

Current report No. 10/2023

Date prepared: 2023-09-14

Short name of the issuer

SPYROSOFT S.A.

Topic

Information on preliminary results for the first half of 2023

Legal basis

Article 17 (1) of the MAR regulation – confidential information.

Content of the report:

Management Board of SpyroSoft S.A. [Issuer, Company] informs that in connection with the completion of the process of aggregation of financial data carried out for the purpose of preparing an extended consolidated report for the first half of 2023, it was decided to publish preliminary financial results for the above-mentioned period.

The preliminary financial results of the Issuer's Capital Group for the first half of 2023 are presented below:

- consolidated net sales revenue: PLN 205 million, which is an increase by 47% in relation to the comparative period;
- consolidated EBITDA: PLN 20.5 million, which is a decrease by 8% in relation to the comparative period;
- EBITDA margin: 10%

The achieved rate of revenue growth in the first half of 2023 was above the assumptions adopted in the "Spyrosoft Group Strategy for 2022–2026" (organic average annual growth at the level of 33%, from 25% to 35% per year). This reflects the further increase in the scale of the Spyrosoft Group's operations, which in the opinion of the Management Board is a priority at the current stage of the Company's development.

In the past six months, the Company continued investments related to its development (in particular in terms of team competences and size and the development of an international office network). Incurring this type of expenditure combined with lower demand for IT services, which results from the global economic slowdown, translated into lower than expected profitability at the EBITDA level (in accordance with the Strategy – the range of 11%–14%). On the other hand, the aim of the Management Board is to care for the image as the employer and to build appropriate resources for the purposes of implementation of future projects and to further increase the scale of the Group's operations.

Another factor that negatively affected the EBITDA level and the achieved profitability was the strengthening of the zloty exchange rate in the second quarter of 2023. The Group operates in international markets and approx. 85% of its revenues come from abroad.

The Issuer informs that the above preliminary financial data have been prepared in accordance with the its best knowledge and assuming that there are no circumstances in the course of further work on the financial statements that result in the need to carry out significant one-off operations of an accounting nature. The Issuer indicates that the financial revision process for the statements for the

first half of 2023 is ongoing. Thus, the final financial results of the Issuer's Capital Group for the above-mentioned period will be submitted as part of the consolidated report for the first half of 2023. The Company explains that the term EBITDA is defined as the value of the operating result increased by depreciation for the reporting period. The above definition and methodology for its calculation is the same as the definition and methodology for calculating this indicator in the Issuer's periodic reports. EBITDA is a standard indicator of the effectiveness of economic activity, including in particular for the industry in which the Issuer's Capital Group operates.

In turn, the term EBITDA margin is defined as the quotient of the EBITDA value and net sales revenues for a given period.