Management Report on Operations of

Asseco South Eastern Europe Group

For the period of 6 months ended 30 June 2020

Present in
22 countries

PLN 464 million
in sales revenues

2,742
highly committed
employees

PLN 50.5 million
in net profit
for Shareholders of
the Parent Company

Management Report on Operations of
Asseco South Eastern Europe Group

for the period of 6 months ended 30 June 2020

General Information on
Asseco South Eastern Europe Group

GENERAL INFORMATION ON ASSECO SOUTH EASTERN EUROPE S.A. AND ASSECO SOUTH EASTERN EUROPE GROUP

Asseco South Eastern Europe S.A. (the "Parent Company", "Company", "Issuer", "ASEE S.A.") seated at 14 Olchowa St., Rzeszów, Poland, was established on 10 April 2007 as a joint stock company.

On 11 July 2007, the Company was entered in the register of entrepreneurs maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number 0000284571.

The Company has been listed on the main market of the Warsaw Stock Exchange since 28 October 2009.

Asseco South Eastern Europe Group (the "Group", "ASEE Group", "ASEE") is comprised of Asseco South Eastern Europe S.A. and its subsidiaries.

BUSINESS PROFILE OF THE ISSUER AND ITS GROUP OF COMPANIES

ASEE S.A. is primarily engaged in holding operations and focuses on managing the Group of companies as well as on extending its geographical coverage and product portfolio. Its operating activities also include the sale of services and software to support customer communication channels and business processes (contact center).

ASEE Group is engaged in the sale of its own and third-party software as well as in the provision of implementation, integration and outsourcing services. The Group is a provider of IT solutions, authentication solutions, online payment settlement systems, and transaction processing services, while it is also engaged in the sale, outsourcing and maintenance of ATMs and POS terminals, and provides integration and implementation services for IT systems and hardware.

Asseco South Eastern Europe Group has identified the following reportable segments reflecting the structure of its business operations:

- Banking Solutions,
- Payment Solutions,
- Dedicated Solutions (formerly Systems Integration).

These reportable segments correspond to the Group's operating segments.

The **Banking Solutions segment** portfolio includes the Digital Edge omnichannel solution designed to distribute banking products and services over new, alternative distribution channels and to improve business relations and communication with the customer, as well as integrated core banking systems based on the Oracle and Microsoft platforms. This segment also offers authentication security solutions, reporting systems for regulatory compliance and managerial information, as well as risk management and anti-fraud systems. The Group also offers its clients online 24x7 services and consultancy in the area of digital banking and digital transformation.

The **Payment Solutions segment** provides complete payment industry solutions, for financial and non-financial institutions, supporting card and card-less transactions. The product portfolio of ASEE includes solutions for e-Commerce (NestPay®, MSU, Paratika), mobile payments (mPOS, HCE), payment card processing, as well as services related to ATMs and POS terminals. The Group delivers software, services including outsourcing and equipment, providing the highest level of expertise, maintenance and support through the entire portfolio. This segment also operates an independent network of ATMs under the brand name of MoneyGet.

The **Dedicated Solutions segment** (formerly Systems Integration) serves the sectors of finance, industry and public administration with the following business lines: development of IT infrastructure, implementation and support services, ensuring continuity of business processes, automation of operations, and customized software development. This segment also includes a group of proprietary solutions of ASEE. Among such solutions are LIVE contact center, BPS content management solution, as well as Fidelity asset lifecycle management solution. Furthermore, the product portfolio of the Dedicated Solutions segment includes LeaseFlex, a fully-fledged lease and asset lifecycle management solution.

GOVERNING BODIES OF ASSECO SOUTH EASTERN EUROPE S.A.

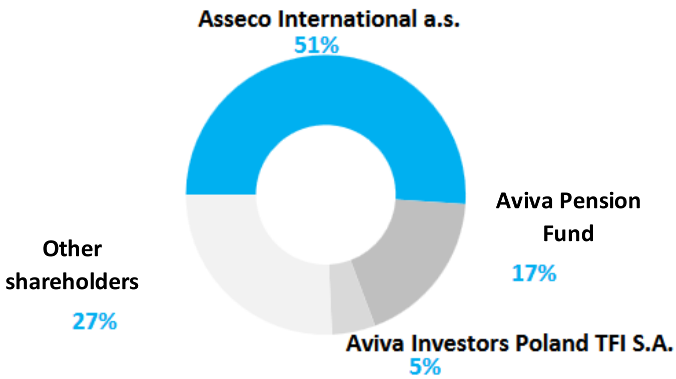
As at the date of publication of this report, this is on 5 August 2020, the Company's Management Board, Supervisory Board and Audit Committee were composed of the following persons:

Supervisory Board	Management Board	Audit Committee
Jozef Klein	Piotr Jeleński	Artur Kucharski
Adam Góral	Miljan Mališ	Adam Pawłowicz
Jacek Duch	Marcin Rulnicki	Jacek Duch
Artur Kucharski	Kostadin Slavkoski	
Adam Pawłowicz		

During the reporting period ended 30 June 2020, as well as in the period from 30 June 2020 till the publication of this report, this is till 5 August 2020, the compositions of the Company's management and supervisory bodies remained unchanged.

SHARES AND SHAREHOLDERS

Major shareholders as at 30 June 2020



As at 30 June 2020, Asseco International a.s. (our higher-level parent) held 26,494,676 shares representing 51.06% in the share capital of our Company, which carried 26,494,676 votes or 51.06% of total voting rights at the Company's General Meeting of Shareholders. The parent company of Asseco International is Asseco Poland S.A.

To the best knowledge of the Company's Management Board, as at the date of publication of this report, this is on 5 August 2020, as well as on 30 June 2020, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Major shareholders as at 5 August 2020 and 30 June 2020	Number of shares held	Percentage of total voting rights
Asseco International a.s.	26,494,676	51.06%
Aviva Pension Fund	8,594,000	16.56%
Aviva Investors Poland TFI S.A.	2,662,119	5.13%
Other shareholders	14,143,456	27.25%
Total	**51,894,251**	**100%**

To the best knowledge of the Company's Management Board, as at 29 April 2020 and 31 December 2019, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Major shareholders as at 29 April 2020 and 31 December 2019	Number of shares held	Percentage of total voting rights
Asseco International a.s.	26,494,676	51.06%
Aviva Pension Fund	9,610,000	18.52%
Aviva Investors Poland TFI S.A.	2,679,355	5.16%
Other shareholders	13,110,220	25.26%
Total	**51,894,251**	**100.00%**

Shares held by the management and supervisory personnel

The numbers of Asseco South Eastern Europe shares held by its management and supervisory staff are presented in the table below:

	5 Aug. 2020	30 June 2020	29 April 2020	31 Dec. 2019
Piotr Jeleński	973,492	973,492	973,492	973,492
Miljan Mališ*)	322,715	322,715	322,715	322,715
Marcin Rulnicki	30,000	30,000	30,000	30,000
Kostadin Slavkoski	35,600	35,600	35,600	35,600

*) Miljan Mališ, Member of the Management Board of ASEE S.A. is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.

Members of the Supervisory Board did not hold any shares in Asseco South Eastern Europe S.A. in any of the above-mentioned periods.

ORGANIZATIONAL STRUCTURE OF ASSECO SOUTH EASTERN EUROPE GROUP

Changes in the Group structure

During the period of 6 months ended 30 June 2020, the organizational structure of ASEE Group changed as follows:

- ***Acquisition of shares in Bassilichi CEE LLC based in Banja Luka***

On 20 January 2020, Payten d.o.o. (Sarajevo) acquired 100% of shares in the company Bassilichi CEE LLC based in Banja Luka.

- ***Establishing of a new company Payten Egypt***

The establishment of Payten Egypt, based in Giza, was registered on 26 January 2020. 80% of shares in this company were acquired by Payten Sp. z o.o. sp.k.

- ***Transfer of shares in Payten Teknoloji A.Ş.***

On 20 March 2020, ASEE S.A. made a non-cash contribution to Payten Sp. z o.o. sp.k. of shares in the company Payten Teknoloji A.Ş. This transaction consisted in making a contribution of our investment in one subsidiary to another subsidiary company of ASEE S.A. and therefore it had no impact on the financial position and financial results of the Group.

- ***Acquisition of shares in INTEGRIRANI POSLOVNI SUSTAVI d.o.o., based in Oroslavje***

On 4 June 2020, Payten d.o.o. Zagreb signed an agreement to acquire 76% of shares in the company INTEGRIRANI POSLOVNI SUSTAVI d.o.o., based in Oroslavje.

- ***Transfer of shares in Payten d.o.o., New Belgrade***

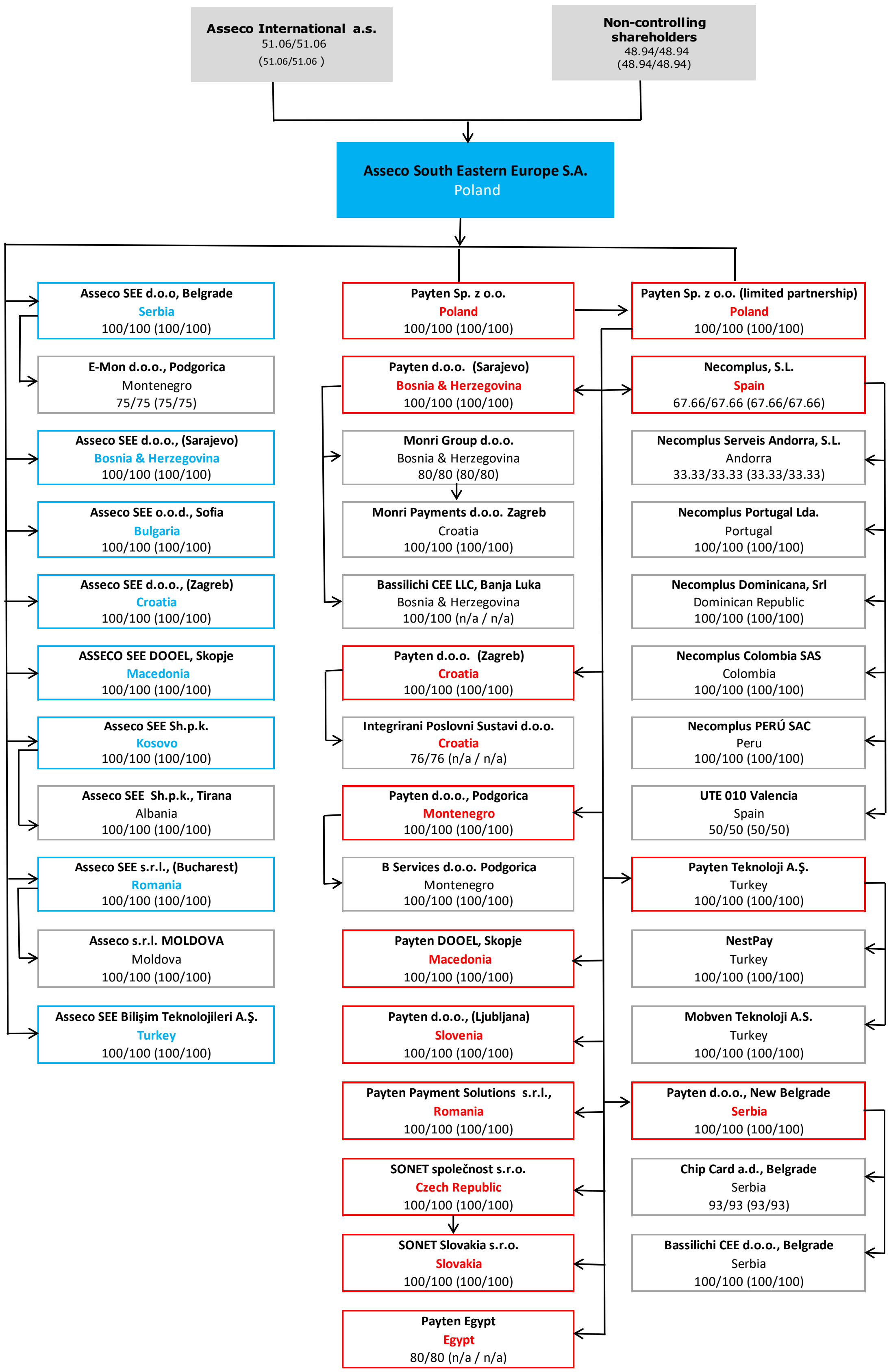
On 26 June 2020, ASEE S.A. made a non-cash contribution to Payten Sp. z o.o. sp.k. of shares in the company Payten d.o.o., New Belgrade. This transaction consisted in making a contribution of our investment in one subsidiary to another subsidiary company of ASEE S.A. and therefore it had no impact on the financial position and financial results of the Group.

Current structure of the Group

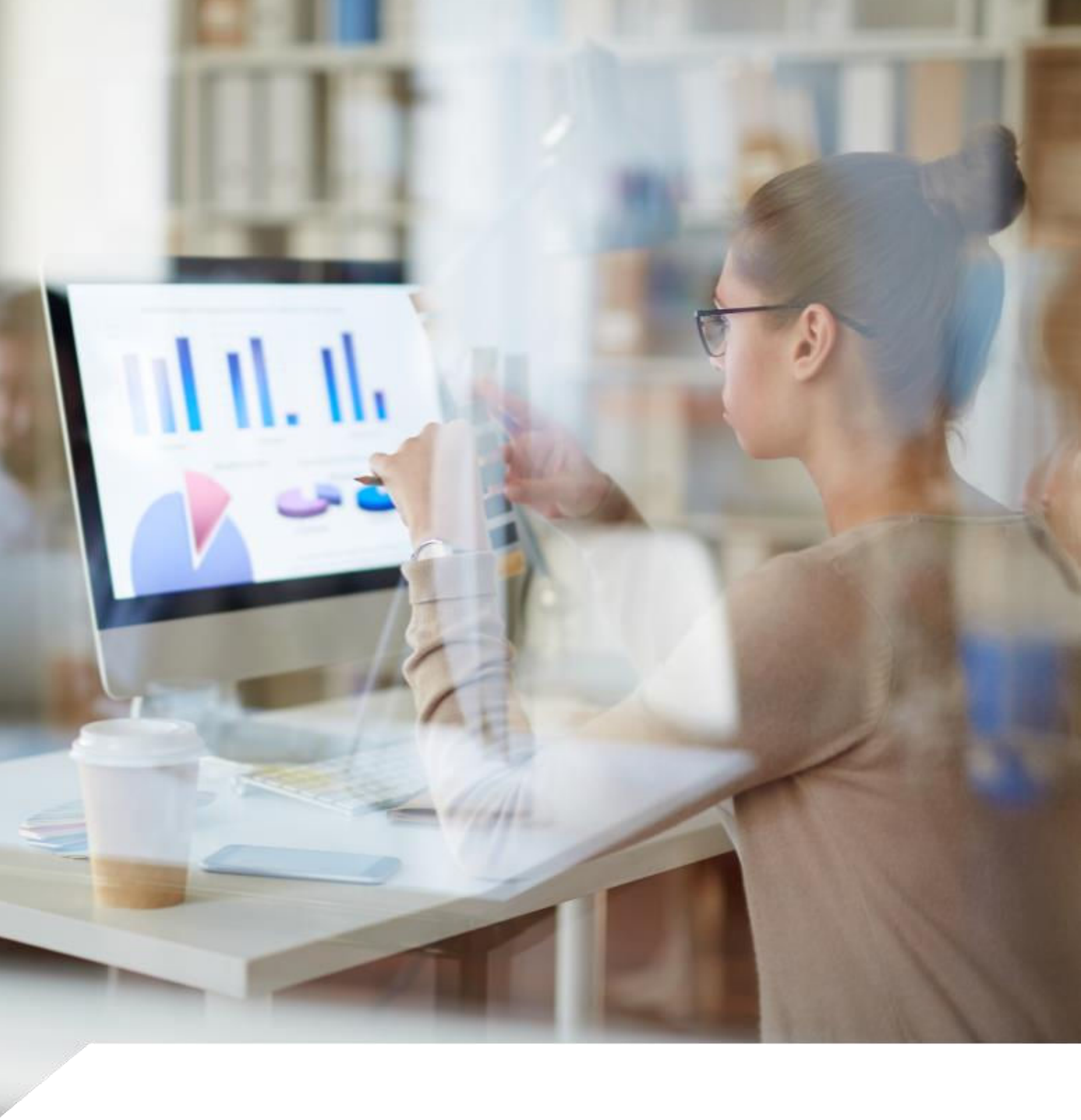
The parent company of Asseco South Eastern Europe S.A. is Asseco International a.s., seated in Bratislava. Both as at 30 June 2020 and 31 December 2019, Asseco International a.s. held a 51.06% stake in the share capital of ASEE S.A.

Both as at 30 June 2020 and 31 December 2019, voting rights held by the Group in ASEE Group companies were equivalent to the Group's equity interests in these entities.

The table below presents the structure of ASEE Group along with equity interests and voting rights at the general meetings of shareholders/partners of its subsidiaries as at 30 June 2020 and 31 December 2019:



100/100 voting rights / equity interest as at 30 June 2020 (in %)
(100/100) voting rights / equity interest as at 31 December 2019 (in %)



Financial Information and Significant Events with Impact on Business Operations of Asseco South Eastern Europe Group

FINANCIAL INFORMATION OF ASSECO SOUTH EASTERN EUROPE GROUP

Financial results of Asseco South Eastern Europe Group for the second quarter of 2020

	3 months ended 30 June 2020 PLN'000	3 months ended 30 June 2019 PLN'000	Change %	3 months ended 30 June 2020 EUR'000	3 months ended 30 June 2019 EUR'000	Change %
Sales revenues	233,360	198,158	18%	52,012	46,307	12%
Gross profit on sales	63,553	49,532	28%	14,180	11,574	23%
Net profit on sales	35,335	22,945	54%	7,891	5,362	47%
Operating profit	35,654	23,060	55%	7,963	5,389	48%
EBITDA	55,208	38,658	43%	12,322	9,035	36%
Net profit for the reporting period	27,530	18,611	48%	6,145	4,350	41%
Net profit attributable to Shareholders of the Parent Company	**26,905**	**18,037**	**49%**	**6,004**	**4,216**	**42%**

Financial results achieved by ASEE Group in the second quarter of 2020 were much stronger than in the comparable period of the previous year. The Group manged to boost its revenues while improving efficiency across all the operating segments of ASEE. Sales revenues presented in Polish zlotys totalled PLN 233.4 million, reflecting an increase by PLN 35.2 million or 18% in relation to the second quarter of 2019. Operating profit reached PLN 35.7 million increasing by nearly 55%, while EBITDA for the second quarter of 2020 amounted to PLN 55.2 million showing an improvement by 43%. Net profit attributable to Shareholders of the Parent Company for the second quarter of 2020 amounted to PLN 26.9 million, increasing by PLN 8.9 million or 49%.

In the second quarter of 2020, our sales presented in euros totalled EUR 52 million, increasing by EUR 5.7 million or 12%. Operating profit reached almost EUR 8 million increasing by 48%, while EBITDA amounted to EUR 12.3 million going up by over 36%.

Further improvement in the financial results of ASEE Group in the second quarter of 2020 is the effect of a larger scale of operations as well as higher profitability in the Payment Solutions segment. The Banking Solutions segment generated a slight increase in its revenues presented in euros, while the Dedicated Solutions segment recorded a small decline, yet both the segments managed to considerably improve their operating efficiency. The growing scale of operations is also partly attributable to the consolidation of several new companies in ASEE Group. Since 1 September 2019, the Group has consolidated the financial results of Sonet companies (Czech Republic and Slovakia). Furthermore, during the year 2019 and the first half of 2020, ASEE Group conducted a number of smaller, local acquisitions, including in Serbia, Montenegro, Croatia, Turkey, and Bosnia and Herzegovina. The newly acquired subsidiaries of ASEE Group generated EUR 3.4 million of sales revenues in the second quarter of 2020. At the same time, our new subsidiaries contributed EUR 217 thousand to EBIT and EUR 671 thousand to EBITDA.

Results of the Payment Solutions segment

Payment Solutions	3 months ended 30 June 2020 PLN'000	3 months ended 30 June 2019 PLN'000	Change %	3 months ended 30 June 2020 EUR'000	3 months ended 30 June 2019 EUR'000	Change %
Sales revenues	113,875	84,103	35%	25,387	19,655	29%
Operating profit	19,589	12,308	59%	4,374	2,878	52%
EBITDA	34,362	23,759	45%	7,667	5,553	38%

In the second quarter of 2020, consolidated sales of ASEE Group increased owing to stronger revenues generated by the Payment Solutions segment. The segment's revenues for the second quarter of 2020 reached EUR 25.4 million, improving by EUR 5.7 million or 29% in relation to the comparable period last year.

The strongest revenue growth was achieved by the business line dealing with maintenance and sale of ATMs, whose sales were EUR 2.5 million higher than in the comparable period last year. Stronger revenues were generated, among others, by Payten Serbia where we expanded the scale of maintenance and outsourcing services also by signing new contracts, implemented ATM management software, and completed deliveries of ATMs along with related services. Higher sales were achieved also by our Payten companies operating in Croatia, Bulgaria and in Bosnia and Herzegovina, primarily by making deliveries of ATMs along with related services, offered in the traditional model of infrastructure maintenance. It seems that in response to the limitations caused by the pandemic, banks are trying to increase the functionality of their ATM networks and transfer some of the services traditionally offered by bank branches to this channel. Hence, we have observed increased demand for newer models of ATM devices as well as for software enabling the management of additional functionalities.

A similar increase in revenues (by EUR 2.4 million) was achieved by the business line responsible for maintenance of POS terminals which consolidated most of sales of our subsidiaries that were acquired in recent quarters. This business line reports a substantial portion of revenues generated by Bassilichi Serbia, Bassilichi Bosnia and Herzegovina and Monri, as well as all revenues generated by the companies of Sonet, B Services Montenegro, and IPS Croatia that was taken over in June 2020. In the second quarter of 2020, sales of the e-Commerce business line increased by EUR 0.9 million, while the business line engaged in processing of payment transactions reported slightly weaker revenues.

Operating profit of the Payment Solutions segment for the second quarter of 2020 amounted to EUR 4.4 million, improving by EUR 1.5 million or 52%. The increase in EBIT was reported by all the business lines of this segment which generated higher sales. Only the business line responsible for processing card transactions recorded a lower operating profit.

Consolidated EBITDA of the Payment Solutions segment for the second quarter of 2020 reached EUR 7.7 million, improving by EUR 2.1 million or 38% in relation to the comparable period last year.

Results of the Banking Solutions segment

Banking Solutions	3 months ended 30 June 2020 PLN'000	3 months ended 30 June 2019 PLN'000	Change %	3 months ended 30 June 2020 EUR'000	3 months ended 30 June 2019 EUR'000	Change %
Sales revenues	49,514	45,801	8%	11,055	10,701	3%
Operating profit	11,635	8,153	43%	2,604	1,903	37%
EBITDA	14,468	10,720	35%	3,236	2,504	29%

In the second quarter of 2020, the Banking Solutions segment generated more than EUR 11 million in sales revenues, achieving an increase by EUR 0.35 million or 3% in relation to the comparable period last year. Higher revenues were recorded by the business line responsible for mobile solutions, while the business lines offering core banking systems and other software, as well as security solutions, including authentication, fraud prevention and anti-money laundering solutions, reported lower sales than in the comparable period of the previous year. Mobile solutions generated stronger sales of ASEE in Croatia, which is the country of origin of mobile solutions marketed by the Group, as well as in other countries where international projects in this area were implemented, including Serbia, Romania and Bulgaria.

Operating profit of the Banking Solutions segment for the second quarter of 2020 amounted to EUR 2.6 million, reflecting an increase by EUR 0.7 million or 37% in relation to the comparable period last year. The larger scale of operations and better utilization of our team contributed to the achievement of higher operating profit in the mobile solutions business. The segment's EBIT improved also in the business line offering core banking systems and other software, mainly due to improvement in their team efficiency. Whereas, the business line offering security solutions reported a weaker EBIT than for the second quarter of 2019.

Consolidated EBITDA of the Banking Solutions segment for the second quarter of 2020 reached EUR 3.2 million, improving by more than EUR 0.7 million or 29%.

Results of the Dedicated Solutions segment

Dedicated Solutions	3 months ended 30 June 2020 PLN'000	3 months ended 30 June 2019 PLN'000	Change %	3 months ended 30 June 2020 EUR'000	3 months ended 30 June 2019 EUR'000	Change %
Sales revenues	69,971	68,254	3%	15,570	15,951	-2%
Operating profit	4,430	2,599	71%	985	608	62%
EBITDA	6,378	4,179	53%	1,419	978	45%

Sales generated by the Dedicated Solutions segment in the second quarter of 2020 amounted to EUR 15.6 million, decreasing by EUR 0.4 million or 2% in relation to the comparable period last year. The business line offering our own dedicated solutions reported lower sales, mainly due to the reduction in the scale of BPO operations in Spain and the discontinuation of such services in Portugal. Revenues from dedicated solutions declined also in Serbia, which was however compensated by stronger sales of such solutions recorded by other ASEE companies, including in Turkey where the Dedicated Solutions segment consolidated the proceeds of Mobven company, as well as in Macedonia and Romania. In the second quarter of 2020, higher sales were generated by the business line responsible for the resale of infrastructure and third-party solutions and integration services. This business line carried out new projects among others in Serbia and Turkey. Such growth was partially offset by weaker sales of infrastructure and third-party solutions in Romania and Macedonia.

Operating profit of the Dedicated Solutions segment for the second quarter of 2020 reached EUR 1 million which was EUR 0.4 million or 62% higher than in the comparable period last year. EBIT increased in the business line offering own solutions which, despite lower sales, managed to improve its financial performance. Operating results of the business line responsible for third-party solutions and integration services remained at a similar level as in the comparable period of the previous year.

EBITDA of the Dedicated Solutions segment for the second quarter of 2020 reached EUR 1.4 million, increasing by over EUR 0.4 million or 45%.

Net profit

Consolidated net profit of ASEE Group for the second quarter of 2020 exceeded EUR 6.1 million, increasing by EUR 1.8 million or 41% in relation to the comparable period last year.

In the second quarter of 2020, the net result on financial operations equalled EUR -394 thousand, as compared with EUR 438 thousand reported for the comparable period a year ago. The loss on financial activities was mainly the effect of the revaluation of contingent liabilities arising from the acquisition of shares in the amount of EUR -211 thousand, higher interest expenses, and weaker result on foreign currency translation differences. Our result on financial operations deteriorated in comparison to the previous year also due to the recognition of a financial gain of EUR 467 thousand in the second quarter of 2019 as a consequence of the revaluation of shares in the company Multicard after it was taken over by Payten Serbia on 17 April 2019.

In the second quarter of 2020, our effective tax rate equalled 18.8%, decreasing by 6.6 percentage points in relation to the comparable period of 2019. The effective tax rate dropped, among others, a result of taxation of dividends received from our subsidiaries located outside of the European Union, which amounted to almost PLN 19 million in the second quarter of 2020, as compared with more than PLN 25 million received in the corresponding period last year. The effective tax rate on operating activities was also lower than in the previous year. This resulted from lower effective tax rates in our major operations (Serbia and Turkey), as well as a considerably lower tax rate in Croatia where we accounted for the effect of a positive tax treatment decision received by ASEE Croatia in June 2020, concerning income tax reliefs for 2019 in connection with capital expenditures made.

Financial results of Asseco South Eastern Europe Group for the first half of 2020 /cumulative/

	6 months ended 30 June 2020 PLN'000	6 months ended 30 June 2019 PLN'000	Change %	6 months ended 30 June 2020 EUR'000	6 months ended 30 June 2019 EUR'000	Change %
Sales revenues	464,345	376,974	23%	104,553	87,913	19%
Gross profit on sales	119,643	93,931	27%	26,939	21,905	23%
Net profit on sales	63,457	44,200	44%	14,288	10,308	39%
Operating profit	64,032	44,610	44%	14,418	10,403	39%
EBITDA	102,707	74,658	38%	23,126	17,411	33%
Net profit for the reporting period	51,166	37,185	38%	11,521	8,672	33%
Net profit attributable to Shareholders of the Parent Company	**50,452**	**36,230**	**39%**	**11,360**	**8,449**	**35%**

Sales revenues of ASEE Group presented in Polish zlotys totalled PLN 464.3 million for the first half of 2020, reflecting an increase by PLN 87.4 million or 23% in relation to the first six months of 2019. Operating profit improved by PLN 19.4 million or 44%, reaching the level of PLN 64 million. The amount of EBITDA for the first half of 2020 amounted to PLN 102.7 million, showing an improvement by 38% in relation to PLN 74.7 million reported a year ago.

In the first half of 2020, our consolidated sales revenues presented in euros increased by EUR 16.6 million or 19% and reached EUR 104.6 million. In the same period, our operating profit amounted to EUR 14.4 million, improving by EUR 4 million or 39%. Whereas, EBITDA increased from the level of EUR 17.4 million reported last year to EUR 23.1 million, going up by 33%.

Such a significant improvement in the financial performance was achieved thanks to the growing scale of operations in all the operating segments of ASEE Group, with the Payment Solutions segment being our key revenue driver, as well as owing to the improvement of efficiency which contributed to higher profitability in each business unit. The largest improvement in operating margin was recorded by the Banking Solutions segment. ASEE Group achieved stronger financial results mainly due to organic growth and, to a lesser extent, business acquisitions.

During 2019 as well as in the first half of 2020, ASEE Group carried out a number of acquisitions that affected its current financial results. Since 1 May 2019, ASEE Group has fully consolidated the financial results of Multicard Serbia which used to be earlier accounted for using the equity method. Furthermore, since 1 August 2019, ASEE Group has fully consolidated the financial results of B Services Montenegro and Bassilichi Serbia, and since 1 September 2019, also the financial results of Sonet (Czech Republic and Slovakia) and Mobven in Turkey. In the fourth quarter of 2019, ASEE Group finalized the acquisition of Monri companies in Bosnia and Herzegovina and in Croatia which have been subsequently subject to consolidation since 1 November 2019. In addition, in January 2020 the Group acquired the company Bassilichi Bosnia and Herzegovina, whose financial results have been consolidated since 1 February 2020, and in June 2020 completed the acquisition of IPS Croatia which has been consolidated since 1 June 2020. The aggregate impact of the newly acquired companies on the sales revenues of ASEE Group amounted to EUR 6.8 million in the first half of 2020. At the same time, our new subsidiaries contributed EUR 388 thousand to EBIT and EUR 1.3 million to EBITDA.

Results of the Payment Solutions segment

Payment Solutions	6 months ended 30 June 2020 PLN'000	6 months ended 30 June 2019 PLN'000	Change %	6 months ended 30 June 2020 EUR'000	6 months ended 30 June 2019 EUR'000	Change %
Sales revenues	223,920	160,920	39%	50,418	37,528	34%
Operating profit	35,728	25,572	40%	8,045	5,964	35%
EBITDA	65,095	47,889	36%	14,657	11,168	31%

Sales generated by the Payment Solutions segment in the first half of 2020 reached EUR 50.4 million, improving by EUR 12.9million or 34% in relation to the comparable period last year.

The strongest revenue growth (by EUR 8 million) was achieved by the segment's business line dealing with maintenance of POS terminals which consolidated most of revenues generated by new Payten subsidiaries, including Bassilichi Serbia, Bassilichi Bosnia and Herzegovina and Monri, as well as all revenues generated by the companies of Sonet, B Services and IPS Croatia. In the first half of 2020, higher revenues from maintenance of POS terminals were recorded also by the companies of Necomplus Group, especially in Spain, Portugal and Colombia. This resulted from signing new contracts for maintenance and outsourcing of POS terminals, as well as from deliveries of infrastructure. New contracts for outsourcing of POS terminals contributed to higher sales of Payten Serbia.

Stronger revenues were generated also by the segment's business lines responsible for maintenance of ATMs (by EUR 3.1 million) and e-Commerce (by EUR 2 million). Growing revenues from maintenance of ATMs were partially due to the consolidation of results of Bassilichi Serbia and Bosnia and Herzegovina, signing new maintenance and outsourcing contracts, as well as the completion of software implementations and deliveries of hardware to customers of Payten companies, mainly in Serbia, Bulgaria and Slovenia. Higher sales of the business line offering e-Commerce solutions resulted primarily from new contracts and the growing volume of online transactions processed by Payten Turkey, as well as revenues from the online payment gateway operated by Monri Croatia. Sales of security solutions provided by Payten Croatia also increased.

The lower volume of POS terminal transactions processed (including dynamic currency exchange transactions – DCC) caused a decline in revenues of the business line responsible for processing.

Operating profit earned by the Payment Solutions segment increased by EUR 2.1 million or 35% and exceeded EUR 8 million for the first half of 2020. Higher profits were reported by all the business lines of this segment, except for the business line responsible for processing of payment transactions where lower sales and higher depreciation charges related to investments in infrastructure and software caused a decrease in EBIT.

EBITDA of the Payment Solutions segment for the first half of 2020 amounted to almost EUR 14.7 million, rising by EUR 3.5 million or 31% in comparison to the first six months of the previous year.

Results of the Banking Solutions segment

Banking Solutions	6 months ended 30 June 2020 PLN'000	6 months ended 30 June 2019 PLN'000	Change %	6 months ended 30 June 2020 EUR'000	6 months ended 30 June 2019 EUR'000	Change %
Sales revenues	90,504	84,293	7%	20,378	19,657	4%
Operating profit	18,201	11,781	55%	4,098	2,747	49%
EBITDA	23,549	16,400	44%	5,302	3,825	39%

In the first half of 2020, the Banking Solutions segment generated EUR 20.4 million in sales revenues, achieving an increase by EUR 0.7 million or 4% in relation to the comparable period last year. The highest increase in revenues was recorded by the business line offering mobile solutions, primarily on the back of new projects carried out in Croatia, but also in Bulgaria, Serbia and Romania. Slightly higher sales were reported also by the business line responsible for core banking systems and other software. Such sales increased basically in Serbia and w Bosnia and Herzegovina, but they were partially offset by lower proceeds from our operations in Bulgaria, Macedonia, Kosovo and Turkey. Whereas, the segment's line offering security solutions generated weaker sales than in the first six months of 2019, mainly due to delays in the implementation of projects and in signing new contracts.

Thanks to the better utilization of resources, the efficiency of the Banking Solutions segment improved significantly in the first half of 2020. The operating profit after the first six months of 2020 was EUR 4.1 million, showing an increase of more than EUR 1.3 million or 49%. Higher EBIT was achieved in the business lines offering mobile solutions, as well as core banking systems and other software. At the same time, operating performance of the business line responsible for security solutions was weaker.

Stronger operating profit translated into a higher amount of EBITDA achieved by the Banking Solutions segment. In the first half of 2020, it amounted to EUR 5.3 million, increasing by almost EUR 1.5 million or 39% in relation to the comparable period last year.

Results of the Dedicated Solutions segment

Dedicated Solutions	6 months ended 30 June 2020 PLN'000	6 months ended 30 June 2019 PLN'000	Change %	6 months ended 30 June 2020 EUR'000	6 months ended 30 June 2019 EUR'000	Change %
Sales revenues	149,921	131,761	14%	33,757	30,728	10%
Operating profit	10,103	7,257	39%	2,275	1,692	34%
EBITDA	14,063	10,369	36%	3,167	2,418	31%

Sales revenues generated by the Dedicated Solutions segment in the first six months of 2020 reached EUR 33.8 million, reflecting an increase by EUR 3 million or 10% in relation to the comparable period last year. Stronger sales were recorded by the business line responsible for the resale of infrastructure and third-party solutions and integration services, mainly owing to new projects carried out by ASEE companies operating in Serbia, Macedonia and Croatia. At the same time, the business line offering our own solutions reported lower sales, mainly due to the smaller number and scale of projects implemented in Serbia, as well as the limited scale of BPO operations performed by our Necomplus subsidiaries in Spain and Portugal.

Operating profit of the Dedicated Solutions segment for the first six months of 2020 amounted to almost EUR 2.3 million, increasing by EUR 0.6 million or 34%. Such growth in EBIT was driven mainly by the improvement in operating efficiency of the business line offering own solutions which, despite lower sales, managed to improve its financial performance by implementing cost reductions. A slight increase in operating profit was reported also by the business line responsible for infrastructure, third-party solutions and integration services.

Following a higher operating profit, the segment's EBITDA improved as well. In the first half of 2020, it reached almost to EUR 3.2 million as compared with EUR 2.4 million achieved in the comparable period last year. This reflects an increase by EUR 0.75 million or 31%.

Net profit

Consolidated net profit of ASEE Group for the first half of 2020 amounted to EUR 8.5 million, increasing by EUR 2.8 million or 33% in relation to the comparable period last year.

The Group's net result on financial operations equalled EUR -452 thousand in the first half of 2020. The loss on financial activities was mainly the effect of interest expenses incurred on bank loans and lease liabilities and the revaluation of contingent liabilities arising from the acquisition of shares, which in aggregate exceeded the amount of interest income. The impact of foreign currency translation differences, including the valuation of hedging instruments, on the net result on financial operations was insignificant and amounted to EUR 32.9 thousand in the first half-year. In the comparable period of 2019, the Group's net result on financial operations equalled EUR 497 thousand. Our result on financial operations deteriorated due to higher interest expenses, weaker result on foreign currency translation differences, lower interest income, but predominantly due to the year-ago recognition of a financial gain of EUR 467 thousand as a consequence of the revaluation of shares in the company Multicard after it was taken over by Payten Serbia on 17 April 2019.

In the first half of 2020, our effective tax rate equalled 17.5%, decreasing by 2.9 percentage points in relation to the comparable period of 2019. The effective tax rate of ASEE Group decreased primarily as a result of lower effective tax rates in its major operations (Serbia, Turkey, Romania), as well as a considerably lower tax rate in Croatia where we accounted for the effect of a positive tax treatment decision received by ASEE Croatia in June 2020, concerning income tax reliefs for 2019 in connection with capital expenditures made. The positive impact of the lower tax rate on our operating activities partially compensated for income tax paid on dividends received by ASEE S.A. from its subsidiaries located outside of the European Union. In the first half of 2020, dividends received from outside of the EU amounted to PLN 32.7 million, as compared with PLN 25.2 million in the comparable period of 2019.

Consolidated financial highlights for the first half of 2020 (non-IFRS)

Key financial data published on a non-IFRS basis provide crucial information for assessing the financial position and business development of ASEE Group. They are complementary to data reported in accordance with IFRS standards.

Non-IFRS figures include adjustments for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), as well as for financial income and expenses recognized in accounting for company acquisitions and disposals (inclusive of the related tax effects).

The presented non-IFRS data do not constitute financial data in accordance with IFRS as endorsed by the European Union. There is no uniform definition or calculation method for non-IFRS data and, consequently, they may not be comparable to such data presented by other entities, including entities operating in the same industry as ASEE Group. These financial data should be analyzed as additional information only, and not as a substitute for financial data prepared in accordance with EU IFRS. Non-IFRS data should not be considered more significant than measurements resulting directly from the consolidated financial statements.

	3 months ended 30 June 2020	3 months ended 30 June 2019	6 months ended 30 June 2020	6 months ended 30 June 2019
Non-IFRS EBIT	36,560	23,883	65,736	46,106
Non-IFRS net profit	29,286	17,440	53,450	37,021

Analysis of financial ratios

	3 months ended 30 June 2020	3 months ended 30 June 2019	6 months ended 30 June 2020	6 months ended 30 June 2019
Gross profit margin	27.2%	25.0%	25.8%	24.9%
EBITDA margin	23.7%	19.5%	22.1%	19.8%
Operating profit margin	15.3%	11.6%	13.8%	11.8%
Net profit margin	11.5%	9.1%	10.9%	9.6%
Return on equity (ROE)			13.2%	9.9%
Return on assets (ROA)			8.8%	7.2%

In the first half of 2020, our gross profit margin equalled 25.8% and it was by 0.9 percentage point higher than in the corresponding period last year. Our gross profit margin increased owing to the improvement of operating efficiency in all business segments, and despite a slightly lower share of our own software and services in the revenue structure of ASEE Group in the first half of 2020 which stood at 67.8%. In the comparable period last year, proprietary software and services accounted for 69.1% of total sales of ASEE Group.

Improved efficiency had a favourable impact on the next margins of profit in the first half of 2020. Our EBITDA margin increased to 22.1% from the level of 19.8% achieved in the comparable period last year. While operating profit margin expanded from 11.8% in the first six months of 2019 to 13.8% this year. The largest increase in operating profit margin was recorded in the Banking Solutions segment.

The net profit margin reached 10.9%, growing by 1.3 percentage points in comparison with the first six months of 2019. The slightly less dynamic increase in the net profit margin as compared to the EBIT and EBITDA margins was due to a weaker result on financial operations, which was partially offset by a lower effective tax rate.

The improved financial results of ASEE Group for recent quarters resulted in higher values of ROE and ROA ratios. Return on equity for the trailing 12 months ended 30 June 2020 equalled 13.2%, increasing by 3.3 percentage points, while return on assets reached the level of 8.8%, increasing by 1.6 percentage points.

	30 June 2020	31 Dec. 2019
Working capital (in thousands of PLN)	149,344	142,676
Current liquidity ratio	1.5	1.4
Quick liquidity ratio	1.3	1.3
Absolute liquidity ratio	0.6	0.6

The above ratios have been computed using the following formulas:
Working capital = current assets - current liabilities
Current liquidity ratio = current assets / current liabilities
Quick liquidity ratio = (current assets – inventories – prepayments) / current liabilities
Absolute liquidity ratio = (short-term financial assets + cash and short-term bank deposits) / current liabilities

At the end of June 2020, our working capital amounted to PLN 149.3 million, reflecting an increase by PLN 6.7 million in relation to its level reported at the end of 2019.

In the first six months of 2020, the value of current assets decreased by PLN 6 million, primarily due to decreases in trade receivables (by PLN 32.3 million) and in inventories (by PLN 10.3 million). Such decreases were partially offset by increases in contract assets (by PLN 31.7 million) and in prepayments and accrued income (by PLN 3.2 million).

In the same period, our total current liabilities declined by PLN 12.6 million. This resulted primarily from decreases in trade payables (by PLN 41.1 million), bank loans and borrowings (by PLN 10.3 million), and in other liabilities (by PLN8.3 million). This was partially offset by an increase in other financial liabilities (by PLN 37.2 million), mainly because such liabilities included dividends payable to shareholders of ASEE S.A. in the amount of PLN 38.4 million.

Our liquidity ratios at the end of the second quarter of 2020 remained at similar levels as at the end of 2019.

	30 June 2020	31 Dec. 2019
Total debt ratio	34.4%	36.1%
Debt / equity ratio	17.5%	19.9%
Debt / (debt + equity) ratio	14.9%	16.6%

The above ratios have been computed using the following formulas:
Total debt ratio = (long-term liabilities + short-term liabilities) / assets
Debt / equity ratio = (interest-bearing bank loans + lease liabilities) / equity
Debt / (debt + equity) ratio = (interest-bearing bank loans + lease liabilities) / (interest-bearing bank loans + lease liabilities + equity)

The total debt ratio decreased from 36.1% reported at the end of 2019 to the level of 34.4% as at 30 June 2020. Such change was caused by a decrease in total liabilities by PLN 14.0 million, which was accompanied by an increase in total assets by PLN 18.8 million. Total liabilities were lower following a decrease in current liabilities (by PLN 12.6 million), as described above, as well as a smaller decrease in non-current liabilities (by PLN 1.4 million), primarily in the lines of bank loans and lease liabilities which were transferred to current liabilities. Whereas, total assets were higher due to an increase in goodwill (by PLN 24.8 million) arising from new company acquisitions, as well as from the remeasurement of this item using the current exchange rate.

Total bank loans and borrowings decreased from the level of PLN 93 million reported as at 31 December 2019 to PLN 78.8 million as at the end of the second quarter of 2020. This decrease by PLN 14.2 million was the effect of planned repayments of interest-bearing debt, which was partially offset by the revaluation of liabilities expressed in EUR. The lower balance of liabilities under bank loans and borrowings resulted in a decrease in the ratio of debt to equity from 19.9% to 17.5%, as well as in the ratio of debt to total interest-bearing liabilities and equity from 16.6% to 14.9%.

Structure of the statement of cash flows

	6 months ended 30 June 2020 PLN'000	6 months ended 30 June 2019 PLN'000
Net cash provided by (used in) operating activities	55,504	19,363
Net cash provided by (used in) investing activities	(25,863)	(45,198)
Net cash provided by (used in) financing activities	(28,892)	1,446
Net change in cash and cash equivalents	749	(24,389)
Cash and cash equivalents at the end of period	**195,374**	**138,807**

In the first half of 2020, our operating activities provided PLN 55.5 million of net cash inflows, reflecting an increase by PLN 36.1 million in relation to the comparable period of the previous year. Operating cash flows increased on the back of stronger financial performance and higher amount of depreciation charges in the first six months of 2020, as well as due to lower expenditures for working capital than a year ago, owing to the reduction of inventories and receivables.

Net cash outflows from our investing activities amounted to PLN 25.9 million in the first half of 2020. Our investing cash flows were most considerably influenced by the acquisitions of property, plant and equipment and intangible assets for the total amount of PLN 18.2 million, as well as by the acquisitions of subsidiary companies for PLN 8.8 million. The acquisitions of tangible and intangible assets included, among others, our expenditures for infrastructure used in the outsourcing of payment processes and setting up an independent network of ATMs. In the first half of 2020, we spent a total of PLN 10 million for this purpose. Expenditures for the acquisition of subsidiaries included payments for purchases of shares in the companies of Necomplus and Monri, as well as the takeover of IPS company in Croatia.

In the first half of 2020, net cash used in our financing activities amounted to PLN 28.9 million, primarily due to the planned repayments of bank loans and borrowings as well as lease liabilities, along with interest. Proceeds from bank loans were related to the financing of new outsourcing projects carried out by Payten, mainly in Serbia.

Information on geographical structure of financial results

The table below presents the basic financial data from the statement of profit and loss for the period of 6 months ended 30 June 2020, in a breakdown by geographical area:

For the period of 6 months ended 30 June 2020 in thousands of PLN	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
Sales revenues	**18,493**	**73,100**	**35,171**	**58,845**	**137,761**	**41,669**	**57,352**	**9,157**	**18,025**	**32,775**	**(18,003)**	**464,345**
Cost of sales	(13,883)	(53,061)	(26,937)	(48,536)	(107,394)	(20,480)	(49,082)	(7,071)	(12,549)	(23,023)	16,971	**(345,045)**
Recognition (reversal) of impairment losses on financial instruments	20	(451)	(47)	(386)	1,602	(124)	(151)	-	(166)	44	2	**343**
Gross profit on sales	**4,630**	**19,588**	**8,187**	**9,923**	**31,969**	**21,065**	**8,119**	**2,086**	**5,310**	**9,796**	**(1,030)**	**119,643**
Selling costs	(856)	(4,376)	(1,833)	(4,133)	(7,804)	(4,075)	(1,304)	(707)	(814)	(1,284)	418	**(26,768)**
General and administrative expenses	(1,115)	(4,193)	(1,841)	(3,537)	(6,708)	(4,394)	(2,885)	(1,574)	(1,322)	(1,851)	2	**(29,418)**
Net profit (loss) on sales	**2,659**	**11,019**	**4,513**	2,253	**17,457**	**12,596**	**3,930**	**(195)**	**3,174**	**6,661**	**(610)**	**63,457**
Other operating income	16	107	75	55	402	100	70	11	11	238	-	**1,085**
Other operating expenses	(54)	(83)	(9)	(9)	(203)	(21)	(72)	(11)	2	(50)	-	**(510)**
Share of profits of associates	-	-	-	-	-	-	-	-	-	-	-	**-**
Operating profit (loss)	**2,621**	**11,043**	**4,579**	**2,299**	**17,656**	**12,675**	**3,928**	**(195)**	**3,187**	**6,849**	**(610)**	**64,032**

For the period of 6 months ended 30 June 2020 in thousands of EUR	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
Sales revenues	**4,164**	**16,459**	**7,919**	**13,250**	**31,019**	**9,382**	**12,913**	**2,062**	**4,059**	**7,380**	**(4,054)**	**104,553**
Cost of sales	(3,126)	(11,947)	(6,065)	(10,928)	(24,181)	(4,611)	(11,051)	(1,592)	(2,826)	(5,185)	3,821	**(77,691)**
Recognition (reversal) of impairment losses on financial instruments	5	(102)	(11)	(87)	361	(28)	(34)	-	(37)	10	-	**77**
Gross profit on sales	**1,043**	**4,410**	**1,843**	**2,235**	**7,199**	**4,743**	**1,828**	**470**	**1,196**	**2,205**	**(233)**	**26,939**
Selling costs	(193)	(985)	(413)	(931)	(1,757)	(918)	(294)	(159)	(183)	(288)	94	**(6,027)**
General and administrative expenses	(251)	(944)	(415)	(796)	(1,510)	(989)	(650)	(354)	(298)	(417)	-	**(6,624)**

Net profit (loss) on sales	**599**	**2,481**	**1,015**	**508**	**3,932**	**2,836**	**884**	**(43)**	**715**	**1,500**	**(139)**	**14,288**
Other operating income	4	24	17	12	91	23	16	2	2	54	-	**245**
Other operating expenses	(12)	(19)	(2)	(2)	(46)	(5)	(16)	(2)	-	(11)	-	**(115)**
Share of profits of associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	**591**	**2,486**	**1,030**	**518**	**3,977**	**2,854**	**884**	**(43)**	**717**	**1,543**	**(139)**	**14,418**

The above figures have been converted at the average exchange rate for the period from 1 January 2020 to 30 June 2020: EUR 1 = PLN 4.4413

The table below presents the basic financial data from the statement of profit and loss for the period of 6 months ended 30 June 2019, in a breakdown by geographical area:

For the period of 6 months ended 30 June 2019 **in thousands of PLN**	**Bosnia**	**Croatia**	**Macedonia**	**Romania**	**Serbia**	**Turkey**	**Western Europe**	**Latin America**	**Central Europe**	**Other**	**Eliminations**	**Total**
Sales revenues	**15,907**	**63,574**	**25,009**	**58,513**	**114,966**	**30,741**	**49,810**	**6,828**	**4,872**	**24,433**	**(17,679)**	**376,974**
Cost of sales	(11,799)	(47,425)	(16,057)	(49,453)	(91,710)	(13,991)	(43,211)	(5,372)	(2,336)	(18,406)	17,179	**(282,581)**
Recognition (reversal) of impairment losses on financial instruments	-	(324)	(50)	257	(518)	181	-	(5)	-	-	(3)	**(462)**
Gross profit on sales	**4,108**	**15,825**	**8,902**	**9,317**	**22,738**	**16,931**	**6,599**	**1,451**	**2,536**	**6,027**	**(503)**	**93,931**
Selling costs	(950)	(3,341)	(1,908)	(3,858)	(6,947)	(3,582)	(891)	(477)	(666)	(1,418)	8	**(24,030)**
General and administrative expenses	(1,157)	(4,273)	(1,761)	(3,626)	(5,477)	(3,173)	(3,813)	(452)	(241)	(1,837)	109	**(25,701)**
Net profit (loss) on sales	**2,001**	**8,211**	**5,233**	**1,833**	**10,314**	**10,176**	**1,895**	**522**	**1,629**	**2,772**	**(386)**	**44,200**
Other operating income	19	(57)	288	48	252	476	78	7	57	257	(143)	**1,282**
Other operating expenses	(8)	85	(174)	(14)	(288)	(246)	(41)	(29)	(33)	(203)	140	**(811)**
Share of profits of associates	-	-	-	-	(61)	-	-	-	-	-	-	**(61)**
Operating profit (loss)	**2,012**	**8,239**	**5,347**	**1,867**	**10,217**	**10,406**	**1,932**	**500**	**1,653**	**2,826**	**(389)**	**44,610**

For the period of 6 months ended 30 June 2019 **in thousands of EUR**	**Bosnia**	**Croatia**	**Macedonia**	**Romania**	**Serbia**	**Turkey**	**Western Europe**	**Latin America**	**Central Europe**	**Other**	**Eliminations**	**Total**
Sales revenues	**3,710**	**14,826**	**5,832**	**13,646**	**26,811**	**7,169**	**11,616**	**1,592**	**1,136**	**5,698**	**(4,123)**	**87,913**
Cost of sales	(2,752)	(11,060)	(3,745)	(11,533)	(21,387)	(3,263)	(10,077)	(1,253)	(545)	(4,290)	4,006	**(65,899)**
Recognition (reversal) of impairment losses on financial instruments	-	(76)	(12)	60	(121)	42	-	(1)	-	-	(1)	**(109)**
Gross profit on sales	**958**	**3,690**	**2,075**	**2,173**	**5,303**	**3,948**	**1,539**	**338**	**591**	**1,408**	**(118)**	**21,905**
Selling costs	(222)	(779)	(445)	(900)	(1,620)	(835)	(208)	(111)	(155)	(331)	2	**(5,604)**
General and administrative expenses	(270)	(996)	(411)	(846)	(1,277)	(740)	(889)	(105)	(56)	(429)	25	**(5,994)**
Net profit (loss) on sales	**466**	**1,915**	**1,219**	**427**	**2,406**	**2,373**	**442**	**122**	**380**	**648**	**(91)**	**10,307**
Other operating income	4	(13)	67	11	59	111	18	2	13	60	(33)	**299**
Other operating expenses	(2)	20	(41)	(3)	(67)	(57)	(10)	(7)	(8)	(47)	33	**(189)**
Share of profits of associates	-	-	-	-	(14)	-	-	-	-	-	-	**(14)**
Operating profit (loss)	**468**	**1,922**	**1,245**	**435**	**2,384**	**2,427**	**450**	**117**	**385**	**661**	**(91)**	**10,403**

The above figures have been converted at the average exchange rate for the period from 1 January 2019 to 30 June 2019: EUR 1 = PLN 4.2880

Impact of the COVID-19 coronavirus pandemic on the business operations of ASEE and Payten

All the markets where ASEE Group operates have been affected by the COVID-19 coronavirus pandemic. Thus, our companies are exposed to social and economic consequences of the pandemic, while the scale of threats depends on how the pandemic spreads in a given country, actions taken by local authorities, as well as the profile of our business operations.

Concurrently, we would like to emphasize that the situation related to the COVID-19 coronavirus pandemic is very dynamic and it is difficult to estimate its effects on the economy, hence the comments below have been prepared to the best knowledge of the Company's management as at the date of publication of this report. Further development of the pandemic may necessitate a verification of our current assumptions and a revision of estimates regarding the impact of this situation on the financial condition of ASEE Group.

Ensuring safety of employees and business continuity

ASEE, as a socially responsible company, in connection with the threat caused by the COVID-19 coronavirus has taken a number of actions in order to ensure the safety of its employees, customers, business partners and all other stakeholders of the Company, as well as to ensure the continuation of the its business operations.

We have already undertaken measures aimed to limit the spread of the coronavirus, ensure safety and business continuity, including:

- sending instructions to our employees on how to behave during the coronavirus epidemic;
- enabling our employees to work from home;
- suspending all training programmes that require personal participation and replacing them with online trainings;
- abandoning foreign business trips;
- obligation to refrain from working in the office and maximum limitation of meetings with other colleagues and contractors, imposed on employees who return from holidays abroad and are not subject to quarantine under generally applicable regulations.

Business lines that have been directly affected by the pandemic

Observing the existing course of the pandemic and its impact on social behaviour and the economy, we assess that the current situation will directly affect the following business lines in ASEE Group:

- **BPO (call center) at Necomplus Spain**

  As part of this service, our company cooperates with a number of firms whose operations depend on the current economic situation, including tourist traffic (e.g. car rental or real estate brokerage). We estimate that the decline in the scale of operations of our customers will translate into a reduction of ASEE Group's revenues from business process outsourcing in 2020. During the 11 months of 2019, when ASEE Group consolidated the financial results of Necomplus, BPO revenues amounted to EUR 5.8 million. The negative impact of the lower scale of operations on our BPO results is limited the implementation of cost reductions, including sending some employees to temporary layoffs financed by the Spanish government.

- **Maintenance of POS terminals settled for each intervention**

  Most contracts for the maintenance of POS terminals performed by Payten companies are settled on a monthly basis, in fixed amounts regardless of the number of transactions or technical interventions. In rare cases, maintenance service contracts provide for our remuneration depending on the number and type of interventions carried out. Agreements of this type constitute the majority of contracts in Necomplus companies, but only a small portion of revenues in Payten companies operating in Macedonia and Slovenia. Since the outbreak of the pandemic, the number of service interventions has dropped significantly which was especially noticeable in the first weeks after the introduction of restrictions when we performed critical repairs only. Therefore, we expect that revenues from contracts settled for each intervention will also decrease in 2020, which may be visible in the markets where Necomplus operates, while the results of other companies should not be significantly affected. In situations where maintenance services are carried out by our own human resources, we try to reduce the related costs among others by sending employees to temporary layoffs financed from the state aid funds, or by using outstanding holiday leaves.

Where we use subcontractors to perform our contracts, the smaller scale of interventions should also be reflected in settlements with our partners.

- **Processing of card payment transactions made at POS terminals by Payten Serbia**

In this business line, the remuneration of ASEE Group depends on the number of transactions processed. In the first weeks of the pandemic, immediately after the introduction of local restrictions, we observed a significant decline in the number of transactions conducted at POS terminals. This was partially attributable to the lower number of transactions involving dynamic currency conversion (DCC). We expect that as the restrictions are being lifted and trading returns to normal, the number of transactions processed should increase. ASEE Group's revenues from processing are generated mainly in the Serbian market and they amounted to EUR 3.5 million in 2019.

- **MoneyGet independent ATM network**

Our independent network of ATMs operates under the brand of MoneyGet in Serbia, Croatia, Montenegro and Albania. Apart from Serbia, our ATMs are located in attractive tourist locations and are geared towards handling tourist traffic and DCC transactions. The observed slowdown in tourist traffic causes a decrease in revenues generated by the MoneyGet network, which directly depend on the number of transactions conducted in our ATMs. In 2019, revenues from MoneyGet ATMs reached almost EUR 2 million. In response to the decline in revenues due to lower tourist traffic in the markets of Croatia, Montenegro and Albania, we are currently taking actions to reduce our operating costs. In order to reduce the amount of rental fees, we have decided to uninstall some ATMs and resign from selected locations. In other cases, we have attempted to renegotiate our contracts in order to temporarily suspend or limit the payment of rental fees. We have also suspended the expansion of our independent ATM network that was planned for 2020. Regardless of these actions, we expect the 2020 financial results of MoneyGet to be significantly worse than in the previous year.

- **Projects implemented in cooperation with external partners**

In the first weeks after the announcement of the pandemic, we noticed a slowdown in purchases of new equipment for processing centers due to difficulties in deliveries communicated by many manufacturers, as well as limitations of physical access to premises and human resources on the part of our customers. In some cases, this caused a delay in the implementation of projects involving the supply of infrastructure and third-party products, and related own services. As the pandemic-related restrictions are eased, the significance of this risk seems to decrease. Concurrently, we see an increased demand for equipment and services that enable customers to efficiently switch to remote work. The obligation to work in remote mode often entails the need to expand the network infrastructure and its security, and to purchase additional license applications for virtual communication and group work.

- **e-Commerce**

Revenues from e-Commerce are generated primarily by our payment gateway (NestPay) that supports the settlement of online card transactions, as well as by security solutions (Trides 3DSecure 2.0). Transaction-based revenues (NestPay and MSU) are generated primarily on the Turkish market and in part depend on the volume of processed transactions. Since the outbreak of the pandemic, we have observed a significant decrease in the number of transactions at some of our clients (including airlines, travel companies, and gym networks). At the same time, the volume of online transactions has increased significantly in grocery stores, bookstores, pharmacies, etc. We also see increased interest in our transaction security solution called Trides (3DSecure 2.0). For now, it is difficult to assess the cumulative impact of the above changes in customer behaviour on our revenues from e-Commerce in a longer term, but it seems that so far the pandemic has contributed to an increase in the volume of online transactions carried out with payment cards. In the entire 2019, revenues generated by this business line amounted to EUR 11.2 million, of which EUR 850 thousand came from the sale of our security solution.

- **Multi-channel access**

We see increased interest from our customers in all solutions that support remote access to services/products, provide the ability to work remotely, as well as in related security and network solutions. These solutions include: Digital Edge (omnichannel banking platform); Adaptive Elements (mobile banking); Digital Origination (solution for offering of bank products and services online); Live Virtual Branch (solution for banks enabling various forms of digital/remote contact and sales to the client). Sales of these solutions should increase revenues in the segments of Banking Solutions and Dedicated Solutions.

- **Solutions supporting remote communication and remote management of documents**

  We have also noticed considerably higher interest in solutions supporting remote circulation of documents and business process automation. This is related to products such as: Live – Contact Center (solution enabling communication with customers over all communication channels), Video Chat, ABC – Asseco Business Correspondence, applications based on BPM – digital signature, scan from home, as well as LeaseFlex and SxS. In some markets (especially in Croatia, Macedonia, Serbia and Romania) we have noticed increased interest in the automation of processes that require multi-level acceptance within an organization and efficient contact with customers through social media channels (including mobile applications). There is also high demand from our customers (especially financial institutions and public administration) for electronic signature (PKI) and transaction authentication (SxS) solutions. In recent weeks, we received enquiries about temporary access to additional functionalities (in particular as part of the Live solution) to support enhanced B2C communication, which we implement in the SaaS model, mainly in Croatia and Macedonia.

  Sales of these solutions should increase revenues in the Dedicated Solutions segment.

- **Modifications due to regulatory changes**

  Regulatory changes related to the implementation of financial aid packages in different countries require modification of IT systems in banks and institutions of public administration. We believe that introduction of such changes will help us generate additional revenues, especially in the Banking Solutions segment.

Our other business lines have not yet felt any significant direct impact of the COVID-19 pandemic. Even before the outbreak of the pandemic, much of our implementation work was performed remotely, and thanks to that projects in the segments of Banking Solutions and Dedicated Solutions are conducted in line with their schedules. The activities of our ATM and POS maintenance teams have, in consultation with our customers, been limited to critical interventions, which should not have a significant impact on the amount of revenues, because our remuneration under most maintenance service contracts does not depend on the number of interventions carried out.

Possible long-term effects of the pandemic

As mentioned above, the situation related to the COVID-19 coronavirus pandemic is very dynamic and its effects on the economy are difficult to estimate. A lot depends on how long the restrictions will last and what will be their practical impact on the financial condition of our customers.

If the course of this pandemic is prolonged, it may have the following consequences for our business:

- delays in the execution of ongoing long-term implementation projects;
- resignation from or postponement of the implementation projects that are not critical to our customers;
- renegotiation of existing contracts in the case of reducing the scale of operations by our customers;
- delays in the implementation of projects based on infrastructure provided by external vendors.

On the other hand, we expect a further growth of interest in software solutions that enable the digitization of processes as well as services that improve remote work and customer service, as described in paragraphs above.

At the same time, we would like to emphasize that we currently see no significant threats to the business operations of ASEE and Payten. We are monitoring this situation on an ongoing basis, adjusting our individual decisions to changing conditions. We are trying to minimize the negative impact of the pandemic on our business, among others, by reducing costs, while monitoring and taking advantage of new market opportunities created by the current situation.

Other information

on Asseco South Eastern Europe Group and Asseco South Eastern Europe S.A.

OTHER INFORMATION ON ASEE GROUP AND ASSECO SOUTH EASTERN EUROPE S.A.

Factors which in the Management's opinion will affect the Group's financial performance at least till the end of this financial year

Because Asseco South Eastern Europe S.A. is primarily engaged in holding operations, factors significant for the Company's development need to be examined taking into account the development and business operations of the entire ASEE Group.

The Management Board of ASEE S.A. believes the Group's current financial standing, operating potential and market position pose no threats to its ability to continue as a going concern throughout the year 2020. However, there are numerous factors, of both internal and external nature, which may directly or indirectly affect the Group's financial performance in the next quarters.

External factors with a bearing on the future financial performance of ASEE Group include:

- Economic situation in the regions of ASEE Group operations, and particularly in South Eastern Europe and Turkey where our major operations are located and which have in recent years benefited from economic prosperity that contributed to the financial condition of ASEE Group's customers and their willingness to invest in IT solutions; maintaining favourable business environment in the coming years may translate into further improvement of the financial results of ASEE, while a potential economic slowdown may reduce the demand for the Group's products and services;
- Geopolitical situation in the regions of ASEE Group operations, where potential political tensions and instability of local governments may cause a deterioration of the investment climate and thus induce ASEE customers to delay or even abandon the implementation of IT projects; another consequence of potential political tensions might be an interruption of IT investments in the public administration which is a client of ASEE Group;
- Condition of the IT market and payment services market in the regions of ASEE Group operations; it seems South Eastern Europe and Turkey remain still underinvested as compared with the West European countries, which may generate additional demand for technology solutions offered by ASEE Group;
- Social and economic effects of the COVID-19 coronavirus pandemic and their expected impact on ASEE and Payten operations as described above;
- Opportunities and risks resulting from rapid technological changes and innovations in the IT market, as well as in the banking and payments sector;
- Regulatory changes in the banking and payments sector, which may generate demand for additional services performed by the Group, but on the other hand may open up access to the sector for new players and new technologies that may reduce the competitive advantages of solutions offered by ASEE;
- Informatization processes in the public administration of South Eastern European countries, aiming to upgrade the quality and functionality of their services to international standards and especially to the requirements of the European Union;
- Availability of the EU structural funds in Romania, Bulgaria, Slovenia and Croatia, as well as pre-accession funds in South Eastern European countries;
- Consolidation and development of the banking sector which may result in mergers and liquidations of business entities that are clients of ASEE Group, but also in gaining new customers in the sector;
- Outlook for expansion of the Group's operations into new markets through cooperation with partners;
- More and more severe competition both from local and international IT companies which is observed especially when it comes to the execution of large and prestigious contracts;
- Changes in the credit standing, financial liquidity and availability of financing for the Group's customers;
- Inflation and fluctuations in the currency exchange rates of countries in which the Group operates;
- Level of interest rates in the Eurozone because a significant portion of ASEE Group's debt is denominated in EUR.

Internal factors with a bearing on the future financial performance of our Group include:

- Quality and comprehensive offering of ASEE Group;
- Research and development expenditures made by the Group;
- Prospects for expansion of ASEE's product portfolio on the back of organic growth or in connection with potential future acquisitions;
- Stability and experience of our managerial staff;
- Transparent organizational structure and efficient operations of the Group;
- Experience in the execution of complex IT projects involving the provision of diversified services in broad geographical regions;
- Effective activities of our sales force;
- Execution of complex information technology projects carried out under long-term contracts;
- Implementation of the Group's business strategy that involves focusing on strategic products and services, expansion into new markets, and improving operating efficiency;
- Completion of potential acquisitions of new companies in the future and their effective integration with ASEE Group;
- Flexibility and quick adaptation of managerial actions and decisions to the changing economic and social environment.

Non-recurring events with impact on our financial performance

Non-recurring events which affected the financial performance, financial position and cash flows of ASEE Group in the first half of 2020 and in the comparable period included the acquisitions of subsidiary companies as well as other organizational changes in the Group as described in the section 'Organizational Structure of Asseco South Eastern Europe Group'.

Furthermore, in 2020 all the markets where ASEE Group operates have been affected by the COVID-19 coronavirus pandemic. Description of the impact exerted by the COVID-19 coronavirus pandemic on ASEE Group's business is provided in the item 'Impact of the COVID-19 coronavirus pandemic on the business operations of ASEE and Payten'.

Discussion of significant risk factors and threats

ASEE Group constantly monitors major factors posing risk to its operations in order to identify, prevent and mitigate their possible effects. For this purpose, the Parent Company and its subsidiaries have implemented a number of management systems as well as internal control and audit procedures.

The utilized systems, including our integrated management structures and efficient internal audits, are effective in reducing the negative impact of the below-mentioned risk factors and threats to the operations of both the Company and the Group.

Major risk factors involved in the Group's business environment

Risk related to the macroeconomic situation

ASEE S.A. is the parent company of the Group which runs operations in South Eastern Europe, Central Europe, Western Europe, as well as in South America. The Company's and the Group's strategy assumes reinforcement of our position in each of these regions as well as further expansion in selected regions and beyond their borders. In connection with our current operations and planned business development, the financial results achieved by ASEE may be influenced by factors related to economic and political stability. Development of the IT services and payment services sectors as well as IT spending of our customers are closely related to the overall economic situation. Therefore, our financial results depend on the level of capital expenditures made by enterprises, pace of GDP growth, inflation rate etc.

Risk associated with the lack of political stability

Potential changes in governments of the countries where ASEE operates as well as any civil unrest may initiate periods of political instability, which may result in a reduction of public spending and lower inclination towards investments among enterprises.

Risk related to intensified competition

The market of information technology infrastructure and services is becoming more and more competitive. With a variety of services and products in our portfolio, we are tough competition to large consulting firms, multinational technological tycoons, IT outsourcing providers as well as software houses, inclusive of internal IT departments of large corporations operating in the region. The IT industry undergoes rapid changes resulting from investments in new technologies made primarily by large companies and acquisitions of local businesses by international players. Furthermore, the biggest global corporations, which have been so far active only in the large enterprises market, expand their offerings with solutions and implementation methodologies dedicated also to medium-sized enterprises, which increases the competitive pressure.

Risk associated with the condition of the banking sector

The provision of IT solutions and services to banks and other financial institutions is one of our core businesses. The financial sector experiences a lack of stability and is under strong pressure to cut investment spending and optimize operating costs, which may have an adverse impact on the Group’s operations. The banking sector around the world undergoes intensive processes of consolidation where much attention is paid to the standardization of solutions and optimization of costs at the corporate level. Headquarters of various banks may possibly decide to choose other IT market participants to provide for their technological needs, which may adversely affect the Group’s operations.

Risk of potential legal disputes concerning copyrights

Development of the Group’s operations in the market of IT products depends to a large degree on the ownership of intellectual property rights, and especially copyrights to computer programs. Because of a variety of legal regulations pertaining to the protection of intellectual property applicable in the countries where our subsidiaries operate, there is a risk that in some circumstances there may be doubts as to the effectiveness of assignment of copyrights in software codes compiled by employees in favour of their employers.

Furthermore, there is also a risk that in some countries where the Group operates, local regulations may not provide adequate protection of copyrights in computer programs owned by our subsidiaries. Taking advantage of such situation by other local firms with a similar business profile may lead to the loss of ASEE’s competitive edge in a given market.

Risk of changes in local tax regulations

Some of the Group companies are engaged in innovative research and development activities which, according to local regulations, may be taxed on a preferential basis compared to typical operations. In the event of any amendment of local tax regulations, there is a risk of losing tax benefits in this respect and thus increasing the tax burden on ASEE’s income.

Foreign currency risk

The Group conducts business operations in many countries and makes settlements in various currencies. Contracts concluded by the Group companies are denominated in miscellaneous currencies, also in currencies that are foreign to the countries where the Group operates. Temporary fluctuations in the currency exchange rates as well as long-term trends in the currency market may impact the financial results of the Group.

In addition, the financial statements of ASEE Group are published in PLN and in the consolidation process the amounts stated in local foreign currencies are translated into PLN. Therefore, possible changes in the exchange rates of foreign currencies to PLN may affect the values presented in our financial statements.

Risk of interest rate hikes in the Eurozone

Most of ASEE Group's external debt is denominated in EUR and bears a variable interest rate based on EURIBOR. A potential increase in the Eurozone interest rates would translate into higher financial costs incurred on the Group's debt.

Major risk factors involved in the Group's business operations

Risk of fluctuations in revenues and expenditures

Due to the project-driven nature of IT investments, sales revenues generated by the Group companies may be subject to considerable fluctuations from period to period. It is possible that in the future our revenues and operating results will fall short of the market expectations because of the completion of work performed under large-scale projects. Moreover, due to technological changes, the Group's existing technology and products may become obsolete and will require making sizeable new investments. The above processes may have negative impact on the rate of return on investment or the amount of dividends to be paid out.

Risk of non-performance or improper performance of projects and losing the clients' trust

In each area of our business, the provision of services by the Group depends on the clients' trust and the quality of our products and services. Proper performance of an IT project, which is mission critical for the operations of our client, in most cases results in signing a long-term contract. The quality of solutions and customer service provided to our clients determines their confidence in our Group.

Risk associated with fixed-price contracts

The majority of contracts for provision of IT services or products concluded by the Group determine a fixed remuneration. Therefore, they are not settled on a time-and-material basis. If we misevaluate the resources and time required for the project performance, future salary increases, inflation or foreign exchange rates, or if we fail to perform our contractual obligations within the agreed deadline, this may have an adverse impact on the Group's financial results and cash flows.

Risk associated with gaining new IT contracts

Some of the Group's revenues are generated from projects that are awarded through tendering procedures organized by state institutions and companies as well as by large private enterprises. Most of such tenders are attended by leading IT players in the region and major foreign companies, which results in considerably high competition. Our business depends on the access to reliable information about the future investment plans of prospective customers, as well as on appropriate competence and experience that would enable us to win tenders.

Risk of becoming dependent on the key customers

The Group's business is to a great extent based on the execution of long-term projects which require a large work effort. Implementation of the key account contracts will impact the level of our sales revenues in the coming years. Although sales to none of our clients exceeded 10% of total revenues generated by the Group in the first half of 2020, our customers in various countries are often members of international banking groups and potential loss of such an entire group could have a noticeable impact on revenues of ASEE.

Risk of becoming dependent on the key suppliers

The Group's business is characterized by close cooperation with big international companies, especially in the segments of Payment Solutions and Dedicated Solutions. There is a risk that the key suppliers to our Group may change their strategies for cooperation with local partners or may want to tighten their cooperation with one partner of their choice. Furthermore, they may start to offer the implementation services for their solutions themselves or else increase the prices of the products supplied.

Risk related to the profitability of integration projects

In some of the markets where the Group operates, providers of integration services generate higher margins of profit than average margins realized in mature economies. Hence, it may be expected that such margins will be squeezed once our markets become saturated and more mature.

Risk related to insolvency or misconduct of our subcontractors

In certain cases, we provide our clients with solutions that have been developed and completed by our subcontractors. Just as any other entrepreneurs, our subcontractors may face business or financial difficulties and become unable to fulfil their obligations towards us or our clients.

Risk related to technological changes in the industry and development of new products and services

The sector of IT and payment services are characterized by rapid development of solutions and technologies. Hence, the product lifecycles in such a market are relatively short. In order to maintain a competitive advantage in this market, it is necessary to undertake research work and invest in new products. There is a risk that new solutions will be launched to the market, causing the products and services offered by the Group to become less attractive and eventually not as profitable as expected.

Risk involved in strategic investments in complementary industries, technologies, services or products as well as in strategic alliances with third parties

While implementing the Group's development strategy, we may engage in strategic investments, establish companies, undertake joint ventures and make acquisitions related to complementary industries, technologies, services or products. Despite exercising due care when selecting our business partners, we may be unable to identify a suitable partner or to manage such a venture or acquisition appropriately. As a consequence we may be exposed to typical risks involved in mergers and acquisitions.

Risk of misfortunate acquisitions

Business acquisitions are one of the cornerstones of ASEE's development. We are trying to take over businesses that are truly complementary to the Group's offering and are in good financial condition. Our acquisition processes are based on the best market practices. However, there is a risk that our acquisition decisions will turn out to be wrong and that acquired companies will fail to meet our expectations, which may adversely affect the Group's financial results.

Risk involved in the Group integration process

The Group is exposed to a risk associated with effective integration of ASEE and its subsidiaries, especially as the Group companies operate in different markets and in various countries. It is our strategy to integrate our subsidiary undertakings into operating segments as well as to make further company acquisitions. Nonetheless, we cannot entirely exclude the risks of delays, partial completion or failure to complete the intended integration process.

Apart from that, even if our subsidiaries and further potentially acquired entities are successfully integrated with the Group, we may still be unable to fully integrate the products and services portfolios of particular companies, or to continue the development processes in line with our present corporate practices.

Risk of becoming dependent on the key management personnel of the Company and the Group

Just as in the majority of companies developing IT systems, highly qualified personnel and managerial staff are the main pillars of the Group's success. We operate in the information technology industry which is characterized by a high rotation of personnel. It is probable that the Group will be unable to retain its present employees or to recruit new, equally highly qualified employees in the future. Losing some of the key personnel members would have a negative impact on the Group's operations, financial position and results, as well as on its future development outlook.

Risk of impairment of intangible assets

A significant portion of our consolidated assets is represented by goodwill arising from the acquisition of companies that currently comprise ASEE Group, as well as by proprietary software resulting from capitalized software development expenditures. These assets are tested for impairment at the end of each year. In the event such test showed that the fair value of an asset was lower than its carrying value, we would have to recognize a fair value impairment loss that would weigh on the Group's financial results.

Risk of low liquidity and loss of value of our shares

Investors considering the purchase of ASEE shares should take into account that the trading price of our shares may change in the future and that they may not be able to recover all invested funds. Furthermore, any purchase or sale of ASEE shares depend on the market liquidity, hence the execution of an investment decision may not be possible at a given time.

Risk related to dividends

Our potential investors should be aware of the fact that distribution of any dividends by ASEE will depend on a number of factors, such as the Group's operating results, its financial standing as well as the current and anticipated demand for cash. The Company's dividend policy stipulates that 30 to 50% of consolidated profits shall be distributed in dividends, and it is the Management's intention to allocate an appropriate portion of net earnings to dividend payments in the future. However, the Company is not in the position to guarantee that such plans will be actually implemented nor to determine the amounts of expected dividend payments.

Risk related to influence exerted by the Company's majority shareholder

As at the date of publication of this report, Asseco International a.s., our majority shareholder and a subsidiary of Asseco Poland S.A., holds 51.06% of shares in our Company. We expect that Asseco International a.s. will maintain its position as a majority shareholder and retain significant influence on our Company's business operations. Asseco International a.s. is entitled to exercise broad rights and powers with respect to its shareholding in the Company, and it must be taken into consideration that in the present situation Asseco International a.s. has a decisive impact on the Company's strategic decisions.

Related party transactions

Transactions with our related parties have been presented in explanatory note 6.18 to the interim condensed consolidated financial statements of ASEE Group for the period of 6 months ended 30 June 2020. All transactions with related parties are carried out on an arm's length basis.

Bank loans, borrowings, sureties and guarantees

Bank loans and borrowings obtained, sureties and guarantees granted, as well as off-balance-sheet liabilities have been disclosed in explanatory notes 6.12 and 8.1 to the interim condensed consolidated financial statements of ASEE Group for the period of 6 months ended 30 June 2020.

Financial forecasts

The Management Board of Asseco South Eastern Europe S.A. did not publish any financial forecasts for 2020.

Monitoring of employee stock option plans

On 23 June 2017, Asseco Poland S.A. and managers of ASEE Group companies signed agreements for the acquisition of 2,221,356 shares in ASEE S.A., representing 4.28% of the company's share capital. Members of the Management Board of ASEE S.A. as well as parties related through Members of the Management Board of ASEE S.A. acquired 1,572,424 shares in total. The remaining 648,932 shares were acquired by the management staff of subsidiary companies of ASEE Group.

The above-mentioned agreements constitute an equity-settled share-based payment transaction as defined by IFRS 2.

Detailed information on the share-based payment plan has been presented in explanatory note 5.2 to the interim condensed consolidated financial statements of ASEE Group for the period of 6 months ended 30 June 2020.

Significant off-balance-sheet items

Significant off-balance-sheet items have been described in explanatory note 8.1 to the interim condensed consolidated financial statements of ASEE Group for the period of 6 months ended 30 June 2020, as well as in explanatory note 7.1 to the interim condensed financial statements of ASEE S.A. for the period of 6 months ended 30 June 2020.

Information on significant judicial proceedings

As at 30 June 2020 and the publication date of this report, neither Asseco South Eastern Europe S.A. nor Asseco South Eastern Europe Group were party to any proceedings pending before any court, arbitration authority or public administration.

Significant events with impact on ASEE Group operations after 30 June 2020

Significant events that took place after the reporting date of 30 June 2020 have been described in explanatory note 8.4 to the interim condensed consolidated financial statements of ASEE Group for the period of 6 months ended 30 June 2020, as well as in explanatory note 7.4 to the interim condensed financial statements of ASEE S.A. for the period of 6 months ended 30 June 2020.

Other factors significant for the assessment of human resources, assets and financial position

Except for the information provided above, we are not aware of any events the disclosure of which might significantly affect the assessment of human resources, assets and financial position of Asseco South Eastern Europe Group.

STATEMENT BY THE MANAGEMENT BOARD OF ASSECO SOUTH EASTERN EUROPE S.A.

Statement by the Management Board of Asseco South Eastern Europe S.A. made pursuant to §68 sect. 1 item 4 and §69 sect. 1 item 4 of the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states.

The Management Board of Asseco South Eastern Europe S.A. hereby declares that, to the best of its knowledge, the interim condensed financial statements of Asseco South Eastern Europe S.A. for the period of 6 months ended 30 June 2020 and comparable data contained therein, as well as the interim condensed consolidated financial statements of Asseco South Eastern Europe Group for the period of 6 months ended 30 June 2020 and comparable data contained therein, have been prepared in compliance with the applicable accounting standards, namely the International Financial Reporting Standards as endorsed by the European Union. The interim condensed financial statements of Asseco South Eastern Europe S.A. for the period of 6 months ended 30 June 2020, as well as the interim condensed consolidated financial statements of Asseco South Eastern Europe Group for the period of 6 months ended 30 June 2020, give a true, reliable and fair view of the assets and financial position of ASEE S.A. and ASEE Group and their financial performance.

Furthermore, the Management Board declares that the report on operations of ASEE Group provides a fair description of the development, achievements and position of ASEE Group, inclusive of major risks and threats to its operations.

We hereby approve the Management Report on Operations of Asseco South Eastern Europe Group for the period of 6 months ended 30 June 2020 and confirm the accuracy of the above statement.

Management Board:

Piotr Jeleński	President of the Management Board
Miljan Mališ	Member of the Management Board
Marcin Rulnicki	Member of the Management Board
Kostadin Slavkoski	Member of the Management Board

Solutions for demanding business.

Asseco South Eastern Europe S.A.
14 Olchowa St., 35-322 Rzeszów, Poland
Phone: +48 22 574 86 30
Fax: +48 22 574 86 90
Email: office@asseco-see.pl

see.asseco.com

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