

Transcript from broadcast of Asseco's H1 2023 earnings conference call**Artur Wiza – Vice President of the Management Board of Asseco Poland (AW)**

Good day to you all. We would like to welcome you very warmly to our H1 2023 results conference. Traditionally, we will present the activities of the Asseco Group during the first 6 months of this year. In the second part of the meeting we will present financial data and answer your questions. Participating in today's conference are: Karolina Rzońca-Bajorek – CFO of Asseco Poland and the Asseco Group, and Marek Panek – Vice President of Asseco Poland. We also have a guest today. With us is Lech Szczuka – CEO of Asseco Poland's cloud solutions subsidiary, Asseco Cloud. We will start by presenting the Group's activities in the first half of this year. I will now ask Marek Panek to summarize them.

Marek Panek – Vice President of the Management Board of Asseco Poland (MP)

Thank you for this introduction. Good day to you. I would like to welcome you very warmly. As usual, I will introduce you to our activities from the business side. I will describe what happened in the first two quarters of this year. I would like to immediately emphasize that we are evaluating this period as very successful for the entire Asseco Group, despite the fact that we are operating in a volatile and quite demanding business environment. You can see the basic numbers that characterize this half-year period. Revenues amounted to PLN 8.5 billion, non-IFRS operating profit stood at PLN 982 million, non-IFRS net profit was PLN 260 million, and reported net profit was PLN 231 million. These are good results. One may ask: what are the foundations of these results and this development? I think it is worth noting two points that we often emphasize. The first is that our business is based on our proprietary software, which we sell and implement in key sectors of the economy. This has been our strategy for years, practically from the beginning of Asseco's operations. The second point, which is particularly important, especially in these times, is that our business is highly diversified in all dimensions, that is, both geographically and by sectors. We are confirming that our foundation is our proprietary software, and we are presenting to you a revenue structure in which close to 80% is precisely this activity, i.e. sales of our proprietary software and related services. We also want to draw your attention to the last point presented on the slide – the increase in the Group's workforce by 4%, or roughly 1,500 people, compared to the first half of last year. This is proof that we are growing, that we believe in what we are doing. We are executing projects and the growing workforce is related to the needs in terms of developing teams to execute the signed contracts for which we are responsible. We say this also bearing in mind the recent publications in the press about layoffs in IT companies. On the other hand, at our company, in the type of business we run, based on long-term projects, maintenance and development of our solutions, we see a constant need for teams and we are implementing them.

I will discuss in more detail the figures I presented a moment ago. Revenues in the first half of 2023 stood at PLN 8 515 million, which marks a 3% increase versus the corresponding period in the previous year. As for sales of our proprietary software and services, i.e. in terms of our core business, we are growing a bit faster – we recorded a 4% increase and exceeded PLN 6 720 million here. Non-IFRS EBITDA was almost PLN 1 280 million, and non-IFRS operating profit reached PLN 982 million, up by 2%. You can also see the item of non-IFRS net profit, which amounted to PLN 260 million. Here we see a 4% decrease. Karolina will talk about what the decrease in net profit with a simultaneous increase in operating profit is due to. We were dealing here with aspects of a financial nature rather than a business one, which you will hear more extensively about later in the presentation.

I, on the other hand, will focus on what happened in the first half of 2023 on the business side. Commenting on the situation in the segments in which Asseco operates, I will start with Poland. Sales in the Asseco Poland

segment, which accounts for 11% of the Group's total sales, increased by 16%. I think this is very good news. We have been communicating for several quarters that all our business divisions in Poland are doing very well. The areas of finance and banking, healthcare, energy and telecommunications all recorded increases. In the central administration sector, we are recording a steady stream of revenues. Asseco Cloud is also doing very well, as Lech Szczuka will discuss in a moment. All in all, in Poland we are satisfied with our business development and the increases we have achieved at the revenue level.

In the Formula Systems segment, we recorded a 3% increase in sales. In the case of this segment, a commentary related to exchange rate differences is needed, because they have had a very strong negative impact on our results this year. If we had realized sales at the same exchange rates as last year, we would have had PLN 380 million more in revenues in the Formula Systems segment. I think this has to be taken into account. A year ago, when discussing H1 2022 results, we presented very dynamic growth, more than 20% at the level of the entire Group. On the other hand, it should be remembered that that year foreign exchange differences worked strongly for our benefit, while this year they have had a negative effect for us, and this should be kept in mind when analyzing our results. This is particularly evident in the Formula Systems segment, which, as you know, generates roughly two-thirds of the Group's revenues. This does not change the fact that all Formula Systems Group companies have been doing very well. If you looked at the results in the currency in which these companies report, you would see much more dynamic growth there, both at Matrix IT, Magic Software and Sapiens. All of these three main listed companies in the Formula Systems Group, as well as the other companies in the Group, have been doing very well.

Finally, I will discuss the activities of the Asseco International segment. Here, sales were at a very similar level to the one we achieved last year. In the first half of 2023, the figure here amounted to PLN 1 942 million. We are very pleased with the rapid growth in sales of our ERP systems in all the countries where we operate, this business is concentrated under the umbrella of Asseco Enterprise Solutions. We are pleased with the revenue growth in Asseco South Eastern Europe. You may have participated in the Piotr Jeleński conference. There – both in banking, payments and dedicated solutions – we recorded solid increases. Please consider that in the Asseco International segment we no longer include the Danish companies we sold at the end of December last year. Those companies generated about PLN 90 million in sales in H1 2022, which we don't have in our revenues at the moment, so you have to keep that in mind. Let's also keep in mind what is happening in the Central European market, which we have also told you about at previous conferences. There we are dealing with a slowdown related to the unstable political situation. I am thinking especially of the Slovak market. We believe that maybe something will change after the elections, which are scheduled for September in that country. This situation has an impact on the fact that we are recording flat sales results in this area. However, this does not change the fact that we are satisfied with Asseco International's results.

On the next slide you can see the traditional breakdown of revenues by the various sectors in which we operate. Here, not much changes. The percentage share of each sector remains similar. General business leads the way, with 42% of sales coming from this sector. In second place we have finance and banking, which accounts for 34% of our sales. The remaining 24% of revenues come from public institutions. You can see on the bars that we have been experiencing growth in each of these sectors for many years. There is some novelty on this slide. We decided to show you the share of the 10 largest customers in the Group's revenues. In H1 2023, our 10 largest customers accounted for 11% of revenues, which proves that we are not dependent on any single customer. In contrast, our largest customer accounted for 2% of the Group's total revenues in H1 2023, which is also not significant enough to make you wonder if we are somehow dependent merely on this one counterparty.

Let's move smoothly to discuss the situation in each sector and briefly comment on what was happening in them. Let's start with the finance and banking area. As you can see, here we have a 3% increase in sales which exceeded PLN 2 858 million in the entire Group. If you look at the Asseco Poland segment, you can see that it grew the fastest, recording a very dynamic growth of 28%. This is mainly thanks to what is happening in Asseco Poland, as this company is a major player when it comes to the banking sector. We are seeing double-digit revenue growth in all divisions that operate in the finance and banking sector, that is, the commercial banking, cooperative banking, capital markets and Business Intelligence divisions. This is, of course, related to the projects we are implementing. We are currently running several large digital transformation projects at major banks, and above all we have stable revenues from the maintenance and development of our systems, which we have implemented at a very large group of clients operating in the Polish market.

As for the Asseco International segment, we recorded a 6% increase in revenues which reached nearly PLN 700 million. Again, I would like to emphasize the contribution of Asseco South Eastern Europe and the growth of this group's business in banking and payments. Activities in these areas have a very strong impact on revenue growth. Our company operating in Portugal and in Portuguese-speaking African countries, mainly in Angola, is also doing well. We are very pleased with its results as well.

Finally, the Formula Systems segment, which has the largest share of sales. It can be said that these sales are on a comparable level year-on-year at PLN 1 877 million. The main player in this segment is Sapiens, which is doing very well both in the European market, from which it generates roughly 50% of its revenues, and in the US market, where it generates about 40% of its sales. Matrix IT, which operates mainly on the Israeli market, is also doing very well in the bank sector.

In the general business sector, we recorded similar increases. Group-wide sales were 2% higher, and we exceeded PLN 3 594 million. Just as in the finance and banking areas, so in the general business sector, the fastest growth was recorded in the Asseco Poland segment, where we achieved a 29% increase and exceeded PLN 233 million in revenues. In this segment, the main players in the general business market are Asseco Poland, Asseco Data Systems and Asseco Cloud. President Lech Szczuka will say more about the operations of Asseco Cloud later in the presentation. I, on the other hand, will discuss the operations of Asseco Poland, highlighting two elements. I think it is worth boasting about two successes that took place in the first half of this year, namely the completion of two difficult projects in the energy division. The first relates to the project at Tauron, where we completed the centralization of the system. It was a very difficult and long project, successfully completed. The second very important project, perhaps even more difficult, because it involved our entry into the gas sector, concerned the implementation of a central billing system at PGNiG. The project was also combined with technological changes. We completed it in the first half of this year. The system currently serves 7 million customers. This is a large scale – it is the largest such system in the energy industry in Central and Eastern Europe. All gas invoices for 7 million customers are generated from our system.

In Asseco International, we have similar sales to last year, which stood at PLN 942 million. Here we can see the effect of sales of Danish companies, which generated about PLN 30 million for the sector in the first half of the year. We are pleased with the double-digit growth in sales of ERP systems in the Asseco Enterprise Solutions Group and the operations of Asseco South Eastern Europe.

As for Israeli companies, here we can see a 2% increase in sales. In this case, it is important to remember the exchange rate differences mentioned earlier. Organic growth in the local currency in which these companies

operate is much higher. On the other hand, when converted to zloty, we show a 2% increase in revenues. In the case of this sector, the main players in the general business sector are Matrix IT and Magic Software, as well as the slightly smaller company InSync Staffing.

Finally, I will discuss the public institutions sector. Here we exceeded PLN 2 062 million in sales across the Group, which marked a 6% increase. In this area, the Formula Systems segment is growing fastest, with a 10% increase calculated in PLN, so it is even more dynamic in local currency. The increase in sales is mainly thanks to Matrix IT, Magic Software and Michpal Micro Computers, which carry out a lot of projects for the public sector. Growth in this area is also supported by the acquisition of one company that joined the Formula Systems Group in the fourth quarter of last year.

As for Asseco International, here we see a decline of 8%. In this segment, sales to public institutions are relatively lower at PLN 304 million. In this case, the approximately PLN 50 million generated by Danish companies in H1 2022 already weighs quite heavily. If we had these few tens of millions of zlotys more, we would have recorded an increase in sales. On the other hand, as I mentioned at the beginning, we make no secret of the fact that we are facing a more difficult situation in the Central and Eastern European market. I mean Slovakia and the Czech Republic here, where we are seeing some perturbations in the public sector related to the geopolitical situation – some projects have been put on hold, some tenders have not been announced. We, on the other hand, have employees working on projects that we started some time ago, and we cannot currently complete them. All this results in lower revenues on the one hand, and on the other hand, as Karolina will probably confirm, it also has a negative impact on operating profit.

In Poland, sales totaled PLN 444 million, which marked a 3% increase on annual basis. We are satisfied with this growth. Sales in the healthcare sector have been growing. We also note increased sales in the central and local government sectors, where Asseco Data Systems and Asseco Cloud are also players.

As for growth through acquisitions, we were joined by 3 new companies in the first half of this year. All 3 acquisitions took place in the Israeli market. They were made by companies from the Formula Systems Group. I will not go into details. The presentation is available on our website, so you can find more information there.

The last slide I will discuss is about the order backlog. I urge you to focus on the left part of it, which is the chart showing the backlog in fixed exchange rates. We believe that it is a better reflection of our business situation. In this case, we see a 7% increase in the backlog. In the chart, you can see how the order backlog breaks down by segments. In the Asseco Poland segment we see a 12% increase, in the Formula Systems segment a 6% increase. We also present the backlog in variable rates on the chart. In this case, we observe a 2% decrease. As you can see, the decline is in the Formula Systems segment. In this chart you can see exactly how much our business is affected by exchange rate differences. In the case of the Formula Systems segment, we can see the difference – in fixed exchange rates the increase in the backlog was 6%, while in variable exchange rates the order backlog is 6% smaller. As a result, the backlog taking into account exchange rate differences is PLN 1.1 billion lower. On the other hand, we are optimistic, we have a lot of projects. The fact that we are hiring employees to carry out these projects also confirms that we believe in our business and have reason to believe that it will grow. That's all from my side. I will now pass the floor to Karolina.

Karolina Rzońca-Bajorek – Vice President, CFO Asseco Poland (KR-B)

Thank you Marek. On the displayed slide you can see what our profit and loss statement looks like. As Marek has already mentioned, our revenues grew by 3% year-on-year in the first half of this year. I think it's worth talking about the sources of growth here. Marek also talked about the negative impact of foreign exchange rates. While quantifying the sources of revenue growth, it should be said that about PLN 550 million on a half-year-to-half-year basis is organic growth. About PLN 100 million is growth resulting from acquisitions. In turn, the fact that at the end in these numbers we see “only” a gross PLN 265 million increase, is precisely the effect of negative exchange rate differences.

In the first half of the year we had to recognize about PLN 380 million of negative exchange rate effects. Please keep in mind that it is not only the currency pair of zloty-dollar or zloty-euro that matters here. In the case of the Formula Systems segment, the Israeli shekel-dollar exchange rate is also important, and we also consolidate negative effects precisely on this currency pair.

On the other hand, as Marek said, we are very satisfied with the results. Organically, the increases are in line with our expectations. I think it's worth commenting on the difference in terms of operating profit on a non-IFRS basis and on an IFRS basis. We have been urging you to track non-IFRS values for some time. H1 2023 is an excellent example of how this approach is a much better representation of what our business looks like. You probably remember that H1 2022 was quite heavily impacted by positive one-off events. This was mainly influenced by the sale of Infinity Labs by the Matrix IT subgroup in Israel. On the other hand, we wrote off some investments. The total effect of M&A and one-off events on Q2 2022 alone, as you can see in the table, third line from the bottom, is as much as PLN 142 million. On the other hand, in Q2 2023 we observed a negative impact of PLN 3 million. Therefore, the non-IFRS operating profit and its gentle growth is a much better picture of our business.

Non-IFRS operating profit margin was 11.5%. In our opinion, it is at a very good level. In Q2 alone, profitability was on the rise, which is also a result of certain trends we discussed last year. Indeed, our costs grew faster than revenues. We have been observing the effects of inflation or wage pressures. It took us some time to work on the revenue side, including renegotiating a significant portion of contracts and including inflation clauses in those contracts. This has been successful in many places, hence those scissors between cost and revenue growth are narrowing, and we are pleased with these effects.

I will now discuss what happens between operating profit and net profit. Obviously, the fact that operating profit is growing is the result of the consolidation of many entities at 100%. On the other hand, at the level of net profit, there is a result attributable to shareholders of the parent company, so the final result here takes into account the profit that goes out to minority shareholders. Here, of course, the fact that in Asseco South Eastern Europe and Formula Systems, in which minority shareholders have a larger stake, it is growing relatively faster, has an impact on the presented final net profit. On the other hand, it is important to note that the financial effects between EBIT and net profit in H1 2023 also had negative consequences compared to the same period last year. Here it is important to comment on currency transactions. We see in H1 2022 almost PLN 18 million of positive impact from foreign exchange differences vs. only PLN 4 million in the previous six months. The negative result on M&A transactions is mainly due to the revaluation of put option liabilities. We also observe here a timing effect, i.e. discounting of liabilities, booked in H1 2023. In addition, we actually halved the effect of hyperinflation – in H1 2022 it had a positive impact of PLN 20 million vs. less than PLN 11 million in H1 this year. All these effects

contributed to the fact that net profit in the non-IFRS approach was lower by 4%. On the other hand, we are not worried about this, as operating profit on a non-IFRS basis is flat year-on-year. We believe that this measure is a true picture of how our business has been doing.

In terms of what's happening at the individual companies, as Marek commented, we are particularly pleased with our operations in Poland. We have been observing significant revenue growth at the parent company. Our diversification, including at the parent company level, brought results in this half-year period. We reported very good results in the finance and banking, health care or energy sectors. These are the areas that have been growing particularly fast, while maintaining profitability. Therefore, the parent company's operating result of nearly PLN 114 million and its significant year-on-year growth makes us optimistic. We recorded similarly good results at our second largest company in Poland, Asseco Data Systems. Here we saw revenue growth and non-IFRS operating profit at a similar level as in H1 2022. It is important to remember that Asseco Data Systems is already a group of companies as well. Core business at the parent company, Asseco Data Systems itself, has been growing. This company is beginning to build its group of companies, and for now we should wait to see the effects of these investments in subsidiaries or affiliates. The Group's other companies operating in Poland also reported good results. Almost PLN 6 million in net profit for shareholders of the parent company comes from them, so from our perspective these are satisfactory numbers.

In original currencies, the Formula Systems segment recorded a very good half-year, especially the Matrix IT company. In shekel, it generated double-digit revenue growth, while in the zloty terms sales remained at a similar level as in H1 2022. The company had a very good half-year period, great results were shown especially in the public administration area, and we are satisfied here as well. We recorded stable, comparable year-on-year results at Magic Software. We observed spectacularly good results at Sapiens. We are particularly pleased with this, as this company had a worse 2021-2022 period. Here we had to catch up with the revenues in the United States, and we actually succeeded in reaching this goal. We are pleased to have signed contracts for significant amounts with new customers. Sapiens, after some restructuring measures, has been improving profitability and revenues. The company has been improving results from its US operations, while at the same time performing very well in Europe.

As for the Asseco International segment, Marek has already commented on the more difficult situation at Asseco Central Europe. It is reflected in declining non-IFRS operating profit and, consequently, IFRS operating profit. In Asseco Central Europe, in the public sector, including healthcare, contracts are being executed, but there are, for example, problems with acceptance – these acceptances drag on and so on. Such is the nature of this business, which depends heavily on the organizational efficiency of governments, and here both in the Czech Republic and Slovakia there are problems. In this segment, we are also consolidating a subgroup focused on ERP solutions. In this area we are seeing growing results and very good profitability, so here we should be absolutely satisfied. We talked about the fact that – operating in the Southeast European market – Asseco South Eastern Europe has been growing in all 3 segments, with profitability maintained. I think one should be satisfied here as well. As for the Western European market, we are not worried about the decline in revenues. Year-on-year sales are a little worse. This is a matter of the non-consolidation of sold Danish companies and the drop in revenues at Valorista. This is a subsidiary of Asseco Spain, where we are reporting worse results in terms of wholesale hardware sales. This doesn't translate significantly into operating profit, nor, of course, into net profit. This is not our Group's core business, so we are not particularly worried about it. On the other hand, at the net profit level, the entire Western European market contributes significantly more than in the same six months a year ago. This is mainly thanks

to the better performance of Asseco PST. In H1 2022, we had receivable write-downs at this company. In the reporting period, we no longer see these effects, and the increase in the result is also supported by the acquisitions that Asseco PST made in 2021 and 2022. In sum, it looks like this.

We are pleased with the improvement in cash ratios. After Q1, we said we had some catching up to do in this area. Now, in terms of the last 12 months, the cash conversion ratio at the Group level is 84%, so we have entered back into that benchmark that we set for ourselves. Big improvement in the Formula Systems segment – 92% of cashed EBIT. In the Asseco International segment, the ratio is 84%, while in the Asseco Poland segment it is 50%. In the case of the Polish segment, it should be said that the level of the ratio is in line with expectations. In my opinion, it will improve after the third quarter and on a full-year basis. Here, one should not worry about the lower cash flow. It is due to the fact that for the last two years the driver of the parent company's results has been the public administration segment. A number of contracts are being executed, which are entering the final phase and are therefore being invoiced and will be cashed. On the slide you can see the status as at June 30. Invoices to the public sector worth tens of millions of zlotys have already been issued to date. These are fully secure receivables. We have not worsened our indicators when it comes to debt collection. This just goes to show that in order to deliver to the public segment you need to have adequate operating leverage, and Asseco Poland has that leverage. Here there is absolutely nothing to worry about. As I said, the ratio should improve on a full-year basis.

A glance at the situation from the perspective of the balance sheet. On the slide we see the balance as at June 30, which shows that we have more than PLN 2.5 billion in cash across the Group. However, in terms of the net cash position, we see a negative value here. It comes from the Formula Systems segment. Here we see PLN 1 417 million in the negative - this is the secured debt that Formula Systems has. It should be remembered that Formula Systems rolls over its financial liabilities on an ongoing basis. This is also the result of a certain symbiosis in which Formula lives. It should be remembered that the Formula Group, particularly the Matrix IT company, is a provider of many services to banks. That symbiosis works on the principle that here we are a supplier and here we incur debt – and it works perfectly. At the same time, bonds are being issued, both at the level of the entire segment, i.e. the holding company, and at Matrix IT and Sapiens. The bondholders are also shareholders, so it also seems that this debt is completely safe. If we look at our interest expenses, we can also see that they have increased somewhat at Formula Systems. On the other hand, surplus cash is being invested. Year-on-year debt costs have not increased significantly in our Group, given the significant increase in interest rates in all economies where we operate. As for the Asseco International segment, here we have net cash of over PLN 220 million. In the Asseco Poland segment, virtually no debt except for leases. We show more than PLN 180 million in net cash. That's all from my side. I am now turning the floor over to Lech Szczuka.

Lech Szczuka – President of the Management Board of Asseco Cloud (LS)

I will now introduce you to Asseco Cloud, which was established with the idea of supporting and, above all, developing the cloud business in the Asseco Group. Before I describe the current situation and our plans for the future, I think it is worth saying a few words of brief introduction. I would like to draw your attention to a few points. The first is that Asseco Cloud was created differently than most other businesses. Namely, it was created from scratches, not through an acquisition process. Also, we are still a young company – we have just closed the first year of our operational activity. We were established at the end of 2021. However, I think this is already sufficient to draw first conclusions. Looking only at the time of our market presence, we can be seen as a startup.

On the other hand, we are not a typical startup because we already have a portfolio of more than 500 customers and employ about 100 specialists. This number of 500 clients includes smaller companies, typical start-ups, as well as large entities. We also have infrastructure facilities. I would like to draw particular attention to the fact that Asseco Cloud does not provide software. Asseco Cloud provides services related to both cloud and classic infrastructure, depending on the customers' needs, of course. These services can be defined in terms of cloud architecture, migration to the cloud, maintenance of cloud environments, as well as infrastructure. Of course, we have various specialists on board, but our business is based on services related to infrastructure, primarily cloud. On this basis, we build our offerings, which are divided into specific, defined categories. You could say that this is IT consulting. Often, this is where the conversation with the customer starts. Then we come to a multi-layered, multi-level strategy, talking about how to realize business continuity, how to automate business processes. Therefore, one can say that we provide management services for these customers. I would like to emphasize two things here. Management services can be implemented in a model on the customer's infrastructure, as well as on our own infrastructure and based on public clouds. We do not close ourselves to any technology. We understand that it very often depends on the customer's circumstances and needs, such as the technology stack, which determines individual choices. In other words, we believe that when moving to the cloud, it is good to have a technology partner, which we are, who will allow, based on own experience, to avoid mistakes. In conclusion - the cloud offers a lot of opportunities in terms of security programming and in many other aspects. On the other hand, they don't happen on their own, so it's good to have someone to make optimal use of these opportunities. The essence of our existence, which also justifies the establishment of our company within the Asseco Group, is the current picture of the cloud market, which is already very large and estimated at PLN 3.6 billion in Poland. The growth rate remains in the range of 20% to 30%. Of course, if we compare these figures with the value of the market in the United States and Western Europe, we can conclude that in Poland we are still at the beginning of this road. This has its pros and cons. The downsides, of course, are related to the fact that we would like this market to be large. The upside, on the other hand, is that we are growing along with the market and we anticipate that its growth rate will accelerate and we will increase the scale of our operations along with it, or even faster.

We aim to be a strategic, key cloud integrator in Poland. We are pleased that our customers include entities of all sizes. They are clients from a wide variety of industries and sectors. What's more, a large part of these customers are exclusively Asseco Cloud customers. Of course, we are prospectively developing our retail segment, as we see on the slide, but not only. Today, if any company is thinking seriously about business process automation and digitization, it is also thinking about the Cloud. We support this thinking. We are trying to add value to the service, and I think it is working out for us, and the indicated references show it. Of course, we will continue to work in this direction. On the one hand, our measure of growth is primarily revenue growth. Of course, we take care of the strategic partnerships we have established, such as with the rapidly growing retail chain Dino Polska. We are happy that, based on this experience, we have also started cooperation with another retail chain Carrefour Polska, but in parallel we are thinking about foreign countries. Here, too, we have taken the first steps and signed a cooperation agreement with Globeteam. We are an infrastructure partner for them. I think this cooperation is going well. We have the transportation company Ancotrans there as an end customer. We are also pursuing an agreement with the municipality of Copenhagen, and we see a lot of potential further topics for implementation.

The Asseco Group also recently established Asseco Cloud Slovakia, which implemented our business model. After the first year of operation, we were able to assess that the model makes sense and it was implemented in Slovakia. We hope that in the next step a similar entity will be created in the Asseco South Eastern Europe group,

and we are working on this. This will also strengthen our organization, because we are obviously communicating, cooperating with our colleagues in Slovakia, and together we will reach out to the market more effectively.

It all comes down to the key thing really when running a business, which is numbers. I think that after the first year of operations we can be satisfied with these numbers - we achieved PLN 44.8 million in revenues, with a non-IFRS net profit of PLN 6.3 million. If we manage to realize by the end of the year what we started in this half-year, and everything points to that, then as at today we have a revenue growth rate of 31%. On the other hand, in terms of net non-IFRS profit earned, it is PLN 4 million for the first half of 2023. We are growing certainly not slower than the market. I hope that in the future we will grow faster than the market and achieve our strategic goal of being a key IT services provider in Poland and ultimately in Europe. Thank you.

AW: Thank you for your presentation. For a startup, these are really great results. We are keeping our fingers crossed that Asseco Cloud will continue to grow like this. Also, thank you, Karolina and Marek. We are now at your disposal. I don't see any questions yet. It seems to me that today we presented everything clearly and everything was discussed in such a way that no questions came up, but we are still waiting. If you have any questions, please send them to us. We will be happy to dispel any doubts. I see that someone is writing, so we will wait for this question. I don't see any raised hands in the hall.

We have the first question – from Mr. Piotr.

Investor 1:

What EBIT margin are you expecting in 2023?

KR-B:

As a listed company, we do not give prospective data. I think it's important to make it clear that we are satisfied with what our backlog looks like today. I think what I said about these closing scissors will also be true for the whole year. The way I would answer that question is that this H1 period is a good prediction of how the whole year could look like. We communicated that we would strive to prove stable results throughout the year. It is important to keep in mind that 2022 was a record year for our Group. On the other hand, it is very difficult today to predict with any great precision the net result due to the fact that the macro environment is quite volatile. I also think that the foreign exchange rates will have an impact on this year as a whole.

AW:

Thank you very much. The next question is directed to Marek.

Investor 2

In what sectors are you planning acquisitions? Are any talks already at an advanced stage, or can we expect some M&A in Poland?

MP:

I will answer as I probably often answer. Namely, that we, as the Group Development Division, which I have the pleasure of leading, are constantly looking and scanning markets. We talk to many companies. It's also true that we've become more selective, in the sense that we're searching for companies that are a really good fit for us in terms of product and competence. At the moment, we are in several discussions. I don't want to

pre-empt the facts here. Even on the Polish market, we have two interesting companies that we are talking to. I hope these will end in transactions. These are not spectacularly large subjects, because you also know what this Polish market looks like. On the other hand, these are companies that seem to fit us both in terms of product and competence, and also in terms of the people who manage these companies, which is also extremely important to us. Of course, if something happens, we will inform you about it.

AW:

Thank you Marek. We have no further questions. We can wait a while longer - maybe some will appear. However, we do not see any further ones. You can see that everything in this quarter and this half-year was clear enough that no additional questions arose. In that case, we will conclude our meeting. Dear Ladies and Gentlemen, thank you again for participating in today's conference. We would like to invite you to our next meeting on the results after the third quarter. We are at your disposal. Our IR department is at your disposal, as is the Management Board. Should you need anything, please feel free to contact us, of course. We are looking forward to seeing you at the next conference. See you there.