



Financial Statements of

**ASSECO BUSINESS SOLUTIONS S.A.**

for the Nine Months Ended 30 September 2020

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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.

	9 months to 30 September 2020	9 months to 30 September 2019	9 months to 30 September 2020	9 months to 30 September 2019
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>EUR thou.</i>	<i>EUR thou.</i>
Operating income	195,187	190,916	43,933	44,310
Operating profit	58,024	55,902	13,060	12,975
Profit before tax	56,222	54,772	12,654	12,712
Net profit for reporting period	46,976	45,173	10,573	10,484
Net cash from operating activities	68,476	67,466	15,413	15,659
Net cash generated (used) in investing activities	427	(12,071)	96	(2,802)
Net cash from financing activities	(68,738)	(66,712)	(15,472)	(15,484)
Cash and cash equivalents at end of period (comparable period: 31/12/2019)	16,115	15,950	3,560	3,746
Net income per ordinary share (in PLN/EUR)	1.41	1.35	0.32	0.31

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

- the Company's cash position at the end of the current reporting period and at the end of the previous reporting period is translated at the average exchange rate announced by the National Bank of Poland on the balance sheet date.
  - On 30 September 2020, 1 EUR = 4.5268 PLN.
  - On 31 December 2019, 1 EUR = 4.2585 PLN.
- selected items from the interim condensed profit and loss account and the interim condensed statements of cash flows are translated at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland on the last day of each month.
  - In the period from 1 January to 30 September 2020: EUR 1 = PLN 4,4429.
  - In the period from 1 January to 30 September 2019: EUR 1 = PLN 4,3086.

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





# Śródroczne skrócone sprawozdanie finansowe

Interim condensed financial statements  
for the Nine Months ended 30 September 2020  
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 other comprehensive income of **Asseco Business Solutions S.A.**

PROFIT AND LOSS ACCOUNT	Notes	3 months to 30 September 2020	9 months to 30 September 2020	3 months to 30 September 2019	9 months to 30 September 2019
		PLN thou.	PLN thou.	PLN thou.	PLN thou.
Operating income	<u>1.1</u>	63,921	195,187	65,348	190,916
Own cost of sales	<u>1.2</u>	(37,754)	(114,892)	(38,268)	(112,495)
<b>Gross profit on sales</b>		<b>26,167</b>	<b>80,295</b>	<b>27,080</b>	<b>78,421</b>
Cost of sales	<u>1.2</u>	(2,685)	(9,089)	(3,075)	(9,217)
Administrative expenses	<u>1.2</u>	(4,462)	(13,737)	(4,575)	(13,742)
<b>Net profit on sales</b>		<b>19,020</b>	<b>57,469</b>	<b>19,430</b>	<b>55,462</b>
Other operating income		463	1,059	177	569
Other operating expenses		(129)	(504)	(35)	(129)
<b>Operating profit</b>		<b>19,354</b>	<b>58,024</b>	<b>19,572</b>	<b>55,902</b>
Financial income	<u>1.3</u>	36	227	116	381
Financial expenses	<u>1.3</u>	(484)	(2,029)	(645)	(1,511)
<b>Profit before tax</b>		<b>18,906</b>	<b>56,222</b>	<b>19,043</b>	<b>54,772</b>
Tax on profit or loss	<u>1.4</u>	(3,156)	(9,246)	(3,359)	(9,599)
<b>Net profit</b>		<b>15,750</b>	<b>46,976</b>	<b>15,684</b>	<b>45,173</b>
<b>Net income per ordinary share (in PLN):</b>					
basic from net profit	<u>1.5</u>	0.47	1.41	0.47	1.35
diluted from net profit	<u>1.5</u>	0.47	1.41	0.47	1.35

  

TOTAL INCOME:	Notes	3 months to 30 September 2020	9 months to 30 September 2020	3 months to 30 September 2020	9 months to 30 September 2019
		PLN thou.	PLN thou.	PLN thou.	PLN thou.
<b>Net profit</b>		<b>15,750</b>	<b>46,976</b>	<b>15,684</b>	<b>45,173</b>
Item that may be subject to reclassification to profit and loss account:		-	-	-	-
Items not subject to reclassification to profit and loss account:		-	-	-	-
<b>Other comprehensive income total:</b>		<b>15,750</b>	<b>46,976</b>	<b>15,684</b>	<b>45,173</b>
<b>TOTAL COMPREHENSIVE INCOME FOR PERIOD</b>		<b>15,750</b>	<b>46,976</b>	<b>15,684</b>	<b>45,173</b>



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

ASSETS	2019		30 September 2020	31 December
		Notes	PLN thou.	PLN thou.
<b>Non-current assets</b>				
Property, plant and equipment		<u>2.1</u>	13,423	12,172
Intangible assets		<u>2.2</u>	276,576	276,091
<i>including goodwill from merger</i>		<u>2.2</u>	252,879	252,879
Right-of-use assets		<u>2.3</u>	47,233	51,313
Assets from contracts with customers and long-term receivables		<u>2.7</u>	775	881
Deferred tax assets			2,562	3,055
Prepaid expenses and accrued income		<u>2.6</u>	30	36
			<b>340,599</b>	<b>343,548</b>
<b>Current assets</b>				
Inventories		<u>2.4</u>	481	726
Assets from contracts with customers		<u>2.7</u>	1,554	1,528
Trade receivables		<u>2.7</u>	38,894	45,290
Other receivables		<u>2.7</u>	736	651
Prepaid expenses and accrued income		<u>2.6</u>	1,302	574
Other assets		<u>2.5</u>	155	14,374
Cash and short-term deposits		<u>2.8</u>	16,115	15,950
			<b>59,237</b>	<b>79,093</b>
<b>TOTAL ASSETS</b>			<b>399,836</b>	<b>422,641</b>

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

LIABILITIES	Note s	30 September 2020 <i>PLN thou.</i>	31 December 2019 <i>PLN thou.</i>
<b>TOTAL EQUITY</b>			
Subscribed capital		167,091	167,091
Premium		62,543	62,543
Retained earnings		73,294	86,471
		<b>302,928</b>	<b>316,105</b>
<b>Long-term liabilities</b>			
Lease liabilities	<u>2.10</u>	41,893	46,863
Provisions	<u>2.12</u>	2,499	2,499
		<b>44,392</b>	<b>49,362</b>
<b>Short-term liabilities</b>			
Lease liabilities	<u>2.10</u>	9,009	8,423
Trade liabilities	<u>2.11</u>	6,888	6,083
Liabilities from contracts with customers	<u>2.11</u>	12,174	12,678
Tax liabilities under corporate income tax	<u>2.11</u>	1,317	2,384
Budgetary commitments and other liabilities	<u>2.11</u>	12,465	13,350
Provisions	<u>2.12</u>	421	421
Accrued expenses	<u>2.13</u>	10,242	13,835
		<b>52,516</b>	<b>57,174</b>
<b>TOTAL LIABILITIES</b>		<b>96,908</b>	<b>106,536</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>399,836</b>	<b>422,641</b>



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

	Notes	Share capital	Premium	Retained earnings	Equity total
<b>As at 1 January 2020</b>		<b>167,091</b>	<b>62,543</b>	<b>86,471</b>	<b>316,105</b>
Profit for reporting period		-	-	46,976	<b>46,976</b>
Dividend for 2019	<u>5.4</u>	-	-	(60,153)	<b>(60,153)</b>
<b>As at 30 September 2020</b>		<b>167,091</b>	<b>62,543</b>	<b>73,294</b>	<b>302,928</b>
<b>As at 1 January 2019 (including impact of IFRS 16 on opening balance)</b>		<b>167,091</b>	<b>62,543</b>	<b>63,747</b>	<b>293,381</b>
Profit in reporting period		-	-	45,173	<b>45,173</b>
Dividend for 2018	<u>5.4</u>	-	-	(50,127)	<b>(50,127)</b>
<b>As at 30 September 2019</b>		<b>167,091</b>	<b>62,543</b>	<b>58,793</b>	<b>288,427</b>

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

	Notes	9 months to 30 September 2020	9 months to 30 September 2019
		PLN thou.	PLN thou.
<b>Cash flow from operating activities</b>			
Profit before tax		56,222	54,772
<b>Adjustments:</b>		<b>22,074</b>	<b>22,224</b>
Amortisation/Depreciation		19,116	18,239
Changes in working capital	<u>3.1</u>	1,194	2,667
Interest income/expenses		1,340	1,347
FX gains(losses)		306	-
Other financial income/expenses		614	(21)
Investment gain/(loss)		(499)	(103)
Other adjustments		3	95
<b>Cash generated from operating activities</b>		<b>78,296</b>	<b>76,996</b>
(Income tax paid)		(9,820)	(9,530)
<b>Net cash from operating activities</b>		<b>68,476</b>	<b>67,466</b>
<b>Cash flow from investing activities</b>			
<b>Receipts:</b>			
Receipts from the sale of fixed assets and intangible assets	<u>3.1</u>	287	172
Bank deposits		24,000	-
Interest received		88	-
<b>Outflows:</b>			
Purchase of fixed assets and intangible assets	<u>3.1</u>	(3,776)	(3,856)
Expenses related to ongoing development projects	<u>3.1</u>	(10,172)	(8,387)
Bank deposits		(10,000)	-
<b>Net cash used in investing activities</b>		<b>427</b>	<b>(12,071)</b>
<b>Cash flow from financing activities</b>			
<b>Receipts:</b>			
Receipts from obtained loans		2,186	21,593
<b>Outflows:</b>			
Dividend paid		(60,153)	(50,127)
Expenses related to loans		(2,186)	(31,462)
Repayment of lease liabilities		(7,172)	(5,369)
Interest paid		(1,413)	(1,347)
<b>Net cash from financing activities</b>		<b>(68,738)</b>	<b>(66,712)</b>

<b>Change in net cash and cash equivalents</b>	<b>165</b>	<b>(11,317)</b>
Cash and cash equivalents as at 1 January	15,950	12,800
Revolving credits as part of cash management as at 1 January	-	-
<b>Cash and cash equivalents as at 30 September</b>	<b><u>2.8</u></b>	<b>16,115</b>
		<b>1,483</b>

# Additional explanation to financial statements

## I. Basic information

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

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

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

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

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

The direct parent of Asseco Business Solutions S.A. is Asseco Enterprise Solutions a.s., headquartered in Bratislava, Slovakia, which holds 46.47% of the Company's shares. The parent of the entire Group is Asseco Poland S.A. which through subsidiaries holds 95.66 % 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 September 2020 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 approx. 12.9% 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 2015 to 2020, the percentage of shareholders present at the General Meetings ranged from 50.83% to 76.2%. This means that shareholders' activity is relatively low or moderate. Considering that Asseco Enterprise Solutions a.s. currently holds 46.47% of the total number of votes at the General Meeting, the attendance would have to exceed 92.93% for Asseco Enterprise Solutions a.s. not to have the absolute majority of vote at the General Meeting. In the opinion of the Management Board, such a level of attendance is highly unlikely.

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

## 1. Composition of the Issuer's governing bodies

On the date of publication of these financial statements, i.e. on 26 October 2020, 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 28 August 2020, Mr Andreas Enders was dismissed from the position of Vice-President of the Management Board of Asseco Business Solutions S.A. in connection with his submitted resignation and notice of termination of the management services agreement with the Company. The agreement shall be formally terminated on 28 February 2021.

On the date of publication of these financial statements, i.e. 26 October 2020, the Supervisory Board of the Company consisted of:

Jozef Klein	President of the Supervisory Board
Adam Góral	Vice-Chairman of the Supervisory Board
Romuald Rutkowski	Member of the Supervisory Board
Zbigniew Pomianek	Member of the Supervisory Board
Piotr Stępnia	Member of the Supervisory Board

The Supervisory Board has an audit committee composed of Piotr Stępnia (chairman), Romuald Rutkowski and Adam Góral (members).

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

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

	Number of shares held (corresponding to % share in total number of votes at GM) - as at 26.10.2020	Change from the previous report	% of shares held (corresponding to % share in total number of votes at GM) - as at 26.10.2020	change from the previous report
<b>Executive persons</b>				
Wojciech Barczentewicz	491,267	0.00%	1.5%	0.00%
Piotr Masłowski	745,063	0.00%	2.2%	0.00%
Mariusz Lizon	183,000	0.00%	0.5%	0.00%
<b>Supervising persons</b>				
Romuald Rutkowski	426,828	0.00%	1.3%	0.00%
<b>TOTAL</b>	<b>1,846,158</b>	<b>0.00%</b>	<b>5.5%</b>	<b>0.00%</b>

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

To the best knowledge of the Issuer's Management Board, on the date of publication of these financial statements, i.e. on 26 October 2020, and based on the notification of changes in the shareholding received later, the shareholders of AssecO Business Solutions S.A. holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting on the day of 28 April 2020 are as follows:

Shareholder	Number of shares held	Shareholding	Number of votes	% in the total number of votes at GM
AssecO Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Metlife Otworthy Fundusz Emerytalny	3,769,780	11.28%	3,769,780	11.28%
Aviva Otworthy Fundusz Emerytalny Aviva BZ WBK	3,800,000	11.37%	3,800,000	11.37%
Other shareholders	10,319,843	30.88%	10,319,843	30.88%
	<b>33,418,193</b>	<b>100.00%</b>	<b>33,418,193</b>	<b>100.00%</b>

As at 30 July 2020, i.e. on the date of publication of the former interim financial statements, the shareholders of Asseco Business Solutions S.A., holding, directly and indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting were as follows:

Shareholder	Number of shares held	Shareholding	Number of votes	% in the total number of votes at GM
Asseco Enterprise Solutions	15,528,570	46.47%	15,528,570	46.47%
Metlife Otwarty Fundusz Emerytalny	4,300,000	12.87%	4,300,000	12.87%
Aviva Otwarty Fundusz Emerytalny Aviva BZ WBK	3,800,000	11.37%	3,800,000	11.37%
Other shareholders	9,789,623	29.29%	9,789,623	29.29%
	<b>33,418,193</b>	<b>100.00%</b>	<b>33,418,193</b>	<b>100.00%</b>

As at 30 September 2020, the share capital of Asseco Business Solutions S.A. totalled PLN 167,091 thousand and was divided into 33,418,193 ordinary shares with a nominal value of PLN 5 each, giving a total of 33,418,193 votes at the General Meeting of Asseco Business Solutions S.A.

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

### 1. Basis for the preparation

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

These interim condensed financial statements have been prepared on the understanding that Asseco Business Solutions S.A. intended to continue its business activity for the period of no less than 12 months as of 30 September 2020.

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 2019 published on 27 February 2020.

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

On the date of publication of these interim condensed financial statements, the Management Board, based on the current analysis of risks, including in particular risks caused by the virus pandemic in Poland and in the world, concluded that the Company's operation as a going concern is not at risk for a period of at least 12 months as from 30 September 2020.

The Company is constantly monitoring the impact of the COVID-19 pandemic on the Company's operations, including its future financial position and financial results. On the date of publication of these financial statements, the Company did not report any significant impact of the pandemic crisis on its financial position and economic results, besides some organizational aspects of the Company's operations. Following the entry into force in Poland of the Act of 2 March 2020 on special solutions related to the prevention, combating and

eradication of COVID-19, other infectious diseases and crisis situations caused by them (Journal of Laws of 2020, item 374 as amended) and as a result of measures pursued by the Polish authorities, as well as out of concern for the Company's personnel and clients, the Company has taken steps to enable most of its employees to perform the so-called remote work so as to ensure business continuity and continuity of provision of IT services to the Company's customers. On the date of publication of these financial statements, all Company's departments operate unperturbed, and the Company performs its contractual obligations as provided for in relevant agreements.

Asseco Business Solutions S.A. has sufficient financial resources to continue its operations, including regular settlement of current liabilities. The Company has not reported any adverse impact of the pandemic on its liquidity and meets its obligations under loan agreements on time. In addition, on 1 June 2020, the Company annexed its credit facility agreement to increase the maximum value of overdraft. This is described in detail in Note 2.9 of these interim condensed financial statements.

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

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

### **3. Statement of conformity**

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

The scope of these interim condensed financial statements as part of the quarterly report is in line with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (Journal of Laws of 2018, No. 33, item 757) ("Regulation") and covers a period of nine months from 1 January to 30 September 2020 and the comparable period from 1 January to 30 September 2019 for the income statement and cash flow statement, respectively, as well as the balance sheet as at 30 September 2020 and the comparable data as at 31 December 2019.

### **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 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 September 2020: 1 EUR = 4.5268 PLN
- ✓ the exchange rate effective on 30 September 2019: 1 EUR = 4.3736 PLN
- ✓ the exchange rate effective on 30 September 2020: 1 USD = 3.8658 PLN
- ✓ the exchange rate effective on 30 September 2019: 1 USD = 4.0000 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 September 2020, 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 2019.

## 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 2019 – published on 27 February 2020.

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 2019.

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

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

- IFRS 14 Regulatory Deferral Accounts (published on 30 January 2014) – as decided by the European Commission, the process of approving the standard in its preliminary version will not be initiated before the final version of the standard is ready; not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture (published on 11 September 2014); the work intended to approve these amendments have been postponed by the EU for an unlimited period of time. The date of entry into force has been postponed by the IASB for an indefinite period of time;
- IFRS 17 Insurance Contracts (published on 18 May 2017), including Amendments to IFRS 17 (published on 25 June 2020) – applicable to annual periods beginning on or after 1 January 2023; not approved by the EU until the date of approval of these financial statements;
- Amendments to IAS 1 Presentation of Financial Statements: Division of Liabilities into Current and Non-current and Division of Liabilities into Current and Non-current – Deferral of Effective Date

(published on 23 January 2020 and 15 July 2020, respectively) – not approved by the EU until the date of approval of these financial statements - applicable to annual periods beginning on or after 1 January 2023;

- Amendment to IFRS 3 References to the Conceptual Framework (published on 14 May 2020) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2022;
- Amendments to IAS 16 Property, plant and equipment: Proceeds before Intended Use (published on 14 May 2020) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2022;
- Amendments to IAS 37 Onerous Contracts - Costs of Fulfilling a Contract (published on 14 May 2020) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2022;
- Amendments resulting from the review of IFRS 3 2010-2012 (published on 14 May 2020) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2022;
- Amendment to IFRS 16 Leasing: Covid-19-Related Rent Concessions (published on 28 May 2020) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 June 2020. Earlier application is permitted, including for financial statements not approved for publication as of 28 May 2020;
- Amendments to IFRS 4 Insurance Contracts - Deferral of IFRS 9 (published on 25 June 2020) - not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2021.
- Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2 (published on 27 August 2020) – not approved by the EU until the date of approval of these financial statements; applicable to annual periods beginning on or after 1 January 2021.

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

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

### III. Information on operating segments

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

For the management purposes, the Company has been divided into segments reflecting its manufactured products and rendered services. Based on that, the Management Board have identified the ERP systems segment which accounts for more than 95% of total Company's revenues. Other activities do not meet the quantitative thresholds imposed by IFRS 8 and are not isolated as segments. Changes in the size and significance of developed products and provided services may result in a change of composition of operating segments.

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

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

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

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

9 months to 30 September 2020	ERP segment	Unallocated	Total
	PLN	PLN	PLN
Sales to external customers	184,691	10,496	195,187
Settlements between segments	-	-	-
<b>Net profit on sales in reporting segment</b>	<b>56,792</b>	<b>677</b>	<b>57,469</b>
Amortization	(18,834)	(153)	(18,987)
Intangible assets recognised during the settlement of combination assigned to segment	1,746	-	1,746
Goodwill from combinations assigned to segment	252,879	-	252,879

9 months to 30 September 2019	ERP segment	Unallocated	Total
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Sales to external customers	177,357	13,559	190,916
Settlements between segments	-	-	-
<b>Gains on reported segment sales</b>	<b>54,335</b>	<b>1,127</b>	<b>55,462</b>
Amortisation/Depreciation	(18,017)	(162)	(18,179)
Intangible assets recognised during the settlement of combination assigned to segment	2,059	-	2,059
Goodwill from combinations assigned to segment	252,879	-	252,879



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

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

#### 1.1. Structure of operating income

Operating income after the three and nine months ended 30 September 2020 and in the comparable period was as follows:

	3 months to 30 September 2020 PLN thou.	9 months to 30 September 2020 PLN thou.	3 months to 30 September 2019 PLN thou.	9 months to 30 September 2019 PLN thou.
<i>Operating income by type</i>				
Licences and own services	59,183	183,382	58,068	176,668
Licences and external services	4,190	8,982	5,208	9,791
Equipment and infrastructure	548	2,823	2,072	4,457
<b>Total</b>	<b>63,921</b>	<b>195,187</b>	<b>65,348</b>	<b>190,916</b>

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

	3 months to 30 September 2020 PLN thou.	9 months to 30 September 2020 PLN thou.	3 months to 30 September 2019 PLN thou.	9 months to 30 September PLN thou.
<b>Operating revenues recognised in accordance with IFRS 15</b>				
From goods or services provided at a specified time, including:	8,063	23,886	12,242	28,728
<i>ERP segment</i>	3,623	13,934	5,600	15,880
<i>Unallocated</i>	4,440	9,952	6,642	12,848
From goods or services provided over time, including:	55,858	171,301	53,106	162,188
<i>ERP segment</i>	55,705	170,757	52,837	161,477
<i>Unallocated</i>	153	544	269	711
<b>Operating income total</b>	<b>63,921</b>	<b>195,187</b>	<b>65,348</b>	<b>190,916</b>

**ii. Income by geographies**

	9 months to 30 September 2020 <i>PLN thou.</i>	9 months to 30 September 2019 <i>PLN thou.</i>
Poland	168,171	167,145
ROW, including:	27,016	23,771
– France	6,484	7,670
- Germany	5,061	3,379
– The Netherlands	5,009	5,585
- United Kingdom	3,372	929
- Romania	2,605	2,698
- Luxembourg	1,307	440
- Italy	764	769
- Croatia	366	219
- Czech Republic	359	350
- Austria	335	-
– Spain	206	466
- the Baltics (Lithuania, Latvia, Estonia) and Russia	72	60
- others	1,076	1,056
	<b>195,187</b>	<b>190,916</b>

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

**1.2. Structure of operating expenses**

	3 months to 30 September 2020 <i>PLN thou.</i>	9 months to 30 September 2020 <i>PLN thou.</i>	3 months to 30 September 2019 <i>PLN thou.</i>	9 months to 30 September 2019 <i>PLN thou.</i>
<b>Operating expenses</b>				
Value of goods and external services sold	(4,310)	(10,825)	(6,077)	(12,286)
Employee benefits	(29,010)	(90,274)	(27,212)	(85,127)
Amortisation/Depreciation	(5,976)	(18,987)	(6,068)	(18,179)
External services	(4,287)	(13,277)	(4,734)	(14,436)
Other	(1,318)	(4,355)	(1,827)	(5,426)
<b>Total</b>	<b>(44,901)</b>	<b>(137,718)</b>	<b>(45,918)</b>	<b>(135,454)</b>
Own cost of sales	(37,806)	(114,787)	(38,169)	(112,143)
Cost of sales	(2,685)	(9,089)	(3,075)	(9,217)
Administrative expenses	(4,462)	(13,737)	(4,575)	(13,742)
Trade receivables impairment loss/reversal of impairment	52	(105)	(99)	(352)
<b>Total</b>	<b>(44,901)</b>	<b>(137,718)</b>	<b>(45,918)</b>	<b>(135,454)</b>

### 1.3. Financial income and expenses

The structure of financial income in the three and nine months ended 30 September 2020 and in the comparable periods were as follows:

Financial income	3 months to 30 September 2020	9 months to 30 September 2020	3 months to 30 September 2019	9 months to 30 September 2019
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Interest income from bank deposits measured at effective interest rate	3	194	2	80
Positive exchange differences	33	33	176	129
Gains from realisation and/or valuation of derivative instruments	-	-	(62)	172
<b>Total</b>	<b>36</b>	<b>227</b>	<b>116</b>	<b>381</b>

Financial expenses in the three and nine months ended 30 September 2020 and in the comparable periods were as follows:

Financial expenses	3 months to 30 September 2020	9 months to 30 September 2020	3 months to 30 September 2019	9 months to 30 September 2019
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Interest costs on bank loans, debt securities and trade liabilities	-	(3)	(60)	(108)
Interest cost on lease	(407)	(1,410)	(432)	(1,239)
Other interest expense	-	(2)	(2)	(13)
Negative exchange rates	20	-	-	-
Losses from realisation and/or valuation of derivative instruments	(97)	(614)	(151)	(151)
<b>Total</b>	<b>(484)</b>	<b>(2,029)</b>	<b>(645)</b>	<b>(1,511)</b>

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 September 2020	9 months to 30 September 2020	3 months to 30 September 2019	9 months to 30 September 2019
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Current income tax	(2,595)	(8,753)	(2,799)	(9,288)
Deferred tax	(561)	(493)	(560)	(311)
<b>Tax expense reported in the profit and loss account</b>	<b>(3,156)</b>	<b>(9,246)</b>	<b>(3,359)</b>	<b>(9,599)</b>

The effective tax rate in the nine months ended 30 September 2020 was 16.4 % compared to 17.5 % in the comparable period. The relatively lower effective tax rate results from the Company's use of

tax reliefs regarding, among others, IP BOX and R&D reliefs. The Company carried out R&D, including in the WAPRO Software Division. As a result, an intellectual property right was created, i.e. the author's economic right to a computer program, which was recognized as a qualified IP right within the meaning of corporate income tax law.

### 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 September 2020	9 months to 30 September 2020	3 months to 30 September 2019	9 months to 30 September 2019
Weighted average number of issued ordinary shares used to calculate basic earnings per share (in pcs)	33,418,193	33,418,193	33,418,193	33,418,193
Net profit for the reporting period (in PLN thou.)	15,750	46,976	15,684	45,173
<b>Earnings per share (in PLN)</b>	<b>0.47</b>	<b>1.41</b>	<b>0.47</b>	<b>1.35</b>

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

## 2. Explanatory notes to the balance sheet

### 2.1. Property, plant and equipment.

Changes in net worth of property, plant and equipment in the period of the 9 months ended 30 September 2020 and in the comparable period were attributed to the following:

	9 months to 30 September 2020 <i>PLN thou.</i>	9 months to 30 September 2019 <i>PLN thou.</i>
<b>Net value of fixed assets as at 1 January (after considering the impact of IFRS 16)</b>	<b>12,172</b>	<b>13,159</b>
<b>Increase through:</b>	<b>4,781</b>	<b>3,748</b>
Purchase and upgrade	3,568	3,748
Buyout of right-of-use asset	1,213	-
<b>Decrease through:</b>	<b>(3,530)</b>	<b>(3,902)</b>
Depreciation allowance for reporting period	(3,353)	(3,738)
Sales and liquidation	(177)	(164)
<b>Net value of fixed assets as at 30 september</b>	<b>13,423</b>	<b>13,005</b>

### 2.2. Intangible assets

Changes in net worth of intangible assets in the period of the nine months ended 30 September 2020 and in the comparative period were attributed to the following:

	9 months to 30 September 2020 <i>PLN thou.</i>	9 months to 30 September 2019 <i>PLN thou.</i>
<b>Net value of intangible assets as at 1 January</b>	<b>23,212</b>	<b>24,550</b>
<b>Increase through:</b>	<b>10,381</b>	<b>8,496</b>
Purchase	208	108
Capitalized costs of ongoing development projects	10,173	8,388
<b>Decrease through:</b>	<b>(9,896)</b>	<b>(9,788)</b>
Depreciation allowance for reporting period	(9,896)	(9,788)
<b>Net value of intangible property as at 30 september</b>	<b>23,697</b>	<b>23,258</b>

### Goodwill

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

	30 September 2020 <i>PLN thou.</i>	30 September 2019 <i>PLN thou.</i>
Carrying value of goodwill	252,879	252,879
<b>Goodwill presented in intangible assets</b>	<b>252,879</b>	<b>252,879</b>

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

The Management Board is of the opinion that the existing pandemic is not an indicator of impairment of goodwill. As at 30 September 2020, the Management Board reviewed the assumptions for the impairment test carried out and disclosed in the financial statements for the year ended 31 December 2019 in Note 5.4. In the opinion of the Management Board, the assumptions adopted in the test remain valid as at 30 September 2020. 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 nine months ended 30 September 2020 and in the comparable period, changes to the net value of right-of-use assets was due to:

	9 months to 30 September 2020	9 months to 30 September 2019
	PLN thou.	PLN thou.
<b>Net value of right-of-use assets as at 1 January (after recognition of IFRS 16 impact)</b>	<b>51,313</b>	<b>45,092</b>
<b>Increase through:</b>	<b>11,374</b>	<b>12,322</b>
New lease agreement	7,613	11,925
Modifications of existing agreements	3,761	397
<b>Decrease through:</b>	<b>(15,454)</b>	<b>(4,722)</b>
Depreciation allowance for reporting period	(5,868)	(4,713)
Change in judgement for lease term	(8,301)	-
Early termination of agreements	(72)	(9)
Buyout of right-of-use asset	(1,213)	-
<b>Net value of fixed assets from right-of-use under economic activity as at 30 September</b>	<b>47,233</b>	<b>52,692</b>

In connection with the new office space lease agreement referred to in item 2.10 of these financial statements, the Company changed its judgement regarding the length of lease under two lease agreements.

### 2.4. Inventories

Inventory write-down as at 30 September 2020 amounted to PLN 179 thousand and as at 31 December 2019 to PLN 170 thousand.



## 2.5. Other assets

As at 30 September 2020 and as at 31 December 2019, the balance of financial assets comprised the following items:

	30 September 2020		31 December 2019	
	Long-term	Short-term	Short-term	Long-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Financial assets measured at amortized cost, incl. than 12 months	-	-	-	14,015
Financial assets measured at fair values through profit or loss, incl.	-	-	-	276
Forward currency contracts		-	-	276
<b>Total</b>	-	-	-	<b>14,291</b>

As at 30 September 2020 and as at 31 December 2019, the Company held the following non-financial assets:

	30 September 2020	31 December 2019
	PLN thou.	PLN thou.
Prepayments for deliveries	155	83
<b>Total</b>	<b>155</b>	<b>83</b>

## 2.6. Prepaid expenses and accrued income

As at 30 September 2020 and as at 31 December 2019, the balance of active accruals comprised the following items:

	30 September 2020		31 December 2019	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Prepaid services, including:				
<i>maintenance services and licence fees</i>	22	485	27	278
<i>prepaid training</i>	-	116	-	87
<i>insurances</i>	7	325	-	62
<i>other services</i>	1	376	9	147
<b>Total</b>	<b>30</b>	<b>1,302</b>	<b>36</b>	<b>574</b>

## 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 September 2020 and as at 31 December 2019.

	30 September 2020		31 December 2019	
	Long-term	Short-term	Long-term	Short-term
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
<b>Trade receivables</b>	-	40,681	-	47,165
<b>From related parties, including:</b>	-	955	-	512
Invoiced receivables	-	955	-	512
<b>From other parties, including:</b>	-	39,726	-	46,653
Invoiced receivables	-	39,656	-	46,611
Receivables not invoiced	-	70	-	42
<b>Allowance on doubtful accounts (-)</b>	-	(1,787)	-	(1,875)
<b>Total trade receivables</b>	-	38,894	-	45,290

The Company has appropriate policies in place for making the sale only to verified customers. In the opinion of the Management Board, there is no need to create an additional allowance for expected credit losses. In connection with the pandemic situation in Poland and in the world, the Company implemented a process of more careful monitoring of its receivables. On the date of publication of these financial statements, there were no reasons to increase the allowance for expected credit losses or to change the Company's policy on this matter.

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

The following table presents the balances of contract assets as at 30 September 2020 and as at 31 December 2019.

	30 September 2020		31 December 2019	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Assets from contracts with customers	-	1,554	-	1,528
<b>Total assets under contracts with customers</b>	-	1,554	-	1,528

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

	30 September 2020		31 December 2019	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Other receivables, including:				
Receivables from paid deposits	775	246	881	178
Other receivables	-	490	-	473
<b>Other receivables total</b>	<b>775</b>	<b>736</b>	<b>881</b>	<b>651</b>

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

## 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 September 2020 amounted to PLN 16,115 thousand (31 December 2019: PLN 15,950 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 September 2020	31 December 2019
	PLN thou.	PLN thou.
Cash at bank in current accounts	15,633	2,267
Cash at bank in split payment accounts	406	214
Short-term deposits (overnight)	-	13,323
Cash in hand	52	52
Cash in transit	24	94
<b>Total cash balance shown in balance sheet</b>	<b>16,115</b>	<b>15,950</b>
Overdraft facilities used for current liquidity management	-	-
<b>Total cash balance shown in cash flow statement</b>	<b>16,115</b>	<b>15,950</b>

## 2.9. Bank loans

On 1 June 2020, Asseco Business Solutions S.A. annexed the agreement of 30 May 2017 concluded with the legal predecessor of BNP Paribas Bank Polska S.A. The annex covered:

- increasing the maximum amount of debt to PLN 70,000,000 with the overdraft repayment deadline to 30 June 2021 and
- revolving loan for bank guarantees up to the amount of PLN 1,500 thousand PLN with the repayment date of 30 September 2021.

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

## 2.10. Lease liabilities

As at 30 September 2020, 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 leases as at 30 September 2020 and as at 31 December 2019:

	30 September 2020		31 December 2019	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Real property lease	33,270	5,869	39,193	5,704
Vehicle lease	8,623	3,140	7,670	2,719
<b>Total</b>	<b>41,893</b>	<b>9,009</b>	<b>46,863</b>	<b>8,423</b>

The decreased balance of lease liabilities is attributed to the decision made in the first half of 2020 to shorten the term of two property lease agreements. In June 2020, an office space lease agreement was concluded to enter into force from March 2021. The value of future cash flows under this agreement is PLN 25,672 thousand. The agreement was concluded for 10 years. The premises will be handed over to the Company on 28 February 2021, and then the relevant assets and liabilities will be recognized on the Company's balance sheet.

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

As at 30 September 2020 and as at 31 December 2019, the Company's trade liabilities were as follows:

	30 September 2020		31 December 2019	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
<b>Liabilities due to non-invoiced liabilities</b>	-			
<b>To related parties, including:</b>	-	74	-	56
Invoiced liabilities	-	45	-	13
Liabilities not invoiced	-	29	-	43
<b>To other parties, including:</b>	-	6,814	-	6,027
Invoiced liabilities	-	5,616	-	4,788
Liabilities not invoiced	-	855	-	896
Liabilities from contractual penalties	-	343	-	343
<b>Total trade liabilities</b>	-	6,888	-	6,083

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

As at 30 September 2020 and as at 31 December 2019, liabilities under contracts with customers were as follows:

	30 September 2020		31 December 2019	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
<b>Liabilities under contracts with customers</b>				
Prepaid expenses and accrued income from contracts with customers, including:		12,003	-	11,939
- <i>pre-paid maintenance services</i>	-	3,208	-	3,235
- <i>licence fees</i>	-	8,795	-	8,704
Liabilities from valuation of IT contracts	-	171	-	739
<b>Total liabilities from contracts with customers</b>	-	12,174	-	12,678

As at 30 September 2020 and as at 31 December 2019, the other Company's liabilities were as follows:

	30 September 2020		31 December 2019	
	Long-term PLN thou.	Short-term PLN thou.	Long-term PLN thou.	Short-term PLN thou.
<b>Tax liabilities under corporate income tax</b>	-	1,317	-	2,384
<b>Budgetary commitments</b>				
VAT		4,123	-	5,306
Personal income tax (PIT)	-	1,743	-	1,896
Liabilities to National Insurance Institution		4,199	-	3,784
Other	-	81	-	70
<b>Total budgetary commitments</b>		10,146	-	11,056
<b>Other liabilities</b>				
Employee liabilities	-	1,810	-	1,795
Forward contract liabilities	-	245	-	-
Other liabilities	-	264	-	499
<b>Total other liabilities</b>	-	2,319	-	2,294
<b>Total budgetary commitments and other liabilities</b>	-	12,465	-	13,350

## 2.12. Provisions

Changes in provisions in the 9 months ended 30 September 2020 and in the comparable period were attributed to the following:

	Provision for contractual penalties PLN thou.	Post-employment benefits PLN thou.	Other provisions PLN thou.	In total PLN thou.
<b>As at 01 January 2020</b>	-	2,547	373	2,920
Establishment (+)	-	-	-	-
Use (-)/Reversal (-)	-	-	-	-
<b>As at 30 September 2020, including:</b>	-	2,547	373	2,920
Current	-	48	373	421
Non-current	-	2,499	-	2,499
<b>As at 1 January 2019</b>	450	1,868	373	2,691
Establishment (+)	200	-	-	200
Use (-)/Reversal (-)	(270)	-	-	(270)
<b>As at 30 September 2019, including:</b>	380	1,868	373	2,621
Current	380	59	373	812
Non-current	-	1,809	-	1,809

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

### 2.13. Accruals

As at 30 September 2020 and as at 31 December 2019, the Company's accruals and deferred income were as follows:

	30 September 2020		31 December 2019	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
<b>Accrued expenses, including:</b>				
Provision for unused leaves	-	3,093	-	4,082
Provision for employee and Management Board bonuses	-	7,149	-	9,753
<b>Total</b>	-	<b>10,242</b>	-	<b>13,835</b>

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

### 2.14. Related party transactions

	Revenues		Purchases	
	9 months to 30 September 2020 PLN thou.	9 months to 30 September 2019 PLN thou.	9 months to 30 September 2020 PLN thou.	9 months to 30 September 2019 PLN thou.
Transactions with Asseco Poland S.A.	1,941	1,154	2,906	1,088
Transactions with other related parties	436	672	7	62
<b>Total transactions with related parties</b>	<b>2,377</b>	<b>1,826</b>	<b>2,913</b>	<b>1,150</b>

	Trade receivables and other receivables from related parties		Trade and other liabilities, lease liabilities and other liabilities to related parties	
	30 September 2020 PLN thou.	31 December 2019 PLN thou.	30 September 2020 PLN thou.	31 December 2019 PLN thou.
<b>Transactions with related parties</b>				
Transactions with Asseco Poland S.A.	741	202	15,614	13,616
Transactions with other related parties	214	306	8	-
<b>TRANSACTIONS TOTAL</b>	<b>955</b>	<b>508</b>	<b>15,622</b>	<b>13,616</b>

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

As at 30 September 2020, the balance of lease liabilities with related parties committed by the Company Executives was PLN 9,006 thousand, and as at 31 December 2019 it amounted to PLN 9,812 thousand.



In the three quarters of 2020, the cost of interest accrued from lease with related parties committed by the Company Executives was PLN 281 thousand while PLN 262 thousand in the comparable period.

As at 30 September 2020, there was no balance of unsettled receivables arising from transactions with related parties committed by the Company Executives and with the Company Executives; as at 31 December 2019, the balance amounted to PLN 4 thousand.

According to the records of Asseco Business Solutions S.A., in the nine months ended 30 September 2020, the value (net) of purchase transactions of goods and services (including rental) with related parties conducted by the Company Executives and with the Company Executive amounted to PLN 1,494 thousand and PLN 1,440 in the comparable period. The value (net) of the transactions of sales of goods and services to related entities by the Company Executives and to the Company Executives totalled PLN 11 thousand (in the comparative period: PLN 18 thousand).

### 3. Other explanatory notes

#### 3.1. Additional explanations to cash flow statement

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

	9 months to 30 September 2020 <i>PLN thou.</i>	9 months to 30 September 2019 <i>PLN thou.</i>
Change in inventories	245	246
Change in receivables and assets from contracts with customers	5,798	4,740
Change in other non-financial assets	-	(76)
Change in the balance of liabilities and accruals and prepayments	(4,849)	(2,173)
Change in provisions	-	(70)
<b>Total</b>	<b>1,194</b>	<b>2,667</b>

The following table lists items concerning investing activities:

	9 months to 30 September 2020 <i>PLN thou.</i>	9 months to 30 September 2019 <i>PLN thou.</i>
Sale of property, plant and equipment	287	172
Acquisitions of new tangible assets	(3,568)	(3,748)
Acquisition of intangible assets	(208)	(108)
Expenses for development work	(10,172)	(8,387)

#### 3.2. Contingent liabilities

At 30 September 2020 (and at 31 December 2019), the Company did not have any contingent liabilities.

#### 3.3. Fair values of individual facility grades

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

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

According to the Company's assessment, the fair value of cash, short-term deposits, trade receivables, trade liabilities and other short-term liabilities does not differ from the carrying amounts largely due to the short period of maturity. The fair value of financial assets and liabilities held by the Company as at 30 September 2020 and as at 31 December 2019 does not differ significantly from their carrying value.

As at 30 September 2020 and as at 31 December 2019, the Company held the following financial instruments measured at fair value:

	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
As at 30 September 2020				
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
<b>Financial liabilities</b>				
Concluded forward contracts	245	-	245	-
<b>Total</b>	<b>245</b>	<b>-</b>	<b>245</b>	<b>-</b>

	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
As at 31 December 2019				
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
<b>Financial assets valued at fair value through profit or loss</b>				
Concluded forward contracts	276	-	276	-
<b>Total</b>	<b>276</b>	<b>-</b>	<b>276</b>	<b>-</b>

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

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

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

In the period ended 30 September 2020 and in the year ended 31 December 2019, there were no transfers between Level 1 and Level 2 of the fair value hierarchy, or none of the instruments was moved from/to Level 3 of the fair value hierarchy.

### Objectives and principles of financial risk management

The objectives and rules of financial risk management applied by the Company are consistent with the objectives and rules reported in the Company's financial statements for the year ended 31 December 2019.

### 3.4. Headcount

Average employment during the reporting period	9 months to 30 September 2020	9 months to 30 September 2019
Management Board	3	4*
Developers	795	781
Sales personnel	55	43
Administration	47	42
<b>Total</b>	<b>901</b>	<b>870</b>

Headcount as at:	30 September 2020	31 December 2019
Management Board	3	4*
Developers	835	817
Sales personnel	50	49
Administration	41	47
<b>Total</b>	<b>929</b>	<b>917</b>

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

### 3.5. Seasonality and cyclicity

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

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

### 5.1. Financial data and analysis of results of Asseco Business Solutions for three quarters of 2020

Financial results of Asseco Business Solutions for three quarters of 2020:

	3 months to 30 September 2020	3 months to 30 September 2019	Growth rate 3 mts 2020/ 3 mts 2019	9 months to 30 September 2020	9 months to 30 September 2019	Growth rate 9 mts 2020/ 9 mts 2019
Operating income	63,921	65,348	-2.18%	195,187	190,916	2.2%
Gross profit on sales	26,167	27,080	-3.37%	80,295	78,421	2.4%
EBIT	19,354	19,572	-1.11%	58,024	55,902	3.8%
EBITDA	25,418	25,659	-0.87%	77,140	74,141	4.0%
Net profit	15,750	15,684	0.42%	46,976	45,173	4.0%

*EBITDA = EBIT + amortisation/depreciation*

In the three quarters of 2020, the operating income of Asseco Business Solutions S.A. amounted to PLN 195,187 thousand and was higher by 2.2 % than in the same period of 2018. The increase is attributable to higher sales of Asseco Business Solutions original products.

At the same time, the operating expenses (excluding COGS) increased by 3.0%, while the value of goods, materials and external services sold (COGS) dropped by 11.9%. The largest share in the Company's operating expenses (71.1%) was allocated to employee benefits (primarily salaries).

The net profit of Asseco Business Solutions realised in the first three quarters of 2020 closed at PLN 46,976 thousand, compared with PLN 45,173 thousand earned in the comparable period of 2018 (up by 4.0%).

#### Profitability ratios

Profitability ratios	3 months to 30 September 2020	3 months to 30 September 2019	Growth rate 3 mts 2020/ 3 mts 2019	9 months to 30 September 2020	9 months to 30 September 2019	Growth rate 9 mts 2020/ 9 mts 2019
Gross margin on sales	40.94%	41.44%	-0.50%	41.14%	41.08%	0.06%
EBITDA profit margin	39.76%	39.24%	0.53%	39.52%	38.83%	0.69%
Operating margin	30.28%	29.95%	0.33%	29.73%	29.28%	0.45%
Net margin	24.64%	24.00%	0.64%	24.07%	23.66%	0.41%

The EBITDA profit margin increased from 38.8% to 39.5 % in the same period of the current year. The net profit margin after the third quarter of 2020 was 24.1% and increased by 0.4% v. the comparable period.

## Liquidity ratios

Working capital is defined as the difference between current assets and current liabilities and represents the volume of fixed capital (equity and long-term foreign capital) that finance current assets. As the most liquid part of capital, it secures the liabilities arising from the current cash cycle in the company. Working capital in the Company as at 30 September 2020 was PLN 6,721 thousand and was lower by PLN 15,198 thousand compared with 31 December 2019. The drop in the working capital results from: a decrease in current assets by PLN 19,856 thousand and a decrease in short-term liabilities by PLN 4,658 thousand. The decrease in current assets is mainly due to lower cash levels in bank accounts and bank deposits. This is related to the payment of the dividend for 2019 in the second quarter of 2020.

Liquidity ratios	9 months to 30 September 2020	12 months to 31 December 2019	9 months to 30 September 2019
Working capital (in PLN thou)	6,721	21,919	(6,565)
Current ratio	1.13	1.38	0.87
Quick ratio	1.09	1.36	0.85
Super quick ratio	0.31	0.28	0.03

These ratios have been calculated using the following formulas:

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

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

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

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

## Debt ratios

The table below presents the basic debt ratio of the Company as at 30 September 2020 and in the comparable period and as at 31 December 2019:

Debt ratios	9 months to 30 September 2020	12 months to 31 December 2019	9 months to 30 September 2019
General debt ratio	24.2%	25.2%	26.3%

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

## The nature of Company's assets and liabilities

ASSETS	30 September 2020	share in balance sheet total	31 December 2019	share in balance sheet total
Non-current assets	340,599	85%	343,548	81%
Current assets	59,237	15%	79,093	19%
<b>TOTAL ASSETS</b>	<b>399,836</b>	<b>100%</b>	<b>422,641</b>	<b>100%</b>

LIABILITIES	30 September 2020	share in balance sheet total	31 December 2019	share in balance sheet total
Total equity	302,928	76%	316,105	75%
Long-term liabilities	44,392	11%	49,362	12%
Short-term liabilities	52,516	13%	57,174	14%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>399,836</b>	<b>100%</b>	<b>422,641</b>	<b>100%</b>

As at 30 September 2020, the total assets of the Company amounted to PLN 399,836 thousand, which is a decrease by 5.4% compared with 31 December 2019.

The Company's main asset component is non-current assets, which account for 85% of the balance sheet total. Among them, intangible assets are the key item (mainly goodwill) amounting to PLN 276,576 thousand. The share of this item in total assets is 69%. This is a rather standard situation among tech companies whose greatest asset is knowledge and intangible assets.

As at 30 September 2020, the Company's equity amounted to PLN 302,928 thousand (76 % of liabilities).

## **5.2. Factors affecting financial results**

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

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

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

The occurrence of the COVID-19 pandemic during the reporting period ended 30 September 2020 did not materially affect the Company's financial result for that period. In view of the general economic slowdown resulting from the pandemic, the Management Board is aware of delays in settlements with customers, especially those operating in industries most affected by the pandemic. To the best knowledge of the Management Board, at the time of publication of these financial statements, there are no grounds to reasonably expect that payment backlogs could have a significant impact on the Company's position.

During the nine months ended 30 September 2020, there were no items affecting assets, liabilities, equity, net result or cash flows that were extraordinary in terms of type, value, or frequency.

Other information related to the assessment of the impact of Covid-19 on the results achieved in the period covered by these statements and on the forecast results in subsequent periods is presented in item II.2 of the Interim Condensed Financial Statements of Asseco Business Solutions.

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

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

- part of the net profit for the year 2019 in the amount of PLN 60,153 thousand was earmarked for distribution among the shareholders, i.e. for the payment of the dividend in the amount of PLN 1.8 per share;
  - the reminder of the net profit for 2019 in the amount of PLN 13,286 thousand was transferred to retained earnings.
- The dividend date was set on 19 May 2020 and the dividend payment date on 05 June 2020.

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

Pursuant to the decision of the Ordinary General Meeting of Shareholders of Asseco Business Solutions S.A., held on 13 May 2019, the net profit for the financial year 2018 in the amount of PLN 62,569 thousand was divided as follows:

- part of the net profit for the year 2018 in the amount of PLN 50,127 thousand was earmarked for distribution among the shareholders, i.e. for the payment of the dividend in the amount of PLN 1.5 per share;
  - the reminder of the net profit for 2018 in the amount of PLN 12,441 thousand was transferred to retained earnings.
- The dividend date was set on 31 May 2019 and the dividend payment date on 13 June 2019.



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

### 5.5. Significant events during the reporting period

Selected agreements concluded in the third quarter of 2020:

- Grupa Drosed – licensing and implementation of Asseco Softlab HR in cloud and the provision of maintenance services,
- IT Kontrakt Sp. z o.o. – licensing and implementation of Asseco Softlab HR in cloud and the provision of maintenance services.
- KEA IBB Sp. z o.o. – licensing and implementation of Asseco Softlab HR in cloud and the provision of maintenance services.
- Chancellery of the Senate of the Republic of Poland – maintenance services for Asseco Softlab ERP and Asseco Softlab HR,
- INTER-TEAM Sp. z o.o. – licensing and implementation of Asseco Softlab ERP in cloud and maintenance services,
- BNP PARIBAS Faktoring Sp. z o.o – licensing and implementation of Asseco Softlab ERP in cloud and maintenance services,
- Przedsiębiorstwo Produkcyjno-Usługowe „PLASTIMET” sp. z o.o. – licensing and implementation of Asseco Softlab ERP and Softlab HR in cloud and maintenance services,
- Medical and diagnostic industry customer – framework agreement for the supply of third party software.

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

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

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

### 5.7. Capital expenditure

In the period ended 30 September 2020, the Company made investment outlays in the amount of PLN 14,161 thousand, and in the comparable period the same outlays amounted to PLN 12,244 thousand.

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

The Management Board of Asseco Business Solutions S.A. did not publish financial forecast for 2020.

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

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

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

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

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

### External factors:

- the economic and political position of Poland, the European Union and other geographies where the Company has its operations,
- attitude of potential clients to investment in IT against the backdrop of the general economic situation,
- risk of time-shifting of potential clients' investment decisions,
- intense direct and indirect competition from both Polish and foreign IT companies,
- risk related to technological saturation,
- the prospects for expanding markets outside the existing Company's geographies,
- market openness and absorption capacity for new product solutions,
- risk of increased labour costs,
- changes in the credit situation, financial liquidity, financing by customers,
- opportunities and risks related to technological changes in the IT industry and the development of new products.

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

### Internal factors

- the quality and comprehensive nature of Company's offering,
- the results of intense and ongoing trade activities both domestically and abroad,
- activities run under currently valid agreements,
- risk related to misestimation of the scope of project effort,

- the capacity to adapt products to changing legislation,
- the need to attract and keep the most qualified and key employees,
- effects of work on new products.

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

The Company is constantly monitoring the impact of the COVID-19 pandemic on the Company's operations, including its future financial position and financial results. At the time of publication of these financial statements, the Company did not report any significant impact of the pandemic crisis on its financial position and economic results, besides some organizational aspects of the Company's operations. As a consequence of entry into force of the Act of 2 March 2020 on special solutions related to the prevention, combating and eradication of COVID-19, other infectious diseases and crisis situations caused by them (Journal of Laws of 2020, item 374) and as a result of measures pursued by the Polish authorities, as well as out of concern for the Company's personnel and clients, the Company has taken steps to enable most of its employees to perform the so-called remote work so as to ensure business continuity and continuity of provision of IT services to the Company's clients. On the date of publication of these financial statements, all Company's departments operate unperturbed, and the Company performs its contractual obligations as provided for in relevant agreements.

Asseco Business Solutions S.A. has sufficient financial resources to continue its operations, including regular settlement of current liabilities. However, the Company cannot rule out a scenario that in the event of a prolonged pandemic and its negative impact on the domestic and global economy, this may have an adverse effect on the Company's operations or financial results, yet, at this point, it is not possible to determine to what extent or on what scale. At the time of publication of these financial statements, there are no grounds to reasonably expect that the situation caused by COVID-19 is likely to have a significant impact on the Company.

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

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

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

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

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

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

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

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

To the date of these financial statements for the nine months ended 30 September 2020, i.e. until 26 October 2020, there had been no significant events after the balance sheet date that should be included in these financial statements.

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

To the date of these financial statements for the nine months ended 30 September 2020, that is, until 26 October 2020, there had been no events concerning previous years that are not, and should be, included in these financial statements.

## Signatures of Management Board Members

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

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