

# The Asseco Group

H1 2023

asseco



Presence  
in **61 countries**



Sales obtained  
**PLN 8 515 million**



**32 849 people**  
working for  
results obtained



Earned net profit for  
shareholders of the  
parent company  
**PLN 230.5 million**



Order backlog\*  
for 2023  
**PLN 12 201 million**



**PLN 6.3 billion**  
market capitalization

*\* Applies to proprietary software and services*

# The Asseco Group in the first half of 2023

## Non-IFRS figures (unaudited data)

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

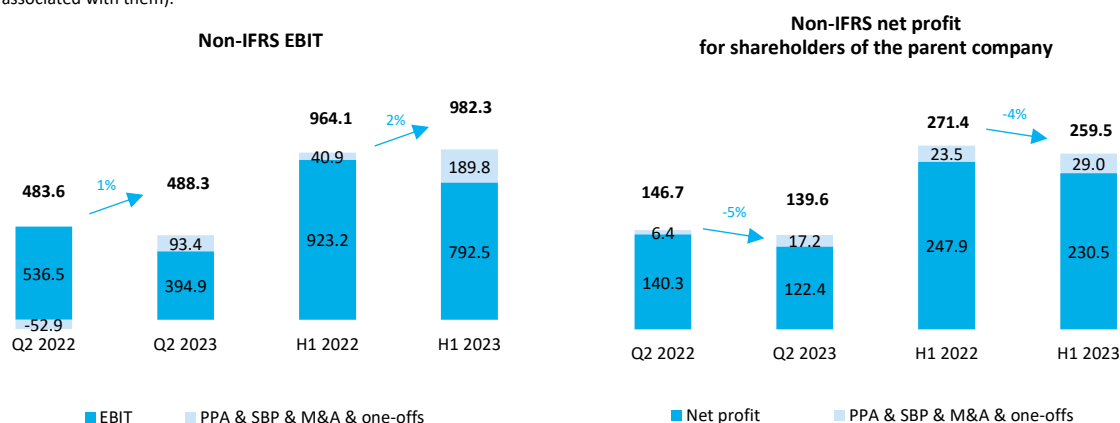
### Financial and operational summary:

- **Stable development** in a volatile market environment:
  - increase in revenues by **3.2%** to **PLN 8 515.4 million**
  - increase in non-IFRS EBIT by **1.9%** to **PLN 982.3 million**
  - non-IFRS net profit at **PLN 259.5 million**
- Strong business **diversification** (geographic, sector, product):
  - **89%** of revenues from foreign markets represented by the Asseco International and Formula Systems segments
  - **42%** of revenues – general business sector, **34%** - finance and banking, **24%** - public institutions
  - **79%** of revenues from sales of proprietary software and services

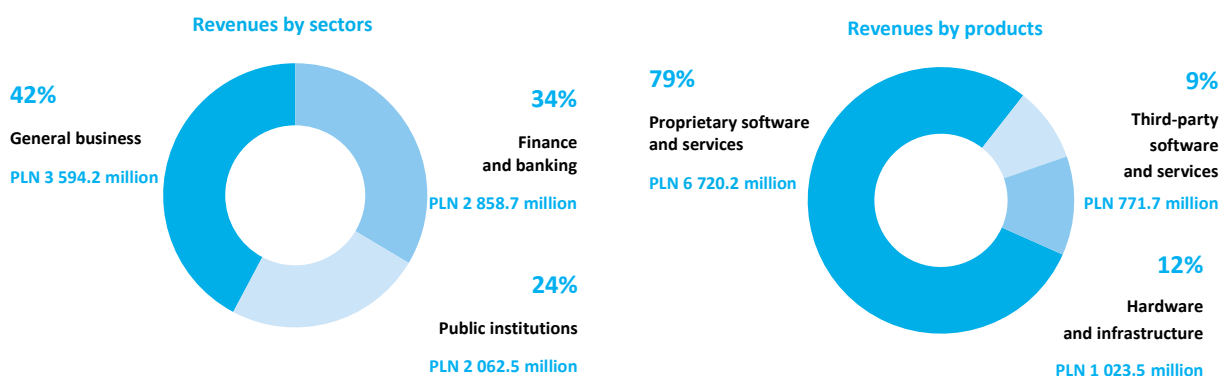
### Selected consolidated financial data for H1 2023 on a non-IFRS basis

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

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



### The Group's revenue structure in H1 2023





**Report  
on activities of  
the Asseco Group**

for the six-month period ended June 30, 2023


**asseco**

# Report on the Activities of the Asseco Group

for the six-month period ended June 30, 2023

<b>BASIC INFORMATION ABOUT ASSECO GROUP</b> .....	<b>7</b>
<b>Business Profile</b> .....	<b>7</b>
<b>Authorities of Asseco Poland</b> .....	<b>9</b>
Management Board.....	9
Supervisory Board.....	11
<b>Description of the ASSECO GROUP's organization</b> .....	<b>12</b>
Federation model .....	12
Organizational structure of the Asseco Group .....	13
<b>Markets, business sectors and product offerings</b> .....	<b>18</b>
Geographic segments and markets .....	18
Sectors of activity .....	19
Product offering.....	22
<b>Strategy and development directions</b> .....	<b>25</b>
Mission, vision and strategy pillars.....	25
Strategic goals in key areas.....	25
Asseco Poland's values .....	26
Asseco's expansion - milestones .....	27
Factors important for the development of the Asseco Group's business .....	27
Consolidated order backlog for 2023 .....	28
<b>IT market and its prospects</b> .....	<b>29</b>
Prospects for IT market's development .....	29
Asseco's market position .....	31
<b>Asseco Poland on the capital market</b> .....	<b>33</b>
Share price.....	33
Dividend.....	34
Shares and shareholding .....	35
<b>MAJOR EVENTS THAT AFFECTED THE ASSECO GROUP'S RESULTS IN THE FIRST HALF OF 2023</b> .....	<b>37</b>
<b>Asseco Poland Segment</b> .....	<b>38</b>
<b>Formula Systems segment</b> .....	<b>52</b>
<b>Asseco International segment</b> .....	<b>55</b>
<b>THE ASSECO GROUP'S FINANCIAL INFORMATION</b> .....	<b>62</b>
Financial results .....	62
Revenue structure .....	65
Cash flow .....	66
Statement of financial position .....	67
Quarterly financial results .....	68

<b>OTHER INFORMATION ABOUT THE ASSECO GROUP .....</b>	<b>72</b>
Description of significant risks and threats .....	72
Factors that, in the opinion of the Management Board, will affect the results in at least a quarter's perspective.....	77
Unusual events that affected the achieved financial results.....	77
Significant events affecting the Asseco Group's operations after June 30, 2023.....	78
Assessment of the management of financial resources and the feasibility of investment intentions.....	78
Financial forecasts .....	78
Changes in the management principles of the Group and the Company .....	78
Agreements between the Group or the Company and managers providing for compensation in the event of their resignation or dismissal from their positions .....	78
Information on agreements known to the issuer that may result in future changes in the proportions of shares held by existing shareholders and bondholders .....	78
Changes in capital ties .....	78
Transactions with related parties.....	78
Loans, loan agreements, sureties, guarantees .....	78
Information on loans granted.....	79
Description of off-balance sheet items .....	79
Description of the structure of major capital investments made within the Asseco Group .....	79
Information on the control system of employee share schemes .....	79
Information on liabilities arising from pensions and benefits of a similar nature.....	79
Information on significant legal proceedings .....	79
Other information .....	79
<b>STATEMENT OF THE MANAGEMENT BOARD OF ASSECO POLAND TO THE SEMI-ANNUAL REPORT .....</b>	<b>80</b>



**General information**  
**about the Asseco Group**

**asseco**

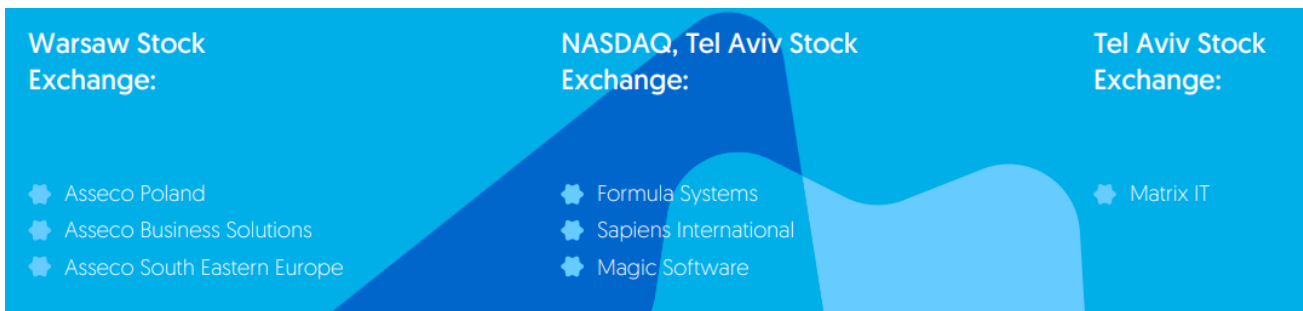
## BUSINESS PROFILE

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

Asseco Poland (WSE: ACP) is a leading Polish IT company listed on the Warsaw Stock Exchange (WSE). With a capitalization of approximately PLN 6.3 billion as at August 22, 2023, it is a member of the WIG20 index. It is also the largest company in the WIG-Informatyka industry-specific index.

Asseco Poland heads the international Asseco Group, present, through its subsidiaries, in 61 countries around the world, including most European countries, as well as Israel, the US and countries in Africa. The Asseco Group is one of the leading software producers in Europe and the largest provider of modern IT solutions in Central and Eastern Europe.

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



The Asseco Group is a combined software and services company, a producer of technologically advanced, top-quality software that supports the most important business processes of companies in key industries. 79% of the Group's revenues are generated from proprietary software and services.

The Asseco Group operates under a unique model of federation of companies, which entails a high degree of business independence and use of local competencies while building synergies across the Group.

### **Asseco Group is a leading European software producer.**

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



## AUTHORITIES OF ASSECO POLAND

### Management Board

As at the publication date of this report, August 24, 2023, the composition of the Company's Management Board was 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 Department.



**Grzegorz Bartler**  
Vice President of the Management Board

He is responsible for the Telecommunications and Media Division.



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

He is responsible for the following Division International Organizations and Solutions for the Security Sector, the Office of Infrastructure Projects 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 Group Development Division and the EU Projects Office.



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

He is responsible for the Energy and Gas Division and the ERP Project Office.



**Zbigniew Pomianek**  
Vice President of the Management Board

He is responsible for the following Divisions: Commercial Banks, Cooperative Banks, Business Intelligence, Capital Market, PKO BP, as well as Asseco Innovation Hub and Asseco Services.



**Karolina Rzońca-Bajorek**  
**Vice President of the Management Board**

As the Chief Financial Officer (CFO) of Asseco Poland and the Asseco Group, she is responsible for the Company's Financial Division and the Financial Division of the Asseco Group, as well as the Shared Service Center Department.



**Sławomir Szmytkowski**  
**Vice President of the Management Board**

He is responsible for the following Divisions: Social Security, Systems Maintenance, Agriculture and Post, Government Administration, and the Asseco Group Public Business Unit.



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

He is responsible for the PR and Investor Relations and Marketing Departments.



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

She is responsible for the Legal Office and the Management Board Office, as well as the Departments of Human Resources, Personnel Administration, Compliance and Process Management, Internal Systems Maintenance and Development, Administration, and Procurement. In addition, she serves as the Chief ESG Officer.

During the six months ended June 30, 2023, the composition of the Company's Management Board was as follows:

Management Board	Period of office
Adam Góral	01.01.2023 - 30.06.2023
Grzegorz Bartler	01.01.2023 - 30.06.2023
Andrzej Dopierała	01.01.2023 - 30.06.2023
Krzysztof Groyecki	01.01.2023 - 30.06.2023
Marek Panek	01.01.2023 - 30.06.2023
Paweł Piwowar	01.01.2023 - 30.06.2023
Zbigniew Pomianek	01.01.2023 - 30.06.2023
Karolina Rzońca-Bajorek	01.01.2023 - 30.06.2023
Sławomir Szmytkowski	01.01.2023 - 30.06.2023
Artur Wiza	01.01.2023 - 30.06.2023
Gabriela Żukowicz	01.01.2023 - 30.06.2023

Since the end of the reporting period until the date of publication of this report, there were no changes in the composition of the Management Board of Asseco Poland.

**Supervisory Board**

As at the publication date of this report, August 24, 2023, the composition of the Company's Supervisory Board was as follows:



**Jacek Duch**  
Chairman of the  
Supervisory Board



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



**Izabela Albrycht**  
Member of the  
Supervisory Board



**Piotr Augustyniak**  
Member of the  
Supervisory Board



**Dariusz Brzeski**  
Member of the  
Supervisory Board



**Artur Gabor**  
Member of the  
Supervisory Board



**Piotr Maciąg**  
Member of the  
Supervisory Board



**Tobiasz Solorz**  
Member of the  
Supervisory Board



**Piotr Żak**  
Member of the  
Supervisory Board

During the six months ended June 30, 2023, the composition of the Company's Supervisory Board was as follows:

Supervisory Board	Period of office
Jacek Duch	01.01.2023 - 30.06.2023
Adam Noga	01.01.2023 - 30.06.2023
Izabela Albrycht	01.01.2023 - 30.06.2023
Piotr Augustyniak	01.01.2023 - 30.06.2023
Dariusz Brzeski	01.01.2023 - 30.06.2023
Artur Gabor	01.01.2023 - 30.06.2023
Piotr Maciąg	01.01.2023 - 30.06.2023
Piotr Żak	01.01.2023 - 30.06.2023
Tobias Solorz	01.01.2023 - 30.06.2023

The Audit Committee operates within the Supervisory Board and consists of: Artur Gabor - Chairman, Jacek Duch and Piotr Augustyniak - Members of the Audit Committee.

Since the end of the reporting period until the date of publication of this report, there were no changes in the composition of the Supervisory Board of Asseco Poland.

## DESCRIPTION OF THE ASSECO GROUP'S ORGANIZATION

### Federation model

The Asseco Group operates on the basis of a unique cooperation model - the federation model. Asseco Poland, as the Company with a leading role in the Group, is the largest shareholder in its constituent companies, but does not seek to own 100% of the shares and integrate Group members. The companies that choose to join the Asseco Group maintain a wide range of autonomy in their day-to-day operations, while the Group sets their strategic development directions, establishes goals and supervises their achievement.

The Group's operation under the federation model relies on mutual trust, people-based business and a set of clearly defined rules for cooperation among Group entities. Acquired companies retain their local character and are often managed by existing owners and management.

The benefits that the Group derives from such a model of cooperation are:

- Strengthening market position and customer confidence.
- Access to interesting product solutions that are well known locally.
- Knowledge of local markets, customers, business environment and unique considerations.
- Access to local teams of native-speaking employees.
- Responsible business conduct in relation to local stakeholders.

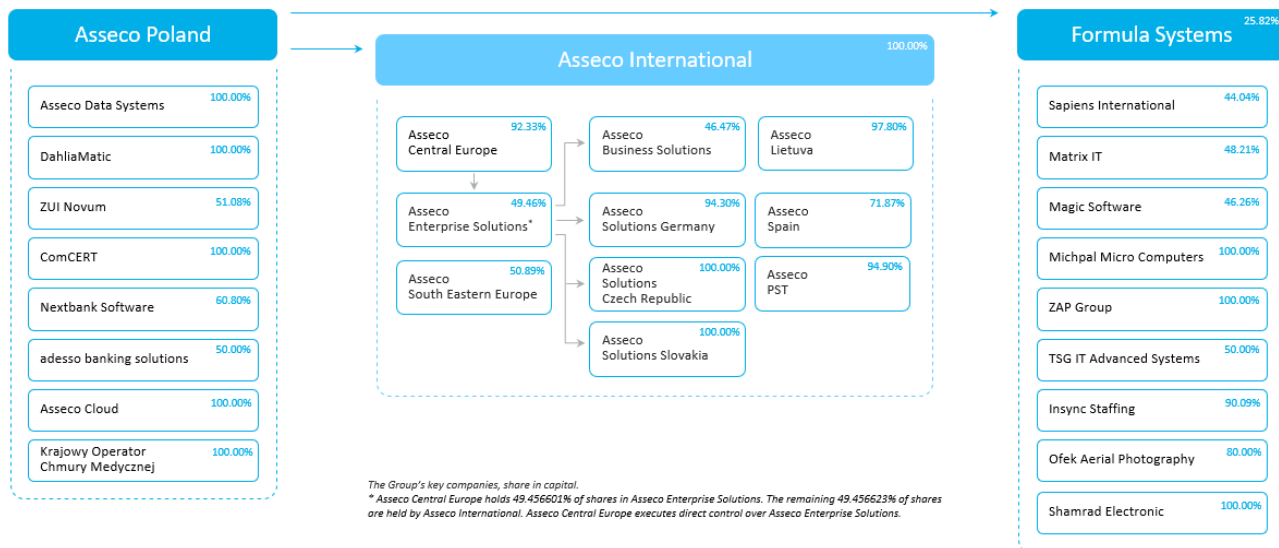
Companies becoming part of the Asseco Group can count on:

- Access to the products and experiences of other Group members.
- Access to the sales network of the Asseco Group.
- Financial empowerment.
- An international brand and a strong market position.
- Access to global contracts with equipment suppliers.

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

## Organizational structure of the Asseco Group

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



### Changes in capital ties

The full structure of the Group and a description of the changes that took place in the Group during the first half of 2023 can be found in Item 3 of the consolidated financial statements of the Asseco Group for the six months ended June 30, 2023.

## Asseco Poland segment

In the Asseco Poland segment, the main entities with clearly separated competencies are:

- Asseco Poland.
- Asseco Data Systems.

In addition, a number of other companies operate within the Asseco Poland segment, offering specialized and dedicated solutions for specific customer groups, including DahliaMatic, ZUI Novum, Nextbank Software, ComCERT, adesso banking solution, Krajowy Operator Chmury Medycznej (*the National Medical Cloud Operator*) and Asseco Cloud.

### Asseco Poland

Asseco Poland (WSE: ACP) has been operating on the Polish market since 1991. It is the largest Polish IT company listed on the Warsaw Stock Exchange (WSE). With a capitalization of approximately PLN 6.3 billion as at August 22, 2023, it is a member of the WIG20 index. It is also the largest company in the WIG-Informatyka industry-specific index.

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

### Asseco Data Systems

The company was established in 2016 by integrating the diverse competencies and years of experience of IT experts into a single entity. Asseco Data Systems provides IT systems for businesses, local government administration and higher education. It operates in Poland and in foreign markets, including Europe and Africa. It specializes in trust services, as well

as software development for the leasing industry and Smart City solutions. It is Poland's largest provider of electronic signatures and a leading producer of comprehensive IT systems for universities. It offers unique cyber security services.

The Asseco Data Systems Group includes Pirios, a leader on the Polish market of Contact Center solutions designed to automate retail customer service.

**DahliaMatic**

DahliaMatic is one of the largest Polish consulting and implementation companies, which deals with the implementation of business software and third-party solutions - primarily SAP, Oracle and Microsoft. In addition to support for ERP-class solutions, it provides consulting and implementation services for business process robotization, electronic document workflow, as well as the construction and development of customized systems tailored to customer requirements.

**ZUI Novum**

The company specializes in developing information systems to serve the cooperative banking sector. It functions as a developer of banking applications, ATM software, integrator and supplier of ATM equipment.

**Nextbank Software**

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

**ComCERT**

ComCERT focuses on identifying cyber threats and incidents, creating and improving the competency of response teams (CERTs, SOCs), and supporting customers when their security is threatened or compromised.

**adesso banking solutions**

A 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).

**Krajowy Operator Chmury Medycznej (*National Medical Cloud Operator*)**

Krajowy Operator Chmury Medycznej (Chmura dla zdrowia) supports the digitization of healthcare and enables medical units to provide e-services to patients with the highest security standards. It ensures smooth regulatory compliance and contributes to increased innovation and standardization of IT services in the healthcare sector.

**Asseco Cloud**

Asseco Cloud specializes in the design, delivery, implementation and support of cloud solutions. It carries out implementations based on its own solutions and those of leading cloud providers, while offering full support from design to implementation, as well as providing expertise. The company's offerings include private cloud-based services, preferred by customers in the public or regulated sectors, and multi-cloud solutions implemented based on the public cloud of global providers.

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**Formula Systems segment**

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

Formula Systems (1985) is a holding company, with the following operating companies as its pillars:

- Matrix IT.
- Sapiens International Corporation.
- Magic Software Enterprises.

In addition, Formula Systems controls:

- a US-based human resources consulting and outsourcing solutions provider - Insync Staffing,
- a manufacturer of HR and payroll software for well-established companies in Israel - Michpal Micro Computers (1983),

- a company active in aerial and satellite mapping and other geographic applications - Ofek Aerial Photography (1987),
- a supplier of advanced security and control systems - Shamrad Electronics (1977),
- Israel's largest consumer site group - ZAP Group.

The holding company co-controls TSG IT Advanced Systems, a company that provides specialized software for the armed forces.

#### **Formula Systems (1985)**

As the parent company of the Formula Systems Group, listed on the NASDAQ American market and the Tel Aviv Stock Exchange, Formula Systems (1985) manages and builds the capital value of the group's entities.

#### **Matrix IT**

Listed on the Tel Aviv Stock Exchange, Matrix IT is a leading IT company in Israel. It also has operations in the US and Europe. Its core competencies include the provision of IT services, outsourcing and integration of IT systems on demand, as well as the provision of security, risk management and compliance solutions. In addition, Matrix is a distributor of software and infrastructure solutions from the world's leading manufacturers, and through its subsidiary John Bryce operates training and qualification centers, offering professional courses and training for IT personnel. With many years of experience in implementing IT projects in both the private and public sectors (including banking and finance, telecommunications, healthcare, education, defense and uniformed services), the company's client portfolio includes the largest organizations in Israel and an ever-growing contractor base on foreign markets.

#### **Sapiens International Corporation**

The company is listed on the NASDAQ American market and the Tel Aviv Stock Exchange. It is a leading global provider of IT systems for the insurance sector. Sapiens operates in the US, Western Europe, Scandinavia, South Africa and the Asia-Pacific region. The company offers comprehensive solutions for all segments of the insurance market, including life insurance, pension programs, property insurance, reinsurance, as well as decision support software for financial institutions. Sapiens offers both universal solutions and software specifically tailored to the requirements of specific markets, such as the US.

#### **Magic Software Enterprises**

The company is listed on the NASDAQ American market and the Tel Aviv Stock Exchange. Magic Software specializes in providing platforms supporting the process of building and implementing business applications, business software, as well as consulting and implementation services.

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.

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### **Asseco International segment**

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

The segment formed by Asseco International includes companies with revenues primarily on the markets of Central Europe, Southeast Europe and Western Europe.

#### **Central European market**

In the **Central European** market, the Asseco Group is represented by the Asseco Central Europe Group. Major entities in this group include:

- Asseco Central Europe Slovakia and Asseco Central Europe Czech Republic.
- Asseco Enterprise Solutions.
  - Asseco Business Solutions.
  - The companies of Asseco Solutions in the Czech Republic, Germany and Slovakia.

- Asseco CEIT.
- Asseco Central Europe Magyarország.

### **Asseco Central Europe**

The Czech and Slovak Asseco Central Europe are the leading companies of the Asseco Central Europe Group. They provide comprehensive IT solutions and services to international financial institutions, the private sector and public administration at both the central and local levels. Their product portfolio includes information systems for banks and insurance companies, housing finance institutions, card systems, healthcare information systems, data warehouses, business intelligence and e-commerce solutions, reporting systems and dedicated turnkey solutions.

#### **Asseco Enterprise Solutions**

Asseco Enterprise Solutions was established in 2017 to integrate all Asseco Group companies that develop proprietary ERP and FMCG solutions. The joint holding structure includes four main companies: Asseco Business Solutions and Asseco Solutions of Germany, the Czech Republic and Slovakia. Together with their international subsidiaries, these companies provide ERP and FMCG products to dozens of countries around the world, streamlining and automating processes in many industries and market segments.

#### **Asseco Business Solutions**

Asseco Business Solutions is a company listed on the Warsaw Stock Exchange (WSE: ABS). Its portfolio includes ERP systems supporting business processes in mid-sized and large enterprises, a suite of applications for the management of small businesses, programs supporting HR work, SFA-class mobile applications allowing the management of a network of sales representatives, data exchange platforms, and programs for factoring transactions.

#### **Asseco Solutions Companies**

Asseco Solutions companies produce high-end ERP software for medium and large enterprises, primarily in the manufacturing and service sectors. They operate primarily on the Slovak, Czech, Italian and German-speaking European markets (Germany, Austria, Switzerland).

#### **Asseco CEIT**

Asseco CEIT is a Slovakian manufacturer of innovative solutions in the fields of industrial automation and robotics, among others. Its dominant areas of activity are automation and robotics for the automotive industry.

#### **Asseco Central Europe Magyarország**

Operating in the healthcare sector, Asseco Central Europe Magyarország is the leading provider of hospital IT systems in Hungary, with a market share of around 50%. It also provides software for the financial sector.

### ***South Eastern European market***

Within the Asseco Group, the South Eastern European market is identical to the operations of the Asseco South Eastern Europe Group.

#### **Asseco South Eastern Europe**

A company listed on the Warsaw Stock Exchange (WSE: ASE) and the parent company of the Asseco South Eastern Europe Group. The group provides complete solutions and proprietary products necessary to run a bank, advanced payment solutions under the Payten brand, as well as integration and implementation services for IT systems and hardware from world leaders. It operates in South Eastern Europe, Central Europe, the Iberian Peninsula, as well as in Egypt, Turkey, Colombia, Peru and the Dominican Republic.

### ***Western European market***

Major Group companies operating in the Western European market include:

- Asseco PST Holding – SGPS.
- Asseco Spain.
- Asseco Lietuva.

#### **Asseco PST Holding - SGPS**

A Portuguese company providing IT services and complex solutions and software for the banking sector. Its main area of operations is Portugal and Portuguese-speaking African countries (including Angola and Mozambique). The Asseco PST



Group includes Finantech - Sistemas de Informação, which develops software for entities in the financial sector, and CPI Consultoría de Proyectos Informáticos, a provider of accounting systems for entities in the financial sector.

**Asseco Spain**

The company provides customers with state-of-the-art IT infrastructure and equipment and offers consulting, security systems, outsourcing services and comprehensive IT support.

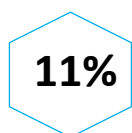
**Asseco Lietuva**

Asseco Lietuva is a leading software developer and IT systems integrator in Lithuania. The company offers proprietary solutions for document management and business process automation, as well as for insurance business and financial management.

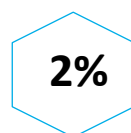
## MARKETS, BUSINESS SECTORS AND PRODUCT OFFERINGS

### Geographic segments and markets

An important role for the Asseco Group is the pursuit of product, sector and geographic diversification, so that Asseco is not dependent on one or more customers and suppliers. Such an approach makes it possible to significantly offset the impact of negative market factors on the Group's operations. Thanks to geographic diversification, the risk of negative impact of local factors on the Group's operations is significantly reduced, and a wide range of products makes Asseco immune to possible slumps in individual market sectors.



The share of top 10 customers in the Group's revenues for the first half of 2023

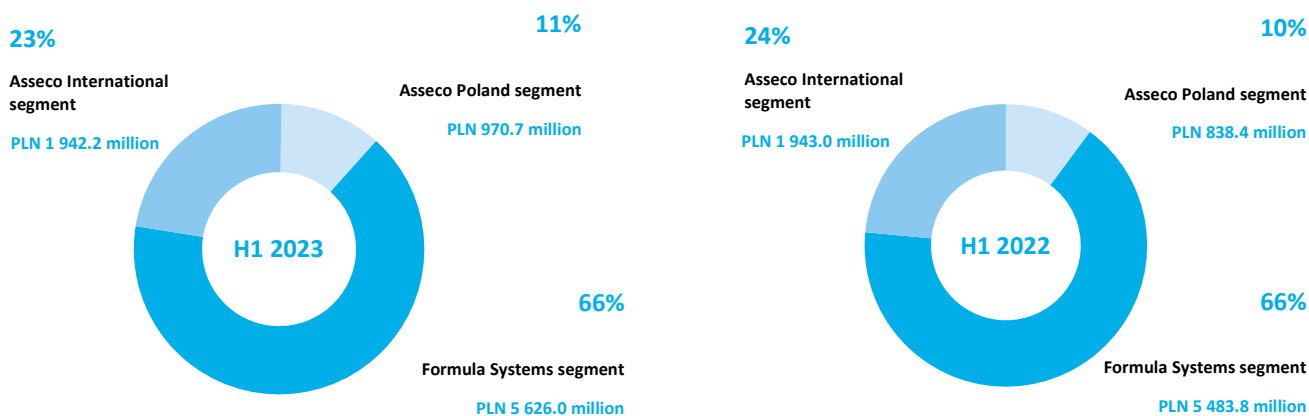


The share of the largest customer in the Group's revenues for the first half of 2023

The Asseco Group's operations are concentrated in three segments:

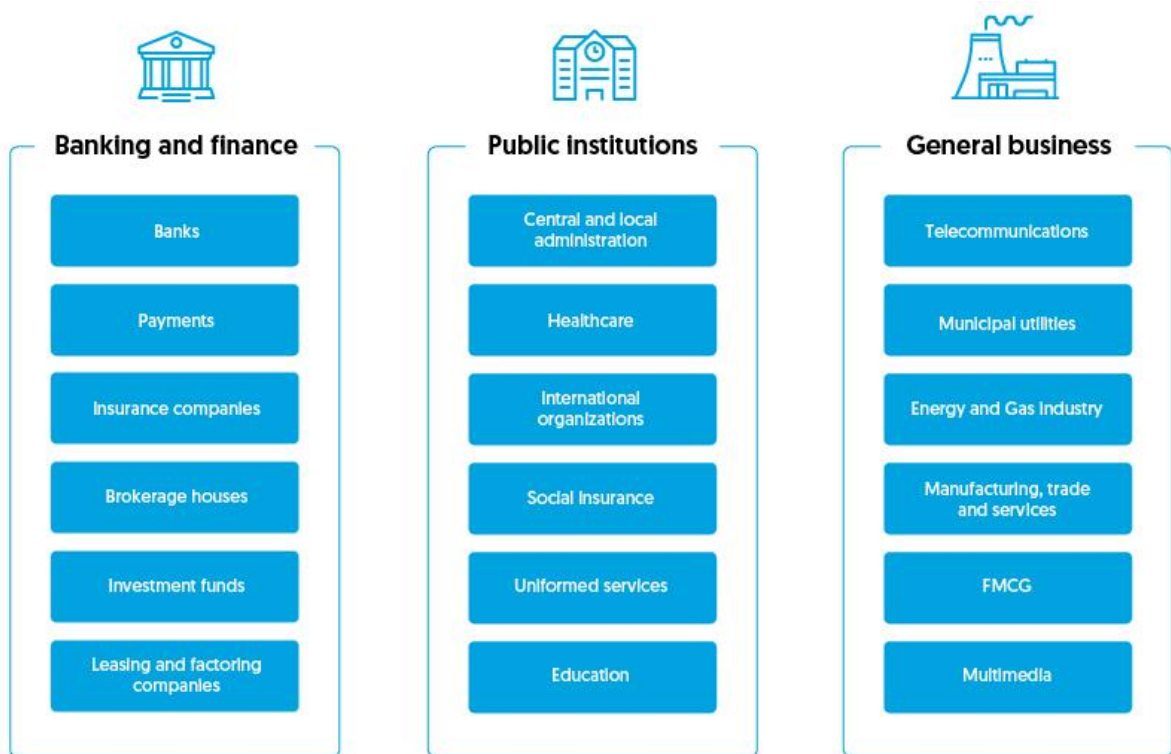
- **Asseco Poland** encompasses the operating activities of the parent company and companies operating on the Polish market. In line with the strategic goal of building a global company, the Asseco Group's growth is driven by foreign markets.
- **Formula Systems** accounts for the largest portion of revenues generated by the Asseco Group. Within the segment, the Group operates mainly on the Israeli market, North America and the EMEA region.
- **Asseco International**, under which Asseco operates mainly on the markets of Central Europe, South East Europe and Western Europe.

### The Group's revenues by business segments



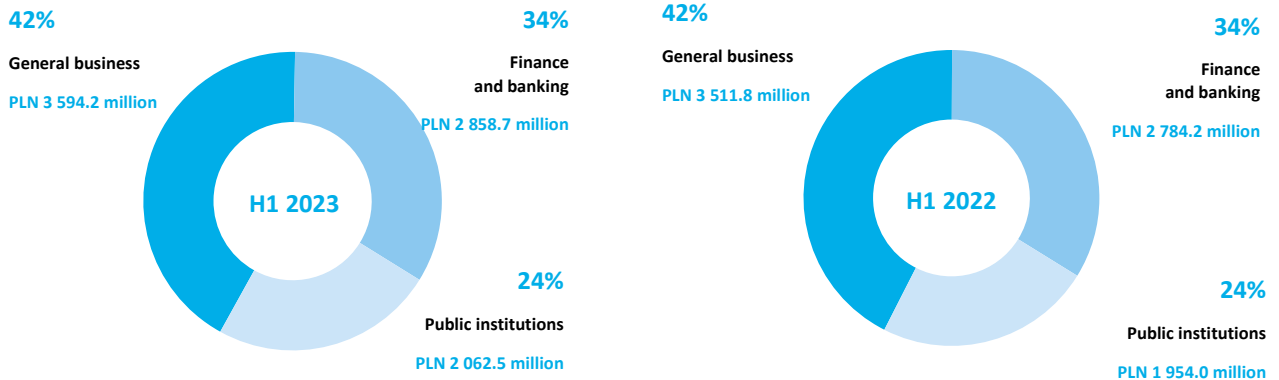
\* Data includes sales between segments.

## Sectors of activity



The

## Group's revenues by business sectors



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## Finance and banking

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### Banks

The production of software for banks is among the key business areas 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 Asseco Poland's comprehensive IT system called Asseco Core Banking. Asseco develops omni-channel solutions that create modern online and mobile banking tailored to individual customer needs. It also offers dozens of specialized solutions, offered as turnkey products, requiring only customization to suit the specific operations of a given institution. In its portfolio for companies in the financial sector, Asseco also has solutions available in the cloud. An example of such a solution is Asseco BooX (Bank out of the Box) – a business and technology platform providing a set of tools necessary to create a modern financial institution.

The Group's companies offer their own comprehensive systems for banking. With its StarBANK family of solutions, Asseco Central Europe has established a strong position on the Slovak and Czech markets for banking solutions. Asseco South Eastern Europe offers both core-banking, payment processing and Business Intelligence systems, as well as customer relationship management (CRM) systems, and installations of payment terminals and ATMs. Portugal's Asseco PST, on the other hand, specializes in the production and implementation of software for the banking sector, with operations focused on the Iberian Peninsula and African markets.



### Insurance

The Asseco Group has been working with large international insurance companies for many years. Sapiens International, the Group's competence center in this area, is one of the world's largest providers of software for the insurance sector. Among the Group's more than 650 clients are life and property insurance companies, insurance brokers and insurance market regulators. Asseco's advanced services, tailored to insurers' regulations, are distinguished by the highest level of security.

The Group's offerings include central systems for insurance institutions, as well as a range of specialized solutions such as payment settlement systems, applications to support processes related to loss adjustment, reinsurance, cooperation with agents, and insurance fraud detection.

The Group's flagship products for the insurance sector are systems offered by the Israeli Sapiens Group. In turn, Asseco Central Europe offers insurers solutions from the StarINS product group.

In addition to the described competencies for the banking and insurance sectors, Asseco offers comprehensive IT solutions to support the work of brokerage houses and offices, investment funds, and leasing and factoring companies.

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## Public institutions

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



### Central administration

Asseco Poland builds and implements IT solutions for public administration in areas that, as a rule, cannot be supported with off-the-shelf tools. Most often, these are complex systems with extensive functionality adapted to process large volumes of data. The largest project in Polish IT, the Comprehensive Information System of the Social Insurance Institution (KSI ZUS), is carried out by Asseco. The company currently provides support services for its operation and maintenance, and is also responsible for its modification and expansion. The companies of the Asseco Central Europe Group also have extensive experience in the field of cooperation with central administration. For years they have been providing high-quality solutions and services to Slovak and Czech ministries and public institutions. In turn, Matrix IT is one of the most important partners for the Israeli government.

The Asseco Group also has competence and extensive experience in the security sector. It is the only Central and Eastern European company to have completed more than 70 prestigious projects for European Union and NATO agencies,

including the EU border protection system for Frontex. Competence in this area is strengthened by the Israeli company TSG IT Advanced Systems, affiliated with Formula Systems, which is a major supplier of software and services to Israel's defense and interior ministries.

The experience gained in implementing projects for international institutions has allowed the company to move from the position of a service provider to that of a solution and product provider. Over the past few 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**

Asseco offers proprietary solutions for local government administration - both small and large urban centers, municipalities or provinces. The software supports the management of all areas of local government operations, such as budget, taxes and fees, assets, finance and accounting, human resources, civic affairs, social sphere, employment sphere, waste management.



#### **Health care**

The Asseco Group is a leading provider of IT solutions for all types of medical facilities. They are used by hundreds of the largest hospitals and clinics in the CEE region. Asseco's services include professional consulting in the development, implementation and maintenance of systems for health insurance companies, comprehensive solutions for hospitals and clinics. Asseco provides both patient support solutions and systems for contract billing and medical facility management.

The Group's flagship products are: AMMS (Asseco Medical Management Solutions) and mMedica - comprehensive packages of information systems by Asseco Poland, designed to provide services for hospitals, clinics, medical centers, clinics and outpatient clinics. Also, Asseco Central Europe offers proprietary systems for the healthcare sector, such as Mediform, ZPIS, Strix, Jubula and Atlas. Complementing the Group's offerings for this sector are solutions from Hungarian company Asseco Central Europe Magyarország. Israel's Innovation Center, meanwhile, creates pioneering solutions for the world's largest medical centers.

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## **General business**

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#### **Telecommunication and utilities**

The Asseco Group offers comprehensive proprietary solutions tailored to serve multi-million customer bases and the specific characteristics of telecommunications, media, energy, gas and utility companies. Asseco's long-standing presence in this sector has resulted in strategic partnerships with a large number of major European companies that value the in-depth industry knowledge of Asseco's specialists and the flexibility of the solutions they provide.

The portfolio of products offered to the telecommunications and utility sectors includes billing systems, fraud detection systems, sales applications, CRM, portal, data warehousing, BI tools and many others. The offer is complemented by systems for managing technical infrastructure, fixed assets and GIS/NIS type solutions.

Asseco Poland's solutions are used by the largest mobile and landline operators, as well as media companies. Asseco Poland's solutions are used by power companies operating in Poland, such as Tauron, Enea, Energa, PGE and PGNiG.

Asseco Central Europe, on the other hand, is specialized in systems for managing the technical infrastructure of network enterprises, and thanks to the solutions of Asseco South Eastern Europe, many of the leading telecommunications operators in the Balkan region have joined the Group's client base.

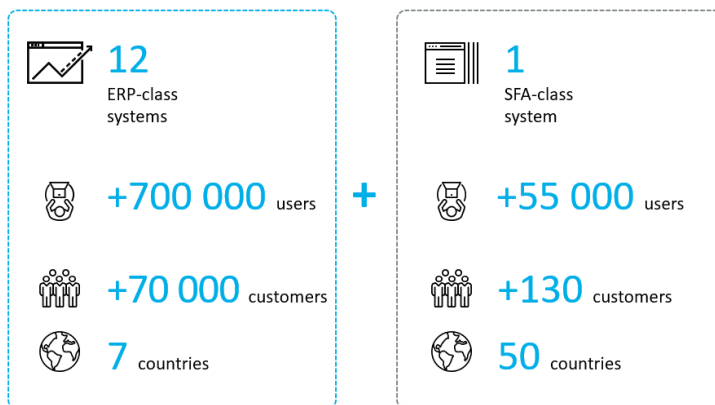


#### **ERP solutions**

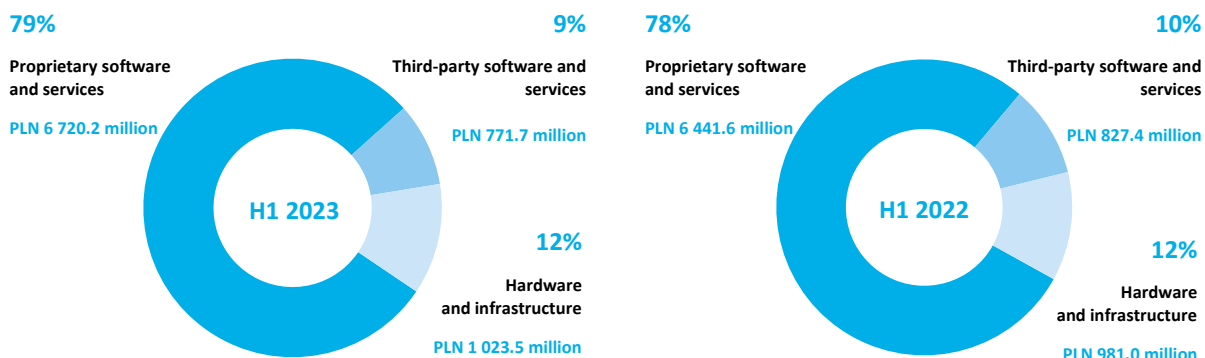
The Asseco Group offers a full range of proprietary modern ERP systems for small, mid-sized and large companies. Each of them is a fully integrated package designed for enterprise management. Their functionality and modular design allow them to be applied to companies in any industry.

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

In addition, there are teams within the Group that specialize in the implementation, development and industry-specific customization of systems based on Oracle, SAP and Microsoft Dynamics AX technologies.



### Product offering



### The Asseco Group's revenues by products

The Asseco Group is primarily focused on providing its customers with proprietary IT solutions in the form of software and services, and third-party solutions and technical infrastructure when needed. As a result, the Group companies offer their business partners top-notch solutions fully tailored to their needs.

- **Dedicated solutions**

Asseco is Poland's most experienced IT company in the execution of complex, large-scale IT projects carried out in response to individual customer needs. An example of Asseco's competence in this area is the largest IT project in our country's history carried out for the Social Insurance Institution (ZUS). The Comprehensive Information System of the Social Insurance Institution (KSI ZUS) is a multi-platform IT system dedicated to the needs of the Social Insurance Institution, covering all of the Social Insurance Institution's 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. KSI ZUS serves nearly 30 million contribution payers, benefit recipients and insured. Another example of one of the country's most important IT systems created by Asseco is SIA, the largest IT system at the Agency for the Development and Modernization of Agriculture (ARiMR). It is an integrated solution for agricultural management and control. Its basic components are reference databases (of agricultural producers, animals, plots of land) based on which it is possible to carry out both the necessary inspections and handle subsidies from EU funds. In turn, for the General Inspectorate of Road Transport (GITD), Asseco has created a Central Processing System operating in the Center for Automatic Supervision of Road Traffic (CANARD). In addition, the Company is a recognized provider of solutions in the area of handling customs processes, having, among other things, built the Treasury and Customs Information System (SISC), as well as the ZEFIR2 System, i.e. the Integrated System for Collection of Receivables and Settlement with the European Union and the Budget. Among the solutions dedicated to field administration is, for example, the Silesian Public Services Card (ŚKUP).

Asseco is a leading provider of software for the public sector in Central Europe. Examples of tailor-made solutions created for central administration include the Czech Citizen Portal, which is a modern tool for electronic communication between citizens and public administration bodies, and the Czech Ministry of Labor and Social Affairs Portal, which is a comprehensive portal solution linking more than 70 ministerial department sites.

- **Comprehensive solutions for sectors**

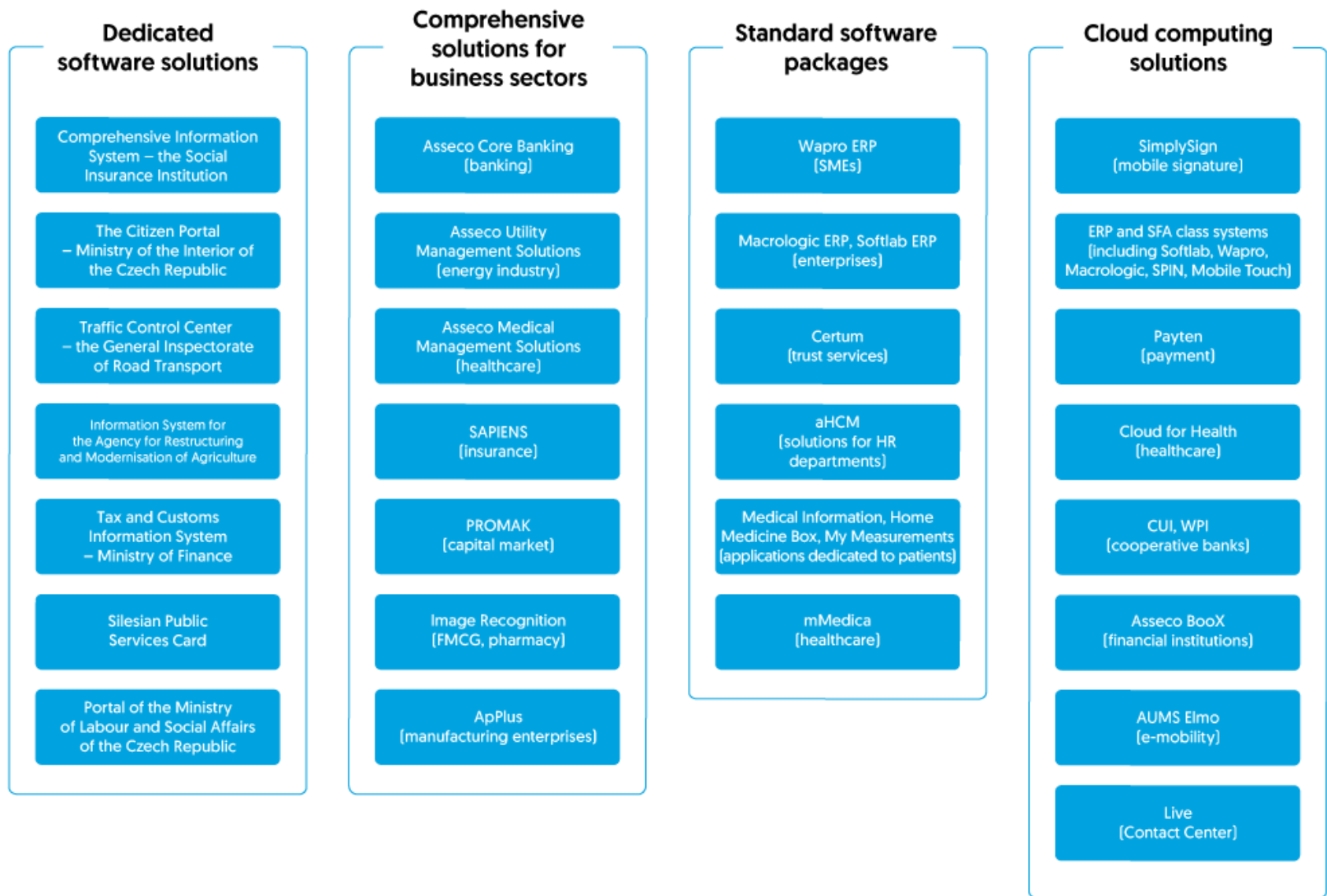
For large and mid-sized entities in any sector of the economy, the Group offers standard packages that are tailored to individual needs. Among the products in this category are comprehensive systems dedicated to the banking (Asseco Core Banking), energy (Asseco Utility Management Solutions), healthcare (Asseco Medical Management Solutions), brokerage houses and investment firms (PROMAK), insurance (SAPIENS), enterprise (ApPlus), FMCG and pharmacy (Image Recognition) sectors.

- **Standard Packages**

For thousands of small and mid-sized companies, the Group provides 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. Examples of standard packaged solutions designed for the enterprise sector include Wapro ERP, Softlab ERP and Macrologic ERP, as well as qualified trust services and the Certum ecosystem of paperless tools. Leveraging its years of experience in the computerization of medical facilities, Asseco has been developing its applications designed for patients: Medical Information (*Informacje Medyczne*), Medical First Aid Kit (*Apteczka Medyczna*) and My Measurements (*Moje Pomiary*), as well as software used in the daily work of medical clinics mMedica.

- **SaaS solutions**

The Asseco Group also offers its IT solutions via the Internet. With little effort, minimal costs, and maximum benefits, customers can benefit from the best knowledge and experience of the Group's experts without having to invest heavily in IT infrastructure and IT team. Among others, Asseco provides the SimplySign mobile signature, education platform, electromobility solutions (AUMS Elmo), platform for managing Electronic Medical Records - Cloud for Health (*Chmura dla zdrowia*), universal financial services platform Asseco BooX, ERP, SFA and Contact Center solutions, or payment processing solutions under the Payten brand. Cooperative banks are dedicated to the Common IT Platform (*Wspólna Platforma Informatyczna - WPI*), which aims to standardize the work of banks so as to make customer service easier and more efficient. Asseco also provides Internet banking services in a SaaS model.





## STRATEGY AND DEVELOPMENT DIRECTIONS

### Mission, vision and strategy pillars

The **mission** of Asseco Poland and the Asseco Group is to improve the quality of life by providing solutions for people and technology 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 that combines traditional values with modern operations.
- The company is building an international group of technology companies, whose federated model allows it to leverage local entrepreneurship and market knowledge, while the company's membership in the group enhances its execution capabilities and credibility with demanding customers.

Asseco Poland's strategy is geared toward building stakeholder value over the long term. It is based on two main pillars: development of proprietary software and services and increasing the scale of operations through acquisitions.

### **Organic development**

Asseco Poland's organic growth strategy is based on providing proprietary software and IT services to customers in Poland and abroad. The Company's operations are based on sectoral business competencies simultaneously strengthened by technological competencies. In addition, Asseco leverages the best experience of entities in the international group to offer comprehensive solutions that meet the highest customer requirements.

Asseco Poland's business is focused on providing a wide range of proprietary solutions and IT services. The Company specializes in managing 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, focused on long-term cooperation and the Company's role as a strategic business partner.

In addition to its operations, Asseco Poland - as the owner who controls the other Asseco Group companies - plays a key role in the Group. Asseco Poland sets the strategic directions of the Group's development, monitors and supervises their implementation, sets the internal rules of its operation and regulates the mutual relations between the federated entities.

### **Growth through acquisitions**

For years, Asseco has pursued an effective acquisition policy at home and abroad. Since 2004, it has successfully carried out more than 130 acquisitions, repeatedly increasing the scale of its operations and geographical reach.

The Group is primarily interested in profitable entities with specialized and dedicated staff, wishing to grow further by joining a unique federation model or integrating with Asseco. The purpose of acquisitions is to increase competence in key business sectors, enter new geographic markets or strengthen the Asseco Group's position in countries where it is already present.

### **Strategic goals in key areas**

Market:

- Targeting the financial, health, corporate and government sectors, at home and abroad.
- Building and delivering software-based solutions in the Company's customers' business-critical areas.
- Aiming to build repeatable solutions for adequate margins while maintaining a competitive price level.
- Striving for a stable source of revenues derived from the maintenance and development services of the delivered software, by retaining in the Company and protecting the copyrights to the solutions it develops.
- Providing SaaS-based solutions based on proprietary software.

Organization:

- Business areas dedicated to serving various market sectors.
- Great diversity, a consequence of the different needs, specifics 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.
- Investments in research and development (R&D).

People:

- Seeing people as the organization's greatest value.
- High expertise and use of team potential.
- Investment in the development of high-level expert and sectoral competencies.
- Gathering knowledge and experience by maintaining a stable team.
- Promoting initiatives and innovative approaches.

Corporate Social Responsibility (CSR):

- Taking care of important social interests.
- Support of Polish sports.
- Outreach.
- Environmental protection activities.

Asseco Poland's values



**Engagement**

We are fully committed to every project, and it is the success of our clients that gives us the greatest satisfaction.



**Professionalism**

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



**Respect**

We expect mutual respect from each other.



**Effectiveness**

We are ambitious and consistent in pursuing our goal.



**Quality**

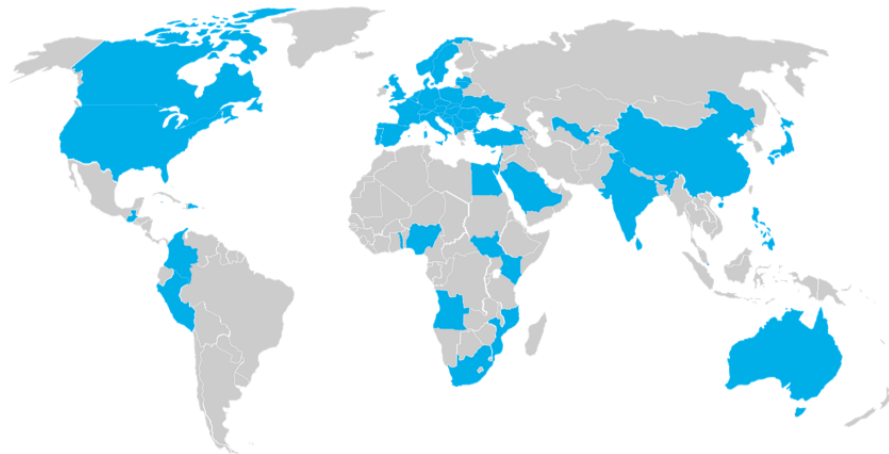
We set the bar high for the quality of all our activities.



**Responsibility**

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

## Asseco's expansion - milestones



1991	2004	2007-2009	2010	2013-2014	2015-2016	2017-2018	2019	2020-H1 2023
Start of business activities in Poland	Asseco's IPO on WSE Entering Central European market – establishment of the Asseco Group	Expansion of activity in Poland (acquisitions of Softbank and Prokom) Expansion into Western European, South Eastern European and Scandinavian markets	Entering Israeli and US markets (acquisition of Formula Systems)	Expansion into Eastern European market Start of activities in Africa	Development in Portuguese-speaking countries Further expansion in Israel	Further development in US and Israeli markets	Development in new competence areas – cloud solutions and cyber security	Dynamic growth thanks to accelerated digitization Expansion of proprietary product portfolio (ERP, payments) Building new competencies in cyber security, Industry 4.0 and cloud computing

## Factors important for the development of the Asseco Group's business

The Asseco Group's strategy follows global trends, and with many years of business experience, global presence and exchange of experience in the use of cutting-edge technologies, Asseco effectively responds to them and implements them in its solutions.

### Global megatrends in the technology field:

- Digitization and implementation of paperless processes.
- Application of Artificial Intelligence (AI) and Machine Learning (ML) algorithms.
- Focus on cyber security.
- Steady growth in the use of cloud computing and subscription models in business.
- Competition for talent.
- Increasing popularity of hybrid solutions in many areas of life and business.

Taking into account the indicated major market trends, the Asseco Group identifies factors important for the development of its business in each sector:

### Finance and banking



- Increasing demand for advanced technologies used in financial services.
- Customers looking for comprehensive business and technology solutions.
- Enriching selected solutions with AI and ML-based tools.
- Developments in omni-channel solutions.
- Dynamically changing regulatory environment requiring constant adaptation of IT systems.
- The growing importance of cyber security.

## General business



- Increase in IT needs of companies resulting from digital transformation - increasing demand for ERP, SFA solutions.
- Demand for advanced solutions with cost optimization - development of cloud and SaaS solutions.
- The need to manage huge amounts of data.
- Legal changes forcing the need to adapt IT systems.

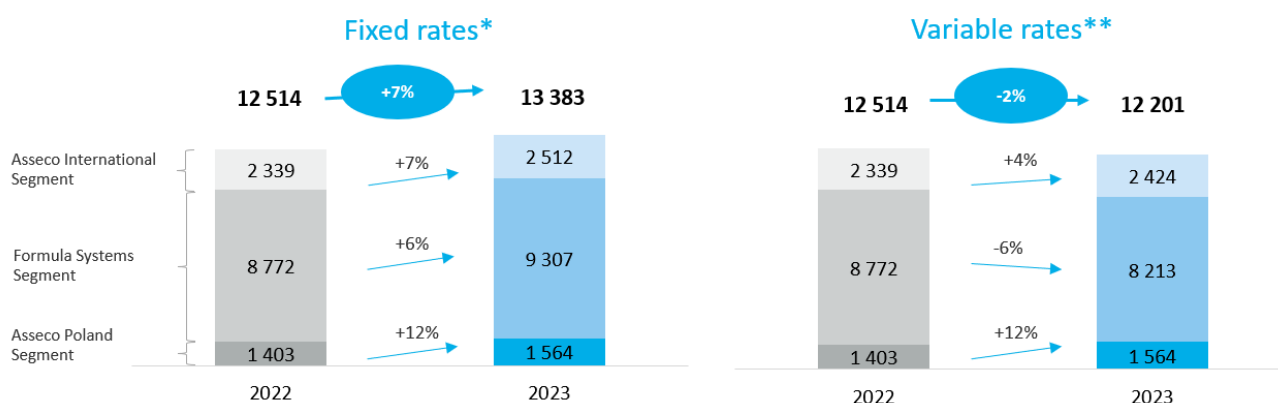
## Public sector



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

## Consolidated order backlog for 2023

### Proprietary software and services



Amounts in millions of PLN.

Value of order backlog for 2023 as at August 17, 2023; value of order backlog for 2022 as at August 19, 2022.

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

\*\* Calculating the 2023 backlog at rates: H1 execution at H1 2023 average rates and Q3-Q4 2023 data at rates as at August 17, 2023.

## IT MARKET AND ITS PROSPECTS

### Prospects for IT market's development

#### Global IT market

According to a July 2023 estimate by research firm Gartner, global IT spending will grow by 4.3% this year and exceed USD 4.7 trillion. According to Gartner analysts, the market is seeing a shift in IT spending toward technologies that increase automation and efficiency, which is expected to allow companies to scale up with fewer employees. The digital transformation process is undergoing changes, with IT projects now focused more on internal optimization tasks within companies.

Gartner forecasts that software spending will grow at a double-digit rate in 2023. This will be thanks in part to organizations shifting spending toward core applications and efficiency-enhancing platforms, such as ERP and CRM systems.

While global IT spending is expected to grow, Gartner analysts expect an 8.6% decline in hardware-related outlays, which will be impacted by continued high levels of inflation, reducing consumer purchasing power.

Recently, there has been increased business interest in the topic of generative artificial intelligence. Although AI technologies are very popular among managers, they still do not have a significant impact on IT spending. According to Gartner analysts' predictions, in the long term, AI-based solutions will be deployed in enterprises as part of current spending, largely as upgrades and new functionalities added to technology products currently used by companies.

IT spending (USD billion)	2022	Y/Y change	2023 (forecast)	Y/Y change	2024 (forecast)	Y/Y change
Data centers	221	16.6%	218	(1.5%)	236	8.1%
Hardware	766	(6.3%)	700	(8.6%)	748	6.9%
Software	811	10.7%	923	13.7%	1 053	14.1%
IT Services	1 306	7.5%	1 421	8.8%	1 585	11.6%
Telecommunications services	1 423	(1.9%)	1 462	2.7%	1 518	3.8%
<b>Total</b>	<b>4 528</b>	<b>2.8%</b>	<b>4 723</b>	<b>4.3%</b>	<b>5 140</b>	<b>8.8%</b>

Source: [Gartner](#).

In turn, according to International Data Corporation's (IDC) May 2023 forecasts, the IT market will grow by 4.8% to USD 3.3 trillion this year in fixed rates. Spending on IT services will increase by nearly 6%, driven by the still high investment by enterprises in long-term digital transformation. Software-related spending will increase by 11%, driven most significantly by rising spending on cloud solutions. As IDC analysts point out, business representatives are paying more attention to costs than a year ago. Efforts are being made to consolidate and better control budgets allocated to cloud solutions, due to high macroeconomic uncertainty. Nevertheless, double-digit growth rates in cloud computing are contributing to the technology industry's historically high resilience to macroeconomic challenges.

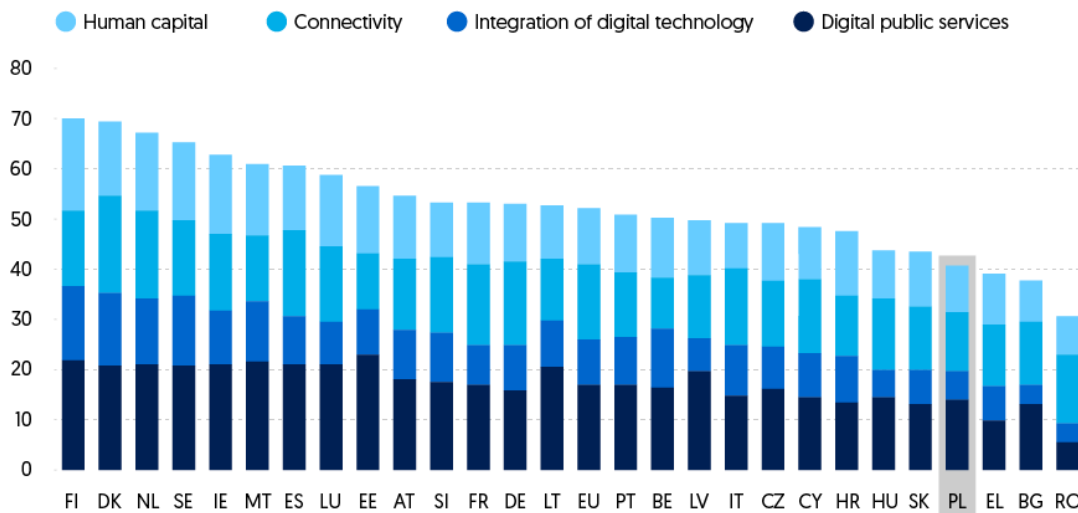
#### IT market in Poland

According to the Central Statistical Office, the IT sector accounts for about 8% of Poland's GDP. This share has been growing for several years and testifies to the growing role of this sector in the Polish economy. As indicated in the report "Pulse of the IT market in Poland. Companies, People, Transactions" prepared by experts at Baker Tilly TPA, as digitization develops and the share of information and communication technologies increases in other areas of the economy, the IT sector's share of Polish GDP will grow in the future. Research firm PMR estimated the value of the Polish IT market at just over PLN 49 billion in 2020. In 2026, it is already expected to reach PLN 65 billion. Like globally, Poland's software segment is also expected to grow at the fastest rate.

Poland has one of the most competitive IT sectors in the region. Thanks to its location, it is also a strategic hub for connections between Western Europe, Eastern Europe and Scandinavia. According to data indicated in the Future of IT report issued by Emerging Europe, Poland ranks second among the most competitive IT sectors in Central and Eastern Europe, just after Estonia and ahead of the Czech Republic. Poland is also among the world's top countries in terms of the number of software development experts, while ranking first in the CEE region.

Since 2014, the European Commission ("EC") has been monitoring the progress of member states in terms of digitization and has published annual reports on the Digital Economy and Digital Society Index (DESI). The EC report identifies four main areas of development to ensure comprehensive and sustainable digital transformation across all sectors of the economy: Human Capital, Connectivity, Digital Technology Integration and Digital Public Services. According to the 2022 report, Poland ranks 24th among the 27 EU member states. Between 2017 and 2022, the aggregate DESI score for Poland slightly exceeded the EU average.

### Digital Economy and Society Index (DESI) 2022 ranking



Source: [European Commission - DESI 2022](#).

Similarly to global markets, also in Poland the year 2023 will be characterized by market turbulence. The macroeconomic situation is influenced by the war in Ukraine, which has increased uncertainty and affected the speed of investment decisions in the region. In addition, the domestic IT market has been following global trends. Polish companies are focusing on the challenges of digital transformation, cyber security, or competition for talent in the labor market. Progressive digitization has been influencing the dynamic development of the cloud computing market in Poland. Demand for hardware and services based on this technology is growing. According to data from research firm PMR, the cloud computing market in Poland in 2022 reached PLN 2.9 billion, an increase of nearly 28% year-on-year, and in 2023 the total spending of companies and institutions in Poland on cloud solutions is expected to increase to PLN 3.6 billion.

## Asseco's market position

Leveraging sectoral and international know-how and experience, Asseco is one of Europe's leading software producers.



### Banking and finance

- >45% of banks in the Czech Republic and Slovakia, >50% of banks in Poland, >85% of banks in the Balkans, >25% in Portugal, nearly 80% of banks in Angola
- >1.5 million POS terminals
- >1.6 billion e-commerce transactions per year
- One of the world's largest software providers to the insurance industry



### Public institutions

- Leading software developer in Central and Eastern Europe
- >250 public administration entities in Poland use Asseco's solutions
- Cooperation with >550 hospitals from Poland, Czech Republic, Slovakia, Hungary
- >70 completed projects for NATO and European Union agencies
- Key provider of IT services to the public sector in Israel



### General business

- Recognized partner for thousands of organizations in Europe, Israel and North America
- >700,000 users of Asseco's ERP systems
- >55,000 users of SFA-class mobile sales support applications.
- >60% of electricity bills issued in Poland.
- Leading provider of billing solutions in Poland

The Company's strong market position was confirmed in the latest Computerworld TOP200 report, a comprehensive survey of the Polish ICT market. Asseco once again became the leader of digitization in Poland. It achieved the highest position in 9 categories of the ranking.

Asseco in the Computerworld TOP200 ranking:

Category	Ranking position
The largest IT capital groups and subsidiaries operating in Poland - Leaders of digitization in Poland	1
The largest providers of IT solutions and services for the large business and corporate sector	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 the healthcare sector	1
The largest providers of IT solutions and services for the financial and insurance sectors	1
Companies with the largest R&D expenditures	1
Major custom software providers	1
The largest providers of Business Intelligence, Big Data and Data Discovery systems	1
The largest servicing providers	1
The largest CIT payers in the IT industry	2
The largest providers of IT solutions and services for the banking sector	2
The largest providers of IT solutions and services for the telecommunications sector	2
The largest IT service providers for the education and scientific research sectors	2
The largest providers of Enterprise Resource Planning (ERP) systems	2
The largest providers of Customer Relationship Management (CRM)	2
The largest providers of services in the cloud model	2

The largest training providers	2
The largest integration service providers	2
The largest IT service providers	3
The largest providers of IT solutions and services for the energy sector	3
The largest software providers	4
IT companies with the largest workforce	4
The largest providers of IT solutions and services for the small and mid-sized enterprise (SME) sector	4

Source: Computerworld TOP200 Ranking of IT and Telecommunications Companies, 2023 edition (ranking according to sales achieved for 2022).

Asseco also became the leader of the ITwiz Best100 ranking, taking 1st place in 11 categories of the list.

Asseco in the ITwiz Best100 ranking:

Category	Ranking position
Revenues of the largest capital groups in the IT industry	1
The largest providers of IT solutions and services for the large business and corporate sector	1
The largest companies with Polish capital selling their proprietary products and services	1
Companies with the highest sales to large companies	1
Companies with the largest servicing revenues in Poland	1
Companies with the largest revenues from the sale of integration services in Poland	1
Companies with the largest revenues from the sale of cloud computing services in Poland	1
Companies with the largest revenues from the sale of application implementation services in Poland	1
Companies with the largest CRM software sales	1
IT companies with the largest sales to government and uniformed services sectors	1
IT companies with the largest sales to banking sector	1
Companies with the largest revenue from IT training sales in Poland	2
Companies with the largest revenue from custom software sales in Poland	2
Companies with the largest sales of analytics and Big Data solutions	2
Companies with the largest sales of ERP systems	2
Companies with the largest sales to the healthcare sector	2
IT companies with the largest sales to the financial sector	2
Companies with the largest sales to the telecommunications sector	2
Companies with the largest sales to the SME sector	3
Companies with the largest software sales	3
IT companies with the largest net profit	4
Companies with the largest sales to the industrial sector	4
Companies with the largest revenues from the sale of IT services in Poland	5
Companies with the largest sales to the energy sector	5

Source: ITwiz Best100, 2023 edition (ranking according to sales achieved for 2022).



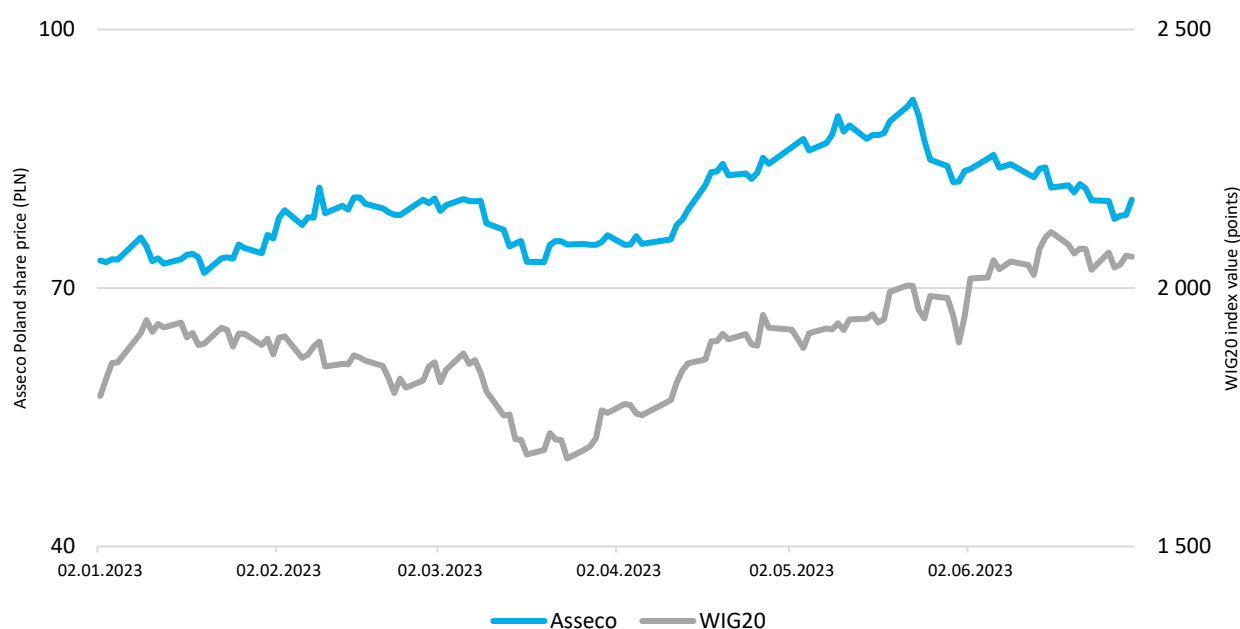
## ASSECO POLAND ON THE CAPITAL MARKET

### Share price

Information about the Company's shares	
Total number of shares	83 000 303
ISIN	PLSOFTB00016
WSE	ACP
Reuters	ACPP.WA
Bloomberg	ACP PW
Presence in stock market indices	WIG20, WIG20TR, WIG20dvp, WIG20short, WIG30, WIG30TR, WIG140, WIG, WIGdiv, WIG-ESG, WIG-Poland, WIG-informatyka, WIGtech, WIGtechTR

Asseco Poland's shares are also listed in the **FTSE Russell** global developed markets (FTSE Developed Small Cap Index), **CECE SOFT** and **CEEplus** indices.

Asseco Poland's share price in H1 2023



	30.12.2022	31.03.2023	30.06.2023	Δ 6M
Asseco Poland S.A. (PLN)	72.60	76.10	80.25	10.5%
WIG20 (points)	1 792.56	1 758.56	2 060.38	14.9%
WIG-informatyka (points)	3 974.54	4 378.19	4 573.17	15.1%

Source: Stooq.pl

## Dividend

Asseco has been sharing profits with its shareholders since the beginning of its presence on the Warsaw Stock Exchange (WSE). In accordance with the current dividend policy, the Company's Management Board recommends to the General Meeting of Shareholders to pay a dividend of more than 50% of Asseco Poland S.A.'s net profit. When recommending the distribution of net profit, the Management Board always takes into account the current and projected financial and liquidity situation and investment plans of the Company and the Asseco Group, as well as existing and future liabilities. The final decision on the distribution of profit, including the decision on the payment and amount of dividends, will be made each time by the General Meeting of Shareholders.

On May 30, 2023, the Ordinary General Meeting of Shareholders (GMS) of Asseco Poland passed a resolution on the distribution of profit earned by Asseco Poland in the 2022 fiscal year and the payment of a dividend.

The GMS decided that the stand-alone net profit for 2022 in the amount of PLN 340 565 674.41 was divided as follows:

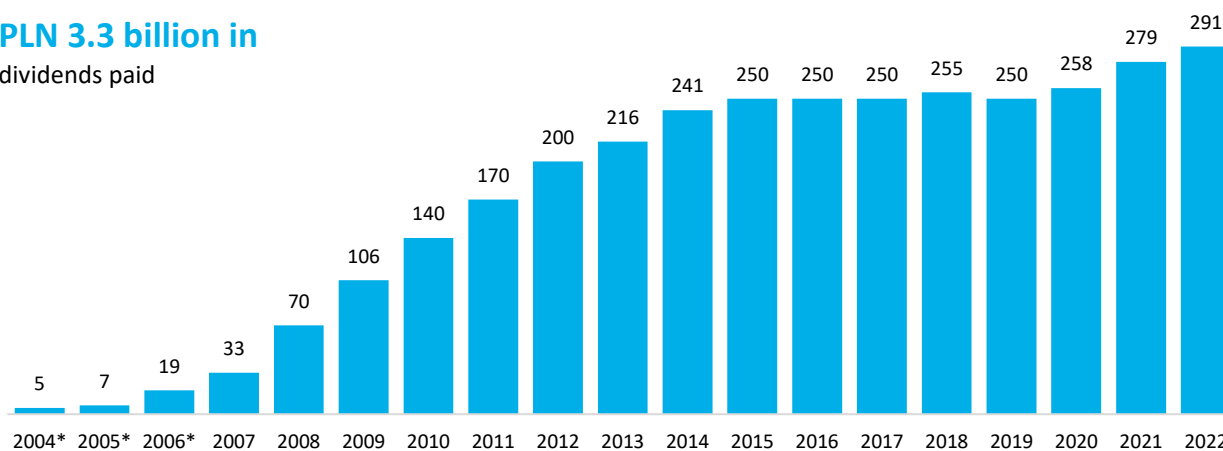
- part of the net profit in the amount of PLN 290 501 060.50 was allocated for distribution to shareholders, i.e. for the payment of a dividend (PLN 3.50 per share),
- the remaining part of the net profit in the amount of PLN 50 064 613.91 was transferred to supplementary capital.

The record date was set for June 19, 2023, and the dividend payment date was set for June 28, 2023. The dividend yield was 4.4%.

Asseco Poland is listed as part of the WIGdiv index, which includes companies participating in the WIG20, mWIG40 and sWIG80 indices that have paid regular dividends over the past five years. The Company's share in the WIGdiv portfolio at the end of June 2023 was 9.6%.

### Dividends paid to shareholders in 2004-2022

**PLN 3.3 billion in**  
dividends paid



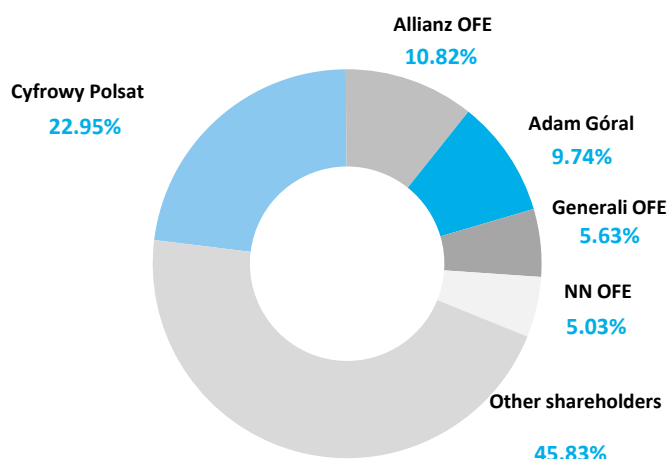
\* Before the merger with Softbank.

## Shares and shareholding

### Shareholding structure

The Company's share capital amounts to PLN 83 000 303 and is divided into 83 000 303 shares with a nominal value of PLN 1 each. Each share of the Company gives the right to one vote at the General Meeting. There are no preferred shares.

Shareholders holding directly or through subsidiaries at least 5% of the share capital / total number of votes at the Company's General Meeting of Shareholders **as at the date of publication of this report, i.e. August 24, 2023**:



Shareholders as at May 24, 2023	Number of shares held / number of votes resulting from them	Share in share capital / total number of votes
Cyfrowy Polsat <sup>1)</sup>	19 047 373	22.95%
Allianz OFE <sup>2)</sup>	8 979 027	10.82%
Adam Góral, President of the Management Board <sup>3)</sup>	8 083 000	9.74%
Generali OFE <sup>4)</sup>	4 671 188	5.63%
NN OFE <sup>5)</sup>	4 171 121	5.03%
Other shareholders	38 048 594	45.83%
<b>Total</b>	<b>83 000 303</b>	<b>100.00%</b>

1) According to Regulatory Filing No. 20/2020 dated July 31, 2020.

2) According to Regulatory Filing No. 13/2023 dated May 16, 2023.

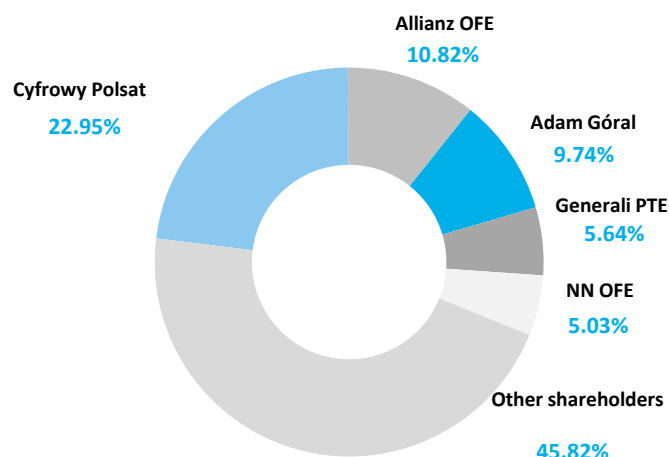
3) According to Regulatory Filing No. 51/2012 dated December 15, 2012.

4) According to Regulatory Filing No. 21/2023 dated July 25, 2023.

5) According to Regulatory Filing No. 21/2015 dated October 19, 2015.

On July 25, 2023, the Company received a notification from Generali Powszechne Towarzystwo Emerytalne S.A., informing that the liquidation of NNLife OFE was completed on July 21, 2023. On the aforementioned date, the assets of NNLife OFE were transferred to Generali OFE, as a result of which Generali OFE holds a total of 4 671 188 shares, i.e. 5.63% of the Company's share capital and 4 671 188 votes at the General Meeting of Shareholders of Asseco Poland, representing 5.63% of the total number of votes.

Shareholders holding directly or through subsidiaries at least 5% of the share capital / total number of votes at the Company's General Meeting of Shareholders **as at the date of publication of the last periodic report, i.e. May 24, 2023**, and **as at the balance sheet date, i.e. June 30, 2023**:



Shareholders as at June 30, 2023 and May 24, 2023	Number of shares held / number of votes resulting from them	Share in the share capital / total number of votes
Cyfrowy Polsat <sup>1)</sup>	19 047 373	22.95%
Allianz OFE <sup>2)</sup>	8 979 027	10.82%
Adam Góral, President of the Management Board <sup>3)</sup>	8 083 000	9.74%
Funds managed by Generali PTE <sup>4)</sup>	4 684 688	5.64%
NN OFE <sup>5)</sup>	4 171 121	5.03%
Other shareholders	38 035 094	45.82%
<b>Total</b>	<b>83 000 303</b>	<b>100.00%</b>

1) According to Regulatory Filing No. 20/2020 dated July 31, 2020.

2) According to Regulatory Filing No. 13/2023 dated May 16, 2023.

3) According to Regulatory Filing No. 51/2012 dated December 15, 2012.

4) According to Regulatory Filing No. 4/2023 dated February 3, 2023 (applies to funds: Generali OFE, Generali DFE, NNLife OFE, NNLife DFE).

5) According to Regulatory Filing No. 21/2015 dated October 19, 2015).

## Shares held by management and supervisory personnel

The following table presents a summary of the ownership of Asseco Poland shares by management and supervisory personnel as at August 24, 2023, June 30, 2023 and May 24, 2023:

Name	Number of shares	Nominal value of 1 share	Nominal value of all shares
Adam Góral - President of the Management Board	8 083 000	PLN 1	PLN 8 083 000
Jacek Duch - Chairman of the Supervisory Board	31 458	PLN 1	PLN 31 458

The other members of the Supervisory Board and the Management Board did not hold any shares in Asseco Poland in any of the periods presented.

The following table presents a summary of shareholdings in related parties by management and supervisory personnel as at August 24, 2023, June 30, 2023 and May 24, 2023:

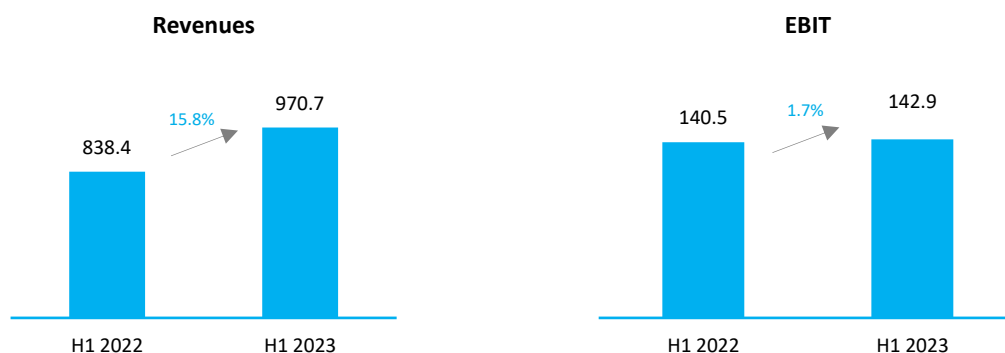
Name	Related party	Number of shares	Nominal value of 1 share	Nominal value of all shares
Adam Noga	Asseco South Eastern Europe	150 units	PLN 10	PLN 1 500
Marek Panek	Asseco South Eastern Europe	300 units	PLN 10	PLN 3 000
Zbigniew Pomianek	Asseco South Eastern Europe	700 units	PLN 10	PLN 7 000
Gabriela Żukowicz	Asseco South Eastern Europe	150 units	PLN 10	PLN 1 500

**Major events that  
affected the results of  
the Asseco Group  
in the first half of 2023**

**ASSECO**

## MAJOR EVENTS THAT AFFECTED THE ASSECO GROUP'S RESULTS IN THE FIRST HALF OF 2023

### ASSECO POLAND SEGMENT



The following table presents selected financial data for the Asseco Poland segment for the 6-month period ended June 30, 2023 and the comparable period of 2022:

PLN million	6 months to June 30, 2023	6 months to June 30, 2022 (restated)	Change H1 2023 / H1 2022
<b>Sales revenues*</b>	<b>970.7</b>	<b>838.4</b>	<b>15.8%</b>
<b>EBIT</b>	<b>142.9</b>	<b>140.5</b>	<b>1.7%</b>
<i>EBIT margin</i>	<i>14.7%</i>	<i>16.8%</i>	<i>(2.1) p.p</i>
<b>Non-IFRS EBIT</b>	<b>154.9</b>	<b>147.1</b>	<b>5.3%</b>
<i>Non-IFRS EBIT margin</i>	<i>16.0%</i>	<i>17.5%</i>	<i>(1.5) p.p</i>
<b>EBITDA</b>	<b>189.5</b>	<b>186.3</b>	<b>1.7%</b>
<i>EBITDA margin</i>	<i>19.5%</i>	<i>22.2%</i>	<i>(2.7) p.p</i>
CFO BT	90.3	144.1	(37.3%)
CAPEX	(43.5)	(41.5)	4.8%
Lease expenses	(8.0)	(7.1)	12.7%
FCF	38.8	95.5	(59.4%)
Cash conversion ratio	25.1%	64.9%	(39.8) p.p.
Cash (as at June 30)	262.8	405.9	(35.3%)
Interest-bearing debt (as at June 30)**	(82.4)	(80.6)	2.2%
<i>including loans, borrowings and bonds issued</i>	<i>(3.7)</i>	<i>(1.8)</i>	<i>105.6%</i>
<i>of which leasing</i>	<i>(78.7)</i>	<i>(78.8)</i>	<i>(0.1%)</i>

\* Revenues from sales to external segment customers and sales between segments.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

CFO BT = cash from operating activities, i.e. before income tax paid.

CAPEX = expenditures on fixed assets of the segment.

FCF = |CFO BT| - |CAPEX| - |leasing expenses|.

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

In H1 2023, the Group's revenues generated in the Asseco Poland segment amounted to PLN 970.7 million, compared to PLN 838.4 million in the previous year. Operating profit amounted to PLN 142.9 million versus PLN 140.5 million in 2022. The Asseco Poland segment accounted for 11% of the Group's sales in the reporting period.



In the area of **finance and banking** in H1 2023, Asseco Poland, which is the largest contributor to the Polish segment, continued to work with existing customers, under which it executed among others, long-term service contracts, accounting for about 40% of the area's revenues.

It should be noted that during the reported period, the Company was implementing three projects in parallel:

- at Bank Gospodarstwa Krajowego – the transformation of a central transaction system,
- at Bank Polskiej Spółdzielczości – the implementation of a central transaction system,
- as a key subcontractor to IBM, in one of commercial banks, which is part of a global financial group - implementing a central transaction system.

In the case of Bank Gospodarstwa Krajowego, Asseco Poland provided services for the maintenance, optimal development and transformation of the def2000 system to an open form, allowing further maintenance and development of the system without significant technological and legal restrictions – the works were executed first under the 2020 contract, and then a new contract was signed in 2022, for another four years of the transformation.

A 10-year contract, signed in 2021, was underway for Bank Polskiej Spółdzielczości, covering the implementation of a new central banking system, including a core transaction system and data warehouse, and its operation using Asseco's data processing centers. As part of the project, Asseco will also provide a new-generation online banking system for retail and corporate customers, as well as a mobile application.

With regard to the project, in which the Company is a key subcontractor of IBM, activities focused on the transformation of one of commercial banks and moving it to the cloud, to the application technology elements of Asseco BooX (Bank out of the Box). Among other things, the project will migrate the bank from its current system to Asseco Core Banking.

The company continued its long-standing cooperation with the region's largest bank, PKO BP, in which it carried out activities related to, among other things, the development and maintenance of the core IT system that handles PKO BP customer transactions, the interbank settlement system in which the bank participates, and the system used to manage and settle debit cards at PKO BP.

A contract was also executed with RCI Banque Group to build a customer portal with leasing and banking functionalities. The portal will enable customers and users to take advantage of chatbot services and will be equipped with Asseco's latest Advanced Customer Intelligence solution, which allows building dedicated offers for the financial institution's customers.

Asseco Poland conducted sales activities aimed at acquiring more projects, both in Poland and on foreign markets.

During the period under review, the Company supported the growth of the Allegro Pay service. The Asseco system processes all contracts made under the BNPL (Buy Now Pay Later) service implemented by Allegro in 2020. The Asseco Core Banking platform, which is an important component of Allegro Pay, brings ready-made solutions proven successful in the banking area and takes into account Allegro's accounting patterns. Among other things, Asseco's system prepares a repayment schedule, calculates and books interest, records loan disbursement, handles repayment settlement, calculates arrears, or processes accounting postings, and the seller receives the entire amount immediately and does not have to wait for subsequent installments paid by the buyer. Asseco's systems support Allegro Pay in the customer's after-sales service. The service is provided according to the Software as a Service (SaaS) model, developed for the needs of financial institutions, where payment is made in a subscription model.

In addition, Asseco worked on the further development of the Asseco BooX (Bank out of the Box) platform, which will be the cornerstone of the Company's offering for the banking sector in Poland and worldwide. Asseco BooX is Poland's

first comprehensive technology and process platform for the sale and handling of financial products. Not only does it give access to all systems necessary to perform banking services, but it also includes IT BPO services provided by Asseco employees at a subscription price. The solution, whose first customers are cooperative banks, is also being offered to commercial banks and fintechs. BooX, as a cloud-capable subscription platform, is an excellent solution for neobanks, banks undergoing consolidation, test sandboxes, regulatory sandboxes and marketplace solutions (in e-commerce). Even at the early stage of obtaining a banking license, it enables new initiatives to prove high operational readiness to the national regulator. Players already operating on the market can use its features (subscription, working in a technology sandbox) in the process of testing and launching new services. Carrying out a transformation or consolidation of banks is a natural application of the BooX platform. The innovation necessary for the development of financial institutions will be ensured by the use of solutions built into the platform developed within the Asseco Innovation Hub, such as voicebots. Asseco BooX is made available in a subscription model, but can also operate based on the purchase of a license. Operationally, it works in desktop, cloud or hybrid models. Both the availability of individual functionalities and the cost incurred by institutions depend on the actual level of their use.

An important business area in the Asseco Poland segment is the cooperative banking market. The Asseco Group companies operating on the Polish market serve about 80% of cooperative banks, a large part of which they support in the area of modern Internet banking offered in the Software as a Service (SaaS) model.

In H1 2023, Asseco worked on solutions for the cooperative banks of the two Polish associations. Among other things, it continued the SGB Services System (*System Usług SGB*) project with SGB-Bank. The SGB Services System is a comprehensive package of modules that make up a modern banking system. Asseco is the provider of the main transaction system, as well as Internet banking and analytical tools. The SGB System is also a range of other services that provide affiliated cooperative banks with full accounting and IT services. It operates on a private cloud model, owned by SGB-Bank. So far, 43 cooperative banks have been using this solution.

The company is also the author of a unique project - the Common IT Platform (*Wspólna Platforma Informatyczna - WPI*), an implementation of BooX (Bank out of the Box) for cooperative banks, carried out at the BPS Group's banks. WPI is the first solution in Poland that can be described as a "bank in the box," containing everything a modern financial institution needs today: a transaction system, intuitive omnichannel solutions (online and mobile banking, process front-end), reporting and analytical tools. The platform can be parameterized as needed. Processes that are similar in all banks (accounting, clearing, reporting, risk management, anti-money laundering, price development) can be automated thanks to the solution, and consequently lead to lower back-office costs in each institution. At the same time, the platform allows for the individual shaping of independent areas for each bank, such as building commercial offerings. WPI is available in the SaaS model, which reduces the costs associated with maintaining separate infrastructure and resources. To date, the Company has finalized implementations of this platform in cooperative banks in Lubaczów, Płońsk and Oleśnica. As at the end of June 2023, it was executing contracts to implement WPI in four more cooperative banks in Łęczna, Radzyń Podlaski, Biecz and Lubartów. It has been working on acquiring more customers.

During the reporting period, Asseco executed contracts for the launch of the Asseco Fraud Detection System (FDS) as part of the Center for Internet Services (CUI). During the period, the implementation of Asseco FDS was finalized at a cooperative bank in Wschowa. The system enables banks to reduce the risk of external and internal threats related to criminal activity. It protects customers from fraudulent online banking operations and internal abuse. It is equipped with a rule editor that makes it possible to easily add a new or modify an existing detection rule, as needed. This makes it possible to react quickly whenever a new modus operandi of fraud perpetrators emerges and to search the system's repository for similar incidents. The company also implemented a customer relationship management system (def3000/cSS) at one of the cooperative banks. The def3000/cSS system makes it possible to effectively obtain customer data, properly manage customer relationship, efficiently compile customer documentation and take appropriate business actions dedicated to selected customers.

In the first half of this year, a virtual consultant was introduced into the offer dedicated to cooperative banks as part of CUI and WPI. During this period, agreements were signed with 12 cooperative banks for customer service via voicebot. In turn, in 6 cooperative banks the service of unlocking access, resetting passwords and blocking access via the voicebot was launched.



Asseco's offer has also been expanded to include a Junior solution for teens aged 13+ based on the BSGo Junior mobile application and a parent-child desktop in online banking. Through BSGo Junior, teenagers will be able to make BLIK payments, transfer money, ask a parent for "pocket money," recharge a cell phone, or accumulate savings in online "piggy banks". Everything will take place under the control of a parent's dashboard with the availability to set limits and mark the child's operations. During the reporting period, Asseco concluded 10 contracts for the implementation of the Junior 13+ electronic banking solution.

Asseco has begun building an ecosystem of partners to extend the services of banks supported by Asseco in electronic, online and mobile banking. Owing to the cooperation with the partners, Asseco has launched online exchange services, insurance sales or durable carrier services for its customers. In the case of insurance, customers of cooperative banks running on Asseco technology can use an online premium calculator, and gain convenient and secure access to a wide range of insurance.



In January-June 2023, a project was implemented to adapt the solutions of defBank-Pro and Asseco Authority Requests and Data Services (Asseco ARS) to the obligation imposed by the legislator on banks to establish the Financial Information System (SiNF). The purpose of the SiNF is to prevent money laundering and terrorist financing by, among other things, collecting, processing and making available information on open and closed bank accounts. Work was also carried out on other new functionalities of Asseco's systems, such as the Management Information module in Asseco Data Analytics. This module contains a set of ready-made reports that allow monitoring the business situation of a financial institution. Among other things, it makes it possible to conduct a thorough business analysis, examine the efficiency of the organization and its employees, and check the effectiveness of sales and marketing campaigns. In addition, during the period under review, work was carried out on a new product that will allow banks to offer their customers the "2% Safe Mortgage" specified in the Act of May 26, 2023 on State Aid to Housing Savings.

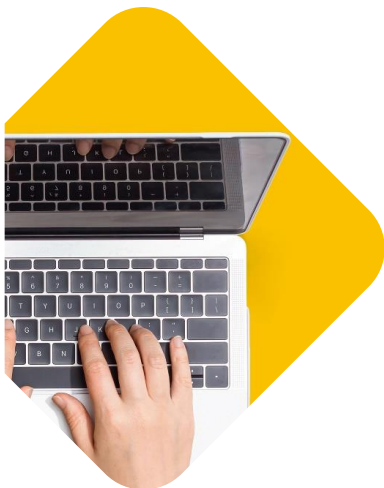
Asseco Poland holds a leading position among providers of solutions for entities operating on the Polish capital market. In H1 2023, the Company carried out work under contracts signed in previous reporting periods, including, among others, the project to implement the complete PROMAK NEXT solution together with the ePROMAK NEXT investor platform, a mobile solution and an investment advisory support system at the Santander Brokerage Office (*Biuro Maklerskie Santander*).

Further contracts were also signed with financial institutions concerning, for example, the implementation of a new version of the PROMAK PORTFEL solution. This system allows to freely model and manage investment portfolios. It monitors and archives all transactions carried out. It allows building detailed analyses and simulations on their basis, as well as - thanks to numerous configuration possibilities - creating even the most advanced investment strategies.

Asseco reacts dynamically to market changes and emerging trends and is constantly developing its offerings. The company is implementing the PROMAK NEXT investment project related to a new product line of modern, highly automated cloud solutions for offices and brokerages. The architecture of PROMAK NEXT is based on mini-applications, which allow easy expansion of the solution and quick integration with other products or services of customers. A cloud agnostic approach was adopted in the design of PROMAK NEXT, which means that Asseco's partners are not tied to one selected cloud, but have full freedom of choice in this regard.

Asseco Poland is a recognized provider of Business Intelligence class solutions on the Polish market, having so far implemented more than 20 data warehouses in financial institutions. During the reporting period, among other things, a contract concluded last year with one of the brokerage houses for the design, construction and implementation of a data warehouse together with reporting tools, as well as the subsequent maintenance and development of the system was carried out.

This is the first project of its kind at a brokerage house in Poland. It aims to simplify and increase the efficiency of processes for acquiring and using distributed data in the organization.



In H1 2023, in the area of public administration, cooperation continued 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 Transportation (GITD).

During the reporting period, Asseco carried out activities within the framework of the contract signed in 2022 to provide support services for the operation and maintenance of the ZUS Comprehensive Information System (KSI ZUS).

The company was also executing a framework agreement signed last year for the modification and expansion of the KSI ZUS software. As at the end of June 2023, there were 7 executory contracts being carried out under this agreement, 6 of which were concluded in the first half of 2023. The executive contracts concern:

- The introduction of a functionality to handle benefits previously granted exclusively in ZETO IT systems (a contract signed in 2022).
- The modification of KSI ZUS consisting of "organizing and rationalizing the social security system (part 2)" (a contract signed in H1 2023).
- The adjustment of the KSI application in terms of solving the problem of the ending pool of internal identifiers of sets of settlement documents (a contract signed in H1 2023).
- The adaptation of the KSI system to enable simplified transfer of benefits from SI ZETO to KSI ZUS (a contract signed in H1 2023).
- Handling the indexation of pension benefits in 2023 (a contract signed in the first half of 2023).
- Building a mobile application for doctors and medical assistants (a contract signed in H1 2023).
- Electronic data exchange between ZUS and the Ministry of Finance for the purposes of administrative enforcement by enforcement agencies (a contract signed in H1 2023).

In addition, in January-June 2023, Asseco carried out 10 executive contracts under the framework agreement for the modification and expansion of KSI ZUS software concluded in 2018. They concern:

- Optimizing the functions of interaction applications to support ZUS employees in performing tasks in processes (a contract signed in 2020).
- The adaptation of the KSI system to legislative changes resulting from the Act on Amendments to the Law on Administrative Enforcement Proceedings and Certain Other Laws (a contract signed in 2020).
- The optimization of benefit applications in terms of information security (a contract signed in 2021).
- Optimizing the functions of interaction applications to support ZUS employees in the execution of tasks in [CRKZ] processes (a contract signed in 2021),
- Cleaning up and rationalizing the social security system 2021 [December 2021-March 2022] (a contract signed in 2021).
- The automation of E2 application processes for handling pension cases and integration with the Electronic Document Exchange Platform (a contract signed in 2022).
- Handling the indexation of pension benefits in 2022, as well as granting and paying out a compensation benefit for those entitled to early retirement for the care of children requiring constant care, and handling bridging pensions (a contract signed in 2022).

- The adaptation of IT systems to present in the KSI field applications and the PESEL\_KEP application an expanded range of information obtained by ZUS from the collections of the PESEL registry and the acquisition of electronically abbreviated copies of civil status acts from the Registry of Civil Status (a contract signed in 2022).
- The adaptation of the KSI system to handle applications for benefits by exception and parental supplementary benefits (a contract signed in 2022).
- The modification of KSI ZUS involving the de-localization of benefit cases handling (a contract signed in 2022).

The company also carried out contracts for ZUS concerning the preparation of KSI information systems and the PUE Portal for tasks:

- Resulting from the implementation of the Act on Special Arrangements for Preventing, Counteracting and Combating COVID-19, Other Communicable Diseases and Emergencies Caused by Them (14 annexes were concluded to a contract signed in 2020 until the end of June 2023 - 5 in 2020, 6 in 2021, 2 in 2022, 1 in the first half of 2023).
- Resulting from the implementation of the Polish Tourism Voucher Law (8 annexes were concluded to a contract signed in 2020 until the end of June 2023 - 3 in 2020, 2 in 2021, 2 in 2022, 1 in the first half of 2023).
- Related to the operation of the "Good Start" program (5 annexes were concluded to a contract signed in 2021 until the end of June 2023 - 3 in 2021, 2 in 2022).
- Related to the operation of the family care capital (RKO) and the subsidization of a parent's fee for a child's stay in a nursery, the so-called nursery surcharge (6 annexes were concluded to a contract signed in 2021 until the end of June 2023 - 3 in 2022, 3 in the first half of 2023).
- Related to the payment of a parental benefit under the "Family 500+" program (5 annexes were concluded to a contract signed in 2021 until the end of June 2023 - 4 in 2022, 1 in the first half of 2023).
- Related to changes in the rules for billing and paying out health insurance premiums - the "Polish Deal" (5 annexes were concluded to a contract signed in 2022 until the end of June 2023 - all in 2022).
- Resulting from the implementation of the Law on Assistance to Citizens of Ukraine in Connection with the Armed Conflict on the Territory of Ukraine, related to granting and paying out social benefits to Ukrainian refugees (5 annexes were concluded to a contract signed in 2022 - 3 in 2022, 2 in the first half of 2023).

Until April 28, 2023, Asseco Poland carried out activities under the 2019 agreement with the Agency for Restructuring and Modernisation of Agriculture (ARiMR) for the development and maintenance of the SIA system. Based on the annex signed in 2021, which is a supplementary order to the above-mentioned agreement, the Company also carried out work including the development of the IRZplus application to support animal registration.

In addition, during the period under review, Asseco focused on the project to build the Beneficiary Service System (CSOB), along with implementation, maintenance and development services, and to deliver supporting hardware and software. The implementation of CSOB is a key stage in the Agency's digitization process - thanks to the planned integration with the developing web-based Platform for Electronic Services (PUE) dedicated to electronic communication with beneficiaries, the entire process of handling aid applications will be electronic - the need for paper documents will be eliminated. The assumption of the project is to use a technical platform for business process management in the solution under construction, thanks to which the time of system construction will be much shorter than in the case of a traditional manufacturing process. The standardization of procedures for handling aid activities carried out by various ARiMR departments and the automation mechanisms provided by the selected technical platform will make it possible to shorten the time needed to launch subsequent aid programs, streamline the handling of applications within the Agency and improve the quality of service to farmers.

For the Ministry of Justice, the Company implemented:

- A contract concluded in 2020 and annexed in 2020-2021 for the construction, 3-year maintenance and development of a system supporting the National Debtors Register (NCR), which streamlines restructuring and bankruptcy proceedings.
- A supplementary contract, concluded in 2020 and annexed in H1 2023, to the 2017 contract for the maintenance, modification and training for the Electronic Land Records (EKW) ICT system.

During the reporting period, a 45-month contract was signed with the Ministry of Justice for the maintenance and development of the National Court Register (KRS).

In the first six months of 2023, Asseco also conducted activities under a 2-year contract, signed in 2022, for the maintenance and development of the Forest System, an integrated component of the State Forest Information System (SILP).

During the period under review, Asseco Poland executed a 10-year contract for the General Inspectorate of Road Transport (GITD) for the maintenance of the ICT system for the Center for Automated Traffic Supervision (CANARD), effective until March 2023. A new 6-year contract for the maintenance and development of CANARD's CPD ICT system was signed in March 2023. The central processing system supports the GITD in detecting traffic offenses, as well as handling the fine process and the payment and collection process. Under a separate contract concluded in 2022, the Company has been carrying out a project for GITD that includes the construction, maintenance and development of the Central Violation Record 2.0 ICT system, which will eventually replace the current Central Violation Record 1.0 system. The new system will support the tasks of services that carry out roadside inspections and inspections at companies, within the framework of their powers under the Road Transport Law.

Asseco Poland also carried out activities for the Ministry of Finance, including projects for the maintenance and development of customs and taxation systems implemented under the "Platform for Electronic Fiscal and Customs Services (PUESC)" program subsidized by the European Union. A noteworthy project carried out jointly with T4B Sp. z o.o. under the aforementioned program is the maintenance and development of the Digital Border system. This is a highly advanced and modern solution that provides efficient service for people and entities at border crossings using mechanisms for automatic data exchange with, among other things, the Border Guard System and automatic vehicle identification and traffic control. In January 2022, the production launch of the Digital Border system was completed at all 53 locations within road and rail border crossings, as well as border air and sea traffic. Support services for maintenance and development of the system will be provided for a period of 4 years.

In the first half of 2023, the Company, in a consortium with Pentacomp, carried out a contract for the Ministry of Finance, represented by the Tax Administration Chamber in Kraków, for the development, modernization and maintenance of components of the Tax and Customs Information System (SISC) in the area of Trade in Goods with Third Countries and Excise Movements. In addition - for the same client - Asseco Poland carried out work on the expansion, modernization and development of the ZEFIR2 system, which handles the collection and financial settlement of customs and tax receivables for the State Treasury and the EU budget. In both contracts, the Company is expanding and maintaining the systems it has previously developed. The aim is primarily to adapt to new EU regulations contained in the EU Customs Code, as well as many national regulations, including changes in excise tax or VAT settlements.

Asseco Poland is one of the largest providers of IT solutions and services for the **healthcare** sector. It currently works with more than 400 hospitals across Poland. In turn, in the segment covering doctors' offices, medium and small clinics and medical practices, it supports 9.4 thousand locations (36.9 thousand users), accounting for about 40% of the market.

In H1 2023, Asseco won further tenders for, among other things, the supply and implementation of e-services or applications in:

- Military hospitals under the Ministry of Defense.
- Regional Hospital in Kołobrzeg.
- Independent Public Specialized Health Care Facility "Zdroje" in Szczecin.
- St. Raphael's Regional Specialized Hospital in Czerwona Góra.

As a result of the contracts, Asseco has been implementing software to primarily streamline patient registration for appointments, make it easier for patients to check test results, and allow access to medical records online. The new e-services are fully integrated with current solutions operating in hospitals, including Hospital Information Systems – HIS and Unit Management - ERP.

During the reported period, Asseco Poland carried out activities under an agreement signed last year with the Marshal's Office of the Kujawsko-Pomorskie Voivodeship for the preparation and implementation of the Regional Electronic Medical Records Repository. As a result of the cooperation, in addition to the necessary infrastructure, the EMD repository for medical and imaging documentation, the Patient Portal, the Personnel Portal will be delivered, and the necessary integrations with medical entities will be made.

Another project in which Asseco participated in the first half of this year is the "Małopolska Medical Information System (MSIM)." Its purpose is to increase the availability and improve the quality of e-services provided in the healthcare sector through the creation and development of a common platform at the regional level, enabling the processing and transmission of medical data between medical entities in the Małopolska voivodeship. Under contracts signed with medical entities, Asseco carried out work related to the integration of their systems with the MSIM regional platform.

The company also carried out maintenance contracts at hospitals for systems already implemented, which accounted for more than 50% of revenues generated in the healthcare provider area.

Asseco is the provider of an IT system - Blood Bank - for 17 Blood Donation and Hemotherapy Centers (in Bydgoszcz, Gdańsk, Kalisz, Katowice, Kielce, Kraków, Lublin, Łódź, Olsztyn, Poznań, Radom, Rybnik, Rzeszów, Słupsk, Szczecin, Warsaw and Wrocław) and the Military Blood Donation and Hemotherapy Center. The main purpose of the system is to support management at the Blood Donor Center related to donor registration, organization of blood collection, operation of the laboratory, and production and distribution of blood components in a manner that ensures donor and patient safety. During the reporting period, Asseco introduced into the system the possibility of handling more than one Blood Bank within a single hospital.

The company has been participating in the e-blood IT system construction project implemented by the Center for Healthcare Information Systems. The new solution will improve the quality of medical services by streamlining the exchange of data between entities involved in the process of blood collection and application in medical treatment, and ensuring effective management of the data obtained and used. In this project, Asseco is responsible for developing software for extracting data from local systems at 18 Blood Donation and Hemotherapy Centers to the e-blood central system.

During the period under review, Asseco Poland, in a consortium with Kamsoft, implemented contracts signed with the National Health Fund in 2019 for the maintenance and development of the Information System for Supporting the Activities of the National Health Fund - SIWDzNFZ.

Leveraging its many years of experience in the computerization of medical facilities, the Company has been systematically developing its suite of solutions dedicated to hospitals, clinics and doctors' offices. One of the projects implemented in H1 2023 was the Asseco Medical Patient Desktop application, which is made available as part of the Asseco Medical Management Solutions (AMMS) system for hospitals. With the application, doctors can access the data they currently need without having to browse through multiple AMMS modules. On a single screen, they can see the patient's entire medical history, test results, past procedures and other information about the patient's condition. In addition, the app allows comparing two test results on one screen, making it easier to analyze and make accurate diagnostic decisions.

Asseco has been also developing its patient-focused applications: Medical Information/*Informacje Medyczne* (the management of information provided by medical units), Medical First Aid Kit/*Apteczka Medyczna* (medication management) and My Measurements/*Moje Pomiar*y (self-monitoring of health status by patients). Thanks to the integration of My Measurements and Medical Information solutions, information on various health parameters of patients goes directly to the doctor's office and is recorded in the medical history.

The digitization of healthcare not only allows for the simplification and acceleration of functioning processes, but also opens up opportunities to build new, innovative services. In 2021, Asseco established **Krajowy Operator Chmury Medycznej (Chmura dla zdrowia)** (the **National Medical Cloud Operator - Cloud for Health**), with the aim of enabling medical units - in cooperation with the National Cloud - to provide services in the SaaS (Software as a Service) model with the highest security standards. Cloud for Health specializes in cloud-based EDM implementations. It enhances the security of stored and shared data and enables electronic billing of the Prevention 40 PLUS program. The use of cloud computing is also encouraged by the Polish legislature in Resolution No. 6 of the Council of Ministers of January 11, 2022 on the adoption of the State Purchasing Policy. It emphasises that it brings benefits and new opportunities for organizations that use it. It points out as legitimate the formulation of requirements in the documentation of proceedings in such a way as to include cloud services, which will provide Polish procurers with access to the latest and innovative solutions. It recommends that the contracting authority, in preparing the procurement proceedings, where possible, should require or give preference to the use of cloud services by contractors, as well as require cloud service providers to have certificates confirming their ability to provide these services in accordance with standards and best practices. Currently, the National Medical Cloud Operator works with about 300 clients.

The Cloud for Health also represents an attractive proposition for other healthcare software companies. These companies, instead of developing their own EDM solutions, can take advantage of the service offered by Cloud for Health and deliver it to their customers. Currently, nearly 10 companies have already taken advantage of this option.

Health care facilities using the Cloud for Health were provided with a new product, eSurvey, in H1 2023. Its primary task is to securely handle the process of collecting various types of information from health care recipients. It allows defining and managing survey templates, facilitates survey campaigns among patients and enables statistical analysis of responses. In addition, it allows monitoring the degree of execution of therapeutic programs billed by the National Health Fund. The company is planning to introduce the Patient Portal, Doctor Portal and Regional Portal for groups of treatment units in the next steps. These are dedicated screens, built of sliding widgets, presenting the desired data in an optimal and configurable form for the target group.

Asseco Poland is an established provider of tailor-made solutions and services for national and international **security-related** institutions. Up to date, the Company has finalized more than 70 high-tech projects for European Union and NATO agencies. Among its clients are such institutions as the North Atlantic Alliance (NATO), the European Border Protection Agency (Frontex), the European Chemicals Agency (ECHA), the European Defense Agency (EDA), the European Space Agency (ESA), the Ministry of Defense and the National Center for Cybersecurity.

During the reporting period, Asseco Poland, in a consortium with JSW Nowe Projekty, continued to implement a contract signed with the Polish Air Navigation Services Agency for the maintenance and development of the PansaUTM system for digital coordination of unmanned aircraft (BSP) flights and digital management of flight applications and approvals. The system transmits information about operators, their authorizations and drones, which optimizes the process of evaluating applications for BSP flights. With its drone Flight Plan (dFPL) functionality, it also enables the electronic creation of missions performed out of sight. In addition, the system presents terrain along with consideration of current weather conditions, streamlining the planning, verification and approval of BSP missions.

Asseco Poland - with the support of ComCERT – is involved in the CYBER4DE – "Cyber Rapid Response Toolbox for Defense Use" project, which started in December 2021. The consortium, which in addition to the Company includes eight other companies from EU countries, will develop and implement tools for rapid response to cyber incidents at the national and international levels. As part of CYBER4DE, companies from Poland, Lithuania, Estonia, France, Croatia, Italy and Romania will prepare an easy-to-implement, modular and scalable toolkit. It will be used by PESCO's Cyber Security Rapid Response Teams (CRRTs), streamlining and improving operational efficiency. By mid-2024, there will be a fully functional, easy-to-deploy next-generation defense cyber toolkit (TRL7 / TRL8) consisting of four main modules – Workplace, Sensors, Back-office and Cloud services.

Asseco has been strengthening its position in the cyber security consulting segment with **ComCERT**. ComCERT is the first consulting company in Poland specializing in CERT (Computer Emergency Response Team) services for businesses and institutions, not affiliated with any telecommunications operator. ComCERT's experts analyze hacking vulnerabilities in clients' systems, support them during an incident and analyze the status of their systems after an incident. At the intersection of these three services, they also develop Security Operations Center (SOC) teams at clients – not only actively helping to maintain a high level of network security, but also expanding their competence. They run outsourced SOC units for several of Poland's largest entities. ComCERT is competent in designing, implementing and maintaining hardware and software solutions from the world's leading manufacturers. Its offer also includes a proprietary product for securing software code. The effectiveness of the technology used in it has been verified by Israeli experts from TSG IT Advanced Systems and found to be unique. The company's offerings also include CTI - C3TI, a new version of the Cyber Threat Intelligence (CTI) service. C3TI is ComCERT's proprietary portal for collecting, processing and transmitting information on cyber security incidents. The solution is available in a convenient web-based form.

ComCERT is involved in research and development (R&D) projects in the area of cyber security. Among other things, it is the leader of a consortium, which also includes the Warsaw University of Technology and Cryptomage, in a project to create a system to support the detection and imaging of APT (Advanced Persistence Threat) attacks. The project has received funding from the National Research and Development Center under the National CyberSecIdent Program (4<sup>th</sup> CyberSecIdent Competition - Cyber Security and e-Identity), which is directed at improving Poland's cybersecurity by increasing the availability of hardware and software solutions.

During the period under review, the company provided and integrated solutions from leading vendors and supported clients in building processes in the area of incident management. Among other things, it executed a contract with

the Polish Post Office covering SOC, training and advanced services. It also carried out tasks related to the delivery and implementation of cyber security systems for the Mazowiecki Bródno Hospital. During the period under review, ComCERT signed an agreement with the City of Rzeszów for the construction of a Cyber Security Center to monitor cyber security and respond to potential incidents.

In the first half of the year, the Company signed new contracts, including with companies in the telecommunications sector for support in building a SOC team, cyber security services or penetration testing.

ComCERT cooperates with other Asseco Group companies in the implementation of cyber security projects. For example, together with Asseco Poland, it participates in the CYBER4DE project - "Cyber Rapid Response Toolbox for Defense Use" and also - as a subcontractor of Asseco Data Systems - provides services related to the maintenance of CERT and SOC solutions implemented in the Togolese Republic.

In addition, ComCERT is conducting preparatory work to support clients in complying with regulations related to the amendment of the National Cyber Security System Act, as well as the Directive on measures for a high common level of cyber security within the EU (NIS 2 Directive), published in the EU Official Journal on December 27, 2022. Member states must adopt the legislation necessary to implement the NIS 2 Directive by October 17, 2024. The company is also planning groundbreaking activities in the area of providing solutions to conduct practical exercises on responding to cyber attacks.

ComCERT actively contributes to international circles, including becoming a partner of the publication on the "twilight of digital neutrality", which premiered at the World Economic Forum in Davos. For another consecutive year, the company was accredited for membership in prestigious European initiatives bringing together the best CSIRT teams – FIRST (Forum of Incident Response and Security Teams) and TF-CSIRT (Task Force - Computer Security Incident Response Team). ComCERT representatives have for many years supported other CSIRT teams in building structures and their subsequent development. Recently, they have contributed to the success of Botswana's CSIRT team, which, with their support, became a full member of the prestigious Forum of Incident Response and Security Teams.



In the **general business** segment, Asseco works with customers in the **telecommunications and energy** sectors.

In H1 2023, Asseco Poland continued to work for leading energy groups under previously signed contracts and acquired new orders. The company is a leader among Polish producers of IT solutions for the domestic energy sector. Its Asseco Utility Management Solutions (AUMS) is a set of integrated products providing comprehensive support for many areas of the sector's operations. In Poland, more than 60% of energy bills are generated using AUMS Billing & CIS (a system for billing and customer service). Among domestic companies that have chosen the AUMS billing system are energy companies: Enea, Energa, Tauron, PGE.

In the first half of the year, Asseco implemented two important digital transformation projects in the Polish utilities sector. The migration of data and algorithms to the AUMS system (distribution and sales area) for more than 6 million Tauron Group customers was completed. The centralized system ensures

the implementation of all customer service processes from the acquisition of a reading to billing. The consolidated system is an excellent platform to further develop and increase the efficiency and quality of customer service, and allows Tauron to prepare for and meet new challenges also in terms of integration with the CSIRE platform. A project to build and implement the largest billing system in the energy industry in Central and Eastern Europe at PGNiG Obrót Detaliczny has also been finalized. The new solution is currently used by more than 7 million gas and electricity customers in Poland. The fully scalable solution, together with the CRM class system, provides comprehensive sales and customer service support to the mass market. There has been full centralization and unification of processes, and thus more efficient management of the country's largest database of gas contracts.

In the period under review, Asseco Poland was executing an agreement with PSE to provide data migration services for the Central Energy Market Information System (CSIRE). The purpose of the cooperation is to prepare the data necessary to launch CSIRE. As part of the project, Asseco has been developing specialized software using cloud solutions. This will allow for much better scalability of data processing, which is crucial for such a large project.

CSIRE will collect and process information necessary for the implementation of processes on the energy market, as defined by law, including the sale of electricity and making settlements for its supply or changing electricity sellers. The most important tasks of CSIRE are to ensure effective and secure exchange of information on the electricity market, which will allow its participants to realize their statutory rights and obligations. CSIRE will unify and streamline market processes and the flow of information among market participants. It will enable end users to access their own energy market information (including metering data) free of charge, and will improve competitiveness in the sector. It will also provide free access to selected statistical data resulting from energy market processes and to data enabling market participants to offer new products and services.

Asseco Poland is also developing the AUMS Market Connector system. The solution, which is being built to be launched in both on-premise and SaaS models, is designed for energy and gas sellers, balancing entities and energy distribution companies. It enables integration of domain systems in the organization with those of external partners, including CSIRE, PSG (Edi), KSeF. It also allows the rapid addition of new solutions from different vendors and maintains full control over the execution of business processes. Thus, it helps to meet the obligations imposed by the changing market, significantly reducing the resources needed to support mass data exchange.

During the period under review, the Company worked on a new version of AUMS SPS - a solution aimed at trading companies on the electricity and natural gas markets. The product supports activities related to the management of metering data - from their acquisition from external sources through validation to the calculation of consumption data in accordance with the requirements stipulated in the sales contract. AUMS SPS provides the company with high quality and reliability of processed information used in the process of billing customers and all other processes based on metering data. The latest version of the system emphasizes the functionality of mass processing of data from remote reading meters and integration of service processes with CSIRE. In the first half of the year, the Company signed an agreement with one of the Polish energy companies for the implementation of AUMS SPS.

In addition, the AUMS Elmo investment project was underway, under which a mobile application in PWA (Progressive Web Application) technology, which is publicly available to electric car drivers, will be developed. It will enable the presentation of charging stations available in the central system, the execution of electric vehicle charging sessions, and the settlement of charging sessions using payment cards registered in the user's account. Another component of the project will be a vendor panel, which will allow charging providers to access their charging stations and manage tariffs at their stations. In addition, the portal will allow Asseco to access aggregate information on turnover at charging providers' stations. The solution will be available in both cloud and on-premise versions. It will be integrated with CloudCharge's (DEFA) central system for managing and communicating with charging stations, the central Alternative Fuels Infrastructure Register (EIPA) and the payment operator.

In the first half of 2023, Asseco Poland continued its cooperation with Polkomtel Sp. z o.o. under a project consisting of three stages covering the transformation of the Polsat Plus Group's systems for automating sales, service and billing of individual customers (B2C). During this period, the Company focused on the implementation of the first stage of the project, covering changes to the IT systems dedicated to the sale of Polsat Plus Group products and services. Cooperation within the project was conducted on the basis of the framework agreement concluded in 2021, defining the general scope and principles of cooperation between the partners within the project. The framework agreement also covered the work carried out on the basis of previous orders and specified the terms of cooperation within the first stage of the project. Pursuant to the aforementioned agreement, orders placed within the framework of cooperation, with regard to stages two and three, will be subject to separate negotiations between the parties (including with regard to their pricing) and will require corporate approvals in each case to carry out the work covered by them. The scope of work covered by stage one is not significantly different from other activities carried out by the Company in the course of its business.

In addition, dedicated, separate teams also carried out projects for other Asseco telecom and media clients.

In the first half of 2023, **Asseco Data Systems (ADS)**, which operates on the Polish market, continued its efforts to strengthen its market position.

The company continued to support the country's strategic systems. ADS maintained and developed the EMIR-SEKS/AD system for the Social Insurance Institution (ZUS), which is used to handle, calculate and pay pension benefits.

In turn, within the framework of its cooperation with KRUS, the company carried out activities related to the maintenance and development of the Farmer system for handling pension benefits. At the end of March 2023, a consortium of ADS and Asseco Cloud entered into a new 2-year agreement with KRUS for maintenance and



development services for this system. ADS, under a 4-year agreement signed in March 2022, was also responsible for the maintenance and development of the Workflow system, a central component of the Integrated Information System (ZSI) for handling key business processes. In turn, under an agreement signed in May 2022 in a consortium with Asseco Cloud, ADS provided KRUS with comprehensive support for the New Insurance Information System (nSIU), responsible for handling social and health insurance, as well as short-term benefits and accident proceedings.

During the reported period, the company developed sales of trust services under the Certum brand. As one of Europe's largest trust service providers, it offers not only products, but also expert support, know-how and years of experience in the fields of trust and identification services, paperless processes, digital workflows, encryption, cyber security, law, norms and technology standards. Certum currently works with more than 500,000 customers in 70 countries on six continents. During the reporting period, Certum's mass sales were mainly focused on qualified electronic signatures, which accounted for about 70% of total sales to the mass customer. There is a steadily growing interest in the sale of qualified electronic seal, mainly among small and large enterprises, which involves its use such as in the EPREL (European Registry for Energy Labeling) database.

Asseco Data Systems continued to expand its #EnterprisePaperless service ecosystem in the first half of the year. This is a comprehensive offering using a range of solutions for business processes. The portfolio of paperless services includes:

- Signer platform - which enables building electronic business processes that require signing and transferring documents.
- e-Delivery - a qualified registered electronic delivery service that allows sending and receiving electronic registered letters. An e-Delivery box from Asseco Data Systems will be able to set up both a legal entity (company) and an individual. The service offered by Asseco Data Systems can be tailored to the individual needs of an organization and allows integration with corporate solutions such as mailroom or document circulation systems.
- SignHub - which allows signing electronic documents with various e-signatures: qualified, advanced (including biometric) and ordinary.
- Trust services - complementing and securing the life cycle of electronic documents, providing legal security to an organization that has implemented digital business processes.
- e-ID Hub - a solution aggregating various methods of remote identification of an individual, which is part of most business processes within, so-called Know Your Customer (KYC).
- WebNotarius - a qualified validation and maintenance service for electronic signatures and electronic seals. The WebNotarius validation report is the only legal document on the Polish market, which - in accordance with European Union regulations - constitutes legal proof of validation and confirms the validity or invalidity of qualified signatures and electronic seals.



In addition, in H1 2023, the company worked on implementing the automation of SSL certificate issuance, optimizing the verification of organization and subscriber identity in non-qualified certificates, and introducing new variants of S/MIME certificates. Work was also underway on SignerCloud, the industry's cloud-based document workflow and signing platform.

In the past period, the company entered into new contracts for the sale of trust services with Icarus for the implementation of the S/MIME certificate for a dedicated email solution.

The company has been developing a platform for managing HR processes in business, as well as integrated IT solutions for managing universities, the teaching process and employee competence development. Asseco works with more than 50 universities in Poland. They range from large public ones, such as the University of Wrocław, the Warsaw University of Life Sciences, the University of Life Sciences in Lublin, the Silesian University of Technology, the Naval Academy, to private universities and vocational schools.

ADS has been working with universities to offer, among other things, a form of hybrid didactics, the "Virtual Crime Scene" VR application. It allows students to improve skills related to conducting forensic examinations and securing traces found at crime scenes. In H1 2023, Asseco implemented a simulator of forensic procedures at the College of Business and Health Sciences - the first of its kind in the Łódź region.

ADS, under the Asseco Academy brand, which for years has been one of the leading training providers on the Polish market, responds dynamically to changing customer needs and adapts its offer to them. It has more than 600 training courses in its portfolio. To date, it has delivered more than 75,000 training courses attended by more than 500,000 trainees from over 35,000 companies.

The company also focused on activities related to the digitization of local government entities. Its solutions are used by more than 400 offices. The Otago system – an ERP-class Integrated Information System - supports the management of all areas of local government entities, such as budget, taxes and fees, assets, finance and accounting, human resources (HR), civic affairs, social sphere, employment sphere, waste management. It supports the work of offices serving both small and large urban centers, municipalities or even voivodships.

In H1 2023, ADS conducted work related to the implementation of an ERP system for the provision of e-public services in the City of Police. The project included the implementation of integrated domain systems and the necessary infrastructure at the City Hall and municipal units for the provision of public e-services, along with data migration and training, workflow, and an Educational Management platform. The contract also includes a 3-year system maintenance service.

In the past period, ADS also implemented an IT system at the Marshal's Office of the Podkarpackie voivodship. The solution is based on the company's proprietary Otago and Edicta products and concerns the launch of an ERP-class system for accounting, budgeting and document circulation.

ADS also worked on the implementation of the City365 platform and the expansion of the ERP system in the Municipality of Elbląg. The project includes the modernization of the IT system, the implementation of the Municipal Communication Platform and the implementation of an IT system to support the handling of the civic budget, as part of the "Digital Elbląg - expansion of the e-services public service system" project.

In the first half of the year, work was also underway to expand the eBOK platform operating in Zabrze with additional e-services. ADS also signed new contracts: among others, with the City of Kraków regarding technical assistance and maintenance services for the Otago system along with the development of services, and with the Rumia City Hall for the development of the Miasto365 portal.

Following the end of the reporting period, Asseco, together with the Ministry of Digitization, introduced a modern solution for settling property tax payments. Thanks to the integration of the Otago System with the ePayments Platform, residents of Bydgoszcz, Grudziądz and Toruń, as part of a pilot project, can use commission-free BLIK payments for property tax from the level of the mObywatel application. The introduction of the new solution in the mObywatel application significantly simplifies the process of making payments and speeds up and automates their posting in local government systems. Soon, residents of other cities will also be able to regulate their obligations to local governments in mObywatel as part of the pilot project.

The company develops and implements solutions to build a Smart City. Its central system, Metropolis, automates the complex and multifaceted process of managing an urban organization by integrating and coordinating various domain systems and services. Metropolis performs tasks in accordance with the ISO 37120 standard for a Smart City, which defines a comprehensive set of indicators necessary to measure and control the level of urban development from social, economic and environmental perspectives. It provides support for IoT, GIS, BigData, OpenDataAPI.

During the period under review, work continued on the implementation of the FALA system (Platform for Integrated Mobility Services). The FALA system is a nationally innovative integrated public transportation fare collection system that will serve the residents of the Pomorskie Voivodeship. A single electronic platform will connect the rail network and public transportation. Fare payment will be based on an application and a special transportation card and a network of readers (validators). The system will also contain information on ticket prices, timetables, routes of buses, streetcars, trolleybuses and trains – so as to provide support for the settlement of a huge number of transport services at any time of public transport operation. The project to create the FALA system is being carried out by ADS in a consortium with the Italian company AEP Ticketing Solutions.

In H1 2023, ADS, in a consortium with mBank, continued work under the contract concluded in 2021 and annexed during the reporting period related to ensuring the continuous operation of the Silesian Public Services Card system. In addition, the company carried out the project "SPC 1.5 – Modernization of the public transport fare collection system," which includes the modernization, maintenance and development of the Silesian Public Services Card system.

In the first months of this year, ADS entered into an agreement with the Rzeszów Municipal Transport Authority to create an electronic e-ticket store along with a user account and mobile application. The implementation of the Virtual Periodic Ticket (WBO) system will enable passengers of Rzeszów's Municipal Transport Company to remotely purchase e-tickets and save them to their payment card, without the need to use the Rzeszów City Card. The investment is to be subsidized by the European Union under the project titled: "Integration of various forms of public mass transportation in Rzeszów," co-financed by the European Regional Development Fund under the Eastern Poland Operational Program 2014-2020.

In the past quarter, projects were carried out in the area of leasing contract support software. The advanced functions of the solution developed by the company – the LEO system – provide comprehensive support for the life of leasing contracts, along with additional products such as various types of insurance, CFM services (fuel cards, tires, maintenance/servicing). The integrated financial and accounting part allows for the execution of accounting operations and the preparation of reports. The LEO system, which is already used by more than 8,000 users, is available in both on-premise and SaaS models. In the first half of the year, ADS carried out projects related to the implementation of a new version of LEO 4 at clients, and modifications of the LEO System for communication with the National e-Invoicing System, whose implementation is scheduled for the middle of next year, as well as a number of development projects.

ADS supports digitization on the African market. In H1 2023, Asseco signed a letter of intent with the Digital Development Agency, which is responsible for developing digital services in the Democratic Republic of Congo. The document forms the basis for a portfolio of projects supporting the country's digitization process. As part of the cooperation with Asseco, a GIS geographic information system will be developed in this second-largest country in Africa, which will be an important element in the development of the agri-food sector. There are also plans to implement a system for handling public procurement, a platform to support farmers – a farm registry, and an agricultural education system to support local entrepreneurship. A training center for future digitization experts will also be established with the support of Asseco experts.

In the past period, Asseco Data Systems and Middle East Investment Company signed a shareholders' agreement establishing Asseco Middle East. The new company will focus on providing IT services and technologies, supporting the development of digitization in Saudi Arabia.

In H1 2023, ADS-owned Pirios – a leader on the Polish contact center solutions market – supported companies and institutions in effective communication with retail customers. Its solutions, so-called virtual agents, implementing tens of thousands of different business processes, are used by Poland's largest companies in the energy, banking, insurance, telecommunications, as well as public administration. The company provides among others, a solution for handling the 991 energy emergency number.

During the reporting period, **Asseco Cloud** carried out activities related to the design and implementation of its own solutions and those of leading cloud providers, providing full support from design to implementation and maintenance, as well as providing expertise with the outsourcing of IT services in the managed services model. The company continued and expanded cooperation in the area of cloud computing with clients from various industries, strengthening its position as a strong integrator and expert on the Polish market.

In the health sector, Asseco Cloud carried out tasks for one of the largest medical service providers on the Polish market - American Heart of Poland. The company is responsible for the migration and maintenance of the comprehensive Asseco Medical Management Solution system in the SaaS model.

In the shopping area, cooperation continued with Dino Polska, among others. A contract for the maintenance of key production systems and an agreement to support the implementation of a new ERP system are being carried out for the client. The cooperation also includes strategic consulting on Dino Polska's digital transformation.

During the period under review, Asseco Cloud began cooperation with Carrefour Polska in providing advanced competence and IT resources to support and develop the company's key business processes.

Asseco Cloud is a respected provider of solutions for the public sector. In a consortium with ADS, it provides maintenance and development services for the New Insurance Information System (nSIU) for KRUS. In H1 2023, Asseco Cloud, in a consortium with ADS, entered into a 2-year contract with KRUS for the maintenance and development of its Farmer pension benefits system.

On the European market, Asseco Cloud continues its cooperation with Ancotrans, which operates in the logistics sector. The contract includes maintenance and administration services for the company's core freight forwarding system along with supporting systems running on the AWS cloud platform.

In the first half of the year, Asseco Cloud signed an agreement with the Danish consulting firm Globeteam. The contract is for strategic cooperation in the implementation of cloud projects on the Danish market. The scope of cooperation includes Asseco Cloud's cloud competencies and infrastructure.

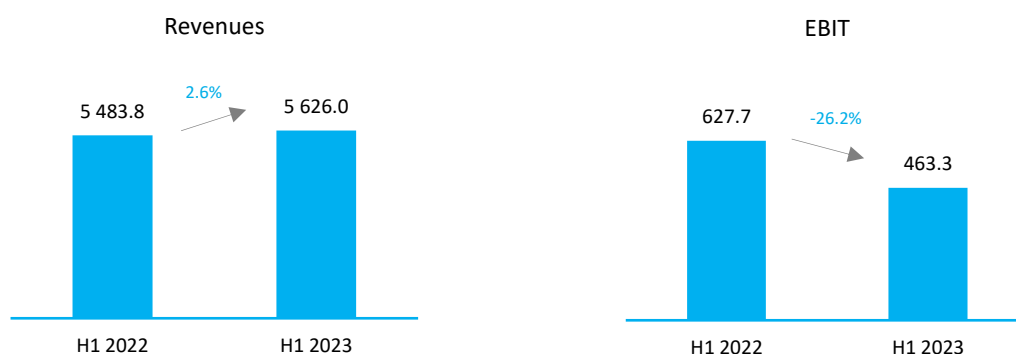
The company also executed an agreement with the Municipality of Copenhagen to implement and maintain, based on Asseco Cloud's competence and infrastructure, a system for the Parking Department of the Municipality of Copenhagen.

During the reported period, Asseco Cloud and Polska Chmura, the national association of Polish cloud service providers, undertook joint activities related to market integration and raising awareness of Polish cloud solutions. An important element of these activities was engaging in the creation of recommendations for government offices and bodies.

In addition, in the past period, Asseco Cloud executed contracts for the provision of IT system maintenance and development services for the internal needs of Asseco Poland and Asseco Data Systems.

In the area of cyber security, the company has a wide range of services to ensure customers' business continuity. First and foremost, it develops and implements processes and tools, offers monitoring of cyber security events with an incident response service, and develops cyber security programs.

## FORMULA SYSTEMS SEGMENT



The following table presents selected financial data for the Formula Systems segment for the six months ended June 30, 2023 and the comparable period of 2022:

PLN million	6 months to June 30, 2023	6 months to June 30, 2022 (restated)	Change H1 2023 / H1 2022
Sales revenues*	5 626.0	5 483.8	2.6%
EBIT	463.3	627.7	(26.2%)
EBIT margin	8.2%	11.4%	(3.2) p.p
Non-IFRS EBIT	636.7	604.9	5.3%
Non-IFRS EBIT margin	11.3%	11.0%	0.3 p.p

<b>EBITDA</b>	<b>766.8</b>	<b>916.6</b>	<b>(16.3%)</b>
<i>EBITDA margin</i>	<i>13.6%</i>	<i>16.7%</i>	<i>(3.1) p.p</i>
CFO BT	638.8	463.8	37.7%
CAPEX	(77.8)	(91.0)	(14.5%)
Lease expenses	(115.6)	(95.8)	20.7%
FCF	445.4	277.0	60.8%
Cash conversion ratio	70.0%	45.8%	24.2 p.p.
Cash (as at June 30)	1 585.0	2 396.2	(33.9%)
Interest-bearing debt (as at June 30)**	(3 001.5)	(3 400.8)	(11.7%)
<i>including loans, borrowings and bonds issued</i>	<i>(2 485.1)</i>	<i>(2 850.8)</i>	<i>(12.8%)</i>
<i>of which leasing</i>	<i>(516.4)</i>	<i>(550.0)</i>	<i>(6.1%)</i>

\* Revenues from sales to external segment customers and sales between segments.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

CFO BT = cash from operating activities, i.e. before income tax paid.

CAPEX = expenditures on fixed assets of the segment.

FCF = |CFO BT| - |CAPEX| - |leasing expenses|.

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

In H1 2023, revenues generated by Formula Systems Group companies were 2.6% higher than in the corresponding period of 2022, amounting to PLN 5 626.0 million. The share of revenues generated in the Formula Systems segment in consolidated sales was 66%.

Operating profit decreased by 26.2% to PLN 463.3 million. The recorded decline was the result of a high base – in H1 2022, operating profit of PLN 192.2 million was affected by the sale of shares in Infinity Labs R&D. In non-IFRS terms, operating profit increased by 5.3% from PLN 604.9 million to PLN 636.7 million.

**Matrix IT** - a leading IT company in Israel, whose position has been confirmed for more than a dozen years by research firms IDC, STKI and Gartner – continued to implement strategic projects for large organizations as well as Israeli government and defense-related projects. Among other things, the company is involved in the Nimbus project, which aims to accelerate the deployment of cloud technologies in the Israeli public sector - enabling work in the cloud while storing data locally in Israel. Previously, migrating government systems to a cloud environment was not possible because they were based on databases that cannot be moved to servers outside the country. Matrix IT is a licensed expert for government bodies, supporting the processes of moving government systems to the cloud.

The company has extensive experience in implementing artificial intelligence (AI) projects for the Israeli military sector (for both defense and civilian purposes), as well as in conducting projects for foreign government institutions. In addition, Matrix's subsidiary John Royce Training, which is the largest training organization in Israel, offers specialized courses in GenAI.

During the reporting period, the company participated in the transformation of the Home Front Command's portal, in terms of expanding the functionality of the alert system related to earthquakes, terrorist infiltration, and other threats. Matrix's team also worked on the launch of the website of the Disabled Persons Rehabilitation Facility, which is under the Israeli Ministry of Defense. In addition, the company carried out a project related to significantly expanding the analytical and research capabilities of the Israeli Central Bureau of Statistics (CBS). In it, it is responsible for the creation and nine-year maintenance of an innovative administrative database, one of the largest in the Israeli public sector.

Matrix IT has been observing growing demand for cloud services. For example, in H1 2023, the company supported Harel, which became the first insurance company in Israel to move its data center to the cloud. It also launched "Tafnit Portal," a cloud-based platform for advanced two-way communication between the company and its suppliers, enabling high-quality supply chain monitoring.

In addition, during the first six months of 2023, Matrix IT participated in a project to build a new website for the Bank of Israel's credit data system. With the new functionalities introduced, it was ensured that the digital credit report could be made available to all citizens of the country.

The reporting period also saw the launch of the Matrix Open Banking Hub, an innovative service that will allow FinTech companies and financial service providers to connect to Open Banking data in Israel and around the world directly through the HUB, saving time on setup and maintenance.

The company is involved in some of the most innovative technology projects in the Israeli healthcare system, including the printing of human organs for preoperative procedures, research into the detection of lung and respiratory diseases using voice identification and artificial intelligence, and telemedicine projects.

Matrix IT is involved in national health and education initiatives, including projects:

- "Nefesh Haht" aimed at increasing the effectiveness of therapy for people with post-traumatic stress syndrome and their families.
- "START" promoting innovation and entrepreneurship in the education system.
- "GIS" at the Ministry of Health, which enables rapid analysis of information and generation of life-saving leads.

The company supports clients in FDA/CE certification proceedings. It is a provider of an advanced IT platform to integrate the processes of a healthcare entity related to management, logistics, billing and finance in one place. During the period under review, a cooperation between Matrix, Cloudera Global and Clalit Health Services resulted in the implementation of the Cloudera platform. Within the healthcare system, it streamlines the process of detailed data management and analysis in real time. The company also co-created the medical purchasing optimization system implemented at Leumit Health Services, which allows simulations and forecasting of expenses.

In the first half of this year, Matrix IT rapidly expanded its operations on the American market (US, Canada), which accounted for 9% of its revenues. It carried out projects for entities in the banking sector, mainly in the field of GRC (Governance, Risk, Compliance) solutions. Thanks to the popularization of digital payments and due to growing exposure to online fraud, further growth in demand for GRC systems from financial institutions is expected.

Matrix IT continues to grow in the area of innovation, developing and implementing innovative technologies in the areas of cloud, cyberspace, big data, artificial intelligence, machine learning, IoT, automation and augmented reality. It supports organic growth with acquisitions. During the reporting period, it acquired Israeli company Zebra A.G.R. Technologies, which offers a wide range of cyber security and network management solutions along with consulting and training solutions.

The financial results of **Sapiens International**, a global provider of software and IT services for the insurance sector, reflect the company's focus on providing the broadest possible support to its more than 600 existing customers in more than 30 countries, using, among other things, the potential of cross-selling and up-selling. Sapiens also conducts intensive sales activities aimed at acquiring new customers - each year it wants its portfolio to grow by 20-30 new contractors. The company's business model envisions generating about 85-95% of revenues from existing customers, and about 5-15% from new contractors and through acquisitions.

Global trends of accelerated digital transformation and changing customer expectations mean insurers must modernize their systems to remain competitive. Sapiens's end-to-end cloud solutions are increasingly popular with customers. The company has cloud competence centers in the US, Europe, Israel and India. During the reporting period, Sapiens continued its efforts to migrate existing customers' systems from on-premise to the cloud. A significant percentage of new contracts signed during the period were for products offered in the SaaS model.

Revenues from software and recurring post-implementation services (term licenses, maintenance, subscriptions, cloud solutions) accounted for 65% of sales in H1 2023, with the rest coming from pre-production implementation services.

There continues to be a clear upward trend on both the US and European markets. Sapiens is also expanding in the APAC region, mainly in Hong Kong, Singapore, Australia, and more recently in Thailand and Vietnam. The geographic structure of sales in H1 2023 was as follows: European market - 50%, North America - 41%, and other regions - 9%.

Increased demand for digital products, combined with a high proportion of recurring revenues and a strong balance sheet, are driving the company's leadership position in the growing insurance software industry. Given the growth

momentum in North America, as well as the further strengthening of its position in Europe, the company has raised its previously presented revenue forecast for 2023 from USD 507-512 million to USD 511-516 million.

**Magic Software**, a global provider of application development platforms and solutions for systems and business process integration, as well as IT consulting services, focused in H1 2023 on projects in the financial, healthcare, defense and government sectors. The company observed a significant increase in demand for its cloud migration and cyber security services from both existing customers - who account for more than 85% of its revenues - and new contractors.

Magic Software's sales are geographically diversified. In the first half of this year, revenues from North America accounted for 51% of its total sales, from Israel for 37%, from Europe for 9%, and from Asia-Pacific and the rest of the world for 3%. At the time, 18% of the company's revenues were related to software sales, and 82% to services provided.

The company is constantly on the lookout for potential acquisition targets - small and mid-sized companies that are in line with its geographic expansion directions, and will allow it to expand its product portfolio and customer base. During the reporting period, the acquisition of K.M.T (M.H.) Technologies Communication Computers, a provider of comprehensive ICT solutions and services, including a private cloud available to customers on 4 continents (Asia, North America, Africa, Europe), was finalized.

Given the turmoil on the foreign exchange market, as well as the slowdown on the US market, Magic Software has lowered its previously presented revenue forecast for 2023 from USD 585-593 million to USD 570-580 million.

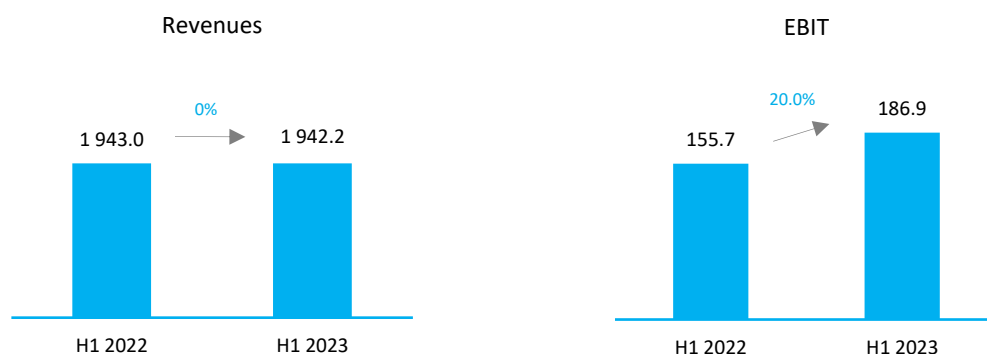
**Michpal Group**, which provides HR and payroll software and related services to its customers, also recorded good sales results. During the reporting period, Michpal Group was joined by Emalogic Software, a company engaged in custom software development (conception, design, implementation and testing, implementation, maintenance, modification and development).

**ZAP Group**, which manages the largest group of consumer sites in Israel, also contributed to the Formula Systems segment's results. ZAP Group manages over 20 leading consumer sites, including ZAP Price Comparisons, Israel's largest electronic business directory ZAP Yellow Pages and the largest restaurant search engine ZAP Rest, as well as the ZAP Doctors portal, which provides a forum for sharing knowledge, experiences and opinions about doctors and medical entities. 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 digital marketing and advertising solutions. It is working intensively on developing the functionality of its sites to optimize the customer experience and increase the conversion of traffic to its contractors. The company is pursuing an investment project to transform its price comparison engine into a leading marketplace in Israel based on SAP and Mirakl solutions. It launched its first version in H1 2023. ZAP Group's shopping platform allows customers to compare and purchase online a wide portfolio of products arranged in dozens of popular categories.

Additionally, in the Formula Systems segment, good sales results were recorded in H1 2023 by:

- **Insync Staffing** - a US-based provider of human resources consulting and outsourcing solutions.
- **Shamrad Electronics (1977)** - an Israeli supplier of advanced security and control systems acquired last year by the Group's parent company Formula Systems (1985).

## ASSECO INTERNATIONAL SEGMENT



The following table presents selected financial data for the Asseco International segment for the six months ended June 30, 2023 and the comparable period of 2022:

PLN million	6 months to June 30, 2023	6 months to June 30, 2022 (restated)	Change H1 2023 / H1 2022
Sales revenues*	1 942.2	1 943.0	-
EBIT	186.9	155.7	20.0%
EBIT margin	9.6%	8.0%	1.6 p.p.
Non-IFRS EBIT	191.4	212.8	(10.1%)
Non-IFRS EBIT margin	9.9%	11.0%	(1.1) p.p.
EBITDA	280.0	251.6	11.3%
EBITDA margin	14.4%	12.9%	1.5 p.p.
CFO BT	216.4	146.3	47.9%
CAPEX	(59.1)	(55.9)	5.7%
Lease expenses	(28.5)	(32.5)	(12.3%)
FCF	128.8	57.9	122.5%
Cash conversion ratio	67.3%	27.2%	40.1 p.p.
Cash (as at June 30)	697.5	833.9	(16.4%)
Interest-bearing debt (as at June 30)**	(476.9)	(496.3)	(3.9%)
including loans, borrowings and bonds issued	(309.4)	(315.1)	(1.8%)
of which leasing	(167.5)	(181.2)	(7.6%)

\* Revenues from sales to external segment customers and sales between segments.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

CFO BT = cash from operating activities, i.e. before income tax paid.

CAPEX = expenditures on fixed assets of the segment.

FCF = |CFO BT| - |CAPEX| - |leasing expenses|.

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

In H1 2023, the Asseco International segment achieved a comparable level of revenues to the corresponding period of 2022, which amounted to PLN 1 942.2 million. The segment's share in consolidated sales reached 23%. Operating profit was 20.0% higher at PLN 186.9 million. However, it should be noted that the results of H1 2022 were significantly affected by the one-off events described in the Financial Information section of the Asseco Group's Financial Results section.

Higher sales in the first half of 2023 compared to 2022 were recorded by the **Asseco Central Europe Group (ACE Group)**, which represents Asseco in the Central European region.

In the past six months, **ACE companies in the Czech Republic and Slovakia** carried out projects for the country's public sector institutions. In the Czech Republic, ACE cooperates with such institutions as the Ministry of the Interior, the Ministry of Labor and Social Policy, the Ministry of Finance and the Czech Statistical Office. In the Slovak Republic, on the other hand, these include the Supreme Audit Office and the Financial Administration.

This year, Asseco Central Europe received a prestigious certificate from the Ministry of the Interior of the Slovak Republic for the latest version of its process and document management system, Fabasoft eGov Suite 2023. The certificate confirms that Asseco's solution complies with the requirements of the Ministry of the Interior of the Slovak Republic and meets the conditions for document exchange in public administration bodies applicable in the European Union and Slovakia. A partner program was also launched at the beginning of 2023 to support sales of Fabasoft eGov Suite 2023, thanks to which several new customers have already been acquired.

ACE remains active in the health care sector. It works closely with Slovakia's National Health Information Center and the General Health Insurance Company, as well as with the Czech Social Security Administration. In addition, the company



is pursuing a number of development initiatives in this area. One of them was the creation of IT tools for the development of telemedicine, for which ACE allocated EUR 7 million (EUR 1 million - its own funds, EUR 6 million – funding from the European Union). The project began in 2021 and was completed in the first half of 2023.

ACE intensified activities in the area of insurance sector digitization and developed the functionalities of its platform supporting the digitization of insurance documents and processes - the Asseco Digital Insurance Platform. The company strengthened its cooperation with the international insurance company Youplus, for which it is a strategic technology partner. Youplus's ambition is to build a fully digital insurance business and expand into more markets in Europe, which it is successfully doing based on the Insurance out of the Box (looX) system provided by ACE. Leveraging the experience gained on the Czech, Slovak and Austrian markets, Youplus entered the Swiss market in early 2023 with the implementation of the looX solution for comprehensive life insurance offered online.

In addition, ACE has carried out activities for financial institutions (e.g., J&T Finance Group, Raiffeisen stavební spořitelna, ČSOB Stavební spořitelna).

During the reporting period, the company continued to work with start-ups within the UpSteer incubator, which focuses on reaching out to Slovak and Czech start-ups in the banking, insurance, healthcare, utility and Industry 4.0 sectors.

A well-established provider of hospital IT systems in Hungary, with a market share of more than 50%, the ACE Group's company **ACE Magyarország** conducted work on systems dedicated to oncology patients or the National Cancer Registry in Q1 2023. The company continued development of MedWorkS, a system dedicated to private medical facilities.

Specializing in industry digitization, implementing the Industry 4.0. concept, the ACE Group's company **Asseco CEIT** carried out projects for automotive companies (e.g., Volkswagen Slovakia, AUDI Hungaria) during the reporting period, including automation of intralogistics, including delivery of AGV (Automated Guided Vehicles) systems. Recently, the integration of AGVs with the NAISE Traffic control and automatic order allocation system was also successfully completed. A very important area of the company's activity is research and development activities, which are carried out in its own research and development center. Asseco CEIT uses a private 5G campus network to develop technological and process innovations in its systems supporting the logistics and manufacturing industries. During the period under review, Asseco CEIT worked on developing the functionality of its Twiserion Design Manager software for planning and optimizing manufacturing, logistics and warehousing processes – which increases process efficiency by an average of 30%, reduces process time by 25% and cuts costs by 30%.

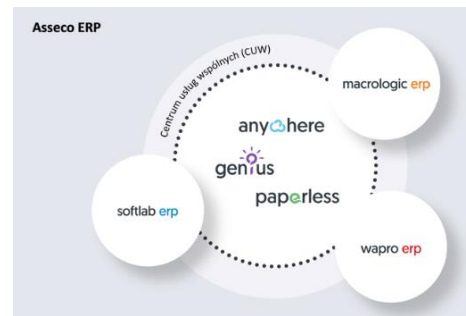
**The Asseco Enterprise Solutions Group (AES Group)**, which operates within the ACE Group as a competence center for ERP solutions, generated 14% higher revenues in H1 2023 compared to the same period last year. The AES Group saw an increase in sales of its proprietary software and related services, which accounted for 92% of its revenues in the period under review. This is a result of the trend of companies increasing their spending on ERP solutions observed on all major markets on which the AES Group operates, while at the same time developing the Group's product offerings. The AES Group's products are currently used by more than 70,000 customers (over 700,000 active users). Asseco companies operating in the ERP field consistently pursue the strategy of supplementing their solutions with specialized artificial intelligence functions. A growing number of users of their ERP systems are taking advantage of prompts, recommendations and alerts created by its AI algorithms. Over the next few months, the Group's companies are planning to implement new functionalities built using artificial intelligence, thus strengthening their position as AI leaders on the ERP solutions market.

**Asseco Business Solutions (ABS)** generated 14% higher revenues in the first half of 2023 compared to the same period last year. Its comprehensive offer includes ERP systems supporting business processes in mid-sized and large enterprises, a set of applications for managing a small company, programs supporting HR work, popular throughout Europe, allowing the management of a network of sales representatives, SFA-class mobile applications, data exchange platforms, and programs for handling factoring transactions.

The company's sales on the domestic market grew by 15% in H1 2023, and by 9% on foreign markets - accounting for 13% of total revenues. ABS Systems supports business in dozens of countries around the world. In the reported period, countries such as the UK, Germany, France, Austria, the Netherlands and Romania accounted for the largest share of foreign sales, together accounting for 84% of revenues from foreign markets.

ABS pursues a common, unified strategy for all three ERP product lines, which is based on three pillars:

- Anywhere (run your business wherever you are).
- Genius (with intelligent ERP).
- Paperless (pursuing the idea of paperless).



An increasing number of products and services offered by ABS (both ERP and SFA) are available in the cloud model. There is a systematic increase in the number of projects implemented in the full outsourcing model, thanks to which the company takes responsibility not only for the software itself, but also for such essential elements of the solutions as system and communications infrastructure, and supervision of the operation of integration processes. Such an approach to project implementation is possible thanks to ABS's ownership of two own Data Centers, whose operating parameters meet the highest requirements in terms of security, reliability and efficiency of system operation. The company also offers access to Data Centers for solutions implemented outside Poland - they are located, for example, in China, India, the US and Brazil. In addition, the company's technology and business partners are the world's largest companies, among others: Oracle, Microsoft, HP, IBM, Citrix.

In H1 2023, ABS continued to work on the implementation of artificial intelligence algorithms, based on the proprietary Genius by Asseco engine, in the products and services it offers. These solutions increasingly support a number of key processes. Based on the collected data, they generate recommendations and business notifications, enabling the system to adapt to the users' work style, automate repetitive activities and offer intelligent analysis with predictive elements.



**Asseco Solutions AG**, which operates on the German, Austrian, Swiss and Italian markets, recorded very good sales results. In H1 2023, the company expanded cooperation with existing partners and acquired more than a dozen new clients, recording a 15% increase in revenues. The company's ERP system, APplus, dedicated to the manufacturing sector, is currently used by more than 80,000 people in over a thousand companies in 25 countries.

**The Czech company Asseco Solutions**, which has more than a 25% share of the local market for ERP solutions dedicated to the SME sector and offers 4 proprietary systems used by more than a dozen thousand customers, both in the corporate and public sectors, generated a 23% increase in revenues in the reported period. Higher sales were recorded especially in the area of solutions for small and mid-sized enterprises, with which more than 30 new contracts were signed during the reporting period. The company has been also developing a solution for medium and large enterprises, offering a new version of its ERP system under the Nephrite brand. In H1 2023, Czech Asseco Solutions focused on the integration of ANeT-Advanced Network Technology, acquired in December 2022 - a producer of software for scheduling, time recording and monitoring, as well as access control systems. The company's software is used by nearly a thousand customers on the Czech and Slovak markets.

With an approximate 10% share of the domestic market, **Slovakia's Asseco Solutions**, whose ERP systems have been implemented at more than 2,000 clients, focused on acquiring new contractors in H1 2023. During the reporting period, the company launched the Asseco Store, which gathers cloud applications and add-ons for the ERP software it offers.

Operating on the **South East European** market, the **Asseco South Eastern Europe Group (ASEE Group)** reported in the first half of 2023 a 15% increase in sales compared to the same period last year, thanks to higher scale of operations in all business segments. The growing scale of operations is also partly thanks to the consolidation of new companies that joined the ASEE Group last year. It should be noted that the ASEE Group's results were also affected by the restatement, in accordance with IAS 29, of the financial data of Turkish subsidiaries to reflect the purchasing power at the end of the reporting period (Turkey's accounting status as a hyperinflationary economy). The impact of this operation is presented in the "Financial Results of the Asseco Group" section of this Report, as well as in Section 2.11 to the consolidated financial statements of the Asseco Group for the six months ended June 30, 2023.

Geographically, Serbia, Romania, Spain, Croatia, Turkey, Bosnia and Herzegovina and Macedonia accounted for the largest share of the ASEE Group's sales in the period under review, together accounting for 81% of total revenues. During the period, the payments segment was responsible for 47% of sales, the dedicated solutions segment for 33%, and the banking segment for 20%. Most of the 15 largest banks in South Eastern Europe are customers of the ASEE Group.

Revenues of the payment solutions segment increased by 11% in H1 2023. The line responsible for maintaining and selling payment terminals contributed significantly to this, with increases mainly in operations in Western Europe, Latin America and the Czech Republic. In addition, higher sales were generated for solutions aimed at non-financial customers, such as electronic cash registers (ECR) and Single POS. Higher revenues were also recorded in lines responsible for e-commerce solutions and payment transaction processing.

During the reporting period, sales of the banking solutions segment increased by 25%. The largest increases were seen in the central banking systems and multi-channel solutions lines, mainly thanks to higher revenues from software implementation services realized by operations in Serbia and Croatia.

Sales revenues in the Dedicated Solutions segment increased by 22% in the reported period, driven significantly by higher sales of third-party solutions with related services in Serbia, Kosovo, the Czech Republic and Romania.

The Asseco Group companies are active on the **Western European** markets. With operations in Portugal, in Portuguese-speaking African countries (Angola, Mozambique, Cape Verde, East Timor and São Tomé and Príncipe), as well as in Namibia and Malta, **Asseco PST** continued and expanded its cooperation with banks in the maintenance and development of central banking systems. The company has about 70 financial institutions in its portfolio - its solutions are used by about 80% of banks in Angola and Cape Verde, about 40% in Mozambique, about 25% in Portugal and about 20% in East Timor, Namibia, and São Tomé and Príncipe.

Asseco PST's clients can use the company's products through a cloud-based platform - Core Banking System (CBS). It is a complete solution that allows banks to implement financial products and services in a flexible, modular way. All business processes, supported by individual CBS modules and tailored to the different markets in which Asseco PST operates, have common components, such as a centralized customer catalog or product and pricing catalog. In H1 2023, the company finalized a project to move the central system of Atlantico Europa bank to the cloud.

As part of the development of the financial system in Angola, a new ITS (Instant Transfer System) payment system is being implemented. Asseco PST – working in close cooperation with EMIS, the entity in charge of implementing the new system, which manages Angola's payment network – has been implementing new solutions and functionalities to enable smooth adoption of the new model by banking institutions. In H1 2023, the company contributed to the success of the Instant Kwik-Kwanza (KWIK) tool implemented by EMIS. KWIK is a platform for a mobile and instant transfer system that allows people not having a bank account to be included in the financial system.

The company has also partnered with LOQR, a company that offers artificial intelligence-based Journey-as-a-Service solutions for financial institutions looking to digitize their services. Integrated into the Asseco ecosystem, LOQR's solution provides financial institutions with the ability to perform a range of operations, including opening accounts online, updating customer data and remotely retrieving access. As part of its cooperation with start-ups, Asseco PST has also entered into a partnership with AgentifAI, with which it has been working on a solution to integrate virtual assistant functionality into the Asseco PST banking platform.

**Finantech - Sistemas de Informação (Finantech)**, a member of the Asseco PST Group, conducted intensive activities in Angola in H1 2023 related to the implementation of its flagship product dedicated to capital market entities – the SIFOX platform. In addition, it carried out projects for the Cape Verde Stock Exchange.

A provider of proprietary accounting systems for entities in the financial sector, another company from the Asseco PST Group, **CPI Angola (Consultoria de Projetos Informáticos)**, also dynamically developed its operations in Angola. It focused on implementing modifications to the systems of banks there related to changes in the reporting rules of the Central Bank of Angola.

Asseco Western Europe's **Asseco Spain** concluded new contracts for the supply of IT hardware, software and related services in the first half of 2023. It also implemented agreements signed in previous reporting periods, including a cooperation agreement with SAG Racing Team, which was concluded last year. The two teams are working together to optimize work processes, improve motorcycle performance and increase the team's efficiency in racing through the implementation of technological solutions, mainly based on Big Data, blockchain and artificial intelligence.

The company has a digitization agent status under the Digital Kit program, an initiative of the Spanish government. Funded by the EU's Next Generation Digital Kit, the program aims to support the digitization of small businesses, micro-enterprises and self-employed individuals between 2021 and 2023. A prerequisite for taking advantage of the funds is to have a digital maturity level assessment. After passing the verification process, it is necessary to conclude a contract with an approved digitization agent, such as Asseco Spain, among others.

Asseco Spain carried out a change in its organizational structure in H1 2023. A business holding company was created, consisting of:

- Sora Anzen Company (specialization - cyber security).
- AID Solutions (specialization – AI, Data Analytics and IoT).
- Raxon (specialization – state-of-the-art digital solutions, covering a wide range of 360° services).
- Valorista (specializing in providing global IT solutions and equipment and providing high-value professional services).

In H1 2023, **Asseco Lietuva** entered into a new 3-year contract for the maintenance and development of its billing system with Ignitis Group, one of the largest energy groups in the Baltic Sea region. The aim of the project is to improve the operation of the billing system and the quality of customer service while ensuring the continuity of Ignitis's operations. The company has started a project for UAB Vilniaus Vandenyys, Lithuania's largest water supply company, which has purchased the FAVAKA system, consisting of three main modules: customer service (CRM), accounting (billing) and financial accounting. It will be integrated with other internal and external systems used by UAB Vilniaus Vandenyys. The contract will be implemented until 2026. Among the contracts concluded during the reporting period, one can also point to those signed with the Office of the Chief Archivist of Lithuania for the modernization of the electronic information archive, with the National Education Agency of Lithuania for the maintenance and development of the register of certificates, diplomas, degrees and titles, or with one of the departments of the Ministry of the Interior of the Republic of Lithuania for the maintenance of the Lithuanian Migration Information System (MIGRIS) created by Asseco.

During the reporting period, the implementation of the modernized LIMIS integrated museum information system was finalized. The project was implemented with the Lithuanian National Art Museum. It included new e- services, such as virtual tours of museums, exhibitions, castles, ordering high-resolution digital images or searching for artworks, scientific articles and copyright holders. Currently, the LIMIS system includes more than 700,000 digitized cultural heritage objects and more than 100 museums.

In the first half of 2023, Asseco Lietuva provided the Customs Department at the Ministry of Finance of the Republic of Lithuania with maintenance and modification services for three customs systems: MLS - the customs permit system, and, jointly with Asseco Poland, VLS - the Single Window system, and MDAS - the customs declaration processing system. In addition, the company executed a contract for this client for the construction, development and maintenance of a system for presenting goods for customs inspection (PPMKS). Asseco Poland acts as a strategic subcontractor to Asseco Lietuva in the implementation of the aforementioned projects.

In July 2023, Asseco Lietuva, together with its partner Alna Business Solutions, completed the 4-year FABIS project for the Ministry of Finance of the Republic of Lithuania. FABIS is an accounting system for public sector entities. Thanks to it, more than 500 public institutions, which previously used 275 different systems, have begun to conduct their financial accounting using one common system. FABIS provides faster data exchange with other systems used by public entities. Maintenance and further development services for the system are currently being provided.

On March 29, 2023, the bankruptcy process of **Tecnologia Sistemas y Aplicaciones (Tecsisa)** began. During the reporting period, Asseco International, a.s. lost control over this company.



# Financial information of **the Asseco Group**

ASSECO

## THE ASSECO GROUP'S FINANCIAL INFORMATION

### Financial results

The Asseco Group's revenues in H1 2023 amounted to PLN 8 515.4 million, compared to PLN 8 250.0 million in the same period in 2022. The Group recorded sales growth in the Asseco Poland and Formula Systems segments. In the Asseco International segment, revenues were at a comparable y/y level.

The significant disproportion between operating profit and net profit attributable to shareholders of the Asseco Poland Group's parent company is primarily due to significant minority shareholdings in subsidiaries, primarily in the Formula Systems Group.

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

The non-IFRS recognition includes adjustments for the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs related to company acquisitions/sales (M&A) and one-off events (and related tax effects).

The following table presents selected consolidated financial data for the six months ended June 30, 2023 and the comparable period of 2022 on an IFRS and non-IFRS basis.

PLN million	6 months to June 30, 2023	6 months to June 30, 2022 (restated)	Change H1 2023 / H1 2022
<b>Sales revenues</b>	<b>8 515.4</b>	<b>8 250.0</b>	<b>3.2%</b>
Proprietary software and services	6 720.2	6 441.6	4.3%
<b>Gross profit on sales</b>	<b>1 862.7</b>	<b>1 763.4</b>	<b>5.6%</b>
Cost of sales	(480.6)	(455.1)	5.6%
General and administrative expenses	(586.9)	(551.0)	6.5%
Other operating activities	(2.7)	165.9	(101.6%)
<b>EBIT</b>	<b>792.5</b>	<b>923.2</b>	<b>(14.2%)</b>
PPA & SBP M&A & one-offs	189.8	40.9	364.7%
<b>Non-IFRS EBIT</b>	<b>982.3</b>	<b>964.1</b>	<b>1.9%</b>
<b>EBITDA</b>	<b>1 234.6</b>	<b>1 352.5</b>	<b>(8.7%)</b>
<b>Non-IFRS EBITDA</b>	<b>1 278.7</b>	<b>1 245.3</b>	<b>2.7%</b>
Balance of financial activities	(33.3)	(3.0)	1010.0%
<b>Gross profit</b>	<b>759.2</b>	<b>920.2</b>	<b>(17.5%)</b>
Tax	160.9	201.7	(20.2%)
<i>Effective tax rate</i>	21.2%	21.9%	(0.7) p.p
Share of profit/loss of associates	(0.2)	10.3	(101.9%)
<b>Net profit attributable to shareholders of the parent company</b>	<b>230.5</b>	<b>247.9</b>	<b>(7.0%)</b>
PPA & SBP & M&A & one-offs	29.0	23.5	23.8%
<b>Non-IFRS net profit for shareholders of the parent company</b>	<b>259.5</b>	<b>271.4</b>	<b>(4.4%)</b>

*EBIT = operating profit.*

*Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.*

*EBITDA = EBIT + depreciation and amortization.*

*Non-IFRS EBITDA = non-IFRS EBIT + depreciation and amortization.*

*Non-IFRS net profit = net profit adjusted for the cost of amortization of intangible assets recognized in purchase price allocation (PPA), the costs of share-based payment transactions with employees (SBP), the revenues and costs related to company acquisitions/sales (M&A) and one-off events (and related tax effects).*

It should be noted that the results of H1 2023 were affected by such events as, among others:

- A translation of hyperinflationary balance sheet items relating to Turkish subsidiaries in the ASEE Group, as a result of which the Asseco Group recognized PLN 10.8 million under financial revenues, which translated into a PLN 5.5 million increase in consolidated net profit attributable to the shareholders of the parent company of the Asseco Poland Group.
- In connection with the loss of control over Tecnolocia Sistemas y Aplicaciones (Tecsisa) in the Asseco International segment, the Group recognized a gain of PLN 2.2 million at the level of both EBIT and consolidated net profit attributable to shareholders of the parent company of the Asseco Poland Group.
- A write-down on goodwill of DahliaMatic in the Asseco Poland segment, which lowered consolidated operating profit and consolidated net profit attributable to shareholders of the parent company of the Asseco Poland Group by PLN 4.9 million.

In contrast, the comparable period, i.e., H1 2022, included:

- A transaction of disposal of shares in Infinity Labs R&D Ltd. (Matrix IT Group, the Formula Systems segment), which resulted in the recognition of PLN 192.2 million in consolidated operating profit and PLN 19.0 million in consolidated net profit attributable to shareholders of the parent company of the Asseco Poland Group.
- An impairment loss on goodwill and write-down of assets relating to Tecsisa in the Asseco International segment, which lowered consolidated operating profit by PLN 44.3 million and lowered net profit attributable to shareholders of the parent Asseco Poland Group by PLN 26.3 million.
- A translation of hyperinflationary balance sheet items relating to the Turkish subsidiaries in the ASEE Group, as a result of which the Asseco Group recognized PLN 20.3 million in financial revenues, resulting in an increase in consolidated net profit attributable to shareholders of the parent company of the Asseco Poland Group by PLN 10.3 million.
- A revaluation of investment in an affiliate in the Asseco Spain Group, which resulted in the recognition of PLN 6.7 million in share of profit of associates and PLN 4.7 million in consolidated net profit attributable to shareholders of the parent company of the Asseco Poland Group.
- A revaluation of the result on the sale of R-Style Softlab JSC – a reversal of a write-down created in Q4 2021, which resulted in the recognition of PLN 3.1 million of consolidated net profit attributable to shareholders of the parent company of the Asseco Poland Group.

The following table presents selected financial data for geographic segments for the six months ended June 30, 2023.

6 months to June 30, 2023 (PLN million)	Asseco Poland segment	Formula Systems segment	Asseco International segment
<b>Sales revenues*</b>	<b>970.7</b>	<b>5 626.0</b>	<b>1 942.2</b>
<b>EBIT</b>	<b>142.9</b>	<b>463.3</b>	<b>186.9</b>
<i>EBIT margin</i>	<i>14.7%</i>	<i>8.2%</i>	<i>9.6%</i>
<b>Non-IFRS EBIT</b>	<b>154.9</b>	<b>636.7</b>	<b>191.4</b>
<i>Non-IFRS EBIT margin</i>	<i>16.0%</i>	<i>11.3%</i>	<i>9.9%</i>
<b>EBITDA</b>	<b>189.5</b>	<b>766.8</b>	<b>280.0</b>
<i>EBITDA margin</i>	<i>19.5%</i>	<i>13.6%</i>	<i>14.4%</i>
CFO BT	90.3	638.8	216.4
CAPEX	(43.5)	(77.8)	(59.1)
Lease expenses	(8.0)	(115.6)	(28.5)
FCF	38.8	445.4	128.8
Cash conversion ratio	25.1%	70.0%	67.3%
Cash (as at June 30)	262.8	1 585.0	697.5
Interest-bearing debt (as at June 30)**	(82.4)	(3 001.5)	(476.9)
<i>including loans, borrowings and bonds issued</i>	<i>(3.7)</i>	<i>(2 485.1)</i>	<i>(309.4)</i>
<i>of which leasing</i>	<i>(78.7)</i>	<i>(516.4)</i>	<i>(167.5)</i>

\* Revenues from sales to external segment customers and sales between segments.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

CFO BT = net cash from operating activities before income taxes paid.

CAPEX = expenditures on fixed assets of the segment.

FCF = |CFO BT| - |CAPEX| - |leasing expenses|.

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

The following table presents selected financial data for the geographic segments for the six months ended June 30, 2022.

6 months to June 30, 2022 (PLN million) (restated)	Asseco Poland segment	Formula Systems segment	Asseco International segment
Sales revenues*	838.4	5 483.8	1 943.0
EBIT	140.5	627.7	155.7
EBIT margin	16.8%	11.4%	8.0%
Non-IFRS EBIT	147.1	604.9	212.8
Non-IFRS EBIT margin	17.5%	11.0%	11.0%
EBITDA	186.3	916.6	251.6
EBITDA margin	22.2%	16.7%	12.9%
CFO BT	144.1	463.8	146.3
CAPEX	(41.5)	(91.0)	(55.9)
Lease expenses	(7.1)	(95.8)	(32.5)
FCF	95.5	277.0	57.9
Cash conversion ratio	64.9%	45.8%	27.2%
Cash (as at June 30)	405.9	2 396.2	833.9
Interest-bearing debt (as at June 30)**	(80.6)	(3 400.8)	(496.3)
including loans, borrowings and bonds issued	(1.8)	(2 850.8)	(315.1)
of which leasing	(78.8)	(550.0)	(181.2)

\* Revenues from sales to external segment customers and sales between segments.

\*\* Debt to entities outside the Group.

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

CFO BT = net cash from operating activities before income taxes paid.

CAPEX = expenditures on fixed assets of the segment.

FCF = |CFO BT| - |CAPEX| - |leasing expenses|.

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

## Profitability

Operating profit in H1 2023 amounted to PLN 792.5 million, compared to PLN 923.2 million in the corresponding period last year.

In H1 2023, the consolidated EBITDA profit margin was 14.5% (down by 1.9 p.p.), while the operating profit margin fell by 1.9 p.p. to 9.3%. The net profit margin was 7.0%, compared to 8.8% a year ago.

As indicated at the beginning of this chapter, for the assessment of the financial position and development of the Asseco Group's business activities, the basic data published on a non-IFRS basis is important information. There were several significant unusual events in the comparable period. The non-IFRS recognition, includes adjustments for, among other things, one-offs, and hence is a better reflection of actual business.

Non-IFRS operating profit during the first six months of 2023 stood at PLN 982.3 million, compared to PLN 964.1 million a year ago.

The Group's consolidated non-IFRS EBITDA margin was 15.0% (down by 0.1 p.p.), and the non-IFRS EBIT margin was 11.5% (down by 0.2 p.p.). The non-IFRS net profit margin was 8.8%, down by 0.3 p.p. from a year earlier.

The following table presents the key profitability ratios of the Asseco Group in the 6 months of 2023 and the comparable period of 2022.



	6 months to June 30, 2023	6 months to June 30, 2022 (restated)	Change H1 2023 / H1 2022
Gross profit margin on sales	21.9%	21.4%	0.5 p.p
EBITDA margin	14.5%	16.4%	(1.9) p.p
Non-IFRS EBITDA margin	15.0%	15.1%	(0.1) p.p.
EBIT margin	9.3%	11.2%	(1.9) p.p
Non-IFRS EBIT margin	11.5%	11.7%	(0.2) p.p.
Net profit margin	7.0%	8.8%	(1.8) p.p
Non-IFRS net profit margin	8.8%	9.1%	(0.3) p.p

Gross profit margin on sales = gross profit on sales / sales revenues.

EBITDA margin = EBITDA / sales revenues.

Non-IFRS EBITDA margin = non-IFRS EBITDA / sales revenues.

EBIT margin = operating profit / sales revenues.

Non-IFRS EBIT margin = non-IFRS operating profit / sales revenues.

Net profit margin = net profit / sales revenues.

Non-IFRS net profit margin = non-IFRS net profit / sales revenues.

## Revenue structure

The Asseco Group's revenues in H1 2023 amounted to PLN 8 515.4 million, up by 3.2% year-on-year.

In H1 2023, revenues in the Group's key proprietary software and services segment amounted to PLN 6 720.2 million, compared to PLN 6 441.6 million in H1 2022, and accounted for 79% of total sales. Sales of third-party software and services stood at PLN 771.7 million and accounted for 9% of consolidated revenues, while sales of hardware and infrastructure amounted to PLN 1 023.5 million and accounted for 12% of the Group's revenues.

The following tables show consolidated segment revenues in H1 2023 and 2022 by products.

6 months to June 30, 2023 (PLN million)	Asseco Poland segment	Formula Systems segment	Asseco International segment	Eliminations	Total
Proprietary software and services	842.2	4 570.7	1 321.1	(13.8)	6 720.2
Third-party software and services	87.9	461.0	232.4	(9.6)	771.7
Hardware and infrastructure	40.6	594.3	388.7	(0.1)	1 023.5
<b>Total operating revenues</b>	<b>970.7</b>	<b>5 626.0</b>	<b>1 942.2</b>	<b>(23.5)</b>	<b>8 515.4</b>

6 months to June 30, 2022 (PLN million) (restated)	Asseco Poland segment	Formula Systems segment	Asseco International segment	Eliminations	Total
Proprietary software and services	721.4	4 463.2	1 268.7	(11.7)	6 441.6
Third-party software and services	72.0	530.7	227.8	(3.1)	827.4
Hardware and infrastructure	45.0	489.9	446.5	(0.4)	981.0
<b>Total operating revenues</b>	<b>838.4</b>	<b>5 483.8</b>	<b>1 943.0</b>	<b>(15.2)</b>	<b>8 250.0</b>

In the period under review, the Asseco Group recorded revenue growth in all sectors. Revenues from the finance and banking sector accounted for 34% of consolidated sales and amounted to PLN 2 858.7 million versus PLN 2 784.2 million in H1 2022. Sales in the general business area in H1 2023 accounted for 42% of the Group's revenues and stood at PLN 3 594.2 million, compared to PLN 3 511.8 million in the corresponding period last year. The public sector generated 24% of total sales, recording PLN 2 062.5 million in revenues compared to PLN 1 954.0 million in revenues generated a year earlier.

The following tables show consolidated segment revenues in H1 2023 and H1 2022 by business sectors.

6 months to June 30, 2023 (PLN million)	Asseco Poland segment	Formula Systems segment	Asseco International segment	Eliminations	Total
Banking and finance	293.6	1 877.0	695.7	(7.6)	2 858.7
General business	233.4	2 431.9	942.5	(13.6)	3 594.2
Public institutions	443.7	1 317.1	304.0	(2.3)	2 062.5

<b>Total operating revenues</b>	<b>970.7</b>	<b>5 626.0</b>	<b>1 942.2</b>	<b>(23.5)</b>	<b>8 515.4</b>
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<b>6 months to June 30, 2022 (PLN million) (restated)</b>	<b>Asseco Poland segment</b>	<b>Formula Systems segment</b>	<b>Asseco International segment</b>	<b>Eliminations</b>	<b>Total</b>
Banking and finance	228.5	1 905.3	655.7	(5.3)	2 784.2
General business	180.6	2 385.6	955.3	(9.7)	3 511.8
Public institutions	429.3	1 192.9	332.0	(0.2)	1 954.0
<b>Total operating revenues</b>	<b>838.4</b>	<b>5 483.8</b>	<b>1 943.0</b>	<b>(15.2)</b>	<b>8 250.0</b>

The following table shows the currency structure of sales for the first half of 2023 and 2022.

	<b>6 months to June 30, 2023</b>	<b>6 months to June 30, 2022</b>
NIS (new Israeli shekel)	39.9%	41.5%
USD (US dollar)	18.1%	17.9%
EUR (euro)	17.3%	16.1%
PLN (Polish zloty)	12.9%	11.7%
GBP (British pound)	2.6%	2.2%
CZK (Czech crown)	2.4%	2.0%
RSD (Serbian dinar)	2.1%	1.8%
RON (new Romanian leu)	1.2%	1.0%
DKK (Danish krone)	0.5%	1.7%
Other currencies	3.0%	4.1%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

## Cash flow

In H1 2023, the Asseco Group generated gross cash from operating activities (before taxes) of PLN 944.4 million, up by 25.5% year-on-year. The increase was mainly thanks to improved non-IFRS results and changes in working capital.

In H1 2023, funds used in investing activities (CFI) were 146.3% higher year-on-year at PLN 698.9 million. Cash outflows from financing activities (CFF) amounted to PLN 885.6 million, compared to PLN 673.4 million in the previous year. This reduction in cash related to financing activities in the current year is due to two key factors. First, the main reason is the higher amount of loans repaid compared to the previous year. Second, an important element is the reduction in the value of new loans taken out in the current year compared to the previous year.

PLN million	6 months to June 30, 2023	6 months to June 30, 2022	Change H1 2023 / H1 2022
CFO BT	944.4	752.7	25.5%
Tax paid	(261.4)	(192.7)	35.7%
CFI	(698.9)	(283.8)	146.3%
CAPEX	(180.4)	(188.4)	(4.3%)
CFF	(885.6)	(673.4)	31.5%
Dividend payment	(290.5)	(278.9)	4.2%
Change in cash	(901.5)	(397.2)	127.0%

*CFO BT i.e. cash from operating activities before taxes paid.*

*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

To analyze liquidity, the Asseco Group primarily uses the concept of working capital, defined as the difference between current assets and current liabilities. Working capital represents the scale of financing current assets with the Group's short-term capital. The level of working capital at the end of H1 2023 amounted to PLN 2 702.8 million compared to PLN 3 027.0 million at the end of 2022. The increase in working capital was mainly attributable to net profit before minority interest, net of depreciation and amortization, while working capital was mainly reduced by a dividend passed by Asseco Poland, dividends passed by the Group companies outside the Asseco Group, the acquisition of control over new companies and the acquisition of additional shares in owned companies, as well as capital expenditures and reduction of long-term liabilities.

At the end of H1 2023, the current and quick liquidity ratios remained at the levels similar to the ones from the end of 2022, while the immediate liquidity ratio recorded a slight decrease (by 0.1 p.p.) and reached 0.5.

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

The cash conversion ratio, which measures the coverage of non-IFRS EBIT by free cash flow, stood at a safe level of 62.4% at the end of H1 2023, while for the last 12 reported months it was 83.9%, reaching 91.6% in the Formula Systems segment, 84.1% in the Asseco International segment and 50.4% in the Asseco Poland segment. The cash conversion ratio was affected by the payment schedules of significant projects.

The following table shows the Group's key liquidity ratios as at June 30, 2023 and in comparable periods:

	June 30, 2023	December 31, 2022 (restated)	June 30, 2022 (restated)
Working capital (PLN million)	2 702.8	3 027.0	2 407.4
Current liquidity ratio	1.5	1.5	1.4
Quick liquidity ratio	1.4	1.4	1.3
Immediate liquidity ratio	0.5	0.6	0.5
Cash conversion ratio	62.4%	75.7%	44.6%

*Working capital = current assets (short-term) - current liabilities.*

*Current ratio = current assets (short-term) / current liabilities.*

*Quick ratio = (current assets - inventories - prepaid expenses) / current liabilities.*

*Immediate liquidity ratio = cash and short-term deposits / short-term liabilities.*

*Cash conversion ratio = FCF / non-IFRS EBIT*

Debt ratios as at June 30, 2023 and in comparable periods:

	June 30, 2023	December 31, 2022	June 30, 2022
Total debt ratio	47.0%	49.3%	47.8%
Debt / equity ratio	35.7%	38.8%	35.5%
Debt / (debt + equity) ratio	26.3%	28.0%	26.2%

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

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

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

Both the level of total debt and the level of the debt-to-equity ratio should be considered very safe compared to global standards.

## Quarterly financial results

In Q2 2023, the Group's revenues stood at PLN 4 180.0 million (down by 0.5%), with the sales of software and proprietary services increasing by 0.6% to PLN 3 298.7 million. Operating profit for the period was PLN 394.9 million, down by 26.4%. Net profit attributable to the parent company's shareholders amounted to PLN 122.4 million, compared to PLN 140.3 million a year ago.

The following table presents selected consolidated financial data for the second quarter of 2023 and the comparable period.

PLN million	3 months to June 30, 2023	3 months to June 30, 2022 (restated)	Change Q2 2023 / Q2 2022
<b>Sales revenues</b>	<b>4 180.0</b>	<b>4 202.5</b>	<b>(0.5%)</b>
Proprietary software and services	3 298.7	3 280.3	0.6%
<b>Gross profit on sales</b>	<b>922.2</b>	<b>873.0</b>	<b>5.6%</b>
Cost of sales	(239.1)	(229.3)	4.3%
General and administrative expenses	(284.6)	(282.6)	0.7%
Other operating activities	(3.6)	175.4	(102.1%)
<b>EBIT</b>	<b>394.9</b>	<b>536.5</b>	<b>(26.4%)</b>
PPA & SBP M&A & one-time events	93.4	(52.9)	(276.5%)
<b>Non-IFRS EBIT</b>	<b>488.3</b>	<b>483.6</b>	<b>1.0%</b>
<b>EBITDA</b>	<b>612.1</b>	<b>751.5</b>	<b>(18.5%)</b>
<b>Non-IFRS EBITDA</b>	<b>635.0</b>	<b>623.0</b>	<b>1.9%</b>
Balance of financial activities	(13.1)	15.2	(186.2%)
<b>Gross profit</b>	<b>381.8</b>	<b>551.7</b>	<b>(30.8%)</b>
Tax	77.4	119.3	(35.1%)
Effective tax rate	20.3%	21.6%	(1.3) p.p
Share of profit/loss of associates	1.2	9.3	(87.1%)
<b>Net profit attributable to shareholders of the parent company</b>	<b>122.4</b>	<b>140.3</b>	<b>(12.8%)</b>
PPA & SBP & M&A & one-time events	17.2	6.4	169.4%
<b>Non-IFRS net profit for shareholders of the parent company</b>	<b>139.6</b>	<b>146.7</b>	<b>(4.8%)</b>

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

EBITDA non-IFRS = EBIT non-IFRS + depreciation and amortization.

Non-IFRS net income = net income adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events (and related tax effects).

The following tables present selected financial data for the geographic segments in Q2 2023 and the comparable period.

3 months to June 30, 2023 (PLN million)	Asseco Poland segment	Formula Systems segment	Asseco International segment
Sales revenues*	513.6	2 722.6	953.8
EBIT	76.7	225.7	89.2
EBIT margin	14.9%	8.3%	9.4%
Non-IFRS EBIT	85.1	310.6	89.3
Non-IFRS EBIT margin	16.6%	11.4%	9.4%
EBITDA	100.1	374.2	135.0
EBITDA margin	19.5%	13.7%	14.2%
CFO BT	59.3	415.2	63.2
CAPEX	(19.8)	(38.1)	(24.1)
Lease expenses	(4.0)	(55.8)	(14.1)
FCF	35.5	321.3	25.0
Cash conversion ratio	41.7%	103.4%	28.0%

\* Revenues from sales to external segment customers and sales between segments.

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

CFO BT = net cash from operating activities before income taxes paid.

CAPEX = expenditures on fixed assets of the segment.

FCF = |CFO BT| - |CAPEX| - |leasing expenses|.

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

3 months to June 30, 2022 (PLN million) (restated)	Asseco Poland segment	Formula Systems segment	Asseco International segment
Sales revenues*	430.0	2 777.5	1 002.7
EBIT	73.0	403.1	60.6
EBIT margin	17.0%	14.5%	6.0%
Non-IFRS EBIT	76.3	295.7	111.8
Non-IFRS EBIT margin	17.7%	10.6%	11.1%
EBITDA	95.7	547.1	109.4
EBITDA margin	22.3%	19.7%	10.9%
CFO BT	45.7	190.1	69.0
CAPEX	(15.4)	(41.8)	(31.5)
Lease expenses	(3.7)	(50.4)	(18.1)
FCF	26.6	97.9	19.4
Cash conversion ratio	34.9%	33.1%	17.4%

\* Revenues from sales to external segment customers and sales between segments.

EBIT = operating profit.

Non-IFRS EBIT = EBIT adjusted for the cost of amortization of intangible assets recognized as part of the merger settlement (PPA), for the cost of equity-settled transactions with employees (SBP), and for income and expenses related to acquisitions/sales of companies and one-off events.

EBITDA = EBIT + depreciation and amortization.

CFO BT = net cash from operating activities before income taxes paid.

CAPEX = expenditures on fixed assets of the segment.

FCF = |CFO BT| - |CAPEX| - |leasing expenses|.

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

The following tables show consolidated segment revenues in Q2 2023 and the comparable period by products.

3 months to June 30, 2023 (PLN million)	Asseco Poland segment	Formula Systems segment	Asseco International segment	Eliminations	Total
Proprietary software and services	440.3	2 213.3	651.8	(6.7)	3 298.7
Third-party software and services	48.7	238.1	120.0	(3.3)	403.5
Hardware and infrastructure	24.6	271.2	182.0	(0.0)	477.8
<b>Total operating revenues</b>	<b>513.6</b>	<b>2 722.6</b>	<b>953.8</b>	<b>(10.0)</b>	<b>4 180.0</b>

3 months to June 30, 2022 (PLN million) (restated)	Asseco Poland segment	Formula Systems segment	Asseco International segment	Eliminations	Total
Proprietary software and services	376.1	2 261.8	648.7	(6.3)	3 280.3
Third-party software and services	33.1	271.6	125.4	(1.4)	428.7
Hardware and infrastructure	20.8	244.1	228.6	-	493.5
<b>Total operating revenues</b>	<b>430.0</b>	<b>2 777.5</b>	<b>1 002.7</b>	<b>(7.7)</b>	<b>4 202.5</b>

The following tables show consolidated segment revenues in Q2 2023 and the comparable period by business sectors.

3 months to June 30, 2023 (PLN million)	Asseco Poland segment	Formula Systems segment	Asseco International segment	Eliminations	Total
Banking and finance	168.3	920.4	335.1	(3.0)	1 420.8
General business	121.3	1 131.5	462.8	(5.0)	1 710.6
Public institutions	224.0	670.7	155.9	(2.0)	1 048.6
<b>Total operating revenues</b>	<b>513.6</b>	<b>2 722.6</b>	<b>953.8</b>	<b>(10.0)</b>	<b>4 180.0</b>

3 months to June 30, 2022 (PLN million) (restated)	Asseco Poland segment	Formula Systems segment	Asseco International segment	Eliminations	Total
Banking and finance	118.5	973.9	353.0	(2.8)	1 442.6
General business	93.6	1 162.8	473.6	(4.9)	1 725.1
Public institutions	217.9	640.8	176.1	-	1 034.8
<b>Total operating revenues</b>	<b>430.0</b>	<b>2 777.5</b>	<b>1 002.7</b>	<b>(7.7)</b>	<b>4 202.5</b>

The following table presents the Asseco Group's key profitability indicators for the second quarter of 2023 and the comparable period.

Margin	3 months to June 30, 2023	3 months to June 30, 2022 (restated)	Change Q2 2023 / Q2 2022
Gross profit margin on sales	22.1%	20.8%	1.3 p.p.
EBITDA margin	14.6%	17.9%	(3.3) p.p.
Non-IFRS EBITDA margin	15.2%	14.8%	0.4 p.p.
EBIT margin	9.4%	12.8%	(3.4) p.p.
Non-IFRS EBIT margin	11.7%	11.5%	0.2 p.p.
Net profit margin	7.3%	10.5%	(3.2) p.p.
Non-IFRS net profit margin	9.2%	9.1%	0.1 p.p.

*Gross profit margin on sales = gross profit on sales / sales revenues.*

*EBITDA margin = EBITDA / sales revenues.*

*Non-IFRS EBITDA margin = non-IFRS EBITDA / sales revenues.*

*EBIT margin = operating profit / sales revenues.*

*Non-IFRS EBIT margin = non-IFRS operating profit / sales revenues.*

*Net profit margin = net profit / sales revenues.*

*Non-IFRS net profit margin = non-IFRS net profit / sales revenues.*

**Other information**  
**about the Asseco Group**

ASSECO

## OTHER INFORMATION ABOUT THE ASSECO GROUP

### Description of significant risks and threats

The Asseco Group continuously monitors the significant risks to its operations in order to identify, prevent and possibly mitigate them. To this end, Asseco Poland and its subsidiaries have management systems and internal control and audit procedures in place. In particular, Asseco Poland has:

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

The systems in place, including integrated management structures and efficient internal auditing, effectively limit the negative impact of the following risks and threats on the Company's and the Group's operations.

#### **Risks associated with the economic environment**

##### **Risks associated with increased competition**

The Group's operations are significantly affected by intensifying competition from both Polish and foreign IT companies. There is a growing role for competition from global companies with faster access to the latest technological solutions and cheaper sources of capital, which allows these companies to finance large contracts more efficiently. There is no certainty that increasing competition in the future will not have a significant negative impact on the Asseco Group's operations, financial position, results or development prospects.

Degree of exposure to risk: medium.

##### **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 depends to a large extent on the ability to apply the latest technological solutions in the products and services offered. 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 on the technology market and adjusts and upgrades its offer accordingly. However, there is a risk that new solutions will appear on the market that will make the products and services offered by the Asseco Group unattractive and will not provide the expected revenues. There is also no certainty that the new solutions, on the creation or development of which the Group companies will work in the future, will achieve the expected technological parameters and will be positively received by potential customers. The occurrence of any of these circumstances may have a material adverse effect on the operations, financial position, results or development prospects of the Asseco Group.

Degree of exposure to risk: medium.

##### **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 the financial institutions they consolidate, which may slow down the acquisition of new contracts or result in the loss of contracts already concluded. In addition, there is a growing trend in the financial sector of the emergence of companies on the borderline of IT and financial services (so-called fintechs), whose solutions may compete with Asseco's products or introduce alternative mechanisms for the operation of financial companies, which may affect the acquisition of new contracts. The occurrence of such situations may have a significant negative impact on the operations, financial position, results or development prospects of the Asseco Group.

Degree of exposure to risk: medium.

##### **Risks associated with handling public tenders**

Delays in tenders related to IT infrastructure in the public administration may result in disrupted revenue realization from the public administration sector. Combined with the still unsatisfactory dynamics of handling EU funds earmarked for the



development of innovation in public offices, this may give rise to significant risks on the side of demand for IT services, which could adversely affect the Asseco Group's operations, financial position, results or development prospects.

Degree of exposure to risk: medium.

#### **Risk of dependence on major customers**

The performance of contracts concluded with key customers will have a significant impact on the revenues generated by the Asseco Group in the coming years. It cannot be ruled out that the possible loss of any of the key customers, deterioration of the financial terms of service provision or possible compensation claims would have a significant negative impact on the Group's operations, financial position, results or development prospects.

Degree of exposure to risk: medium.

#### **Risks associated with the process of acquiring new contracts**

Operations in the IT sector are characterized by the fact that most of the orders that are sources of revenue for the Asseco Group companies are settled in the form of tenders. However, there is no certainty that the Group companies will be able to acquire new orders in the future, the execution of which will ensure the achievement of a satisfactory level of revenues. The above-described factors may have a significant negative impact on the operations, financial position, results or development prospects of the Asseco Group.

Degree of exposure to risk: medium.

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

The Asseco Group is pursuing a growth strategy based largely on acquisitions or capital investments in companies operating in the information technology sector. Valuation of future acquisitions or investments will depend on market conditions as well as on other factors beyond Asseco's control. It cannot be ruled out that the investing entity will not be able to correctly estimate the value of acquisitions and investments made. There is also a risk that the performance of the companies subject to acquisitions or investments will turn out to be worse than initially anticipated, which may result in lower rates of return on these transactions than originally expected.

Degree of exposure to risk: medium.

#### **Risks related to the macroeconomic situation, including those related to the war in Ukraine**

The development of the IT services sector is closely correlated to the overall economic situation. The financial performance of the Asseco Group companies is most influenced by the pace of GDP growth, the volume of public orders for IT solutions, the level of investment in enterprises, as well as the level of inflation in the countries where the Group companies operate.

As a result of the Russian invasion of Ukraine, which began on February 24, 2022, the geopolitical situation of the entire region in which Asseco Poland and other Group companies operate has changed significantly. The Asseco Group does not have any significant business activities in Russia, Belarus or Ukraine, nor does it have funds in accounts in Russian banks. Some of the Group's companies, mainly in the Formula Systems segment, have hired employees, particularly outsourced programmers from Ukraine and Russia. In view of the war, the aforementioned companies have taken measures to eliminate the risks associated with them.

At this point, due to the dynamic situation, it is difficult to assess the long-term economic impact of the war in Ukraine and its effect on the overall macroeconomic situation, which indirectly affects the Group's financial performance.

Degree of exposure to risk: medium.

#### **Risks related to the execution of contracts**

##### **Risk of improper estimation of the scope of project work**

The Asseco Group's profits come mainly from the execution of complex IT projects carried out under contracts with a predetermined fee. The execution of such projects requires very good planning both in terms of the work schedule and the resources needed to implement the promised scope of the project. The Group applies complex procedures in this regard, which on the one hand facilitate the preparation of a proper plan, and on the other hand prevent the situation of unforeseen costs.

The management of the risk of inadequate estimation of the scope of project work involves the Group's use of methods based on global standards and its own experience for estimating costs in projects, determining the schedule and estimating risks that could jeopardize the timely, substantive or financial completion of tasks.

Degree of exposure to risk: medium.

### **Operational risks**

#### **Risk of changing legislation and its interpretation**

The Group's 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 laws, in particular tax law, banking law, insurance law (including social insurance), the Law on Public Procurement, the Law on Personal Data Protection, the Law on Trading in Financial Instruments, the Law on Public Offering and the Code of Commercial Companies, entail risks related to the legal 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 that the tax authorities adopt an interpretation of tax regulations different from that of an Asseco Group company, one may be exposed to negative consequences affecting the operations and financial position of the Asseco Group and its financial performance. Such risk is related, in particular, to potential questioning by tax authorities of the parent company's transactions with related parties. This may have a significant negative impact on the Asseco Group's operations, financial position, results or development prospects.

Degree of exposure to risk: medium.

#### **Risks associated with the possible loss of key employees**

The operations of the Asseco Group companies and their growth prospects depend to a large extent on the knowledge, experience and qualifications of the employees who carry out IT projects. Significant demand for IT specialists and the actions of competitors may lead to the departure of key personnel, as well as hinder the process of recruiting new employees with adequate knowledge, experience and qualifications. There is a risk that the departure of key personnel will have a negative impact on the execution of IT projects carried out by the Group's companies, as well as on ensuring adequate quality and scope of services, which in turn may have a significant negative impact on the operations, financial position, results or development prospects of the Asseco Group.

Degree of exposure to risk: medium.

#### **Risks associated with possible copyright litigation**

The development of the Asseco Group's business on the market of IT products is strongly dependent on intellectual property rights, especially copyrights to computer programs. There is a risk that in some of the countries where the Asseco Group operates, doubts may arise as to the effectiveness of transferring to the Group's companies the copyrights to software codes created by employees of individual companies, mainly due to different regulations on the protection of intellectual property in those countries. If the employment contracts or other agreements under which the employees performed or perform work for the Group companies did not contain, or do not contain, adequate provisions for the transfer of copyrights to the Group companies, the transfer of rights to certain software may not have taken place.

Degree of exposure to risk: low.

#### **Risks associated with IT licenses**

The Asseco Group entities use IT software licenses under civil law agreements concluded with the world's leading providers of software tools and thematic applications, including HP, IBM, Microsoft, Oracle and SAS Institute, among others. Using the solutions and products of these companies, the Asseco Group develops its most important products. Termination of license agreements or restrictions on the use, especially of IBM and Oracle software, could have a significant negative impact on the Asseco Group's business, financial position, results or development prospects.

Degree of exposure to risk: low.

#### **Risk of contracting with a dishonest counterparty**

The Asseco Group is exposed to the risk of non-performance of contracts by counterparties. First, this risk relates to the creditworthiness and goodwill of customers to whom the Group supplies IT solutions. Second, it relates to the creditworthiness of counterparties with whom supply transactions are concluded.

Risk control measures consist of monitoring the timeliness of transfers and, if necessary, launching a recovery process. To minimize risks, we monitor the industry press, analyze our previous cooperation experience, the experience of competitors, etc. Our suppliers are subjected to a qualification process.

Degree of exposure to risk: low.

#### **Risk of occurrence of corruption cases**

Operating within a wide organizational structure with a relatively broad spectrum of competencies of individual organizational units carries the risk of incidental occurrence of corruption events. Employees of purchasing and sales departments are particularly vulnerable to incidents in this regard, as they are the ones who are in direct contact with representatives of external entities that can achieve a certain material benefit through cooperation with the Group. The occurrence of such a phenomenon could have negative image effects for the Group, which could hinder future business contacts, as well as result in a direct economic loss if a contract is concluded on non-market terms.

The Asseco Group manages risk through the proper selection of employees working in specific positions, as well as through appropriate monitoring activities. Employees are trained in anti-corruption.

In addition, the above risks are managed within Asseco Poland through the implementation of purchasing rules and the prevention of corruption and conflict of interest, as well as raising employee awareness. Control of compliance with purchasing rules is carried out periodically by the Purchasing Office (as part of the second line of defense), and the purchasing process is audited by the Internal Audit Department in accordance with the audit plan established for the year (as part of the third line of defense).

Degree of exposure to risk: low.

#### **Risks associated with insufficient insurance coverage**

The Asseco Group companies' business activities consisting in the production and supply of software, as well as the execution of integration projects, involve a risk of damage to the contracting parties or the end customers of the services provided by the contracting parties as a result of culpable or non-culpable defects or failures of the products supplied by the companies. Contracts entered into by the Asseco Group's companies provide for contractual penalties in the event of non-performance or improper performance of the contract. The occurrence of compensation claims for amounts exceeding the guarantee amounts of the currently held policy may have a significant negative impact on the operations, financial position, results or development prospects of the Asseco Group's companies.

Degree of exposure to risk: low.

#### **Business continuity risk, including restrictions and interruptions in electricity supply**

The occurrence of an emergency situation at one of the Asseco Group's entities may adversely affect the ability to continue providing services to customers, which may lead to delays, defaults, compensation claims, and loss of customer confidence. Among other things, Asseco Group entities are exposed to the risk of restrictions and interruptions in the supply of electricity due to, among other things, the possibility of network failures or failures at the supplier. To mitigate the effects of such events, the server rooms of the Group companies are equipped with independent sources of electricity - generators, which can be activated in case of failure. However, despite the technological and organizational solutions implemented, the occurrence of an emergency situation may have a significant negative impact on the Group's operations, financial position, results or development prospects.

Degree of exposure to risk: low.

#### **Risk of data leakage**

As a result of the intentional actions of third parties or dishonest employees, as well as errors or carelessness on the part of employees or subcontractors, confidential data of the Group's company or its customers may be disclosed to unauthorized persons. The occurrence of such a situation may adversely affect customers' perception of the Asseco Group and translate into a negative impact on its business, financial position, results or development prospects.

Degree of exposure to risk: low.

#### **Property risk**

As a result of malpractice or errors by employees of the Asseco Group's companies, they may suffer property damage. The occurrence of such a situation may adversely affect the company's financial condition and the continuity of its operations, and thus translate into a negative impact on the Group's business, financial condition, results or development prospects.

Degree of exposure to risk: low.

## **Reputational risk**

### **Risk of losing customer confidence**

The operations of the Asseco Group companies are largely based on the trust of their customers. Implementation of an IT system that has a key impact on the recipient's business mostly entails signing a long-term contract with the users of the system. Their trust in Asseco depends on the quality of the delivered solutions and service to these customers. In the event of poor quality of the delivered product or service, trust may be lost, which may adversely affect the Group's image and make it impossible to conduct business.

Degree of exposure to risk: low.

## **Risks related to the market environment**

### **Risk of rising labor costs**

A significant part of the costs associated with ongoing projects are salary costs. With a high commitment of human labor, an increase in salary costs may adversely affect the margin of projects and, consequently, the Group's results.

The Asseco Group's management of the risk of rising labor costs consists of measures that reduce the likelihood of negative effects when wages change on the market. The Asseco Group, among others:

- employs people in many geographic regions, which allows diversification of risk,
- conducts constant monitoring of salaries on the market, so it can adapt to changing labor market conditions,
- maintains a proper structure - a pyramid of employment in terms of each competency level,
- introduces valorization clauses in customer contracts.

Degree of exposure to risk: medium.

### **Risk of significant increase in electricity prices**

The primary working tools of the Asseco Group's employees are electronic devices, the operation of which requires electricity obtained from external suppliers. A significant increase in the price of electricity in the countries where Group companies operate will cause an increase in the cost of doing business for these companies. The Group's companies manage the risk by ongoing analysis of their energy needs and possible reduction of energy consumption, including through gradual replacement of older, energy-intensive equipment with energy-efficient equipment. Measures are being taken to make the Group Companies independent of energy supplies based on conventional fuels by negotiating current contracts and signing long-term contracts with guarantees of origin with electricity suppliers. Investments are also being made in their own renewable energy sources through the installation of solar panels for domestic water heating or the installation of photovoltaic panels, which allows the Companies to become independent of possible price fluctuations and to avoid incurring costs associated with electricity distribution.

Degree of exposure to risk: medium.

## **Risks of changes in financial markets**

### **Currency risk**

The currency in which the Asseco Group presents its results is PLN. The functional currencies of Group companies based outside Poland are the currencies of the countries in which these companies conduct their operations. Accordingly, 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 foreign currency exchange rates against PLN, which may result in a change in their value.

Degree of exposure to risk: medium.

### **Risk of interest rate changes**

Changes in market interest rates may adversely affect the Group's financial results. The Group is exposed to the risk of changes in this market factor mainly through:

- changes in the value of interest accrued on loans granted by external financial institutions to the Group's companies based on variable interest rates,
- changes in the valuation of debt securities such as government and corporate bonds and changes in the valuation of derivatives,
- changes in the value of interest accrued on deposits established by the Group's companies based on variable interest rates.

The Group identifies interest rate risk at the time of entering into a transaction or financial instrument exposed to risk. All transactions exposed to changes in market interest rates are subject to specific recording and control.

The Group's companies mitigate the risk in two ways: they try to avoid borrowing based on a variable interest rate or, if the first solution is not possible, Group units have the option of entering into interest rate futures contracts.

Degree of exposure to risk: low.

### **Factors that, in the opinion of the Management Board, will affect the results in at least a quarter's perspective**

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

There are a number of factors, both internal and external, that can directly or indirectly affect the Group's financial performance.

External factors affecting the future financial performance of the Asseco Group include:

- developments in the economic and political situation in Poland, the European Union and other countries in which the Group operates, including the impact of the war in Ukraine,
  - the Group continuously monitors the impact of the economic and political situation in Ukraine on the operations of all of its member companies. Information related to the assessment of the impact on results achieved in the period covered by this report and on results in future periods is presented in section 2.2 of the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and in section 2.2 of the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023,
- inflation and currency fluctuations (primarily of the dollar and euro, but also of the currencies of the countries in which the Group operates),
- an increase or decrease in the demand for IT solutions in the finance and banking, government and corporate sectors,
- shortage of qualified IT experts on a demanding labor market (risk of rising labor costs),
- activities related to intensifying competition from both Polish and foreign IT companies, especially when competing for large and prestigious contracts,
- changes in the credit situation, liquidity, the ability of customers to finance themselves,
- changes in interest rates and bank margins,
- opportunities and risks associated with relatively rapid technological change and innovation on the IT market,
- risk of potential customers postponing decisions on their IT investments.

Internal factors affecting the future financial performance of the Asseco Group include:

- implementation of complex IT projects carried out under long-term contracts,
- results of ongoing commercial activities both on the domestic market and abroad,
- need to retain the most skilled and key employees,
- results of work on new products,
- implementation of the Group's operating strategy of organic growth and expansion into new foreign markets.

### **Unusual events that affected the achieved financial results**

The economic and political situation in the territory of Ukraine did not have a significant impact on the financial results of the Asseco Group generated in the period.

Information related to the assessment of the impact of the war in Ukraine on the results achieved in the period covered by this report and on results in future periods is presented in section 2.2 of the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and in section 2.2 of the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023.

During the reporting period, there were no events significantly affecting assets, liabilities, equity, net income or cash flows that were unusual due to their nature, value or frequency.

### **Significant events affecting the Asseco Group's operations after June 30, 2023**

For a description of significant events after the balance sheet date, i.e. after June 30, 2023, see section 8.4 of the notes to the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and section 7.4 of the notes to the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023.

### **Assessment of the management of financial resources and the feasibility of investment intentions**

The Asseco Group companies are currently meeting their obligations to contractors, mandatory charges to the state and investment commitments. The companies maintain credit lines with various banks, which allows them to diversify their sources of financing. The companies settle their obligations with funds from operating proceeds, supporting themselves with external capital, i.e. using short-term overdraft lines, loans and borrowings and capital receipts .

### **Financial forecasts**

Asseco Poland did not publish financial forecasts for 2023 or subsequent reporting periods.

### **Changes in the management principles of the Group and the Company**

In the first half of 2023, there were no changes in the management principles of Asseco Poland and the Asseco Group.

### **Agreements between the Group or the Company and managers providing for compensation in the event of their resignation or dismissal from their positions**

There are no agreements between Group companies and executives providing for compensation in the event of their resignation, dismissal from their positions without good cause, or in the event of their removal or dismissal due to a merger by acquisition.

### **Information on agreements known to the issuer that may result in future changes in the proportions of shares held by 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 in capital ties**

A description of changes in capital relationships is presented in section 3 of the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023.

### **Transactions with related parties**

A description of transactions with related parties is presented in section 6.21 of the notes to the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and section 5.21 of the notes to the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023.

### **Loans, loan agreements, sureties, guarantees**

A description of loans taken out, loans granted, sureties or guarantees is presented in section 6.14 of the notes to the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and in section 5.14 of the notes to the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023.

## Information on loans granted

Information on loans granted by Asseco Group companies during the year is included in section 6.10 of the notes to the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and in section 5.7 of the notes to the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023.

## Description of off-balance sheet items

A description of significant off-balance sheet items by subject, object and value is included in section 8.1 of the notes to the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and in section 7.1 of the notes to the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023.

## Description of the structure of major capital investments made within the Asseco Group

For a description of the structure of the main equity investments made within the Asseco Group, see Section 6.6 of the notes to the consolidated financial statements of the Asseco Group for the six months ended June 30, 2023.

## Information on the control system of employee share schemes

As at the date of publication of this report, the Company does not have an incentive program based on its shares. Information on transactions with employees accounted for in the form of equity instruments is provided in section 5.2.i of the notes to the consolidated financial statements of the Asseco Group for the six months ended June 30, 2023.

## Information on liabilities arising from pensions and benefits of a similar nature

As at June 30, 2023, Asseco Poland did not have any liabilities arising from pensions and benefits of a similar nature for former managers, supervisors or former members of administrative bodies.

## Information on significant legal proceedings

As at the date of publication of this report, neither Asseco Poland nor the Asseco Group was a party to any material proceedings pending before a court, a competent arbitration authority or a public administration authority. Information on litigation pending as at the balance sheet date is provided in section 8.1 of the notes to the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and in section 7.1 of the notes to the stand-alone financial statements of Asseco Poland for the period of 6 months ended June 30, 2023.

## Other information

On June 15, 2023, the Extraordinary General Meeting of Shareholders ("GMS") of the Company resolved to create a reserve capital (reserve fund) of the Company in the amount of PLN 1 185 609 668.46, to be used to pay dividends in future years or to finance the acquisition of the Company's own shares.

At the same time, on June 15, 2023, the Company's GMS authorized the Management Board to purchase own shares under the terms of the resolution.

## STATEMENT OF THE MANAGEMENT BOARD OF ASSECO POLAND TO THE SEMI-ANNUAL REPORT

**The Statement of the Management Board of Asseco Poland pursuant to the provisions of art. 68 sect. 1 item 4 and art. 69 sect. 1 item 4 of the Regulation of the Minister of Finance regarding current and periodic information to be submitted by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state.**

The Management Board of Asseco Poland hereby declares that, to the best of its knowledge, the financial statements of Asseco Poland for the period of 6 months ended June 30, 2023 and comparative data, as well as the consolidated financial statements of the Asseco Group for the period of 6 months ended June 30, 2023 and comparative data, were prepared in compliance with the applicable accounting principles, i.e. in accordance with the International Financial Reporting Standards as adopted by the European Union.

The Management Board also declares that the presented data give a true, reliable and fair view of the Company's and the Group's assets, financial position and financial results. The report on the operations of the Asseco Group gives a true picture of the development, achievements and situation of the Company and its Group, including a description of the main risks and threats.



We are hereby approving the Management Board's Report on the operations of the Asseco Group and Asseco Poland S.A. and confirm the accuracy of the above statement.

**Management Board:**

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Adam Góral

President of the Management Board

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Grzegorz Bartler

Vice President of the Management Board

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Andrzej Dopierała

Vice President of the Management Board

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Krzysztof Groyecki

Vice President of the Management Board

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Marek Panek

Vice President of the Management Board

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Paweł Piwowar

Vice President of the Management Board

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Zbigniew Pomianek

Vice President of the Management Board

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Karolina Rzońca-Bajorek

Vice President of the Management Board

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Sławomir Szmytkowski

Vice President of the Management Board

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Artur Wiza

Vice President of the Management Board

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Gabriela Żukowicz

Vice President of the Management Board

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# Technology for business, solutions for people.

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**ASSECO**