



Interim Financial Statements of Asseco Business Solutions S.A.

for the Six Months

Ended 30 June 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.

	6 months to 30 June 2022 (unaudited) PLN thou.	6 months to 30 June 2021 (unaudited) PLN thou.	6 months to 30 June 2022 (unaudited) EUR thou.	6 months to 30 June 2021 (unaudited) EUR thou.
Operating income	155,130	142,804	33,414	31,405
Operating profit	41,540	40,213	8,947	8,844
Profit before tax	41,050	40,328	8,842	8,869
Net profit	34,786	32,960	7,493	7,249
Net cash from operating activities	54,716	38,384	11,785	8,441
Net cash generated (used) in investing activities	(16,046)	28,456	(3,456)	6,258
Net cash from financing activities	(80,086)	(71,021)	(17,250)	(15,619)
Cash and cash equivalents at end of period (comparable period: 31/12/2021)	1,416	42,832	303	9,313
Net income per ordinary share (in PLN/EUR)	1.04	0.99	0.22	0.21

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

- the Company's cash position at the end of the current reporting period and in the corresponding period of the previous year is translated at the average exchange rate announced by the National Bank of Poland on the balance sheet date.
 - On 30 June 2022, 1 EUR = 4.6806 PLN.
 - On 31 December 2021, 1 EUR = 4.5994 PLN.
- selected items from the interim condensed statements of comprehensive income and the interim condensed statements of cash flows are translated at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland on the last day of each month.
 - In the period from 1 January to 30 June 2022: EUR 1 = PLN 4,6427.
 - In the period from 1 January to 30 June 2021: EUR 1 = PLN 4,5472.

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



Interim condensed financial statements

for the six months ended 30 June 2022 drawn up in
accordance with International Accounting Standard 34
Interim Financial Reporting
approved by the EU

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

PROFIT AND LOSS ACCOUNT	Note	3 months to 30 June 2022 <i>(unaudited) PLN thou.</i>	6 months to 30 June 2022 <i>(unaudited) PLN thou.</i>	3 months to 30 June 2021 <i>(unaudited) PLN thou.</i>	6 months to 30 June 2021 <i>(unaudited) PLN thou.</i>
Operating income	<u>1.1</u>	78,099	155,130	70,267	142,804
Own cost of sales	<u>1.2</u>	(48,364)	(95,601)	(42,338)	(86,531)
Gross profit on sales		29,735	59,529	27,929	56,273
Cost of sales	<u>1.2</u>	(3,978)	(8,032)	(3,394)	(7,280)
Administrative expenses	<u>1.2</u>	(5,353)	(9,966)	(4,785)	(9,021)
Net profit on sales		20,404	41,531	19,750	39,972
Other operating income		362	537	153	325
Other operating expenses		(261)	(528)	(42)	(84)
Operating profit		20,505	41,540	19,861	40,213
Financial income	<u>1.3</u>	357	476	850	635
Financial expenses	<u>1.3</u>	(443)	(966)	(322)	(520)
Profit before tax		20,419	41,050	20,389	40,328
Tax on profit or loss	<u>1.4</u>	(3,227)	(6,264)	(3,783)	(7,368)
Net profit		17,192	34,786	16,606	32,960
Net income per ordinary share (in PLN):					
basic from net profit	<u>1.5</u>	0.51	1.04	0.50	0.99
diluted from net profit	<u>1.5</u>	0.51	1.04	0.50	0.99

TOTAL INCOME:	Notes	3 months to 30 June 2022 <i>(unaudited) PLN thou.</i>	6 months to 30 June 2022 <i>(unaudited) PLN thou.</i>	3 months to 30 June 2021 <i>(unaudited) PLN thou.</i>	6 months to 30 June 2021 <i>(unaudited) PLN thou.</i>
Net profit		17,192	34,786	16,606	32,960
Items that may be reclassified to profit and loss account:		-	-	-	-
Items not subject to reclassification to profit and loss:		776	776	-	-
Other comprehensive income total:		776	776	-	-
TOTAL COMPREHENSIVE INCOME FOR PERIOD		17,968	35,562	16,606	32,960

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

ASSETS	Note	30 June 2022 (unaudited) PLN thou.	31 December (audited) PLN thou.
Non-current assets			
Property, plant and equipment	<u>2.1</u>	29,419	22,287
Intangible assets	<u>2.2</u>	283,157	280,162
<i>including goodwill from merger</i>	<u>2.2</u>	252,879	252,879
Right-of-use assets	<u>2.3</u>	54,790	60,637
Assets from contracts with customers and long-term receivables	<u>2.7</u>	196	223
Deferred tax assets		3,343	2,647
Prepaid expenses and accrued income	<u>2.6</u>	118	30
		371,023	365,986
Current assets			
Inventories	<u>2.4</u>	1,386	409
Trade receivables	<u>2.7</u>	44,661	44,534
Assets from contracts with customers	<u>2.7</u>	2,518	804
Other receivables	<u>2.7</u>	465	86
Prepaid expenses and accrued income	<u>2.6</u>	2,249	1,242
Other assets	<u>2.5</u>	182	72
Cash and short-term deposits	<u>2.8</u>	1,416	42,832
		52,877	89,979
TOTAL ASSETS		423,900	455,965

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

LIABILITIES	Notes	30 June 2022 (unaudited) PLN thou.	31 December 2021 (audited) PLN thou.
TOTAL EQUITY			
Subscribed capital		167,091	167,091
Premium		62,543	62,543
Retained earnings		81,677	116,859
		311,311	346,493
Long-term liabilities			
Lease liabilities	<u>2.10</u>	49,226	53,599
Provisions	<u>2.12</u>	1,708	2,548
Liabilities from contracts with customers		10	-
		50,944	56,147
Short-term liabilities			
Lease liabilities	<u>2.10</u>	10,284	10,746
Trade liabilities	<u>2.11</u>	4,924	5,724
Liabilities from contracts with customers	<u>2.11</u>	14,581	15,368
Tax liabilities under corporate income tax	2.11	2,309	696
Budgetary commitments and other liabilities	<u>2.11</u>	15,079	12,740
Provisions	<u>2.12</u>	67	59
Accrued expenses	<u>2.13</u>	14,401	7,992
		61,645	53,325
TOTAL LIABILITIES		112,589	109,472
TOTAL EQUITY AND LIABILITIES		423,900	455,965

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

	Notes	Share capital	Surplus from the sale of shares above their nominal value	Retained earnings	Equity total
		PLN thou.	PLN thou.	PLN thou.	PLN thou.
As at 1 January 2022		167,091	62,543	116,859	346,493
Profit in reporting period		-	-	34,786	34,786
Total of other comprehensive income		-	-	776	776
Dividend for 2021	<u>1.6</u>	-	-	(70,847)	(70,847)
Other adjustments		-	-	103	103
As at 30 June 2022 (unaudited)		167,091	62,543	81,677	311,311
As at 1 January 2021		167,091	62,543	102,318	331,952
Profit in reporting period		-	-	32,960	32,960
Dividend for 2020	<u>1.6</u>	-	-	(66,836)	(66,836)
As at 30 June 2021 (unaudited)		167,091	62,543	68,442	298,076

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

	Notes	6 months to 30 June 2022 (unaudited) PLN thou.	6 months to 30 June 2021 (unaudited) PLN thou.
Cash flow from operating activities			
Profit before tax		41,050	40,328
Adjustments:		19,110	6,744
Amortisation/Depreciation		14,862	13,414
Changes in working capital	<u>3.1</u>	3,134	(6,406)
Interest income/expenses		747	499
FX gains(losses)		384	(523)
Other financial income/expenses		-	(192)
Investment gain/(loss)		(17)	(48)
Cash generated from operating activities		60,160	47,072
(Income tax paid)		(5,444)	(8,688)
Net cash from operating activities		54,716	38,384
Cash flow from investing activities			
Receipts:			
Receipts from the sale of fixed assets and intangible assets	<u>3.1</u>	23	103
Bank deposits		-	40,000
Outflows:			
Purchase of fixed assets and intangible assets	<u>3.1</u>	(5,769)	(3,453)
Expenses related to ongoing development projects	<u>3.1</u>	(10,300)	(8,194)
Net cash used in investing activities		(16,046)	28,456
Cash flow from financing activities			
Receipts:			
Receipts from obtained loans		-	934
Outflows:			
Repayment of lease liabilities		(8,492)	(4,620)
Interest paid		(747)	(499)
Dividend paid		(70,847)	(66,836)
Net cash from financing activities		(80,086)	(71,021)
Change in net cash and cash equivalents		(41,416)	(4,181)
Cash and cash equivalents as at 1 January		42,832	6,614
Revolving credits as part of cash management as at 1 January		-	-
Cash and cash equivalents as at 30 June	<u>2.8</u>	1,416	2,433

Explanatory notes to the interim condensed financial statements

I. Basic information

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

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

Asseco Business Solutions S.A. is part of the international Asseco Group, a Europe-leading vendor of proprietary software. The Group is a constellation of enterprises engaged in the advancement of information technology and is present in over 60 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 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 the high quality products and related services, the software from Asseco BS has been successful in supporting the operations of tens of thousands of companies. Asseco BS's track record covers dozens of completed software deployments in Poland and in most European countries.

The direct parent of Asseco Business Solutions S.A. is Asseco Enterprise Solutions a.s., headquartered in Bratislava, Slovakia, which holds 46.47% of the Company's shares. The parent of the entire Group is Asseco Poland S.A. which holds indirectly through subsidiaries 95.67% of shares in Asseco Enterprise Solutions a.s.

As regards Asseco Business Solutions S.A., the decision of maintaining control over the six months ended 30 June 2022 in accordance with IFRS 10 was based on the following factors:

- decisions are taken by a simple majority of votes present at the General Meeting;
- the Company's shareholding is dispersed and, apart from Asseco Enterprise Solutions a.s. (a subsidiary of Asseco Poland S.A.), there are only two shareholders holding more than 5% of votes at the General Meeting; the larger of them holds 11.71% of votes, and the third largest one holds 10.17% 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 2018 to 2020, the percentage of shareholders present at the General Meetings ranged from 50.83% to 73.26%. This means that shareholders' activity is relatively low or moderate. Considering that Asseco Enterprise Solutions a.s. currently holds 46.47% of the total number of votes at the General Meeting, the attendance would have to exceed 92.93% for Asseco Enterprise Solutions a.s. not to have the absolute majority of vote at the General Meeting. In the opinion of the Management Board, such a level of attendance is highly unlikely.

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

1. Composition of the Issuer's governing bodies

On the date of publication of these financial statements, i.e. on 03 August 2022, the Management Board of Asseco Business Solution S.A. was made up of:

Wojciech Barcentewicz	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. 03 August 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
Artur Osuchowski	Member of the Supervisory Board

On 12 July 2022, the Extraordinary General Meeting of Asseco Business Solutions S.A. appointed Mr Artur Osuchowski member of the Supervisory Board of the Company.

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

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

1. Basis for the preparation

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

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 30 June 2022.

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 1 March 2022.

2. The impact of the political and economic situation on the territory of Ukraine and the COVID-19 epidemic on 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 military conflict in Ukraine and the Covid-19 pandemic in Poland and across the world, concluded that the Company's operation as a going concern is not at risk for a period of at least 12 months as from 30 June 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.

Upon publication of these financial statements, the Company does not recognize any significant impact of the war on the territory of Ukraine and the sanctions imposed on Russia 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 conduct any significant business activities in Russia, Belarus, or Ukraine. The Company does not employ staff in the territory of Ukraine; therefore, the hostilities in this country do not affect the Company directly. Nor do this situation have a direct impact on these financial statements.

On a global scale, the war in Ukraine and the pandemic have triggered inflation, volatile economic situation, and an increase in interest rates. However, these phenomena do not have a direct impact on the Company's results, and the said increase in interest rates does not cause a significant increase in interest costs.

In the current geopolitical situation, cybersecurity is also a priority. Special procedures for monitoring ICT networks have been put in place at the Company in response to an increased activity of criminal groups focusing on attacking critical systems and infrastructure. Due to the current CHARLIE-CRP emergency level, the Company's contingency plans have been reviewed. Extra contingency plans have been developed in the event of the Russo-Ukrainian conflict spreading to the territories of other countries and posing a threat to the Company's personnel's lives.

At the time of publication of these financial statements, due to the volatile situation, it is difficult to determine the long-term economic effects of the war in Ukraine and their impact on the general macroeconomic situation, which would indirectly affect the Company's financial results.

At the time of publication of these financial statements, the Company does not recognize any significant impact of the pandemic crisis on its financial position and economic results, besides some organizational aspects of the Company's operations. At the time of publication of these financial statements, all Company's departments operate unperturbed, and the Company performs its contractual obligations as provided for in relevant agreements.

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

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

However, the Company cannot rule out a scenario that in the event the current political and economic situation remains uncertain and the Covid-19 pandemic does not subside and continues to have a 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. Given the circumstances, the Company attempts to lessen the possible negative impact on future financial results.

As at 30 June 2022, the Company reported negative working capital of PLN 8,768 thousand due to the payment of dividend for 2021. The Management Board sees no threat to the Company's liquidity because it shows positive financial results and positive operational cash flows.

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

3. Statement of conformity

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

The scope of these interim condensed financial statements as part of the interim report is in line with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (consolidated text: Journal of Laws of 2018, No. 33, item 757) ("Regulation") and covers a reporting period of six months from 1 January to 30 June 2022 and the comparable period from 1 January to 30 June 2021 for the income statement and cash flow statement, respectively, as well as the balance sheet as at 30 June 2022 and the comparable data as at 31 December 2021.

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

4. Functional currency and presentation currency

These separate and condensed financial statements are presented in zloty ("PLN") and all values, unless specified otherwise, are expressed in thousands of PLN. The functional currency of Asseco Business Solution S.A. is also the Polish zloty. 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 30 June 2022: 1 EUR = 4.6806 PLN
- ✓ the exchange rate effective on 30 June 2021: 1 EUR = 4.5208 PLN
- ✓ the exchange rate effective on 30 June 2022: 1 USD = 4.4825 PLN
- ✓ the exchange rate effective on 30 June 2021: 1 USD = 3.8035 PLN

5. Estimates and professional judgement

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

In the six months ended 30 June 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. The amended standards and interpretations applicable for the first time in 2022 do not have a significant impact on the Company’s interim condensed financial statements.

Revised standards and interpretations applied for the first time in 2022:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use,
- Amendments to IAS 37 Onerous Contracts: Costs of Fulfilling a Contract,
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework, and
- Amendments resulting from the review of IFRS 2018-2020: Amendments to IAS 41, IFRS 1, IFRS 16 and IFRS 9 mainly concern the removal of inconsistencies and clarification of terminology.

The amended standards and interpretations applicable for the first time in 2022 do not have a significant impact on the Company’s interim condensed financial statements.

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 and Non-current – Deferral of Effective Date* (published on 23 January and 15 July 2020, respectively) – 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 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 94% of total Company's revenues. Other activities do not meet the quantitative thresholds imposed by IFRS 8 and are not isolated as segments. Changes in the size and significance of developed products and provided services may result in a change of composition of operating segments.

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

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

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

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

6 months to 30 June 2022	ERP segment	Unallocated	Total
	PLN thou.	PLN thou.	PLN thou.
Sales to external customers	146,480	8,650	155,130
Settlements between segments	-	-	-
Gains on reported segment sales	41,091	440	41,531
Amortisation/Depreciation	(14,685)	(104)	(14,789)
Intangible assets recognised during the settlement of combination assigned to segment	1,200	-	1,200
Goodwill from combinations assigned to segment	252,879	-	252,879

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

IV. Explanatory notes to the interim condensed financial statements

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

1.1. Structure of operating income

Operating income after the three and six months ended 30 June 2022 and in the comparable period was as follows:

	3 months to 30 June 2022	6 months to 30 June 2022	3 months to 30 June 2021	6 months to 30 June 2021
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Operating income by type				
Licences and own services	73,537	146,249	65,633	130,923
Licences and external services	3,143	5,698	2,990	7,629
Equipment and infrastructure	1,419	3,183	1,644	4,252
Operating income total	78,099	155,130	70,267	142,804

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

	3 months to 30 June 2022	6 months to 30 June 2022	3 months to 30 June 2021	6 months to 30 June 2021
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Liabilities under contracts with customers recognized in accordance with IAS 15				
From goods or services provided at a specified time, including:	8,737	18,967	7,639	19,426
ERP segment	4,468	10,545	3,396	8,681
Unallocated	4,269	8,422	4,243	10,745
From goods or services provided over time, including:	69,362	136,163	62,628	123,378
ERP segment	69,134	135,935	62,398	123,002
Unallocated	228	228	230	376
Operating income total	78,099	155,130	70,267	142,804

ii. Structure of operating income by country of generation

	6 months to 30 June 2022	6 months to 30 June 2021
	PLN thou.	PLN thou.
Poland	133,780	123,076
ROW, including:	21,350	19,728
- Germany	4,506	3,311
- France	3,726	3,955
- United Kingdom	3,399	4,038

	6 months to 30 June 2022	6 months to 30 June 2021
	PLN thou.	PLN thou.
- The Netherlands	3,065	2,766
- Romania	1,882	1,887
- Austria	1,759	105
- Italy	426	485
- Spain	504	148
- United States of America	364	831
- Czech Republic	303	220
- Bulgaria	232	291
- the Baltics (Lithuania, Latvia, Estonia)	167	52
- others	1,017	1,639
	155,130	142,804

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

1.2. Structure of operating expenses

	3 months to 30 June 2022	6 months to 30 June 2022	3 months to 30 June 2021	6 months to 30 June 2021
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Operating expenses				
Value of goods and external services sold	(4,175)	(7,876)	(4,015)	(10,515)
Employee benefits	(37,940)	(75,706)	(32,573)	(66,018)
Amortisation/Depreciation	(7,445)	(14,789)	(6,999)	(13,343)
External services	(5,689)	(10,940)	(5,158)	(9,928)
Other	(2,446)	(4,288)	(1,772)	(3,028)
Total	(57,695)	(113,599)	(50,517)	(102,832)
Own cost of sales	(48,387)	(95,632)	(42,333)	(86,551)
Cost of sales	(3,978)	(8,032)	(3,394)	(7,280)
Administrative expenses	(5,353)	(9,966)	(4,785)	(9,021)
Allowance/reversal for expected credit losses in respect of trade receivables	23	31	(5)	20
Total	(57,695)	(113,599)	(50,517)	(102,832)

1.3. Financial income and expenses

The structure of financial income after the three and six months ended 30 June 2022 and in the comparable period was as follows:

Financial income	3 months to 30 June 2022	6 months to 30 June 2022	3 months to 30 June 2021	6 months to 30 June 2021
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Interest income from bank deposits measured at effective interest rate	357	476	15	35
Positive exchange differences	-	-	577	408
Gains from realisation and/or valuation of derivative instruments	-	-	258	192
Total	357	476	850	635

Financial expenses in the three and six months ended 30 June 2022 and in the comparable period were as follows:

Financial expenses	3 months to 30 June 2022	6 months to 30 June 2022	3 months to 30 June 2021	6 months to 30 June 2021
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Interest cost on lease	(399)	(747)	(322)	(499)
Other interest expense	(4)	(9)	-	(21)
Negative exchange rates	(40)	(210)	-	-
Total	(443)	(966)	(322)	(520)

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

1.4. Tax on profit or loss

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

	3 months to 30 June 2022	6 months to 30 June 2022	3 months to 30 June 2021	6 months to 30 June 2021
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Current income tax	(3,638)	(7,038)	(3,689)	(7,236)
Deferred tax	411	774	(94)	(132)
Tax expense reported in the profit and loss account	(3,227)	(6,264)	(3,783)	(7,368)

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

	6 months to 30 June 2022 PLN thou.	6 months to 30 June 2021 PLN thou.
Accounting income from continuing operations	41,050	40,328
Applicable corporate income tax rate	19%	19%
Income tax at applicable statutory tax rate	7,800	7,662
Use of tax-deductible tax allowances (R&D relief)	(1,314)	(1,027)
SFRD	127	113
IP BOX relief	(483)	449
Other fixed differences	134	171

The effective tax rate in the six months ended 30 June 2022 was 15.3% compared to 18.3% in the comparable period.

1.5. Earnings per share

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

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

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

	3 months to 30 June 2022	6 months to 30 June 2022	3 months to 30 June 2022	
Weighted average number of issued shares used to calculate basic earnings per share (in pcs)	33,418,193	33,418,193	33,418,193	33,418,193
Net profit for the reporting period (in PLN thou.)	17,192	34,786	16,606	32,960
Net profit per share (in PLN)	0.51	1.04	0.50	0.99

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

1.6. Information on dividends paid

By the decision of the Ordinary General Meeting of Shareholders of Asseco Business Solutions convened on 31 May 2022, the net profit for the financial year 2021 in the amount of PLN 80,648 thousand was divided as follows:

- part of the net profit for the year 2021 in the amount of PLN 70,847 thousand was earmarked for distribution among the shareholders, i.e. for the payment of dividend in the amount of PLN 2.12 per share;
- the reminder of the net profit for 2021 in the amount of PLN 9,801 thousand was transferred to retained earnings.

The dividend date was set on 18 June 2022 and the dividend payment date on 23 June 2022.

The company did not pay interim dividend for the year 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 reminder of the net profit for 2020 in the amount of PLN 9,570 thousand was transferred to retained earnings.

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

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

2. Explanatory notes to the balance sheet

2.1. Property, plant and equipment

Changes in net worth of property, plant and equipment in the period of the six months ended 30 June 2022 and in the comparable period were attributed to the following:

	6 months to 30 June 2022 PLN thou.	6 months to 30 June 2021 PLN thou.
Net value of fixed assets as at 1 January	22,287	21,100
Increase through:	10,031	3,522
Purchase and upgrade	5,573	3,522
Buyout of right-of-use asset	4,458	-
Decrease through:	(2,899)	(2,808)
Depreciation allowance for reporting period	(2,892)	(2,717)
Sales and liquidation	(7)	(91)
Changes in presentation	-	(116)
Net value of fixed assets as at 30 June	29,419	21,698

2.2. Intangible assets

Change in the net value of intangible assets during the 6 months ended 30 June 2022 and in the comparable period was due to the following events:

	6 months to 30 June 2022 PLN thou.	6 months to 30 June 2021 PLN thou.
Net value of intangible assets as at 1 January	27,283	24,216
Increase through:	10,310	8,480
Purchase	2	283
Capitalized costs of ongoing development projects	10,308	8,197
Decrease through:	(7,315)	(6,618)
Depreciation allowance for reporting period	(7,315)	(6,618)
Net value of intangible assets as at 30 June	30,278	26,078

Goodwill

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

	30 June 2022 PLN thou.	31 December 2021 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.

The Management Board found that the war in Ukraine did not cause the loss of goodwill. As at 30 June 2022, the Management Board reviewed the assumptions for the impairment test carried out and disclosed in the financial statements for the year ended 31 December 2021 in Note 5.4. In the opinion of the Management Board, the assumptions adopted in the test remain valid as at 30 June 2022. On the basis of the foregoing, the Management Board decided that there is no need to apply impairment to goodwill.

2.3. Right-of-use assets

During the six months ended 30 June 2022 and in the comparable period, changes in the net worth of right-of-use assets resulted from the following events:

	6 months to 30 June 2022 PLN thou.	6 months to 30 June 2021 PLN thou.
Net value of right-of-use assets as at 1 January	60,637	46,852
Increase through:	3,274	24,614
New lease agreements	108	21,166
Modifications to existing agreements	3,166	3,448
Decrease through:	(9,121)	(7,471)
Depreciation allowance for reporting period	(4,663)	(4,082)
Buyout of right-of-use asset	(4,458)	-
Modifications of agreements	-	(3,389)
Changes in presentation	-	116
Net value of assets from right of use under economic activity as at 30 January	54,790	64,111

2.4. Inventories

The value of the impairment loss as at June 30, 2022 amounted to PLN 286 thousand. PLN, while on the day 31 December 2021 amounted to PLN 281 thousand.

2.5. Other assets

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

As at 30 June 2022 (and as at 31 December 2021), the Company was not a party to forward contracts.

In the six months ended 30 June 2022, the Company did not change the method of determining the fair value of financial instruments measured at fair value, and there were no transfers of instruments between levels of the fair value hierarchy.

According to the Company's assessment, the fair value of cash, short-term deposits, trade receivables, trade liabilities and other short-term liabilities does not differ from the carrying amounts largely due to the short period of maturity. The fair value of financial assets held by the Company as at 30 June 2022 and as at 31 December 2021 does not differ significantly from their carrying value.

As at 30 June 2022 and as at 31 December 2021, the Company held the following non-financial assets:

	30 June 2022 PLN thou.	31 December 2021 PLN thou.
Prepayments for deliveries	182	72

2.6. Prepaid expenses and accrued income

As at 30 June 2022 and as at 31 December 2021, the balance of prepayments and accruals consisted of the following items:

	30 June 2022		31 December 2021	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Prepaid services, including:				
<i>maintenance services and licence fees</i>	114	970	23	393
<i>insurances</i>	-	666	-	84
<i>prepaid training</i>	-	4	2	62
<i>other services</i>	4	609	5	703
Total	118	2,249	30	1,242

2.7. Receivables and assets from contracts with customers

The table below presents balances of receivables and balances of assets under contracts with customers as at 30 June 2022 and as at 31 December 2021.

	30 June 2022		31 December 2021	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Trade receivables	-	46,027	-	45,969
From related parties, including:	-	1,050	-	4,108
Invoiced receivables	-	1,050	-	3,966

Receivables not invoiced	-	-	-	142
From other parties, including:	-	44,977	-	41,861
Invoiced receivables	-	44,891	-	41,522
Receivables not invoiced	-	86	-	339
Allowance for expected credit losses (-)	-	(1,366)	-	(1,435)
Total trade receivables	-	44,661	-	44,534

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 war in Ukraine and 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 30 June 2022 and 31 December 2021.

	30 June 2022		31 December	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Assets under contracts with customers, including:				
From related parties	-	311	-	28
Total receivables from contracts with	-	2,518	-	804
To other parties	-	2,207	-	776

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

Other receivables	30 June 2022		31 December 2021	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Budget receivables	-	4	-	-
Receivables from paid deposits	196	31	223	43
Other receivables	-	430	-	43
Other receivables total	196	465	223	86

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

2.8. Cash

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

The fair value of cash and short-term deposits at 30 June 2022 amounted to PLN 1,416 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:

	30 June 2022	31 December 2021
	PLN thou.	PLN thou.
Cash at bank in current accounts	1,065	22,220
Cash at bank in split payment accounts	147	526
Short-term deposits	-	20,017
Cash in hand	19	21
Cash in transit	185	48
Total cash balance shown in balance sheet and cash flow statement	1,416	42,832

2.9. Bank loans

As at 30 June 2022 and 31 December 2021, the Company had no debt in its current account.

As at 30 June 2022 and 31 December 2021, the Company kept open credit lines that enable access to financing in the amount of up to PLN 70,000 thousand with the overdraft facility repayment date 31 October 2023 and enable the obtaining of bank guarantees up to the amount of PLN 1,500 thousand with the repayment date 30 September 2023

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

	Maximum amount of debt	Effective interest rate %	Repayment date	30 June 2022		31 December 2021	
				Long-term	Short-term	Long-term	Short-term
Overdrafts in current accounts				-	-	-	-
Credit on running account	70,000	WIBOR 1 mth+margin	31.10.2023	-		-	-
Total				-		-	-

2.10. Lease liabilities

As at 30 June 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 30 June 2022 and as at 31 December 2021:

	30 June 2022		31 December 2021	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Real property lease	45,712	8,971	47,051	8,113
Vehicle lease	3,514	1,313	6,548	2,633
Total	49,226	10,284	53,599	10,746

The decrease in vehicle lease liabilities is due to the early termination of the lease agreement and taking advantage of the vehicle purchase option amounting to PLN 3,258 thousand.

Real property lease

As at 30 June 2022, the net value of real property leased under finance lease agreements was PLN 49,346 thousand (at 31 December 2021: PLN 50,050 thousand).

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

	30 June 2022 PLN thou.	31 December 2021 PLN thou.
Future undiscounted lease fees		
in less than 1 year	9,952	9,115
from 1 to 5 years	37,398	36,761
more than 5 years	11,434	13,670
Future undiscounted lease payments	58,784	59,546
Future interest expense	(4,101)	(4,382)
Current value of lease liabilities		
in less than 1 year	8,971	8,113
from 1 to 5 years	34,576	33,787
more than 5 years	11,136	13,264
Lease liability	54,683	55,164

Vehicle lease

As at 30 June 2022, the net value of leased vehicles PLN 5,444 thousand (at 31 December 2021: PLN 10,587 thousand).

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

	30 June 2022 PLN thou.	31 December 2021 PLN thou.
Future undiscounted lease fees		
in less than 1 year	1,396	2,779
from 1 to 5 years	3,618	6,722
more than 5 years	-	-
Future undiscounted lease payments	5,014	9,501
Future interest expense	(187)	(320)
Current value of lease liabilities		
in less than 1 year	1,313	2,633
from 1 to 5 years	3,514	6,548
more than 5 years	-	-
Lease liability	4,827	9,181

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

As at 30 June 2022 and as at 31 December 2021, the Company's trade liabilities were as follows:

	30 June 2022		31 December 2021	
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Trade liabilities				
To related parties, including:	-	95	-	363
Invoiced liabilities	-	95	-	363
Liabilities not invoiced	-	-	-	-
To other parties, including:	-	4,829	-	5,361
Invoiced liabilities	-	3,749	-	4,211
Liabilities not invoiced	-	1,080	-	1,150
Total trade liabilities total	-	4,924	-	5,724

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

As at 30 June 2022 and as at 31 December 2021, liabilities under contracts with customers were as follows:

	30 June 2022		31 December 2021	
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Liabilities from contracts with customers				
To related parties, including:	-	49	-	323
Accrued income from contracts with customers	-	49	-	-
Liabilities from the valuation of IT contracts	-	-	-	323
To other parties, including:	10	14,532	-	15,045
Accrued income under contracts with customers, incl.	10	14,442	-	14,596
- pre-paid maintenance services	10	4,130	-	3,612
- licence fees	-	10,312	-	10,984
Liabilities arising from the valuation of IT contracts	-	90	-	449
Total liabilities from contracts with customers	10	14,581	-	15,368

As at 30 June 2022 and as at 31 December 2021, other Company's liabilities arise from the following:

	30 June 2022		31 December 2021	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Corporate income tax liabilities	-	2,309	-	696
Budgetary commitments				
VAT	-	4,834	-	5,596
Personal income tax (PIT)	-	1,102	-	3,034
Social Insurance Institution	-	5,250	-	1,067
Other	-	117	-	115
Total budgetary commitments	-	11,303	-	9,812
Other liabilities				
Liabilities to employees	-	2,907	-	2,000
Other liabilities	-	869	-	928
Total other liabilities	-	3,776	-	2,928
Total budgetary commitments and other liabilities	-	15,079	-	12,740

2.12. Provisions

Changes in provisions in the 6 months ended 30 June 2022 and in the comparable period were attributed to the following:

	Post-employment benefits	Other provisions	Total
	PLN thou.	PLN thou.	PLN thou.
As at 1 January 2022	2,607	-	2,607
Establishment (+)	126	-	126
Actuarial gains/losses	(958)	-	(958)
As at 30 June 2022, including:	1,775	-	1,775
Current	67	-	67
Non-current	1,708	-	1,708
As at 1 January 2021	3,294	373	3,667
Establishment (+)	-	-	-
Use (-)/Reversal (-)	-	(373)	(373)
As at 30 June 2021, including:	3,294	-	3,294
Current	46	-	46
Non-current	3,248	-	3,248

Post-employment benefits are updated on a yearly basis.

2.13. Accruals

As at 30 June 2022 and as at 31 December 2021, the Company's accruals and deferred income were as follows:

	30 June 2022		31 December 2021	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
Expenses due and unpaid, including:				
Provision for unused leaves	-	5,427	-	3,549
Provision for bonuses for employees and Management Board	-	8,974	-	4,443
Total	-	14,401	-	7,992

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

2.14. Related party transactions

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

	Revenues		Purchases	
	6 months to 30 June 2022 PLN thou.	6 months to 30 June 2021 PLN thou.	6 months to 30 June 2022 PLN thou.	6 months to 30 June 2021 PLN thou.
Transactions with Asseco Poland S.A.	1,845	1,179	2,418	1,576
Transactions with other related parties	423	118	98	88
Total transactions with related parties	2,268	1,297	2,516	1,664

	Trade receivables and assets due under contracts with customers from related parties		Trade receivables, lease liabilities and others towards related parties	
	30 June 2022 PLN thou.	31 December 2021 PLN thou.	30 June 2022 PLN thou.	31 December 2021 PLN thou.
Transactions with related parties				
Asseco Poland S.A.	1,002	3,103	14,381	15,292
Other related parties	354	1,033	65	13
TRANSACTIONS TOTAL	1,356	4,136	14,446	15,305

As at 30 June 2022, the balance of lease liabilities with related entities committed by the Company Executives was PLN 13,995 thousand, and as at 31 December 2021 it amounted to PLN 13,248 thousand. As at 30 June 2022, the balance of receivables arising from transactions with related parties concluded by the Company Executives and with the Company Executives amounted to PLN 5 thousand. As at 31 December 2021, there was no outstanding balance of receivables arising from transactions with related parties committed by the Company Executives and with the Company Executives.

In the first six months of 2022, the cost of interest arising from lease with related parties committed by the Company Executives was PLN 99 thousand while PLN 84 thousand in the comparable period.

As at 30 June 2022 and 31 December 2021, there was no balance of liabilities arising from transactions with related parties concluded by the Company Executives and with the Company Executives.

According to the records of Asseco Business Solutions S.A., in the six months ended 30 June 2022, the value (net) of purchase transactions of goods and services (including rental) with related parties conducted by the Company Executives and directly with the Company Executives amounted to PLN 1,094 thousand and PLN 999 in the comparable period. In the period of six months of 2022 and in the comparable period, there were no transactions of sale of goods and services to related parties conducted by the Company Executives and with the Company Executives.

3. Other explanatory notes

3.1. Additional explanations to cash flow statement

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

	6 months to 30 June 2022 <i>PLN thou.</i>	6 months to 30 June 2021 <i>PLN thou.</i>
Change in inventories	(977)	(167)
Change in receivables	(2,193)	608
Change in non-financial fixed assets	(110)	(224)
Change in the balance of liabilities and accruals and prepayments	6,288	(6,250)
Change in provisions	126	(373)
Total	3,134	(6,406)

The following table lists items concerning investing activities:

	6 months to 30 June 2022 <i>PLN thou.</i>	6 months to 30 June 2021 <i>PLN thou.</i>
Sale of property, plant and equipment	23	103
Acquisitions of new tangible assets	(5,767)	(3,170)
Acquisition of intangible assets	(2)	(283)
Expenses for development work	(10,300)	(8,194)

3.2. Contingent liabilities

The table below presents contingent liabilities as at 30 June 2022 and as at 31 December 2021:

Contingent liabilities	30 June 2022 <i>PLN thou.</i>	31 December 2021 <i>PLN thou.</i>
Receivables arising from performance guarantee		
Liabilities due up to 3 months	881	-
Liabilities due from 3 to 12 months	504	881
Liabilities due from 1 to 5 years	-	501
Liabilities due after 5 years	-	-
Total	1,385	1,382

3.3. Employment

Average employment during the reporting period	6 months to 30 June 2022	6 months to 30 June 2021
Board	3	3
Developers	882	825
Sales personnel	57	57
Administration	50	47
Total	992	932

Employment as at:	30 June 2022	31 December 2021
Board	3	3
Developers	934	906
Sales personnel	53	52
Administration	44	41
Total	1,034	1,002

3.4. Seasonality and cyclicalities

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

3.5. Significant events after the balance sheet date

To the date of these interim condensed financial statements for the six months ended 30 June 2022, i.e. until 3 August 2022, there has been no significant events after the balance sheet date that should be included in these financial statements.

3.6. Significant events concerning previous years

To the date of these interim condensed financial statements for the six months ended 30 June 2022, that is, until 03 August 2022, there had been no events concerning previous years that are not, and should be, included in these financial statements.

3.7. Signatures of Board Members

Full name	Position/Function	Signature
Wojciech Barczentewicz	President of the Management Board	
Piotr Maślowski	Vice-President of the Management Board	
Mariusz Lizon	Member of the Management Board	
Artur Czabaj	The person responsible for bookkeeping	

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