



Interim Financial Statements of Asseco Business Solutions S.A.

for the Six Months

Ended 30 June 2021

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Selected financial data of Asseco Business Solutions S.A.

The following table contains selected financial data of Asseco Business Solutions S.A.

	6 months to 30 June 2021 (unaudited) PLN thou.	6 months to 30 June 2020 (unaudited) PLN thou.	6 months to 30 June 2021 (unaudited) EUR thou.	6 months to 30 June 2020 (unaudited) EUR thou.
Operating income	142,804	131,266	31,405	29,556
Operating profit	40,213	38,670	8,844	8,707
Profit before tax	40,328	37,316	8,869	8,402
Net profit	32,960	31,226	7,249	7,031
Net cash from operating activities	38,384	43,398	8,441	9,772
Net cash generated (used) in investing activities	28,456	5,438	6,258	1,224
Net cash from financing activities	(71,021)	(63,700)	(15,619)	(14,343)
Cash and cash equivalents at end of period (comparable period: 31/12/2020)	2,433	6,614	538	1,433
Net income per ordinary share (in PLN/EUR)	0.99	0.93	0.21	0.21

Selected financial data presented in these interim condensed financial statements has been converted into the EURO as follows:

- the Company's cash position at the end of the current reporting period and in the corresponding period of the previous year is translated at the average exchange rate announced by the National Bank of Poland on the balance sheet date.
 - On 30 June 2021, 1 EUR = 4.5208 PLN.
 - On 31 December 2020, 1 EUR = 4.6148 PLN.
- selected items from the interim condensed statements of comprehensive income and the interim condensed statements of cash flows are translated at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland on the last day of each month.
 - In the period from 1 January to 30 June 2021: EUR 1 = PLN 4,5472.
 - In the period from 1 January to 30 June 2020: EUR 1 = PLN 4,4413.

All amounts given in the financial statements are expressed in thousands of Polish zlotys (PLN), unless stated otherwise.

A low-angle, upward-looking photograph of a dense urban skyline. The image features several tall skyscrapers with glass facades that reflect the sky and surrounding buildings. The perspective creates a sense of height and scale. The sky is a clear, pale blue. The overall color palette is dominated by the blues of the sky and building reflections, and the warm, golden-brown tones of the older brick buildings in the lower part of the frame.

Interim condensed financial statements

for the six months ended 30 June 2021 drawn up in
accordance with International Accounting Standard 34
Interim Financial Reporting approved by the EU

Interim condensed profit and loss account and interim condensed statement of comprehensive income of Asseco Business Solutions S.A.

PROFIT AND LOSS ACCOUNT	Note	3 months to 30 June 2021 (unaudited) EUR thou.	6 months to 30 June 2021 (unaudited) EUR thou.	3 months to 30 June 2020 (unaudited) EUR thou.	6 months to 30 June 2020 (unaudited) EUR thou.
Operating income	<u>1.1</u>	70,267	142,804	64,372	131,266
Own cost of sales	<u>1.2</u>	(42,338)	(86,531)	(37,593)	(77,138)
Gross profit on sales		27,929	56,273	26,779	54,128
Cost of sales	<u>1.2</u>	(3,394)	(7,280)	(3,027)	(6,404)
Administrative expenses	<u>1.2</u>	(4,785)	(9,021)	(4,695)	(9,275)
Net profit on sales		19,750	39,972	19,057	38,449
Other operating income		153	325	450	596
Other operating expenses		(42)	(84)	(339)	(375)
Operating profit		19,861	40,213	19,168	38,670
Financial income	<u>1.3</u>	850	635	(12)	191
Financial expenses	<u>1.3</u>	(322)	(520)	(226)	(1,545)
Profit before tax		20,389	40,328	18,930	37,316
Tax on profit or loss	<u>1.4</u>	(3,783)	(7,368)	(3,216)	(6,090)
Net profit		16,606	32,960	15,714	31,226
Net income per ordinary share (in PLN):					
basic from net profit	<u>1.5</u>	0.50	0.99	0.47	0.93
diluted from net profit	<u>1.5</u>	0.50	0.99	0.47	0.93

TOTAL INCOME:	Notes	3 months to 30 June 2021 (unaudited) PLN thou.	6 months to 30 June 2021 (unaudited) PLN thou.	3 months to 30 June 2020 (unaudited) PLN thou.	6 months to 30 June 2020 (unaudited) PLN thou.
Net profit		16,606	32,960	15,714	31,226
Items that may be reclassified to profit and loss account:		-	-	-	-
Items not subject to reclassification to profit and loss:		-	-	-	-
Other comprehensive income total:		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR PERIOD		16,606	32,960	15,714	31,226

Interim condensed balance sheet of Asseco Business Solutions S.A.

ASSETS	Note	30 June 2021 (unaudited) PLN thou.	31 December 2020 (audited) PLN thou.
Non-current assets			
Property, plant and equipment	<u>2.1</u>	21,698	21,100
Intangible assets	<u>2.2</u>	278,957	277,095
<i>including goodwill from merger</i>	<u>2.2</u>	252,879	252,879
Right-of-use assets	<u>2.3</u>	64,111	46,852
Assets from contracts with customers and long-term receivables	<u>2.7</u>	145	178
Deferred tax assets		3,456	3,588
Prepaid expenses and accrued income	<u>2.6</u>	65	19
		368,432	348,832
Current assets			
Inventories	<u>2.4</u>	599	432
Assets from contracts with customers	<u>2.7</u>	1,308	1,052
Trade receivables	<u>2.7</u>	38,978	40,064
Other receivables	<u>2.7</u>	616	361
Prepaid expenses and accrued income	<u>2.6</u>	2,245	2,868
Deposits with maturity of more than 3 months	<u>2.5</u>	-	40,000
Other assets	<u>2.5</u>	621	205
Cash and short-term deposits	<u>2.8</u>	2,433	6,614
		46,800	91,596
TOTAL ASSETS		415,232	440,428

Interim condensed balance sheet of Asseco Business Solutions S.A.

LIABILITIES	Notes	30 June 2021 (unaudited) PLN thou.	31 December 2020 (audited) PLN thou.
TOTAL EQUITY			
Subscribed capital		167,091	167,091
Premium		62,543	62,543
Retained earnings		68,442	102,318
		298,076	331,952
Long-term liabilities			
Lease liabilities	<u>2.10</u>	58,105	43,727
Provisions	<u>2.12</u>	3,248	3,249
		61,353	46,976
Short-term liabilities			
Bank loans	<u>2.9</u>	934	-
Lease liabilities	<u>2.10</u>	10,023	8,415
Trade liabilities	<u>2.11</u>	3,985	6,474
Liabilities from contracts with customers	<u>2.11</u>	13,651	14,257
Tax liabilities under corporate income tax	2.11	1,976	3,412
Budgetary commitments and other liabilities	<u>2.11</u>	11,693	14,811
Provisions	<u>2.12</u>	46	418
Accrued expenses	<u>2.13</u>	13,495	13,713
		55,803	61,500
TOTAL LIABILITIES		117,156	108,476
TOTAL EQUITY AND LIABILITIES		415,232	440,428

Interim condensed statement of changes in equity of Asseco Business Solutions S.A.

	Notes	Share capital	Surplus from the sale of shares above their nominal value	Retained earnings	Equity total
		<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
As at 1 January 2021		167,091	62,543	102,318	331,952
Profit in reporting period		-	-	32,960	32,960
Dividend for 2020	<u>1.6</u>	-	-	(66,836)	(66,836)
As at 30 June 2021 (unaudited)		167,091	62,543	68,442	298,076
As at 1 January 2020		167,091	62,543	86,471	316,105
Profit in reporting period		-	-	31,226	31,226
Dividend for 2019	<u>1.6</u>	-	-	(60,153)	(60,153)
As at 30 June 2020 (unaudited)		167,091	62,543	57,544	287,178

Interim condensed statement of cash flow of Asseco Business Solutions S.A.

	Notes	6 months to 30 June 2021 (unaudited) PLN thou.	6 months to 30 June 2020 (unaudited) PLN thou.
Cash flow from operating activities			
Profit before tax		40,328	37,316
Adjustments:		6,744	13,113
Amortisation/Depreciation		13,414	13,052
Changes in working capital	<u>3.1</u>	(6,406)	(1,376)
Interest income/expenses		499	933
FX gains(losses)		(523)	306
Other financial income/expenses		(192)	517
Investment gain/(loss)		(48)	(319)
Cash generated from operating activities		47,072	50,429
(Income tax paid)		(8,688)	(7,031)
Net cash from operating activities		38,384	43,398
Cash flow from investing activities			
Receipts:			
Receipts from the sale of fixed assets and intangible assets	<u>3.1</u>	103	154
Bank deposits		40,000	24,000
Interest received		-	88
Outflows:			
Acquisition of fixed assets and intangible assets	<u>3.1</u>	(3,453)	(1,762)
Expenses related to ongoing development projects	<u>3.1</u>	(8,194)	(7,042)
Bank deposits		-	(10,000)
Net cash used in investing activities		28,456	5,438
Cash flow from financing activities			
Receipts:			
Receipts from obtained loans		934	2,186
Outflows:			
Expenses related to loans		-	-
Repayment of lease liabilities		(4,620)	(4,727)
Interest paid		(499)	(1,006)
Dividend paid		(66,836)	(60,153)
Net cash from financing activities		(71,021)	(63,700)
Change in net cash and cash equivalents		(4,181)	(14,864)

Cash and cash equivalents as at 1 January		6,614	15,950
Revolving credits as part of cash management as at 1 January		-	-
Cash and cash equivalents as at 30 June	<u>2.8</u>	2,433	1,086

Explanatory notes to the interim condensed financial statements

I. Basic information

Basic information about the Company	
Name	Asseco Business Solutions S.A.
Registered office	ul. Konrada Wallenroda 4c, 20-607 Lublin
Registration no. KRS:	0000028257
Business ID REGON:	017293003
Tax ID NIP:	522-26-12-717
Basic activity	Information technology

Asseco Business Solutions S.A. ("the Company," "Issuer," "Asseco BS") was established under a Notarial Deed dated 18 May 2001. The Company was established for an indefinite period of time.

Asseco Business Solutions is part of the international Asseco Group, a Europe-leading vendor of proprietary software. The Group is a constellation of enterprises engaged in the advancement of information technology and is present in over 50 countries around the world, including most European countries and the USA, Canada, Israel, and Japan.

The comprehensive offering of Asseco Business Solutions S.A. includes ERP systems that support business processes in SMEs, a suite of applications for small-company management, programs optimizing the HR area, mobile SFA applications for the mobile workforce marketed Europe-wide, data exchange platforms, and programs handling factoring transactions.

Asseco Business Solutions S.A. operates a Data Centre whose capacity parameters meet the highest standards of security, reliability, and effectiveness of systems operation. All products designed by Asseco BS are based on the knowledge and expertise of experienced professionals, proven project methodology and the use of tomorrow's information technology tools. With the high quality products and related services, the software from Asseco BS has been successful in supporting the operations of tens of thousands of companies. Asseco BS's track record covers dozens of completed software deployments in Poland and in most European countries.

The direct parent of Asseco Business Solutions S.A. is Asseco Enterprise Solutions a.s., headquartered in Bratislava, Slovakia, which holds 46.47% of the Company's shares. The parent of the entire Group is Asseco Poland S.A. which holds indirectly through subsidiaries 96.42% of shares in Asseco Enterprise Solutions a.s.

As regards Asseco Business Solutions S.A., the decision of maintaining control over the six months ended 30 June 2021 in accordance with IFRS 10 was based on the following factors:

- decisions are taken by a simple majority of votes present at the General Meeting;
- the Company's shareholding is dispersed and, apart from Asseco Enterprise Solutions a.s. (a subsidiary of Asseco Poland S.A.), there are only two shareholders holding more than 5% of votes at the General Meeting; the largest shareholder holds 11.36% of votes, while the third largest one 11.07% of votes;

- there is no evidence that there is or was any agreement by or among any of the shareholders as to the joint voting at the General Meeting;
- within the last five years, i.e. from 2016 to 2020, the percentage of shareholders present at the General Meetings ranged from 50.83% to 73.26%. This means that shareholders' activity is relatively low or moderate. Considering that Asseco Enterprise Solutions a.s. currently holds 46.47% of the total number of votes at the General Meeting, the attendance would have to exceed 92.93% for Asseco Enterprise Solutions a.s. not to have the absolute majority of vote at the General Meeting. In the opinion of the Management Board, such a level of attendance is highly unlikely.

Given the above, in the opinion of Asseco Business Solutions S.A., despite the lack of an absolute majority in the share capital of the Company, Asseco Enterprise Solutions a.s. controls the Company within the meaning of IFRS 10.

1. Composition of the Issuer's governing bodies

During the six months ended 30 June 2021, there were no changes in the Company's governing bodies.

On the date of publication of these financial statements, i.e. on 29 July 2021, the Management Board of Asseco Business Solution S.A. was made up of:

Wojciech Barczentewicz	President of the Board
Piotr Maślowski	Vice-President of the Management Board
Mariusz Lizon	Member of the Management Board

On the date of publication of these financial statements, i.e. 29 July 2021, the Supervisory Board of the Company consisted of:

Rafał Kozłowski	Chairman of the Supervisory Board
Adam Góral	Vice-Chairman of the Supervisory Board
Romuald Rutkowski	Member of the Supervisory Board
Zbigniew Pomianek	Member of the Supervisory Board
Marcin Murawski	Member of the Supervisory Board

On 16 April 2021, Mr Piotr Stępnik informed the Management Board of Asseco Business Solutions S.A. about his resignation as Member of the Supervisory Board of the Company.

On 11 May 2021, Mr Jozef Klein informed the Management Board of Asseco Business Solutions S.A. about his resignation as Chairman of the Supervisory Board of the Company.

On 9 June 2021, the General Meeting of Asseco Business Solutions S.A. appointed Messrs Marcin Murawski and Rafał Kozłowski as Members of the Supervisory Board of the Company.

On 16 June 2021, the Supervisory Board elected Mr Rafał Kozłowski Chairman of the Supervisory Board.

On 16 June 2021, Mr Adam Góral resigned as member of the Audit Committee. In connection with the resignation of Mr Piotr Stępnik as Member of the Supervisory Board and, by extension, as Chairman of the Audit Committee, on 16 June 2021, the Supervisory Board of Asseco Business Solutions S.A. appointed two new members of the Audit Committee of the Company: Messrs Marcin Murawski and Rafał Kozłowski. At the same time, the Supervisory Board nominated Mr Marcin Murawski Chairman of the Audit Committee.

As a result of these changes, part of the Supervisory Board is a three-person Audit Committee composed of Marcin Murawski (chairman) and Rafał Kozłowski and Romuald Rutkowski (members).

II. Basis for the preparation of these interim condensed financial statements and the accounting rules (policies)

1. Basis for the preparation

These interim condensed financial statements have been prepared in accordance with the historical cost accounting model, except for financial assets measured at fair value through profit or loss or through other comprehensive income, financial liabilities measured at fair value through profit or loss.

The interim condensed financial statements have been prepared on a going concern basis for a period of not less than 12 months as from 30 June 2021.

These interim condensed financial statements do not include all information and disclosures required in annual financial statements and should be read in conjunction with the financial statements of Asseco Business Solutions S.A. for the year ended 31 December 2020 published on 25 February 2021.

2. Impact of the COVID19 pandemic on operations

On the date of publication of these interim condensed financial statements, the Management Board, based on the current analysis of risks, including in particular risks caused by the virus pandemic in Poland and in the world, concluded that the Company's operation as a going concern is not at risk for a period of at least 12 months as from 30 June 2021.

The Company is constantly monitoring the impact of the COVID-19 pandemic on the Company's operations, including its future financial position and financial results. At the time of publication of these financial statements, the Company did not report any significant impact of the pandemic crisis on its financial position and economic results, besides some organizational aspects of the Company's operations. As a consequence of entry into force of the Act of 2 March 2020 on special solutions related to the prevention, combating and eradication of COVID-19, other infectious diseases and crisis situations caused by them (Journal of Laws of 2020, item 1842 as amended) and as a result of measures pursued by the Polish authorities, as well as out of concern for the Company's personnel and clients, the Company has taken steps to enable most of its employees to perform the so-called remote work so as to ensure business continuity and continuity of provision of IT services to the Company's clients. At the time of publication of these financial statements, all Company's departments operate unperturbed, and the Company performs its contractual obligations as provided for in relevant agreements.

Asseco Business Solutions S.A. has sufficient financial resources to continue its operations, including regular settlement of current liabilities. The Company has not reported any adverse impact of the pandemic on its liquidity and meets its obligations under loan agreements on time.

As described in Note 2.7, after the analysis, the Company does not discern any significant risk of impairment of assets, and in particular, there was no significant change in the collection of receivables, therefore the calculation of expected credit losses did not change significantly.

However, the Company cannot rule out a scenario that in the event of a prolonged pandemic and its negative impact on the domestic and global economy, this may have an adverse effect on the Company's operations or financial results, yet, at this point, it is not possible to determine to what extent or on what scale.

As at 30 June 2021, the Company reported negative working capital of PLN 9,003 thousand due to the payment of dividend for 2020 in Q2 2021. The Management Board sees no threat to the Company's liquidity because it shows positive financial results and positive operational cash flows.

If the Management Board find that the Company's operations need to be adapted to new market conditions, it will take appropriate action.

3. Statement of conformity

The scope of these interim condensed financial statements is in accordance with the requirements of the International Accounting Standard 34 Interim Financial Reporting approved by the EU ("IAS 34").

The scope of these interim condensed financial statements as part of the interim report is in line with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (consolidated text: Journal of Laws of 2018, No. 33, item 757) ("Regulation") and covers a reporting period of six months from 1 January to 30 June 2021 and the comparable period from 1 January to 30 June 2020 for the income statement and cash flow statement, respectively, as well as the balance sheet as at 30 June 2021 and the comparable data as at 31 December 2020.

The interim financial results may not reflect the full realizable financial result for the financial year.

4. Functional currency and presentation currency

These separate and condensed financial statements are presented in zloty ("PLN") and all values, unless specified otherwise, are expressed in thousands of PLN. The functional currency of Asseco Business Solution S.A. is also the Polish zloty.

Transactions denominated in currencies other than the Polish zloty are translated upon initial recognition into Polish zlotys at the rate applicable on the date of transaction.

As at the balance sheet date:

- monetary items are translated using the closing rate, i.e. the average exchange rate for the currency announced by the National Bank of Poland on this day,
- non-cash items measured at historical cost in a foreign currency are translated using the exchange rate on the date of the original transaction,
- non-cash items measured at fair value in a foreign currency are translated using the exchange rate on the date of determining the fair value.

For the purpose of the balance sheet valuation, the following EUR and USD rates were adopted (and parallel rates for other currencies quoted by the National Bank of Poland):

- ✓ the exchange rate effective on 30 June 2021: 1 EUR = 4.5208 PLN
- ✓ the exchange rate effective on 30 June 2020: 1 EUR = 4.4660 PLN
- ✓ the exchange rate effective on 30 June 2021: 1 USD = 3.8035 PLN
- ✓ the exchange rate effective on 30 June 2020: 1 USD = 3.9806 PLN

5. Estimates and professional judgement

The preparation of financial statements in concert with the International Financial Reporting Standards ("IFRS") requires estimates and assumptions that affect the amounts indicated in the financial statements. Although the estimates and assumptions are based on the Management's best knowledge of the current activities and events, the actual results may differ materially from those projected.

In the six months ended 30 June 2021, there were no major changes to the method of making estimates compared with the standards described in the Company's financial statements for the year ended 31 December 2020.

6. Changes in accounting rules used

A description of significant accounting rules applied by the Issuer is included in the financial statements for the year ended 31 December 2020 – published on 25 February 2021.

The accounting rules (policies) used to prepare these interim condensed financial statements are consistent with those applied in preparing the Issuer's consolidated financial statements for the year ended day 31 December 2020. The amended standards and interpretations applicable for the first time in 2021 do not have a significant impact on the Company's interim condensed financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2:

- ✓ The amendments enable entities to reflect the effects of transitioning from interbank offer rates (IBORs) to alternative risk-free rates ("RFR") without giving rise to accounting impacts. The amendments address the following practical solutions:
- ✓ a practical solution requiring that changes to contracts or changes to cash flows, as a direct consequence of the reform, be treated as changes to a floating rate, which is equivalent to a change in the market interest rate,
- ✓ permitted adjustment of the hedge accounting documentation in terms of designating and documenting hedging relationships without discontinuing them, if these changes were directly required by the IBOR reform,
- ✓ a temporary exemption from the requirement to meet the separate identification criterion if an RFR instrument has been designated to hedge a risk component.

Amendments to IFRS 4: *Insurance Contracts* – postponed IFRS 9 (published on 25 June 2020). The amendment to IFRS 4 *Insurance Contracts* postpones the application of IFRS 9 *Financial Instruments* until 1 January 2023, i.e. until the entry into force of IFRS 17 *Insurance Contracts*. Applicable to annual periods beginning on or after 1 January 2021.

7. New standards and interpretations that have been published and not yet in force

New standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee that have been published and not yet in force:

- IFRS 14 *Regulatory Deferral Accounts* (published on 30 January 2014) – as decided by the European Commission, the process of approving the standard in its preliminary version will not be initiated before the final version of the standard is ready; not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28: *Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture* (published on 11 September 2014); the work intended to approve these amendments have been postponed by the EU for an unlimited period of time. The date of entry into force has been postponed by the IASB for an indefinite period of time;

- IFRS 17 *Insurance Contracts* (published on 18 May 2017), including Amendments to IFRS 17 (published on 25 June 2020) – applicable to annual periods beginning on or after 1 January 2023; not approved by the EU until the date of approval of these financial statements;
- Amendments to IAS 1: *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current – postponed effective date (published on 23 January 2020 and on 15 July 2020, respectively) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 3: *References to the Conceptual Framework* (published on 14 May 2020) – applicable to annual periods beginning on or after 1 January 2022;
- Amendments to IAS 16: *Property, plant and equipment: Proceeds before Intended Use* (published on 14 May 2020) – applicable to annual periods beginning on or after 1 January 2022;
- Amendments to IAS 37: *Onerous Contracts - Costs of Fulfilling a Contract* (published on 14 May 2020) – applicable to annual periods beginning on or after 1 January 2022;
- Amendments resulting from the review of IFRS 2018-2020 (published on 14 May 2020) – applicable to annual periods beginning on or after 1 January 2022;
- Amendments to IAS 1 and Practice Statement 2: *Disclosure of Accounting Policies* (published on 12 February 2021) – applicable to annual periods beginning on or after 1 January 2023; not approved by the EU until the date of approval of these financial statements;
- Amendments to IAS 8: *Definition of Accounting Estimates* (published on 12 February 2021) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 16: *Covid-19-Related Rent Concessions after 30 June 2021* (published on 31 March 2021) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 April 2021;
- Amendments to IAS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (published on 6 May 2021) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 16 *Leases: Covid-19-Related Rent Concessions* (published on 28 May 2020);
– not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 June 2020. Earlier application is permitted, including for financial statements not approved for publication as of 28 May 2020;
- Amendments to IFRS 4: *Insurance Contracts* – Deferral of IFRS 9 (published on 25 June 2020) -
– not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2021.

Effective dates are based on the standards published by the Financial Reporting Council. The dates of application in the European Union may differ from the dates of application resulting from the content of the standards and are announced at the time of EU's approval for application.

The Company is currently analysing how the introduction of the above standards and interpretations may affect the Company's financial statements and applicable accounting rules (policy).

III. Information on operating segments

In accordance with IFRS 8, an operating segment is a distinguishable component of the Company, for which separate financial information is available that is reviewed regularly by the operations management responsible for the resource allocation and assessment of performance.

For the management purposes, the Company has been divided into segments reflecting its manufactured products and rendered services. Based on that, the Management Board have identified the ERP systems segment which accounts for more than 92% of total Company's revenues. Other activities do not meet the quantitative thresholds imposed by IFRS 8 and are not isolated as segments. Changes in the size and significance of developed products and provided services may result in a change of composition of operating segments.

The ERP Systems segment includes ERP solutions for enterprise management, in-house SFA and FFA mobile solutions intended for companies operating through mobile workforce, and sales support systems for the retail industry. The solutions are based on the Oracle and Microsoft technology, and in the case of Macrologic S.A., on the original MacroBASE database system. The IT applications support business processes and information flow and are able to handle most areas of the business, including: finance and accounting, personnel management, HR and payroll, logistics and WMS, mobile and retail sales in chains of stores, production and Internet applications. The systems provide a number of management tools: advanced reporting instruments and Business Intelligence solutions. The technological capacity of the systems enable their deployment in various network architectures (including WAN) and combination with specialized software and hardware.

The **Unallocated** item shows sales that cannot be allocated to the Company's main business segment, the cost of goods sold (COGS) related to unallocated sales and the operating costs of the organisational unit responsible for unallocated sales.

The Management Board monitors the operating results in separate segments in order to make decisions about allocating resources, assessing the impact of this allocation, and performance. The basis for the assessment of performance is profit or loss on operating activities, which to some extent, as explained in the table below, are measured differently than the profit or loss from operations in the financial statements. The financing of the Company (including costs and financial income) and income tax are monitored at the levels of the Company, and they are not allocated to the segments.

Transaction prices used for intra-segment transactions are determined at arm's length as in the case of transactions with unrelated parties.

6 months to 30 June 2021	ERP segment	Unallocated	Total
	PLN thou.	PLN thou.	PLN thou.
Sales to external customers	131,683	11,121	142,804
Settlements between segments	-	-	-
Gains on reported segment sales	38,969	1,003	39,972
Amortisation/Depreciation	(13,261)	(82)	(13,343)
Intangible assets recognised during the settlement of combination assigned to segment	1,512	-	1,512
Goodwill from combinations assigned to segment	252,879	-	252,879

6 months to 30 June 2020	ERP segment	Unallocated	Total
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Sales to external customers	125,363	5,903	131,266
Settlements between segments	-	-	-
Gains on reported segment sales	38,083	366	38,449
Amortisation/Depreciation	(12,901)	(110)	(13,011)
Intangible assets recognised during the settlement of combination assigned to segment	1,824	-	1,824
Goodwill from combinations assigned to segment	252,879	-	252,879

IV. Explanatory notes to the interim condensed financial statements

1. Explanatory notes to the profit and loss account and statement of comprehensive income

1.1. Structure of operating income

Operating income after the three and six months ended 30 June 2021 and in the comparable period was as follows:

	3 months to 30 June 2021	6 months to 30 June 2021	3 months to 30 June 2020	6 months to 30 June 2020
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Operating income by type				
Licences and own services	65,633	130,923	60,884	124,199
Licences and external services	2,990	7,629	2,705	4,792
Equipment and infrastructure	1,644	4,252	783	2,275
Operating income total	70,267	142,804	64,372	131,266

i. Revenues from contracts with customers in total operating income according to the method of recognition in profit and loss account

	3 months to 30 June 2021	6 months to 30 June 2021	3 months to 30 June 2020	6 months to 30 June 2020
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Liabilities under contracts with customers recognized in accordance with IAS 15				
From goods or services provided at a specified time, including:	7,639	19,426	6,232	15,823
<i>ERP segment</i>	3,396	8,681	3,559	10,311
<i>Unallocated</i>	4,243	10,745	2,673	5,512
From goods or services provided over time, including:	62,628	123,378	58,140	115,443
<i>ERP segment</i>	62,398	123,002	57,934	115,052
<i>Unallocated</i>	230	376	206	391
Operating income total	70,267	142,804	64,372	131,266

ii. Structure of operating income by country of generation

	6 months to 30 June 2021	6 months to 30 June 2020
	PLN thou.	PLN thou.
Poland	123,076	113,399
ROW, including:	19,728	17,867
– United Kingdom	4,038	2,556
– France	3,955	4,328
– Germany	3,311	3,275

	6 months to 30 June 2021	6 months to 30 June 2020
	PLN thou.	PLN thou.
– The Netherlands	2,766	3,486
– Romania	1,887	1,910
– United States of America	831	-
– Italy	485	399
– Switzerland	475	8
– Bulgaria	291	185
– Czech Republic	220	247
– Croatia	167	280
– Spain	148	137
– Austria	105	335
– Turkey	108	92
– the Baltics (Lithuania, Latvia, Estonia) and Russia	52	10
– others	889	619
	142,804	131,266

This information on revenue is based on data on customers' headquarters.

1.2. Structure of operating expenses

	3 months to 30 June 2021	6 months to 30 June 2021	3 months to 30 June 2020	6 months to 30 June 2020
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Operating expenses				
Value of goods and external services sold	(4,015)	(10,515)	(3,338)	(6,515)
Employee benefits	(32,573)	(66,018)	(29,973)	(61,264)
Amortisation/Depreciation	(6,999)	(13,343)	(6,217)	(13,011)
External services	(5,158)	(9,928)	(4,394)	(8,990)
Other	(1,772)	(3,028)	(1,393)	(3,037)
Total	(50,517)	(102,832)	(45,315)	(92,817)
Own cost of sales	(42,333)	(86,551)	(37,486)	(76,981)
Cost of sales	(3,394)	(7,280)	(3,027)	(6,404)
Administrative expenses	(4,785)	(9,021)	(4,695)	(9,275)
Allowance/reversal for expected credit losses in respect of trade receivables	(5)	20	(107)	(157)
Total	(50,517)	(102,832)	(45,315)	(92,817)

1.3. Financial income and expenses

The structure of financial income after the three and six months ended 30 June 2021 and in the comparable period was as follows:

Financial income	3 months to 30 June 2021	6 months to 30 June 2021	3 months to 30 June 2020	6 months to 30 June 2020
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Interest income from bank deposits measured at effective interest rate	15	35	76	191
Positive exchange differences	577	408	(88)	-
Gains from realisation and/or valuation of derivative instruments	258	192	-	-
Total	850	635	(12)	191

Financial expenses in the three and six months ended 30 June 2021 and in the comparable period were as follows:

Financial expenses	3 months to 30 June 2021	6 months to 30 June 2021	3 months to 30 June 2020	6 months to 30 June 2020
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Interest cost on bank loans, debt securities and trade liabilities	-	-	(3)	(3)
Interest cost on lease	(322)	(499)	(518)	(1,003)
Other interest expense	-	(21)	(2)	(2)
Negative exchange rates	-	-	(20)	(20)
Losses from realisation and/or valuation of derivative instruments	-	-	317	(517)
Total	(322)	(520)	(226)	(1,545)

Exchange gains and losses are presented net (as a surplus of positive over negative or vice versa).

1.4. Tax on profit or loss

The main components of the corporate income tax burden (current and deferred):

	3 months to 30 June 2021	6 months to 30 June 2021	3 months to 30 June 2020	6 months to 30 June 2020
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Current income tax	(3,689)	(7,236)	(3,525)	(6,158)
Deferred tax	(94)	(132)	309	68
Tax expense reported in the profit and loss account	(3,783)	(7,368)	(3,216)	(6,090)

Presented below is the reconciliation of income tax to pre-tax accounting income at the statutory tax rate, with the income tax calculated according to the effective tax rate.

	6 months to 30 June 2021 PLN thou.	6 months to 30 June 2020 PLN thou.
Accounting income from continuing operations	40,328	37,316
Applicable corporate income tax rate	19%	19%
Income tax at applicable statutory tax rate	7,662	7,090
Use of tax-deductible tax allowances (R&D relief)	(1,027)	(979)
SFRD	113	92
IP BOX relief	449	(150)
Other fixed differences	171	37

The effective tax rate in the six months ended 30 June 2021 was 18.3% compared to 16.3% in the comparable period.

1.5. Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to ordinary shareholders of the Issuer by the weighted average number of issued ordinary shares outstanding during the period.

Diluted earnings per share are calculated by dividing the net profit for the period attributable to Issuer's ordinary shareholders by the weighted average number of issued ordinary shares outstanding during the period, adjusted by the weighted average of ordinary shares, which would be issued on conversion of all potentially dilutive equity instruments into ordinary shares.

The data below covers earnings and shares that were used in calculating the basic and diluted earnings per share:

	3 months to 30 June 2021	6 months to 30 June 2021	3 months to 30 June 2020	6 months to 30 June 2020
Weighted average number of issued ordinary shares used to calculate basic earnings per share (in pcs)	33,418,193	33,418,193	33,418,193	33,418,193
Net profit for the reporting period (in PLN thou.)	16,606	32,960	15,714	31,226
Net profit per share (in PLN)	0.50	0.99	0.47	0.93

During the reporting period as well as in the comparable period, there were no elements diluting the basic earnings per share.

1.6. Information on dividends paid

Pursuant to the decision of the Ordinary General Meeting of Shareholders of Asseco Business Solutions S.A. on 9 June 2021, the net profit for the financial year 2020 in the amount of PLN 76,406 thousand was divided as follows:

- part of the net profit for the year 2020 in the amount of PLN 66,836 thousand was earmarked for distribution among the shareholders, i.e. for the payment of dividend in the amount of PLN 2.0 per share;
- the reminder of the net profit for 2020 in the amount of PLN 9,570 thousand was transferred to retained earnings.

The dividend date was set on 18 June 2021 and the dividend payment date on 29 June 2021.

The Company did not pay interim dividend for the year 2020.

Pursuant to the decision of the Ordinary General Meeting of Shareholders of Asseco Business Solutions S.A. on 28 April 2020, the net profit for the financial year 2019 in the amount of PLN 73,439 thousand was divided as follows:

- part of the net profit for the year 2019 in the amount of PLN 60,153 thousand was earmarked for distribution among the shareholders, i.e. for the payment of dividend in the amount of PLN 1.8 per share;
- the reminder of the net profit for 2019 in the amount of PLN 13,286 thousand was transferred to retained earnings.

The dividend date was set on 19 May 2020 and the dividend payment date on 5 June 2020.

The Company did not pay interim dividend for the year 2019.

2. Explanatory notes to the balance sheet

2.1. Property, plant and equipment

Changes in net worth of property, plant and equipment in the period of the six months ended 30 June 2021 and in the comparable period were attributed to the following:

	6 months to 30 June 2021 <i>PLN thou.</i>	6 months to 30 June 2020 <i>PLN thou.</i>
Net value of fixed assets as at 1 January	21,100	12,172
Increase through:	3,522	1,646
Purchase and upgrade	3,522	1,646
Decrease through:	(2,808)	(2,339)
Depreciation allowance for reporting period	(2,717)	(2,223)
Sales and liquidation	(91)	(116)
Changes in presentation	(116)	-
Net value of fixed assets as at 30 June	21,698	11,479

2.2. Intangible assets

Change in the net value of intangible assets during the six months ended 30 June 2021 and in the comparable period was due to the following events:

	6 months to 30 June 2021 <i>PLN thou.</i>	6 months to 30 June 2020 <i>PLN thou.</i>
Net value of intangible assets as at 1 January	24,216	23,212
Increase through:	8,480	7,158
Purchase	283	116
Capitalized costs of ongoing development projects	8,197	7,042
Decrease through:	(6,618)	(6,779)
Depreciation allowance for reporting period	(6,618)	(6,779)
Net value of intangible assets as at 30 June	26,078	23,591

Goodwill

Goodwill shown in the interim condensed financial statements includes goodwill created from the merger of Asseco Business Solutions S.A., Safo Sp. z o.o., Softlab Sp. z o.o., Softlab Trade Sp. z o.o. and WA-PRO Sp. z o.o., goodwill on consolidation resulting from the merger of Asseco Business Solutions S.A. with Anica System S.A. and goodwill created upon the acquisition of Macrologic S.A.

	30 June 2021 <i>PLN thou.</i>	31 December 2020 <i>PLN thou.</i>
Carrying value of goodwill	252,879	252,879
Goodwill presented in intangible assets	252,879	252,879

Goodwill is allocated to the cash-generating unit, which was also a separate operating segment – ERP Systems.

The Management Board is of the opinion that the existing pandemic is not an indicator of impairment of goodwill. As at 30 June 2021, the Management Board reviewed the assumptions for the impairment test carried out and disclosed in the financial statements for the year ended 31 December 2020 in Note 5.4. In the opinion of the Management Board, the assumptions adopted in the test remain valid as at 30 June 2021. On the basis of the foregoing, the Management Board decided that there is no need to apply impairment to goodwill.

2.3. Right-of-use assets

During the six months ended 30 June 2021 and in the comparable period, changes in the net worth of right-of-use assets resulted from the following events:

	6 months to 30 June 2021 PLN thou.	6 months to 30 June 2020 PLN thou.
Net value of assets from right of use as at 1 January	46,852	51,313
Increase through:	24,614	7,119
New lease agreements	21,166	3,629
Modifications of existing agreements	3,448	3,490
Decrease through:	(7,471)	(10,406)
Depreciation allowance for reporting period	(4,082)	(4,050)
Change in judgement for lease term	-	(6,356)
Modifications of agreements	(3,389)	-
Changes in presentation	116	-
Net value of assets from right of use under economic activity as at 30 January	64,111	48,026

2.4. Inventories

Inventory write-down as at 30 June 2021 amounted to PLN 217 thousand and as at 31 December 2020 amounted to PLN 191 thousand.

2.5. Other assets

As at 30 June 2021 and as at 31 December 2020, the balance of financial assets comprised the following items:

	30 June 2021		31 December 2020	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Financial assets valued at amortized cost, including:	-	-	-	40,000
Deposits with original maturity within 12 months	-	-	-	40,000
Financial assets at fair value through profit or loss, incl.	-	192	-	-
Forward currency contracts	-	192	-	-
Total	-	192	-	40,000

Financial assets measured at fair value through profit or loss included forward transactions concluded to hedge currency risk arising from foreign currency agreements.

In the six months ended 30 June 2021, the Company did not change the method of determining the fair value of financial instruments measured at fair value, and there were no transfers of instruments between levels of the fair value hierarchy.

According to the Company's assessment, the fair value of cash, short-term deposits, trade receivables, trade liabilities and other current liabilities does not differ from the carrying amounts largely due to the short period of maturity. The fair value of financial assets held by the Company as at 30 June 2021 and as at 31 December 2020 does not differ significantly from their carrying value.

As at 30 June 2021, the Company had the following financial instruments measured at fair value:

30 June 2021	Carrying value	Level 1 <i>i)</i>	Level 2 <i>ii)</i>	Level 3 <i>iii)</i>
Financial assets measured at fair value through profit or loss				
Concluded forward contracts	192	-	192	-
Total	192	-	192	-

i. fair value is determined based on quoted prices offered for identical assets in active markets;

ii. fair value determined by using models for which the input data is observable either directly or indirectly in active markets;

iii. fair value determined by using models for which the input data is not observable either directly or indirectly in active markets;

As at 31 December 2020, the Company was not a party to any forward contracts.

As at 30 June 2021 and as at 31 December 2020, the Company held the following non-financial assets:

	30 June 2021 PLN thou.	31 December 2020 PLN thou.
Prepayments for deliveries	429	205

2.6. Prepaid expenses and accrued income

As at 30 June 2021 and as at 31 December 2020, the balance of prepayments and accruals consisted of the following items:

	30 June 2021		31 December 2020	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Prepaid services, including:	65	2,245	19	2,868
<i>maintenance services and licence fees</i>	61	909	14	1,334
<i>insurances</i>	4	621	5	982
<i>prepaid training</i>	-	78	-	119
<i>other services</i>	-	637	-	433
Total	65	2,245	19	2,868

2.7. Receivables and assets from contracts with customers

The table below presents balances of receivables and balances of assets under contracts with customers as at 30 June 2021 and as at 31 December 2020.

	30 June 2021		31 December 2020	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Trade receivables	-	40,559	-	41,665
From related parties, including:	-	218	-	697
Invoiced receivables	-	218	-	697
Receivables not invoiced	-	-	-	-
From other parties, including:	-	40,341	-	40,968
Invoiced receivables	-	40,255	-	40,879
Receivables not invoiced	-	86	-	89
Allowance for expected credit losses (-)	-	(1,581)	-	(1,601)
Total trade receivables	-	38,978	-	40,064

The Company has appropriate policies in place for making the sale only to verified customers. In the opinion of the Management Board, there is no need to create an additional allowance for expected credit losses. In connection with the pandemic situation in Poland and in the world, the Company implemented a process of more careful monitoring of its receivables. On the date of publication of this report, the Company is of the opinion that the occurrence of the Covid-19 pandemic does not need an adjustment to the expected credit losses valuation model.

Related party transactions are shown in item 2.14 of these interim condensed financial statements.

The following table presents the balances of contract assets as at 30 June 2021 and 31 December 2020.

	30 June 2021		31 December 2020	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Assets under contracts with customers, incl.				
From related parties	-	800	-	188
Total receivables from contracts with customers	-	1,308	-	1,052

From other parties - 508 - 864

The fair value of receivables and assets from contracts with customers does not differ from the value at which they are presented in these financial statements.

Other receivables	30 June 2021		31 December 2020	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Receivables from paid deposits	145	192	178	233
Other receivables	-	424	-	128
Other receivables total	145	616	178	361

Deposit receivables consist of tendering securities and securities of contracts as well as deposits for office rental.

2.8. Cash

Cash at bank bears interest at variable interest rates, the amount of which depends on the interest rate on bank deposits.

The fair value of cash and short-term deposits at 30 June 2021 amounted to PLN 2,433 thousand (31 December 2020: PLN 6,614 thousand).

The balance of cash and short-term deposits shown in the balance sheet and in the statement of cash flows consisted of the following items:

	30 June 2021	31 December 2020
	PLN thou.	PLN thou.
Cash at bank in current accounts	2,346	6,113
Cash at bank in split payment accounts	66	440
Cash in hand	10	10
Cash in transit	11	51
Total cash balance shown in balance sheet and cash flow statement	2,433	6,614

2.9. Bank loans

In January 2021, Asseco Business Solutions S.A. annexed the agreement of 30 May 2017 concluded with BNP Paribas Bank Polska S.A. The annex covered:

- increasing the maximum amount of debt to PLN 70,000,000 with the overdraft repayment date on 31 October 2022;
- revolving loan for bank guarantees up to the amount of PLN 1,500 thousand PLN with the repayment date of 30 September 2022.

In the reporting period, the Company did not grant any credit or loan sureties or guarantees – collectively to a single entity or a subsidiary of that entity.

	Maximum amount of debt	Effective interest rate %	Repayment date	30 June 2021		31 December 2020	
				Long-term	Short-term	Long-term	Short-term
Overdrafts in current accounts				-	-	-	-
Credit on running account	70,000	WIBOR 1 mth+margin	31-10-2022	-	934	-	-
Total				-	934	-	-

2.10. Lease liabilities

As at 30 June 2021, the subject of finance lease agreements with the Company as the lessee were vehicles and real property.

The table below presents the balance of liabilities under finance lease as at 30 June 2021 and as at 31 December 2020:

	30 June 2021		31 December 2020	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Real property lease	51,215	7,624	37,505	6,642
Vehicle lease	6,890	2,399	6,222	1,773
Total	58,105	10,023	43,727	8,415

Real property lease

As at 30 June 2021, the net value of real property leased under finance lease agreements was PLN 53,832 thousand (at 31 December 2020: PLN 38,211 thousand).

The total future cash flows and liabilities under real property lease agreements are as follows:

	30 June 2021 PLN thou.	31 December 2020 PLN thou.
Future undiscounted lease fees		
in less than 1 year	8,692	7,610
from 1 to 5 years	38,327	29,795
more than 5 years	16,772	10,805
Future undiscounted lease payments	63,791	48,210
Future interest expense	(4,952)	(4,063)
Current value of lease liabilities		
in less than 1 year	7,624	6,642
from 1 to 5 years	35,009	26,995
more than 5 years	16,206	10,510
Lease liability	58,839	44,147

Vehicle lease

As at 30 June 2021, the net value of leased vehicles PLN 10,279 thousand (at 31 December 2020: PLN 8,641 thousand).

The total future cash flows and liabilities under vehicle lease agreements are as follows:

	30 June 2021 PLN thou.	31 December 2020 PLN thou.
Future undiscounted lease fees		
in less than 1 year	2,545	1,892
from 1 to 5 years	7,081	6,409
more than 5 years	-	-
Future undiscounted lease payments	9,626	8,301
Future interest expense	(337)	(306)
Current value of lease liabilities		
in less than 1 year	2,399	1,773
from 1 to 5 years	6,890	6,222
more than 5 years	-	-
Lease liability	9,289	7,995

2.11. Liabilities from contracts with customers; current and non-current trade and other liabilities

As at 30 June 2021 and as at 31 December 2020, the Company's trade liabilities were as follows:

	30 June 2021		31 December 2020	
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Trade liabilities				
To related parties, including:	-	23	-	1,040
Invoiced liabilities	-	9	-	1,040
Liabilities not invoiced	-	14	-	-
To other parties, including:	-	3,962	-	5,434
Invoiced liabilities	-	2,807	-	4,411
Liabilities not invoiced	-	976	-	844
Liabilities from contractual penalties	-	179	-	179
Total trade				
liabilit	-	3,985	-	6,474

Trade liabilities are not interest-bearing. Related party transactions are shown in item 2.14 of the explanatory notes to these interim condensed financial statements.

As at 30 June 2021 and as at 31 December 2020, liabilities under contracts with customers were as follows:

	30 June 2021		31 December 2020	
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Liabilities from contracts with customers				
To related parties, including:	-	2	-	-
Accrued income from contracts with customers	-	2	-	-
To other parties, including:	-	13,649	-	14,257
Deferred income from contracts with customers	-	13,147	-	13,729
- <i>pre-paid maintenance services</i>	-	3,296	-	3,343
- <i>licence fees</i>	-	9,851	-	10,386
Liabilities arising from the valuation of IT contracts	-	502	-	528
Total liabilities under contracts with customers	-	13,651	-	14,257

As at 30 June 2021 and as at 31 December 2020, other Company's liabilities arise from the following:

	30 June 2021		31 December 2020	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Corporate income tax liabilities	-	1,976	-	3,412
Budgetary commitments				
VAT	-	3,918	-	4,910
Personal income tax (PIT)	-	873	-	2,078
Social Insurance Institution	-	4,162	-	4,276
Other	-	106	-	91
Total budgetary commitments	-	9,059	-	11,355
Other liabilities				
Liabilities to employees	-	2,091	-	2,061
Other liabilities	-	543	-	1,395
Total other liabilities	-	2,634	-	3,456
Total budgetary commitments and other liabilities	-	11,693	-	14,811

2.12. Provisions

Changes in provisions in the 6 months ended 30 June 2021 and in the comparable period were attributed to the following:

	Post-employment benefits	Other provisions	In total
	PLN thou.	PLN thou.	PLN thou.
As at 1 January 2021	3,294	373	3,667
Establishment (+)	-	-	-
Use (-)/Reversal (-)	-	(373)	(373)
As at 30 June 2021, including:	3,294	-	3,294
Current	46	-	46
Non-current	3,248	-	3,248
As at 01 January 2020	2,547	373	2,920
Establishment (+)	-	-	-
Use (-)/Reversal (-)	-	-	-
As at 30 June 2020, including:	2,547	373	2,920
Current	48	373	421
Non-current	2,499	-	2,499

Post-employment benefits are updated on a yearly basis.

2.13. Accruals

As at 30 June 2021 and as at 31 December 2020, the Company's accruals and deferred income were as follows:

	30 June 2021		31 December 2020	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Expenses due and unpaid, including:				
Provision for unused leaves	-	4,978	-	3,414
Provision for bonuses for employees and Management Board	-	8,517	-	10,299
Total	-	13,495	-	13,713

The balance of accrued expenses consists of: provisions for unused leaves, provisions for salaries in the period to be paid in future periods and resulting from the bonus scheme effective at Asseco Business Solutions S.A.

2.14. Related party transactions

Transactions with related parties are held at arm's length.

	Revenues		Purchases	
	6 months to 30 June 2021 PLN thou.	6 months to 30 June 2020 PLN thou.	6 months to 30 June 2021 PLN thou.	6 months to 30 June 2020 PLN thou.
Transactions with Asseco Poland S.A.	1,179	966	1,576	1,941
Transactions with other related parties	118	249	88	-
Total transactions with related parties	1,297	1,215	1,664	1,941

	Trade receivables and assets due under contracts with customers from related parties		Trade receivables, lease liabilities and others towards related parties	
	30 June 2021 PLN thou.	31 December 2020 PLN thou.	30 June 2021 PLN thou.	31 December 2020 PLN thou.
Transactions with related parties				
Asseco Poland S.A.	817	655	15,632	16,680
Other related parties	201	230	11	9
TRANSACTIONS TOTAL	1,018	885	15,643	16,689

As at 30 June 2021, the balance of lease liabilities with related entities committed by the Company Executives was PLN 13,712 thousand, and as at 31 December 2020 it amounted to PLN 14,700 thousand. As at 30 June 2021, there was no balance of receivables due under transactions with related parties committed by or with the Company Executives; moreover, as at 31 December 2020, the balance of receivables with related parties committed by or with the Company Executives was PLN 1 thousand.

In the first six months of 2021, the cost of interest arising from lease with related parties committed by the Company Executives was PLN 84 thousand.

As at 31 December 2021, there was no outstanding balance of liabilities arising from transactions with related parties committed by or with the Company Executives.

According to the records of Asseco Business Solutions, in the six months ended 30 June 2021, the value (net) of purchases transactions of goods and services (including rental) from related parties by the Company Executives and directly with the Company Executives amounted to PLN 999 thousand.

3. Other explanatory notes

3.1. Additional explanations to cash flow statement

The table below shows items that were included in the row, "Changes in working capital:"

	6 months to 30 June 2021 <i>PLN thou.</i>	6 months to 30 June 2020 <i>PLN thou.</i>
Change in inventories	(167)	350
Change in receivables	608	5,550
Change in non-financial fixed assets	(224)	(55)
Change in the balance of liabilities and accruals and prepayments	(6,250)	(7,221)
Change in provisions	(373)	-
Total	(6,406)	(1,376)

The following table lists items concerning investing activities:

	6 months to 30 June 2021 <i>PLN thou.</i>	6 months to 30 June 2020 <i>PLN thou.</i>
Sale of property, plant and equipment	103	154
Acquisition of property, plant and equipment	(3,170)	(1,646)
Acquisition of intangible assets	(283)	(116)
Expenses for development work	(8,194)	(7,042)

3.2. Contingent liabilities

The table below presents contingent liabilities as at 30 June 2021 and as at 31 December 2020:

Contingent liabilities	30 June 2021 <i>PLN thou.</i>	31 December 2020 <i>PLN thou.</i>
Receivables arising from performance guarantee		
Liabilities due up to 3 months	300	-
Liabilities due from 3 to 12 months	-	310
Liabilities due from 1 to 5 years	1,078	-
Liabilities due after 5 years	-	-
Total	1,378	310

3.3. Employment

Average employment during the reporting period	6 months to 30 June 2021	6 months to 30 June 2020
Management Board	3	4
Developers	825	792
Sales personnel	57	54
Administration	47	47
Total	932	897

Employment as at:	30 June 2021	31 December 2020
Management Board	3	3
Developers	874	853
Sales personnel	52	51
Administration	40	41
Total	969	948

3.4. Seasonality and cyclical

The operations of Asseco Business Solutions are subject to moderate seasonal fluctuations. As regards ERP systems, the highest sales figures are reported in Q4 of the year. This can be explained by the choice of the calendar year as fiscal year by most Company's customers, which translates into a tendency to launch information systems and modify the IT infrastructure of enterprises on the turn-of-the-year basis or beginning-of-the-year basis.

3.5. Significant events after the balance sheet date

To the date of these semi-annual condensed financial statements for the six months ended 30 June 2021, i.e. until 30 July 2021, there has been no significant events after the balance sheet date that should be included in these financial statements.

3.6. Significant events concerning previous years

To the date of these interim condensed financial statements for the six months ended 30 June 2021, that is, until 29 July 2021, there had been no events concerning previous years that are not, and should be, included in these financial statements.

3.7. Signatures of Management Board Members

Full name	Position/Function	Signature
Wojciech Barczentewicz	President of the Management Board	
Piotr Maślowski	Vice-President of the Management Board	
Mariusz Lizon	Member of the Management Board	
Artur Czabaj	Bookkeeping	

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The logo for Asseco, featuring the word "asseco" in a stylized, bold, black font. The letters are thick and blocky, with a modern, geometric feel. The "a" and "s" are particularly distinctive, with the "a" having a small loop and the "s" being very thick and rounded.