Asseco Business Solutions S.A.

Interim condensed financial statements
for the 6 months ended 30 June 2016 with the report of
an independent certified auditor

3 August 2016

CONTENTS

for the six months ended 30 June 2016 (in PLN thousand)

Interim condensed statement of comprehensive income

For the six months ended 30 June 2016

	Note	3 months ended 30 June 2016 (unaudited)	6 months ended 30 June 2016 (unaudited)	3 months ended 30 June 2015 (unaudited)	6 months ended 30 June 2015 (unaudited)
Revenues on sale		39,485	80,791	35,137	72,211
Own cost of sales	9	(23,748)	(47,143)	(22,235)	(44,538)
Gross profit on sales		**15,737**	**33,648**	**12,902**	**27,673**
Cost of sale	9	(1,813)	(3,666)	(2,038)	(4,028)
General and administrative expenses	9	(3,243)	(6,606)	(2,935)	(6,075)
Net profit on sales		**10,681**	**23,376**	**7,929**	**17,570**
Other operating income		137	271	154	306
Other operating expenses		(67)	(153)	(60)	(142)
Profit on operating activities		**10,751**	**23,494**	**8,023**	**17,734**
Financial income		477	672	422	709
Financial expenses		(134)	(210)	(91)	(12)
Gross profit		**11,094**	**23,956**	**8,354**	**18,431**
Income tax	12	(2,170)	(4,651)	(1,634)	(3,585)
Net profit from continuing operations		**8,924**	**19,305**	**6,720**	**14,846**
Discontinued operations					
Net profit for the financial year		**8,924**	**19,305**	**6,720**	**14,846**
Other total income					
- Items subject to reclassification to profit/loss in subsequent reporting periods		–	–	–	–
- Items not converted to profit/loss in subsequent reporting periods		–	–	–	–
Other total net income		–	–	–	–
Total income for period		**8,924**	**19,305**	**6,720**	**14,846**
Earnings per share:					
- basic/diluted from profit for the reporting period		0.27	0.58	0.20	0.44
- basic/diluted from profit for continuing operations for the reporting period		0.27	0.58	0.20	0.44

for the six months ended 30 June 2016 (in PLN thousand)

Interim condensed balance sheet

as at 30 June 2016

ASSETS	Note	30 June 2016 (unaudited)	31 December 2015	30 June 2015 (unaudited)
Non-current assets		**194,531**	**194,329**	**193,631**
Property, plant and equipment	13	10,871	10,277	10,253
Intangible assets	14.1	10,652	10,717	10,601
Goodwill	14.2	170,938	170,938	170,938
Long-term receivables		599	599	599
Deferred tax assets		1,408	1,725	1,182
Long-term prepayments and accrued income		63	73	58
Current assets		**78,036**	**95,710**	**70,937**
Inventories	15	437	365	928
Prepaid expenses and accrued income		756	601	662
Trade receivables		27,265	26,952	26,508
Other receivables		2,526	1,873	2,631
Financial assets measured at fair value through profit or loss		–	1	58
Other financial assets	10.2	–	25,260	–
Cash and short-term deposits	10.1	47,052	40,658	40,150
TOTAL ASSETS		**272,567**	**290,039**	**264,568**
LIABILITIES				
Equity				
Share capital	16	167,091	167,091	167,091
Surplus from the sale of shares above their nominal value		62,543	62,543	62,543
Retained gains		22,148	36,261	17,579
Total equity		**251,782**	**265,895**	**247,213**
Non-current liabilities		**781**	**781**	**713**
Provisions		781	781	707
Long-term accruals and deferred income		–	–	6
Current liabilities		**20,004**	**23,363**	**16,642**
Trade liabilities		4,035	4,623	1,915
Other liabilities		5,294	5,619	5,441
Income tax liabilities		1,348	2,047	404
Financial liabilities		148	–	–
Provisions		382	382	709
Accrued expenses and deferred income		8,797	10,692	8,173
Total liabilities		**20,785**	**24,144**	**17,355**
TOTAL EQUITY AND LIABILITIES		**272,567**	**290,039**	**264,568**

for the six months ended 30 June 2016 (in PLN thousand)

Interim condensed statement of cash flows

For the six months ended 30 June 2016

	Note	6 months ended 30 June 2016 (unaudited)	6 months ended 30 June 2015 (unaudited)
Cash flows from operating activities			
Gross profit		23,956	18,431
Adjustments:		**(3,958)**	**(2,763)**
Amortization/Depreciation	9	5,488	5,434
Change in inventories		(72)	(345)
Change in receivables		(966)	2,672
Change in liabilities, excluding credits and loans		(912)	(3,641)
Change in prepayments and accruals		(2,040)	(2,194)
Change in provisions		–	336
Revenue on interest		(547)	(528)
Investment gain/(loss)		125	(131)
Income tax paid		(5,034)	(4,366)
Net cash from operating activities		**19,998**	**15,668**
Cash flows from investing activities			
Proceeds from the sale of non-financial assets		117	45
Acquisition of property, plant and equipment		(2,708)	(1,922)
Acquisition of intangible assets		(3,344)	(3,408)
Acquisition/settlement of financial assets at fair value through profit or loss		(58)	42
Established bank deposits		(3,019)	–
Cash returned from bank deposits		28,207	–
Interest received		635	554
Net cash from investing activities		**19,830**	**(4,689)**
Cash flows from financing activities			
Proceeds from the issue of shares		–	120
Dividend paid		(33,418)	(28,406)
Net cash from financing activities		**(33,418)**	**(28,286)**
Increase in net cash and cash equivalents		6,410	(17,307)
Net differences in exchange rates		–	–
Opening cash	**10**	**40,573**	**57,368**
Closing cash	**10**	**46,983**	**40,061**

for the six months ended 30 June 2016 (in PLN thousand)

Interim condensed statement of changes in equity

For the six months ended 30 June 2016

	Share capital	Surplus from the sale of shares above their nominal value	Retained gains	Total equity
6 months ended 30 June 2016 (unaudited)				
As at 1 January 2016	**167,091**	**62,543**	**36,261**	**265,895**
Total income for period	–	–	19,305	**19,305**
Payment of the dividend	–	–	(33,418)	**(33,418)**
As at 30 June 2016	**167,091**	**62,543**	**22,148**	**251,782**

	Share capital	Surplus from the sale of shares above their nominal value	Retained gains	Total equity
12 months ended 31 December 2015				
As at 1 January 2015	**167,091**	**62,423**	**31,139**	**260,653**
Total income for period	–	–	33,528	**33,528**
Payment of the dividend	–	–	(28,406)	**(28,406)**
Other transactions	–	120		**120**
As at 31 December 2015	**167,091**	**62,543**	**36,261**	**265,895**

	Share capital	Surplus from the sale of shares above their nominal value	Retained gains	Total equity
6 months ended 30 June 2015 (unaudited)				
As at 1 January 2015	**167,091**	**62,423**	**31,139**	**260,653**
Total income for period	–	–	14,846	**14,846**
Dividends	–	–	(28,406)	**(28,406)**
Other transactions	–	120	–	**120**
As at 30 June 2015	**167,091**	**62,543**	**17,579**	**247,213**

for the six months ended 30 June 2016 (in PLN thousand)

Additional explanatory notes

1. General Information

Asseco Business Solutions SA (the "Company") is a joint-stock, publicly traded company seated in Lublin. These interim condensed financial statements cover the period of 6 months ended 30 June 2016 and include comparative data for the period of 6 months ended 30 June 2015 and as at 31 December 2015. Statement of comprehensive income and the notes to the statement of comprehensive income include data for the 3 months ended 30 June 2016 and comparative data for the 3 months ended 30 June 2015 – they were not subject to review or audit by the certified auditor.

The Company is registered in the Companies' Register of the National Court Register maintained by the District Court in Lublin, VI Economic Department of the National Court Register, under KRS no.: 0000028257. The Company has a business statistical number REGON 017293003.

The Company was established for an indefinite period of time.

The primary activity of Asseco Business Solutions S.A., according to the classification adopted by the Warsaw Stock Exchange, is "information technology".

Asseco Business Solutions is part of the international Asseco Group, a Europe-leading vendor of original software. The Group is a federation of companies involved in the advancement of information technology. It is present in over 50 countries, e.g. in most European countries, in the US, Canada, Israel, or Japan. The comprehensive offering of Asseco Business Solutions 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 managing factoring transactions. All Asseco BS's solutions grow because of the knowledge of experienced professionals, a proven development methodology and the use of modern IT tools. With 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 more than fifteen years. Asseco BS's track record covers dozens of completed software deployments in Poland and in most European countries.

The direct parent entity of Asseco Business Solutions S.A. is Asseco Poland S.A., which holds 46.47% of the Company's shares and, in accordance with the Company's Articles of Association, is able to exercise its right to appoint three of the five members of the Supervisory Board as long as it remains a Company's shareholder holding at least 20% of the Company's share capital.

These interim condensed financial statements for the 6 months ended 30 June 2016 was approved by the Management Board for publication on 3 August 2016.

2. Composition of the Management Board and the Supervisory Board of the Company

As at 30 June 2016, the Company's Management Board consisted of:

Wojciech Barczentewicz	President of the Management Board
Piotr Masłowski	Vice-President of the Management Board
Andreas Enders	Vice-President of the Management Board

Mariusz Lizon	Member of the Management Board

As at 30 June 2016, the Company's Supervisory Board consisted of:

Romuald Rutkowski	Chairman of the Supervisory Board
Adam Góral	Vice-Chairman of the Supervisory Board
Zbigniew Pomianek	Member of the Supervisory Board
Adam Pawłowicz	Member of the Supervisory Board
Grzegorz Ogonowski	Member of the Supervisory Board

No separate committees operate within the Supervisory Board. Any committees' tasks are performed by the Supervisory Board.

3. Basis for the preparation of these interim condensed financial statements

These interim condensed financial statements have been prepared in compliance with the International Accounting Standard 34 – Interim Financial Reporting (IAS 34).

On the day of approval of these financial statements for publication, taking into consideration the EU's ongoing process of introducing the IFRS and activities conducted by the Company, there is no difference in the accounting rules applied by the Company between the IFRS, which entered into force, and the IFRS approved by the EU.

The International Financial Reporting Standards comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

These separate and condensed financial statements are presented in zloty ("PLN") and all values, unless specified otherwise, are expressed in thousands of PLN.

While preparing these interim condensed financial statements, it was assumed that the Company would continue its business activity in the foreseeable future. At the date of approval of these financial statements, no fact or circumstances were identified that might pose a threat to the Company in continuing its business.

These interim condensed financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2015, approved for publication on 2 March 2016.

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

4. Significant accounting rules (policy)

The accounting rules (policies) used for the preparation of the interim condensed financial statements are consistent with those adopted when preparing the annual financial statements of the Company for the year begun on 1 January 2015, with the exception of the application of the following new or amended standards and interpretations applicable to annual periods beginning on or after 1 January 2015.

- Amendments resulting from the review of IFRS 2010-2012, including:
  - Amendments to IFRS 2 Share-Based Payments

    These amendments apply prospectively and clarify the definition of market condition and the condition relating to vesting as well as introducing a definition of the condition of the provision of services and the condition related to achievements (results) that are the conditions of vesting.

    The Company does not maintain any payment schemes based on shares and, as a consequence, the application of these amendments had no impact on the Company’s financial position or performance.

  - Amendments to IFRS 3 Business Combinations

    The amendments apply prospectively and clarify that a contingent payment that is not classified as an equity component is valued at fair value through profit or loss, regardless of whether it falls within IAS 39.

    The application of these amendments had no impact on the Company's financial position or performance.

  - Amendments to IFRS 8 Operating Segments

    The amendments apply retrospectively and clarify that:

    - An entity should disclose the Management Board’s judgement in the process of applying the criteria of aggregating operating segments described in para. 12 of IFRS 8 and should include a brief description of the segments that have been combined and a description of the economic attributes of the segments used during the segment similarity analysis.
    - Reconciliation of segment assets with the total assets of the entity is only required when this data is presented to the chief body responsible for operational decision-making.

    The application of these amendments had no impact on the Company's financial position or performance.

  - Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

    The amendments apply retrospectively and clarify that an asset may be revalued based on available observable data by adjusting the gross carrying amount of the asset to the market value or by determining the gross carrying amount proportionally, so that the resulting carrying value corresponds to the market value. Additionally, decommitment is the difference between the gross value and the carrying value of the asset.

    The amendment applies to the valuation of plant, property and equipment and intangible assets in accordance with the revaluation model. The Company does not apply this model and, as a consequence, the application of these amendments had no impact on the Company’s financial position or performance.

  - Amendments to IFRS 13 Fair Value Measurement

    The amendment clarifies that the removal of paragraph B5.4.12 of IFRS 9 Financial Instruments: Recognition and Measurement was not intended to change the requirements for the measurement of current receivables and liabilities. Accordingly, entities continue to have the possibility of measurement of current interest-free receivables and liabilities in the nominal value if the discounting effect has no significant impact on the presented financial data.

The application of these amendments had no impact on the Company's financial position or performance.

- Amendments to IAS 24 Related Party Disclosures

  The amendments apply retrospectively and clarify that the management unit (providing services of the key management personnel) is regarded as a related entity in disclosures concerning related parties. In addition, an entity that uses the services rendered by the management unit is required to disclose the relevant costs incurred.

  The Company does not use the services provided by any management unit.

- Amendments resulting from the review of IFRS 2012-2014, including:

  - Amendments to IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations

    Assets (or disposal groups) are usually disposed of through sale or release to the owners. The amendments clarify that a replacement of one method by another will not be treated as a new disposal plan and will be seen as a continuation of the original plan.

    The application of these amendments had no impact on the Company's financial position or performance.

  - Amendments to IAS 34 Interim Financial Reporting

    The amendments clarify that the requirements concerning interim disclosures can be met either by publishing the relevant disclosures in the interim financial statements or by adding references between the interim financial statements and other report (e.g. a report on the activity of the Management Board). Other information contained in the interim financial statements must be available to users under the same conditions and at the same time as the interim financial statements.

    The application of these amendments had no impact on the Company's financial position or performance.

- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

  The amendments clarify the rules contained in IAS 16 and IAS 38 providing that the revenue-based depreciation/amortisation method reflects the way in which the entity gains economic benefits generated by an asset and not the expected use of prospective economic benefits resulting from the asset. As a result, the revenue-based method cannot be used for the depreciation of fixed assets, and only in certain circumstances its application may be considered correct with respect to the amortization of intangible assets. The amendments apply prospectively.

  The application of these amendments had no impact on the Company's financial position or performance.

- Amendments to IAS 27 Equity Method in Separate Financial Statements

  The amendments enable entities to recognize in the separate financial statements of investments in subsidiaries, associates and joint ventures using the equity method. The entities applying IFRS and decide to change the method of recognizing investment to the equity method will apply this change retrospectively.
  The entity has not applied the option introduced by the change in its the separate financial statements.

- Amendments to IAS 1 Disclosures

The amendments clarify the existing requirements of IAS 1 concerning:

- materiality,
- aggregation and subtotals,
- the order of notes,
- aggregation of information on the participation of associates and joint ventures in other comprehensive income using the equity method – disclosure in a single line.

In addition, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of the financial position and profit and loss account and in the statement of other comprehensive income.
The application of these amendments had no impact on the Company's financial position or performance.

Additionally, the following new or amended standards and interpretations apply for the annual periods beginning on or after 1 January 2015 but does not apply to the information presented and disclosed in the Company's financial statements:

- Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

  The amendment applies to the recognition of bearer plants.

- Amendments to IFRS 11 Accounting for Acquisitions of Interest in Joint Operations

  The amendment applies to the recognition by the partner in joint operation of interest acquired in joint operation.

- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

  The amendment applies to the recognition of benefits paid by employees or third parties when recognizing defined benefit plans.

- and in Amendments resulting from the review of IFRS 2012-2014, including:

  - Amendments to IFRS 7 Financial Instruments: Disclosures

    I. Service contracts – the amendment clarifies that a service contract, which includes a charge, may be a continuation of involvement in financial assets.

    II. The application of the amendments to IFRS 7 (published in December 2011) to the interim condensed financial statements.

  - Amendments to IAS 19 Employee Benefits

    The amendment applies to the estimation of the discount rate.

The Company has not opted for early application of any other standard, interpretation or amendment that was published but did not yet enter into force.

5. New standards and interpretations that have been issued and are not yet applicable

The following standards and interpretations have been issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee and are not yet in force:

- IFRS 9 Financial Instruments (published on 24 July 2014) – applicable to annual periods beginning on or after 1 January 2018; not approved by the EU until the date of approval of these financial statements,
- IFRS 14 Regulatory Deferral Accounts (published on 30 January 2014) – applicable to annual periods beginning on or after 1 January 2016; as decided by the European Commission, the process of approval of the standard in its preliminary shape will not be initiated before the publication of the standard in its ultimate form; not approved by the EU until the date of approval of these financial statements,
- IFRS 15 Revenues from Contracts with Customers (published on 28 May 2014) covering amendments to IFRS 15Effective date of IFRS 15 (published on 11 September 2015) – applicable to annual periods beginning on or after 1 January 2018; not approved by the EU until the date of approval of these financial statements,
- IFRS 16 Leasing (published on 13 January 2016) – applicable to annual periods beginning on or after 1 January 2019; not approved by the EU until the date of approval of these financial statements,
- Amendments to IFRS 10 and IAS 28 Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture (published on 11 September 2014) – the EU has postponed the work on these amendments for indefinitely; the effective date has been postponed by the IASB for an indefinite period,
- Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception (published on 18 December 2014) – applicable to annual periods beginning on or after 1 January 2016; not approved by the EU until the date of approval of these financial statements,
- Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (published on 19 January 2016) – applicable to annual periods beginning on or after 1 January 2017; not approved by the EU until the date of approval of these financial statements,
- Amendments to IAS 7 Disclosure Initiative (published on 29 January 2016)
  applicable to annual periods beginning on or after 1 January 2017 – not approved by the EU until the date of approval of these financial statements.
- Clarifications to IFRS 15 Revenues from Contracts with Customers (published on 12 April 2016) – applicable to annual periods beginning on or after 1 January 2018; not approved by the EU until the date of approval of these financial statements.
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (published on 20 June 2016) – applicable to annual periods beginning on or after 1 January 2018; not approved by the EU until the date of approval of these financial statements.

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

6. Change of estimates

6.1 Professional judgement

In the process of applying accounting rules (policies) to the issues listed below, of utmost importance, in addition to accounting estimates, was professional judgement of the management. In the six months ended 30 June 2016, there were no major changes to the method of making estimates compared with the rules described in the Company's financial statements for the year ended 31 December 2015.

6.2 Estimation uncertainty

Below, the main assumptions have been discussed about the future and other key sources of uncertainty occurring on the balance sheet date which carry a significant risk of substantial adjustments to the carrying amounts of assets and liabilities in the next financial year. Although the estimates and assumptions are based on the Company Management's best knowledge of the current activities and events, the actual results may differ from those projected.

Valuation of IT contracts and the measurement of the degree of progress

The Company has concluded a number of contracts for the development and implementation of information systems. The valuation of IT contracts requires the establishment of future operating cash flows in order to determine the fair value of revenues and expenses, and to measure the degree of progress of the project work. The degree of progress of works is determined as the ratio of costs incurred (to increase the progress) to the planned cost, or as the ratio of man-days worked in relation to the total working time.

Amortization rates

The amount of amortization rates is determined on the basis of the expected economic lifetime of tangible fixed assets and intangible assets. The Company will review annually the adopted periods of economic useful life based on current estimates.

Goodwill and impairment test

In accordance with the Company's policy, on 31 December, the Management Board performs an annual impairment test of cash flow generating units, to which the goodwill is allocated; the goodwill arises from the acquisition of a subsidiary and mergers. At each interim balance sheet date, the Management Board reviews the evidence indicating an impairment of cash flow generating units to which goodwill is allocated. If such evidence is identified, an impairment test is also carried out at an interim balance sheet date.

Each time, an impairment test requires the estimation of value in use of cash-generating units to which goodwill is allocated. Estimating the value in use consists in determining future cash flows generated by the cash-generating unit and requires the discount rate which is further used in order to calculate the present value of those cash flows.

Deferred tax asset

The Company recognizes a deferred tax asset based on the assumption that the future tax profits will be achieved allowing for its use. Deterioration of the tax results in the future could make the assumption unjustified.

7. Seasonality of operations

The business activity of Asseco Business Solutions S.A. is subject to moderate seasonal fluctuations. As regards ERP systems, the highest sales figures are reported in the first and fourth quarter of the year. This is explained by the choice of the calendar year as fiscal year by most Company's clients, 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.

8. Information of operation 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 was divided into segments reflecting its manufactured products and rendered services. Based on that, the Management Board have identified the ERP Systems segment which accounts for more than 92% of total Company's revenues. Other activities do not meet the quantitative thresholds of IFRS 8 and are not separated. 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 is made up of Oracle and Microsoft-based ERP solutions that support business management and original SFA and FFA solutions intended for businesses operating through the networks of sales representatives. 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 enables their deployment in various network architectures (including WAN) and combination with specialized software and hardware.

As unallocated revenue presented is the sale not attributable to any of the main Company's segments.

The segment results do not include the unallocated part of administrative costs, the value of resold goods, materials and external services (COGS) related to unallocated sales and operating expenses of the organizational unit generating 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 from 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 the operating segments are determined on the arm's length basis as in transactions with unrelated parties.

for the six months ended 30 June 2016 (in PLN thousand)

3 months ended 30 June 2016 (unaudited)	ERP systems	Unallocated	Activity total
Sales to external customers	35,524	3,961	39,485
Sales between segments	–	–	–
Total segment revenues	**35,524**	**3,961**	**39,485**
Segment profit/(loss)	**10,292**	**389**	**10,681**
Other net operating income/(expenses)		70	70
Net financial income/(expenses)		343	343
Income tax		(2,170)	(2,170)
Profit for period	**10,292**	**(1,368)**	**8,924**

Segment operating profit does not include financial income (PLN 477 thousand), financial expenses (PLN 134 thousand), other operating income (PLN 137 thousand) and other operating expenses (PLN 67 thousand) and the result of unallocated activity (PLN 389 thousand).

6 months ended 30 June 2016 (unaudited)	ERP systems	Unallocated	Activity total
Sales to external customers	74,204	6,587	80,791
Sales between segments	–	–	–
Total segment revenues	**74,204**	**6,587**	**80,791**
Gains on segment sales	**22,755**	**621**	**23,376**
Other net operating income/(expenses)		118	118
Net financial income/(expenses)		462	462
Income tax		(4,651)	(4,651)
Profit for period	**22,755**	**(3,450)**	**19,305**
Other information			
Amortization/Depreciation	(5,463)	(25)	**(5,488)**

Segment operating profit does not include financial income (PLN 672 thousand), financial expenses (PLN 210 thousand), other operating income (PLN 271 thousand) and other operating expenses (PLN 153 thousand) and the result of unallocated activity (PLN 621 thousand).

3 months ended 30 June 2015 (unaudited)	ERP systems	Unallocated	Activity total
Sales to external customers	32,259	2,878	35,137
Sales between segments	–	–	–
Total segment revenues	**32,259**	**2,878**	**35,137**
Segment profit	**7,752**	**177**	**7,929**

for the six months ended 30 June 2016 (in PLN thousand)

Other net operating income/(expenses)		94	94
Net financial income/(expenses)		331	331
Income tax		(1,634)	(1,634)
Profit for period	**7,752**	**(1,032)**	**6,720**

Segment operating profit does not include financial income (PLN 422 thousand), financial expenses (PLN 91 thousand), other operating income (PLN 154 thousand) and other operating expenses (PLN 60 thousand) and the result of unallocated activity (PLN 177 thousand).

6 months ended 30 June 2015 (unaudited)	**ERP systems**	**Unallocated**	**Activity total**
Sales to external customers	66,892	5,319	72,211
Sales between segments	–	–	–
Total segment revenues	**66,892**	**5,319**	**72,211**
Gains on segment sales	**17,356**	**214**	**17,570**
Other net operating income/(expenses)		164	164
Net financial income/(expenses)		697	697
Income tax		(3,585)	(3,585)
Profit for period	**17,356**	**(2,510)**	**14,846**
Other information			
Amortization/Depreciation	(5,399)	(35)	**(5,434)**

Segment operating profit does not include financial income (PLN 709 thousand), financial expenses (PLN 12 thousand), other operating income (PLN 306 thousand) and other operating expenses (PLN 142 thousand) and the result of unallocated activity (PLN 214 thousand).

Geographic information

Revenues from external customers:

	6 months ended 30 June 2016 (unaudited)	6 months ended 30 June 2015 (unaudited)
Poland	70,940	65,993
Abroad, including:	9,851	6,218
- The Netherlands	4,553	2,895
- France	1,279	1,608
- Romania	1,145	110
- Germany	799	114
- USA	415	–
- Spain	349	378
- Portugal	171	187
- Turkey	107	150
- Czech Republic	245	399

for the six months ended 30 June 2016 (in PLN thousand)

- the Baltics (Lithuania, Latvia, Estonia) and Russia	99	110
- others	689	267
	80,791	**72,211**

This information is based on data from customers' headquarters.

9. Expenses by type

	3 months ended 30 June 2016 (unaudited)	6 months ended 30 June 2016 (unaudited)	3 months ended 30 June 2015 (unaudited)	6 months ended 30 June 2015 (unaudited)
The value of goods sold, materials and external services (COGS)	(3,481)	(5,979)	(3,490)	(6,230)
Consumption of materials and energy	(573)	(1,119)	(639)	(1,275)
External services	(4,011)	(8,062)	(3,848)	(7,781)
Payroll	(14,483)	(29,660)	(13,243)	(26,947)
Employee benefits	(2,930)	(6,215)	(2,757)	(5,822)
Amortization/Depreciation	(2,757)	(5,488)	(2,710)	(5,434)
Taxes and fees	(206)	(375)	(200)	(377)
Business trips	(141)	(301)	(160)	(319)
Other	(222)	(216)	(161)	(456)
Total	**(28,804)**	**(57,415)**	**(27,208)**	**(54,641)**
Own cost of sales, including:	(23,748)	(47,143)	(22,235)	(44,538)
production cost	(20,267)	(41,164)	(18,745)	(38,308)
value of goods sold, materials and external services (COGS)	(3,481)	(5,979)	(3,490)	(6,230)
Cost of sale	(1,813)	(3,666)	(2,038)	(4,028)
Cost of management and administration	(3,243)	(6,606)	(2,935)	(6,075)
Total	**(28,804)**	**(57,415)**	**(27,208)**	**(54,641)**

10. Cash and short-term deposits and other current financial assets

Cash at bank bears interest at variable interest rates, the amount of which depends on the rate on overnight bank deposits. Short-term deposits are made at different periods, from one day to six months, depending on the actual Company's demand for cash, and bear interest at a fixed interest rate. Deposits with a maturity of up to three months are classified as cash equivalents. Deposits with a maturity of 3 to 6 months are presented as other current financial assets.

10.1 Cash and short-term deposits

The fair value of cash and short-time deposits at 30 June 2016 amounted to PLN 47,052 thousand (at 31 December 2015: PLN 40,658 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:

for the six months ended 30 June 2016 (in PLN thousand)

Cash	30 June 2016 (unaudited)	31 December 2015	30 June 2015 (unaudited)
Cash at bank and in hand	936	435	1,014
Short-term deposits up to 3 months	46,116	40,223	39,136
Cash in the balance	**47,052**	**40,658**	**40,150**
Interest accrued on short-term deposits	(69)	(85)	(89)
Cash in cash flows statement	**46,983**	**40,573**	**40,061**

10.2 Other financial assets

At 30 June 2016, the Company did not have any other financial assets.

Financial assets	30 June 2016 (unaudited)	31 December 2015	30 June 2015 (unaudited)
Deposits with the original maturity of 3 to 6 months	–	25,260	–
Total	**–**	**25,260**	**–**

11. Paid and proposed dividends

The dividend on ordinary shares for 2015 was paid on 1 June 2016 and amounted to PLN 33,418 thousand (the dividend for 2014 was paid on 1 June 2015 and amounted to PLN 28,406 thousand).

The dividend per share paid for 2015 amounted to PLN 1.00 (in 2014: 0.85 PLN). The

Company did not pay an advance for the dividend for the year 2016.

12. Income tax

The main components of tax expense in the profit and loss account are as follows:

	3 months ended 30 June 2016 (unaudited)	6 months ended 30 June 2016 (unaudited)	3 months ended 30 June 2015 (unaudited)	6 months ended 30 June 2015 (unaudited)
Current income tax	(2,388)	(4,334)	(1,866)	(3,252)
Deferred income tax	218	(317)	232	(333)
Tax expense reported in profit and loss account, including:	**(2,170)**	**(4,651)**	**(1,634)**	**(3,585)**
Income tax attributed to discontinued operations	(2,170)	(4,651)	(1,634)	(3,585)

13. Property, plant and equipment

13.1 Sales and purchase

During the six months ended 30 June 2016, the Company acquired plant, property and equipment valued at PLN 2,708 thousand (during the six months ended 30 June 2015: PLN 1,922 thousand).

During the six months ended 30 June 2016, the Company sold plant, property and equipment assets of a net value of PLN 30 thousand (during the six months ended 30 June 2015: PLN 12 thousand), reaching the net profit on the sale of PLN 87 thousand (during the six months ended 30 June 2015: PLN 33 thousand).

13.2 Impairment losses

During the period ended 30 June 2016 (or in the same period the previous year), the Company did not recognize impairment losses on assets.

14. Intangible assets

14.1 Sales and purchase

During the six months ended 30 June 2016, the Company acquired intangible assets valued at PLN 59 thousand and its R&D expenses topped PLN 3,302 thousand (during the 6 months ended 30 June 2015: PLN 15 thousand and 3,415 thousand, respectively).

During the six months ended 30 June 2016, the Company did not sell any intangible assets (during the six months ended 30 June 2015: PLN 0 thousand).

14.2 Goodwill

Goodwill has been created from the merger of Asseco Business Solutions SA, Safo Sp. z o.o., Softlab Sp. z o.o., Softlab Trade Sp. z o.o. and WA-PRO Sp. z o.o., and comprises goodwill on consolidation resulting from the merger of Asseco Business Solutions SA with Anica System SA.

Goodwill is allocated to cash-generating unit, who was also a separate operating segment – ERP systems.

At 30 June 2016, there were no indications that there might be any loss of goodwill, and any assumptions to the test at the end of 2015 (described in the financial statements for the year ended 31 December 2015 in Note 18) remain valid at 30 June 2016.

14.3 Impairment losses

During the period ended 30 June 2016 (or in the same period of the previous year), the Company did not recognize impairment losses on intangible assets.

15. Inventories

As at 30 June 2016, the inventory allowance amounted to PLN 111 thousand (as at 31 December 2015: PLN 109 thousand). In the six months 30 June 2016, the Company wrote down the inventory recoverable net value in the amount of PLN 2 thousand to operating expenses. The created allowance was related to the stock of computer accessories stored in the warehouse for more than 12 months.

16. Share capital and reserve capitals

During the 6 months ended 30 June 2016, the Company did not issue any shares.

All issued shares have a nominal value of PLN 5 and have been fully paid up. All shares are ordinary shares. There are no preference shares.

17. Lawsuits

The Company is a party to several lawsuits and enforcement proceedings to recover payments for delivered products and services.

In addition to matters relating to debt recovery, the Company appealed against the ruling of the District Court in Warsaw (the Court of Competition and Consumer Protection) which dismissed the Company's appeal against a decision of the Office of Competition and Consumer Protection (not yet in force) imposing a penalty 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 accordance with the precautionary principle, the Company created a provision for the penalty in 2013.

18. Financial instruments

In the period covered by these financial statements, there were no significant changes to the value and type of financial instruments in relation to the value and type of financial instruments reported in the Company's financial statements for the year ended 31 December 2015. Change in the level of receivables is due to the daily cycle of operations of the Company.

19. Objectives and principles of financial risk management

The objectives and principles of financial risk management applied by the Company are consistent with the objectives and principles reported in the Company's financial statements for the year ended 31 December 2015.

20. Capital management

The objectives and principles of capital management applied by the Company are consistent with the objectives and principles reported in the Company's financial statements for the year ended 31 December 2015.

21. Related party transactions

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

for the six months ended 30 June 2016 (in PLN thousand)

The amounts of outstanding payments are not protected and will be settled in cash. No guarantees were granted or received. In the accounting period, the costs attributable to bad or unsafe debts arising from transactions with related parties were not recognised.

The table below shows the total amount of transactions with related parties during the six months ended 30 June 2016 and 30 June 2015:

Related party		Sales to related parties	Purchase from related parties	Receivables from related parties	Liabilities to related parties
The parent:					
Asseco Poland S.A.	1st half 2016	1,061	850	498	80
	1st half 2015	945	1,287	417	31
Other related parties:					
Other parties	1st half 2016	79	91	29	38
	1st half 2015	42	60	11	10
	1st half 2016	**1,140**	**941**	**527**	**118**
	1st half 2015	**987**	**1,347**	**428**	**41**

According to the information held by Asseco Business Solutions S.A., at 30 June 2016 or at 30 June 2015, there were no outstanding receivables arising from related party transactions held by the Company Executives and with the Company Executives.

According to the information held by Asseco Business Solutions S.A., at 30 June 2016 or at 30 June 2015, there were no outstanding liabilities arising from related party transactions held 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 2016, the (net) value of purchase and sales transactions of goods and services (including rental) with related parties by the Company Executives and with the Company Executives amounted to PLN 918 thousand (in the six months ended 30 June 2015 it was PLN 825 thousand).

22. The remuneration of Company executives

Remuneration paid or payable to the members of the Management Board and Supervisory Board:

	6 months ended 30 June 2016 (unaudited)	6 months ended 30 June 2015 (unaudited)
Management Board	3,341	2,654
Supervisory Board	159	159
Total	**3,500**	**2,813**

23. Events after the balance sheet

After the balance sheet date there were no significant events that could have a significant impact on the presented results for the six months ended 30 June 2016, not included in the current financial statements.

24. Signatures of the Management Board Members

Name and surname	Position/function	Signature
Wojciech Barczentewicz	President of the Management Board	
Piotr Masłowski	Vice-President of the Management Board	
Andreas Enders	Vice-President of the Management Board	
Mariusz Lizon	Member of the Management Board	
Artur Chabaj	Person responsible for bookkeeping	

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