



Quarterly Financial Statements of  
**ASSECO BUSINESS SOLUTIONS S.A.**  
for the Three Months Ended 31 March 2022

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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.

	3 months to 31 March 2022 2019	3 months to 31 March 2021 2019	3 months to 31 March 2022 2019	3 months to 31 March 2021 2019
	PLN thou.	PLN thou.	EUR thou.	EUR thou.
Operating income	77,031	72,537	16,576	15,865
Operating profit	21,035	20,352	4,526	4,451
Profit before tax	20,631	19,939	4,439	4,361
Net profit for reporting period	17,594	16,354	3,786	3,577
Net cash from operating activities	32,579	17,305	7,011	3,785
Net cash generated (used) in investing activities	(6,000)	(4,594)	(1,291)	(1,005)
Net cash from financing activities	(2,998)	(2,285)	(645)	(500)
Cash and cash equivalents at end of period (comparable period: 31/12/2021)	66,413	42,832	14,275	9,313
Net income per ordinary share (in PLN/EUR)	0.53	0.49	0.11	0.11

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

- the Company's carrying balance of cash at the end of the current reporting period and in the previous reporting period is translated at the average exchange rate announced by the National Bank of Poland. These rates were, respectively:
  - On 31 March 2022, 1 EUR = 4.6525 PLN.
  - On 31 December 2021, 1 EUR = 4.5994 PLN.
- items concerning the interim condensed profit and loss account 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 of the covered period. These rates were, respectively:
  - In the period from 1 January to 31 March 2022: EUR 1 = PLN 4,6472.
  - In the period from 1 January to 31 March 2021: EUR 1 = PLN 4,5721.

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

A low-angle, upward-looking photograph of a dense urban skyline. Several tall skyscrapers with glass facades dominate the frame, reaching towards a clear blue sky. The perspective creates a sense of height and scale. The glass reflects the sky and other buildings, adding depth to the image. The lighting is bright, suggesting a sunny day.

## Śródroczne skrócone sprawozdanie finansowe

Interim Condensed Financial Statements for the Three Months Ended 31 March 2022 prepared in accordance with the International Financial Reporting Standard 34 – Interim Financial Reporting – approved by the EU

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

PROFIT AND LOSS ACCOUNT	Notes	3 months to 31 March 2022	3 months to 31 March 2021
		PLN thou.	PLN thou.
Operating income	<u>1.1</u>	77,031	72,537
Own cost of sales	<u>1.2</u>	(47,237)	(44,225)
<b>Gross profit on sales</b>		<b>29,794</b>	<b>28,312</b>
Cost of sales	<u>1.2</u>	(4,054)	(3,474)
Administrative expenses	<u>1.2</u>	(4,613)	(4,616)
<b>Net profit on sales</b>		<b>21,127</b>	<b>20,222</b>
Other operating income		175	172
Other operating expenses		(267)	(42)
<b>Operating profit</b>		<b>21,035</b>	<b>20,352</b>
Financial income	<u>1.3</u>	119	20
Financial expenses	<u>1.3</u>	(523)	(433)
<b>Profit before tax</b>		<b>20,631</b>	<b>19,939</b>
Tax on profit or loss	<u>1.4</u>	(3,037)	(3,585)
<b>Net profit</b>		<b>17,594</b>	<b>16,354</b>
<b>Net income per ordinary share (in PLN):</b>			
basic from net profit	<u>1.5</u>	0.53	0.49
diluted from net profit	<u>1.5</u>	0.53	0.49

  

TOTAL INCOME:	3 months to 31 March 2022	3 months to 31 March 2021
	PLN thou.	PLN thou.
<b>Net profit</b>	<b>17,594</b>	<b>16,354</b>
Items that may be reclassified to profit and loss account	-	-
Items not subject to reclassification to profit and loss account	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR PERIOD</b>	<b>17,594</b>	<b>16,354</b>

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

ASSETS	Notes	31 March 2022 PLN thou.	31 December 2021 PLN thou.
<b>Non-current assets</b>			
Property, plant and equipment	<u>2.1</u>	24,599	22,287
Intangible assets	<u>2.2</u>	281,670	280,162
<i>including goodwill from merger</i>	<u>2.2</u>	252,879	252,879
Right-of-use assets	<u>2.3</u>	61,542	60,637
Assets from contracts with customers and long-term receivables	<u>2.7</u>	196	223
Deferred tax assets		3,010	2,647
Prepayments and accrued income	<u>2.6</u>	25	30
		<b>371,042</b>	<b>365,986</b>
<b>Current assets</b>			
Inventories	<u>2.4</u>	318	409
Trade receivables	<u>2.7</u>	39,769	44,534
Assets from contracts with customers	<u>2.7</u>	1,891	804
Other receivables	<u>2.7</u>	38	86
Prepayments and accrued income	<u>2.6</u>	2,702	1,242
Other assets	<u>2.5</u>	94	72
Cash and short-term deposits	<u>2.8</u>	66,413	42,832
		<b>111,225</b>	<b>89,979</b>
<b>TOTAL ASSETS</b>		<b>482,267</b>	<b>455,965</b>

LIABILITIES	Notes	31 March 2022	31 December 2021
		PLN thou.	PLN thou.
TOTAL EQUITY			
Subscribed capital		167,091	167,091
Premium		62,543	62,543
Retained earnings		134,453	116,859
		364,087	346,493
Long-term liabilities			
Lease liabilities	2.10	53,731	53,599
Provisions	2.12	2,548	2,548
Liabilities from contracts with customers	2.11	15	-
		56,294	56,147
Short-term liabilities			
Lease liabilities	2.10	11,458	10,746
Trade liabilities	2.11	3,886	5,724
Liabilities from contracts with customers	2.11	15,705	15,368
Tax liabilities under corporate income tax	2.11	1,166	696
Budgetary commitments and other liabilities	2.11	17,648	12,740
Provisions	2.12	59	59
Accruals and deferred income	2.13	11,964	7,992
		61,886	53,325
TOTAL LIABILITIES		118,180	109,472
TOTAL EQUITY AND LIABILITIES		482,267	455,965

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

	Share capital	Premium	Retained earnings	Equity total
<b>As at 1 January 2022</b>	<b>167,091</b>	<b>62,543</b>	<b>116,859</b>	<b>346,493</b>
Profit in reporting period	-	-	17,594	<b>17,594</b>
<b>As at 31 March 2022</b>	<b>167,091</b>	<b>62,543</b>	<b>134,453</b>	<b>364,087</b>
<b>As at 1 January 2021</b>	<b>167,091</b>	<b>62,543</b>	<b>102,318</b>	<b>331,952</b>
Profit in reporting period	-	-	16,354	<b>16,354</b>
<b>As at 31 March 2021</b>	<b>167,091</b>	<b>62,543</b>	<b>118,672</b>	<b>348,306</b>

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

	Notes	3 months to 31 March 2022	3 months to 31 March 2021
		PLN thou.	PLN thou.
<b>Cash flow from operating activities</b>			
Profit before tax		20,631	19,939
<b>Adjustments:</b>		<b>14,892</b>	<b>385</b>
Amortisation/Depreciation		7,379	6,380
Changes in working capital	<u>3.1</u>	6,924	(6,466)
Interest income/expenses		348	164
FX gains/(losses)		246	242
Other financial income/expenses		-	66
Investment gain/(loss)		(5)	(4)
Other adjustments		-	3
<b>Cash generated from operating activities</b>		<b>35,523</b>	<b>20,324</b>
(Income tax paid)		(2,944)	(3,019)
<b>Net cash from operating activities</b>		<b>32,579</b>	<b>17,305</b>
<b>Cash flow from investing activities</b>			
<b>Receipts:</b>			
Receipts from the sale of fixed assets and intangible assets	<u>3.1</u>	6	72
<b>Outflows:</b>			
Purchase of fixed assets and intangible assets	<u>3.1</u>	(840)	(485)
Expenses related to ongoing development projects	<u>3.1</u>	(5,166)	(4,181)
<b>Net cash used in investing activities</b>		<b>(6,000)</b>	<b>(4,594)</b>
<b>Cash flow from financing activities</b>			
<b>Outflows:</b>			
Repayment of lease liabilities		(2,650)	(2,109)
Interest paid		(348)	(176)
<b>Net cash from financing activities</b>		<b>(2,998)</b>	<b>(2,285)</b>
<b>Change in net cash and cash equivalents</b>		<b>23,581</b>	<b>10,426</b>
Cash and cash equivalents as at 1 January		42,832	6,614
<b>Cash and cash equivalents as at 31 March</b>	<u>2.8</u>	<b>66,413</b>	<b>17,040</b>

## Additional explanation to financial statements

### I. Basic information

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

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 Poland S.A. 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 two own Data Centres 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 high quality products and related services, the software from Asseco Business Solutions has been successful in supporting the operations of tens of thousands of companies for more than ten years. 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 through subsidiaries holds 95.67% of shares in Asseco Enterprise Solutions a.s.

As regards Asseco Business Solutions S.A., the decision of maintaining control over the 3 months ended 31 March 2022 in accordance with IFRS 10 was based on the following factors:

- decisions at the General Meeting are taken by a simple majority of votes present at the 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% while the third largest shareholder holds 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 76.2%. 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

On the date of publication of these financial statements, i.e. on 28 April 2022, the Management Board of Asseco Business Solution S.A. was made up of:

Wojciech Barcentewicz	President of the Management Board
Piotr Masłowski	Vice-President of the Management Board
Mariusz Lizon	Member of the Management Board

On the date of publication of these financial statements, i.e. 28 April 2022, 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

The Supervisory Board has a three-member audit committee composed of Marcin Murawski (chairman), and Rafał Kozłowski and Romuald Rutkowski as members.

## 2. Stocks and shares held by the persons in the executive and supervisory capacity in Asseco Business Solutions S.A.

Overview of the shares of Asseco Business Solutions S.A. held by the persons in the executive and supervisory capacity:

	number of shares held - as at 28/04/2022	Change from the previous report	% of shares held (corresponding to % share in total number of votes at GM) - as at 28/04/2022	Change from the previous report
<b>Executive persons</b>				
Wojciech Barcentewicz	500,000	0.00%	1.50%	0.00%
Piotr Masłowski	745,063	0.00%	2.23%	0.00%
Mariusz Lizon	183,000	0.00%	0.55%	0.00%
<b>Supervising persons</b>				
Romuald Rutkowski	426,828	0.00%	1.28%	0.00%
Rafał Kozłowski	4,407	0.00%	0.01%	0.00%
<b>TOTAL</b>	<b>1,859,298</b>	<b>0.00%</b>	<b>5.56%</b>	<b>0.00%</b>

## 3. The shareholding structure of Asseco Business Solutions S.A.

To the best knowledge of the Issuer's Management Board, on the date of publication of these financial statements, i.e. on 28 April 2022, and based on the notification of changes in the shareholding received later, the shareholders of Asseco Business Solutions S.A. holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting on the day of 09 June 2021 are as follows:

Shareholder	Number of shares held	Shareholding	Number of votes	% in the total number of votes at GM
Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Metlife Otwarty Fundusz Emerytalny	3,700,000	11.07%	3,700,000	11.07%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	3,798,000	11.37%	3,798,000	11.37%
Other shareholders	10,391,623	31.09%	10,391,623	31.09%
	<b>33,418,193</b>	<b>100.00%</b>	<b>33,418,193</b>	<b>100.00%</b>

As at 31 March 2022, the share capital of Asseco Business Solutions S.A. totalled PLN 167,091 thousand and was divided into 33,418,193 ordinary shares with a nominal value of PLN 5 each, giving a total of 33,418,193 votes at the General Meeting of Asseco Business Solutions S.A.

During the three months ended 31 March 2022 and in the period from the balance sheet date to the date of publication of these financial statements, i.e. 28 April 2022, the Company did not receive any information from shareholders concerning any changes to the shareholding structure.

## II. Basis for the preparation of these 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.

These interim condensed financial statements have been prepared on the understanding that Asseco Business Solutions S.A. intended to continue its business activity for the period of no less than 12 months as of 31 March 2022. On the date of approval of these financial statements for publication, the Management Board considered the impact of the COVID-19 pandemic and the political and economic situation in Ukraine on the Company as a going concern and found no circumstances implying any threats thereto.

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 2021 published on 01 March 2022.

### 2. The impact of the COVID-19 epidemic and the political and economic situation in Ukraine on the Company as a going concern

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 and the political and economic situation in Ukraine, concluded that the Company's operation as a going concern is not at risk for a period of at least 12 months as from 31 March 2022.

The Company is constantly monitoring the impact of the COVID-19 pandemic and of the political and economic situation in Ukraine 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 374 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.

Up to the date of publication of these financial statements, the Company had not reported any significant impact of the current economic and political situation in Ukraine on the Company's operations. On 24 February 2022, as a result of the Russian invasion of Ukraine, the geopolitical situation of the entire region, including Poland, changed significantly. Asseco Business Solutions does not do any significant business in Russia and Ukraine and does not employ any staff in the territory of Ukraine; therefore, the warfare in this area is not affecting the Company directly. Given the circumstances, the Company attempts to lessen the possible negative impact of the pandemic and the situation in Ukraine on future financial results.

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 on time. The Company has not decided to take advantage of the Anti-crisis Shield mechanism offered by the state aid; has not applied for deferment of tax liabilities; and has not amended its lease agreements. In addition, in January, and next in October 2021, the Company concluded an annex to its credit facility agreement changing the repayment date of the overdraft facility. This is described in detail in Note 2.9 of these interim condensed financial statements.

However, the Company cannot rule out a scenario that in the event of the prolonged pandemic and the political and economic situation in Ukraine and their 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.

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, as part of the quarterly 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 quarterly 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 (Journal of Laws of 2018, No. 33, item 757) ("Regulation") and covers the reporting period from 1 January to 31 March 2022 and the comparable period from 1 January to 31 March 2021 for the income statement and cash flow statement, respectively, as well as the balance sheet as at 31 March 2022 and the comparable data as at 31 December 2021.

### 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. Possible differences in the total amounts of up to PLN 1 thousand result from the accepted roundings.

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 31 March 2022: 1 EUR = 4.6525 PLN

- ✓ the exchange rate effective on 31 March 2021: 1 EUR = 4.6603 PLN
- ✓ the exchange rate effective on 31 March 2022: 1 USD = 4.1801 PLN
- ✓ the exchange rate effective on 31 March 2021: 1 USD = 3.9676 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 three months ended 31 March 2022, 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 2021.

## 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 2021 – published on 01 March 2022.

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 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;
- 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;
- Amendments to IAS 8: *Definition of Accounting Estimates* (published on 12 February 2021) – applicable to annual periods beginning on or after 1 January 2023;
- Amendments to IAS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (published on 7 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 17 *Insurance Contracts: Initial Application of IFRS 17 and 9 – Comparative Information* (published on 9 December 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.

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 95% 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 Macrologis S.A., on the original MacroBASE database system. These applications support business processes and information flow processes, covering 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.

3 months to 31 March 2022	ERP segment	Unallocated	Total
	PLN thou.	PLN thou.	PLN thou.
Sales to external customers	72,878	4,153	77,031
Settlements between segments	-	-	-
<b>Net profit on sales in reporting segment</b>	<b>20,832</b>	<b>295</b>	<b>21,127</b>
Amortization	(7,293)	(51)	(7,344)
Intangible assets recognised during the settlement of combination assigned to segment	1,278	-	1,278
Goodwill from combinations assigned to segment	252,879	-	252,879

3 months to 31 March 2021	ERP segment	Unallocated	Total
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Sales to external customers	65,889	6,648	72,537
Settlements between segments	-	-	-
<b>Net profit on sales in reporting segment</b>	<b>19,675</b>	<b>547</b>	<b>20,222</b>
Amortization	(6,303)	(41)	(6,344)
Intangible assets recognised during the settlement of combination assigned to segment	1,590	-	1,590
Goodwill from combinations assigned to segment	252,879	-	252,879

## IV. Explanatory notes to the interim condensed financial statements

### 8. Explanatory notes to the profit and loss account and statement of other comprehensive income

#### 8.1. Structure of operating income

Operating income in the three months ended 31 March 2022 and in the comparable period was as follows:

	3 months to 31 March 2022 PLN thou.	3 months to 31 March 2021 PLN thou.
<i>Operating income by type</i>		
Licences and own services	72,712	65,290
Licences and external services	2,555	4,639
Equipment and infrastructure	1,764	2,608
<b>Operating income total</b>	<b>77,031</b>	<b>72,537</b>

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

	3 months to 31 March 2022 PLN thou.	3 months to 31 March 2021 PLN thou.
<b>Operating revenues recognised in accordance with IFRS 15</b>		
From goods or services provided at a specified time, including:	10,230	11,787
<i>ERP segment</i>	6,077	5,285
<i>Unallocated</i>	4,153	6,502
From goods or services provided over time, including:	66,801	60,750
<i>ERP segment</i>	66,801	60,604
<i>Unallocated</i>	-	146
<b>Operating income total</b>	<b>77,031</b>	<b>72,537</b>

**ii. Structure of operating income by country of generation**

	3 months to 31 March 2022 PLN thou.	3 months to 31 March 2021 PLN thou.
Poland	66,502	63,235
ROW, including:	10,529	9,302
- Germany	2,305	1,715
- France	1,878	2,035
- United Kingdom	1,623	1,918
- The Netherlands	1,608	1,467
- Romania	885	884
- Austria	686	51
- Italy	217	224
- Spain	207	71
- United States of America	201	513
- Czech Republic	189	113
- Bulgaria	116	163
- the Baltics (Lithuania, Latvia, Estonia) and Russia	43	25
- others	571	123
	<b>77,031</b>	<b>72,537</b>

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

**8.2. Structure of operating expenses**

	3 months to 31 March 2022 PLN thou.	3 months to 31 March 2021 PLN thou.
<b>Operating expenses</b>		
Value of goods and external services sold	(3,701)	(6,500)
Employee benefits	(37,766)	(33,445)
Amortisation/Depreciation	(7,344)	(6,344)
External services	(5,251)	(4,770)
Other	(1,842)	(1,256)
<b>Total</b>	<b>(55,904)</b>	<b>(52,315)</b>
Own cost of sales	(47,245)	(44,250)
Cost of sales	(4,054)	(3,474)
Administrative expenses	(4,613)	(4,616)
Impairment/Reversal of impairment for credit losses in relation to trade receivables	8	25
<b>Total</b>	<b>(55,904)</b>	<b>(52,315)</b>

### 8.3. Financial income and expenses

The structure of financial income in the three months ended 31 March 2022 and in the comparable period was as follows:

Financial income	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>
Interest income on bank deposits measured at effective interest rate	119	20
<b>Total</b>	<b>119</b>	<b>20</b>

Financial expenses in the three months ended 31 March 2022 and in the comparable period were as follows:

Financial expenses	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>
Interest expense on lease	(348)	(177)
Other interest expense	(5)	(21)
Negative exchange rates	(170)	(169)
Losses from realisation and/or valuation of derivative instruments	-	(66)
<b>Total</b>	<b>(523)</b>	<b>(433)</b>

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

### 8.4. Tax on profit or loss

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

	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>
Current income tax	(3,400)	(3,547)
Deferred tax	363	(38)
<b>Tax expense reported in the profit and loss account</b>	<b>(3,037)</b>	<b>(3,585)</b>

The effective tax rate in the three months ended 31 March 2022 was 14.7% compared to 18.0% in the comparable period.

### 8.5. 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.

Data on earnings and shares that were used to calculate the basic and diluted earnings per share:

	3 months to 31 March 2022	3 months to 31 March 2021
Weighted average number of issued ordinary shares used to calculate basic earnings per share (per piece)	33,418,193	33,418,193
Net profit for the reporting period (in PLN thou.)	17,594	16,354
<b>Net profit per share (in PLN)</b>	<b>0.53</b>	<b>0.49</b>

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

## 9. Explanatory notes to the balance sheet

### 9.1. Property, plant and equipment

Changes in net worth of property, plant and equipment in the period of the three months ended 31 March 2022 and in the comparable period were attributed to the following:

	3 months to 31 March 2022 PLN thou.	3 months to 31 March 2021 PLN thou.
<b>Net value of fixed assets as at 1 January</b>	<b>22,287</b>	<b>21,100</b>
<b>Increase through:</b>	<b>3,695</b>	<b>1,419</b>
Purchase and upgrade	3,695	1,419
<b>Decrease through:</b>	<b>(1,383)</b>	<b>(1,498)</b>
Depreciation allowance for reporting period	(1,382)	(1,302)
Sales and liquidation	(1)	(80)
<b>Changes in presentation</b>	<b>-</b>	<b>(116)</b>
<b>Net value of fixed assets as at 31 March</b>	<b>24,599</b>	<b>21,021</b>

### 9.2. Intangible assets

Change in the net value of intangible assets during the 3 months ended 31 March 2022 and in the comparable period was due to the following events:

	3 months to 31 March 2022 PLN thou.	3 months to 31 March 2021 PLN thou.
<b>Net value of intangible assets as at 1 January</b>	<b>27,283</b>	<b>24,216</b>
<b>Increase through:</b>	<b>5,166</b>	<b>4,259</b>
Purchase	-	77
Capitalized costs of ongoing development projects	5,166	4,182
<b>Decrease through:</b>	<b>(3,658)</b>	<b>(3,305)</b>
Depreciation allowance for reporting period	(3,658)	(3,305)
<b>Net value of intangible property as at 31 March</b>	<b>28,791</b>	<b>25,170</b>

### 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.

	31 March 2022 PLN thou.	31 December 2021 PLN thou.
Carrying value of goodwill	252,879	252,879
<b>Goodwill presented in intangible assets</b>	<b>252,879</b>	<b>252,879</b>

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

In line with the recommendations of the International Financial Reporting Standards, the Management Board of the Company analysed whether impairment tests need to be carried out, including, in particular, due to the COVID-19 pandemic and the political and economic situation in Ukraine, and regarding the status of implementation of the budgets of operating segments existing in the Company. In the opinion of the Management Board, none of the above necessitates an interim test because, given the Company's industry and the fact that the Company's budget as at 31 March 2022 was fully balanced and under control, the Management Board has concluded that the assumptions made for the 31 March 2020 test remain realistic.

### 9.3. Right-of-use assets

During the three months ended 31 March 2022 and in the comparable period, changes to the net value of right-of-use assets was due to:

	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>
<b>Net value of assets from right of use as at 1 January</b>	<b>60,637</b>	<b>46,852</b>
<b>Increase through:</b>	<b>3,248</b>	<b>22,270</b>
New lease agreement	108	18,845
Modification of existing agreements (renewals, change of interest rate)	3,140	3,425
<b>Decrease through:</b>	<b>(2,343)</b>	<b>(2,264)</b>
Depreciation allowance for reporting period	(2,343)	(1,774)
Change in judgement for lease term	-	(490)
<b>Changes in presentation</b>	<b>-</b>	<b>116</b>
<b>Net value of non-current assets from right of use as at 31 March</b>	<b>61,542</b>	<b>66,974</b>

### 9.4. Inventories

Inventory write-down as at 31 March 2022 amounted to PLN 308 thousand and as at 31 December 2021 amounted to PLN 281 thousand.

### 9.5. Other assets

As at 31 March 2022 and as at 31 December 2021, the Company held the following non-financial assets:

	31 March 2022 <i>PLN thou.</i>	31 December 2021 <i>PLN thou.</i>
Prepayments for deliveries	94	72
<b>Total</b>	<b>94</b>	<b>72</b>

## 9.6. Prepaid expenses and accrued income

As at 31 March 2022 and as at 31 December 2021, the balance of prepayments and accruals consisted of the following items:

	31 March 2022		31 December 2021	
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Prepaid services, including:				
<i>maintenance services and licence fees</i>	18	1,098	23	393
<i>prepaid training</i>	-	134	-	84
<i>insurances</i>	1	725	2	62
<i>other services</i>	6	745	5	703
<b>Total</b>	<b>25</b>	<b>2,702</b>	<b>30</b>	<b>1,242</b>

## 9.7. Receivables and assets from contracts with customers

The table below presents balances of receivables and balances of assets under contracts with customers as at ended 31 March 2022 and as at 31 December 2021.

	31 March 2022		31 December 2021	
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
<b>Trade receivables</b>	-	<b>41,193</b>	-	<b>45,969</b>
<b>From related parties, including:</b>	-	<b>599</b>	-	<b>4,108</b>
Invoiced receivables	-	599	-	3,966
Receivables not invoiced	-	-	-	142
<b>From other parties, including:</b>	-	<b>40,594</b>	-	<b>41,861</b>
Invoiced receivables	-	40,508	-	41,522
Receivables not invoiced	-	86	-	339
<b>Allowance for expected credit losses (-)</b>	-	<b>(1,424)</b>	-	<b>(1,435)</b>
<b>Total trade receivables</b>	-	<b>39,769</b>	-	<b>44,534</b>

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 and the political and economic situation in Ukraine, the Company implemented a process of more careful monitoring of its receivables. On the date of publication of these financial statements, there were no reasons to increase the allowance for expected credit losses or to change the Company's policy on this matter.

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 31 March 2022 and 31 December 2021.

	31 March 2022		31 December 2021	
	Long-term	Short-term	Long-term	Short-term
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Assets under contracts with customers, incl.:				
From related parties	-	238	-	28
From other parties	-	1,653	-	776
<b>Total assets under contracts with customers</b>	<b>-</b>	<b>1,891</b>	<b>-</b>	<b>804</b>

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

	31 March 2022		31 December 2021	
	Long-term	Short-term	Long-term	Short-term
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
<b>Budget receivables</b>		<b>4</b>	<b>-</b>	<b>-</b>
Other receivables, including:				
Receivables from paid deposits	196	27	223	43
Other receivables	-	7	-	43
<b>Other receivables total</b>	<b>196</b>	<b>38</b>	<b>223</b>	<b>86</b>

Deposit receivables consist of deposits on the ESCROW account securing the payment of rent, tendering securities and securities of contracts as well as deposits for office rental.

## 9.8. 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 as at 31 March 2022 amounted to PLN 66,413 thousand (31 December 2021: PLN 42,832 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:

	31 March 2022	31 December 2021
	<i>PLN thou.</i>	<i>PLN thou.</i>
Cash at bank in current accounts	25,735	22,220
Cash at bank in split payment accounts	556	526
Short-term deposits	40,055	20,017
Cash in hand	21	21
Cash in transit	46	48
<b>Cash balance shown in balance sheet and cash flow statement</b>	<b>66,413</b>	<b>42,832</b>

## 9.9. Bank loans

On 09 November 2021, Asseco Business Solutions S.A. annexed the agreement of 30 May 2017 concluded with the legal predecessor of 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 until 31 October 2023; and
- revolving loan for bank guarantees up to the amount of PLN 1,500 thousand PLN with the repayment date of 31 October 2023.

During the reporting period, the Company did not grant any significant sureties for credits or loans or any guarantees to any entity or its subsidiary.

## 9.10. Lease liabilities

As at 31 March 2022, 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 31 March 2022 and at 31 December 2021:

	31 March 2022		31 December 2021	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Real property lease	47,763	8,794	47,051	8,113
Vehicle lease	5,968	2,664	6,548	2,633
<b>Total</b>	<b>53,731</b>	<b>11,458</b>	<b>53,599</b>	<b>10,746</b>

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

As at 31 March 2022 and as at 31 December 2021, the Company's trade liabilities were as follows:

	31 March 2022		31 December 2021	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
<b>Trade liabilities</b>				
To related parties, including:	-	159	-	363
To other parties, including:	-	3,727	-	5,361
Invoiced liabilities	-	3,023	-	4,211
Not invoiced liabilities	-	704	-	1,150
<b>Total trade liabilities</b>	<b>-</b>	<b>3,886</b>	<b>-</b>	<b>5,724</b>

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

As at 31 March 2022 and as at 31 December 2021, liabilities under contracts with customers were as follows:

	31 March 2022		31 December 2021	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
<b>Liabilities under contracts with customers</b>				
To related parties, including:	-	113	-	323
Accrued income from contracts with customers	-	56	-	-
Liabilities arising from the valuation of IT contracts		57		323
<b>To other parties, including:</b>	<b>-</b>	<b>15,592</b>	<b>-</b>	<b>15,045</b>
Prepaid expenses and accrued income from contracts with customers, including:	15	15,307	-	14,596
- pre-paid maintenance services	15	4,012	-	3,612
- licence fees	-	11,295	-	10,984
Liabilities from valuation of IT contracts	-	285	-	449
<b>Total liabilities under contracts with customers</b>	<b>15</b>	<b>15,705</b>	<b>-</b>	<b>15,368</b>

As at 31 March 2022 and as at 31 December 2021, other Company's liabilities arise from the following:

	31 March 2022		31 December 2021	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
<b>Tax liabilities under corporate income tax</b>	<b>-</b>	<b>1,166</b>	<b>-</b>	<b>696</b>
<b>Budgetary commitments</b>				
VAT	-	3,888	-	5,596
Personal income tax (PIT)	-	1,162	-	3,034
Liabilities to National Insurance Institution	-	5,534	-	1,067
Other	-	114	-	115
<b>Total budgetary commitments</b>	<b>-</b>	<b>10,698</b>	<b>-</b>	<b>9,812</b>
<b>Other liabilities</b>				
Liabilities to employees	-	2,830	-	2,000
Other liabilities	-	4,120	-	928
<b>Total other liabilities</b>	<b>-</b>	<b>6,950</b>	<b>-</b>	<b>2,928</b>
<b>Total budgetary commitments and other liabilities</b>	<b>-</b>	<b>17,648</b>	<b>-</b>	<b>12,740</b>

### 9.12. Provisions

In the period of three months ended 31 March 2022 and in the comparative period, there were no changes to the balance of provisions:

	Post-employment benefits <i>PLN thou.</i>	Other provisions <i>PLN thou.</i>	In total <i>PLN thou.</i>
<b>As at 1 January 2022</b>	<b>2,607</b>	<b>-</b>	<b>2,607</b>
Used/Reversed	-	-	-
<b>As at 31 March 2022, including:</b>	<b>2,607</b>	<b>-</b>	<b>2,607</b>
Current	59	-	59
Non-current	2,548	-	2,548
<b>As at 1 January 2021</b>	<b>3,294</b>	<b>373</b>	<b>3,667</b>
<b>As at 31 March 2021, including:</b>	<b>3,294</b>	<b>373</b>	<b>3,667</b>
Current	45	373	418
Non-current	3,249	-	3,249

Provisions for post-employment benefits are updated on a yearly basis.

### 9.13. Accrued expenses

As at 31 March 2022 and as at 31 December 2021, the Company's accruals and deferred income were as follows:

	31 March 2022		31 December 2021	
	Long-term <i>PLN thou.</i>	Short-term <i>PLN thou.</i>	Long-term <i>PLN thou.</i>	Short-term <i>PLN thou.</i>
<b>Accrued expenses, including:</b>				
Provision for unused leaves	-	5,031	-	3,549
Provision for employee and Management Board bonuses	-	6,933	-	4,443
<b>Total</b>	<b>-</b>	<b>11,964</b>	<b>-</b>	<b>7,992</b>

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.

### 9.14. Related party transactions

	Income		Purchases	
	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>
Transactions with Asseco Poland S.A.	804	814	2,552	1,340
Transactions with other related parties	225	68	34	11
<b>Total transactions with related parties</b>	<b>1,029</b>	<b>882</b>	<b>2,586</b>	<b>1,351</b>

	Trade receivables and other receivables from related parties		Trade and other liabilities, lease liabilities and other liabilities to related parties	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
<b>Transactions with related parties</b>				
Transactions with Asseco Poland S.A.	611	3,103	14,923	15,292
Transactions with other related parties	226	1,033	59	13
<b>TRANSACTIONS TOTAL</b>	<b>837</b>	<b>4,136</b>	<b>14,982</b>	<b>15,305</b>

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

As at 31 March 2022, the balance of lease liabilities with related parties committed by the Company Executives was PLN 14,284 thousand, and as at 31 December 2021 it amounted to PLN 13,248 thousand.

In the first quarter of 2021, the cost of interest accrued from lease with related parties committed by the Company Executives was PLN 48 thousand while PLN 41 thousand in the comparable period.

As at 31 March 2022 and 31 December 2021, there were no outstanding balances of receivables arising from transactions with related parties concluded by the Company Executives and with the Company Executives.

As at 31 March 2022, the balance of unsettled liabilities due under transactions with related parties committed by or with the Company Executives was PLN 123 thousand; as at 31 December 2021, there was no balance of unsettled receivables with related parties committed by or with the Company Executives.

According to the records of Asseco Business Solutions S.A., in the three months ended 31 March 2022, the value (net) of purchase transactions of goods and services (including rental) with related parties conducted by the Company Executives and with the Company Executive amounted to PLN 539 thousand and PLN 500 thousand in the comparable period. In the period of the first three months of 2022, there were no sales transactions of goods and services to related parties conducted by or with the Company Executives, while in the comparable period the same amounted to PLN 23 thousand.

## 10. Other explanatory notes

### 10.1. Additional explanations to cash flow statement

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

	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>
Change in inventories	91	(750)
Change in receivables and assets from contracts with customers	3,757	(896)
Change in other non-financial assets	(22)	188
Change in trade liabilities and liabilities from contracts with customers	(201)	(4,060)
Change in the balance of accruals and prepayments	3,299	(948)
<b>Total</b>	<b>6,924</b>	<b>(6,466)</b>

The following table lists items concerning investing activities:

	3 months to 31 March 2022 <i>PLN thou.</i>	3 months to 31 March 2021 <i>PLN thou.</i>
Sale of property, plant and equipment	6	72
Acquisitions of new tangible assets	(840)	(408)
Acquisition of intangible assets	-	(77)
Expenses for development work	(5,166)	(4,181)

### 10.2. Contingent liabilities

The table below presents contingent liabilities as at 31 March 2022 and as at 31 December 2021:

Contingent liabilities	31 March 2022 <i>PLN thou.</i>	31 December 2021 <i>PLN thou.</i>
<b>Receivables arising from performance guarantee</b>		
Liabilities due up to 3 months	-	-
Liabilities due from 3 to 12 months	881	881
Liabilities payable from 1 to 5 years	503	501
Liabilities due after 5 years	-	-
<b>Total</b>	<b>1,384</b>	<b>1,382</b>

### 10.3. Fair values of individual facility grades

Fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard conditions, which are traded on active, liquid markets, is determined by reference to stock prices;
- the fair value of other financial assets and financial liabilities (excluding derivatives) is determined in accordance with generally accepted valuation models based on discounted cash flow analysis, using the prices from observable current market transactions and dealer quotes for similar instruments.

According to the Company's assessment, the fair value of cash, short-term deposits, trade receivables, trade liabilities and other short-term liabilities does not differ from the carrying amounts largely due to the short period of maturity. The fair value of financial assets and liabilities held by the Company as at 31 March 2022 and as at 31 December 2021 does not differ significantly from their carrying value.

As at 31 March 2022 (and as at 31 December 2021), the Company was not a party to forward contracts.

### 10.4. Objectives and principles of financial risk management

The objectives and rules of financial risk management applied by the Company are consistent with the objectives and rules reported in the Company's financial statements for the year ended 31 December 2021.

### 10.5. Headcount

Average employment during the reporting period	3 months to 31 March 2022	3 months to 31 March 2021
Management Board	3	3
Developers	875	825
Sales personnel	57	57
Administration	49	47
<b>Total</b>	<b>984</b>	<b>932</b>

Employment as at:	31 March 2022	31 December 2021
Management Board	3	3
Developers	920	906
Sales personnel	52	52
Administration	43	41
<b>Total</b>	<b>1,018</b>	<b>1,002</b>

### 10.6. Seasonality and cyclicity

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 roll out information systems and modify the IT infrastructure of enterprises on the turn-of-the-year basis.

## V. Comments and additional information to the quarterly financial statements of Asseco Business Solutions

### 5.1. Financial data and analysis of results of Asseco Business Solutions for Q1 2022

The financial results of Asseco Business Solutions for the first three months of 2022 and for a comparable period:

	3 months to 31 March 2022	3 months to 31 March 2021	Growth rate 3 mths 2022/ 3 mts 2021
Operating revenues	77,031	72,537	6.2%
Gross profit on sales	29,794	28,312	5.2%
EBIT	21,035	20,352	3.4%
EBITDA	28,414	26,732	6.3%
Net profit	17,594	16,354	7.6%

*EBITDA = EBIT + amortisation/depreciation*

In first quarter of 2022, the operating income of Asseco Business Solutions S.A. amounted to PLN 77,031 thousand and was higher by 6.2% than in the same period of 2020. The increase in receipts is attributable to the higher sales volume of the Company's own products both on foreign and domestic markets.

At the same time, the operating expenses (excluding COGS) increased by 13.9%, while the value of goods, materials and external services sold (COGS) fell by 43.1%, which had an impact on the drop in EBIT profitability. The largest share in the Company's operating expenses (72.3%) was allocated to employee benefits (primarily salaries).

The net profit of Asseco Business Solutions realised in the first quarter of 2022 closed at PLN 17,594 thousand, compared with PLN 16,354 thousand earned in the comparable period of 2019 (up by 7.6%).

#### Profitability ratios

Profitability ratios	3 months to 31 March 2022	3 months to 31 March 2021	Growth rate 3 mths 2022/ 3 mts 2021
Gross margin on sales	38.7%	39.0%	(0.3%)
EBITDA profit margin	36.9%	36.9%	-%
Operating margin	27.3%	28.1%	(0.8%)
Net margin	22.8%	22.5%	0.3%
Return on equity (ROE)	4.8%	4.7%	0.1%
Return on assets (ROA)	3.6%	3.5%	0.1%

*These ratios have been calculated using the following formulas:*

*Return on equity (ROE) = net profit/equity*

*Return on assets (ROA) = net profit/total assets*

The EBITDA profit margin after the first quarter was 36.9% and remained unchanged compared to the comparable period. The net profit margin after the first quarter of 2022 was 22.8% and upped by 0.3 p.p v. the comparable period.

### Liquidity ratios

Working capital is defined as the difference between current assets and current liabilities and represents the volume of fixed capital (equity and long-term foreign capital) that finance current assets. As the most liquid part of capital, it secures the liabilities arising from the current cash cycle in the company. Working capital in the Company as at 31 March 2022 was PLN 49,339 thousand and was higher by PLN 12,685 thousand compared with 31 December 2021. The increase in working capital is attributed to an increase in current assets by PLN 21,246 thousand. The increase in current assets is mainly due to higher cash levels in bank accounts and bank deposits.

The increase in the liquidity ratios in the first quarter of 2022 is a cyclical phenomenon. Liquidity ratios for the first quarter of 2022 increased compared to the comparable period.

Liquidity ratios	3 months to 31 March 2022	12 months to 31 December 2021	3 months to 31 March 2021
Working capital (in PLN thou.)	49,339	36,654	43,080
Current ratio	1.80	1.69	1.72
Quick ratio	1.75	1.66	1.65
Super quick ratio	1.07	0.80	0.28

These ratios have been calculated using the following formulas:

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

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

Quick ratio = (current assets - inventories - accruals and prepayments) / current liabilities

Super quick ratio = (bonds and securities held to maturity + cash and short-term deposits) / current liabilities

### Debt ratios

The table below shows the basic debt ratio of the Company for the period of nine months until 31 March 2022 and in the comparable period, as well as for the period of 12 months until 31 December 2021:

Debt ratios	3 months to 31 March 2022	12 months to 31 December 2021	3 months to 31 March 2021
General debt ratio	24.5%	24.0%	26.4%

Debt ratio = (long-term liabilities + current liabilities) / assets

### The structure of Company's assets and liabilities

ASSETS	31 March 2021	Share in balance sheet total	31 December 2021	Share in balance sheet total
Non-current assets	371,042	77%	365,986	80%
Current assets	111,225	23%	89,979	20%
<b>TOTAL ASSETS</b>	<b>482,267</b>	<b>100%</b>	<b>455,965</b>	<b>100%</b>

LIABILITIES	31 March 2021	Share in balance sheet total	31 December 2021	Share in balance sheet total
Total equity	364,087	75%	346,493	76%
Long-term liabilities	56,294	12%	56,147	12%
Short-term liabilities	61,886	13%	53,325	12%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>482,267</b>	<b>100%</b>	<b>455,965</b>	<b>100%</b>

As at 31 March 2022, the total assets of the Company amounted to PLN 482,267 thousand, which is a growth by 5.8% compared with 31 December 2021.

The Company's main asset component is non-current assets, which account for 77% of the balance sheet total. Among them, intangible assets are the key item amounting to PLN 281,670 thousand. Goodwill has the largest share in intangible assets: PLN 252,879 thousand. The share of this item in total assets is 52.4%. This is a rather standard situation among tech companies whose greatest asset is knowledge and intangible assets.

As at 31 March 2022, the Company's equity amounted to PLN 364,087 thousand (76 % of liabilities).

### 5.2. Factors affecting financial results

The most important factors that affected the Company's performance in the reporting period are:

- Execution of IT contracts concluded in previous periods.
- Award and execution of significant IT contracts in the reporting quarter.
- Seasonal changes in demand for products marketed by the Company – a distinguishing feature of the IT industry is seasonal fluctuation of sales.
- Healthy sales figures for Mobile Touch both in Poland and in the European market.

### 5.3. Extraordinary or non-recurring events affecting the financial results

The occurrence of the COVID-19 pandemic and the political and economic situation in Ukraine during the reporting period ended 31 March 2022 did not materially affect the Company's financial result for that period. To the best knowledge of the Management Board, at the time of publication of these financial statements, there are no grounds to reasonably expect that payment backlogs could have a significant impact on the Company's position. During the three months ended 31 March 2022, there were no items affecting assets, liabilities, equity, net result or cash flows that were extraordinary in terms of type, value, or frequency.

Other information related to the assessment of the impact of Covid-19 on the results achieved in the period covered by these interim condensed statements and on the forecast results in subsequent periods is presented in item II.2 of these interim condensed financial statements.

#### **5.4. Information on dividends paid**

The Ordinary General Meeting of Shareholders of Asseco Business Solutions S.A., empowered to make a decision on the dividend for 2021, shall gather after the publication of these financial statements. As at the date of publication of these financial statements, only the recommendation of the Company's Management Board and Supervisory Board regarding the payment of the dividend for 2021 (in accordance with Current Report No. 2/2022) had been made public. The recommended dividend shall be PLN 2.12 per share, which translates into the payment of PLN 70,847 thousand from the net profit for 2021.

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 remainder of the net profit for 2019 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.

#### **5.5. Significant events during the reporting period**

In the first quarter of 2022, no significant agreements involving significant amounts were concluded, whose disclosure would be authorised by the client concerned.

#### **5.6. List of proceedings pending before the court, competent authority for arbitration or a public administration body**

The Company is a party to several lawsuits and enforcement proceedings to recover payments for delivered products and services. Allowances have been made to the receivables covered by the above-mentioned proceedings.

#### **5.7. Capital expenditure**

In the period ended 31 March 2022, the Company made investment outlays in the amount of PLN 8,861 thousand, and in the comparable period the same outlays amounted to PLN 5,678 thousand.

#### **5.8. Feasibility assessment of financial forecast published by the Management Board for 2022**

The Management Board of Asseco Business Solutions S.A. did not publish financial forecast for 2022.

#### **5.9. Issuance, redemption and repayment of non-equity and equity securities**

During the reporting period, Asseco Business Solutions did not issue, redeem or repay any equity or non-equity securities.

#### **5.10. Factors that, in the Management Board's opinion, will have an impact on the Company's results over at least the following quarter**

In the opinion of the Management Board of Asseco Business Solutions S.A., the current financial situation of the Company is stable, and its production potential and market position are sound. The Management Board constantly monitors the developments related to the COVID-19 pandemic and the economic and political situation in Ukraine. If the Management Board find that the Company's operations need to be adapted to new market conditions, it will take appropriate action.

In the opinion of the Management Board, the most important external and internal factors that may affect the performance of Asseco Business Solutions S.A. and its results in the following year are:

**External factors:**

- the economic and political developments in Poland, the European Union and other countries in which the Company operates,
- attitude of potential clients to investment in IT against the backdrop of the general economic situation,
- risk of time-shifting of potential clients' investment decisions,
- intense direct and indirect competition from both Polish and foreign IT companies,
- risk related to technological saturation,
- the level of capital earmarked for IT investment in companies and the volume of used EU funds,
- the prospects for expanding markets outside the existing Company's geographies,
- market openness and absorption capacity for new product solutions,
- risk of increased labour costs,
- risk of galloping inflation,
- changes in the credit situation, financial liquidity, financing by customers,
- opportunities and risks related to technological changes in the IT industry and the development of new products.

In addition, the Management Board does not rule out a scenario that the operations of the Company and its results may be affected by the adverse circumstances in the domestic and global economy related to the COVID-19 pandemic, yet, at this point, it is not possible to determine to what extent or on what scale.

**Internal factors**

- the quality and comprehensive nature of Company's offering,
- the results of intense and ongoing trade activities both domestically and abroad,
- activities run under currently valid agreements,
- risk related to misestimation of the scope of project effort,
- the capacity to adapt products to changing legislation,
- stability and experience of the managerial staff,
- effective action of sales departments,
- the need to attract and keep the most qualified and key employees,
- effects of work on new products.

**5.11. Information on other important factors that could affect the assessment of the personnel, asset and financial position**

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 374) 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. 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. At the time of publication of these financial statements, there are no grounds to reasonably expect that the situation caused by COVID-19 is likely to have a significant impact on the Company.

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

#### **5.12. Agreements concluded between the Issuer and its Executives providing for compensation in the event of their resignation or dismissal from their position**

There are no agreements concluded between the Issuer and its executives providing for compensation in the event of their resignation or dismissal from their positions without a valid cause or in the event of their retirement or dismissal due to a merger by acquisition.

#### **5.13. Information on agreements known to the Issuer that may result in future changes in the proportion of shares held by the shareholders and bondholders**

There are no agreements concluded that may result in any future changes in the proportions of shares held by the existing shareholders and bondholders.

#### **5.14. Information on control of employee share schemes**

On the date of these financial statements, there were no incentive programmes in place based on the Issuer's shares.

#### **5.15. Significant events after the balance sheet date**

Up to the date of these financial statements for the three months ended 31 March 2022, i.e. until 28 April 2022, there had been no events after the balance sheet date that are not, and should be, included in these financial statements.

#### **5.16. Significant events concerning previous years**

To the date of these financial statements for the three months ended 31 March 2022, i.e. until 28 April 2022, there had been no events concerning previous years that are not, and should be, included in these financial statements.

## Signatures of Board Members

Full name	Position/Function	Signature
<b>Wojciech Barczentewicz</b>	<b>President of the Management Board</b>	
<b>Piotr Masłowski</b>	<b>Vice-President of the Management Board</b>	
<b>Mariusz Lizon</b>	<b>Member of the Management Board</b>	
<b>Artur Czabaj</b>	<b>Person responsible for bookkeeping</b>	

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assecobs

The logo for Asseco, featuring the word "asseco" in a stylized, bold, sans-serif font. The letters are black and have 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 blocky.