

for the Three Months Ended 31 March 2021

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### Selected financial data of Asseco Business Solutions S.A.

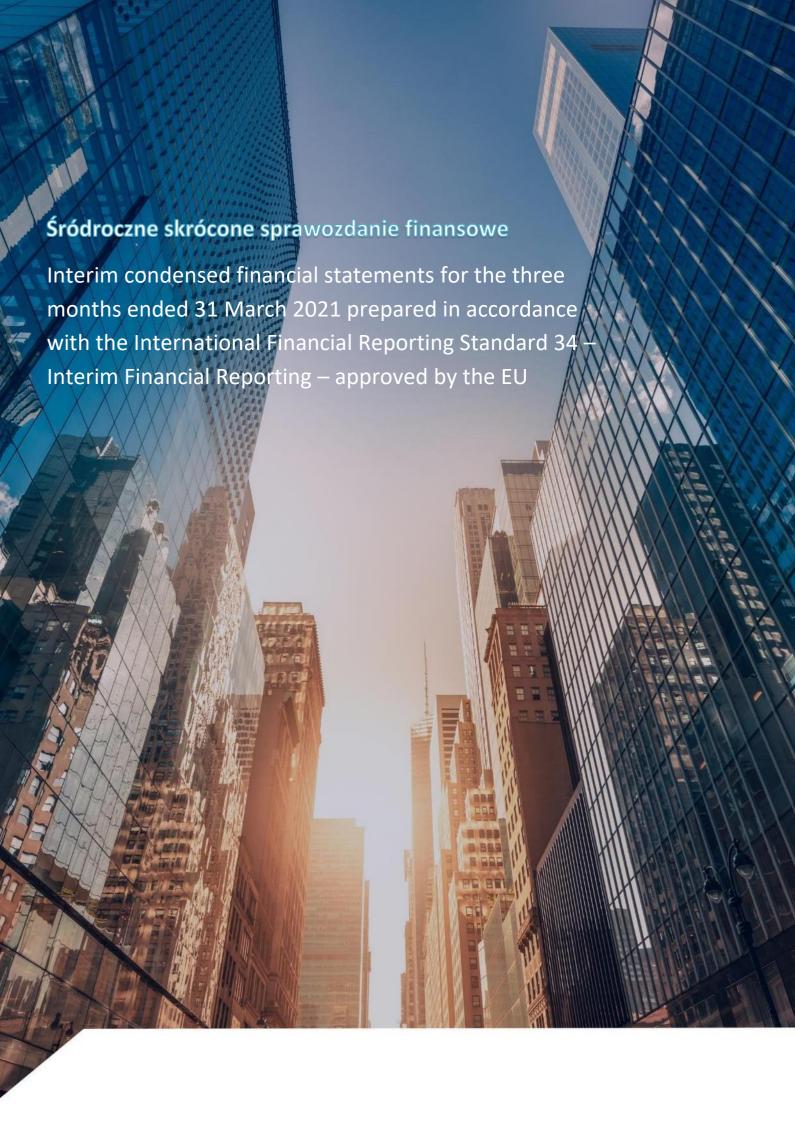
The following table contains selected financial data of Asseco Business Solutions S.A.

	3 months to 31 March 2021 2019 PLN thou.	3 months to 31 March 2020 2019 PLN thou.	3 months to 31 March 2021 2019 EUR thou.	3 months to 31 March 2020 2019 EUR thou.
Operating income	72,537	66,894	15,865	15,216
Operating profit	20,352	19,502	4,451	4,436
Profit before tax	19,939	18,386	4,361	4,182
Net profit for reporting period	16,354	15,512	3,577	3,528
Net cash from operating activities	17,305	21,144	3,785	4,810
Net cash generated (used) in investing activities	(4,594)	(14,380)	(1,005)	(3,271)
Net cash from financing activities	(2,285)	(2,876)	(500)	(654)
Cash and cash equivalents at end of period (comparable period: 31.12.2020)	17,040	6,614	3,656	1,433
Net income per ordinary share (in PLN/EUR)	0.49	0.46	0.11	0.10

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 at the end of the previous reporting period is translated at the average exchange rate announced by the National Bank of Poland on the balance sheet date.
  - o On 31 March 2021, 1 EUR = 4.6603 PLN.
  - o On 31 December 2020, 1 EUR = 4.6148 PLN.
- selected items from 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.
  - o In the period from 1 January to 31 March 2021: EUR 1 = PLN 4,5721.
  - o In the period from 1 January to 31 March 2020: EUR 1 = PLN 4,3963.

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





# 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 2021	3 months to 31 March 202
		PLN thou.	PLN thou.
Operating income	<u>1.1</u>	72,537	66,89
Own cost of sales	<u>1.2</u>	(44,225)	(39,54
Gross profit on sales		28,312	27,34
Cost of sales	<u>1.2</u>	(3,474)	(3,37
Administrative expenses	<u>1.2</u>	(4,616)	(4,58
Net profit on sales		20,222	19,39
Other operating income		172	14
Other operating expenses		(42)	(3
Operating profit		20,352	19,50
Financial income	<u>1.3</u>	20	2
Financial expenses	<u>1.3</u>	(433)	(1,31
Profit before tax		19,939	18,3
Tax on profit or loss	<u>1.4</u>	(3,585)	(2,87
Net profit		16,354	15,51
Net income per ordinary share (in PLN):			
basic from net profit	<u>1.5</u>	0.49	0.
diluted from net profit	<u>1.5</u>	0.49	0.
OTAL INCOME:		3 months to 31 March 2021	3 months to 31 March 20
		PLN thou.	PLN thou.
Net profit		16,354	15,5
Items that may be reclassified to profit and loss account		-	
Items not subject to reclassification to profit and loss account		-	
Other comprehensive income total:		-	
TOTAL COMPREHENSIVE INCOME FOR PERIOD		16,354	15,5



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

ASSETS	Notes	31 March 2021  PLN thou.	31 December 2020  PLN thou.
Non-current assets			
Property, plant and equipment	<u>2.1</u>	21,021	21,100
Intangible assets	2.2	278,049	277,095
including goodwill from merger	2.2	252,879	252,879
Right-of-use assets	2.3	66,974	46,852
Assets from contracts with customers and long-term receivables	<u>2.7</u>	145	178
Deferred tax assets		3,550	3,588
Prepaid expenses and accrued income	<u>2.6</u>	85	19
		369,824	348,832
Current assets			
Inventories	<u>2.4</u>	1,182	432
Trade receivables	<u>2.7</u>	41,119	40,064
Assets from contracts with customers	<u>2.7</u>	1,086	1,052
Other receivables	<u>2.7</u>	201	361
Prepayments and accrued income	<u>2.6</u>	2,654	2,868
Deposits with maturity of more than 3 months	<u>2.5</u>	40,012	40,000
Other assets	<u>2.5</u>	17	205
Cash and short-term deposits	<u>2.8</u>	17,040	6,614
		103,311	91,596
TOTAL ASSETS		473,135	440,428



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

LIABILITIES	Notes	31 March 2021	31 December 2020
		PLN thou.	PLN thou.
TOTAL EQUITY			
Subscribed capital		167,091	167,091
Premium		62,543	62,543
Retained earnings		118,672	102,318
		348,306	331,952
Long-term liabilities			
Lease liabilities	<u>2.10</u>	61,349	43,727
Provisions	<u>2.12</u>	3,249	3,249
		64,598	46,976
Short-term liabilities			
Lease liabilities	<u>2.10</u>	10,661	8,415
Trade liabilities	<u>2.11</u>	4,898	6,474
Liabilities from contracts with customers	<u>2.11</u>	14,988	14,257
Tax liabilities under corporate income tax	<u>2.11</u>	3,940	3,412
Budgetary commitments and other liabilities	<u>2.11</u>	13,412	14,811
Provisions	<u>2.12</u>	418	418
Accrued expenses	<u>2.13</u>	11,914	13,713
		60,231	61,500
TOTAL LIABILITIES		124,829	108,476
TOTAL EQUITY AND LIABILITIES		473,135	440,428



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

	Share capital		Retained earnings	Equity total
As at 1 January 2021	167,091	62,543	102,318	331,952
Profit in reporting period	-	-	16,354	16,354
As at 31 March 2021	167,091	62,543	118,672	348,306
As at 1 January 2020	167,091	62,543	86,471	316,105
Profit in reporting period	-	-	15,512	15,512
As at 31 March 2020	167,091	62,543	101,983	331,617



## Interim condensed cash flow statement of

## Asseco Business Solutions S.A.

	Notes	3 months to 31 March 2021	3 months to 31 March 2020
		PLN thou.	PLN thou.
Cash flow from operating activities			
Profit before tax		19,939	18,386
Adjustments:		385	5,615
Amortisation/Depreciation		6,380	6,816
Changes in working capital	<u>3.1</u>	(6,466)	(2,734)
Interest income/expenses		164	401
FX gains/(losses)		242	306
Other financial income/expenses		66	834
Investment gains/(loss)		(4)	(9)
Other adjustments		3	1
Cash generated from operating activities		20,324	24,001
(Income tax paid)		(3,019)	(2,857
Net cash from operating activities		17,305	21,144
Cash flow from investing activities			
Receipts:			
Receipts from the sale of property, plant and equipment and intangible assets	<u>3.1</u>	72	102
Outflows:			
Purchase of property, plant and equipment and intangible assets	<u>3.1</u>	(485)	(900
Expenses related to ongoing development projects	<u>3.1</u>	(4,181)	(3,582
Bank deposits		-	(10,000
Net cash used in investing activities		(4,594)	(14,380
Cash flow from financing activities			
Outflows:			
Repayment of lease liabilities		(2,109)	(2,391
Interest paid		(176)	(485
Net cash from financing activities		(2,285)	(2,876
Change in net cash and cash equivalents		10,426	3,888
Cash and cash equivalents as at 1 January		6,614	15,950
Cash and cash equivalents as at 31 March	2.8	17,040	19,838



## Additional explanation to 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 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 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 original high-quality products and related services, the software from Asseco BS has been successful in supporting the operations of tens of thousands of companies for many 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 2021 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 shareholders hold approx. 11.37% and 11.28% of votes at the General Meeting, respectively;



- 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 2015 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 27 April 2021, the Management Board of Asseco Business Solution S.A. was made up of:

Wojciech Barczentewicz President of the 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. 27 April 2021, the Supervisory Board of the Company consisted of:

Jozef Klein President 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

Piotr Stępniak Member of the Supervisory Board

On 16 April 2021, Mr Piotr Stępniak informed Asseco Business Solutions S.A. about his resignation as member of the Supervisory Board of the Company. The resignation becomes effective on the day of the upcoming General Meeting of Shareholders of Asseco Business Solutions S.A.

The Supervisory Board has an audit committee composed of Piotr Stępniak (chairman), Romuald Rutkowski and Adam Góral (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 27.04.2020	Change from the previous report	% of shares held (corresponding to % share in total number of votes at GM) - as at 27 April 2020	Change from the previous report
Executive persons				
Wojciech Barczentewicz	491,267	0.00%	1.5%	0.00%
Piotr Masłowski	745,063	0.00%	2.2%	0.00%
Mariusz Lizon	183,000	0.00%	0.5%	0.00%
Supervising persons				
Romuald Rutkowski	426,828	0.00%	1.3%	0.00%
TOTAL	1,846,158	0.00%	5.5%	0.00%

#### 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 27 April 2021, 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 28 April 2020 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	3,769,780	11.28%	3,769,780	11.28%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	3,800,000	11.37%	3,800,000	11.37%
Other shareholders	10,319,843	30.88%	10,319,843	30.88%
	33,418,193	100.00%	33,418,193	100.00%



As 31 March 2021, 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 2021 and in the period from the balance sheet date to the date of publication of these financial statements, i.e. 27 April 2021, 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 2021. On the date of approval of these financial statements for publication, the Management Board considered the impact of the COVID-19 pandemic 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 2020 published on 25 February 2021.

#### 2. Impact of the COVID-19 pandemic on the Company's 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 31 March 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 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.

In view of the situation, the Company attempts to minimize the possible negative impact of the pandemic on its financial results, including by reducing costs and expenses. At the same time, the Company is monitoring the current situation in individual sectors of the economy and is seeking opportunities to take advantage of new market opportunities, which also emerge on the market of IT products and services because of the pandemic.



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 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 Anticrisis 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 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 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.

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 2021 and the comparable period from 1 January to 31 March 2020 for the income statement and cash flow statement, respectively, as well as the balance sheet as at 31 March 2021 and the comparable data as at 31 December 2020.

#### 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 złoty. 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 złoty are translated upon initial recognition into Polish złotys 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 2021: 1 EUR = 4.6603 PLN
- √ the exchange rate effective on 31 March 2020: 1 EUR = 4.5523 PLN
- √ the exchange rate effective on 31 March 2021: 1 USD = 3.9676 PLN
- √ the exchange rate effective on 31 March 2020: 1 USD = 4.1466 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 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.

#### 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;

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- Amendments to IFRS 3: References to the Conceptual Framework (published on 14 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 January 2022;
- Amendments to IAS 16: Property, plant and equipment: Proceeds before Intended Use (published on 14 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 January 2022;
- Amendments to IAS 37: Onerous Contracts Costs of Fulfilling a Contract (published on 14 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 January 2022;
- Amendments resulting from the review of IFRS 3 2010-2012 (published on 14 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 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;

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 Macrologic 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 in transactions between operating segments are determined on the arm's length basis as in transactions with unrelated parties.

3 months to 31 March 2021	ERP segment	Unallocated	Total
	PLN	PLN	PLN
Sales to external customers	65,889	6,648	72,537
Settlements between segments	-	-	-
Net profit on sales in reporting segment	19,675	547	20,222
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



3 months to 31 March 2020	ERP segment	Unallocated	Total
	PLN thou.	PLN thou.	PLN thou.
Sales to external customers	63,870	3,024	66,894
Settlements between segments	-	-	-
Gains on reported segment sales	19,222	170	19,392
Amortisation/Depreciation	(6,738)	(56)	(6,794)
Intangible assets recognised during the settlement of combination assigned to segment	1,904	-	1,904
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 other comprehensive income

#### 1.1. Structure of operating income

Operating income in the three months ended 31 March 2021 and in the comparable period was as follows:

	3 months to 31 March 2021 <i>PLN thou.</i>	3 months to 31 March 2020 PLN thou.
Operating income by type		
Licences and own services	65,290	63,315
Licences and external services	4,639	2,087
Equipment and infrastructure	2,608	1,492
Operating income total	72,537	66,894

## 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 2021 <i>PLN thou</i> .	3 months to 31 March 2020 PLN thou.
Operating revenues recognised in accordance with IFRS 15		
From goods or services provided at a specified time, including:	11,787	9,591
ERP segment	5,285	6,752
Unallocated	6,502	2,839
From goods or services provided over time, including:	60,750	57,303
ERP segment	60,604	57,118
Unallocated	146	185
Operating income total	72,537	66,894



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

	3 months to 31 March 2021 PLN thou.	3 months to 31 March 2020 PLN thou.
Poland	63,235	57,965
ROW, including:	9,302	8,929
- France	2,035	1,995
- United Kingdom	1,918	1,24
- Germany	1,715	1,74
- The Netherlands	1,467	1,76
- Romania	884	1,06
- Italy	224	18
- Czech Republic	113	12
- Croatia	80	16
- Spain	71	6
- Austria	51	
- Turkey	51	4
- the Baltics (Lithuania, Latvia, Estonia) and Russia	25	
- others	668	52
	72,537	66,894

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

#### 1.2. Structure of operating expenses

	3 months to 31 March 2021 <i>PLN thou</i> .	3 months to 31 March 2020 PLN thou.
Operating expenses		
Value of goods and external services sold	(6,500)	(3,177)
Employee benefits	(33,445)	(31,291)
Amortisation/Depreciation	(6,344)	(6,794)
External services	(4,770)	(4,596)
Other	(1,256)	(1,644)
Total	(52,315)	(47,502)
Own cost of sales	(44,218)	(39,495)
Cost of sales	(3,886)	(3,377)
Administrative expenses	(4,236)	(4,580)
Impairment/Reversal of impairment for credit losses in relation to trade receivables	25	(50)
Total	(52,315)	(47,502)



#### 1.3. Financial income and expenses

The structure of financial income in the three months ended 31 March 2021 and in the comparable period was as follows:

Financial income	3 months to 31 March 2021 PLN thou.	3 months to 31 March 2020 PLN thou.
Interest income from bank deposits measured at effective interest rate	20	115
Positive exchange differences	-	88
Total	20	203

Financial expenses in the three months ended 31 March 2021 and in the comparable period were as follows:

Financial expenses	3 months to 31 March 2021 PLN thou.	3 months to 31 March 2020
	PLIV (110u.	PLN thou.
Interest expense on lease	(177)	(485)
Other interest expense	(21)	-
Negative exchange rates	(169)	-
Losses from realisation and/or valuation of derivative instruments	(66)	(834)
Total	(433)	(1,319)

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 31 March 2021 <i>PLN thou</i> .	3 months to 31 March 2020 PLN thou.
Current income tax	(3,547)	(2,633)
Deferred tax	(38)	(241)
Tax expense reported in the profit and loss account	(3,585)	(2,874)

The effective tax rate in the three months ended 31 March 2021 was 18.0 % compared to 15.6 % 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 31 March 2021	3 months to 31 March 2020
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.)	16,354	15,512
Net profit per share (in PLN)	0.49	0.46

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



#### 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 three months ended 31 March 2021 and in the comparable period were attributed to the following:

	3 months to 31 March 2021 <i>PLN thou</i> .	3 months to 31 March 2020 PLN thou.
Net value of fixed assets as at 1 January	21,100	12,172
Increase through:	1,419	879
Purchase and upgrade	1,419	879
Decrease through:	(1,498)	(1,262)
Depreciation allowance for reporting period	(1,302)	(1,169)
Sales and liquidation	(80)	(93)
Changes in presentation	(116)	-
Net value of fixed assets as at 31 March	21,021	11,789

#### 2.2. Intangible assets

Change in the net value of intangible assets during the 3 months ended 31 March 2021 and in the comparable period was due to the following events:

	3 months to 31 March 2021 PLN thou.	3 months to 31 March 2020 PLN thou.
Net value of intangible assets as at 1 January	24,216	23,212
Increase through:	4,259	3,603
Purchase	77	21
Capitalized costs of ongoing development projects	4,182	3,582
Decrease through:	(3,305)	(3,610)
Depreciation allowance for reporting period	(3,305)	(3,610)
Net value of intangible property as at 31 March	25,170	23,205

#### 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 2021 PLN thou.	31 March 2020 PLN thou.
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.

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 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 2021 was fully balanced and under control, the Management Board has concluded that the assumptions made for the 31 March 2020 test remain realistic.

#### 2.3. Right-of-use assets

During the three months ended 31 March 2021 and in the comparable period, changes to the net value of right-ofuse assets were due to:

	3 months to 31 March 2021 PLN thou.	3 months to 31 March 2020 PLN thou.
Net value of assets from right of use as at 1 January	46,852	51,313
Increase through:	22,270	3,600
New lease agreement	18,845	110
Modification of existing agreements (renewals, change of interest rate)	3,425	3,490
Decrease through:	(2,264)	(2,037)
Depreciation allowance for reporting period	(1,774)	(2,037)
Change in judgement for lease term	(490)	-
Changes in presentation	116	-
Net value of non-current assets from right of use as at 31 March	66,974	52,876

#### 2.4. Inventories

Inventory write-down as at 31 March 2021 amounted to PLN 211 thousand and as at 31 December 2020 amounted to PLN 191 thousand.



#### 2.5. Other assets

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

	31 March 2021		31 Decem	ber 2020
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term <i>PLN thou.</i>
Financial assets measured at amortized cost, incl.	-	-	-	40,000
Deposits with the original maturity of less than 12 months	-	40,012	-	40,000
Total	-	40,012	-	40,000

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

	31 March 2021 PLN thou.		31 December 2020 PLN thou.
Prepayments for deliveries		17	205
Total		17	205

#### 2.6. Prepayments and accrued income

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

	31 March 2021		31 Decem	ber 2020
	Non-current	Non-current Current		Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Prepaid services, including:				
maintenance services and licence fees	74	1,193	14	1,334
prepaid training	-	86	-	119
insurances	5	710	5	982
other services	6	665	-	433
Total	85	2,654	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 ended 31 March 2021 and as at 31 December 2020.

	31 March	1 2021	31 Decemb	per 2020
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Trade receivables	-	42,695	-	41,665
From related parties, including:	-	544	-	697
Invoiced receivables	-	544	-	697
From other parties, including:	-	42,151	-	40,968
Invoiced receivables	-	42,081	-	40,879
Receivables not invoiced	-	70	-	89
Allowance for expected credit losses (-)	-	(1,576)	-	(1,601)
Total trade receivables	-	41,119	-	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 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 2021 and 31 December 2020.

	31 March 2021		31 Decer	mber 2020
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Assets from contracts with customers	-	1,086	-	1,052
Total assets under contracts with customers	-	1,086	-	1,052

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 2021		31 Decem	ber 2020
	Non-current Current		Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Other receivables, including:				
Receivables from paid deposits	145	192	178	233
Other receivables	-	9	-	128
Other receivables total	145	201	178	361



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.

#### 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 31 March 2021 amounted to PLN 17,040 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:

	31 March 2021  PLN thou.	31 December 2020 PLN thou.
Cash at bank in current accounts	16,607	6,113
Cash at bank in split payment accounts	416	440
Cash in hand	10	10
Cash in transit	7	51
Cash balance shown in balance sheet and cash flow statement	17,040	6,614

#### 2.9. Bank loans

In January 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 deadline to 31 October 2022 and
- revolving loan for bank guarantees up to the amount of PLN 1,500 thousand PLN with the repayment date of 30 September 2022.

At 31 March 2021 and at 31 December 2020, the Company had no bank credit or financing debt. However, the Company has open credit lines at its disposal which it can use if necessary.

In the reporting period, the Company did not grant any significant credit or loan sureties or guarantees - collectively to a single entity or its subsidiary.

#### 2.10. Lease liabilities

As at 31 March 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 31 March 2021 and at 31 December 2020:

	31 Marc	31 March 2021		er 2020
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Real property lease	55,78	0 8,716	37,505	6,642
Vehicle lease	5,56	9 1,945	6,222	1,773
Total	61,34	9 10,661	43,727	8,415



The increase in the balance of lease liabilities results from a new agreement to lease office space concluded in June 2020, which entered into force in March 2021. The agreement was concluded for 10 years.

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

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

	31 Marc	h 2021	31 Decem	ber 2020
	Long-term <i>PLN thou</i> .	Short-term <i>PLN thou.</i>	Long-term PLN thou.	Short-term PLN thou.
Trade liabilities				
To related parties, including:	-	340	-	1,040
Invoiced liabilities	-	310	-	1,040
Liabilities not invoiced	-	30	-	
To other parties, including:	-	4,558	-	5,434
Invoiced liabilities	-	3,751	-	4,41
Liabilities not invoiced	-	628	-	844
Liabilities from contractual penalties	-	179	-	179
Total trade liabilities	-	4,898	-	6,474

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

	31 Marc	h 2021	31 December 2020	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Liabilities under contracts with customers				
To related parties, including:	-	2	-	
Accrued income from contracts with customers	-	2	-	
To other parties, including:		14,986	-	14,25
Accrued income from contracts with customers, including:	-	14,430	-	13,729
- pre-paid maintenance services	-	3,573	-	3,343
- licence fees	-	10,857	-	10,386
Liabilities from IT contract valuation	-	556	-	528
Total liabilities from contracts with customers	-	14,988	-	14,257



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

	31 Marc	31 March 2021		ber 2020
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Corporate income tax liabilities	-	3,940	-	3,412
Budgetary commitments				
VAT	-	4,314	-	4,910
Personal income tax (PIT)	-	880	-	2,078
Liabilities to National Insurance Institution	-	4,398	-	4,276
Other	-	101	-	91
Total budgetary commitments	-	9,693	-	11,355
Other liabilities				
Liabilities to employees	-	1,977	-	2,061
Other liabilities	-	1,742	-	1,395
Total other liabilities	-	3,719	-	3,456
Total budgetary commitments and other liabilities	-	13,412	-	14,81

#### 2.12. Provisions

In the period of three months ended 31 March 2021 and in the comparative period, there were no changes to the balance of provisions:

	Post-employment benefits	Other provisions	In total
	PLN thou.	PLN thou.	PLN thou.
As at 1 January 2021	3,294	373	3,667
As at 31 March 2021, including:	3,294	373	3,667
Current	45	373	418
Non-current	3,249	-	3,249
As at 1 January 2020	2,547	373	2,920
As at 31 March 2020, including:	2,547	373	2,920
Current	48	373	421
Non-current	2,499	-	2,499

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



#### 2.13. Accrued expenses

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

	31 Marc	31 March 2021		31 December 2020	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.	
Accrued expenses, including:					
Provision for unused leaves	-	4,817	-	3,414	
Provision for employee and Management Board bonuses	-	7,097	-	10,299	
Total	-	11,914	-	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

	Sales		Purch ses	a
	3 months to 31 March 2021 PLN thou.	3 months to 31 March 2020 PLN thou.	3 months to 31 March 2021 PLN thou.	3 months to 31 March 2020 PLN thou.
Transactions with Asseco Poland S.A.	814	395	1,340	478
Transactions with other related parties	68	182	11	-
Total transactions with related parties	882	577	1,351	478

	Trade receivables and other receivables from related parties		Trade reco lease liabil other lia to relateo	lities and bilities
	31 March 2021 31 December 2020		31 March 2021	31 December 2020
	PLN thou	. PLN thou.	PLN thou.	PLN thou.
Transactions with related parties				
Transactions with Asseco Poland S.A.	319	467	16,142	16,680
Transactions with other related parties	206	230	310	9
TRANSACTIONS TOTAL	525	697	16,452	16,689

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

As at 31 March 2021, the balance of lease liabilities with related parties committed by the Company Executives was PLN 14,489 thousand, and as at 31 December 2020 it amounted to PLN 14,700 thousand.

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In the third quarter of 2021, the cost of interest accrued from lease with related parties committed by the Company Executives was PLN 41 thousand while PLN 84 thousand in the comparable period.

As at 31 March 2021, the balance of unsettled receivables arising from transactions with related parties committed by the Company Executives and with the Company Executives was PLN 19 thousand; as at 31 December 2020, the balance amounted to PLN 1 thousand.

According to the records of Asseco Business Solutions S.A., in the three months ended 31 March 2021, 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 500 thousand and PLN 484 thousand in the comparable period. The value (net) of the transactions of sales of goods and services to related entities by the Company Executives and to the Company Executives totalled PLN 23 thousand; no such transactions occurred in the comparative period.



#### 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:"

	3 months to 31 March 2021	3 months to 31 March 2020
	PLN thou.	PLN thou.
Change in inventories	(750)	302
Change in receivables and assets from contracts with customers	(896)	4,659
Change in other non-financial assets	188	(53)
Change in trade liabilities and liabilities under contracts with customers	(4,060)	(4,289)
Change in the balance of accruals and prepayments	(948)	(3,353)
Total	(6,466)	(2,734)

The following table lists items concerning investing activities:

	3 months to 31 March 2021 <i>PLN thou</i> .	3 months to 31 March 2020 <i>PLN thou</i> .
Sale of property, plant and equipment	72	102
Acquisition of property, plant and equipment	(408)	(879)
Acquisition of intangible assets	(77)	(21)
Expenses for development work	(4,181)	(3,582)

#### 3.2. Contingent liabilities

As at 31 March 2021 (and at 31 December 2020), the Company did not have any contingent liabilities.

#### 3.3. 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 2021 and as at 31 December 2020 does not differ significantly from their carrying value.



As at 31 March 2021, the Company had the following financial instruments measured at fair value:

As at 31 March 2021	Balance sheet value <i>PLN thou</i> .	Level 1 <sub>i)</sub> PLN thou.	Level 2 ii  PLN thou.	Level 3iii)  PLN thou.
Financial liabilities				
Concluded forward contracts	66	-	66	-
Total	66	-	66	-

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

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

In the period ended 31 March 2021 and in the year ended 31 December 2020, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, or none of the instruments was moved from/to Level 3 of the fair value hierarchy.

#### 3.4. 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 2020.

#### 3.5. Headcount

Average employment during the reporting period	3 months to 31 March 2021	3 months to 31 March 2020
Management Board	3	4*
Developers	825	788
Sales personnel	57	54
Administration	47	47
Total	932	892

Employment as at:	31 March 2021	31 December 2020
Management Board	3	3
Developers	860	853
Sales personnel	52	51
Administration	41	41
Total	956	948

<sup>\*</sup>One of the Management Board members was employed under a civil-law contract.

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

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



#### 3.6. Seasonality and cyclicality

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.



## 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 2021

Financial results of Asseco Business Solutions for guarter one of 2021:

	3 months to 31 March 2021	3 months to 31 March 2020	Growth rate 3 mths 2021/ 3 mts 2020
Operating income	72,537	66,894	8.4%
Gross profit on sales	28,312	27,349	3.5%
EBIT	20,352	19,502	4.4%
EBITDA	26,732	26,318	1.6%
Net profit	16,354	15,512	5.4%

EBITDA = EBIT + amortisation/depreciation

In first quarter of 2021, the operating income of Asseco Business Solutions S.A. amounted to PLN 72,537 thousand and was higher by 8.4 % 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 3.4%, while the value of goods, materials and external services sold (COGS) upped by 104.6%. The largest share in the Company's operating expenses (73.0%) was allocated to employee benefits (primarily salaries).

The net profit of Asseco Business Solutions realised in the first quarter of 2021 closed at PLN 16,354 thousand, compared with PLN 15,512 thousand earned in the comparable period of 2019 (up by 5.4%).

#### **Profitability ratios**

Profitability ratios	3 months to 31 March 2021	3 months to 31 March 2020	Growth/d rop rate 3 mths 2021/ 3 mts 2020
Gross margin on sales	39.0%	40.9%	-1.9%
EBITDA profit margin	36.9%	39.3%	-2.4%
Operating margin	28.1%	29.2%	-1.1%
Net margin	22.5%	23.2%	-0.7%
Return on equity (ROE)	4.7%	4.7%	0.0%
Return on assets (ROA)	3.5%	3.5%	0.0%

These ratios have been calculated using the following formulas: Return on equity (ROE) = net profit/equity



The EBIDTA margin of profit after the first quarter of 2021 was 36.9 % and fell compared to the comparable period. The net profit margin after the first quarter of 2021 was 22.5% and fell by 0.7% 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 2021 was PLN 43,080 thousand and was higher by PLN 12,984 thousand compared with 31 December 2020. The increase in working capital results from: an increase in current assets by PLN 11,715 thousand and a decrease in short-term liabilities by PLN 1,269 thousand. The increase in current assets is mainly due to higher cash levels in bank accounts and bank deposits.

Liquidity ratios	3 months to 31 March 2021	12 months to 31 December 2020	3 months to 31 March 2020
Working capital (in PLN thou.)	43,080	30,096	37,783
Current ratio	1.72	1.49	1.73
Quick ratio	1.65	1.44	1.68
Super quick ratio	0.28	0.11	0.38

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 presents the main debt ratios of the Company as at 31 March 2021 and in the comparative period as at 31 December 2020:

Debt ratios	3 months to 12 months 31 March 2021 31 December		3 months to 31 March 2020
General debt ratio	26.4%	24.6%	23.6%

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



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

ASSETS	31 March 2021	Share in balance sheet total	31 December 2020	Share in balance sheet total
Non-current assets	369,824	78%	348,832	79%
Current assets	103,311	22%	91,596	21%
TOTAL ASSETS	473,135	100%	440,428	100%

LIABILITIES	31 March 2021	Share in balance sheet total	31 December 2020	Share in balance sheet total
Total equity	348,306	74%	331,952	75%
Long-term liabilities	64,598	13%	46,976	11%
Short-term liabilities	60,231	13%	61,500	14%
TOTAL EQUITY AND LIABILITIES	473,135	100%	440,428	100%

As at 31 March 2021, the total assets of the Company amounted to PLN 473,135 thousand, which is a growth by 7.4% compared with 31 December 2020.

The Company's main asset component is non-current assets, which account for 78% of the balance sheet total. Among them, intangible assets are the key item amounting to PLN 278,049 thousand. Goodwill has the largest share in intangible assets: PLN 252,879 thousand. The share of this item in total assets is 59%. This is a rather standard situation among tech companies whose greatest asset is knowledge and intangible assets.

As at 31 March 2021, the Company's equity amounted to PLN 348,306 thousand (74 % 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 during the reporting period ended 31 March 2021 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 2021, 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 statements and on the forecast results in subsequent periods is presented in item II.2 of the Interim Condensed Financial Statements of Asseco Business Solutions.



#### 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 2020, 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 2020 (in accordance with Current Report No. 2/2021) had been made public. The recommended dividend shall be PLN 2.00 per share, which translates into the payment of PLN 66,836 thousand from the net profit for 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.

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

Important agreements concluded in the first quarter of 2021:

- PROFI Sp. z o.o. licensing and implementation of Asseco Softlab ERP and the provision of maintenance services,
- COLUMBUS ENERGY S.A. licensing and implementation of Asseco Softlab LS and WMS in cloud and the provision of maintenance services,
- MFO S.A. licensing and implementation of Asseco Softlab ERP and Softlab Analytics and the provision of maintenance services.

## 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.

In addition to the recovery of receivables, the Company is a party to a case connected with the decision of the Office of Competition and Consumer Protection of December 2013 imposing a fine on Asseco Business Solutions. The fine was associated with investigations by the OCCP related to the use of abusive clauses in agreements concluded by the Company (and its legal predecessors) with the distributors of the WAPRO-branded software. In November 2016, the Court of Appeal in Warsaw changed the contested decision of the District Court and revoked the decision of the President of the Office of Competition and Consumer Protection. The Office of Competition and Consumer Protection appealed to the highest instance against the decision of the Court of Appeal. The appeal contained, inter alia, a request for the cancellation of the contested decision of that court. In March 2017, the Company responded to the appeal. In accordance with the precautionary principle, the entire amount of the fine was secured by a provision created within the 2013 expenses. On 16 October 2019, the Court of Appeals issued a decision in the case referred by the Regional Court in Warsaw. The original judgement was set aside. On 2 July 2020, the District Court in Warsaw reduced the fine imposed on Asseco Business Solutions and waived mutual costs of proceedings between the parties. On 17 August 2020, the Company filed an appeal against the judgement to the District Court.



#### 5.7. Capital expenditure

In the period ended 31 March 2021, the Company made investment outlays in the amount of PLN 5,678 thousand, and in the comparable period the same outlays amounted to PLN 4,482 thousand.

#### 5.8. Feasibility assessment of financial forecast published by the Management Board for 2020

The Management Board of Asseco Business Solutions S.A. did not publish financial forecast for 2021.

#### 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. Indication of factors that, in the Management Board's opinion, will have an impact on the Company's results at least during 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 is constantly monitoring the developments related to the COVID-19 pandemic. 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,
- 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 in connection with 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

To the date of these financial statements for the three months ended 31 March 2021, i.e. until 27 April 2021, there had been no significant events after the balance sheet date that 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 2021, i.e. until 27 April 2020, there had been no events concerning previous years that are not, and should be, included in these financial statements.

#### **Signatures of Management Board Members**

Full name Position/Function Signature

Wojciech Barczentewicz President

Piotr Masłowski Vice-president

Mariusz Lizon Member

Artur Czabaj Book-keeper

#### Asseco Business Solutions S.A.

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