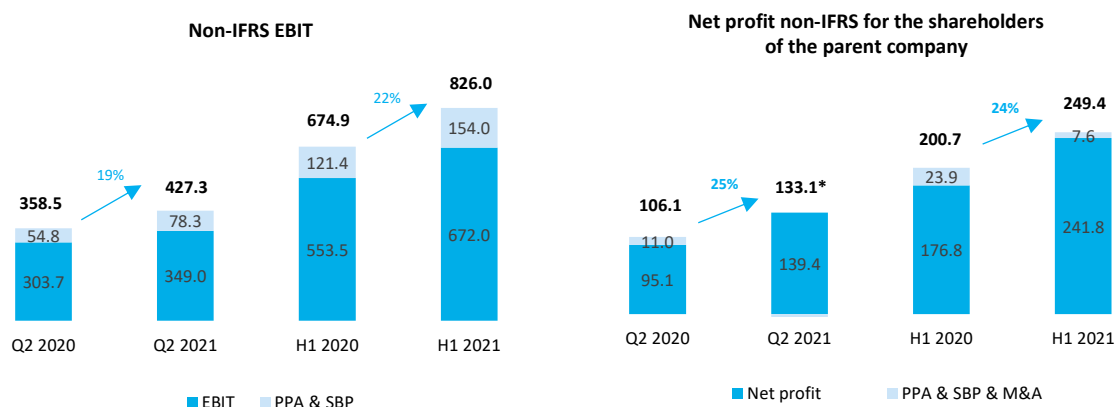
Financial and operational summary:

- Increase in the Group's revenues by **18%** to **PLN 6 791 million**
- Increase in non-IFRS EBIT by **22%** to **PLN 826 million** and in contribution to non-IFRS net profit by **24%** to **PLN 249 million**
- Increase in the Group's sales in **all sectors and business segments**
- **78%** of revenues from the sales of proprietary software and services
- Strong business **diversification** (geographic, sector, product)

Selected consolidated financial data for the first half of 2021 on a non-IFRS basis

In order to assess the financial position and development of the Asseco Group's business operations, it is essential to provide key financial data on a non-IFRS basis. They are complementary to the data reported under IFRS.

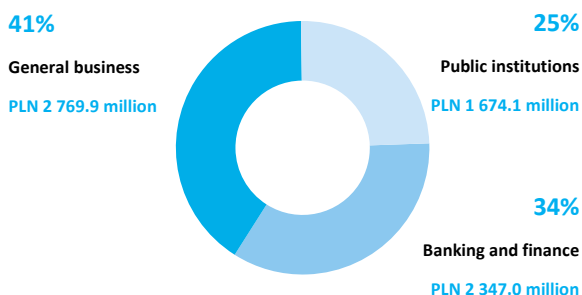
Non-IFRS figures including adjustments for: the cost of amortization of intangible assets recognized under the combination settlement (PPA), the costs of share-based payment transactions with employees (SBP), the costs and financial revenues resulting from the transactions of purchase and sales of companies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



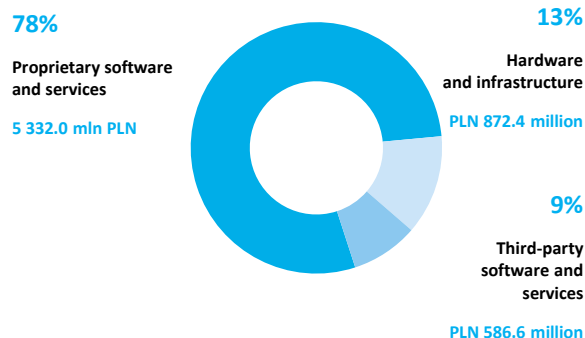
* Impact of PPA, SBP, M&A of PLN -6.3 million.

Revenue structure of the Group in H1 2021

Revenues by sectors



Revenues by products





Semi-annual report on operations of the **Asseco Group**

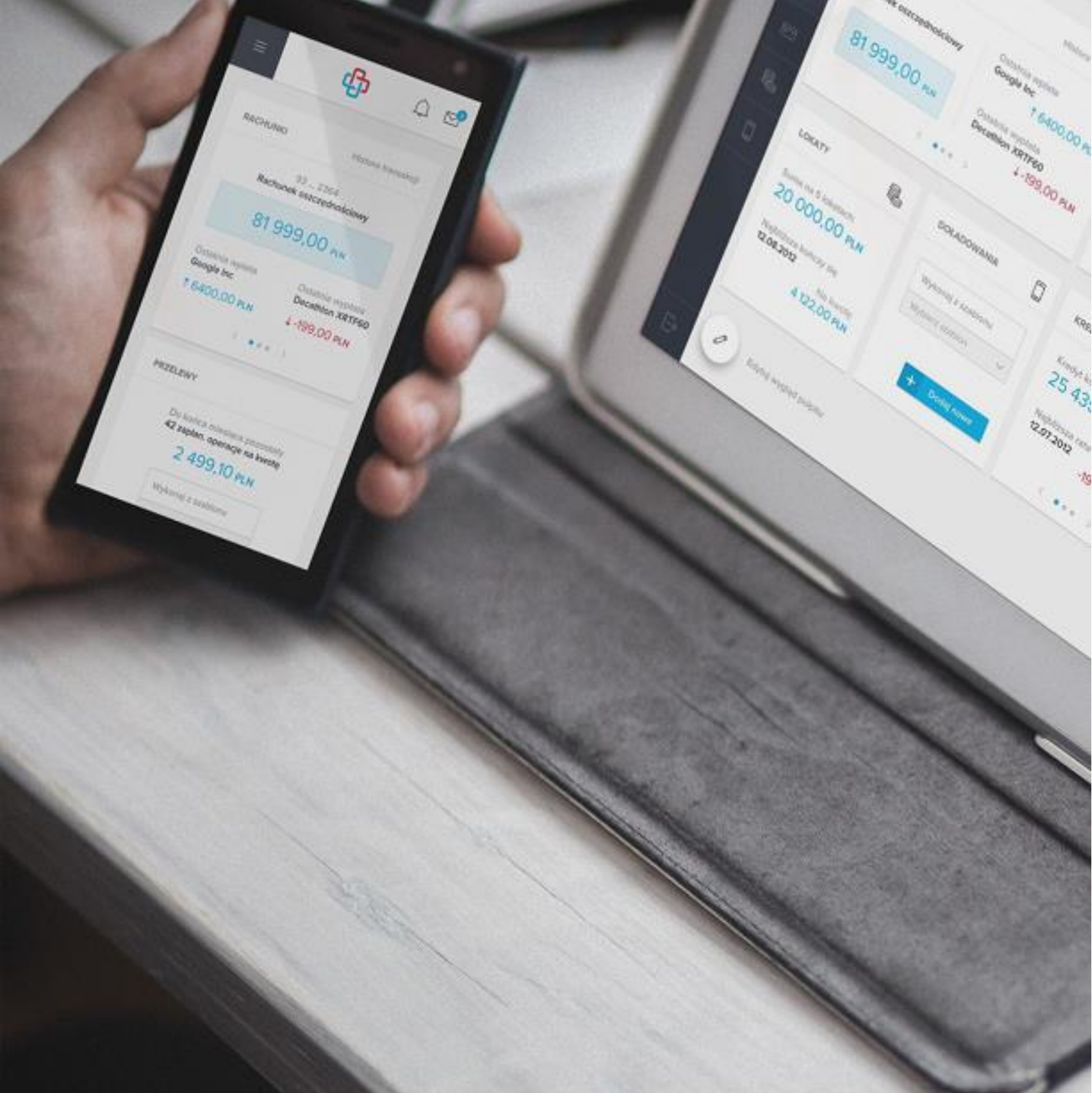
for the period of 6 months ended June 30, 2021

Report on operations of the Asseco Group

for the period of 6 months ended June 30, 2021

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General information about Asseco Group

BASIC INFORMATION ABOUT ASSECO POLAND AND THE ASSECO GROUP

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

Asseco Poland (WSE: ACP) is a leading Polish information technology company listed on the Warsaw Stock Exchange (WSE). With a capitalization of approx. PLN 6.7 billion (approx. EUR 1.5 billion), it is included in the WIG20 index and is also the largest company in the WIG-IT sector index.

Asseco Poland heads the international Asseco Group which, through its subsidiaries, is present in 60 countries worldwide: in most European countries as well as in Israel, the US and Africa. The Asseco Group is one of the leading software vendors in Europe and the largest provider of innovative IT solutions in Central and Eastern Europe.

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

The Asseco Group is a combined software and services company, producer of technologically advanced and top-quality software, supporting the most important business processes of companies in key sectors of economy. The sales of proprietary software and services accounts for 78% of the Group's total revenues.

The Asseco Group operates under the unique model of federation of companies, which provides for high business independence and utilization of local expertise, accompanied by the creation of synergies across the entire Group.

Asseco Group is a European software producer

- We focus on our proprietary software and services
- We develop our cross-sector competencies
- We employ the best programmers and IT specialists
- We work with global technology and IT solution providers
- Our goal is to increase shareholder value; Asseco Poland is a dividend company
- We are a socially committed Group, we support the development of local economies

AUTHORITIES OF ASSECO POLAND

Management Board

As at the date of the publication of this report, i.e. August 25, 2021, the composition of the Company's Management Board is as follows:



Adam Góral
President
of the Management Board

He is responsible for the development vision and strategy of the Asseco Group and the Internal Audit Division.



Andrzej Dopierała
Vice-President
of the Management Board

He is responsible for the following Divisions: International Organizations and Security Sector Solutions and Agricultural Insurance, the Infrastructure Projects Office and the ICT Department.



Krzysztof Groyecki
Vice-President
of the Management Board

He is responsible for the Health Care Division.



Marek Panek
Vice-President
of the Management Board

He is responsible for the Capital Group Development Division and the EU Projects Office.



Paweł Piwowar
Vice-President
of the Management Board

Responsible for the following Divisions: Power and Gas, Telecommunications and Media, and the ERP Project Office.



Zbigniew Pomianek
Vice-President
of the Management Board

Responsible for the following Divisions:
Commercial Banks,
Cooperative Banks, Business
Intelligence, Capital Market,
PKO BP, as well as for the Data
Processing Center, Operations
Services Center, and Asseco
Innovation Hub.



Sławomir Szmytkowski
Vice-President
of the Management Board

Responsible for the following Divisions:
Social Security,
Systems Maintenance,
Agriculture and Postal Service,
and Government Administration.



Karolina Rzońca-Bajorek
Vice-President
of the Management Board

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



Artur Wiza
Vice-President
of the Management Board

Responsible for the following Divisions:
PR and Investor Relations
and Marketing, as well as
the cooperation of Asseco Poland
with start-ups.



Gabriela Żukowicz
Vice-President
of the Management Board

She is responsible for
the Legal Office and
the Management Board Office,
as well as the Human
Resources, HR Administration,
Compliance and Process
Management, Internal Systems
Maintenance and
Development,
and Administration and
Procurement Divisions.

During the 6-month period ended June 30, 2021, the composition of the Company's Management Board was as follows:

Management Board	Period in office
Adam Góral	01.01.2021 - 30.06.2021
Andrzej Dopierała	01.01.2021 - 30.06.2021
Krzysztof Groyecki	01.01.2021 - 30.06.2021
Rafał Kozłowski	01.01.2021 - 31.03.2021
Marek Panek	01.01.2021 - 30.06.2021
Paweł Piwowar	01.01.2021 - 30.06.2021

Zbigniew Pomianek	01.01.2021 - 30.06.2021
Sławomir Szmytkowski	01.01.2021 - 30.06.2021
Karolina Rzońca-Bajorek	01.04.2021 - 30.06.2021
Artur Wiza	01.01.2021 - 30.06.2021
Gabriela Żukowicz	01.01.2021 - 30.06.2021

On March 23, 2021, Asseco Poland received a resignation from Rafał Kozłowski from the position of the Vice President of the Company's Management Board with effect from April 1, 2021. Mr. Kozłowski resigned following his decision to become fully engaged in the affairs of the Asseco Enterprise Solutions Group and to take over the position of the President of the Management Board of Asseco Enterprise Solutions, the parent company of that group.

At the same time, the Supervisory Board, at its meeting on March 23, 2021, appointed Karolina Rzońca-Bajorek to the Company's Management Board, to serve as the Vice-President of the Management Board, effective as of April 1, 2021.

Apart from the change described above, since the publication of the last interim report, i.e. May 26, 2021, until the date of the publication of this report, no other changes in the composition of Asseco Poland's Management Board took place.

Additionally, at its meeting held on March 23, 2021, the Supervisory Board passed resolutions on appointment of the Members of the Management Board of Asseco Poland for the new 5-year term of office spanning from 2022 to 2026. Adam Góral was appointed as the President of the Management Board, while the following persons were appointed as the Vice Presidents of the Management Board: Andrzej Dopierała, Krzysztof Groyecki, Marek Panek, Paweł Piwowar, Zbigniew Pomianek, Karolina Rzońca-Bajorek, Sławomir Szmytkowski, Artur Wiza and Gabriela Żukowicz. The appointment is effective January 1, 2022.

Supervisory Board

As at the date of the publication of this report, i.e. August 25, 2021, the composition of the Company's Supervisory Board is as follows:



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



Piotr Żak
Member of the Supervisory Board

During the period of 6 months ended June 30, 2021, the Company's Supervisory Board was composed of the following persons

Supervisory Board	Period in office
Jacek Duch	01.01.2021 - 30.06.2021
Adam Noga	01.01.2021 - 30.06.2021
Izabela Albrycht	01.01.2021 - 30.06.2021
Piotr Augustyniak	01.01.2021 - 30.06.2021
Dariusz Brzeski	01.01.2021 - 30.06.2021
Artur Kucharski	01.01.2021 - 30.06.2021
Piotr Żak	01.01.2021 - 30.06.2021

Since the publication of the last interim report, i.e. May 26, 2021, until the date of the publication of this report, there have been no changes in the composition of the Supervisory Board of Asseco Poland.

Additionally, the General Meeting of Shareholders of Asseco Poland, that convened on May 20, 2021, appointed Izabela Albrycht, Piotr Augustyniak, Dariusz Brzeski, Jacek Duch, Artur Gabor, Piotr Maciąg, Adam Noga, and Piotr Żak to the Company's Supervisory Board for the new joint term of office spanning from 2022 to 2026. The appointment is effective January 1, 2022.

The Audit Committee operates within the Supervisory Board and its composition is as follows: Artur Kucharski – Chairman, Jacek Duch and Piotr Augustyniak – Members of the Audit Committee.

STRATEGY AND DIRECTIONS OF DEVELOPMENT

Mission and vision

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

According to the **vision** :

- Asseco Poland wants to be reliable and fast, with the best product and service to support customers around the world in achieving their goals. Its employees form a competent, passionate team combining traditional values with modern operations,
- The company is building an international group of technology entities whose federation model allows it to take advantage of local entrepreneurship and market knowledge, while the company's affiliation with the group increases its execution capabilities and credibility among demanding clients.

Strategy

Asseco Poland's strategy focuses on building long-term value for our stakeholders. It is based on two basic pillars: development of proprietary software and services and scaling up through acquisitions.

- **Organic growth**

The strategy of organic growth of Asseco Poland S.A. is based on providing proprietary software and IT services to customers in Poland and abroad. The Company's activity is based on sector business competences simultaneously

strengthened with technological competences. In addition, Asseco leverages the best experience of the companies operating within the international capital group in order to offer comprehensive solutions that satisfy the most stringent client requirements.

The activities of Asseco Poland S.A. focus on providing a wide range of proprietary solutions and IT services. The company specializes in carrying out the largest and most advanced IT projects in Poland, offering comprehensive solutions for entire sectors of the economy, as well as selling standardized products for smaller entities. Relationships with customers are based on trust, oriented towards long-term cooperation and fulfilling the role of a strategic business partner by the Company.

Apart from its operating activities, Asseco Poland S.A. – as the owner exercising control over the remaining companies of the Asseco Group - plays a key role in the Group. Asseco Poland sets the strategic directions of the Group's development, monitors and supervises their implementation, determines the internal rules of its operations, and regulates the mutual relations between the entities incorporated within the Group.

- **Growth through acquisitions**

Asseco Poland S.A. for years has conducted an effective acquisition policy at home and abroad, ranking among the most experienced companies in this field in Poland. Since 2004, Asseco has successfully completed over 100 acquisitions, repeatedly increasing the scale of its operations and geographical reach.

The Company is interested primarily in profitable entities with specialized and committed staff, willing to further develop themselves by joining the unique Asseco federation model or by integrating with Asseco Poland S.A. For Asseco, acquisitions are aimed to enhance our competence in the key sectors of business, enter new geographical markets, or strengthen the position of the whole Asseco Group in countries where it is already present.

Strategic objectives in key areas

Market:

- targeting the financial, health, corporate and government sectors, at home and abroad,
- development and delivery of software-based solutions in the areas of key business importance to the Company's customers,
- striving to build recurring solutions to achieve appropriate margin levels while maintaining competitive pricing levels,
- striving for a stable source of revenues from the maintenance and development of supplied software, by retaining in the Company and protecting copyrights to the solutions it develops,
- providing SaaS solutions based on proprietary software.

Organization:

- business areas dedicated to serving different market sectors,
- great diversity, as a consequence of the different needs, specificities and development phases of each sector,
- supporting all initiatives to exchange knowledge and experience between areas,
- a catalog of shared values and a vision, mission, strategy that can be detailed by business areas,
- back office processes common to all areas to support business objectives,
- investment in research and development.

People:

- viewing people as the organization's greatest asset,
- high level of expertise and utilization of team potential,
- investment in the development of high-level expert and sectoral competencies,
- accumulating knowledge and experience by maintaining a stable team,
- promoting initiative and innovative approaches.

Corporate Social Responsibility (CSR):

- taking care of important community interests,
- support of Polish sport,
- assistance to those in need,
- environmental protection activities.

Values of Asseco Poland

Commitment

We are fully committed to every project, and the success of our customers gives us the greatest satisfaction.

Respect

We expect mutual respect from each other.

Quality

We set the bar high for the quality of everything we do.

Professionalism

We are constantly improving our qualifications and are happy to share our experience.

Effectiveness

We are ambitious and consistent in achieving our goals.

Responsibility

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

Research and development (R&D) activities

The Asseco Group actively seeks and develops innovative solutions. Activities in this area are conducted in multiple tracks.

Innovations developed as part of business operations

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

Innovative R&D center in Rzeszów

- A place to develop proprietary products in the areas of artificial intelligence, telemedicine or electromobility, among others.

Program for start-ups

- Development of innovative products for the financial sector that are in the early stages of development.



Asseco Poland is developing **Asseco Innovation Hub**, a program dedicated to start-ups. It focuses on products and services for the financial industry that are at an early stage of development and on supporting the teams that create them.

DESCRIPTION OF ORGANIZATIONAL STRUCTURE OF THE ASSECO GROUP

Federation model

The Asseco Group operates on the basis of a unique cooperation model – the federation model. Asseco Poland, as the Group's major shareholder, is the largest shareholder in the companies incorporated within the Group; however, it does not seek to own 100% of shares and does not seek to integrate the Group members. The companies that decide to join the Asseco Group maintain a wide margin of autonomy in their day-to-day operations; whereas, the Group determines their strategic development directions, sets the objectives and supervises their achievement.

The functioning of the Group in the federation model is based on mutual trust, people-based business and a set of clearly defined rules of cooperation between Group entities. Hence, companies acquired by Asseco Poland retain their local character and are often managed by their former owners and management staff.

The benefits that the Group derives from this model of cooperation are the following:

- strengthening the market position and customer trust,
- access to interesting, locally well-known product solutions,
- knowledge of local markets, customers, business environment and unique considerations,
- access to local teams of native-speaking staff,
- responsible business conduct in relation to local stakeholders.

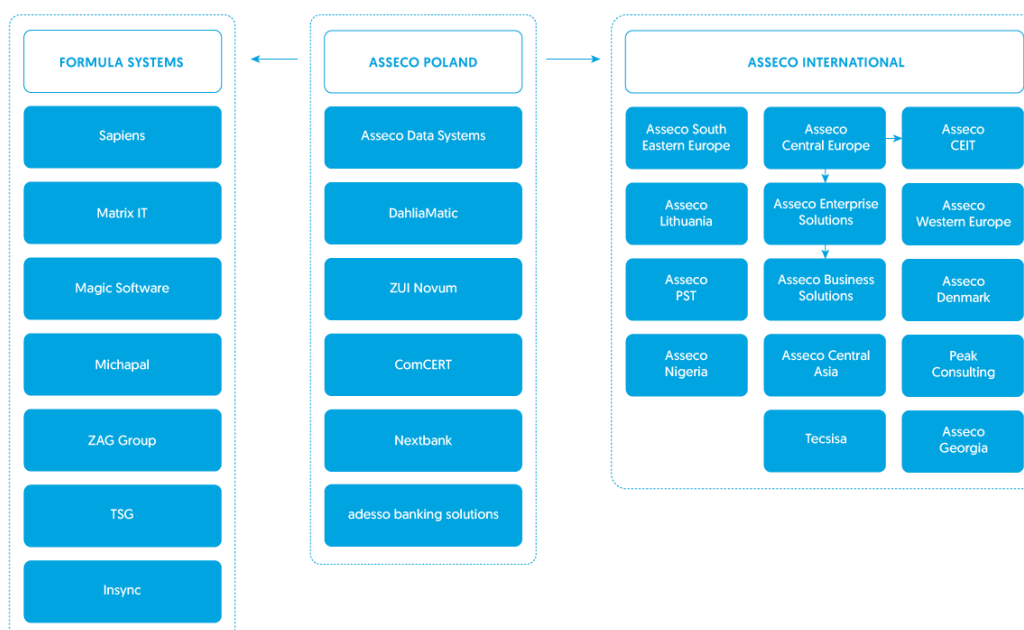
Companies that become part of the Asseco Group can count on:

- access to the products and experiences of other Group members,
- access to the Asseco Group's sales network,
- financial empowerment,
- an international brand and a strong market position,
- access to global contracts with equipment suppliers.

Such a model of cooperation creates a wide area for sales and cost synergies in the Group's operations.

Structure of the Asseco Group

The Asseco Group has identified three geographical segments within which the Group companies operate: the Asseco Poland segment, the Formula Systems segment, and the Asseco International segment.



Simplified structure of the Asseco Group.

Asseco Poland Segment

Business operations of the Asseco Group in the Asseco Poland segment are organized around three main entities with clearly separated competencies:

- Asseco Poland S.A.
- Asseco Data Systems S.A.
- DahliaMatic Sp. z o.o.

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

Asseco Poland S.A.

Asseco Poland (WSE: ACP) has operated on the Polish market since 1991. It is the largest Polish IT company listed on the Warsaw Stock Exchange (WSE). With a capitalization of approx. PLN 6.7 billion (approx. EUR 1.5 billion), it is included in the WIG20 index. It is also the largest company in the WIG-informatyka sector index.

Asseco Poland is a producer of technologically advanced software that supports the most important business processes in the key industries of the Polish economy. Asseco's applications are used by over half of Polish banks, the largest energy and telecommunications companies, companies operating in the health care sector, public administration at various levels: from local governments to central offices, as well as by the uniformed services .

Asseco Data Systems S.A.

The company was founded in 2016 by integrating the diverse competencies and years of experience of IT experts into a single entity. Its activity is focused on providing products, services and IT solutions based on its proprietary and third party software for companies and local government institutions on the Polish market. ADS produces and develops software, including for the leasing sector and local governments, provides products and services as well as ICT infrastructure solutions for smart cities and buildings, offers data centers, training and human capital management systems, and specializes in data security and trust and mass communication services. The company also enters foreign markets with its products, including European, African, and Asian markets.

DahliaMatic Sp. z o.o.

DahliaMatic is one of the largest Polish companies providing consulting and implementation of IT solutions. Within the Asseco Group, the company is responsible for the competence center for implementation of business software and third-party solutions – primarily SAP, Oracle, and Microsoft.

ZUI Novum Sp. z o.o.

The company specializes in creating IT systems for cooperative banks sector. It functions as a developer of banking applications, ATM software, integrator and supplier of ATM equipment.

Nextbank Software Sp. z o.o.

A company providing solutions to the banking sector in the Philippines. Nextbank is the developer of a cloud-based core banking system with a mobile access option for customers.

ComCERT S.A.

A company dedicated to providing cyber security services, including security monitoring and ICT threat detection. ComCERT is the first consulting company in Poland to specialize in CERT (Computer Emergency Response Team) services for enterprises and institutions, unrelated to any telecommunications operator.

adesso banking solutions GmbH

Joint venture between Asseco and adesso, a renowned and recognized DACH provider of core systems for insurance companies and IT services for banks. The company operates in the banking sector in German-speaking countries (Germany, Austria, Switzerland).

Formula Systems segment

This segment includes companies with revenues primarily in Israel, North America, the Middle East, Europe, and Africa (EMEA).

Formula Systems is a holding company and its pillars are the following operating companies:

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

In addition, the holding co-controls TSG IT Advanced Systems Ltd, a company providing specialized software for the armed forces. It controls: a US-based provider of human resources consulting and outsourcing solutions – Insync Staffing Ltd, a developer of HR and payroll software for established companies in Israel – Michpal Micro Computers (1983) Ltd, a company active in aerial and satellite mapping and other geographical applications – Ofek Aerial Photography (1987) Ltd, and the largest consumer website group in Israel – ZAP Group Ltd, acquired in April 2021.

Formula Systems (1985) Ltd

Formula Systems is listed on the American NASDAQ Global Markets and Israel's TASE (Tel Aviv Stock Exchange). The Formula Systems group companies operate in North America (USA and Canada), Europe, Middle East, and Africa (e.g. in the Czech Republic, Slovakia, Hungary, and Slovenia), as well as in the US and Canada. In the past, the company was involved in a number of international conferences (e.g. in Israel, Great Britain, Germany, Holland, France and Scandinavia) and Asia (e.g. In Japan and India).

Matrix IT Ltd

The company is listed on the Israeli stock exchange TASE. Matrix is a leading IT company in Israel. Its core competencies include the provision of IT services, security solutions, outsourcing and customized IT systems integration. An important area of Matrix's business in the US is providing advanced security, risk management and compliance solutions to clients in the financial sector.

Furthermore, Matrix is a distributor of software and infrastructure solutions from the world's leading manufacturers. In turn, through its subsidiary John Bryce it operates training and qualification centers offering professional courses and training for IT personnel.

Sapiens International Corp. NV

The company is listed on the US NASDAQ and Israel's TASE. It is a leading global provider of IT systems for the insurance industry. Sapiens operates in the US, Western Europe, Scandinavia, South Africa and Asia.

The company offers comprehensive solutions for all segments of the insurance market, including life insurance, retirement plans, property insurance, reinsurance, and decision support software for financial institutions. Sapiens offers both global solutions and software tailored to the requirements of specific markets, such as the United States.

Magic Software Enterprises Ltd

The company is listed on the NASDAQ in the US and the TASE in Israel. Magic Software specializes in providing technology that accelerates the process of building and deploying business applications, characterized by easy adaptation to current and future needs and the ability to integrate with existing enterprise systems.

The company's products, based on the *code-free* concept, allow users to create business applications and support existing IT resources to enhance business capabilities.

Asseco International Segment

Asseco International

Asseco International is a holding company established in October 2017 and headquartered in Slovakia. Its objective is to manage and build the capital value of Asseco based on its international assets.

This segment includes the companies which derive their revenues mostly from the markets of Central Europe, South Eastern Europe, and Western Europe.

The Asseco Group is represented in the **Central European** market by the Asseco Central Europe Group (ACE). Key players in the ACE Group include:

- Asseco Central Europe a.s. Slovakia and Asseco Central Europe a.s. Czech Republic
- The companies comprising the Asseco Enterprise Solutions Group:
 - Asseco Solutions companies in the Czech Republic, Germany and Slovakia
 - Asseco Business Solutions S.A.
- Asseco CEIT a.s.
- DWC Slovakia a.s.

In addition, there are smaller companies within the group that focus their activities on the health sector (ACE Magyarország, Prosoft).

Asseco Central Europe a.s.

Asseco Central Europe is a leading company of the Group operating primarily on the Slovak and Czech markets. It provides comprehensive IT solutions and services to international financial institutions, the private sector and public administration at both central and local levels. The company's product offer includes IT systems for banks and insurance companies, construction companies, card systems, healthcare IT systems, data warehouses, Business Intelligence and e-commerce solutions, reporting systems, and dedicated turnkey solutions.

Asseco Solutions companies

Asseco Solutions companies produce *Enterprise Resource Planning* (ERP) software for enterprises primarily in the manufacturing and service sectors. The Group operates mainly on the markets of Slovakia, Czech Republic and German-speaking European countries (Germany, Austria, Switzerland).

Asseco Business Solutions S.A.

Asseco Business Solutions is listed on the Warsaw Stock Exchange (WSE). It provides modern IT solutions for enterprises, regardless of their industry, size and specificity. Within the Asseco Group, it operates as the Competence Centre responsible for ERP systems, software for SMEs, and IT outsourcing. The product range of Asseco Business Solutions also includes mobile solutions, factoring systems and data exchange platforms.

Asseco CEIT a.s.

Asseco CEIT is a Slovak producer of innovative solutions for industrial automation and robotics. Its dominant areas of activity are automation and robotics for the automotive industry.

DWC Slovakia a.s.

DWC implements process management and document management systems, providing solutions linked to ERP systems and databases.

South Eastern European market

The Asseco South Eastern Europe market is comprised of the Asseco South Eastern Europe Group, which includes numerous companies operating in the territories of Serbia, Croatia, Montenegro, Bosnia and Herzegovina, Kosovo, Moldova, Albania, Bulgaria, Romania, and Turkey.

Asseco South Eastern Europe S.A.

A company listed on the Warsaw Stock Exchange (WSE) and the parent company of the Asseco South Eastern Europe Group. It was created as a result of integration of competences, experience, knowledge, solutions and customer bases of companies operating in South-Eastern Europe. From the beginning, the Group focused on developing its proprietary IT solutions. Asseco South Eastern Europe operates in three segments: banking solutions, payment solutions (Payten) and dedicated solutions.

Western European market

The operations of the Asseco Group in the West European market are focused around the companies operating on the Iberian Peninsula and in Northern Europe. Key Group companies operating in the region include:

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

The segment also includes Tecnología, Sistemas y Aplicaciones, S.L. (Tecsisa), which provides IT solutions for the energy sector – it specializes in developing cloud-based software for electricity producers and retailers.

In addition, companies operating on the Scandinavian and Baltic markets play an important role. Asseco Denmark and Peak Consulting are companies providing consulting services, developing competence in project management and delivering turnkey IT solutions to public and private sector entities. Whereas, Asseco Lietuva UAB is a leading producer of software and integrator of IT systems in Lithuania.

Asseco Spain S.A.

The company provides customers with modern IT infrastructure and offers consulting, security systems, outsourcing services and comprehensive IT support.

Asseco PST Holding – SGPS S.A.

Portuguese company providing IT services and complex solutions and software for the banking sector. Its main area of operation is Portugal and the Portuguese-speaking countries of Africa (among others. Angola and Mozambique).

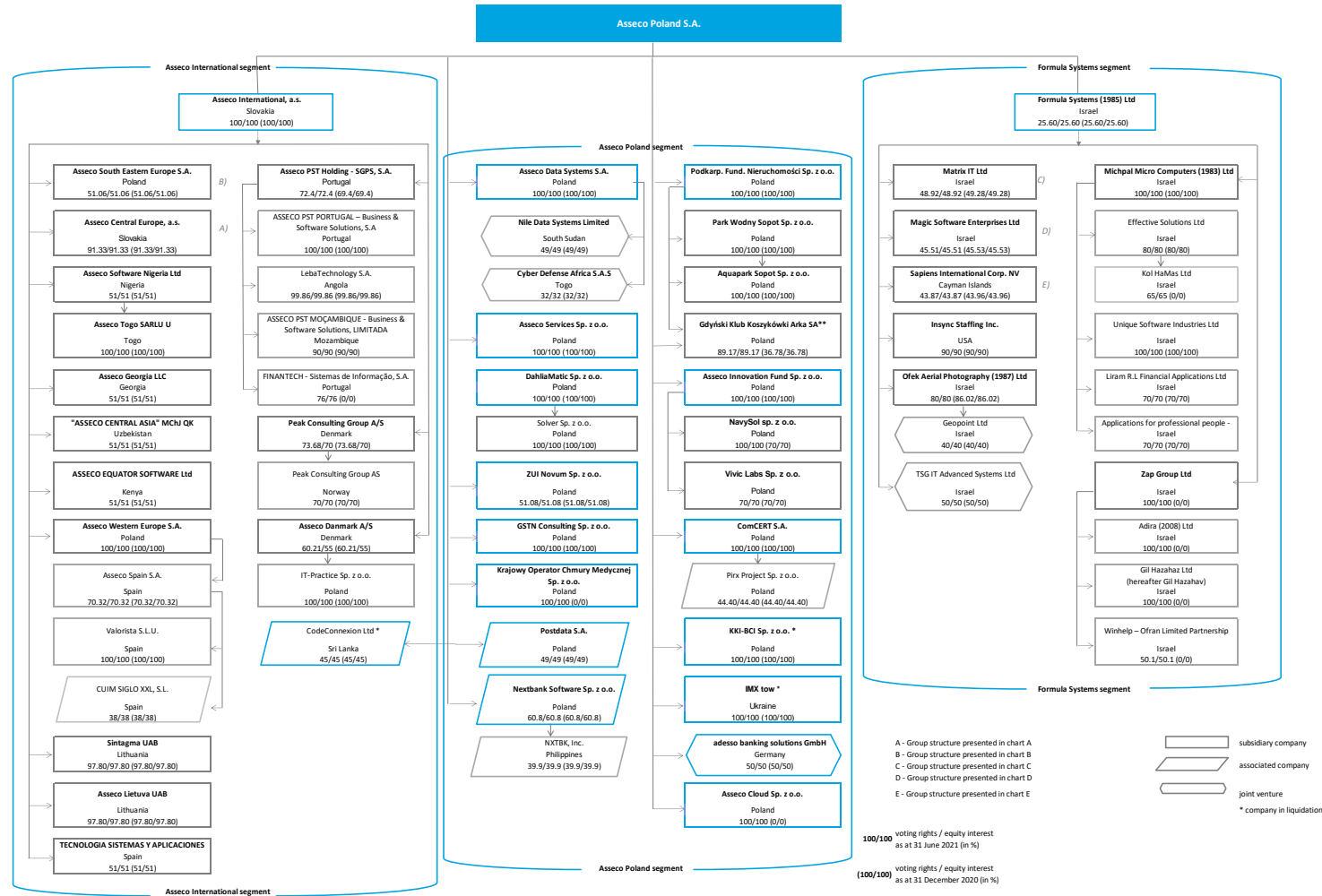
Eastern European market

The Asseco Group's business on the Eastern European market is managed by Asseco Georgia LLC, a company controlled by Asseco International, which provides software and services for the banking, insurance and public administration sectors.

On April 26, 2021, Asseco International a.s. signed an agreement to sell all its shares (49%) in R-Style Softlab JSC, a Russian software developer for banks. According to the agreement, the sale of shares was carried out in multiple stages, with the final sale date being May 17, 2021.

The Group's organizational structure

The following chart presents the organizational structure of the Asseco Group as at June 30, 2021 and December 31, 2020:



The complete Group structure as well as changes that took place during the first half of 2021 have been presented in explanatory note 3 to the semi-annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021.

TARGET MARKETS, BUSINESS SECTORS AND PRODUCT PORTFOLIO OF ASSECO GROUP

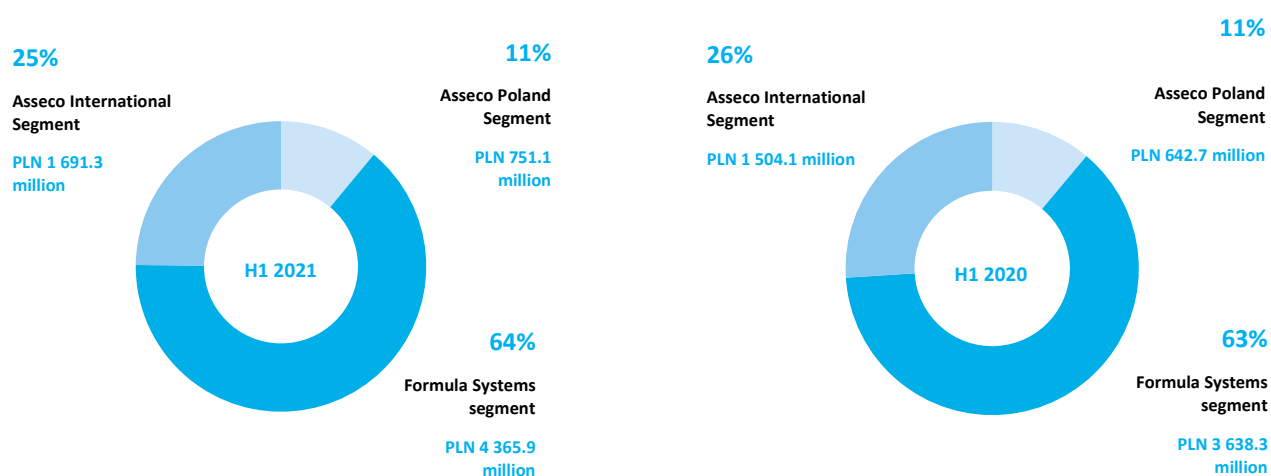
Asseco Group's segments and geographical markets

It is of vital importance for the Asseco Group to strive for product, sector and geographical diversification, thanks to which Asseco Poland and the Asseco Group are not dependent on one or more customers and suppliers. This approach allows us to significantly offset the impact of negative market factors on the Group's operations. Owing to such geographical diversification, the risk of adverse effects of local factors on the Group's operations is considerably reduced, while a wide range of products makes Asseco more resilient to potential downturns in individual market sectors.

The Asseco Group business operations focus on three segments:

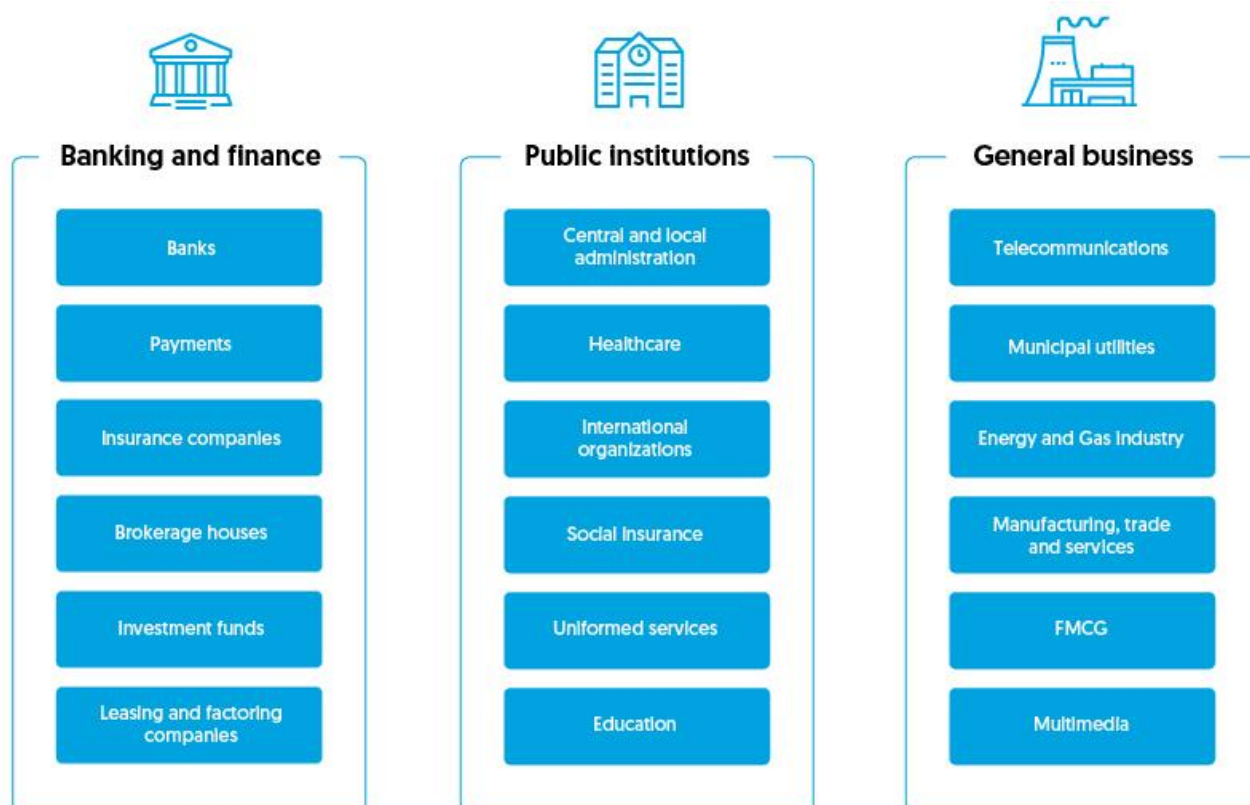
- Asseco Poland includes operating activities of the Parent Company and companies operating on the Polish market. In line with the strategic objective of building a global company, the Asseco Group's growth is driven by foreign markets.
- Formula Systems accounts for the largest portion of revenues generated by the Asseco Group. Within the segment, the Group operates mainly on the Israeli market, the US market and the European market.
- Asseco International, under which Asseco conducts business operations mostly in the markets of Central Europe, Central and Eastern Europe, and Western Europe.

The Group's revenues in individual business segments

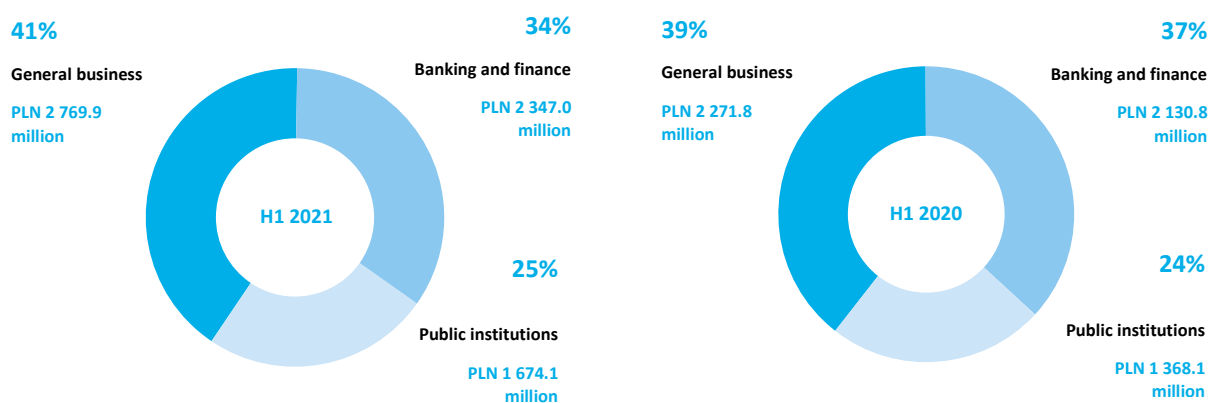


* Data includes inter-segment sales.

Sectors of activity



The Group's revenues in individual business sectors



Banking and finance



Banks – production of software for banks is a key area of business operations of most of the Asseco Group companies. The Group's regional and international development is largely related to the constant enrichment and supplementation of solutions tailored to the banking sector's growing expectations from information technology.

The Group's flagship product for the banking sector is the comprehensive IT system of Asseco Poland called Asseco Core Banking. Asseco develops omnichannel solutions that enable the creation of modern online and mobile banking tailored to the individual needs of our clients. The offer also includes dozens of specialized solutions, offered as ready-made products that only need to be adjusted to the specific activity of a given institution. Asseco's portfolio for companies in the finance sector also includes solutions available in the cloud.

The Group's companies offer their proprietary comprehensive systems for banking. Asseco Central Europe, with its StarBANK family of solutions, has built a strong position on the Slovak market of solutions for the banking sector. Asseco South Eastern Europe offers core banking systems, payment systems, business intelligence, and customer relationship management (CRM) systems, as well as installations of payment terminals and ATMs. In turn, Portugal-based Asseco PST is specialized in the production and implementation of software for the banking sector, and its business operations are focused on the Iberian Peninsula and African markets.



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

The Group's offer includes central systems for insurance institutions, as well as a number of specialized solutions: payment settlement systems, applications supporting processes related to the liquidation of damages, reinsurance, cooperation with agents, and detection of insurance fraud. We also have the tools to help insurance companies operate in compliance with Solvency II and IFRS 17.

The Group's flagship products for the insurance sector are the systems offered by Sapiens, an Israeli group. Whereas, Asseco Central Europe offers the StarINS product line solutions to insurers.

Apart from the above-described competencies for the banking and insurance sectors, Asseco offers comprehensive IT solutions to support the operations of brokerage houses as well as leasing and factoring companies.



Public administration

The Asseco Group is a leading provider of services and software for the public administration sector in Central Europe and a major player on that market in Israel. The group delivers both the largest and most complex projects at the central level, in the defense sector, as well as smaller solutions at the local level and in the health sector.

Central administration – Asseco Poland develops and implements IT solutions for the public administration in the areas that usually cannot be supported by ready-made tools. Most often, these are complex systems with extended functionality adapted to process large volumes of data. The largest project in Polish information technology – Comprehensive Information System for the Social Insurance Institution (KSI ZUS) – has been developed by Asseco. The companies of the Asseco Central Europe Group also have extensive experience in cooperation with the central administration. For years, they have been providing high-quality solutions and services to, among others, the Ministry of Finance, the Ministry of the Interior or the equivalent of the Supreme Audit Office in Slovakia. In turn, Matrix IT is one of the most important partners for the government of Israel.

The Asseco Group also has competence and broad experience in the security sector. As the only company from Central and Eastern Europe, it has completed over 40 prestigious projects for the European Union and NATO, including the EU border protection system – Frontex. Competence in this area is strengthened by the Israeli company TSG IT Advanced Systems, associated with Formula Systems, which is a major provider of software and services for the Israeli Ministries of Defense and Interior.

The competence gained during the implementation of projects for international institutions allowed the transition from the position of a service provider to that of a solution and product provider. In recent years, investments have been

made in developing innovative solutions related to the areas of unmanned platforms, reconnaissance and data analysis, command support systems, satellite solutions and cyber security.

Local administration – in cooperation with other companies of the Group, Asseco Poland offers proprietary solutions for the local administration at all levels. An important advantage is their ease of integration with specialized tools, such as digital geographic maps or metropolitan networks.

Healthcare – the Asseco Group continues to build its leading position in the market of IT solutions for all types of medical institutions. They are used by hundreds of the largest hospitals and clinics in the Central European region. Asseco's services include professional consulting on the development, implementation and maintenance of systems for health insurance companies, and comprehensive solutions for hospitals and clinics. Asseco delivers patient service solutions as well as contract settlement and medical facility management systems.

The Group's flagship product is AMMS (Asseco Medical Management Solution) – a comprehensive suite of IT systems developed by Asseco Poland to support the operation of hospitals, clinics, medical centers and outpatient clinics. Asseco Central Europe also offers its proprietary system for the healthcare sector, DRG Grouper. The Group's offering for this sector is complemented by the solutions of our Hungarian subsidiary Asseco Central Europe Magyarország. Israel's innovation center, meanwhile, creates pioneering solutions for the world's largest medical centers.



General business

Telco & Utilities – the Asseco Group offers comprehensive proprietary solutions, which are capable of handling multi-million customer databases and are customized for the specific needs of telecommunications, media, energy, gas and municipal enterprises. A long-lasting presence of Asseco's solutions in this sector resulted in strategic partnerships with a large number of major European enterprises, which appreciate the in-depth industry knowledge and flexibility of Asseco's solutions.

The portfolio of products offered for the Telco & Utilities sector includes billing systems, fraud detection systems, sales applications, CRM, portal applications, data warehouses, BI tools and many others. Our offer is complemented by systems for managing technical infrastructure, fixed assets and GIS/NIS solutions.

The solutions of Asseco Poland are used by the largest mobile and land telephony operators as well as media companies. The solutions of Asseco Poland are utilized by the power industry corporations operating in Poland, such as Tauron, PGNiG, Enea, and PGE.

With the acquisition of Tecsis, completed by Asseco International in 2019, the Group has expanded its product portfolio with native solutions available on a SaaS model and strengthened its international position in the utilities sector.

Whereas, Asseco Central Europe is specialized in systems for the management of technical infrastructure of network enterprises; whereas, thanks to the solutions of Asseco South Eastern Europe, the Group has become a client of many leading telecom operators in the Balkan region.

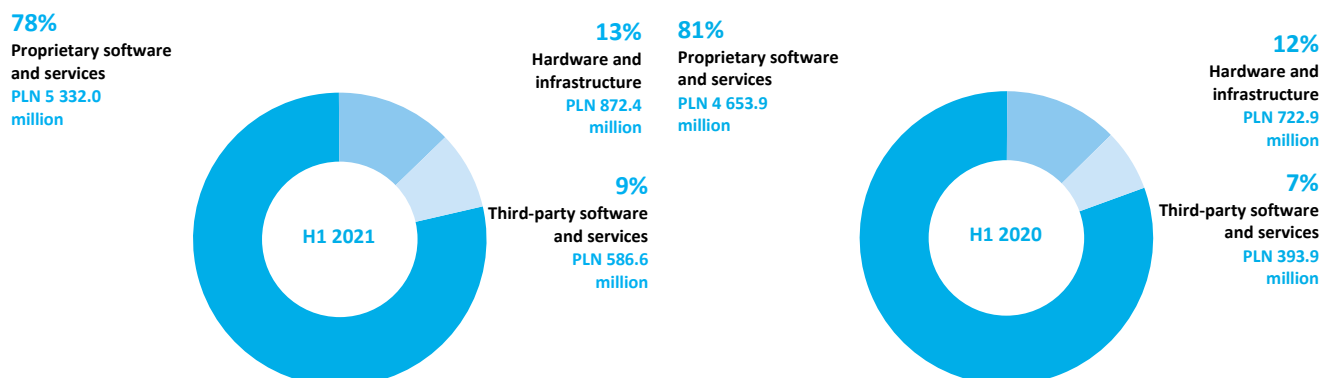
ERP Solutions – the Asseco Group offers a full range of proprietary modern ERP systems for small, mid-sized and large enterprises. Each is a fully integrated package designed for business management. Their functionality and modular design allow them to be used in companies of all industries.

Within the Asseco Group, the competence center responsible for ERP systems, software for SMEs, and IT outsourcing is constituted by the holding of Asseco Enterprise Solutions, which includes companies specialized in ERP systems, mobile sales support systems of the SFA (Sales Force Automation) and FFA (Field Force Automation) classes, data exchange solutions, factoring systems, and software for SMEs.

In addition, within the Group there are teams specializing in the implementation, development and adaptation to the needs of specific industries of systems based on Oracle, SAP and Microsoft Dynamics 365 technologies.

Asseco Group's product offer

Sales of the Asseco Group by products



The Asseco Group focuses primarily on providing its customers with proprietary information technology solutions in the form of software and services, or with third-party solutions and technical infrastructure as needed. Thanks to this, the Group companies offer their business partners first-class solutions fully adapted to their needs.

- **Dedicated solutions**

The Asseco Group is Poland's most experienced IT company when it comes to the implementation of complex, large-scale IT projects tailored to individual customer needs. Asseco's competence in this area is exemplified by the largest IT project ever implemented in Poland for the Social Insurance Institution (ZUS). Comprehensive Information System ZUS (KSI ZUS) is a multi-platform IT system dedicated to the needs of ZUS, covering all statutory tasks related to social insurance. At the same time, it is one of the IT systems of strategic importance for Poland, which is part of the strategy of building an e-state. Over 25 million Poles are supported by KSI ZUS, and the system is used daily by over 45 thousand employees of ZUS.

- **Comprehensive solutions for sectors**

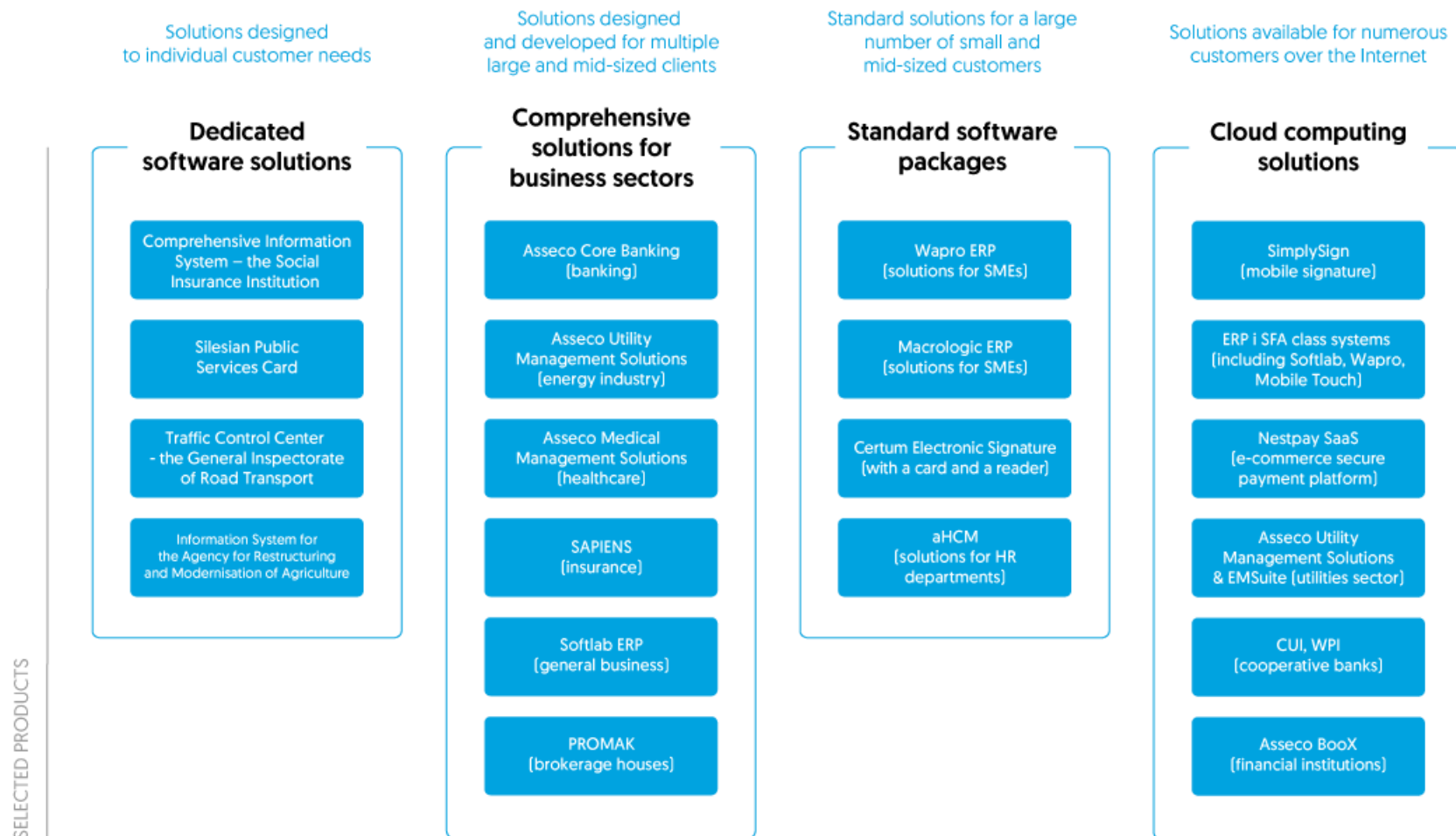
For large and mid-sized entities from every sector of the economy, we offer standard packages that are tailored to individual needs. The products of this category include comprehensive systems dedicated for the banking sector (Asseco Core Banking), power supply industry (AUMS), healthcare (AMMS), brokerage houses (PROMAK), insurance sector (SAPIENS), and enterprises (Softlab ERP).

- **Standard packages**

For thousands of small and mid-sized businesses, we offer standard software. Without the need to prepare tailor-made products and at attractive costs, tens of thousands of companies use Asseco's "boxed" software to support their daily business management. The examples of standard package solutions designed for the small and mid-sized enterprise sector include Wapro ERP and Macrologic ERP.

- **SaaS solutions**

The Asseco Group also offers its IT solutions via the Internet. With little effort, minimal cost, and maximum benefit, our customers can benefit from our best expertise and experience without having to spend heavily on IT infrastructure and a team of IT experts. Asseco provides in the cloud electronic signature SimplySign, educational platform, systems for the energy sector, Electronic Medical Records management platform – Cloud for Health, application for remote patient-doctor contact, universal financial services platform Asseco BooX (Bank out of the Box), ERP and SFA solutions, or online payment solutions. In addition, 320 cooperative banks in Poland use modern internet banking services provided in the SaaS model. Co-operative banks are also dedicated to the Common IT Platform (WPI), the aim of which is to standardize banks' work in order to make customer service easier and more efficient.



Key factors for further development of the Asseco Group



Banking and finance

- Increased demand for advanced technologies used in financial services,
- New trends in the area of IT solutions dedicated to financial institutions,
- Development in omnichannel solutions,
- Dynamically changing legal environment requiring constant adaptation of IT systems,
- The rise of cybersecurity.



General business

- Increase in IT needs of companies as the scale of operations grows – increasing demand for ERP solutions,
- Demand for advanced solutions with cost optimization – development of cloud and SaaS solutions,
- The need to manage massive amounts of data,
- Legal changes forcing IT systems to adapt.



Public sector

- The sector remains one of the largest consumers of IT services,
- Demand for advanced solutions where security, system reliability and vendor credibility play a very important role,
- High demand for IT solutions in the areas of social security, government and local administration, health care or uniformed services.

IT MARKET AND ITS PROSPECTS

Development prospects of the IT market

Global IT market

According to Gartner's projections this July, global IT spending will grow 8.6% in 2021 to reach USD 4.2 trillion. Growth should be recorded in all market segments, with the highest increases expected in IT hardware - by 13.9% and enterprise software – by 13.2%. For the IT services, data center and telecom services segments, the projected increases are 9.8%, 7.4% and 3.5%, respectively.

Global IT spending is expected to increase by 5.3% to USD 4.4 trillion in 2022. The highest growth should be recorded in enterprise software – by 11.7%. The second highest growth of 8.5% is forecast for IT services.

IT spending (billion USD)	2020	Change	2021 (forecast)	Change	2022 (forecast)	Change
Data centers systems	178	2.5%	192	7.4%	202	5.2%
Enterprise software	529	9.1%	599	13.2%	669	11.7%
Devices	697	-1.5%	794	13.9%	800	0.8%
IT services	1 071	1.7%	1 177	9.8%	1 277	8.5%
Communications services	1 396	-1.4%	1 445	3.5%	1 481	2.6%
Total	3 872	0.9%	4 206	8.6%	4 430	5.3%

Source: Gartner (<https://www.gartner.com/en/newsroom/press-releases/2021-07-14-gartner-forecasts-worldwide-it-spending-to-grow-9-percent-2021>).

In turn, according to International Data Corporation's (IDC) June 2021 forecast, ICT spending in Europe will see a 4.5% increase in 2021 versus last year, reaching USD 988 billion. IDC experts predict that the software segment will grow by 6.6% this year thanks to strong demand for human capital management, advertising, marketing and customer service solutions, which they believe will continue through 2021.

IT market in Poland

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

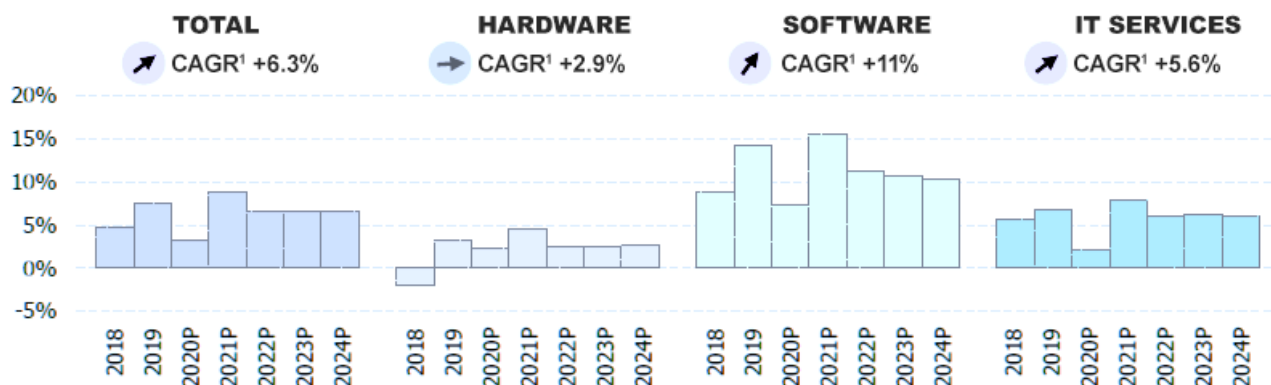
Among the opportunities for the sector they list:

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

In contrast, the barriers to the sector in their view are:

- Rising labor costs and talent drain,
- still moderately favorable structure of the economy (relatively high share of simple processes and less advanced industries),
- low awareness of the benefits of IT investments in the SME sector,
- capital shortages of companies – both IT companies themselves and service recipients, potentially exacerbated by the crisis.

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



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

Source: Pekao Bank

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

Asseco's market position

Asseco is one of the leading software producers in Europe.

Asseco Poland is one of the largest IT companies in Poland and the largest company in the country focused on the sale of proprietary software and services rather than hardware. The Polish IT market is a competitive and diversified market where both domestic companies and leading global corporations operate.

The Company's strong market position has been confirmed in the latest Computerworld TOP200 report, which is a comprehensive survey of the Polish ICT market. Asseco once again became the largest IT capital group operating in Poland, thus becoming a national leader in digitization. The company won in a total of 5 categories in this year's report.

Asseco Poland in the Computerworld TOP200 ranking:

Category	Ranking position
The largest IT capital groups operating in Poland - Leaders of digitization in Poland	1
The largest providers of IT solutions and services for the public administration and uniformed services sector	1
The largest providers of IT solutions and services for large companies and enterprises	1
Major custom software providers	1
Major service providers	1
IT companies with the highest net profit	2
Companies with the highest R&D spending	2
The largest providers of IT solutions and services for the healthcare sector	2
The largest integration service providers	2
The largest suppliers of IT solutions and services for the banking sector	3
The largest providers of IT solutions and services for the telecommunications sector	3
The largest IT service providers	3
The largest providers of IT solutions and services for the power sector	4
The largest providers of Business Intelligence, Big Data and Data Discovery systems	4

Source: Computerworld TOP200, Ranking of IT and Telecommunications Companies, Edition 2021, ranking by sales generated in 2020.

High positions in the latest Computerworld TOP200 ranking were also occupied by other Asseco Group companies: Asseco Business Solutions remained at 1st position in the category of largest providers of Enterprise Resource Planning (ERP) systems. In turn, Asseco Data Systems ranked 2nd among the largest providers of training services.

Asseco Poland is also a leader in 5 categories of the ITwiz Best100 ranking, which is a list of the largest IT companies in Poland.

Asseco Poland in the ITwiz Best100 ranking:

Category	Ranking position
Revenue of major IT groups 2020	1
IT companies with the largest sales to government and uniformed services in 2020	1
Companies with the largest sales to large companies in 2020	1
Companies with the largest sales of maintenance services in Poland in 2020	1
Companies with the largest sales of integration services in Poland in 2020	1
IT companies with the highest net profit in 2020	2
The largest companies with Polish capital selling their proprietary products and services in 2020	2
Companies with the largest sales of IT services in Poland in 2020	2
Companies with the largest sales of customized software in Poland in 2020	2
IT companies with the largest sales to the banking sector in 2020	2
Companies with the largest sales to the telecom sector in 2020	2
Companies with the largest sales of analytics and big data solutions in 2020	3
Companies with the largest sales to the healthcare sector in 2020	3
Companies with the largest sales to the power sector in 2020	4

Source: ITwiz Best100, 2021 Edition, ranked by sales achieved for 2020.

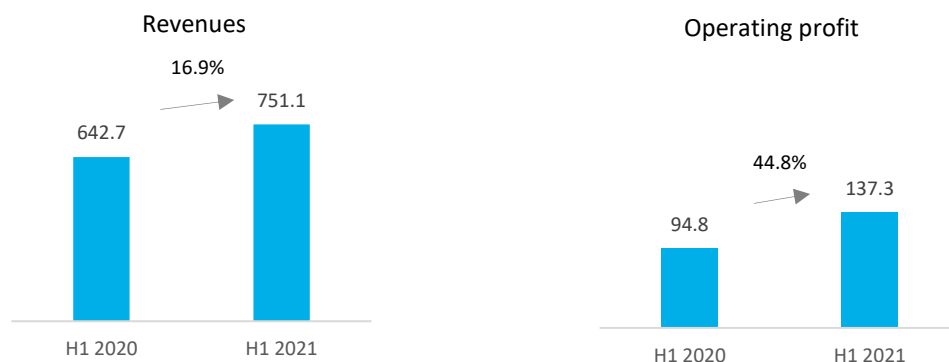
Other Asseco Group companies also ranked high in the ITwiz Best100 ranking. Asseco Business Solutions once again became the leader in the category of companies with the highest sales of ERP systems. In turn, Asseco Data Systems ranked 2nd in this ranking among companies with the highest revenues from training in Poland, ranked 3rd in the category of companies with the highest revenues from sales of application implementation services and 4th among companies with the highest sales of ECM (Enterprise Content Management) class systems.



Major events that affected the performance of the [Asseco Group](#) in the first half of 2021

MAJOR EVENTS THAT AFFECTED THE GROUP'S RESULTS IN THE FIRST HALF OF 2021

ASSECO POLAND SEGMENT



The table below presents selected financial data for the Asseco Poland segment for the period of 6 months ended June 30, 2021 and the comparative period:

mPLN	6 months ended June 30, 2021	6 months ended June 30, 2020 (restated)	Change H1 2021 / H1 2020
Sales revenues*	751.1	642.7	16.9%
EBIT	137.3	94.8	44.8%
<i>EBIT margin</i>	<i>18.3%</i>	<i>14.8%</i>	<i>3.5 p.p.</i>
non-IFRS EBIT	144.9	102.9	40.8%
<i>non-IFRS EBIT profit margin</i>	<i>19.3%</i>	<i>16.1%</i>	<i>3.3 p.p.</i>
EBITDA	179.4	140.9	27.3%
<i>EBITDA profit margin</i>	<i>23.9%</i>	<i>22.0%</i>	<i>2.0 p.p.</i>
CFO BT	121.5	124.7	(2.6%)
CAPEX	(31.4)	(40.8)	(23.0%)
Lease expenses	(6.1)	(18.6)	(67.2%)
FCF	84.0	65.3	28.6%
Cash conversion rate	58.0%	63.5%	(5.5) p.p.
Cash and cash equivalents (comparable period - December 31, 2020)	208.9	271.7	(23.1%)
Interest bearing debt (comparable period - December 31, 2020)**	(75.4)	(85.1)	(11.4%)
<i>of which loans, borrowings and bonds issued</i>	<i>(0.6)</i>	<i>(4.8)</i>	<i>(87.5%)</i>
<i>of which leasing</i>	<i>(74.8)</i>	<i>(80.3)</i>	<i>(6.8%)</i>

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

** Debt to entities outside the Group.

EBIT = operating profit.

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

EBITDA = EBIT + amortization.

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

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

FCF = [CFOBT] - [CAPEX] - [lease expenditures].

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

In the first half of 2021, the Group's revenues generated by the Asseco Poland segment amounted to PLN 751.1 million versus PLN 642.7 million in the corresponding period last year. Operating profit amounted to PLN 137.3 million versus PLN 94.8 million in H1 2020. The Asseco Poland segment accounted for 11% of the Group's sales revenues in the first 6 months of 2021.

In the area of banking and finance, during the first 6 months of 2021, Asseco Poland, being the largest contributor to the Polish segment, continued to work with its existing clients, under which, among others, it executed long-term maintenance agreements responsible for approx. 40% of the segment's revenues.

Asseco Poland continued its sales efforts aimed at winning new projects both in Poland and abroad, and extended its cooperation with such institutions as Bank Ochrony Środowiska (BOŚ), Volkswagen Bank and Raiffeisen Bank International AG. In H1 2021, the Company signed a contract to execute a data migration project as part of the acquisition and technology merger of two significant commercial banks on the Polish market. Asseco is responsible in the project for data transformation and reconciliation. This project is also significant for the overall consolidating banking market as it introduces Asseco as a new major player in the mergers and acquisitions market in the commercial banking sector. Up until now, such ventures have been led by a small group of US consulting companies. Over the next few years, this market could prove to be very important in terms of service project potential. In the period reported, Asseco Poland also performed the first stage of its agreement with Bank Gospodarstwa Krajowego (BGK), signed in Q4 2020, for the maintenance, optimum development and transformation of the def2000 system to an open form, which will enable further maintenance and development of the system without significant technological and legal limitations. As part of the Common IT Platform (WPI) project, Asseco worked on the further development of the BooX (Bank out of the Box) concept, which will be the basis for the Company's offering for the Polish and global banking markets. Asseco BooX is the first Polish comprehensive technology and process platform for the sale and maintenance of financial products. The platform not only provides access to all systems necessary to perform banking services, but also includes IT BPO services rendered by Asseco's employees at the subscription price of the entire platform. The solution, whose first customers are cooperative banks, is also offered to commercial banks and fintechs. As a cloud-capable subscription platform, BooX is the perfect solution for neobanks, banks undergoing consolidation, test sandboxes, regulatory and marketplace solutions (in e-commerce). Even in the early stages of obtaining a banking license, it enables new initiatives to prove high operational readiness to the national regulator. Entities already existing on the market can take advantage of its features (subscription, working in a technology sandbox) in the process of testing and launching new services. Performing a bank transformation or consolidation is a natural application of the BooX platform. The innovation necessary for the development of financial institutions will be ensured by the use of embedded solutions developed within the Asseco Innovation Hub, such as voicebots. Asseco BooX is available in the subscription model, but can also operate traditionally – based on the purchase of a license. Operationally, it works in desktop, cloud or hybrid models. Both the availability of particular functionalities and the cost incurred by institutions depend on the actual level of their use.

Asseco has won Global Finance's "The Innovators 2021" competition for another year in a row. In this year's edition of the competition, the Company won the title of "The Outstanding FinTech Innovator in Central and Eastern Europe in 2021" for the development of Asseco Customer Intelligence (ACI) analytical system and machine learning models used therein, as well as an award in the category of "Best Financial Innovation Lab", which is granted to organizations working on innovative solutions dedicated to the financial industry.

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

In March this year, Asseco became a supporting member of the Polish Association of Loan Institutions (PZIP), which brings together entities from the lending market, digital lending and fintechs. Joining PZIP will enhance cooperation with lending institutions and the technological development of the sector.

An important business area of the Asseco Poland segment is the cooperative banking market. The Asseco Group companies operating on the Polish market provide services for approx. 420 cooperative banks, and approx. 310 support in the area of modern internet banking offered in Software as a Service (SaaS) model. In the first half of 2021, Asseco worked on solutions for cooperative banks of the two Polish associations. Among other things, it continued the project of the Integrated Association Solution (ZRZ) that it implements with SGB-Bank. Within ZRZ, SGB-Bank is responsible for attracting more cooperative banks to the project, while Asseco is responsible for implementations and migrations, also acting as an integrator. So far, 33 cooperative banks have migrated to this solution. The company is also the author of a unique project – Common Information Platform (WPI), which is the implementation of BooX (Bank out of the Box) for cooperative banks, implemented with banks of the BPS Group. It is the first solution in Poland that can be described as a "bank in a socket," containing everything a modern financial institution needs today: a transaction system, online and mobile banking, reporting and analytical tools, and intuitive omnichannel solutions. The platform can be parameterized according to the client's needs. Processes that are similar in all banks (accounting, clearing, reporting, risk management, anti-money laundering, pricing), thanks to the solution, can be standardized and automated, and consequently lead to lower back-office costs in each institution. At the same time, the platform allows for individual shaping of areas independent for each bank, such as building a commercial offer. WPI is available in a SaaS model, which reduces the costs associated with maintaining separate infrastructure and resources to maintain it. Last year, the company finalized implementations of this platform in 2 cooperative banks and is working on acquiring more customers. WPI was awarded in the 1st edition of "Cooperative Technology of the Year 2020" competition in the category "Comprehensive solution of IT companies dedicated to cooperative banking". The competition was organized by the Polish Bank Association and the Center for Banking Law and Information. In the period reported Asseco Poland signed new agreements relating among others to further migration projects, implementation of the mobile banking functionality of My ID or the Cards mini-application enabling browsing the list of customers' cards (credit, debit, charge). The Company has also won orders related to the implementation of a solution enabling it to handle write-downs and repayments of subsidies for micro-companies and SMEs under the PFR's Financial Shield 1.0. In the period reported Asseco launched a new mobile application BSGo to replace the existing mToken application Asseco MAA. BSGo mobile banking for cooperative bank customers provides fast and convenient access to banking products anywhere 24/7/365. Running on mobile devices, the application is linked to the online banking system. It combines online banking functionality (retail and corporate) with authorization and authentication functionality via mobile devices. We also worked on new products and functionalities, including a comprehensive tool for the exchange of data with external databases in support of banks' credit analysis, a module of Asseco Customer Banking Platform CBP and Asseco Enterprise Banking Platform enabling the handling of information campaigns, or the implementation of a BLIK payment interface.

Asseco Poland holds a leading position among providers of solutions for companies operating on the Polish capital market. In H1 2021, the Company continued work under contracts signed in previous reporting periods, including the implementation of ePROMAK NEXT, one of the most advanced transactional solutions in this part of Europe, in the Brokerage Office of PKO BP, as well as it continued the project of migration of the main system, together with the platform for servicing investors, of one of the brokerage houses in connection with the process of integrating it into the bank's structures. It also signed new agreements, including one with BondSpot for the supply and implementation of a trading system for debt instruments quoted on that market. In the period reported Asseco continued also to develop the functionalities of its PROMAK family of systems, e.g. PROMAK Plus (transaction processing system ensuring efficient and automated handling of business processes executed in a brokerage house) was adjusted to the legal regulations pertaining to trading in American stocks and identification of shareholders of non-public companies. The functionality related to the EU directive SRD II in PROMAK POWIERNIK system, ensuring complex service of custody business, including automation of processes such as payment of dividends or interest on bonds, buyout of bonds, handling of pre-emptive rights, split and assimilation, was also extended.

In H1 2021, the public administration segment continued to cooperate with important public sector institutions, such as the Social Insurance Institution (ZUS), the National Health Fund (NFZ), the Ministry of Finance, the Ministry of Justice, the Agency for Restructuring and Modernization of Agriculture (ARiMR), the Agricultural Social Insurance Fund (KRUS), and the General Inspectorate of Road Transport (GITD).

In the January-April 2021 period, Asseco carried out activities under the contract signed in 2018 and annexed in 2019 for the service of supporting the operation and maintenance of KSI ZUS. In April 2021, an agreement was signed

for a service to support the operation and maintenance of KSI ZUS in the May-August 2021 period with an option to extend the services provided until the end of October 2021.

In addition, as of the end of June 2021, the Company was executing 13 executive agreements under the framework agreement for the modification and development of the KSI ZUS software concluded in 2018, 5 of which were concluded in the first half of 2021. The implementation agreements involved:

- Adapting the KSI system to legislative changes in the subject of benefit taxation and the handling of benefit and pension benefits in the tax action for 2019 and 2020 (contract signed in 2019),
- adjusting the functions of the KSI application and the replica to the changes in the scope of enabling individual customers to generate confirmations directly from their PUE accounts as part of the so-called "confirmation". self-service, optimization of the doctor's profile and the wizard for issuing electronic medical discharges (e-ZLA), as well as creation of wizards for submitting applications by individual customers via PUE (an agreement signed in 2020),
- optimizing functions of interactive applications supporting ZUS employees in carrying out tasks in the processes (a contract signed in 2020),
- adjusting the KSI system to legislative changes resulting from the Act on amending the Act on enforcement proceedings in administration and certain other acts (an agreement signed in 2020),
- automating the E2 application processes with respect to handling pensions with ENP and END symbols and administrative handling of death cases, as well as adjustment of EPWD application to handle applications (an agreement signed in 2020),
- adapting ZUS's IT system to legislative changes related to the introduction of the so-called "social security system" e-Act and Small Business and Other Acts, Phase II (an agreement signed in 2020),
- taxation of benefits – legislative changes 2020 and optimization (an agreement signed in 2020),
- adjusting KSI to legislative changes related to recording contracts for specific work in ZUS (an agreement signed in 2020),
- modifying the Social Insurance Institution's KSI in order to enable the processing of pension benefit indexation in 2021 (an agreement signed in the first half of 2021),
- Information security optimization of benefit applications (an agreement signed in H1 2021),
- adapting IT systems to legislative changes related to showing information about the code of exercised profession in application documents (an agreement signed in the first half of 2021),
- updating the 9a System ensuring continuous provision of statistical information on statutory activities of the Social Insurance Institution (an agreement signed in the first half of 2021),
- modifying selected functionalities included in the FW application in connection with the implementation of changes resulting from the Act of July 4, 2019 on amendments to the Act on Enforcement Proceedings in Administration and certain other acts (an agreement signed in the first half of 2021).

AssecO Poland also performed the contract concluded in 2018 for the development and maintenance of the Customer Portal and the Service Bus (ESB) within the Platform for Electronic Services (PUE) of the Social Insurance Institution (ZUS), together with a supplementary agreement signed to this contract in 2020.

In addition, the Company prepared the KSI and PUE IT Portal systems for tasks resulting from the implementation of the Act on Special Solutions for Preventing, Counteracting and Combating COVID-19, Other Infectious Diseases and Crisis Situations Caused by Them. There were 9 annexes to the agreement concluded in 2020 until the end of June 2021, 4 of which were concluded in the first half of 2021.

As part of the agreement with ZUS, AssecO Poland prepared IT systems of KSI ZUS and PUE Portal for the tasks resulting from the implementation of the Polish Tourism Voucher Act. There were 5 annexes to the agreement concluded in 2020 until the end of June 2021, of which 2 in the first half of 2021.

Additionally, in June 2021 an agreement was concluded with ZUS for preparation of IT systems KSI ZUS and PUE Portal for handling tasks related to the "Good start" program.

We also continued the execution of the contract concluded with ZUS last year for the preparation of the KSI ZUS information system for tasks arising from the implementation of the Act of August 14, 2020 on amending the Act on anti-communist opposition activists and persons repressed for political reasons and some other acts. In the reporting period, 1 annex to the above-mentioned agreement was concluded. In May 2021, a new contract was signed for the additional scope of work resulting from the amendment to the aforementioned laws.

Asseco Poland continued its efforts under the agreement with ARiMR for the development and maintenance of the SIA system – 12 orders for system modification and 25 operational orders were signed.

The company executed an agreement with the Ministry of Justice, concluded and annexed last year, for the construction, 3-year maintenance and development of a system supporting the National Debtors Register (KRZ), which will streamline restructuring and bankruptcy proceedings.

In addition, the contract with the Ministry of Justice concluded in 2017 for the maintenance, modifications and training for the Electronic Land and Mortgage Register (EKW) ICT system was implemented. A supplemental agreement to the aforementioned was entered into last year.

Asseco Poland also performed activities for the Ministry of Finance and the National Fiscal Administration (KAS), including projects for the maintenance and development of customs and taxation systems carried out under the European Union co-funded project "Platform of Electronic Fiscal and Customs Services (PUESC)". A noteworthy project implemented within the framework of the aforementioned program is to build a Digital Frontier system. It is a very advanced and modern solution that will automate the process of customs control on all types of borders (road, sea, rail, air), at the same time streamlining the process of entry and exit of goods from the entire EU community.

In H1 2021, two new contracts were concluded with the Ministry of Finance represented by the Tax Administration Chamber in Kraków. The first one, implemented in a consortium with Pentacomp, concerns the development, modernization and maintenance of components of the Customs and Treasury Information System (SISC) in the area of Trade in Goods with Third Countries and Excise Movements. The second one concerns expansion, modernization and development of the ZEFIR2 system, which handles the collection and financial settlements of customs and tax dues for the State Treasury and the EU budget. In both the contracts Asseco Poland will expand and modernize the systems which had been earlier developed by the Company. The aim is primarily to adjust to new EU legal regulations contained in the EU Customs Code, as well as many national regulations, including changes in excise tax and VAT settlements.

Moreover, in the reporting period, the Company performed contracts for the General Inspectorate of Road Transport (GITD) within the scope of maintenance and development of the Automatic Road Traffic Supervision Centre (CANARD).

Asseco Poland is one of the largest providers of IT solutions and services for the healthcare sector. It currently works with over 400 hospitals nationwide. In turn, the segment comprising physician offices, mid-sized and small clinics and physician practices serves 9.6 thousand locations (34,000 users), which is approx. 40% of the market.

During the first 6 months of 2021, Asseco won consecutive tenders for the implementation of e-Services and availability of Electronic Medical Records (EMD), among others at the Provincial Hospital in Elbląg, the Tadeusz Sokołowski Pomeranian Medical University in Szczecin, the John Paul II Specialized Hospital in Krakow, the Regional Specialized Hospital of the Blessed Virgin Mary in Częstochowa or the Independent Public Clinical Hospital No. 4 in Lublin. As part of the implementation of the agreements, Asseco implements software that is expected to streamline the registration of patients for appointments, facilitate the checking of examination results, as well as enable online access to medical records. The new e-Services are fully integrated with current solutions operating in hospitals, including Hospital Information Systems – HIS and Unit Management – ERP.

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

In the period reported, Asseco Poland continued its efforts under the project called Construction of the Silesian eCareMed Digital Medical Platform, the objective of which is to increase the accessibility of medical services to patients from the Silesian Voivodeship. The project will bring together all available electronic services in one place and provides for the modernization and expansion of IT systems along with the necessary infrastructure and training in 11 Silesian medical centers.

The company, in a consortium with Kamsoft, implemented the contract signed in 2019 with the National Health Fund (NFZ) for the maintenance and development of the IT System for Supporting the Activities of the National Health Fund – SIWDzNFZ.

Drawing on many years of experience in the computerization of medical facilities, Asseco develops its applications intended for patients: Medical Information (management of information provided by medical units), Medical First Aid Kit (medication management) and My Measurements (self-monitoring of health status by patients). Thanks to the integration of the My Measurements and Medical Information solutions, information about various health parameters of patients goes directly to the doctor's office and is recorded in the medical history.

Regulatory changes, the obligation to keep medical records in electronic form, and the ongoing epidemic in Poland make the digitization of medical facilities even more important. Since January this year, e-referrals have been in force in Poland, and since July 1, 2021, there is an obligation to exchange electronic medical records between healthcare institutions, which means that in the P1 System it is possible to obtain data on a patient's medical history and treatment. The systems of Asseco Medical Management Solutions (AMMS) and mMedica provide comprehensive support for processes and are fully prepared for any legal changes in the field.

The digitization of healthcare allows not only to simplify and accelerate the functioning processes, but also opens opportunities to build new, innovative services. In May 2021, Asseco established the National Medical Cloud Operator (Cloud for Health), which aims to enable medical units – in cooperation with the National Cloud – to provide e-services with the highest security standards. Cloud for Health specializes in cloud-based EDM implementations. It also ensures smooth regulatory compliance and contributes to the standardization of IT services in the healthcare sector.

Asseco Poland is a recognized provider of tailor-made solutions and services for domestic and international security institutions. To date, the Company has finalized over 40 projects for European Union and NATO agencies. Its clients include institutions such as the North Atlantic Alliance (NATO), the European Border Agency (Frontex), the European Chemicals Agency (ECHA), the European Defence Agency (EDA), the European Space Agency (ESA), the Ministry of Defence or the National Cyber Security Centre. For several years Asseco Poland has been developing its proprietary product lines, dedicated to uniformed and civilian markets – unmanned systems and cyber security systems.

Asseco is also strengthening its position in the cybersecurity consulting segment with ComCERT. ComCERT is the first consulting company in Poland to specialize in CERT (Computer Emergency Response Team) services for enterprises and institutions, not affiliated with any telecommunications operator. ComCERT experts analyze hacking vulnerabilities in customers' systems, support them during an incident, and analyze the status of systems after an incident. At the intersection of these three services, they also develop Security Operations Center (SOC) teams at customers – not only actively helping to maintain a high level of network security, but also expanding their competencies. Moreover, ComCERT is competent in designing, implementing and maintaining hardware and software solutions from the world's leading manufacturers. ComCERT participates in cyber security research and development projects. It is, among others, the leader of a consortium which also includes the Warsaw University of Technology and Cryptomage in a project to create a system supporting the detection and imaging of APT (Advanced Persistence Threat) attacks. The project has received funding from the National Centre for Research and Development under the National Programme CyberSecIdent (4th competition CyberSecIdent – Cyber Security and e Identity), which is aimed at improving the security of Poland's cyberspace by increasing the availability of hardware and software solutions. ComCERT also works with other Asseco Group companies on cyber security projects. For example, it is involved in a project conducted by Asseco Data Systems in the Republic of Togo. The joint venture established an organization in the Togolese government that combines the Security Monitoring Center, responsible for the security of the country's critical infrastructure, with the National Security Center, which monitors the threat from cybercrime around the clock and provides citizens, organizations and businesses with the confidence to use digital solutions. The agency also offers a range of services to businesses in the area of information security, including audits and cyber crime prevention support. The joint venture has enabled Togo to become a leading cyber security hub in the region. ComCERT, as a subcontractor to Asseco Data Systems, was responsible for creating a comprehensive strategy for the organization, providing the necessary ICT infrastructure, defining processes, and training local staff. The implementation of CERT and SOC in Togo kicked off in early 2020, and despite the COVID-19 pandemic, the first customer already used the services of the Security Monitoring Center in the fall. In January 2021, the National Security Center was launched along with the CERT.tg website for rapid reporting of cybersecurity incidents. The entire project was fully implemented at the end of June 2021. Services related to the maintenance of implemented solutions are currently being carried out.

In the enterprises segment, Asseco works with key clients in the telecommunications and power industry.

In the period reported Asseco Poland continued to work for the leading power industry groups under previously signed contracts as well as under new orders acquired in the period reported. The company is a leader among Polish producers of IT solutions for the domestic power sector. Asseco Utility Management Solutions (AUMS) is a suite of integrated products providing comprehensive support for all areas of the sector's operations, from production, transmission and

distribution to the sale of products and services. In Poland, more than 60% of energy bills are generated using AUMS Billing & CIS (a system for billing and customer service). Among domestic companies which have chosen the AUMS billing system are power companies: ENEA, ENERGA, TAURON, PGE and PGNiG OD. The company is constantly working on developing the functionality of AUMS family systems. In H1 2021, it introduced AUMS Billing & CIS 4.0, which is a continuation of its existing 3.0 product line. The system was created in response to changing market requirements, as a result of investments supported by a project co-financed by the National Centre for Research and Development and in cooperation with a group of domestic and foreign experts. Version 4.0 of the Company's flagship product is one of the most modern customer service systems, in which significant changes have been made related to technology, as well as automation of business processes. Optimizations in system work management and standardization of data exchange were introduced. The system is completely open and gives unlimited possibilities for independent development by the power company and in cooperation with external partners (no vendor-locking). The technologies used allow for the use of OpenSource-based databases, and additionally the implemented tools and the adopted *multi-cloud* and *hybrid cloud* strategy allow for moving the system to any cloud of the selected provider. AUMS Billing & CIS 4.0 also offers a number of new functionalities that are primarily related to the possibility of expanding the offer, including convergent products or services. It also introduced a new data model based on a billing account that records the data of multiple parties to a contract - sellers and buyers. Mechanisms are offered as standard, allowing for billing of individual recipient devices within the Internet of Things. Additionally, Asseco Poland – with the support of its technology partner IBM – has created a new platform called AUMS Customer Portal. It's a next-generation customer service solution for utilities, among others, that want to enable or streamline digital communication, invoice distribution and billing information for their customers. The system supports simple and intuitive vendor-customer interaction, integrating all services offered on a single web platform. It provides fast deployment and high availability by leveraging IBM and Red Hat cloud technology. Regardless of the device used (computer, tablet, cell phone) the solution offers a comprehensive view of data on services and products provided to individual customers. In addition, thanks to its modern system architecture based on microservices and API approach, the AUMS Customer Portal can be an excellent basis for creating a digital platform to expand your offerings with new products and services. The company also implemented an investment project of Asseco Demand Side Management (ADMS). ADMS provides support to align electricity consumption with the needs and capabilities of the power system. Allows remote interaction with smart devices on the client side. It also provides the ability to respond immediately to changing market conditions and events occurring in the power grid. The system, by conducting the energy demand regulation process, increases the efficiency of grid management. With the consent of the end user, it regulates the operation of terminal equipment and offers the ability to "softly" limit some of its functionality. This is possible by using IoT control protocols, building automation or industrial automation.

In the first half of 2021, Asseco Poland continued its cooperation with Polkomtel Sp. z o.o. as part of a three-stage project involving the transformation of the sales, service and billing automation systems for individual customers (B2C) of the Polsat Plus Group. During the reporting period the Company was focused on the execution of the first stage of the project, which encompasses changes to IT systems dedicated to the sale of products and services of the Polsat Plus Group. The project cooperation was first conducted on the basis of a bridge agreement concluded in March 2020. Subsequently, the work was carried out on the basis of current orders under the terms of contracts concluded in previous years until new general terms of cooperation were agreed, which were discussed between the parties.

As a result of the discussions, a framework agreement was concluded after the end of the reporting period, defining the general scope and principles for expanding the cooperation of the project partners. The framework agreement also covered the work carried out under the above-mentioned contracts and specified the terms and conditions of cooperation under the first phase of the project. However, according to the aforementioned agreement, with respect to phases two and three, orders will be subject to separate negotiations between the parties (including with respect to their pricing) and will require corporate approvals each time to conduct the work covered thereby. The scope of work covered by phase one is not materially different from other activities performed by the Company in the course of its business.

In addition, dedicated, separate teams also carried out projects for other telecommunications and media customers of Asseco. The company constantly develops its product offer and functionality of available solutions. During the first 6 months of 2021, it led the development of Asseco Dynamic Portal (ADP), a modern portal environment based on a rapid content delivery system integrated with analytical and marketing tools. ADP allows the Users to collect data about customers' online behavior. It also provides support in segmenting offerings and delivering personalized products and services. Work was also underway to expand the functionality of Asseco Convergent Services Environment (ACSE), which supports the sale, maintenance and settlement of convergent services. As a solution of Business Support System (BSS)

class, it enables the easy combining of own and other suppliers' products into coherent offer settled on one invoice – both for individual customers and business partners.

The first half of 2021 was an intensive period also for Asseco Data Systems (ADS) operating on the Polish market. The Company maintained and developed the EMIR-SEKS/AD system for Social Insurance Institution (ZUS), used for servicing, calculation and payment of retirement and pension benefits. A new 4-year contract was also signed with ZUS to maintain and develop this system. Within the framework of cooperation with the Agricultural Social Insurance Fund (KRUS), the company conducted activities related to the maintenance and development of the Farmer system for handling pension and disability benefits. ADS, in consortium with Asseco Poland, is also responsible for the maintenance and development of the Workflow system, which is a central component of the Integrated Information System (ZSI) for handling the most important business processes, as well as for comprehensive support of IT systems for KRUS insurance and short-term benefits.

During the reported period, the company developed sales of security and trust services, including electronic signature. Among others, ADS supported Santander Leasing in the introduction of a complex solution enabling electronic signing of lease contracts. By linking Santander Leasing's operating systems and Ailleron's leasing applications with ADS systems, a digitalized transaction process was introduced that was limited to a single meeting with the customer. ADS was the first company in Poland to integrate a qualified electronic signature validation service with the newly audited qualified maintenance service. This allows customers to additionally secure signed and sealed electronic documents over the long term and comply with formal and legal requirements. At the same time, the conservation service guarantees the maintenance and constant updating of cryptographic algorithms to ensure the highest level of security. ADS also expanded its product offerings during the period to include Certum Document Signing, an advanced digital signature that validates the identity of an organization or signer. It enables automatic and secure signing of documents and significantly speeds up their exchange both within the company and with its business partners. It supports Adobe, Office and Libra Office file formats. In addition, the company has introduced a new identity verification method for the Certum security certificates it issues. Customer identification can now happen automatically, in real time using artificial intelligence mechanisms. This service is available through the SSL, eMail ID (S/MIME) and Code Signing certificate issuance process. Auto-identification not only allows for convenient and instant identity verification, but also protects against attempts to forge documents by unauthorized persons or protects against identity theft. Currently, such services are being implemented by major financial institutions, government and fintech companies. In addition, ADS has expanded its partnership with United SSL, which uses automatic identity verification from AriadNEXT to issue SSL certificates, as well as with Icarus, which provides IT services to large companies across Europe. Icarus works with ADS to secure email addresses with S/MIME certificates. The implementation includes ordering and issuing certificates from within the Enterprise ID application, which enables automation of the certificate issuance process. Certificates have been issued to all of the company's employees so that their email is properly protected against phishing, data leakage, interception and email theft, among other things. In January-June 2021, ADS also participated in standardization work at the national and European level related to video identity verification, on the basis of which it will be possible to issue qualified certificates for electronic signature and electronic seal.

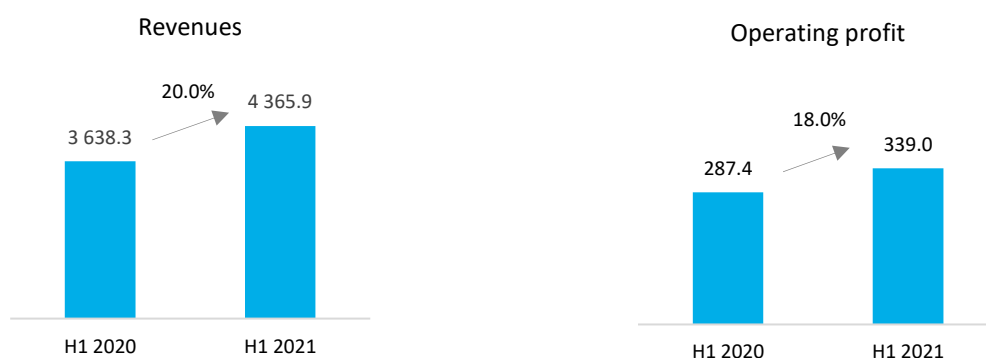
In H1 2021, ADS developed a platform for business HR process management, as well as integrated IT solutions for university management, teaching process and employee competence development. Asseco cooperates with more than 50 universities in Poland. They are very diverse, ranging from large public universities, such as Maria Curie-Skłodowska University (UMCS) and University of Life Sciences in Lublin, Silesian University of Technology, the Naval Academy, through private universities to vocational schools. In March 2021, ADS and UMCS signed a cooperation agreement. It will include the handling of scientific, implementation, educational and IT projects, as well as cooperation in the implementation of theses – bachelor's and master's, PhD programs in the field of computer science and in the implementation of PhD dissertations. The main objective of the cooperation is to develop the use of VR (Virtual Reality) technology and new solutions in the field of cyber security and creating modern IT solutions for higher education. In addition, Asseco will work with the Sopot University of Science and Technology to train digitization managers. Sopot University of Technology in cooperation with Asseco has launched a PhD program in Digital Innovation Manager. Students in this course will improve their competencies in effective management of digital services in the enterprises, gain knowledge about the use of the latest IT technologies in business, and develop skills in building organizations using Design Thinking, Agile and Scrum methods. Asseco Academy, which for years has been one of the leading providers of training courses on the Polish market, reacts dynamically to changing needs of its customers and adapts its offer to them. Its portfolio includes nearly 600 training courses. To date, it has completed over 65 000 trainings attended by more than 500 000 individuals out of more than 35 000 companies.

ADS also focused on activities related to the digitization of local government entities. The company develops and implements software to support the work of local government offices, the so-called "software for local administration". The Central Municipal System, which includes the Integrated Municipal Management Information System, the Education Management Platform, and the System dedicated to Municipal Enterprises. It also offers proprietary solutions to automate the process of submitting and selecting proposals for the civic budget and determining voting results, as well as solutions designed to create entity pages for the Public Information Bulletin and to publish information via the Internet. ADS software also supports the process of creating and submitting applications for EU and national funds, their formal and content-related evaluation, as well as awarding funding and signing the relevant agreement.

Moreover, projects were carried out in the area of software supporting handling of leasing contracts and mass communication, i.e. correspondence handling and document management in paper and electronic form, or active planning. Among other things, Asseco digitized the process of mass mailing at the Cooperative Bank in Lubaczów. The implemented solution meets the requirement of using a durable medium, which is covered by financial institutions. Thanks to it, the bank can now provide its customers with information documents such as updates to the Credit Regulations or the Tariff of Fees and Commissions in electronic form. The system works with the Common Information Platform (WIP).

Activities focused on the implementation and monitoring of smart city services (Smart City) were also implemented. In the first half of 2021, the company worked, among others, on expanding the parking zone by metering free parking spaces in Rzeszów and on creating a multimedia exhibition for cultural activities in the Rzeszów Underground Tourist Route. During the period under review, ADS signed a contract to ensure the continued operation of the Silesian Public Services Card system after March 21, 2021 for a period of 18 months with an option to extend to 24 months. The project is implemented in a consortium with mBank. In addition, the company signed a contract for ŚKUP 1.5 – upgrading the public transport fare collection system. The project includes modernization, maintenance and development of the Silesian Public Services Card system. During the reporting period, ADS also signed a contract with Innobaltica to develop the FALA (Platform for Integrated Mobility Services) system. The FALA system is an innovative, nationwide integrated system for collecting fees for public transport, which will serve residents of the Pomeranian Voivodship. One electronic platform will connect the rail network and public transportation. Fare payment will be based on an app and a special transportation card and a network of readers (validators). The system will also contain information about ticket prices, timetables, and routes for buses, streetcars, trolleybuses, and trains – so that a huge number of transport services can be handled at any time of public transport operation. The project to create the FALA system will be carried out by ADS in a consortium with the Italian company AEP Ticketing Solutions.

FORMULA SYSTEMS SEGMENT



The table below presents selected financial data for the Formula Systems segment for the period of 6 months ended June 30, 2021 as well as in the comparative period:

mPLN	6 months ended June 30, 2021	6 months ended June 30, 2020	Change H1 2021 / H1 2020
Sales revenues *	4 365.9	3 638.3	20.0%
EBIT	339.0	287.4	18.0%

EBIT margin	7.8%	7.9%	(0.1) p.p.
non-IFRS EBIT	477.4	393.0	21.5%
non-IFRS EBIT profit margin	10.9%	10.8%	0.1 p.p.
EBITDA	573.7	499.3	14.9%
EBITDA profit margin	13.1%	13.7%	(0.6) p.p.
CFO BT	328.2	586.9	(44.1%)
CAPEX	(52.8)	(67.1)	(21.3%)
Lease expenses	(64.9)	(67.8)	(4.3%)
FCF	210.5	452.0	(53.4%)
Cash conversion rate	44.1%	115.0%	(70.9) p.p.
Cash and cash equivalents (comparable period - December 31, 2020)	1 678.2	1 884.0	(10.9%)
Interest bearing debt (comparable period - December 31, 2020)**	(2 645.3)	(2 514.4)	5.2%
of which loans, borrowings and bonds issued	(2 206.3)	(2 049.7)	7.6%
of which leasing	(439.0)	(464.7)	(5.5%)

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

** Debt to entities outside the Group.

EBIT = operating profit.

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

EBITDA = EBIT + amortization.

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

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

FCF = [CFOBT] - [CAPEX] - [lease expenditures].

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

In the first half of 2021, revenues generated by the Formula Systems Group companies were 20.0% higher than in the corresponding period of 2020, and amounted to PLN 4 365.9 million. Revenues generated in the Formula Systems segment represented 64% of consolidated sales in the period reported.

Operating profit increased by 18.0% to PLN 339.0 million. The level of EBIT reported in the Formula Systems segment is substantially affected by the cost of amortization of intangible assets recognized under the combination settlement (PPA) and the costs of share-based payment transactions with employees (SBP). In H1 2021, PPA and SBP reduced the segment's EBIT by PLN 138.4 million.

The Formula Group companies reported a significant increase in sales and operating profits during the first half of 2021.

Matrix IT – a leading IT company in Israel, whose position has been confirmed for over a dozen years by research firms IDC, STKI and Gartner, and which also conducts operations in the US and Europe – reported record financial results for the first half of 2021 at all major levels of the profit and loss account. The increases are the result of organic growth as well as acquisitions completed in previous reporting periods. During the first 6 months of 2021, the company focused on supporting existing customers and winning new business orders. Matrix IT is involved in projects for large organizations as well as Israeli government and defense projects, such as the Nimbus project, which aims to accelerate the deployment of cloud technologies in the public sector. The company has developed a loan management system that is widely deployed in Israel, one of the fastest growing fintech markets in the world. Matrix IT is also involved in a project to create a drone for Israeli company Netivei Ayalon. It is also developing an Israeli credit database. The company is involved in some of the most innovative technology projects in the Israeli healthcare system, including the printing of human organs for pre-operative procedures, research into the detection of lung and respiratory diseases using voice identification and artificial intelligence, and telemedicine projects. It combines organic growth with acquisitions in promising sectors. During the reporting period, it acquired:

- ITD Group (Matrix Medika) – a company specialized in the development of IT solutions for the healthcare industry,

- A.A. Engineering – a company that offers management, scientific and technical consulting services,
- SQ Method – a company offering analytical and consulting services for business based on the SQM method created by the company, which allows to increase the quality of services provided by its clients.

Matrix IT continues to develop and implement innovative technologies in the areas of cloud, cybersecurity, big data, artificial intelligence, machine learning, IoT, automation and augmented reality. In 2021, the company intends to maintain its leadership position on the Israeli market and expand its scale in the US and Europe.

The financial performance of Sapiens International, a global provider of software and IT services for the insurance sector present in nearly 30 countries, reflects the company's focus on providing the widest possible support to more than 600 existing clients and on winning new contracts. The coronavirus pandemic has increased the importance of digitization and highlighted to insurance companies the need to migrate from legacy solutions to new platforms. Sapiens continues to develop the functionalities of its solutions and expand its portfolio of products and services, which puts it in a strong position to strengthen its relationships with existing clients and expands its prospects for establishing cooperation with new partners. Revenues from existing customers account on average, depending on the period, for 85-90% of the company's sales and the customer portfolio is expanded by 25-30 companies each year. In H1 2021, Sapiens significantly increased revenues in Europe and in the other global regions, South Africa and Asia Pacific segments. Sales in North America were at a similar level to H1 2020. Revenues in Europe accounted for 52% of the company's sales, with North America accounting for 41% and other regions accounting for 7%. Increased demand for digital products, combined with a high proportion of recurring revenues and a strong balance sheet, are driving Sapiens' leadership position in the growing insurance software industry. The company raised its previously provided revenue guidance for 2021 from USD 459 million-464 million to USD 461 million-466 million.

Magic Software, a global provider of application development platforms and solutions for system and business process integration and IT consulting services, reported double-digit revenue growth in H1 2021. North America was responsible for 64% of the sales increase generated and Israel for 31%. Revenues from North America accounted for 52% of Magic Software's total sales in January-June 2021, the Israeli market accounted for 37%, Europe accounted for 7%, and Asia-Pacific and other regions of the world accounted for 4%. At that time, 20% of Magic Software's revenues were attributable to the sales of IT solutions, and 80% to professional services. The Company continues to look for potential acquisition targets – small and mid-sized companies that are consistent with its geographic expansion directions and will allow it to broaden its product portfolio and customer base. In H1 2021, it acquired:

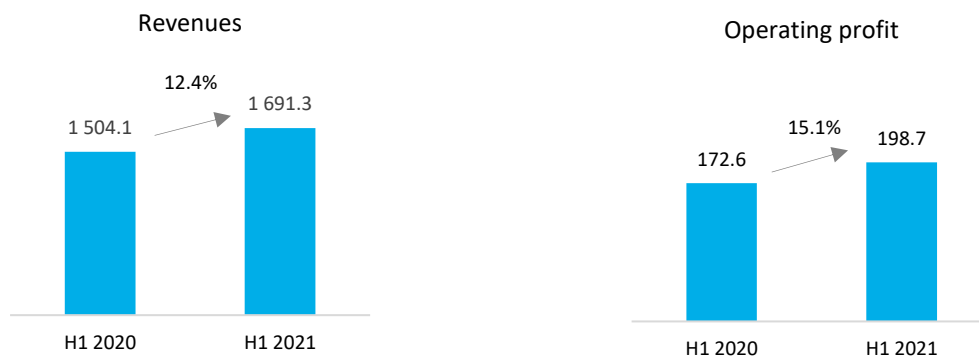
- IT SOFT – a company providing services in the field of outsourcing of R&D employees,
- Menarva – a company offering services in software analysis and development, consulting, systems integration and security, and cloud application development,
- Enable IT – a company offering consulting services in the areas of financial risk, cyber security, and data and analytics.

Given the pace of growth on the US and Israeli markets, Magic Software raised its previously provided revenue guidance for 2021 from USD 425 million-435 million to USD 450 million-460 million.

Positive sales results were also recorded by the Michpal group, especially in the areas of human resource management software provided by Unique Software Industries and consulting services provided by Effective Solutions. The increase in results is also partly thanks to the consolidation of Liram, which was acquired in 2020 and provides integrated management systems for finance, accounting, tax and compliance. During the reporting period, Kol Hamas, an Israeli provider of payroll, accounting and tax services, joined the Michpal Group.

Also of note is an acquisition made in April 2021 – Formula Systems took over a holding company ZAP Group, the largest consumer website group in Israel. ZAP Group manages more than 20 leading consumer sites with more than 17 million visits per month. ZAP Group managed sites include ZAP Price Comparison, Israel's largest electronic business directory ZAP Yellow Pages and Israel's largest restaurant search engine ZAP Rest. The Group's sites provide Internet users with a convenient way to search for desired content using a variety of advanced tools. ZAP offers small and mid-sized businesses a wide range of solutions including advertising, website promotion and email marketing.

ASSECO INTERNATIONAL SEGMENT



The table below presents selected financial data for the Asseco International segment for the period of 6 months ended June 30, 2021 and the comparative period:

mPLN	6 months ended June 30, 2021	6 months ended June 30, 2020 (restated)	Change H1 2021 / H1 2020
Sales revenues *	1 691.3	1 504.1	12.4%
EBIT	198.7	172.6	15.1%
<i>EBIT margin</i>	<i>11.7%</i>	<i>11.5%</i>	<i>0.2 p.p.</i>
<i>non-IFRS EBIT</i>	<i>206.7</i>	<i>180.2</i>	<i>14.7%</i>
<i>non-IFRS EBIT profit margin</i>	<i>12.2%</i>	<i>12.0%</i>	<i>0.2 p.p.</i>
EBITDA	284.5	258.6	10.0%
<i>EBITDA profit margin</i>	<i>16.8%</i>	<i>17.2%</i>	<i>(0.4) p.p.</i>
CFO BT	145.5	159.3	(8.7%)
CAPEX	(42.3)	(42.2)	0.2%
Lease expenses	(30.4)	(29.2)	4.1%
FCF	72.8	87.9	(17.2%)
Cash conversion rate	35.2%	48.8%	(13.6) p.p.
Cash and cash equivalents (comparable period - December 31, 2020)	605.3	740.3	(18.2%)
Interest bearing debt (comparable period - December 31, 2020)**	(370.2)	(400.1)	(7.5%)
<i>of which loans, borrowings and bonds issued</i>	<i>(169.9)</i>	<i>(200.8)</i>	<i>(15.4%)</i>
<i>of which leasing</i>	<i>(200.3)</i>	<i>(199.3)</i>	<i>0.5%</i>

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

** Debt to entities outside the Group.

EBIT = operating profit.

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

EBITDA = EBIT + amortization.

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

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

FCF = [CFOBT] - [CAPEX] - [lease expenditures].

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

In the first half of 2021, the Asseco International segment generated a 12.4% increase in revenues to PLN 1 691.3 million. Operating profit was 15.1% higher at PLN 198.7 million. The share of this segment in consolidated sales reached 25%.

Asseco Central Europe Group (ACE), which represents Asseco in the **Central European** region, reported an increase in sales revenues in the first half of 2021, maintaining the profitability of the same period last year.

During the first 6 months of 2021, the companies in the Czech Republic and Slovakia executed projects - under contracts concluded in the previous reporting periods as well as new contracts – for national public institutions (e.g. the Public Health Office of the Slovak Republic, the Supreme Audit Office of the Slovak Republic, the Czech Social Security Administration, the State Land Office of the Czech Republic, the Ministry of the Interior of the Czech Republic, the Ministry of Labour and Social Affairs of the Czech Republic, or the Czech Probation and Mediation Service), financial institutions (e.g. international insurance company Youplus or the Czech bank Komerční banka) and other companies, representing among others the utilities sector (e.g. N-ERGIE).

Asseco CEIT, a company of the Asseco Central Europe (ACE) Group specializing in the integration of industrial systems and intelligent processes, thereby implementing the Industry 4.0 concept, signed further contracts with automotive companies during the reporting period. These included automation of intralogistics. A very important area of the company's activity is research and development. A 5G campus is currently under construction at its headquarters in Slovakia for research and development in logistics and manufacturing.

The Hungarian ACE Group's company, ACE Magyarország, carried out activities under the government's rural development program during the reporting period. As part of this program, the Company is a provider of a comprehensive solution for primary care physicians, which will improve communication between the doctor and the doctor and the patient.

The ACE Group records high demand for its ERP solutions gathered in Asseco Enterprise Solutions. Asseco Business Solutions, a company specialized in business management systems, generated 9% higher revenues in the first half of 2021 as compared with the corresponding period last year. The company reported higher sales both on the domestic market (up 9% y/y) and on foreign markets (up 10% y/y). The solutions of Asseco BS have been implemented in more than 50 countries worldwide. During the reported period, countries such as the United Kingdom, France, Germany, the Netherlands, Romania and the United States accounted for the largest share of foreign sales. Together, they accounted for 85% of revenues from international markets. Revenues from licenses and proprietary services accounted for 92% of Asseco BS's sales in the first half of 2021. The corporate sector accounted for 91% of revenues, with the banking and finance and public sectors accounting for the remaining 9%. In the reporting period the company signed new agreements, among others with PROFI Sp. z o.o. (licensing and implementation of Asseco Softlab ERP and provision of maintenance services), Columbus Energy S.A. (licensing and implementation of Asseco Softlab LS I WMS in the cloud and provision of maintenance services), MFO SA. (licensing and implementation of Asseco Softlab ERP and Softlab Analytics, and provision of maintenance services) and BIOWET DRWALEW Sp. z o.o. (licensing and implementation of Asseco Softlab ERP in the cloud and provision of maintenance services).

Very good sales results were achieved by Asseco Solutions. All companies increased sales of their proprietary software and related services. This is a result of the observed trend of companies increasing their expenditure on ERP class solutions, as well as a large number of legal changes and additional functionalities implemented in new software versions. Increased demand was particularly noticeable on the German market, where Asseco Solutions recorded a 24% rise in revenues. The Czech company generated 23% revenue growth and the Slovak company increased sales by 9%.

Asseco South Eastern Europe Group, operating on the market of **South Eastern Europe**, achieved much stronger results in the first half of 2021 than in the corresponding period last year. The growing scale of operations is also partly thanks to the consolidation of several new companies. Geographically, Serbia, Spain, Romania, Croatia, Turkey and Macedonia accounted for the largest share of sales during the first 6 months of 2021, together accounting for 78% of revenues. During this period, the payments sector was responsible for 49% of sales, the dedicated solutions sector for 30% and the banking sector for 21%. Asseco SEE Group generated revenue growth in all of these sectors. The highest growth was in the banking sector, where higher revenues were generated from the sale of proprietary software licenses. Sales were increased in all product lines included in this sector. The largest growth was recorded by the multichannel solutions line, mainly thanks to operations in Serbia and on a smaller scale in Macedonia and Romania. The security solutions line recorded growth mainly in Croatia, while growth in the central banking systems line took place in Serbia and Macedonia. For the payments area, the increase was thanks to a larger scale of activity. The line responsible for maintaining and selling payment terminals was the largest contributor to revenue growth in this sector. Sales in the segment line responsible for eCommerce solutions and the line responsible for payment transaction processing also increased in H1 2021. In the dedicated solutions sector, the segment line responsible for proprietary solutions recorded higher

revenues thanks to BPO activities in Western Europe and Latin America and other proprietary software in Turkish operations. In the period reported, the Asseco SEE Group was joined by 2 companies:

- Things Solver – an artificial intelligence and machine learning software company,
- Vebspot – a company that provides services as an online portal where registered users can purchase products as well as local and travel services.

In H1 2021, the Group recorded higher sales on **Western European** markets. With operations in Portugal, in Portuguese-speaking African countries (Angola, Mozambique, Cape Verde, Timor-Leste, and Sao Tome and Principe), as well as in Namibia and Malta, Asseco PST continued its cooperation with banks regarding the maintenance and development of central banking systems. During the first 6 months of 2021, the Company executed projects related to, among others, implementation of internet and mobile banking in financial institutions with a strong market position in Angola and Mozambique and adjusting the functionalities of banking systems to AML regulations. Work was also carried out on the development of solutions dedicated to the banking segment, including its core platform Banka and in the area of payments. In April 2021, Asseco PST acquired Finantech - Sistemas de Informação, a Portuguese company engaged in software development for entities in the financial sector.

During the period reported, Asseco Western Europe, a subsidiary of Asseco Spain, concluded new agreements for provision of IT hardware, software and related services. The company has been involved in projects related to telecommuting and remote education.

During the past six months Asseco Lithuania carried out projects, among others, for the National Library of Lithuania on the development of the Virtual System of Electronic Heritage, Lithuanian Transport Safety Administration on the development and implementation of an electronic system of services, consulting and information for the transport industry, as well as for the state energy group Ignitis on the maintenance and development of a billing system. The company also takes part in the ongoing proceedings for the construction of a new billing system for Ignitis, which is present in 4 countries (Lithuania, Latvia, Estonia and Poland). In January 2021, Asseco Lithuania completed the development and implementation of the open-access portal of the Lithuanian Migration Information System (MIGRIS), which significantly streamlined and shortened migration procedures in the country. The internal layer of the MIGRIS system is currently under development, including its integration with other systems operating at the Migration Department of the Ministry of the Interior of the Republic of Lithuania. In the period reported Asseco Lithuania, in cooperation with Asseco Poland, carried out work related to the development of two customs systems for the Customs Department at the Ministry of Finance of the Republic of Lithuania. The project ended in April. New contracts entered into during the reporting period include agreements with the Lithuanian Ministry of Defense, the Competition Commission and the leading waste management company in Lithuania. In addition, a new contract was signed with the Ministry of Interior of the Republic of Lithuania to support the operation of the Integrated Criminal Process Information System.

Peak Consulting, operating on the Danish market, has completed projects for, among others, the Danish Armed Forces, courts, the Danish Agency for Digitization at the Ministry of Finance, financial institutions and the Nordic Regional Security Coordinator, which is a joint office of the electricity transmission system operators from Finland, Norway, Sweden and Denmark. During the period under review, Peak Consulting entered (together with 11 other suppliers) into a 4-year framework agreement with SKI, which manages framework agreements in Denmark covering a wide range of products and services. SKI's clients include ministries, public organizations, health centers, municipalities, regional governments, and government-owned non-profit institutions. In addition, the company was among the entities with which a 10-year framework agreement was signed with one of the best business universities in Western Europe.

While analyzing the events on the **Eastern European market** that affected the financial performance of the Asseco Group in the first half of 2021, it should be noted that on April 26, 2021 Asseco International a.s. signed an agreement to sell all of its shares (49%) in R-Style Softlab JSC, a Russian software developer for banks. According to the agreement, the sale of shares was carried out in multiple stages, with the final sale date being May 17, 2021.



Financial information of Asseco Group

FINANCIAL INFORMATION OF THE ASSECO GROUP

Financial results of the Asseco Group

The Asseco Group's sales for the first half of 2021 reached PLN 6 791.0 million versus PLN 5 770.7 million in the corresponding period last year, representing a 17.7% increase.

In the reporting period, the Group also improved its operating profit, which was higher by 21.4% year-on-year and reached PLN 672.0 million. Net profit amounted to PLN 241.8 million, which is 36.8% higher than in the same period last year.

A substantial disproportion between operating profit (EBIT) and net profit for shareholders of the Parent Company is primarily attributable to substantial stakes held by minority shareholders in subsidiary companies, primarily in the Formula Systems Group.

On May 17, 2021 Asseco International, a.s. sold 49% stake of shares in its associated company R-Style Softlab JSC, which contributed PLN 18.3 million to the net profit attributable to shareholders of the Parent Company of the Asseco Group for the first half of 2021:

- PLN 10.5 million – disposal of shares in R-Style to Asseco International, a.s,
- PLN 7.8 million (PLN 9.6 million before tax) – reimbursement of the outstanding amount of dividend payable to Asseco Poland S.A., which was subject to a write-off in 2017.

The following table presents selected consolidated financial data for the six months ended June 30, 2021 and the corresponding period of the prior year.

mPLN	6 months ended June 30, 2021	6 months ended June 30, 2020 (restated)	Change H1 2021 / H1 2020
Revenues	6 791.0	5 770.7	17.7%
Proprietary software and services	5 332.0	4 653.9	14.6%
Gross profit/(loss) on sales	1 503.7	1 228.3	22.4%
Selling costs	(364.7)	(290.9)	25.4%
General and administrative expenses	(461.3)	(375.7)	22.8%
Other operating activities	(5.7)	(8.2)	(30.5%)
Operating profit	672.0	553.5	21.4%
Net profit attributable to Shareholders of the Parent Company	241.8	176.8	36.8%
EBITDA	1 033.5	896.6	15.3%

EBITDA = EBIT + amortization.

The following table presents selected financial data for the geographic segments for the six months ended June 30, 2021.

H1 2021 (mPLN)	Asseco Poland segment	Formula Systems segment	Asseco International segment
Sales revenues*	751.1	4 365.9	1 691.3
EBIT	137.3	339.0	198.7
EBIT profit margin	18.3%	7.8%	11.7%
non-IFRS EBIT	144.9	477.4	206.7
non-IFRS EBIT profit margin	19.3%	10.9%	12.2%
EBITDA	179.4	573.7	284.5
EBITDA profit margin	23.9%	13.1%	16.8%

CFO BT	121.5	328.2	145.5
CAPEX	(31.4)	(52.8)	(42.3)
Lease expenses	(6.1)	(64.9)	(30.4)
FCF	84.0	210.5	72.8
Cash conversion ratio	58.0%	44.1%	35.2%
Cash and cash equivalents	208.9	1 678.2	605.3
Interest-bearing debt **	(75.4)	(2 645.3)	(370.2)
<i>of which loans, borrowings and bonds issued</i>	<i>(0.6)</i>	<i>(2 206.3)</i>	<i>(169.9)</i>
<i>of which finance lease liabilities</i>	<i>(74.8)</i>	<i>(439.0)</i>	<i>(200.3)</i>

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

** Debt to entities outside the Group.

EBIT = operating profit.

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

EBITDA = EBIT + amortization.

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

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

FCF = [CFOBT] - [CAPEX] - [lease expenditures].

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

The following table presents selected financial data for the geographic segments for the six months ended June 30, 2020.

H1 2020 (restated) (mPLN)	Asseco Poland segment	Formula Systems segment	Asseco International segment
Sales revenues*	642.7	3 638.3	1 504.1
EBIT	94.8	287.4	172.6
EBIT profit margin	14.8%	7.9%	11.5%
non-IFRS EBIT	102.9	393.0	180.2
non-IFRS EBIT profit margin	16.0%	10.8%	12.0%
EBITDA	140.9	499.3	258.6
EBITDA profit margin	21.9%	13.7%	17.2%
CFO BT	124.7	586.9	159.3
CAPEX	(40.8)	(67.1)	(42.2)
Lease expenses	(18.6)	(67.8)	(29.2)
FCF	65.3	452.0	87.9
Cash conversion ratio	63.5%	115.0%	48.8%
Cash and cash equivalents (as of December 31, 2020)	271.7	1 884.0	740.3
Interest-bearing debt**	(85.1)	(2 514.4)	(400.1)
<i>of which loans, borrowings and bonds issued</i>	<i>(4.8)</i>	<i>(2 049.7)</i>	<i>(200.8)</i>
<i>of which finance lease liabilities</i>	<i>(80.3)</i>	<i>(464.7)</i>	<i>(199.3)</i>

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

** Debt to entities outside the Group.

EBIT = operating profit.

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

EBITDA = EBIT + amortization.

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

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

FCF = [CFOBT] - [CAPEX] - [lease expenditures].

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

Profitability

The Group's operating profit for the first half of 2021 amounted to PLN 672.0 million, up 21.4% from PLN 553.5 million in the corresponding period of the previous year.

EBIT of the Asseco Poland segment amounted to PLN 137.3 million versus PLN 94.8 million in the first half of 2020, recording a 44.8% increase. The Asseco International segment reported an increase in operating profit by 15.1% to PLN 198.7 million. A significant increase in EBIT observed in the Formula Systems segment (by 18.0% to PLN 339.0 million) resulted from both organic growth and our recent acquisitions.

In H1 2021, the consolidated EBITDA margin reached 15.2% (down by 0.3 p.p.) and the operating profit margin stood at 9.9% (up by 0.3 p.p.). Net profit margin was 7.4% compared to 6.7% a year ago.

The following table presents the key profitability ratios achieved by the Asseco Group in 6 months of 2021 and in the corresponding period last year.

	6 months ended June 30, 2021	6 months ended June 30, 2020 (restated)	Change H1 2021 / H1 2020
Gross profit margin	22.1%	21.3%	0.8 p.p.
EBITDA margin	15.2%	15.5%	(0.3) p.p.
Operating profit margin	9.9%	9.6%	0.3 p.p.
Net profit margin	7.4%	6.7%	0.7 p.p.

Gross profit margin = gross profit/revenues.

EBITDA margin = EBITDA/revenues.

Operating profit margin = operating profit/revenues.

Net profit margin = net profit/revenues.

The Asseco Group's revenue structure

Revenues in the Group's key proprietary software and services segment amounted to PLN 5 332.0 million in H1 2021 versus PLN 4 653.9 million in the corresponding period of 2020, representing 78% of the Group's total turnover. Whereas, the sales of third-party software and services amounted to PLN 586.6 million and accounted for 9% of consolidated revenues. In turn, the sales of hardware and infrastructure reached PLN 872.4 million and represented 13% of the Group's total revenues.

The following tables present consolidated segment revenues for the six months of 2021 and the comparative period by product.

mPLN	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
6 months ended June 30, 2021					
Proprietary software and services	676.7	1 135.8	3 534.6	(15.1)	5 332.0
Third-party software and services	62.4	180.6	345.7	(2.1)	586.6
Hardware and infrastructure	12.0	374.9	485.6	(0.1)	872.4
Total operating revenues	751.1	1 691.3	4 365.9	(17.3)	6 791.0

mPLN (restated)	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
6 months ended June 30, 2020					
Proprietary software and services	564.5	1 010.1	3 091.4	(12.1)	4 653.9
Third-party software and services	58.9	175.6	161.7	(2.3)	393.9

Hardware and infrastructure	19.3	318.4	385.2	-	722.9
Total operating revenues	642.7	1 504.1	3 638.3	(14.4)	5 770.7

In the period reported, the Asseco Group recorded revenue growth in all three business sectors. Revenues from the banking and finance sector accounted for 34% of consolidated sales and amounted to PLN 2 347.0 million versus PLN 2 130.8 million in H1 2020. In the first 6 months of 2021, sales to general business accounted for 41% of the Group's total turnover and reached PLN 2 769.9 million versus PLN 2 271.8 million in the corresponding period last year. The public institutions sector generated 25% of sales, rising to PLN 1 674.1 million from PLN 1 368.1 million.

The following tables present consolidated segment revenues for the first half of 2021 and the comparable period by business sector.

mPLN	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
6 months ended June 30, 2021					
Banking and finance	211.3	564.3	1 577.8	(6.4)	2 347.0
General business	184.7	802.3	1 790.8	(7.9)	2 769.9
Public institutions	355.1	324.7	997.3	(3.0)	1 674.1
Total operating revenues	751.1	1 691.3	4 365.9	(17.3)	6 791.0

mPLN (restated)	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
6 months ended June 30, 2020					
Banking and finance	214.8	498.0	1 423.5	(5.5)	2 130.8
General business	146.4	690.1	1 441.7	(6.4)	2 271.8
Public institutions	281.5	316.0	773.1	(2.5)	1 368.1
Total operating revenues	642.7	1 504.1	3 638.3	(14.4)	5 770.7

The following table shows the currency structure of sales in H1 2021 and the corresponding period last year.

	6 months ended June 30, 2021	6 months ended June 30, 2020
ILS (New Israeli Shekel)	40.3%	38.5%
EUR (euro)	17.9%	17.3%
USD (United States Dollar)	16.2%	17.9%
PLN (Polish zloty)	12.5%	12.6%
CZK (Czech koruna)	2.2%	2.7%
GBP (British Pound)	2.2%	2.0%
DKK (Danish krone)	1.8%	1.2%
RSD (Serbian dinar)	1.7%	2.2%
Other currencies	5.2%	5.6%
Total	100.0%	100.0%

Cash flow

In the first half of 2021, the Asseco Group's net cash flows from operating activities (CFO) decreased by 37.9% versus the corresponding period last year to PLN 465.9 million. This is the result of a negative change in working capital due to the different seasonality of flows in late 2020 and early 2021 compared to the comparable periods. Lower cash flows were observed especially in the Formula Systems segment, where high operating cash flows associated with

the repayments of receivables from public sector clients were reported rather in the fourth quarter of 2020, resulting in lower proceeds in the first half of 2021. Another reason is the repayment of trade payables in Asseco Spain, which are the result of a high level of orders at the end of the year. In addition, this company - because of its high cash balance and the potential costs of maintaining that level of cash - settled some of its obligations to suppliers ahead of the required payment date, which allowed it to earn discounts.

During the 6 months of 2021, cash flows from investing (CFI) increased by 171.0% to PLN 336.0 million. Negative cash flows from financing activities (CFF) amounted to PLN 517.9 million versus PLN 350.1 million a year ago.

	H1 2021	H1 2020	Change H1 2021 / H1 2020
CFO	465.9	750.2	-37.9%
CFI	-336.0	-124.0	171.0%
CAPEX	-126.6	-150.1	-15.7%
CFF	-517.9	-350.1	47.9%
Dividend payment	-258.1	-249.8	3.3%
Change in cash and cash equivalents	-388.0	276.1	-240.5%

CFO i.e. net cash from operating activities.

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

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

CFF i.e. net cash from financing activities.

Statement of financial position

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

The level of working capital at the end of H1 2021 amounted to PLN 2 107.5 million versus PLN 2 331.9 million at the end of 2020 and PLN 2 171.8 million at the end of H1 last year.

At the end of June this year, current, quick and absolute liquidity ratios remained at similar levels to those recorded at the end of last year and at the end of H1 2020.

The current liquidity ratio remains stable and is in the range of 1.2-2.0, which is generally considered safe. Similarly, the quick liquidity ratio, which exceeds 1.0, is considered trustworthy.

The cash conversion ratio, which measures the coverage of non-IFRS EBIT by free cash flow, at the end of the first half of this year stood at 44%, driven by the level of cash flows from operating activities (CFO) described above. It should be noted that the cash conversion ratio for the last 12 months was at a high and safe level of 90%.

	June 30, 2021	December 31, 2020 (restated)	June 30, 2020
Working capital (in millions of PLN)	2 107.5	2 331.9	2 171.8
Current liquidity ratio	1.5	1.5	1.6
Quick liquidity ratio	1.4	1.4	1.5
Absolute liquidity ratio	0.5	0.6	0.7
Cash conversion ratio	44%	115%	90%

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.

Cash conversion ratio = FCF/EBIT non-IFRS.

The following table presents the Group's key debt ratios as at June 30, 2021 and in the comparative periods:

	June 30, 2021	December 31, 2020	June 30, 2020
Total debt ratio	46.4%	46.4%	46.5%
Debt/equity ratio	34.3%	33.3%	39.3%
Debt/(debt + equity) ratio	25.5%	25.0%	28.2%

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

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

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

Both the level of total debt and the level of the debt-to-equity ratio should be considered very safe compared to global standards. This reflects the conservative financial policy of the Asseco's Management Board.

Quarterly financial results

The following table presents selected consolidated financial data for the three months ended June 30, 2021 and the same period last year.

mPLN	3 months ended June 30, 2021	3 months ended June 30, 2020 (restated)	Change Q2 2021 / Q2 2020
Revenues	3 451.9	2 850.3	21.1%
Proprietary software and service	2 729.2	2 299.1	18.7%
Gross profit/(loss) on sales	788.7	620.7	27.1%
Selling costs	(189.6)	(142.8)	32.8%
General and administrative expenses	(247.3)	(170.6)	45.0%
Other operating activities	(2.8)	(3.6)	(22.2%)
Operating profit	349.0	303.7	14.9%
Net profit attributable to Shareholders of the Parent Company	139.4	95.1	46.6%
EBITDA	535.7	476.5	12.4%

EBITDA = EBIT + amortization.

The following table presents selected financial data for the geographic segments for the three months ended June 30, 2021.

3 months ended June 30, 2021 (mPLN)	Asseco Poland segment	Formula Systems segment	Asseco International segment
Sales revenues*	384.3	2 206.0	872.5
EBIT	78.3	172.5	100.7
<i>EBIT profit margin</i>	20.4%	7.8%	11.5%
Non-IFRS EBIT	82.1	242.6	105.2
<i>Non-IFRS EBIT profit margin</i>	21.4%	11.0%	12.1%
EBITDA	99.4	295.0	144.4
<i>EBITDA profit margin</i>	25.9%	13.4%	16.6%
CFO _{BT}	60.4	280.4	111.3
CAPEX	(14.0)	(29.1)	(24.5)
Lease expenses	(3.1)	(31.8)	(15.6)

FCF	43.3	219.5	71.2
Cash conversion rate	52.7%	90.5%	67.7%

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

** Debt to entities outside the Group.

EBIT = operating profit.

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

EBITDA = EBIT + amortization.

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

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

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

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

The following table presents selected financial data for the geographic segments for the three months ended June 30, 2020.

3 months ended June 30, 2020 (restated) (mPLN)	Asseco Poland segment	Formula Systems segment	Asseco International segment
Sales revenues*	332.0	1 775.8	749.5
EBIT	52.1	160.5	91.7
EBIT profit margin	15.7%	9.0%	12.2%
Non-IFRS EBIT	56.2	207.3	95.5
Non-IFRS EBIT profit margin	16.9%	11.7%	12.7%
EBITDA	75.0	267.6	134.9
EBITDA profit margin	22.6%	15.1%	18.0%
CFO _{BT}	60.1	329.5	93.3
CAPEX	(22.6)	(21.2)	(20.8)
Lease expenses	(9.4)	(35.9)	(14.8)
FCF	28.1	272.4	57.7
Cash conversion rate	50.0%	131.4%	60.4%

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

** Debt to entities outside the Group.

EBIT = operating profit.

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

EBITDA = EBIT + amortization.

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

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

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

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

The following tables present consolidated segment revenues for the second quarter of 2021 and the comparable period by product.

mPLN	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
3 months ended June 30, 2021					
Proprietary software and services	348.5	578.5	1 811.8	(9.6)	2 729.2
Third-party software and services	27.3	100.4	178.7	(1.3)	305.1
Hardware and infrastructure	8.5	193.6	215.5	-	417.6
Total operating revenues	384.3	872.5	2 206.0	(10.9)	3 451.9

mPLN (restated)	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
3 months ended June 30, 2020					
Proprietary software and services	288.5	501.1	1 515.4	(5.9)	2 299.1
Third-party software and services	30.8	97.6	79.7	(1.0)	207.1
Hardware and infrastructure	12.7	150.8	180.7	(0.1)	344.1
Total operating revenues	332.0	749.5	1 775.8	(7.0)	2 850.3

The following tables present consolidated segment revenues for the second quarter of 2021 and the comparable period by business sector.

mPLN	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
3 months to June 30, 2021					
Banking and finance	109.1	292.0	803.4	(3.9)	1 200.6
General business	91.4	408.1	920.6	(4.6)	1 415.5
Public institutions	183.8	172.4	482.0	(2.4)	835.8
Total operating income	384.3	872.5	2 206.0	(10.9)	3 451.9

mPLN (restated)	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
3 months to June 30, 2020					
Banking and finance	105.0	263.7	702.4	(2.5)	1 068.6
General business	81.3	336.2	704.0	(3.3)	1 118.2
Public institutions	145.7	149.6	369.4	(1.2)	663.5
Total operating revenues	332.0	749.5	1 775.8	(7.0)	2 850.3

The following table presents the key profitability ratios achieved by the Asseco Group in the second quarter of 2021 and in the comparative period of 2020.

	3 months ended June 30, 2021	3 months ended June 30, 2020 (restated)	Change Q2 2021 / Q2 2020
Gross profit margin	22.8%	21.8%	1.0 p.p.
EBITDA margin	15.5%	16.7%	(1.2) p.p.
Operating profit margin	10.1%	10.7%	(0.6) p.p.
Net profit margin	7.8%	7.4%	0.4 p.p.

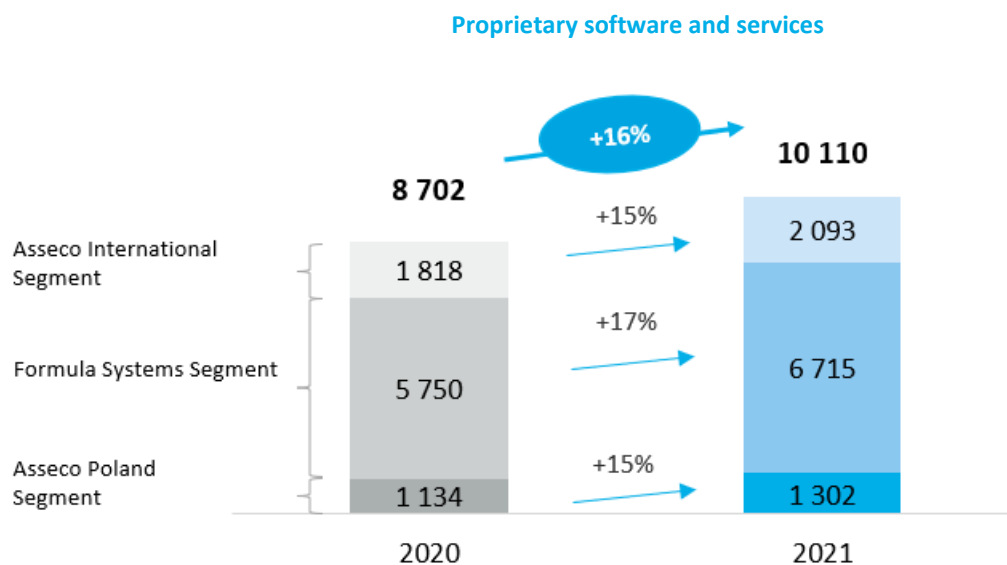
Gross profit margin = gross profit/revenues.

EBITDA margin = EBITDA/revenues.

Operating profit margin = operating profit/revenues.

Net profit margin = net profit/revenues.

Consolidated order backlog for 2021



Figures in PLN million.

When calculating the 2021 backlog at the rates used to calculate the 2020 backlog, the change is **+13%**.

Value of order backlog for 2021 as at August 19, 2021; value of order backlog for 2020 as at August 20, 2020.

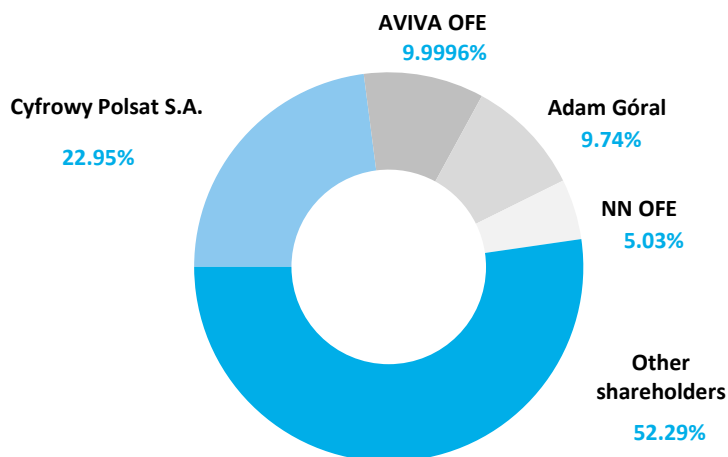


Shares and shareholding structure of **Asseco Poland**

SHARES AND SHAREHOLDERS

Shareholding structure

Shareholding structure as at August 25, 2021, June 30, 2021 and May 26, 2021



Shareholders as at August 24, 2021, June 30, 2021 and May 26, 2021	Number of shares held / number of votes resulting from them	Percentage of share capital/total voting rights
Cyfrowy Polsat S.A. ¹⁾	19 047 373	22.95%
AVIVA OFE ²⁾	8 299 733	9.9996%
Adam Góral, President of the Management Board ³⁾	8 083 000	9.74%
NN OFE ⁴⁾	4 171 121	5.03%
Other shareholders	43 399 076	52.29%
Total	83 000 303	100.00%

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

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

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

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

Since the publication of the last interim report, i.e. since May 26, 2021 until the date of publication of this report, the shareholder structure of Asseco Poland has not changed.

Shares held by the management and supervisory personnel

The table below presents a summary of shareholdings in Asseco Poland SA. by managing and supervising persons:

	August 25, 2021	June 30, 2021	May 26, 2021
Jacek Duch - Chairman of the Supervisory Board	31 458	31 458	31 458
Adam Góral - President of the Management Board	8 083 000	8 083 000	8 083 000

The remaining members of the Supervisory Board and Management Board did not hold any shares in Asseco Poland S.A. on any of the days presented.

The following table summarizes the holdings of shares in related parties by management and supervisory personnel as at August 25, 2021, June 30, 2021 and May 26, 2021:

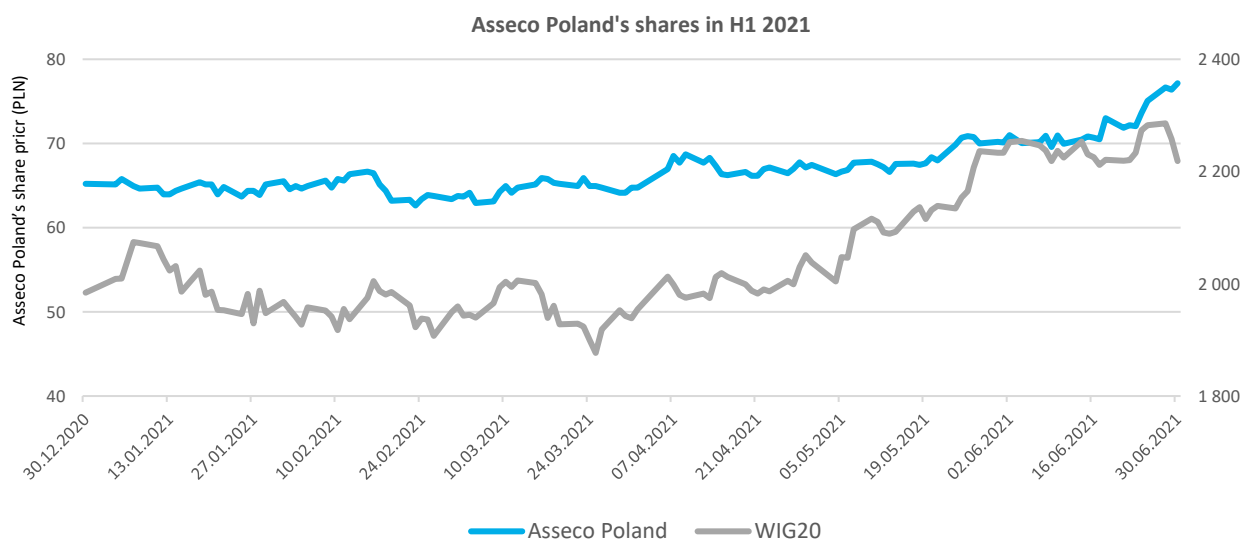
Name	Affiliated entity	Number of shares	Nominal value of 1 share	Nominal value of all shares
Adam Noga	Asseco South Eastern Europe	150 units	PLN 10	PLN 1 500
Zbigniew Pomianek	Asseco South Eastern Europe	700 units	PLN 10	PLN 7 000
Marek Panek	Asseco South Eastern Europe	300 units	PLN 10	PLN 3 000
Rafał Kozłowski*	Asseco South Eastern Europe	150 units	PLN 10	PLN 1 500
Gabriela Żukowicz	Asseco South Eastern Europe	150 units	PLN 10	PLN 1 500
Paweł Piwowar	PGS Software S.A.	155 000 units	PLN 0.02	PLN 3 100

* Vice President of the Management Board of Asseco Poland S.A. until March 31, 2021

Asseco Poland S.A. on the capital market

Information on the Company's shares	
Total number of shares	83 000 303
ISIN	PLSOFTB00016
WSE	ACP
Reuters	ACPP.WA
Bloomberg	ACP PW
Presence in stock exchange indices	WIG20, WIG20TR, WIG30, WIG30TR, WIGdiv, WIG-ESG, WIG-Poland, InvestorMS, WIG-IT, WIGtech, WIGtechTR, WIG

The Asseco Poland shares are also included in the **FTSE Russell** index of global developed markets (FTSE Developed Small Cap Index), **CECE SOFT** and **CEEplus**.



	30.12.2020	31.03.2021	30.06.2021	Δ 6M
Asseco Poland S.A. (PLN)	65.22	64.74	77.15	18.3%
WIG20 (points)	1 983.98	1 938.84	2 218.41	11.8%

WIG (points)	57 025.84	58 081.50	66 067.21	15.9%
WIG-informatyka (points)	3 863.01	4 060.18	4 509.26	16.7%

Source: Stooq.pl

Dividend

On May 20, 2021, the General Meeting of Shareholders of Asseco Poland passed a resolution on the distribution of the net profit generated by Asseco Poland S.A. in fiscal year 2020 and the payment of a dividend.

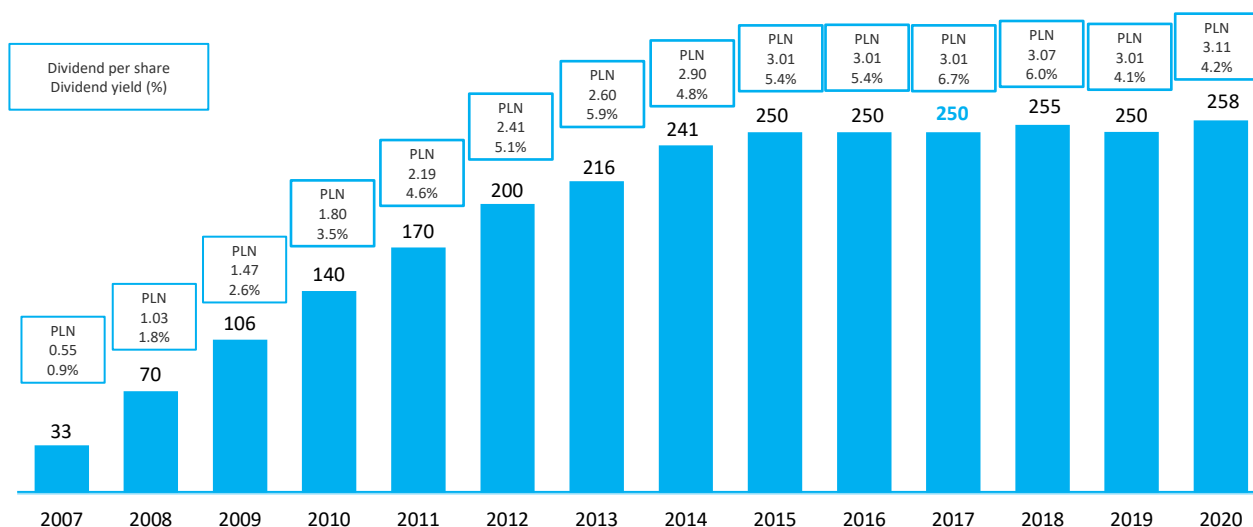
The Meeting decided that the stand-alone net profit for 2020 amounting to PLN 265 647 076.82 shall be distributed as follows:

- part of the net profit in the amount of PLN 258 130 942.33 was allocated for distribution among the shareholders, i.e. for a dividend payment (PLN 3.11 per share),
- the remaining portion of the net profit in the amount of PLN 7 516 134.49 was transferred to supplementary capital.

The record date was set at June 4, 2021, and the dividend payment date at June 18, 2021. The dividend yield was 4.2%.

Asseco Poland is listed in the WIGdiv index, which includes companies participating in the WIG20, mWIG40, and sWIG80 indices and which have been paying dividends regularly for the last five years. The Company's share in the WIGdiv portfolio was 10.45% at the end of June 2021.

Dividends paid to shareholders in 2007-2020





Other information on the [Asseco Group](#) and [Asseco Poland S.A.](#)

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

Description of significant risks and threats

The Asseco Group monitors on an ongoing basis the significant risk factors affecting its operations in order to identify, prevent and, if necessary, mitigate their effects. For this purpose Asseco Poland and its subsidiaries have in place management systems, internal controls and auditing procedures. In particular, Asseco Poland operates:

- quality management system,
- risk management system,
- business continuity management system,
- information security management system,
- conformity assurance system,
- environmental management system,
- health and safety management system,
- internal control system.

The systems in place, including integrated management structures and efficient internal audit, effectively mitigate the negative impact of the following risk factors and threats on the Company's and Group's operations.

Risks associated with increased competition

The Group's operations are under the pressure of intense competition both from the local players and international IT companies. There is growing competition from global companies with faster access to the latest technology and cheaper sources of capital, which allows for more efficient financing of large contracts. There can be no assurance that increasing competition in the future will not have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks associated with technological changes in the industry and new product development

The IT sector is characterized by rapid development of solutions and technologies, which makes the product life cycle shorter. Therefore, the success of the Asseco Group will largely depend upon our capability to incorporate the latest technological solutions into our products and services. In order to maintain a competitive position on the market, it is required to conduct development work and invest in new products. Asseco monitors current trends in the technology market and adjusts and upgrades its offering accordingly. However, there is still a risk that the market will witness emergence of new solutions which will make the products and services offered by the Asseco Group unattractive and eventually fail to bring the expected revenues. There is also no certainty that new solutions, which will be developed by the Group companies in the future, will achieve the expected technological parameters and will be positively received by potential customers. Any of these circumstances might have an adverse impact on the operations, financial position, financial performance and prospective development of the Asseco Group.

Risks associated with consolidation and structural changes in the financial sector

The financial sector is undergoing a continuous process of consolidation. There is a risk that entities consolidating this sector, using global IT solutions, will impose them on financial institutions consolidated by them, which may slow down the acquisition of new contracts or cause the loss of already concluded contracts. In addition, in the financial sector there is a growing trend of establishing companies on the borderline between IT and financial services (the so-called fintechs), whose solutions may compete with the Company's products or introduce alternative mechanisms for the operation of financial enterprises, which may affect the acquisition of new contracts. Such circumstances might have a negative impact on the Group's operations, financial position and results as well as on its future development outlook.

Risks associated with handling public tenders

Delays in tenders related to IT infrastructure in the public administration may cause delays/interruptions in the revenue generation in the public administration sector. This, coupled with continued disappointing dynamics of utilization of the EU funds earmarked for development of innovativeness of public administration offices, may give rise to significant

threats on the demand for IT services, which might have a negative impact on the operations, financial position, financial performance and prospective development of the Asseco Group.

Risk related to the process of acquiring new contracts

It is characteristic of the IT business that most of contracts, providing sources of revenues for the Asseco Group companies, are awarded under tendering procedures. However, there is no assurance that Group companies will be able to win new orders in the future, the performance of which will ensure the achievement of satisfactory levels of revenue. The above-mentioned factors may have an adverse impact on the operations, financial position, financial performance and prospective development of the Asseco Group.

Risk of improper estimation of the scope of project work

The Asseco Group derives its revenues mostly from execution of complex information technology projects carried out under contracts with a predefined remuneration. Executing such projects requires very good planning in terms of both the work schedule and the resources needed to deliver the promised scope of the project. The Group applies complex procedures in this regard which, on the one hand, facilitate the preparation of an appropriate plan and, on the other hand, prevent the occurrence of unforeseen costs.

In order to manage the risk of the project cost underestimation, the Group applies the methods (based on the world recognized standards and own experience) for estimation of the project costs, preparation of work schedules and assessment of risks which may hinder timely, substantial or financial performance of tasks.

Risk of change in legal regulations and their interpretation

Group companies comply with various regulatory obligations arising from changes in the law, as well as administrative decisions. Frequent amendments and lack of uniform interpretation of the provisions of law, concerning in particular the tax regulations, banking law, insurance law (inclusive of social insurance), the Act on public procurement, the protection of personal data, the Act on trading in financial instruments, the Act on public offering as well as the Polish Commercial Companies Code, give rise to the regulatory risk occurring in the environment in which the Asseco Group operates. Regulations and interpretations of tax laws are subject to particularly frequent changes. The practice of tax authorities, as well as court rulings in this area are not uniform. In the event the taxation authorities take a position that is different from our interpretation of tax regulations, the Group's operations, financial position and results may be exposed to negative consequences thereof. Such risk is related in particular to possible questioning of transactions with related parties concluded by the parent company by the tax authorities. This could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Risks related to the global macroeconomic situation, including the effects of the pandemic

The development of the IT services sector is closely correlated with the overall economic situation. Financial performance of the Asseco Group companies is primarily driven by the pace of GDP growth, value of public orders for IT solutions, level of capital expenditures made by enterprises, as well as by the inflation rate in countries where the Group companies operate. Development and impact of the pandemic of the coronavirus SARS-CoV-2 causing COVID-19 disease may negatively impact the economies of the countries where the Asseco Group is present, thereby affecting the operations, financial position, financial performance or prospective development of the Group companies.

Risks associated with dependence on major customers

Realization of the contracts concluded with key clients will have a significant impact on the revenues generated by the Asseco Group in the coming years. It cannot be precluded that a potential loss of any key customer, deterioration in the financial terms for provision of services or potential compensatory claims would have a material adverse impact on the operations, financial position, financial performance or prospects of the Group.

Risk of losing customer confidence

Operations of the Asseco Group companies are to a large extent based on the customers' trust. Implementation of an IT system having a key impact on a customer's business in most cases involves signing a long-term contract with the users of the system. Their confidence in Asseco depends on the quality of delivered solutions and customer service. In the event of poor quality of the delivered product or service, there may be a loss of confidence which could adversely affect the Group's image and prevent it from doing business.

Risk of increased labor costs

Salaries and wages are a significant portion of the costs associated with the projects. With such a high level of human labor involvement, an increase in salary costs may adversely affect the margin of projects and, consequently, the Group's result.

In order to manage the risk of higher cost of work, the Asseco Group takes measures which reduce the probability of negative effects associated with changes in salaries in the market. Among other things, the Asseco Group (i) employs people in many geographical regions aiming to diversify risk; (ii) continually monitors the level of salaries in the market not to be taken by surprise; and (iii) maintains an appropriate structure – a pyramid of employment within particular levels of competence.

Risks associated with the possible loss of key employees

Operations of the Asseco Group companies and their development outlook depend to a large extent on the knowledge, experience and qualifications of employees, who implement the IT projects. Significant demand for IT professionals and the actions of competitors may lead to the departure of key personnel, as well as make it difficult to recruit new employees with the appropriate knowledge, experience and qualifications. There is a risk that resignation of key personnel would have an adverse impact on the execution of IT projects carried out by the Group companies as well as on ensuring proper quality and range of services, which in turn might have a negative impact on the operations, financial position, financial performance and prospective development of the Asseco Group.

Risks of personnel policy

Asseco Group companies may incur costs in connection with justified or unjustified claims by employees regarding discrimination, working conditions, etc. The occurrence of any of the above-mentioned situations may have a material adverse effect on the business, financial condition, results of operations or prospects of the Group companies.

Foreign exchange risk

The currency used by the Asseco Group for presentation of its financial results is Polish zloty (PLN). The functional currencies of the Group companies with offices outside Poland are the currencies of the countries in which these companies conduct their operations. As a result, the value of assets of a given company/group is translated into PLN, and therefore their value presented in the consolidated financial statements is affected by the exchange rates of foreign currencies against PLN, which may lead to changes in their value.

Interest rate risk

Changes in the market interest rates may have a negative influence on the financial results of the Asseco Group. The Group is exposed to the risk of changes in this factor in two areas of its activity: (i) the change in the value of interest charged on loans from external financial institutions, based on variable interest rates; and (ii) the change in the valuation of derivative instruments entered into, based on the forward interest rate curve.

Interest rate risk is managed by using two instruments: (i) the Group tries to avoid borrowing based on a floating interest rate, (ii) and if the first solution is not possible, the Group has the option to enter into forward interest rate contracts.

Risks associated with potential copyright litigation

Development of the Asseco Group operations on the market of IT products depends to a large degree on ownership of intellectual property rights, especially copyrights to computer programs. There is a risk that in some countries where the Asseco Group operates there may be doubts as to the effectiveness of transferring of copyrights in the software codes created by employees of particular companies to the Group companies, basically due to different regulations pertaining to the protection of intellectual property that are applicable in those countries. If employment contracts or other contracts under which employees have performed or are performing work for Group companies did not contain or do not contain adequate provisions for the transfer of copyrights to Group companies, the transfer of rights to certain programs may not have occurred.

Risks associated with IT licenses

The Asseco Group companies use IT software licenses granted under legal agreements concluded with the world's leading providers of tools software and thematic applications, such as HP, IBM, Microsoft, Oracle, and SAS Institute. Using solutions and products of these companies, the Asseco Group develops its most important products. Termination of license agreements or limitation of the ability to use IBM and Oracle software in particular may have a significant

adverse impact on the operations, financial position, financial performance and prospective development of the Asseco Group.

Risk of contracting with a dishonest customer

The Asseco Group is exposed to the risk of defaulting contractors. First, this risk relates to the creditworthiness and goodwill of the customers to whom the Group provides IT solutions. Second, it relates to the creditworthiness of the counterparties with whom supply transactions are entered into.

Risk control measures consist of monitoring the timeliness of transfers and, if necessary, reminding the customer of the payment due. In the case of smaller clients, it is helpful to monitor the trade press, analyze previous experience, experience of competitors, etc.

Risk of market abuse

The Group companies may be subject to suspicion of corrupt activities or conflicts of interest. Internal control directed at corrupt phenomena, where possible, does not allow them to occur or significantly affects the chances of detecting undesirable actions concerning concluded transactions. It cannot be precluded that Asseco Poland or the Group companies may be exposed to suspected corrupt activities or conflicts of interest, despite the implemented control mechanisms.

Risks associated with the inability to effectively integrate acquired entities and achieve the intended returns on individual acquisitions or investments

The Asseco Group implements the strategy of development through acquisitions of or capital investments in IT companies. Valuation of future acquisitions or investments will depend on the market conditions as well as on other factors beyond the Asseco's control. It cannot be ruled out that the investing entity will not be able to properly estimate the value of the acquisitions and investments being made. There is also a risk that the performance of companies subject to acquisitions or investments will turn out worse than initially estimated, which may result in a lower rate of return on these transactions than originally expected.

Risks associated with insufficient insurance coverage

Business activities conducted by the Asseco Group companies, consisting in production and supply of software as well as implementation of integration projects, give rise to a risk of damages that may be incurred by the contracting parties or their end customers as a result of defective operation or failure of the products delivered by the company, whether attributable to its own fault or not. Agreements concluded by the Asseco Group companies provide for contractual penalties in the event of non-performance or improper performance of an agreement. Any claims for compensation in excess of the guarantee amounts under the present insurance policies might have a negative impact on the operations, financial position, financial performance and prospective development of the Asseco Group companies.

Business continuity risk

Occurrence of an emergency situation at one of the Asseco Group companies may impair our ability to continue to provide services to our clients, which in turn may lead to delays, failure to comply with our obligations, claims for damages, or loss of trust by our clients. The occurrence of any of the above situations may have a material adverse effect on the Group's operations, financial position, results of operations or prospects.

Risk of data leakage

As a result of intentional acts by third parties or dishonest employees, as well as errors or carelessness by employees or subcontractors, confidential data of a Group company or its customers may be disclosed to unauthorized persons. Such circumstances might have a negative impact on the perception of Asseco by our clients, and consequently on the Group's operations, financial position and results as well as on its future development outlook.

Property risk

As a result of malpractice or errors by employees of Asseco Group companies, the company may suffer damage to its assets. The occurrence of such a situation may have an adverse impact on the company's financial standing and continuity of its operations, and therefore may have a negative impact on the Group's operations, financial position, results of operations or development prospects.

Factors which, in the Management Board's opinion, will affect the results to be achieved in the perspective of at least one quarter

In the opinion of the Management Board of Asseco Poland S.A. the current financial position of the Group, its production potential and market position pose no threats to its continued operation and development in the period not shorter than 12 months from the end of the reporting period.

The Group monitors, on an ongoing basis, the impact of the situation caused by the COVID-19 pandemic on the operations of all of its subsidiaries, and a detailed description of this impact on the results achieved in the period reported herein and on the results achieved in the subsequent periods is presented in section 2.2 of the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in section 2.2 of the Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the six-month period ended June 30, 2021.

There are many factors, both internal and external, that may directly or indirectly affect the Group's financial performance.

The external factors with a bearing on the future financial performance of the Asseco Group include:

- development of the economic and political situation in Poland, the European Union and other countries where the Group operates,
- inflation and currency exchange rate fluctuations (primarily of the US dollar and the euro, but also of the currencies of the countries in which the Group operates),
- increase or decrease in demand for IT solutions in the financial and banking sector, public administration and the business sector,
- activities related to intensified competition both from the Polish and foreign IT companies, especially when it comes to execution of large and prestigious contracts,
- changes in credit standing, liquidity, and customer financing options,
- changes in interest rates and bank margins,
- opportunities and risks associated with relatively rapid technological change and innovation on the IT market,
- the risk of potential customers postponing decisions about their IT investments,
- the need to attract, retain the most qualified and key employees.

The internal factors with a bearing on the future financial performance of the Asseco Group include:

- implementation of complex IT projects carried out under long-term contracts,
- implementation of the Group's operating strategy involving organic growth and expansion into new foreign markets.

Non-recurring events with impact on financial performance

The condition of the coronavirus pandemic that occurred during the reporting period ended June 30, 2021 had no significant impact on the financial results of the Asseco Group generated in that period.

During the six months ended June 30, 2021, there were no items materially affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, value or frequency.

Information related to the assessment of the impact of COVID-19 on our performance in the period reported as well as in the subsequent periods has been presented in Note 2.2 to the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in Note 2.2 to the Semi-Annual stand-alone financial statements of Asseco Poland SA. for the six-month period ended June 30, 2021.

Significant events with impact on the Asseco Group operations after June 30, 2021

Description of material events after the balance sheet date, i.e. June 30, 2021 has been presented in Note 8.4 to the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in Note 7.4 to the Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the six-month period ended June 30, 2021.

Assessment of the feasibility of investment plans

The Asseco Group companies always perform their obligations towards contractors, obligatory governmental charges, and investment commitments. The companies maintain lines of credit with various banks, which allows for diversification of funding sources. The companies settle their liabilities with funds from operating proceeds, with the assistance of external capital, i.e. using short-term overdraft facilities, borrowings and capital receipts.

Financial forecasts

The Asseco Group and Asseco Poland did not publish any financial forecasts for 2021 or for subsequent reporting periods.

Changes in the Capital Group and the Company management policies

During the period of 6 months ended June 30, 2021, no changes were introduced to the principles governing the management of the Group and Asseco Poland.

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

There are no agreements concluded between the Group companies and management personnel providing for compensation in the event of their resignation, dismissal from their function without a valid reason, or in the event of their removal or dismissal due to a merger by acquisition.

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

There are no agreements that may result in future changes in the proportions of shares held by existing shareholders and bondholders.

Changes to equity relationships

Changes in the equity relationships have been described in section 3 of the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021.

Transactions with related parties

Transactions with the related companies have been presented in section 6.20 of the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in section 5.19 of the Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the six-month period ended June 30, 2021.

Loans, borrowings, sureties, guarantees

Bank loans drawn, loans granted, sureties and guarantees have been described in section 6.13 of the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in section 5.14 of these Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the six-month period ended June 30, 2021.

Information on loans granted

Information on loans granted by the Asseco Group companies in the current year has been presented in section 6.10 of the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in section 5.7 of the Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the six-month period ended June 30, 2021.

Description of off-balance sheet items

Description of significant off-balance-sheet items, by type, subject matter and value, has been presented in the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in the condensed financial statements of Asseco Poland S.A. period of 6 months ended June 30, 2021.

Major capital investments made by the Asseco Group

Major capital investments made within the Asseco Group have been described in section 6.4 of the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021.

Monitoring of employee stock option schemes

As of the date of this report, the Company did not have a share-based incentive program in place.

Information on transactions with employees settled in the form of equity instruments is presented in Note 5.2.i. to the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in Note 4.2.i. Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the six-month period ended June 30, 2021.

Information on obligations arising from pensions and benefits of a similar nature

As at June 30, 2021, Asseco Poland did not have any liabilities due to retirement pensions or benefits of a similar nature for its former managing or supervisory staff or former members of its administration bodies.

Information on significant judicial proceedings

As at the date of publication of this report, neither Asseco Poland nor the Asseco Group were engaged in any material proceedings pending before any court, arbitration authority or public administration authority. Information on judicial disputes pending as at the balance sheet date has been presented in Note 8.1 to the Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 as well as in Note 7.1 to the Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the six-month period ended June 30, 2021.

STATEMENT OF THE MANAGEMENT BOARD OF ASSECO POLAND S.A. TO THE SEMI-ANNUAL REPORT

Statement by the Management Board of Asseco Poland S.A. pursuant to the provisions of §68 para. 1 pt. 4 and §69 para. 1(4) of the Regulation of the Minister of Finance on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognized as equivalent

The Management Board of Asseco Poland S.A. declares that, to the best of its knowledge, the Semi-Annual stand-alone financial statements of Asseco Poland S.A. for the period of 6 months ended June 30, 2021 and comparative data, as well as Semi-Annual consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2021 and comparative data, were prepared in accordance with the accounting principles in force, i.e. with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Management Board also declares that the presented data give a true, reliable and fair view of the Capital Group's assets, financial standing and financial result. The Report on Business Operations of the Asseco Group gives a true picture of the development, achievements and economic position of the Company and its Group, inclusive of the key risks and threats.

We hereby approve the Management Board's Report on business operations of the Asseco Group for the period of 6 months ended June 30, 2021 and confirm the accuracy of the foregoing statement.

Management Board:

Adam Góral
President
of the Management Board

Andrzej Dopierała
Vice-President
of the Management Board

Krzysztof Groyecki
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

Karolina Rzońca-Bajorek
Vice-President
of the Management Board

Sławomir Szmytkowski
Vice-President
of the Management Board

Artur Wiza
Vice-President
of the Management Board

Gabriela Żukowicz
Vice-President
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Technology for business, solutions for people.

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