



Financial Statements

of

Asseco Business Solutions S.A.
for the Year Ended 31 December 2024



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Profit and loss account and statement of other comprehensive income of Asseco Business Solutions S.A.

PROFIT AND LOSS ACCOUNT	Notes	12 months to 31 Dec 2024 PLN thou.	12 months to 31 Dec 2023 PLN thou.
Operating revenues	<u>4.1</u>	428,812	380,540
Own cost of sales	<u>4.2</u>	(245,608)	(225,470)
Gross profit on sales		183,204	155,070
Cost of sales	<u>4.2</u>	(21,631)	(19,623)
Administrative expenses	<u>4.2</u>	(38,059)	(26,882)
Net profit on sales		123,514	108,565
Other operating revenues		1,637	2,149
Other operating expenses		(1,054)	(1,277)
Operating profit		124,097	109,437
Financial revenues	<u>4.3</u>	2,063	2,436
Financial expenses	<u>4.3</u>	(1,879)	(1,894)
Profit before tax		124,281	109,979
Tax on profit or loss	<u>4.4</u>	(9,255)	(14,949)
Net profit		115,026	95,030
Earnings per share (in PLN):			
basic from net profit	<u>4.5</u>	3.46	2.84
diluted from net profit	<u>4.5</u>	3.46	2.84
OTHER COMPREHENSIVE INCOME:	Notes	12 months to 31 Dec 2024 PLN thou.	12 months to 31 Dec 2023 PLN thou.
Net profit		115,026	95,030
Items that may be reclassified to profit and loss account		-	-
Items not subject to reclassification to profit and loss account		167	(556)
Actuarial gains/losses		206	(685)
Income tax on remaining comprehensive income		(39)	129
Other comprehensive income total:		167	(556)
TOTAL COMPREHENSIVE INCOME FOR PERIOD		115,193	94,474

Balance sheet of Asseco Business Solutions S.A.

ASSETS	Notes	31 Dec 2024 PLN thou.	31 Dec 2023 PLN thou.
Non-current assets			
Property plant and equipment	<u>5.1</u>	48,089	45,033
Intangible property	<u>5.2</u>	297,405	289,909
<i>including goodwill from merger</i>	<u>5.2</u>	252,879	252,879
Right-of-use assets	<u>5.3</u>	46,450	45,873
Assets from contracts with customers and non-current receivables	<u>5.5</u>	415	409
Deferred tax assets	<u>4.4</u>	3,907	2,124
Prepaid expenses and accrued income	<u>5.6</u>	289	306
		396,555	383,654
Current assets			
Inventories	<u>5.8</u>	209	269
Trade receivables	<u>5.5</u>	56,461	53,003
Assets from contracts with customers	<u>5.5</u>	3,671	1,871
Tax receivables under corporate income tax		2,555	-
Budgetary commitments and other receivables	<u>5.5</u>	159	211
Prepaid expenses and accrued income	<u>5.6</u>	2,180	1,205
Other assets	<u>5.7</u>	60	7
Cash and deposits	<u>5.9</u>	40,923	52,999
		106,218	109,565
TOTAL ASSETS		502,773	493,219

Balance sheet of Asseco Business Solutions S.A.

LIABILITIES	Notes	31 Dec 2024 PLN thou.	31 Dec 2023 PLN thou.
TOTAL EQUITY			
Subscribed capital	<u>5.11</u>	167,091	167,091
Premium		62,543	62,543
Own shares	<u>5.11</u>	(36,149)	-
Retained earnings and other capital		191,642	149,626
		385,127	379,260
Non-current liabilities			
Lease liabilities	<u>5.13</u>	40,902	41,784
Other liabilities	<u>5.14</u>	219	-
Provisions	<u>5.16</u>	2,979	2,902
		44,100	44,686
Current liabilities			
Lease liabilities	<u>5.13</u>	8,627	7,246
Trade liabilities	<u>5.14</u>	5,058	5,617
Liabilities from contracts with customers	<u>5.15</u>	20,313	18,918
Tax liabilities on corporate income tax	<u>5.14</u>	-	1,663
Budgetary commitments and other liabilities	<u>5.14</u>	22,100	22,930
Provisions	<u>5.16</u>	130	62
Accruals	<u>5.17</u>	17 318	12 837
		73 546	69 273
TOTAL LIABILITIES		117,646	113,959
TOTAL EQUITY AND		502,773	493,219

Statement of changes in equity of Asseco Business Solutions S.A.

	Notes	Subscribed capital	Premium	Own shares	Retained earnings and other capital	Total equity
		PLN thou.	PLN thou.	PLN thou.	PLN thou.	PLN thou.
As at 1 January 2024		167,091	62,543	-	149,626	379,260
Profit for reporting period		-	-	-	115,026	115,026
Total of other comprehensive income		-	-	-	167	167
Dividend for 2023	<u>4.6</u>	-	-	-	(86,887)	(86,887)
Acquisition of own shares	<u>5.11</u>	-	-	(36,149)	-	(36,149)
Transactions with employees settled through equity instruments	<u>4.2</u>	-	-	-	13,654	13,654
Other adjustments		-	-	-	56	56
As at 31 December 2024		167,091	62,543	(36,149)	191,642	385,127
As at 1 January 2023		167,091	62,543	-	132,014	361,648
Profit in reporting period		-	-	-	95,030	95,030
Total of other comprehensive income		-	-	-	(556)	(556)
Dividend for 2022	<u>4.6</u>	-	-	-	(76,862)	(76,862)
As at As at 31 December 2023		167,091	62,543	-	149,626	379,260

On 27 June 2024, the General Meeting of Asseco Business Solutions S.A. resolved to create a reserve capital in the amount of PLN 60,500 thousand by transferring funds from the supplementary capital. The funds may be allocated for distribution among the shareholders. They may also be allocated entirely to the acquisition of own shares which will be used to perform obligations arising from the Executive Incentive Scheme established for the Members of the Management Board and the Company's key executives. In the table above, reserve capital is included in "Retained earnings and other capital."

Statement of cash flows of Asseco Business Solutions S.A.

	Notes	12 months to 31 Dec 2024 PLN thou.	12 months to 31 Dec 2023 PLN thou.
Cash flow from operating activities			
Gross profit		124,281	109,979
Adjustments:		54,295	35,902
Amortisation/depreciation	<u>4.2</u>	40,144	35,633
Changes in working capital	<u>6.1</u>	(1,096)	929
Interest revenues/expenses		1,864	1,181
FX gains/(losses)		(212)	(1,334)
Costs of transactions with employees settled through equity instruments		13,654	-
Other financial revenues/expenses		139	(52)
Gain/(loss) from investing and financing activities		(198)	(455)
Cash generated from operating activities		178,576	145,881
(Paid tax on profit or loss)		(15,240)	(16,459)
Net cash from operating activities		163,336	129,422
Cash flow from investing activities			
Receipts:			
Receipts from the sale of fixed assets and intangible assets	<u>6.2</u>	491	808
Bank deposits		-	30,503
Other receipts		-	52
Outflows:			
Purchase of fixed assets and intangible property	<u>6.2</u>	(13,518)	(14,221)
Expenses related to ongoing development projects	<u>6.2</u>	(28,307)	(22,770)
Bank deposits		-	(30,000)
Net cash used in investing activities		(41,334)	(35,628)
Cash flow from financing activities			
Receipts:			
Receipts from obtained loans	<u>6.3</u>	20,431	5,602
Received subsidies		27	-
Outflows:			
Acquisition of own shares	<u>5.11</u>	(36,149)	-
Dividend paid	<u>6.3</u>	(86,887)	(76,862)
Expenses related to loans	<u>6.3</u>	(20,431)	(5,602)
Repayment of lease liabilities	<u>6.3</u>	(9,205)	(10,531)
Interest paid	<u>6.3</u>	(1,864)	(1,684)

Net cash used in financing activities	(134,078)	(89,077)
Change in net cash and cash equivalents	(12,076)	4,717
Cash and cash equivalents as at 1 January	52,999	48,282
Cash and cash equivalents as at 31 January	<u>5.9</u>	40,923
		52,999

Additional explanation to the financial statements

I. Basic information

Basic information about the Company	
Name	Asseco Business Solutions S.A.
Registered office	ul. Konrada Wallenroda 4c, 20-607 Lublin
KRS	0000028257
Business ID REGON:	017293003
TIN/NIP	522-26-12-717
Basic activity	Information technology

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

Asseco Business Solutions S.A. is part of the international Asseco Poland 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 61 countries around the world, including most European countries and the USA, Canada, Israel, and Japan.

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

Asseco Business Solutions S.A. operates two own Data Centres whose capacity parameters meet the highest standards of security, reliability and effectiveness of systems operation. All products designed by Asseco Business Solutions are based on the knowledge and expertise of experienced professionals, a proven project methodology and the use of tomorrow's information technology tools. Owing to 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. The Company'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., holding, directly and through subsidiaries, 95.12% of shares in Asseco Enterprise Solutions a.s.

As regards Asseco Business Solutions S.A., the decision of maintaining a de facto control over the Company by Asseco Enterprise Solutions s.a. over the 12 months ended 31 December 2024 in accordance with IFRS 10 was based on the following factors:

- decisions at the General Meeting are taken by a simple majority of votes present at the meeting;
- the Company's shareholding is dispersed and, apart from Asseco Enterprise Solutions a.s. (a subsidiary of Asseco Poland), there are only two shareholders holding more than 5% of votes at the General Meeting of Shareholders. The largest shareholder holds 13.53% while the third largest shareholder holds 10.06% 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 2020 to 2024, the percentage of shareholders present at the General Meetings ranged from 50.83% to 75.03%. This means that shareholders' activity is relatively low or moderate. Considering that own shares do not carry the right to vote and that Asseco Enterprise Solutions a.s. currently holds 47.32% of the total number of votes at the General Meeting, the attendance would have to exceed 94.64% (excluding own shares) 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.

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

2.1. 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, and financial liabilities measured at fair value through profit or loss.

These financial statements have been prepared on the going concern basis for the period of no less than 12 months as of 31 December 2024. On the date of approval of these financial statements for publication, the Management Board considered the impact of the war in Ukraine on the Company as a going concern and found no circumstances implying any threats thereto.

2.2. Impact of the war in Ukraine on Company's operations

At the time of publication of these financial statements, the Company did not report any significant impact of the war in Ukraine and sanctions imposed against Russia on the Company's operations. Asseco Business Solutions S.A. does not conduct any significant business activities in Russia, Belarus, or Ukraine. The Company does not employ personnel in Ukraine; that is why, the warfare in the territory of Ukraine do not impact the Company directly. The situation does not affect these financial statements directly, either.

As described in Note 5.4., after the analysis, the Company does not discern any significant risk of impairment of assets, and in particular, there was no significant change in the collection of receivables, therefore the calculation of expected credit losses did not change significantly.

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

2.3. Statement of compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU ("IFRS EU").

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

The scope of the separate financial statements complies with the provisions of 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, item 757) ("Regulation") and covers the reporting period from 1 January to 31 December 2024 and the comparative period from 1 January to 31 December 2023.

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 adopted by the EU.

This separate financial statements present a true financial situation of the Company as at 31 December 2024, its results and cash flows for the year ended 31 December 2024.

2.4. Functional currency and presentation currency

These financial statements are presented in the Polish zloty ("PLN") and all values, unless specified otherwise, are given in thousands of PLN. The functional currency of Asseco Business Solution S.A. is also the Polish zloty. Possible differences in the total amount of up to PLN 1 thousand result from adopted roundings.

Transactions denominated in currencies other than the Polish zloty are translated upon initial recognition into Polish zlotys at the rate applicable on the date of transaction.

As at the balance sheet date:

- monetary items are translated using the closing rate, i.e. the average exchange rate for the currency announced by the National Bank of Poland on this day,
- non-cash items measured at historical cost in a foreign currency are translated using the exchange rate on the date of the original transaction,
- non-cash items measured at fair value in a foreign currency are translated using the exchange rate on the date of determining the fair value.

For the purpose of the balance sheet valuation, the following EUR and USD rates were adopted (and parallel rates for other currencies quoted by the National Bank of Poland):

- the exchange rate effective on 31 December 2024: 1 EUR = 4.2730 PLN
- the exchange rate effective on 31 December 2023: 1 EUR = 4.3480 PLN
- the exchange rate effective on 31 December 2024: 1 USD = 4.1012 PLN
- the exchange rate effective on 31 December 2023: 1 USD = 3.9350 PLN

2.5. Professional judgement and estimates

The preparation of financial statements in concert with the 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.

The relevant items of explanatory notes show the main areas which were of crucial importance in terms of the professional judgement of the management in the process of application of the accounting rules (policies), in addition to the accounting estimates; thus, any change in estimates in these areas could have a significant impact on the Company's results in the future.

The table below contains a list of estimates applied by the Company with an indication of the note with the description of the applicable rules.

Selected estimates	Note	Page number
Operating revenues	<u>4.1</u>	18
Tax on profit or loss	<u>4.4</u>	25
Property, plant and equipment	<u>5.1</u>	30

Intangible property	<u>5.2</u>	33
Right-of-use assets	<u>5.3</u>	38
Asset impairment tests	<u>5.4</u>	41
Assets from contracts with customers, trade receivables and other receivables	<u>5.5</u>	44
Lease liabilities	<u>5.13</u>	53
Trade and other liabilities	<u>5.14</u>	55
Provisions	<u>5.16</u>	59
Accruals and deferred income	<u>5.17</u>	60

In the 12 months ended 31 December 2024, there were no major changes to the method of making estimates compared with the data described in the financial statements for the 12 months ended 31 December 2023.

2.6. Accounting rules applied

The table below contains a list of accounting rules applied by the Company with an indication of the note with the description of the applicable rules.

Selected accounting rules	Note	Page number
Operating revenues	<u>4.1</u>	18
Operating expenses	<u>4.2</u>	22
Financial revenues and expenses	<u>4.3</u>	24
Tax on profit or loss	<u>4.4</u>	25
Property, plant and equipment	<u>5.1</u>	30
Intangible property	<u>5.2</u>	33
Right-of-use assets	<u>5.3</u>	38
Asset impairment tests	<u>5.4</u>	41
Assets from contracts with customers, trade receivables and other receivables	<u>5.5</u>	44
Prepaid expenses and accrued income	<u>5.6</u>	47
Other assets	<u>5.7</u>	48
Inventories	<u>5.8</u>	49
Cash	<u>5.9</u>	49
Subscribed capital	<u>5.11</u>	51
Bank loans	<u>5.12</u>	52
Lease liabilities	<u>5.13</u>	53
Trade and other liabilities	<u>5.14</u>	55

Liabilities from contracts with customers	<u>5.15</u>	57
Provisions	<u>5.16</u>	59
Accruals and deferred income	<u>5.17</u>	60

The accounting rules applied to prepare these financial statements are consistent with those applied in preparing the Company's annual financial statements for the year ended day 31 December 2023.

The amended standards and interpretations applicable for the first time in 2024 do not have a significant impact on the Company's financial statements.

Other changes in the International Financial Reporting Standards in force from 1 January 2024

Revised standards and interpretations applied for the first time in 2024:

- Amendments to IFRS 16: Lease liability in a sale and leaseback;
- Amendments to IAS 1: Presentation of Financial Statements: Division into current and current, Non-current liabilities with covenants;
- Amendments to IAS 7: Statement of Cash Flows and IFRS 7 Financial instruments: Disclosures: Supplier Finance Arrangements;
- Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules (global minimum tax).

As part of an international capital group, the Company is subject to the Pillar Two model rules as developed by the OECD. These rules impose an obligation on large multinational groups to pay a top-up tax if the group's effective tax rate in a given jurisdiction falls below the established threshold of 15%. Pillar Two regulations were enacted in Poland in November 2024 and entered into force as from 1 January 2025.

Asseco Business Solutions S.A. is part of a corporate structure in which the immediate parent company is based in Slovakia, and the subsequent intermediate parent entities are also located in Slovakia, while the ultimate parent entity of the group is based in Poland. As of 2024, Slovakia has implemented the Qualified Domestic Minimum Top-up Tax (QDMTT), a domestic measure introduced in response to the requirements of Pillar Two, which applies exclusively to entities domiciled in Slovakia. However, Slovakia has not implemented the Income Inclusion Rule (IIR) and has therefore not imposed an obligation to pay a top-up tax on subsidiaries located in other jurisdictions.

As a result, despite being part of a group subject to the scope of Pillar Two, the Company is not required to calculate or pay a top-up tax in Poland for the period prior to 1 January 2025, as the relevant Polish regulations only entered into force at the beginning of 2025.

The amended standards and interpretations applicable for the first time in 2024 do not have a significant impact on the Company's financial statements.

2.7. 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;
- Amendments to IAS 21: The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (published on 15 October 2023) – applicable to annual periods beginning on or after 1 January 2025;
- IFRS 18: Presentation and Disclosure in Financial Statements (published on 9 May 2024) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after 1 January 2027;
- IFRS 19: Subsidiaries without Public Accountability: Disclosures (published on 9 May 2024) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after 1 January 2027;
- Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (published on 30 May 2024) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after 1 January 2026;
- Annual Improvements, Volume 11 (published on 18 October 2024) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after 1 January 2026;
- Amendments to IFRS 9 and IFRS 7: Contracts Referencing Nature-dependent Electricity (published on 18 December 2024) – not approved by the EU until the date of approval of these financial statements – applicable to annual periods beginning on or after 1 January 2026;

The 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 amendments have no material impact on these financial statements of the Company.

2.8. Climate change

Since Asseco Business Solutions S.A. is an IT business (software development and provision of IT services), the Company has a limited impact on the environment. By extension, climate change does not significantly affect the Company's operations.

However, it may impact the Company's operations in the following areas:

- extreme weather events can reduce the ability to provide on-site technical support services and reduce the demand for equipment purchases,

- new climate legislation may impose new obligations on the Company, which may drive up operating expenses,
- higher cost of electrical energy may raise the Company's operating expenses.

On the other hand, the Company's operations may be related to climate change in the following areas:

- fuel consumption by company vehicles,
- the use of electrical energy by servers and infrastructure associated with the services provided,
- the use of electrical energy, heat and air conditioning in business premises,
- waste management.

The risk management process in 2024 focused more on assessing the risks and opportunities associated with climate change. Due to the lack of energy-intensive production lines, climate issues are not particularly relevant.

The Company took account of climate risks analysed the impact of climate change on its financial statements, focusing on the following:

- Asset life,
- Expected credit losses, mainly allowances for receivables;
- Impairment of financial assets,
- Provisions, assets and contingent liabilities,
- Impact on income and expenses for the period.

The amendments have no material impact on these financial statements of the Company.

2.9. Error adjustment

During the reporting period, there were no events necessitating error adjustments.

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 management purposes, the Company was divided into segments based on 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. None of the customers accounted for 10% or more of the Company's revenue.

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 financing of the Company (including financial income and expenses) and income tax are monitored at the Company level, hence these items are not allocated to the segments.

The table below shows the key values reviewed by the main decision-making body in the Company, i.e. the Management Board. The Management Board does not analyse cash flows by segment, either.

Apart from goodwill and the value of intangible assets recognised during the settlement of combination with other companies, the assets of Asseco Business Solutions S.A., are not, in principle, assigned to individual segments and are not reviewed by the Management Board.

	ERP segment	Unallocated	Total
12 Months to 31 December 2024	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Sales to external customers	408,224	20,588	428,812
Gains on reported segment sales	121,462	2,052	123,514
Amortisation/depreciation	(39,780)	(214)	(39,994)
Intangible assets recognised during the settlement of combination allocated to segment	420	-	420
Goodwill from combinations assigned to segment	252,879	-	252,879

	ERP segment	Unallocated	Total
12 Months to 31 December 2023	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Sales to external customers	360,134	20,406	380,540
Gains on reported segment sales	106,574	1,991	108,565

Amortisation/depreciation	(35,211)	(195)	(35,406)
Intangible assets recognised during the settlement of combination allocated to segment	733	-	733
Goodwill from combinations assigned to segment	252,879	-	252,879

IV. Notes to the profit and loss account and statement of other comprehensive income

4.1. Structure of operating income

Selected accounting rules

The Company recognises revenues in the amount of remuneration which, as expected by the Company, is payable in exchange for the transfer of promised goods or services.

The Company sells licences and broad IT services and distinguishes the following types of revenue sources:

- *receipts from the sale of licences and/or own services,*
- *receipts from the sale of licences and/or external services, and*
- *receipts from the sale of hardware.*

a) Sale of licence and own services

As part of "Licences and/or own services," revenues from contracts with customers are presented, their object being to provide own software and/or software-related services.

- **Comprehensive IT projects**

As regards this type of revenues, a greater part of them is raised from comprehensive IT projects in which the Company undertakes to provide a fully functional IT system. Such a system is of greatest value to the customer as it is the final product containing own licences and related essential services (e.g. modification or implementation). In practice, in the case of such contracts, the Company is almost always required to provide comprehensive goods or services to its customers. They include the supply of: own licences and/or own modification services and/or own implementation services. This means that the so-called comprehensive IT contracts usually provide for a separate obligation of performance consisting in providing the client with a functional IT system.

Revenues related to the obligation to provide a fully functional IT system are recognised by the Company in the period in which such a system is developed. Revenues may be recognised during the transfer of control over the provided services/goods, unless, as a result of such operations, assets are created of alternative use and, at the same time, for the entire duration of the contract, the unit enjoys an enforceable right to receive remuneration for its performance. In the opinion of the Management Board, in the case of delivering comprehensive IT projects, their alternative use from the vendor's point of view is excluded because these systems, along with the accompanying implementation services, are of a tailored nature. At the same time, the conducted analysis shows that practically in all cases for contracts concluded by the Company the criterion of having an enforceable right to remuneration for performance throughout the duration of the contract is met. This means that the receipts from sales of comprehensive IT systems in which own licences and own services are sold are recognised according to the degree of progress (a method based on expenditure and percentage of cost progress) in the period when the customer takes control over goods/services sold. A special case is relatively small IT projects shorter than 12 months. The revenues earned from such projects is not considered significant by the Management Board; if so, the revenue is recognised on the basis of the right to invoice.

- **Sale of own licences without significant accompanying services**

Part of Company's revenues are revenues from the sale of licenses for proprietary ERP software. If own licences for the software are sold separately, i.e. they do not go with significant modification and/or implementation services, and therefore the sale of own licence is a separate obligation to perform, the Company considers whether the promise to grant a licence is aimed at providing the customer with: the right to access the intellectual property of the unit in the form existing throughout the period of licence validity; or the right to use the intellectual property of the entity in the form existing at the time of granting the licence.

The vast majority of own licences sold by the Company separately, and thus constituting a separate obligation to perform, are licences conferring the right to use intellectual property, which means that the revenue from the sale of such licences is recognised once at the moment of transfer of control over the licence to the customer. This means

that in the case of own licences sold without significant accompanying services, regardless of the licence period, the moment of recognising revenue is the moment of transfer of control, which, consequently, leads to a one-time recognition of revenue at that moment. However, there are also cases of selling licences that grant the right to access intellectual property. Such licences are, in principle, sold for a definite period of time. In such a case, revenues are recognised in the period in which the Company is obliged to provide software modifications and major updates.

- **Maintenance services and guarantees**

Within the category of own licences and own services, presented are also the revenues from own maintenance services, including revenues from guarantees. In the opinion of the Management Board, revenues from maintenance services are, in principle, a separate obligation of performance where the customer uses the goods/services as they are supplied to them, which, consequently, leads to the recognition of the relevant revenues on the supplier's side during the period of service provision. In all cases where both the maintenance service and the extended guarantee service are provided simultaneously, the revenue is recognized over time because the customer uses the service as it is supplied.

b) Sale of licences and external services

As part of "Licenses and/or external services," presented are the revenues from the sale of external licenses and provision of services which, for technological or legal reasons, must be rendered by subcontractors (hardware and licence maintenance and outsourcing services provided by their vendors). Revenues from the sale of external licences are generally recognised as revenues from the sale of goods, which means that upon transfer of control over the licence, the revenue is recognised on a one-time basis.

c) Sale of hardware

In the category of revenues from the sale of hardware, presented are the revenues from contracts with customers for the supply of infrastructure. The revenues in this category are generally recognised upon transfer of control over hardware.

In the case of contracts covering the provision of services and the provision of equipment, the Company has considered whether such contracts include a lease component (i.e. whether the Company confers the right to control the identified asset for a given period of time in return for payment). The Company has not identified lease components in contracts with customers.

- **Variable pay**

If the remuneration specified in the contract includes a variable amount, the Company estimates the amount of remuneration to which it will be entitled in exchange for the transfer of promised goods or services to the client and includes in the transaction price a part or the entire amount of variable remuneration only to the extent in which there is a high probability of no reversal of a significant part of the amount of previously recognised accumulated revenues when the uncertainty as to the amount of variable remuneration is no more.

The Company is a party to many contracts that provide for contractual penalties for the non-performance or improper performance of contractual obligations. The expected contractual penalties may, therefore, cause the fixed remuneration provided for in the contract to be subject to changes. When estimating the remuneration payable to the Company under contracts, the Company expected the expected value of payment by taking into account the probability of payment of contractual penalties and other items that could potentially reduce the remuneration. So, this may result in a decrease in the value of revenues as opposed to an increase in the value of provisions and relevant costs, as has been the case so far. In addition to contractual penalties, there are no other significant factors that may affect the amount of remuneration (such as rebates or discounts); however, if identified, they would also affect the amount of revenues recognised in the Company.

- **Allocation of transaction price to obligations of performance**

The Company allocates a transaction price to each obligation of performance (or separate goods or separate services) in an amount that reflects the amount of remuneration which, in accordance with the Company's expectations, is payable in exchange for the transfer of promised goods or services to the customer.

- **Other practical exceptions applied in the Company**

In justified cases, the Company also applies a practical solution permitted by IFRS 15, namely if the Company has the right to receive remuneration from a customer in the amount directly corresponding to the value of the Company's previous performance for the customer (for example in the case of a service contract under which the unit charges the customer a fixed amount for each hour of the service performed), the Company may recognise revenue in the invoiceable amount.

Estimates

As described above, the Company fulfils its obligations of performance, a greater part of which, specifically consisting in the delivery of a fully functional IT system, is subject to valuation according to the degree of progress. Such valuation requires the estimation of future costs and revenues in order to measure the degree of project progress. The degree of progress is determined as the ratio of incurred expenses (to further the progress) to planned expenses, or as the ratio of man-days worked in relation to the total working time. The valuation and thus the recognition of revenue each time requires professional judgement and a significant amount of estimates.

In the case of contracts covering the provision of services and the provision of equipment, the Company has considered whether such contracts include a lease component (i.e. whether the Company confers the right to control the identified asset for a given period of time in return for payment). The Company has not identified lease components in contracts with customers.

Operating income in the year ended 31 December 2024 and in the comparative period was as follows:

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.
<i>Operating revenues by type</i>		
Licences and own services	408,184	358,944
Licences and external services	14,122	15,153
Equipment and infrastructure	6,506	6,443
Operating revenues total	428,812	380,540

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

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.
Income from contracts with customers recognized in accordance with IFRS 15		
From goods or services provided at a specified time, including:	80,996	69,535
<i>ERP segment</i>	61,663	50,149
<i>Unallocated</i>	19,333	19,386
From goods or services provided over time, including:	347,816	311,005

<i>ERP segment</i>	346,561	309,985
<i>Unallocated</i>	1,255	1,020
Operating revenues total	428,812	380,540

ii. *Other obligations of performance*

The table below shows information on the total amount of the transaction price attributed to other performance obligations which remained unfulfilled (or were partially unfulfilled) at the end of the reporting period. The Company applied the practical expedient under which it is not required to disclose information on the transaction price allocated to unfulfilled performance obligations if the obligation is part of a contract with an expected duration of one year or less, or if the Company recognises revenue in the amount to which it has a right to invoice.

The value of unsatisfied performance obligations from which revenue will be recognised in subsequent years	31 Dec 2024
	<i>PLN thou.</i>
for 2025*	6,064
for 2026	1,748
Total	7,812

* the amount presented under the line item "for 2025" includes only the portion attributable to the upcoming year under contracts expiring after 1 January 2026 or later, which means that it does not include any revenue from contracts ending during 2025 or on 31 December 2025.

iii. *Structure of operating revenues by country of generation*

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	<i>PLN thou.</i>	<i>PLN thou.</i>
Poland	380,569	333,299
ROW, including:	48,243	47,241
- Austria	9,532	5,733
- Switzerland	8,603	1,262
- Germany	7,621	7,530
- France	7,311	7,002
- The Netherlands	3,811	4,638
- Romania	2,297	2,668
- United Kingdom	2,136	9,953
- Italy	1,045	1,077
- Bulgaria	995	599
- Czechia	813	843

- United States of America	768	635
- Slovakia	643	422
- Spain	497	559
- Baltic States (Lithuania, Latvia, Estonia)	335	160
- other	1,836	4,160
Total	428,812	380,540

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

4.2. Structure of operating expenses

Selected accounting rules

The Company records its expenses by type. However, for the purpose of presentation of profit and loss, the multi-step model is applied.

Company's employee benefits include:

- a) wages and salaries and social security contributions,*
- b) payments for short-term absences (e.g. paid holiday leave or paid sick leave),*
- c) withdrawals from income and bonuses,*
- d) non-cash benefits for currently employed personnel (e.g. medical care, housing or company cars).*

Own cost of sales includes costs directly related to the purchase of goods sold and preparation of services sold. Costs of sales include commercial costs and marketing costs. Administrative expenses include costs related to the management of the Company and administration costs. The cost of employee benefits includes all forms of Company's benefits offered in return for work performed by employees or for the termination of employment.

The Cost of Goods Sold is the cost of purchasing goods or services from subcontractors (excluding personnel outsourcing) used to carry out projects. The costs relate to both revenues presented as own revenues (regarding revenues from services rendered by subcontractors, if the use of external resources is authorized by the Company which treats external resources as a substitute for own resources) and external revenues (services that must be provided by external resources – most often software or hardware producers).

The costs related to the Employee Capital Plans (PPK) are the costs of post-employment benefits in the form of a defined contribution plan and are recognized under Pension benefit costs (the relevant liability is disclosed in budgetary commitments).

Operating expenses in the year ended 31 December 2024 and in the comparative period were as follows:

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.
Operating expenses		
Value of goods and external services sold	(17,765)	(18,501)
Employee benefits, including:	(201,026)	(178,686)
<i>Costs of transactions with employees settled through equity instruments</i>	<i>(13,654)</i>	<i>-</i>
Amortisation/depreciation	(39,994)	(35,406)
External services *	(34,020)	(28,476)

Other	(12,493)	(10,906)
Total	(305,298)	(271,975)
Own cost of sales	(244,962)	(225,551)
Cost of sales	(21,631)	(19,623)
Administrative expenses	(38,059)	(26,882)
Impairment/Reversal of impairment for credit losses in relation to trade receivables	(646)	81
Total	(305,336)	(271,975)

**In external services, the major items are "asset maintenance costs" and "personnel outsourcing."*

i. Costs of employee benefits

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.
Remuneration	(151,863)	(145,588)
Employee benefits, including:	(46,540)	(31,187)
<i>Social security costs</i>	(26,514)	(25,037)
Other costs of employee benefits	(2,623)	(1,911)
Total costs of employee benefits in:	(201,026)	(178,686)
- own cost of sales	(158,813)	(145,356)
- cost of sales	(12,105)	(13,339)
- administrative expenses	(30,108)	(19,991)
Total costs of employee benefits	(201,026)	(178,686)

Costs of transactions with employees settled through equity instruments

On 23 September 2024, the Supervisory Board of Asseco Business Solutions S.A. adopted the regulations of the Executive Incentive Scheme for the Members of the Management Board and key Company executives. Next, scheme entry agreements were concluded between the parties. The scheme covers three financial years of the Company, i.e. 2024-2026, subject to the condition that it will be put in place no later than 31 December 2027. The aim of the scheme is to create mechanisms to motivate the Members of the Management Board and key executives of the Company to implement the Company's strategy and engage in its operations through long-term commitment to the Company. It will contribute to driving up the Company's operational efficiency, financial results, and robustness. The scheme is carried out using the pool of own shares repurchased by Asseco Business Solutions S.A. in a buy-back procedure conducted by the Management Board in September 2024, as authorized by the General Meeting of Shareholders. The authorisation was provided on 27 June 2024 in a resolution concerning the acquisition of own shares. The Company acquired 600,000 shares, representing 1.7954% of its share capital.

The Company has two share-based payment schemes under IFRS 2. The payments are settled through equity instruments.

The award of shares to scheme participants for the 12-month period ended 31 December 2024 will be based on the financial data used to prepare the financial statements for 2024, as audited by a statutory auditor.

	Members of the Management Board	Key executives
Scheme opening date	23.09.2024	17.12.2024
Number of scheme shares	600,000	
	01.01.2024-31.12.2024	
Period of acquisition	01.01.2024-31.12.2025	
of entitlements	01.01.2024-31.12.2026	
Total scheme cost	(26,963)	(6,283)
Cost in 2024	(12,028)	(1,626)
Fair value of awarded shares on the award date	The valuation of shares on the stock exchange as at the date on which participation in the scheme was offered, based on the terms individually agreed with each participant.	
Form of settlement	equity instruments	
Relevant acquisition requirements	1) loyalty requirement: sitting on the Management Board during the scheme period 2) financial requirement: achieving a financial goal specified by the Supervisory Board and provided in the scheme participation agreement; the financial goal is the financial result: net profit or another financial indicator of the organizational unit in the scheme period	1) loyalty requirement: employment in the Company during the scheme period 2) financial requirement: achieving a financial goal specified by the Management Board and provided in the scheme participation agreement; the financial goal is the financial result: net profit or another financial indicator of the organizational unit in the scheme period

The incentive scheme has a lock-up mechanism in it under which the participant undertakes not to dispose of the shares acquired under the scheme in such a manner that, for each pool of shares acquired:

- undertakes not to dispose of the first portion of such shares, representing 50% of each acquired pool, for a period of one year from the date of acquisition;
- and, at the same time,
- undertakes not to dispose of the other portion of such shares, representing the remaining 50% of each acquired pool, for a period of two years from the date of acquisition;
- each of the two portions of the shares referred to above is a separate subject of the scheme participant's obligation and is subject to independent limitation periods.

ii. Reconciliation of amortisation/depreciation costs

The table below presents the reconciliation of the amortization/depreciation allowance recognised in the profit and loss account with a fixed assets movement table (5.1), an intangible assets table (5.2) and a right-of-use assets table (5.3).

	Note	12 months to 31 Dec 2024 PLN thou.	12 months to 31 Dec 2023 PLN thou.
Depreciation allowance for the year resulting from the table of fixed asset movement	<u>5.1</u>	(9,335)	(8,516)
Depreciation allowance for the year resulting from the table of intangible asset movement	<u>5.2</u>	(21,526)	(18,781)
Depreciation allowance for the year resulting from the table of movement of right-of-use assets	<u>5.3</u>	(9,309)	(8,357)
Reduction of depreciation cost due to settlement of subsidies to internally developed licences		5	-
Capitalisation of depreciation costs for ongoing R&D projects		21	21
Total depreciation allowance recognised in cash flow statement		(40,144)	(35,633)
Depreciation costs of rented real property included other operating expenses		150	227
Total depreciation allowance recognised in operating expenses		(39,994)	(35,406)

4.3. Financial revenues and expenses

Selected accounting rules

Interest revenues are interest on granted loans, investment in securities held to maturity, bank deposits and other facilities.

Interest revenues are recognised in accordance with the effective interest method in the profit and loss account. Upon the sale of investment in traded debt, the Company recognises cumulative profit/loss from valuation in the financial result.

Interest costs resulting from the financing obtained by the Company and lease liabilities are calculated according to the effective interest rate.

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

Financial revenues in the 12 months ended 31 December 2024 and in the comparative period were as follows:

Financial revenues	12 months to 31 Dec 2024 PLN thou.	12 months to 31 Dec 2023 PLN thou.
Interest revenues from bank deposits measured at effective interest rate	1,737	1,892
Positive exchange differences	133	416
Net profits from realisation and/or valuation of derivative instruments	139	52
Other financial revenues	54	76

Total	2,063	2,436
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Financial expenses in the 12 months ended 31 December 2024 and in the comparative period were as follows:

Financial expenses	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.
Interest costs on bank loans	(136)	(24)
Interest expense on lease	(1,728)	(1,660)
Other interest expense	(15)	(210)
Total	(1,879)	(1,894)

4.4. Tax on profit or loss

Selected accounting rules

The Company recognises and measures current and deferred tax assets and liabilities by applying the requirements of IAS 12 Income Tax, taking into account the tax profit/loss, tax base, unsettled tax loss, unused tax reliefs, and tax rates while considering the assessment of uncertainties related to tax settlements.

Income tax includes current tax and deferred tax. Current income tax is a fixed sum on the basis of tax regulations. It is calculated on taxable profit for a given period and recognised as a liability in the paid amount or as a receivable if the amount already paid for current income tax exceeds the payable amount. Deferred tax assets and liabilities are treated in their entirety as long-term and are not discounted. They are subject to offset if there is a legally enforceable right to offset the recognised amounts.

Deferred tax assets and deferred tax provisions are calculated using tax rates to be effective at the time of realization of particular asset or release of particular provision, based on tax rates (and tax legislation) legally or practically effective as at the balance sheet date.

Estimates

On each balance sheet date, the Company assesses the realisability of deferred tax assets. This assessment requires professional judgement and estimates.

If, in the Company's opinion, it is likely that the Company's approach to a tax or taxes is accepted by the tax authority, the Company will determine its taxable profit (tax loss), tax base, unused tax losses, unused tax relief, and tax rates taking into account the approach to taxation planned or applied in its tax return. In accordance with IAS 23, by assessing this likelihood, the Company assumes that the tax authorities authorized to audit and challenge the adopted tax approach will carry out such an audit and will have access to all information.

If the Company determines that it is not likely that the tax authority accepts the Company's approach to a tax or taxes, then the Company will reflect the effects of uncertainty in recognition of its tax in the period which was covered by the determination. The Company recognizes its income tax liability using one of the following two methods, depending on which of them better reflects the way in which uncertainty can occur:

- The Company determines the most likely scenario – a single amount among the possible results or*
- The Company recognizes the expected value – it is the total of probability-weighted amounts among the possible results.*

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

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	<i>PLN thou.</i>	<i>PLN thou.</i>
Current income tax	(11,022)	(13,715)
Deferred tax	1,767	(1,234)
Tax expense reported in the profit and loss account	(9,255)	(14,949)

All revenues and costs in the Company are classified as part of the core business. There were no transactions in the Company that need to be classified as capital activities.

On 15 July 2016, Polish tax law was amended to include changes that allow for the General Anti-Abuse Rule ("GAAR"). The GAAR is to prevent the use of artificial schemes created in order to avoid the payment of tax in Poland. GAAR defines tax avoidance as an operation carried out with a view to achieving a tax advantage contrary, in the specific circumstances, to the object and purpose of tax law. In accordance with GAAR, such an operation does not result in a tax advantage if the scheme of action has been artificial. Any occurrence of (i) unfounded dividing of an operation, (ii) the involvement of intermediate parties despite the lack of commercial or economic grounds, (iii) of mutually exclusive or compensating elements, and (iv) other activities of a similar effect to the previously mentioned, can be treated as a factor typical of artificial schemes addressed by GAAR. The new regulations will require more judgement when assessing the tax effects of individual transactions.

The GAAR clause should apply to transactions made after its entry into force and the transactions that were carried out prior to its entry into force but for which the advantages were or are still being achieved after the date of entry of the clause into force. The adoption of these regulations will enable the Polish tax inspection bodies to challenge the legal arrangements and agreements pursued by the taxpayer, such as the restructuring and reorganisation of the Company.

The Management Board of the Company considered the impact of transactions that could potentially be covered by GAAR on deferred tax, tax value of assets and provisions for tax risk. In the opinion of the Management Board, the analysis did not show the necessity to adjust the disclosed current and deferred income tax items; however, in the opinion of the Management Board, in the case of GAAR, there is inherent uncertainty that the tax authorities may interpret these provisions differently, will change their approach to their interpretation, or the regulations may change, which may affect the capacity of realising deferred tax assets in future periods and the possible payment of additional tax for past periods.

Provisions on tax on goods and services, corporate income tax, personal income tax or social security contributions are subject to frequent changes; as a result, no reference can be made to well-established case-law. The current rules and regulations are not always clear, which may cause additional differences in interpretation. Tax settlements are subject to control by tax authorities. If any irregularities in tax settlements are detected, the taxpayer is obliged to pay the amount of arrears along with statutory interest due. Payment of outstanding liabilities does not always discharge from criminal and fiscal liability. The phenomena described above cause that tax settlements are

encumbered with a relatively high risk. Tax settlements may be subject to inspection for five years starting from the end of the year of submission of tax returns. As a result, the amounts indicated in the financial statements are subject to change at a later date after their final determination by tax authorities.

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

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	<i>PLN thou.</i>	<i>PLN thou.</i>
Accounting income	124,281	109,980
Applicable corporate income tax rate	19%	19%
Income tax at applicable statutory tax rate	23,613	20,896
Use of tax-deductible tax allowances (R&D relief)	(6,543)	(2,830)
Difference due to different income tax rate (IP BOX relief)	(6,114)	(3,911)
CIT (adjustment of IP BOX relief for previous years)	(2,987)	-
SFRD	327	289
Donations	15	(1)
Other fixed differences	944	506
Income tax at applicable tax rate	9,255	14,949
Applicable income tax rate	7.5%	13.6%

The Company carried out R&D works as part of its business activity. As a result, intellectual property rights were created, i.e. the author's economic rights to a computer program, which were recognized as qualified IP rights within the meaning of corporate income tax law. The Company's 2024 income from fees or charges due under licence agreements related to qualified IP, and multiplied by the Nexus ratio, was taxed with a preferential CIT rate under the IP Box relief.

	Provision for deferred tax		Deferred tax asset		Total income for period	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023	12 months to 31 December 2024	12 months to 31 December 2023
	PLN thou.	PLN thou.	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Property, plant and equipment	1,812	1,269	-	-	(543)	(380)
Right-of-use assets	8,842	8,700	-	-	(142)	(253)
Trade receivables	151	113	284	249	(3)	(260)
Assets from contracts with customers	423	225	-	-	(198)	(84)
Other assets	37	136	22	44	77	85
Provisions	-	-	590	562	28	175
Trade liabilities	14	14	-	20	(20)	(3)
Financial liabilities	-	2	9,411	9,296	117	11
Other liabilities	228	-	-	242	(470)	(124)
Accruals	-	-	2,582	2,102	480	(299)
Accrued charges	-	-	62*	68	(61)	
						27
Deferred tax arising from payment through equity instruments	-	-	2,463	-	2,463	-
Deferred tax gross provisions	11,507	10,459	-	-	(1,048)	(686)
Deferred tax gross assets	-	-	15,414	12,583	2,776	(419)
Deferred tax net assets (+)/provision (-)	-	-	3,907	2,124	-	-
Change in deferred tax in the reporting period, including:					1,728	(1,105)
<i>change in deferred tax recognised directly in other comprehensive income</i>					(39)	129
<i>change in deferred tax recognised in profit and loss account</i>					1,767	(1,234)

The change was recognised in retained earnings.

4.5. Earnings per share

Selected accounting rules

Basic net profit per share for each period is calculated by dividing the net profit from continuing operations for a given period by the weighted average number of shares in the reporting period.

Diluted net profit per share for each period is calculated by dividing the net profit from continuing operations for a given period by the total weighted average number of shares in a given reporting period and all potential shares of new issuances.

In connection with the purchase of 600,000 own shares on 19 September 2024, the weighted average number of ordinary shares was calculated as follows:

- in the period from 1 January to 18 September 2024, 33,418,193 shares were included in the calculations,
- in the period from 19 September to 31 December 2024, 32,818,193 shares were included in the calculations.

Based on the above, the weighted average number of shares in the 12-month period ended 31 December 2024 was calculated at 33,247,234 own shares.

In the reporting period and in the comparable period, there were no elements diluting earnings per share, as a result of which earnings per share and diluted earnings per share were equal.

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

	12 months to 31 Dec 2024	12 months to 31 Dec 2023
Weighted average number of outstanding shares used to calculate basic earnings per share	33,247,234	33,418,193
Net profit for the reporting period (in PLN thou.)	115,026	95,030
Net profit per share (in PLN)	3.46	2.84

4.6 Information on dividends paid

Pursuant to the decision of the General Meeting of Shareholders of Asseco Business Solutions S.A. dated 27 June 2024, the Company paid a dividend for 2023. Part of the net profit for the year 2023 in the amount of PLN 86,887 thousand was earmarked for the payment of the dividend in the amount of PLN 2.60 per share. The remaining part of net profit in the amount of PLN 8,143 thousand was transferred to supplementary capital and recognised under retained earnings. The dividend date was set on 5 July 2024 and the dividend payment date on 16 July 2024.

Pursuant to the decision of the General Meeting of Shareholders of Asseco Business Solutions S.A. dated 31 May 2023, the Company paid a dividend for 2022. Part of the net profit for the year 2022 in the amount of PLN 76,862 thousand was earmarked for the payment of the dividend in the amount of PLN 2.30 per share. The remaining part of net profit in the amount of PLN 8,424 thousand was transferred to supplementary capital and recognised under retained earnings. The dividend date was set on 9 May 2023 and the dividend payment date on 21 June 2023.

V. Notes to the balance sheet

5.1. Property, plant and equipment

Selected accounting rules

Property, plant and equipment, other than land, are carried at cost less decommitment and impairment loss. Initial cost of property, plant and equipment comprises the acquisition cost plus all costs directly related to their acquisition and adaptation for use. This cost also includes the cost of replacing component parts of machinery and equipment when incurred, if the criteria of their recognition in the value of assets are met. Costs incurred after the date of commissioning of a fixed asset to be used, such as maintenance and repair costs, are charged to profit or loss when incurred.

Property, plant and equipment at the time of purchase are divided into components which are items of significant value to which a specific period of economic useful life may be assigned. Components are also the cost of overhauls.

Investment in progress concern the tangible assets in the course of construction or assembly and are disclosed at purchase price or production cost, less any impairment losses. Assets under construction are not subject to depreciation until the end of construction.

The item of property, plant and equipment may be derecognised from the balance sheet if sold, or if there are no expected economic benefits resulting from its further use. Any gain or loss resulting from the derecognition of the asset from the balance sheet (calculated as the difference between the net sales proceeds and the carrying value of the asset) are recognized in profit or loss for the period in which such derecognition was made.

Estimates

At each balance sheet date, the Company assesses whether there are objective premises that could indicate an impairment of property, plant and equipment. Additionally, at the end of each financial year, the Company verifies the useful life of property, plant and equipment.

Depreciation is calculated on straight line basis over the estimated useful life of the asset.

Useful life periods are presented in the table below:

	Period (in years)
Buildings	10 years
Computers and other office equipment	3-10 years
Means of transport	7 years
Other fixed assets	5-10 years

Every year the Company verifies useful lives based on current estimates of the expected useful life of a given asset.

Over the 12 months ended 31 December 2024, there were no major changes to the manner of making estimates.

In 2024 there were no significant changes to the amortization rates applied by the Company.

Changes in net worth of property, plant and equipment in the period of the six months ended 31 December 2024 and in the comparable period were attributed to the following:

	Land and buildings	Computers and other office equipment	Means of transport	Other fixed assets	Fixed assets under construction	Total
Gross value as at 1 January 2024	6,262	29,538	38,031	4,667	2,443	80,941
Increase through:	546	6,124	3,700	924	4,338	15,632
Purchase and upgrade	483	5,507	1,671	649	4,338	12,648
Transfers from right-of-use assets	-	-	108	-	-	108
Transfers from fixed assets under construction	63	617	1,921	275	-	2,876
Decrease through:	(30)	(3,389)	(1,264)	(428)	(2,876)	(7,987)
Sale	-	(1,401)	(1,190)	(138)	-	(2,729)
Liquidation	(30)	(1,988)	(74)	(290)	-	(2,382)
Transfers from fixed assets under construction to fixed assets	-	-	-	-	(2,876)	(2,876)
Gross value as at 31 December 2024	6,778	32,273	40,467	5,163	3,905	88,586
Decommitment as at 1 January 2024	(2,309)	(15,361)	(15,822)	(2,416)	-	(35,908)
Increase through:	(525)	(3,939)	(4,432)	(474)	-	(9,370)
Depreciation allowance for reporting period	(525)	(3,939)	(4,397)	(474)	-	(9,335)
Transfers from right-of-use assets	-	-	(35)	-	-	(35)
Decrease through:	30	3,368	956	427	-	4,781
Sale	-	1,392	943	137	-	2,472
Liquidation	30	1,976	13	290	-	2,309
Decommitment as at 31 December 2024	(2,804)	(15,932)	(19,298)	(2,463)	-	(40,497)
Net value as at 1 January 2024	3,953	14,177	22,209	2,251	2,443	45,033
Net value as at 31 December 2024	3,974	16,341	21,169	2,700	3,905	48,089

	Land and buildings	Computers and other office equipment	Means of transport	Other fixed assets	Fixed assets under construction	Total
Gross value as at 1 January 2023	6,218	25,716	30,802	4,704	511	67,951
Increase through:	61	6,110	9,605	282	5,229	21,287
Purchase and upgrade	61	3,652	5,399	209	5,229	14,550
Transfers from right-of-use assets	-	-	3,440	-	-	3,440
Transfers from fixed assets under construction	-	2,458	766	73	-	3,297
Decrease through:	(17)	(2,288)	(2,376)	(319)	(3,297)	(8,297)
Sale	-	(1,199)	(2,376)	-	-	(3,575)
Liquidation	(17)	(1,089)	-	(319)	-	(1,425)
Transfers from fixed assets under construction to fixed assets	-	-	-	-	(3,297)	(3,297)
Gross value as at 31 December 2023	6,262	29,538	38,031	4,667	2,443	80,941
Decommitment as at 1 January 2023	(1,838)	(13,737)	(12,932)	(2,347)	-	(30,854)
Increase through:	(486)	(3,900)	(4,840)	(388)	-	(9,614)
Depreciation allowance for reporting period	(486)	(3,900)	(3,742)	(388)	-	(8,516)
Transfers from right-of-use assets	-	-	(1,098)	-	-	(1,098)
Decrease through:	15	2,276	1,950	319	-	4,560
Sale	-	1,191	1,950	-	-	3,141
Liquidation	15	1,085	-	319	-	1,419
Decommitment as at 31 December 2023	(2,309)	(15,361)	(15,822)	(2,416)	-	(35,908)
Net value as at 1 January 2023	4,380	11,979	17,870	2,357	511	37,097
Net value as at 31 December 2023	3,953	14,177	22,209	2,251	2,443	45,033

5.2. Intangible assets

Selected accounting rules

Acquired intangible assets

Intangible assets acquired in a separate transaction are recognised at acquisition price. The purchase price of intangible assets acquired in a business combination is equal to their fair value at the date of the combination.

Goodwill

Goodwill is an asset representing future economic benefit arising from assets acquired through business combination that cannot be either identified individually or recognised separately.

In separate financial statements, goodwill is a value resulting from combination of businesses under joint control. Goodwill was originally calculated as the surplus of the price paid over the acquired identifiable net assets, and in separate accounts it was recognised at the moment of merger of the acquired entities.

Business combination under joint control results in all combined entities ultimately falling under the control of the same party or parties both before and after the merger, and such a control is not temporary. In particular, this involves transactions such as the transfer of companies or ventures between Company's units or the merger of a parent entity with its subsidiary.

Internally generated intangible assets

In separate categories, the Company presents the end products of development projects ("internally generated software") and products that have not yet been completed ("cost of uncompleted development projects"). An internally generated intangible asset as a result of development (or completion of a development stage/milestone of own project) is recognised if and only if the Company is able to demonstrate:

- the technical possibility of completing the development of an intangible asset so that it can be used or sold;
- the intention to complete an intangible asset;
- the capacity to use or sell an intangible asset;
- that an intangible asset will generate probable future economic benefits;
- the availability of technical, financial and other means necessary to complete the development and use or sale an intangible asset;
- that it can assess reliably the expenses incurred during the development that can be assigned to the developed intangible assets.

The cost of internal generation of an intangible asset is the sum of expenditures incurred from the date when the intangible asset meets the recognition criteria described above for the first time. The value of expenditure previously included in costs is not subject to activation. The cost of internal generation of an intangible asset includes expenditures that can be directly allocated to the activities of designing, producing and adapting an asset for use in a manner intended by the management.

These costs include, in particular: employee benefits, expenditure on materials and services used or directly consumed in the project, depreciation costs of equipment used in the development process and the cost of office space occupied by the development team.

Until the completion of development works, the cumulative costs that are in direct relation to these works will be recognised as "Cost of uncompleted development projects." Upon the completion of development works, the ultimate result of the development process is transferred to the category "Internally generated software," and from then on the Company begins to depreciate such internally generated software. Development costs that meet the above criteria are capitalized and reduced in the balance sheet by accumulated depreciation and accumulated impairment losses. Any expenditure related to completed development are amortized over the expected period of obtaining revenue from the sale of the project.

Amortization allowance for intangible asset with determined use is recognized in profit or loss in weight in this category, which corresponds to the function of the intangible asset.

Intangible assets with an indefinite useful life and those that are not in use are, at least once a year and whenever there are grounds for that, verified for possible impairment. Intangible assets with an indefinite useful life, those that are not in use, and other intangible assets are subject to impairment tests whenever there are grounds for their possible impairment. If the carrying amount exceeds the estimated recoverable amount (the higher of the following two values: net selling price or value in use), the value of these assets is reduced to the level of recoverable amount.

Gains or losses resulting from the removal of intangible assets from the balance sheet are valued according to the difference between net sales proceeds and the carrying amount of an asset and are recognised in the profit or loss account in other operating cost or income upon the derecognition of this asset.

Estimates

At each balance sheet date, the Company assesses whether there are objective premises that could indicate an impairment of an intangible asset. The useful life of intangible assets is measured and considered limited and indefinite. Intangible assets with a limited useful life are amortized using the straight-line method and based on their estimated useful life. Amortization costs are recognized in the profit and loss account where they are created.

Useful life periods are presented in the table below:

Type	Period (in years)
Acquired licences and software	2 years
Costs of R&D	2-5 years
Customer relations	8 years
Other	2-5 years

The Company reviews the adopted periods of economic useful life based on current estimates annually. In 2024 there were no significant changes to the intangible asset amortization rates applied by the Company.

The cost price of an internally generated intangible asset is determined and capitalised in accordance with the Company's accounting policy. To decide the starting point for cost capitalisation is the subject of professional judgement regarding the technological and economic possibility of completing the project. This point is determined by achieving a project milestone in which the Company has reasonable assurance that it is able to complete an intangible asset so that it can be used or sold, and that future economic benefits from the use or sale will exceed the cost of generation of that intangible asset. Thus, by determining the value of costs that may be subject to capitalisation, the Management Board assesses the current value of future cash flows generated by a given intangible asset.

Every year and at each balance sheet date, if specific conditions are met, goodwill is tested for impairment. Performing such a test requires estimation of the recoverable amount of the cash-generating unit and is mostly done using the discounted cash flow method, which requires estimations to be made of future cash flows, changes in working capital and the weighted average cost of capital.

Intangible assets recognised during the settlement of combination

The table below shows intangible assets recognized during the settlement of the merger of Asseco Business Solutions S.A. with other companies:

	Customer relations	Other	Total
	PLN thou.	PLN thou.	PLN thou.
As at 1 January 2024:			
Gross value	2,500	262	2,762

Decommitment	(2,029)	-	(2,029)
Carrying value as at 1 January 2024	471	262	733

As at 31 December 2024:			
Gross value	2,500	262	2,762
Decommitment	(2,342)	-	(2,342)
Net carrying value as at 31 December 2024	158	262	420
Depreciation allowance for reporting period	313	-	313

	Customer relations <i>PLN thou.</i>	Other <i>PLN thou.</i>	Total <i>PLN thou.</i>
As at 1 January 2023:			
Gross value	2,500	262	2,762
Decommitment	(1,717)	-	(1,717)
Carrying value as at 1 January 2023	783	262	1,045

As at 31 December 2023:			
Gross value	2,500	262	2,762
Decommitment	(2,029)	-	(2,029)
Net carrying value as at 31 December 2023	471	262	733
Depreciation allowance for reporting period	312	-	312

Changes in net worth of intangible assets in the period of 12 months ended 31 December 2024 and in the comparative period were attributed to the following:

	Goodwill	Internally generated software	Costs of unfinished R&D work	Purchased computer software, patents, licences and other intangible assets	Intangible assets recognised during the settlement of combination	Total
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Gross value as at 1 January 2024	252,879	64,518	1,426	6,233	2,762	327,818
Increase through:	-	16,316	28,307	721	-	45,344
Purchase and upgrade	-	-	-	721	-	721
Capitalisation of costs of R&D projects	-	-	28,307	-	-	28,307
Transfers from costs of unfinished development work	-	16,316	-	-	-	16,316
Decrease through:	-	(15,894)	(16,316)	(555)	-	(32,765)
Liquidation	-	(15,894)	-	(555)	-	(16,449)
Transfers to internally generated software	-	-	(16,316)	-	-	(16,316)
Gross value as at 31 December 2024	252,879	64,940	13,417	6,399	2,762	340,397
Decommitment as at 1 January 2024	-	(29,882)	-	(5,998)	(2,029)	(37,909)
Increase through:	-	(20,972)	-	(241)	(313)	(21,526)
Depreciation allowance for reporting period	-	(20,972)	-	(241)	(313)	(21,526)
Decrease through:	-	15,894	-	549	-	16,443
Liquidation	-	15,894	-	549	-	16,443

Decommitment as at 31 December 2024	-	(34,960)	-	(5,690)	(2,342)	(42,992)
Net value as at 1 January 2024	252,879	34,636	1,426	235	733	289,909
Net value as at 31 December 2024	252,879	29,980	13,417	709	420	297,405

	Goodwill	Internally generated software	Costs of unfinished R&D work	Purchased computer software, patents, licences and other intangible assets	Intangible assets recognised during the settlement of combination	Total
	PLN thou.	PLN thou.	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Gross value as at 1 January 2023	252,879	84,790	609	6,262	2,762	347,302
Increase through:	-	21,974	22,791	238	-	45,003
Purchase and upgrade	-	-	-	238	-	238
Capitalisation of costs of R&D projects	-	-	22,791	-	-	22,791
Transfers from costs of unfinished development work	-	21,974	-	-	-	21,974
Decrease through:	-	(42,246)	(21,974)	(267)	-	(64,487)
Liquidation	-	(42,246)	-	(267)	-	(42,513)
Transfers to internally generated software	-	-	(21,974)	-	-	(21,974)
Gross value as at 31 December 2023	252,879	64,518	1,426	6,233	2,762	327,818
Decommitment as at 1 January 2023	-	(53,913)	-	(6,011)	(1,717)	(61,641)

Increase through:	-	(18,215)	-	(254)	(312)	(18,781)
Depreciation allowance for reporting period	-	(18,215)	-	(254)	(312)	(18,781)
Decrease through:	-	42,246	-	267	-	42,513
Liquidation	-	42,246	-	267	-	42,513
Decommitment as at 31 December 2023	-	(29,882)	-	(5,998)	(2,029)	(37,909)
Net value as at 1 January 2023	252,879	30,877	609	251	1,045	285,661
Net value as at 31 December 2023	252,879	34,636	1,426	235	733	289,909

5.3. Right-of-use assets

Selected accounting rules

An agreement is a lease or contains lease if it transfers the right to control an identified asset over a given period in exchange for payment. The right of control is transferred to the lessee under a concluded agreement if, throughout the entire period of use, the lessee enjoys:

- the right to reap essentially all economic benefits from the use of the identified asset and
- the right to direct the use of the identified asset.

The Company recognises right-of-use assets at the beginning of lease in its balance sheet (i.e. as at the date when an asset covered by the lease agreement is made available to the Company for use). Right-of-use assets are initially recognized at cost. The cost of a right-of-use asset covers the amount of the initial valuation of lease liability, any lease payments paid on or before the initial date of the lease, less any leasing incentives received, initial direct costs incurred by the lessee, and an estimate of the costs to be incurred by the lessee in connection with the disassembly and removal of the underlying asset. The Company measures a right-of-use asset using the cost model, i.e. less depreciation write-downs and possible losses due to impairment, but also after appropriate adjustment for recalculated lease liabilities (i.e. modifications that do not require the recognition of a separate lease).

Estimates

At each balance sheet date, the Company assesses whether there are objective conditions that could indicate an impairment of a given right-of-use asset. In addition, at the end of each financial year, the Company's Management Board makes judgements for agreements concluded for an indefinite period to determine their duration with reasonable assurance. Depreciation of right-of-use assets in the Company is generally carried out on a straight-line basis. If under a lease agreement, the ownership of the underlying asset is transferred to the Company at the end of the lease period or if the cost of a right-of-use asset takes into account that the Company will take advantage of the purchase option, the Company depreciates right-of-use assets from the initial date up to the end of the useful life of the underlying asset. Otherwise, the Company depreciates right-of-use assets from the date of inception of the lease to the end of the useful life of the asset or to the end of the lease period, whichever is earlier.

Useful life periods are presented in the table below:

	Period (in years)
Land and buildings	3-15 years
Means of transport	7 years

To estimate the possible impairment of assets from right of use, the Company applies IAS 36 Impairment of Assets. At each balance sheet date, the Company assesses whether there are objective conditions that could indicate an impairment of a given right-of-use asset. In addition, at the end of each financial year, the Company's Management Board makes judgements for agreements concluded for an indefinite period to determine their duration with reasonable assurance.

Land and buildings	Means of transport	Total
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Gross value as at 1 January 2024	77,735	108	77,843
Increase through:	11,436	-	11,436
New lease agreements	7,021	-	7,021
Modification of existing agreements (renewal, change of interest rate)	4,415	-	4,415
Decrease through:	(4,659)	(108)	(4,767)
Early agreement termination	(207)	-	(207)
Modification of existing agreements (early termination, change of interest rate)	(1,412)	-	(1,412)
Buyout of right-of-use asset	-	(108)	(108)
Other	(3,040)	-	(3,040)
Gross value as at 31 December 2024	84,512	-	84,512
Decommitment as at 1 January 2024	(31,945)	(25)	(31,970)
Increase through:	(9,299)	(10)	(9,309)
Depreciation allowance for reporting period	(9,299)	(10)	(9,309)
Decrease through:	3,182	35	3,217
Early agreement termination	144	-	144
Buyout of right-of-use asset	-	35	35
Buyout of right-of-use asset	3,038	-	3,038
Decommitment as at 31 December 2024	(38,062)	-	(38,062)
Net value as at 1 January 2024	45,790	83	45,873
Net value as at 31 December 2024	46,450	-	46,450

	Land and buildings	Means of transport	Total
Gross value as at 1 January 2023	68,774	3,548	72,322
Increase through:	11,123	-	11,123
New lease agreements	909	-	909
Modification of existing agreements (renewal, change of interest rate)	10,214	-	10,214
Decrease through:	(2,162)	(3,440)	(5,602)

Early agreement termination	(1,719)	-	(1,719)
Modification of existing agreements (early termination, change of interest rate)	(155)	-	(155)
Buyout of right-of-use asset	-	(3,440)	(3,440)
Other	(288)	-	(288)
Gross value as at 31 December 2023	77,735	108	77,843
Decommitment as at 1 January 2023	(24,316)	(667)	(24,983)
Increase through:	(7,901)	(456)	(8,357)
Depreciation allowance for reporting period	(7,901)	(456)	(8,357)
Decrease through:	272	1,098	1,370
Early agreement termination	272	-	272
Buyout of right-of-use asset	-	1,098	1,098
Decommitment as at 31 December 2023	(31,945)	(25)	(31,970)
Net value as at 1 January 2023	44,458	2,881	47,339
Net value as at 31 December 2023	45,790	83	45,873

5.4. Asset impairment tests

Selected accounting rules

At every balance sheet date, the Company carries out valuation of its non-financial assets concerning any impairment. If any such indication exists, or if it is necessary to perform an annual impairment test, the Company shall estimate the recoverable amount of an asset or cash-generating unit to which the asset is assigned.

The recoverable amount of an asset or cash-generating unit is fair value less costs to sell the asset or unit or its value in use, depending on whichever is higher. The recoverable amount is determined for individual assets unless an asset does not generate cash flows independently, and most of them are generated independently by other assets or groups of assets. If the carrying value of an asset exceeds its recoverable value, impairment takes place and a write-down is made up to the level of estimated recoverable value. When estimating value in use, projected cash flows are discounted to their present value using a discount rate which reflects the current market estimate of time value of money and the risks specific to the asset. Impairment losses of assets used in continuing operations are recognised as an item of operating expenses.

At each balance sheet date, the Company assesses whether there is any indication that an impairment loss, which was included in previous periods for an asset, is redundant, or whether it should be reduced. If any such indication exists, the Company estimates the recoverable amount of the asset. Previously recognised impairment loss is reversed if and only if since the last impairment loss recognised, there has been a change in the estimates used to determine the recoverable amount of the asset. In this case, the carrying value of an asset is increased to its recoverable amount. The increased value cannot exceed the asset's carrying value that would have been determined (after allowing for depreciation), if in previous years no impairment loss had been recognised in respect of that asset. Reversal of impairment loss for an asset is recognized immediately as a reduction in operating expenses. After the reversal of an impairment, amortization/depreciation charge for the asset in subsequent periods is adjusted in a way that allows systematic write-down of its revised carrying value less its residual value throughout the remaining useful life.

Goodwill: impairment test

After initial recognition, goodwill is recorded at acquisition cost less any accumulated impairment losses. Impairment test is carried out annually or more frequently if there are grounds for doing so. Goodwill is not amortized. At the date of acquisition, goodwill acquired is allocated to each cash-generating units that can benefit from the merger synergy. Each unit or a group of units to which goodwill has been allocated: corresponds to the lowest level in the Company in which goodwill is monitored for internal management needs and is no larger than one operating segment determined in accordance with IFRS 8 Operating Segments. An impairment loss is determined by estimating the recoverable amount of cash-generating unit to which a given goodwill is allocated. Where the recoverable value of the cash-generating unit is less than carrying value, impairment loss is recognised. Such impairment increases the financial expenses in the Company. Reversal of a previous impairment loss is not possible.

Where goodwill forms part of the cash-generating unit and part of the activities within the unit is sold, in determining profit or loss from sales of such an activity, goodwill associated with the sold activity is included in its carrying amount. In such circumstances, the sold goodwill is determined on the basis of the relative value of sold activity and the value of what remains of the cash-generating unit.

Estimates

Each time, an impairment test requires estimation of the value in use of cash-generating units or groups of cash-generating units to which goodwill and/or intangible assets with an indefinite useful life are allocated. The Company applies the value in use model to calculate the amount recoverable. Estimating the value in use covers the determination of future cash flows generated by a unit or units and the determination of a discount rate, which is then used to calculate the present value of these flows. Where the value in use is higher than the balance sheet value of assets, the Company does not make estimates in the fair value model.

As at 31 December 2024, as well as in the 12-month period ended 31 December 2024, the market capitalisation of Asseco Business Solutions S.A. remained at a level significantly above the book value of the Company's net assets, as shown in the table below.

	31 Dec 2024	31 Dec 2023
	PLN thou.	PLN thou.
Book value of net assets	385,127	379,266
Market capitalisation	1,898,153	1,604,073
Market capitalisation surplus (+) over net assets	1,513,026	1,224,807

However, in accordance with the requirements of IAS 36, an annual goodwill impairment test was conducted. For the purpose of the test, all goodwill was allocated to the cash-generating unit corresponding to the lowest level in the Company on which goodwill is monitored for internal management needs, i.e. to the ERP segment.

The value in use of the segment is assessed using a discounted free cash flow for firm model (FCFF).

Key assumptions used to calculate the recoverable amount:

- The recoverable amount of the unit was estimated on the basis of use value, calculated on cash flow projections based on financial budgets approved by the Management Board and the Supervisory Board for 2025.
- A detailed forecast was prepared for a 5-year period, during which increases in cash flows were assumed for each subsequent year. For the remaining useful life of the unit, a residual value was calculated based on an assumed perpetual growth rate of 2.5% (in the previous year's test, a growth rate of 3% was applied for the residual period.)

- Probable increases in flows depend on the strategy for the whole Company and tactical plans of the units and take into account the conditions governing individual market; at the same time, they reflect the current and potential portfolio of orders. A potential portfolio of orders assumes the retention of current and prospecting for new customers. The envisaged increases do not depart from the average market growth.
- The discount rate (after tax) used to calculate the present value of estimated cash flows is the estimate of the weighted average Company's cost of capital. The individual components of this rate were estimated based on market data on risk-free interest rates, the value of the beta factor (deleveraged beta of 0.95 was adopted which was leveraged based on the market structure of the debt/equity) and the value of expected return from the market.

The conducted impairment tests, which involved the estimation of the value in use by applying the model of discounted free cash flow to firm (FCFF), indicated that the value in use of the cash-generating units is higher than the balance sheet value.

As a result of the test for impairment, it should be noted that on 31 December 2024 there was no need to apply impairment to goodwill.

Sensitivity analysis

Additionally, the Company carried out a sensitivity analysis in relation to the conducted impairment test. The sensitivity analysis examined the impact of changes of:

- discount rate applied for the residual period, i.e. for cash flows generated after 2029;
- compound annual growth rate of free cash flows (CAGR) over the period of forecast, i.e. in the years 2025-2029;

as a factor with influence on the recoverable amount of a cash-generating unit, assuming other factors remain unchanged.

The objective of such a sensitivity analysis was to find out the breakpoints showing how much the selected parameters applied in the model could be changed so that the estimated value in use of each cash-generating unit equalled its carrying value.

The results of the conducted analysis are presented in the table below:

	Discount rate for residual period		Free cash flow to firm (FCFF)
	applied in model	threshold	threshold
Goodwill	11.55%*	Not applicable**	-33.45%

* the discount rate used in the model for the residual period is 11.55%; the growth rate used in the model for the residual period is 2.5%

** it means that the threshold of the discount rate for the residual period is greater than 100%.

	Change in discount rate for the residual period (in percentage points)						
	-1.5 p.p.	-1.0 p.p.	-0.5 p.p.	0.0 p.p.	+0.5 p.p.	+1.0 p.p.	+1.5 p.p.
Current value of FCFF (in PLN thou.)	1,483,373	1,419,253	1,362,636	1,312,277	1,267,193	1,226,596	1,189,849

Above/less than the book value of unit (in PLN thou.)	1,093,609	1,029,489	972,872	922,513	877,429	836,832	800,085
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Change in FCFF parameter in the years 2025-2029 (change by % value)							
	-5%	-3%	-1%	0%	1%	3%	5%
FCFF current value (in PLN thou.)	1,246,663	1,272,909	1,299,154	1,312,277		1,350,645	1,377,891
1,351,645							
Above/less than unit book value (in PLN thou.)	856,899	883,145	909,390	922,513	935,636	961,881	988,127

5.5. Receivables and assets from contracts with customers

Selected accounting rules

Assets under contracts with customers confer the right to remuneration in exchange for goods or services that the unit has delivered to the customer.

Assets from contracts with customers result from the fact that the progress of implementation contracts is more advanced than issued invoices. As regards these assets, the Company has fulfilled its obligation to perform, but the right to remuneration depends on other conditions than just the passage of time, which makes contract assets different from trade receivables.

Trade receivables whose maturity is usually from 14 to 30 days are recognised and presented at initially invoiced amounts, taking into account an allowance for receivables. Receivables with distant maturity dates are recognised at the present value of the expected payment less possible allowance due to expected credit loss.

Trade receivables from non-invoiced delivery are for those services that were provided during the reporting period (the Company provided its contracted services) but were not invoiced before the balance sheet date. As at the balance sheet date, the Company recognises, however, that it has an unconditional right to receive its due remuneration, which is why it classifies this asset item as a receivable.

Allowance for expected credit losses in relation to receivables and contract-based assets

In estimating an allowance for expected credit losses related to trade receivables, the Company takes a simplified approach by measuring the allowance at an amount equal to expected credit losses over the life of receivables. In order to estimate the value of such expected credit losses, the Company uses a provisioning matrix prepared on the basis of historical payments received from customers, where appropriate adjusted by the impact of forward-looking information. To this end, the Company divides its customers into homogeneous groups and carries out a statistical age analysis and a debt collectability analysis based on data from at least two years back.

Allowance for expected credit losses on trade receivables is updated on each reporting day.

For trade receivables that are past due over 180 days, apart from the statistical method of estimating the amount of allowance for expected credit losses based on the provisioning matrix, the Company also applies an individual approach. For each amount of trade receivables that is significant and past-due more than 180 days, the management exercise professional judgement taking into account the contractor's financial standing,

the type of security, the progress of contract performance, the current rating, and other relevant facts and circumstances.

The allowance for expected credit losses related to trade receivables and assets from contracts with customers is included in operating activities.

In the case of other receivables and other financial assets, the Company measures the write-down on expected loan losses in the amount equal to 12-month expected loan losses. If the credit risk associated with a given financial instrument has increased significantly since initial recognition, the Company measures the write-down on expected credit loss on the financial instrument in an amount equal to the expected loan loss over the entire life cycle.

Allowances for expected credit losses related to the value of other receivables are included in other operating activities or financing activities if a receivable was attributed to a transaction of investment disposal or other activity whose income and expenses, as a rule, fall under financing activities. Allowances for the balance of receivables resulting from accrued interest are included in financial expenses.

If the reason for the allowance is no longer relevant, the whole or a part of the previously made allowance increases the value of the given asset.

Estimates

Each time, the Company exercises professional judgement involving the assessment of the percentage of completion of IT implementation contracts in relation to invoices issued. Similarly, a certain amount of estimates and professional judgement is needed in allocating the transaction price to individual performance obligations.

The Company estimates the allowance for expected credit losses on receivables and assets from contracts with customers in accordance with IFRS 9 Financial Instruments. In the simplified approach, this requires a statistical analysis which in principle involves making certain assumptions and applying professional judgement.

The following table presents the balances of trade receivables as at 31 December 2024 and 31 December 2023:

	31 December 2024		31 December 2023	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Trade accounts receivable	-	58,131	-	54,231
from related parties, including:	-	386	-	256
Invoiced receivables	-	386	-	256
from other parties	-	57,745	-	53,975
Invoiced receivables	-	57,707	-	53,975
Receivables not invoiced	-	38	-	-
Allowance for expected credit losses (-)	-	(1,670)	-	(1,228)
Total trade receivables	-	56,461	-	53,003

Invoices are issued on dates specified in contracts with customers. Payment deadlines are usually up to 30 days.

The table below presents balances of assets under contracts with customers as at 31 December 2024 and as at 31 December 2023:

	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Assets from contracts with customers				
from other parties	-	3,671	-	1,871
Total assets under contracts with customers	-	3,671	-	1,871

Assets from contracts with customers result from the fact that the progress of implementation contracts is more advanced than issued invoices.

Change in the value of assets related to contracts with customers during 12 months ended 31 December 2024 and in the comparable period:

	12 months to 31 Dec 2024 <i>PLN thou.</i>	12 months to 31 Dec 2023 <i>PLN thou.</i>
Value of assets from contracts with customers as at 1 January	1,871	1,052
Reclassification of an asset from contracts with customers due to acquisition of an unconditional right to payment	(3,730)	(1,442)
Implementation of new obligations of performance without invoicing; change in estimated transaction price, other changes in assumptions	5,530	2,261
Assets from contracts with customers at end of period	3,671	1,871

The table below shows movement in the balance of write-downs for forecast credit losses in relation to trade receivables and assets from contracts with customers during the 12-month period ended 31 December 2024 and in the corresponding period of the previous year:

	12 months to 31 Dec 2024 <i>PLN thou.</i>	12 months to 31 Dec 2023 <i>PLN thou.</i>
As at 1 January	(1,228)	(1,334)
Creation	(654)	(55)
Termination/use	212	161
As at 31 December	(1,670)	(1,228)

The Company has appropriate policies in place for making the sale only to verified customers. In the opinion of the Management Board, there is no need to create an additional allowance for expected credit losses. In connection with the war in Ukraine, the Company implemented a process of more

careful monitoring of its receivables. After the analysis, the Company does not identify any significant risk of impairment of assets, and in particular, there was no significant change in the collection of receivables, therefore the calculation of expected credit losses did not change significantly.

The tables below show the age structure of receivables together with the allowance for expected credit losses as at 31 December 2024 and 31 December 2023:

	31 December 2024					
	Gross amount		Write-down		Net amount	
	<i>PLN thou.</i>	%	<i>PLN thou.</i>	%	<i>PLN thou.</i>	%
Ageing of trade receivables						
Receivables undue	51,971	84.0%	(110)	6.6%	51,861	86.1%
Past due receivables	5,051	8.3%	(451)	27.0%	4,600	7.7%
Receivables past due up to 3 months	4,648	7.5%	(156)	9.3%	4,492	7.5%
Receivables past due from 3 to 6 months	164	0.3%	(113)	6.8%	51	0.1%
Receivables past due from 6 to 12 months	70	0.2%	(70)	4.2%	-	-%
Receivables past due above 12 months	169	0.3%	(112)	6.7%	57	0.1%
	57,022	92.3%	(561)	33.6%	56,461	93.8%
Receivables claimed at court	1,109	1.8%	(1,109)	66.4%	-	-%
Aged assets from contracts with customers	3,671	5.9%	-	-	3,671	6.2%
Total	61,802	100.0%	(1,670)	100.0%	60,132	100.0%

	31 December 2023					
	Gross amount		Write-down		Net amount	
	<i>PLN thou.</i>	%	<i>PLN thou.</i>	%	<i>PLN thou.</i>	%
Ageing of trade receivables						
Receivables undue	46,761	83.4%	-	-%	46,761	85.2%
Past due receivables	6,383	11.4%	(141)	11.5%	6,242	11.3%
Receivables past due up to 3 months	6,223	11.1%	(134)	10.9%	6,089	11.1%
Receivables past due from 3 to 6 months	11	-%	-	-%	11	-%
Receivables past due from 6 to 12 months	24	0.1%	(1)	0.1%	23	-%

Receivables past due above 12 months	125	0.2%	(6)	0.5%	119	0.2%
	53,144	94.7%	(141)	11.5%	53,003	96.5%
Receivables claimed at court	1,087	1.9%	(1,087)	88.5%	-	-%
Aged assets from contracts with customers	1,871	3.3%	-	-	1,871	3.5%
Total	56,102	100.0%	(1,228)	100.0%	54,874	100.0%

The table below presents other receivables as at 31 December 2024 and 31 December 2023:

	31 December 2024		31 December 2023	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Budget receivables	-	-	-	15
Receivables from paid deposits	415	116	409	138
Other receivables	-	43	-	58
Other receivables total	415	159	409	211

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

Related party transactions are shown in item 5.18 of the explanatory notes to these financial statements.

5.6. Prepayments

Selected accounting rules

In prepaid expenses, expenses incurred until the balance sheet date are recognised which relate to future periods (prepaid expenses) or relate to future revenues. In particular, prepayments include: (i) external prepaid services (including maintenance services) to be provided in subsequent periods, (ii) prepaid insurance, subscriptions, rents, etc., and (iii) other expenses incurred in the period and related to future periods.

In addition, the Company recognizes as an asset the costs of conclusion of a contract with a customer and the costs of performance of the agreement if the Company expects to recover such costs of performance thereof if the Company expects to recover such costs.

As at 31 December 2024 and as at 31 December 2023, the balance of active prepayments comprised the following items:

31 December 2024	31 December 2023
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	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Prepaid services, including:				
Maintenance services and licence fees	282	482	302	434
Prepaid training	-	340	-	83
Insurances	-	758	-	164
Other services	7	600	4	524
Total	289	2,180	306	1,205

Accrued expenses as at 31 December 2024 and as at 31 December 2023 consisted mainly of prepaid maintenance services and licence fees that will be recognised in the profit and loss account successively in future periods.

5.7. Other assets

Selected accounting rules

The Company qualifies financial assets to the following categories specified in IFRS 9:

- measured at fair value through other comprehensive income*
- valued at amortised cost*
- measured at fair value through profit or loss.*

The Company classifies financial assets based on the Company's business model in terms of managing financial assets and the characteristics of contractual cash flows for a given financial asset. The Company reclassifies investments in debt instruments if and only if the asset management model changes.

i. Other financial assets

As at 31 December 2024 and 31 December 2023, the Company did not hold financial assets measured at amortized cost, nor financial assets measured at fair value through profit or loss (except for assets under contracts with customers, trade receivables and cash, which are given in Items 5.5 and 5.9 of the notes to these financial statements).

Changes to the method of determining the fair value of financial instruments measured at fair value and changes to the classification of financial instruments

In the 12 months ended 31 December 2024, the Company did not change the method of determining the fair value of financial instruments measured at fair value, and there were no transfers of instruments between the levels of the fair value hierarchy; no changes were made to the classification of financial instruments.

As at 31 December 2024 (and as at 31 December 2023), the Company was not a party to forward contracts.

ii. Non-financial assets

The balance of other assets as at 31 December 2024 and as at 31 December 2023 consisted of:

	31 Dec 2024	31 Dec 2023
	PLN thou.	PLN thou.
Prepayments for deliveries	60	7

5.8. Inventories

Selected accounting rules

Inventories are valued at the lower of the following two values: purchase price/production cost or net realizable value.

The purchase price or production cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, both in the current and previous year, and are determined as follows:

- Materials in the acquisition price defined by the FIFO method,*
- Finished products and products in progress: cost of direct material and labour and an appropriate mark-up of indirect production overheads determined given the normal capacity utilization, excluding borrowing costs,*
- Goods in the purchase price determined by the FIFO method.*
- The selling net realizable price estimates the selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.*

The category of goods mainly includes computer hardware and third-party licences for resale as part of implementation contracts or agreements to deliver equipment. Thus, most goods are purchased for the execution of concluded or highly probable contracts.

	31 Dec 2024	31 Dec 2023
	PLN thou.	PLN thou.
Computer equipment, third-party licences and other goods for resale	416	606
Impairment loss of goods (-)	(207)	(337)
Total	209	269

5.9. Cash and deposits

Selected accounting rules

Cash and cash equivalents presented in the balance sheet consist of cash at bank and on hand, short-term deposits with a maturity not exceeding three months and other high-liquidity instruments.

The balance of cash and cash equivalents disclosed in the cash flow statement consists of the above-defined cash and cash equivalents. For the purposes of the cash flow statement, the Company adopted the principle of reducing the

balance of cash and cash equivalents by the value of overdraft facilities, which were regarded as an element of financing of current operation, and restricted cash. The Company recognises only those revolving loans and demand features as a cash equivalent which are an integral part of the cash management of the Company. The Company consistently applies this approach, including, in particular, classifying revolving facilities as cash equivalents for the purpose of presentation in the statement of cash flows, when the bank balance fluctuates frequently, and the Company's management use the overdraft facility in order to manage liquidity.

	31 Dec 2024	31 Dec 2023
	PLN thou.	PLN thou.
Cash at bank in current accounts	20,730	14,178
Cash at bank in split payment accounts	1,038	1,148
Short-term deposits	19,076	37,548
Cash in hand	3	6
Cash in transit	76	119
Total cash balance shown in balance sheet and cash flow statement	40,923	52,999

Cash at bank bears interest at variable interest rates, the amount of which depends on the interest rate on bank deposits. Short-term deposits are made for periods from one day to three months and bear interest at a fixed interest rate.

5.10. Social assets and liabilities to the Company Social Benefit Fund

Selected accounting rules

The Act of 4 March 1994 on the Company Social Benefit Fund with amendments (Journal of Laws of 2023, items 998, 1586) provides that the Company Social Benefit Fund ("Fund") be established by employers with over 50 full time employees. The purpose of the Fund is to finance social activities, loans to employees, and other social costs and expenses. Allowances to the Company's Social Benefit Fund during the year are the cost of the period in which they were made. The Company offset the Fund's assets with its commitments to the Fund because these assets do not fall within the definition of Company assets.

The table below breaks down the Fund's assets, liabilities and expenses.

	31 Dec 2024	31 Dec 2023
	PLN thou.	PLN thou.
Cash	338	710
Liabilities to the Fund	337	709
Balance after offset	1	1
Allowances to the Fund in the financial period	2,623	1,911

5.11. Subscribed capital and other elements of equity

Subscribed capital

The subscribed capital as at 31 December 2024 and 31 December 2023 amounted to PLN 167,091 thousand and was fully paid up. The subscribed capital consists of 33,418,193 ordinary shares with a nominal value of PLN 5 each. The Company did not issue preference shares.

In the year ended 31 December 2024, the subscribed capital did not change compared to 31 December 2023. The Company's authorised capital is equal to its subscribed capital.

Supplementary capital

Supplementary capital (in accordance with the Code of Commercial Companies and Partnerships "CCCP," Journal of Laws of 2024, items 18, 96) was created from the surplus of the issuance value over the nominal value, reduced by share issuance costs and profits from previous years, which were allocated to supplementary capital by the decision of the General Meeting of the Company. The remainder of supplementary capital is presented under retained earnings and relates to the settlement of results from previous years in accordance with the CCCP.

In order to present the Company's dividend capacity, the table below shows the components and balance of supplementary capital as at 31 December 2024 and as at 31 December 2023.

	31 Dec 2024	31 Dec 2023
	PLN thou.	PLN thou.
Premium	62,543	62,543
Other supplementary capital	7,615	59,748
	70,158	122,291

Own shares

The settlement of the transaction involving the acquisition of own shares by Asseco Business Solutions S.A. took place on 19 September 2024. The transaction was concluded on an over-the-counter basis, as part of the share buy-back procedure performed following the 3 September 2024 invitation to submit tender offers for the sale of the Company shares. Through the buy-back transaction, the Company acquired a total of 600,000 own shares representing approx. 1.7954% of the share capital and 1.7954% of the total number of votes at the General Meeting of the Company. The price per share was PLN 60.00, the total acquisition price was PLN 36,000 thousand, and the buy-back costs amounted to PLN 149 thousand.

The acquisition of own shares was approved by Resolution No. 20 of the Ordinary General Meeting of Asseco Business Solutions S.A. dated 27 June 2024. The purpose of purchasing the shares is to meet the obligations arising from the Executive Incentive Scheme intended for the Members of the Management Board and key Company executives.

Dividend capacity

In accordance with the provisions of the Code of Commercial Companies and Partnerships, the Company is required to establish supplementary capital to cover for losses. This capital is supplemented by at least 8% of the profit for the financial year disclosed in the Company's annual

financial statements until it reaches at least one third of the initial capital. As a result of exceeding the balance of supplementary capital, i.e. the value of 1/3 of the share capital, the aforementioned statutory obligation to make additional payments from profit to supplementary capital has expired. How supplementary capital (and reserve capital) is used is decided by the General Meeting of Asseco Business Solutions S.A.

The surplus from the sale of shares above their nominal value (agio) can only be used to cover potential losses shown in the financial statements and, therefore, it does not increase the Company's dividend capacity. Also, supplementary capital in the amount equivalent to 1/3 of share capital cannot be paid to the shareholders. At 31 December 2024, there are no other restrictions on the payment of dividend. Given the above, the Company's dividend capacity after adding the result of the current period amounts to PLN 145,126 thousand.

5.12. Bank loans

Selected accounting rules

The Company classifies its financial liabilities into one of the categories:

- *measured at amortised cost,*
- *measured at fair value through profit or loss.*

The Company measures bank loans and debt securities at amortised cost.

Upon first recognition, all credits and loans are posted at acquisition price corresponding to the fair value of received cash, less transaction costs that can be attributed directly to acquisition or issuance of financial liabilities.

Subsequently to such initial recognition, interest-bearing credits, loans and debt securities are measured at amortized cost using the effective interest method. Upon determination of amortised cost, the costs related to obtaining a credit or loan, the cost of issuance of commercial paper facilities as well as discounts or bonuses obtained on repayment of the liability are taken into account.

The Company removes financial liabilities from the statement of financial position when the liability ceases to exist, i.e. when the relevant contractual obligation has been fulfilled, cancelled or has expired. Differences between the book value of an expired financial liability and the amount of the payment, including all non-cash assets carried over, are recognized in profit or loss.

	Maximum amount of debt	Effective interest rate %	Repayment date	31 December 2024		31 December 2023	
				Long-term	Short-term	Long-term	Short-term
Overdraft facilities							
Credit on running account	70,000	WIBOR 1 mth+margin	31-10-2026	-	-	-	-
TOTAL				-	-	-	-

As at 31 December 2024 and as at 31 December 2023, the Company has one open credit line in current accounts that offer the option of extra financing at PLN 70,000 thousand. As at 31 December 2024 and as at 31 December 2023, there was no debt in existing credit lines. As at 31 December 2024 and as at 31 December 2023, no other assets were used to secure bank loans.

5.13. Lease liabilities

Selected accounting rules

An agreement is a lease or contains lease if it transfers the right to control an identified asset over a given period in exchange for payment. The right of control is transferred to the lessee under a concluded agreement if, throughout the entire period of use, the lessee enjoys:

- the right to reap essentially all economic benefits from the use of the identified asset and*
- the right to direct the use of the identified asset.*

Lease liabilities – initial recognition

At the inception of the lease, the Company measures the lease liability in the amount of the current value of lease payments remaining due on that date. The Company discounts lease payments using the lease interest rate if it can be easily determined. Otherwise, the Company discounts lease payments using the marginal interest rate.

Lease payments include fixed fees (including essentially fixed lease payments) less any leasing incentives, variable lease fees that depend on the index or rate, the amount of guaranteed final value and the price in the case of taking advantage of the purchase option (if it can be stated with reasonable certainty that the Company will use this option) and fines for termination (if there is reasonable certainty that the Company will use from this option).

Variable lease payments that do not depend on the index or rate are recognized immediately as the cost of the period in which the event or condition behind the payment occurs.

Lease liabilities – later valuation

In subsequent periods, the lease liability is reduced by repayments and increased by accrued interest. To calculate interest, the Company uses the lessee's marginal rate which is the total of the risk-free rate (for its determination, the Company uses the quotas of relevant derivative instruments – IRS – or government bond interest rates for relevant currencies) and the Company's credit risk premiums, which is quantified based on the offering of margins for investment loans available to the Company and secured on the Company's assets.

If a lease agreement is amended, e.g. if there is a change to the period or amount of substantially constant leasing payments or a change in judgement regarding the purchase option for the leased asset, then, the lease liability is recalculated to reflect the changes. Adjustment of the value of the liability also requires adjustment of the value of right-of-use assets.

Lease term for renewable agreements

The Company determines the lease term as the irrevocable term, including the periods covered by the option to prolong the lease, if it can be expected with reasonable assurance that the option will be used, and the periods covered by the option to terminate the lease, if it can be expected with reasonable assurance that the option will not be used.

The Company has the option, under some lease agreements, to extend the term of asset lease. The Company exercises judgement when assessing whether there is reasonable assurance of using the extension option. This means that all the relevant facts and circumstances that represent an economic incentive for the extension of the agreement or an economic penalty for non-extension. After the commencement date, the Company reassesses the lease term if a significant event or new circumstances occur under its control that affect its ability to use (or not use) the extension option (e.g. a change to the business strategy).

Lease period for indefinite agreements

The Company has indefinite lease agreements and agreements that have been transformed into indefinite agreements where both parties have the option to terminate. When determining the lease period, the Company uses the period of agreement enforceability. Lease ceases to be enforceable when both the lessee and the lessor exercise the right to terminate the agreement without having to obtain the other party's consent and without incurring penalties greater than negligible. The Company assesses the significance of broadly understood penalties, i.e. apart from strictly contractual or financial issues, it takes into account all other significant economic factors discouraging termination (e.g. significant investments in the subject of lease, availability of alternative solutions, relocation costs). If neither the Company as the lessee nor the lessor incurs a significant penalty for termination (broadly understood), the lease ceases to be enforceable and its period is reduced to the period of notice. However, where either of the parties, based on professional judgement, pays a significant penalty for termination (broadly understood), the Company determines the lease period as sufficiently certain (i.e. over which it can be assumed with sufficient certainty that the agreement will continue).

Lessee's incremental borrowing rate of interest

The Company is not able to easily determine the interest rate for lease contracts (real property lease); therefore, it uses the lessee's incremental borrowing rate when measuring lease liabilities. This is the interest rate that the Company would have to pay to borrow – for a similar period, in the same currency and with similar securities – funds necessary to purchase an asset of a similar value to the right-of-use asset in a similar economic environment.

Estimates

The recognition of lease agreements in the Company requires various types of estimates and professional judgement. The relevant area concerns the assessment of lease periods, agreements for an indefinite period and extendable agreements. When determining the lease period, the Company needs to consider all facts and circumstances, including business incentives to use or not to use the option of agreement extension and the option to terminate the agreement. When determining the lease period, attention is paid to the value of expenses incurred for adapting the leased asset to individual needs and to the size of the market in a specific location and the nature of the leased property in the case of real property lease.

As at 31 December 2024, the subject of finance lease agreements with the Company as the lessee was:

- ▣ real property.

The table below presents the balance of liabilities under leases as at 31 December 2024 and as at 31 December 2023:

	31 December 2024		31 December 2023	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Real property lease	40,902	8,627	41,784	7,175
Vehicle lease	-	-	-	71
Total	40,902	8,627	41,784	7,246

Real property lease

The net carrying amount of the property subject to the lease contract was PLN 46,450 thousand as at 31 December 2024, and PLN 45,790 thousand as at 31 December 2023.

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

31 Dec 2024	31 Dec 2023
PLN thou.	PLN thou.

Minimum lease payments		
in less than 1 year	10,208	9,720
from 1 to 5 years	43,202	42,193
more than 5 years	766	5,936
Future minimum lease payments	54,176	57,849

Future interest expense	(4,647)	(8,890)
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Current value of lease liabilities		
in less than 1 year	8,627	7,175
from 1 to 5 years	40,201	36,007
more than 5 years	701	5,777
Lease liability	49,529	48,959

The weighted average incremental rate applied to the above lease was 5.50% as at 31 December 2024, compared to 5.21% as at 31 December 2023.

		12 months to 31 Dec 2024 PLN thou.	12 months to 31 Dec 2023 PLN thou.
Depreciation of right-of-use assets	<u>5.3</u>	(9,309)	(8,357)
Interest cost due to lease liabilities	<u>4.3</u>	(1,728)	(1,660)
Costs associated with lease of low-value assets		(49)	(23)
Costs associated with short-term lease		(424)	(135)
Profit / loss on sublease of office space recognized as right-of-use assets		22	52
Total		(11,488)	(10,123)

For other disclosures relating to leases, see Note 6.3.

5.14. Trade and other liabilities

Selected accounting rules

Trade liabilities related to operating activities are recognised and reported at amounts due. These liabilities arise from invoiced supplies and services and those that have not been invoiced, but which, in the opinion of the Company's Management Board, are highly probable and whose value can be determined precisely.

Budgetary commitments are liabilities such as taxes and public levies as well as social contributions and customs duties. These liabilities are determined in the amount of payment required in accordance with applicable regulations.

Liabilities from project-related contractual penalties Project-related contractual penalties are payments for non-compliance or incorrect performance and result from contracts with customers rather than the legislation in a specific country.

Project-related contractual penalties are a variable element of remuneration and reduce the transaction price; a project-related contractual penalty liability is a kind of obligation to return (part of) the remuneration, but it is not a liability from contracts with customers.

Other liabilities are liabilities to employees due to unpaid remuneration as at the balance sheet date, liabilities from the purchase of fixed assets and intangible assets as well as any other liabilities.

As at 31 December 2024 and as at 31 December 2023, the Company's trade liabilities were as follows:

	31 December 2024		31 December 2023	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
To related parties, including:	-	95	-	105
Invoiced liabilities	-	91	-	105
Liabilities not invoiced	-	4	-	-
To other parties, including:	-	4,963	-	5,512
Invoiced liabilities	-	3,705	-	4,751
Liabilities not invoiced	-	1,065	-	761
Liabilities from project-related contractual penalties	-	193	-	-
Total trade liabilities	-	5,058	-	5,617

Trade liabilities are not interest-bearing. Related party transactions are shown in item 5.18 of the explanatory notes to these financial statements.

The following table shows the Company's gross trade liabilities as at 31 December 2024 and 31 December 2023 by the maturity date based on contractual undiscounted payments.

	31 Dec 2024		31 Dec 2023	
	PLN thou.	%	PLN thou.	%
Trade liabilities				
Liabilities due	13	0.3%	198	3.5%
Liabilities undue up to 3 months	4,816	95.2%	5,419	96.5%
Liabilities undue from 3 to 6 months	229	4.5%	-	-%
Liabilities undue beyond 6 months	-	-%	-	-%
	5,058	100.0%	5,617	100.0%

As at 31 December 2024 and as at 31 December 2023, the Company's other liabilities were as follows:

	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Tax liabilities under corporate income tax	-	-	-	1,663
Others budgetary commitments				
Value added tax (VAT)	-	8,066	-	6,700
Personal income tax	-	2,301	-	3,740
Social insurance contributions (ZUS)	-	6,425	-	6,541
Other	-	207	-	135
Others budgetary commitments total	-	16,999	-	17,116
Other liabilities				
Liabilities to employees	-	3,889	-	4,042
Liabilities from acquisition of tangible and intangible fixed assets	-	736	-	885
Other liabilities	219	476	-	887
Total other liabilities	219	5,101	-	5,814
Budgetary commitments and other liabilities total	219	22,100	-	22,930

5.15. Liabilities from contracts with customers

Selected accounting rules

Liabilities from contracts with customers are the unit's obligations to transfer goods and services to the customer in exchange for remuneration obtained (or due) from the customer.

As liabilities from contracts with customers presented are the liabilities arising from the valuation of IT contracts and accrued income from licences carrying access rights unsettled until the balance sheet date are disclosed within liabilities from contracts with customers; the same applies to future revenues from services such as IT maintenance that are billable over time.

Due to the large variety of performance obligations, it is difficult to determine one moment in time in which the Company generally meets its performance obligations. Most often, in the case of contracts for the implementation of a comprehensive IT system and maintenance contracts, the Company fulfils its obligations when providing services to customers. In the case of performance consisting in the delivery of a software licence to a customer (with the right to use), the Company considers the obligation of performance fulfilled at the time of granting the licence, but not earlier than at the beginning of the period in which the customer can start using this software (usually after receiving the license key), which, in the Company's opinion, is tantamount to transferring control over the licence to the customer.

Estimates

Each time, the Company makes a professional judgement and estimates the value of the progress of implementation contracts against issued invoices and allocation of the transaction price.

As at 31 December 2024 and as at 31 December 2023, liabilities from contracts with customers were as follows:

	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Liabilities from contracts with customers				
To related parties, including:	-	38	-	7
Accrued income from contracts with customers	-	38	-	7
To other parties, including: -		20,275	-	18,911
Accrued income from contracts with customers	-	19,089	-	17,958
- <i>pre-paid maintenance services</i>	-	5,164	-	4,956
- <i>licence fees</i>	-	13,925	-	13,002
Liabilities arising from the valuation of IT contracts	-	1,186	-	953
Liabilities from contracts with customers total	-	20,313	-	18,918
-				

Change in the value of liabilities under contracts with customers during the 12 months ended 31 December 2024 and in the comparable period:

	12 months to 31 Dec 2024 <i>PLN thou.</i>	12 months to 31 Dec 2023 <i>PLN thou.</i>
Value of liabilities from contracts as at 1 January	18,918	16,800
Issue of invoices above realised performance obligation	53,679	49,437
Implementation of new obligations of performance without invoicing; change in estimated transaction price, other changes in assumptions (+)/(-)	(52,284)	(47,319)
Value of liabilities from contracts with customers at the end of period	20,313	18,918

Ca. PLN 17,703 thousand of the balance of contract liabilities as at 1 January 2024 was recognized as revenue in the 12-month period ended 31 December 2024. Ca. PLN 16,420 thousand of the balance of contract liabilities as at 1 January 2023 was recognized as revenue in the 12-month period ended 31 December 2023.

5.16. Provisions

Selected accounting rules

A provision should be recognised when the Company has an obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Post-employment benefits

The provision for post-employment benefits is created for employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment. The Company has a defined contribution plan under which it pays fixed contributions into a separate entity (in Poland –the social insurance fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Company creates the provision for post-employment benefits based on calculations made by an independent actuary. Reassessment of liabilities for employee benefits pertaining to specific benefit schemes covering actuarial gains and losses is recognized in other comprehensive income and is not subject to subsequent reclassification to profit or loss.

Provisions for litigation risks and other provisions

Other provisions include mainly provisions for pending court proceedings and are based on available information, including, in particular, the opinions of lawyers and independent experts. The Company creates provisions if, at the end of the reporting period, it has an obligation resulting from past events, and this obligation can be reliably estimated, and when it is probable that the fulfilment of this obligation will require the use of funds that offer economic benefits.

Estimates

Note that all provisions estimated in the Company, in particular provisions for contractual penalties and onerous contracts, required professional judgement and estimates to quantify the most likely amount of future outflow of economic benefits from the Company. This estimate, however, may change in the future, and the actual outflow of benefits may appear to be larger or smaller than recognized in the financial statements.

Changes in provisions in the period of 12 months ended 31 December 2024 and in the comparative period were attributed to the following:

	Post-employment benefits PLN thou.	Other provisions PLN thou.	Total PLN thou.
As at 1 January 2024	2,964	-	2,964
Establishment (+)	351	-	351
Actuarial gains/losses (+)/(-)	(206)	-	(206)
As at 31 December 2024, including:	3,109	-	3,109
Current	130	-	130
Non-current	2,979	-	2,979
As at 1 January 2023	2,044	-	2,044
Establishment (+)	235	-	235
Actuarial gains/losses (+)/(-)	685	-	685
As at 31 December 2023, including:	2,964	-	2,964
Current	62	-	62
Non-current	2,902	-	2,902

The provision for post-employment benefits relates entirely to retirement benefits which are to be potentially paid to the Company's employees when they go into retirement. The Company makes a severance payment in the amount of one-month average salary, as provided in the Labour Code. The provision for post-employment benefits was recognised by the Company based on calculations made by the actuary.

The main assumptions used by the actuary at the balance sheet date to calculate the amount of the liability are as follows:

	31 Dec 2024	31 Dec 2023
Discount rate (%)	5.5%	5.3%
Projected wage growth rate (%)*	6.5%	14.5%

*The expected wage rate in the first year is 6.5%, and in the following years 5%.

5.17. Accruals and deferrals

Selected accounting rules

Provision for unused leaves

The Company creates a "provision" (recognised as a component of accruals) for unused holiday leaves, which relate to periods preceding the reporting date and will be used in the future, for all of the Company's employees because in Poland unused holiday leaves constitute accumulating compensated absences (absences that are carried forward and can be used in future periods if the current period's entitlement is not used in full). The amount of such provision depends on the average monthly salary and the number of leave days not used but allocated to an employee as at the balance sheet date. The Company recognises the costs of unused leaves on an accrual basis, based on estimated amounts, and discloses them in the profit and loss account under salaries (where they occur).

Provision for bonuses

An obligation under bonus plans results from employee service and not from a transaction with the Company's owners. Therefore, the cost of such plans (even if they provide for profit-sharing payments) is always recognised as an expense and not as a distribution of profit.

The Company shall recognise the expected cost of profit-sharing and bonus payments when and only when:

- it has a current legal or constructive obligation to make such payments as a result of past events; and
- a reliable estimate of the obligation can be made.

A current obligation exists when, and only when, the Company has no realistic alternative but to make the payments.

Grants related to asset development

Grants related to asset development are government grants awarded under the primary condition that the eligible unit must purchase, generate, or otherwise acquire fixed assets. Such grants are usually subject to additional criteria that impose restrictions on the type of subsidised assets, their location, or the periods during which the assets must be acquired or retained by the unit.

Grants are recognised when there is reasonable assurance that the Company will comply with the conditions accompanying the grant and that the grant will be received. How the grant is received does not affect the accounting method adopted for that grant. What is important, however, is the purpose for which the grant is intended. Accordingly, grants are posted in the same manner regardless of whether they are received as cash or as a reduction of liabilities. If grants received by the Company relate to assets, their value is disclosed in the balance sheet as deferred income and is subsequently recognised in the profit or loss account on a straight-line basis over the estimated useful life of the relevant asset, by reducing the depreciation cost.

Estimates

The Company estimates the amount of liabilities based on adopted assumptions and methodology and assessing the likelihood of expending funds carrying economic benefits; as liabilities, the Company considers the amounts whose likelihood and time of expending is high on the balance sheet date. The provision for bonuses depends – in a significant share of cases – on the estimates of the result achieved by the Company at various levels.

The Company does not recognize a grant unless there is reasonable assurance that the Company will meet the conditions attached thereto and that the grant will be received. The assessment of compliance with the conditions requires professional judgement and often involves estimates.

As at 31 December 2024 and as at 31 December 2023, the Company's accruals and deferrals were as follows:

	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Expenses due and unpaid, including:	-	17,296	-	12,837
Provision for unused leaves	-	4,469	-	4,475
Provision for executive bonuses	-	12,827	-	8,362
Deferred income, including: -		22	-	-
Grants related to assets	-	22	-	-
Total accruals and deferrals:	-	17,318	-	12,837

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 the Company.

5.18. Related party transactions

Revenues from related parties include revenues from the sale of IT goods and services related to existing IT projects and other activities.

Purchases from related parties include the purchase of goods and services related to IT projects, the purchase of advisory services and rental of office space.

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

	Revenues		Purchases	
	12 months to 31 Dec 2024	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Transactions with Asseco Poland S.A.	3,076	2,964	6,088	4,503
Transactions with other related parties	916	1,211	621	190
Total transactions with related parties	3,992	4,175	6,709	4,693

	Trade and other receivables and assets due under contracts with customers as at		Trade liabilities, liabilities under contracts with customers, lease liabilities and other liabilities as at	
	12 months to 31 Dec 2024	12 months to 31 Dec 2023	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.	PLN thou.	PLN thou.

	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>	<i>PLN thou.</i>
Transactions with Asseco Poland S.A.	301	216	10,668	9,419
Transactions with other related parties	79	40	58	25
Total transactions with related parties	380	256	10,726	9,444

As at 31 December 2024, the balance of lease liabilities with related parties committed by the Company Executives was PLN 10,419 thousand, and as at 31 December 2023 it amounted to PLN 11,649 thousand.

In 2024 the cost of interest on lease with related parties committed by the Company Executives was PLN 54 thousand compared to PLN 166 thousand in 2023.

As at 31 December 2024, the balance of unsettled receivables due under transactions with related parties committed by or with the Company Executives was PLN 6 thousand; as at 31 December 2023, there was no balance of unsettled receivables with related parties committed by or with the Company Executives.

As at 31 December 2024 and 31 December 2023, there were no outstanding balances of liabilities arising from transactions with related parties concluded by the Company Executives and with the Company Executives.

According to the records of Asseco Business Solutions S.A., in the 12 months ended 31 December 2024, the value (net) of purchases transactions of goods and services (including rental) with related parties conducted by the Company Executives and with the Company Executive amounted to PLN 3,166 thousand v. PLN 2,580 in the comparable period.

The value (net) of the transactions of sales of goods and services to related entities by the Company Executives and to the Company Executives totalled PLN 23 thousand (in the comparative period: PLN 24 thousand).

Note 8.5 to these financial statements presents the remuneration of the key personnel.

IV. Explanatory notes to the statement of cash flows

6.1. Cash flow from operating activities

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

	12 months to 31 Dec 2024 <i>PLN thou.</i>	12 months to 31 Dec 2023 <i>PLN thou.</i>
Change in inventories	60	161
Change in receivables and assets from contracts with customers	(5,212)	(2,340)
Change in other non-financial assets	(53)	18
Change in trade liabilities and liabilities from contracts with customers	235	4,098
Change in accruals and deferrals	3,523	(1,243)

Change in provisions	351	235
Total	(1,096)	929

6.2. Cash flow from investing activities

The table below presents details of inflows and expenses related to property, plant and equipment and intangible assets in the 12-month period ended 31 December 2024 and in the comparable period:

	12 months to 31 Dec 2024 <i>PLN thou.</i>	12 months to 31 Dec 2023 <i>PLN thou.</i>
Sale of property, plant and equipment	491	808
Acquisition of property, plant and equipment	(12,797)	(13,983)
Acquisition of intangible assets	(721)	(238)
Expenses for development work	(28,307)	(22,770)

6.3. Cash flows from financing activities

- Dividends paid: the item contains a dividend paid by the Company in the amount of PLN 86,887 thousand (the details of the dividend for 2024 are discussed in Item 4.6 of the notes).

In 2024 the total cash outflow due to the repayment of lease liabilities amounted to PLN 11,406 thousand, of which:

- PLN 9,205 thousand was the repayment of liabilities recognized as lease liabilities,
- PLN 1,728 thousand was the payment of interest accrued on the above-mentioned liabilities,
- PLN 473 thousand was the repayment of lease liabilities covered by the practical exception concerning short-term and low-value leases.

In 2023 the total cash outflow due to the repayment of lease liabilities amounted to PLN 16,349 thousand, of which:

- PLN 10,531 thousand was the repayment of liabilities recognized as lease liabilities,
- PLN 1,660 thousand was the payment of interest accrued on the above-mentioned liabilities,
- PLN 158 thousand was the repayment of lease liabilities covered by the practical exception concerning short-term and low-value leases.

	Credits and loans <i>PLN thou.</i>	Lease <i>PLN thou.</i>	Dividend liabilities <i>PLN thou.</i>
As at 1 January 2024	-	49,030	-
Cash flows			
Inflows (+)	20,431	-	-
Repayment of capital - outflow	(20,431)	(9,205)	(86,887)

	Repayment of interest - outflow	(136)	(1,728)	-
	Accrued interest	136	1,728	-
	New lease agreements	-	7,021	-
	Increase in liabilities	-	4,415	-
Non-cash changes	FX differences recognised in financial revenues/expenses	-	(212)	-
	Declared dividends	-	-	86,887
	Reduced commitments	-	(1,520)	-
As at 31 December 2024		-	-	49,529

		Credits and loans	Lease	Dividend liabilities
		PLN thou.	PLN thou.	PLN thou.
As at 1 January 2023		-	51,752	-
Cash flows	Inflows (+)	5,602	-	-
	Repayment of capital - outflow	(5,602)	(10,531)	(76,862)
	Repayment of interest - outflow	(24)	(1,660)	-
Non-cash changes	Accrued interest	24	1,660	-
	New lease agreements	-	909	-
	Increase in liabilities	-	10,214	-
	FX differences recognised in financial revenues/expenses	-	(1,334)	-
	Declared dividends	-	-	76,862
	Reduced commitments	-	(1,980)	-
As at 31 December 2023		-	-	49,030

VII. Explanatory notes to the objectives and principles of financial risk management

Asseco Business Solutions S.A. is exposed to various types of risks arising either from the macroeconomic situation in Poland as well as from microeconomic situation within its own organization. The main market factors that may have an adverse impact on the Company's financial performance are: (i) fluctuations in foreign exchange rates against the Polish złoty and (ii) changes in market interest rates.

Foreign currency risk

The Company's main functional currency is the Polish złoty; however, some IT contracts and a property lease agreement are denominated in a foreign currency (EUR and USD).

Consequently, the Company is exposed to fluctuations in its financial performance resulting from differences in foreign currency exchange rates versus the Polish złoty in the period from concluding a contract until it is invoiced or paid for.

Identification: According to the Company's contracting procedures, each agreement that is concluded or denominated in a foreign currency is subject to special registration.

Measurement: Exposure to foreign currency risk is measured by the value of a contract concluded in a foreign currency, on the one hand, and, on the other, by the nominal amount of currency derivative instruments concluded in the financial market. The procedures applicable to the execution of IT projects require systematic updates of project implementation schedules as well as of cash flows generated under individual projects.

Purpose: The purpose of counteracting the risk of fluctuations in foreign currency exchange rates is to reduce their negative impact on the financial results of projects.

Contracts settled in foreign currencies are hedged with simple derivatives such as currency forward contracts (deliverable or non-deliverable, depending on a type of hedged contract) and cash balances kept in the currency.

Foreign currency risk hedges are matched by purchasing suitable financial instruments to offset the impact of changes in the risk-causing factor on the Company's financial performance (the changes in embedded instruments and concluded instruments are balanced out). However, due to a considerable variability in project implementation schedules and the resulting variability in cash flows, the Company is prone to changes in its exposure to foreign exchange risk. Therefore, the Company dynamically transfers its existing hedging instruments or concludes new ones with the objective to ensure the most effective matching. It has to be taken into account that the valuation of embedded instruments changes with the reference to the parameters as at the contract effective date (spot rate and swap points), while transfer or conclusion of new instruments in the financial market may only be carried out only based on currently valid rates. Hence, it is possible that the value of financial instruments will not be matched and the Company's financial result will be potentially exposed to the foreign currency risk.

The tables below show the currency exposure of receivables and liabilities as at 31 December 2024 and 31 December 2023:

	Carrying amount as at 31.12.2024	Currency exposure as at 31.12.2024	EUR	USD
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Trade receivables and assets under contracts with customers	60,132	9,776	9,776	-
Cash	40,923	3,805	3,627	178
Lease liabilities	49,529	17,914	17,914	-
Trade liabilities	5,058	299	294	5

	Carrying amount as at 31.12.2023	Currency exposure as at 31.12.2023	EUR	USD
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Trade receivables and assets under contracts with customers	54,874	8,669	8,669	-
Cash	52,999	1,277	1,056	221
Lease liabilities	49,030	20,386	20,386	-
Trade liabilities	5,617	500	500	-

As at 31 December 2024 and 31 December 2023, the Company did not have forward contracts for the sale of foreign currency.

Interest rate risk

The Company is exposed to the risk of interest rate changes primarily in two areas of its business activity: (i) change in the value of interest charged on loans granted to the Company, which are based on variable interest rates, and (ii) change in the valuation of concluded derivative instruments, which are based on the forward interest rate curve.

As at the balance sheet date, since there is no debt in the credit lines, the Company is only at risk of exposure to interest rate changes in relation to term deposits.

Identification: The interest rate risk arises and is recognised by the Company at the time of concluding a transaction or a financial instrument based on a floating interest rate.

Measurement: The Company measures its exposure to the interest rate risk by preparing the statements of total amounts of all of its financial instruments based on a floating interest rate. Additionally, the Company maintains records of debt planned to be incurred during the next 12 months, and in the case of long-term instruments –for their effective period.

Purpose: The purpose of risk mitigation is to minimise the costs of concluded financial instruments based on a floating interest rate.

Measures: In order to reduce its interest rate risk, the Company may: (i) try to avoid incurring liabilities based on a variable interest rate or, if not possible, (ii) conclude forward rate agreements.

Matching: The Company gathers and analyses the current market information concerning its present exposure to the interest rate risk. In the current situation, the Company does not hedge against changes of interest rates due to low predictability of the repayment schedules of its liabilities based on a floating interest rate.

Counterparty credit risk

The Company is exposed to the risk of defaulting contractors. First, the risk is linked to the creditworthiness and good will of the recipients of Company's IT solutions. The maximum exposure to credit risk is limited to the book value of financial assets.

Identification: The risk is identified each time when concluding contracts with clients, and afterwards during the settlement of payments.

Measurement: Determination of this type of risk requires the knowledge of complaints or pending judicial proceedings against a client already at the time of signing an agreement. Every two weeks the Company is obliged to control the settlement of payments under the concluded contracts, inclusive of the profit and loss analysis for individual projects.

Purpose: Minimising the amount of uncollectible receivables.

The Company has appropriate policies in place for making the sale only to verified customers. The risk control involves monitoring of the timely execution of bank transfers and, if needed, sending a reminder of outstanding payment, or turning receivables over to debt collection agencies.

A quantitative analysis of credit risk for receivables is presented shown in Note 5.5.

Liquidity risk

The Company monitors its risk to a shortage of funds using a recurring liquidity planning tool, which considers the maturity of its assets and liabilities as well as projected cash flows from its operations.

The Company's objective is to maintain balance between continuity and flexibility of financing by using various sources of funding, such as overdraft facilities and loans.

The Company's measures concerning liquidity management consist in planning and monitoring cash flows. On a weekly basis, the Company monitors cash, working capital, and debt in order to secure funds for ongoing operations.

Liquidity management in the Company focuses on securing adequate immediate liquidity by having cash resources at high-ranking banks (current accounts and time deposits with different maturity dates) and open credit lines that were not used during the reporting period. Open credit lines are disclosed in Note 5.12, which lists the maximum amount of secured but unused debt and the borrowing interest rate. Note 5.9, however, shows cash and cash equivalents held by the Company as at 31 December 2024.

The quantitative analysis of the Company's liquidity by individual categories of liabilities and assets was presented: for receivables in Note 5.5 for liabilities in Note 5.14 and for loans in Note 5.12 of the explanatory notes to these financial statements.

	Liabilities payable to 3 months PLN thou.	Liabilities payable from 3 to 12 months PLN thou.	Liabilities payable from 1 year to 5 years PLN thou.	Liabilities payable after 5 years PLN thou.
Trade liabilities	5,058	-	-	-
Lease liabilities*	1,981	8,227	43,202	766
	7,077	8,227	43,202	766

*Aged value covers only contractual undiscounted flows, unlike the value disclosed in the balance sheet

A similar analysis was carried out for the 12 months ended 31 December 2023:

	Liabilities payable to 3 months PLN thou.	Liabilities payable from 3 to 12 months PLN thou.	Liabilities payable from 1 year to 5 years PLN thou.	Liabilities payable after 5 years PLN thou.
Trade liabilities	5,617	-	-	-
Lease liabilities*	2,115	7,681	42,193	5,936
	7,732	7,681	42,193	5,936

*Aged value covers only contractual undiscounted flows, unlike the value disclosed in the balance sheet

Sensitivity analysis – currency risk

The Company attempts to conclude contracts with its customers in the Polish currency in order to avoid exposure to the risk of fluctuations in foreign currency exchange rates versus the Polish złoty.

As at 31 December 2024 and as at 31 December 2023, the Company analysed the impact of changes in the PLN/USD exchange rate on the accounting income. Assuming the appreciation of the PLN v. EUR by 10%, the Company's result would increase by PLN 479 thousand. On the other hand, the weakening of the PLN v. EUR by 10% would result in a decrease in the Company's financial result by PLN 479 thousand.

As at 31 December 2024	Value exposed to risk PLN thou.	Impact on Company earnings (10%)	
EUR		(10%)	10%
Financial assets			
Cash	3,627	(363)	363
Trade receivables	9,776	(978)	978
Liabilities			
Trade liabilities	294	29	(29)

Lease liabilities	17,914	1,791	(1,791)
On balance		479	(479)

As at 31 December 2023	Value exposed to risk	Impact on Company earnings	
EUR	PLN thou.	(10%)	10%
Financial assets			
Cash	1,056	(106)	106
Trade receivables	8,669	(867)	867
Liabilities			
Trade liabilities	500	50	(50)
Lease liabilities	20,386	2,039	(2,039)
On balance		1,116	(1,116)

As at 31 December 2024, the Company analysed the impact of changes in the PLN/USD exchange rate on the accounting income. Assuming the appreciation of the PLN v. USD by 10%, the Company's result would increase by PLN 40 thousand. On the other hand, the weakening of the PLN v. USD by 10% would result in a decrease in the Company's financial result by PLN 40 thousand.

As at 31 December 2024	Value exposed to risk	Impact on Company earnings	
USD	PLN thou.	(10%)	10%
Financial assets			
Cash	178	(41)	41
Liabilities			
Trade liabilities	5	1	(1)
On balance		(40)	40

As at 31 December 2023	Value exposed to risk	Impact on Company earnings	
USD	PLN thou.	(10%)	10%
Financial assets			
Cash	221	(22)	22
On balance		(22)	22

Sensitivity analysis – interest rate risk

The Company avoids taking out loan facilities based on a floating interest rate. If it is necessary to conclude a loan agreement based on a floating interest rate, the Company does not have a strategy to hedge this risk. The Company has the option of securing a running account credit based on a variable interest rate. At 31 December 2024 and at 31 December 2023, the Company had no credit debt.

Company's assets and other liabilities based on a floating interest rate are not analysed for interest rate risk due to their insignificance.

- **Methods adopted in carrying out a sensitivity analysis**

The percentages which were subject to a sensitivity analysis – which aims to identify fluctuations in exchange rates that may affect the unit's financial result – amount to +/- 10%. The sensitivity analysis assumes that the exchange rate on the balance sheet date will increase or decrease by this percentage. Interest rate risk is analysed at the values of +/- 15%.

- **Other types of risk**

For other types of risk, no sensitivity analysis is performed due to their nature and no option of full qualification.

- **Items of revenue, expenses, profit and loss included in the profit and loss account**

As at 31 December 2024, the Company had the following items of revenues, expenses, profits and losses recognised in the profit and loss account:

Items of revenues, expenses, profits and losses included in the profit and loss account for the year ended 31 December 2024:	Income/(expense) on interest	Gains/(losses) from exchange rates	Termination/(creation) of write-downs	Profit /(loss) from implementation and measurement	Total
Financial assets:	1,737	(45)	(646)	139	1,185
Forward contracts	-	-	-	139	139
Cash and deposits	1,422	85	-	-	1,507
Bank deposits	311	-	-	-	311
Trade and other receivables	4	(130)	(646)	-	(772)
Financial liabilities:	(1,864)	178	-	-	(1,686)
Bank loans	(136)	-	-	-	(136)
Lease liabilities	(1,728)	213	-	-	(1,515)
Trade liabilities	-	(35)	-	-	(35)

As at 31 December 2023, the Company had the following items of revenues, expenses, profits and losses recognised in the profit and loss account:

Items of revenues, expenses, profits and losses included in the profit and loss account for the year ended 31 December 2023:	Income/(expense) on interest	Gains/(losses) from exchange rates	Termination/(creation) of write-downs	Profit /(loss) from implementation and measurement	Total
Financial assets:	1,892	(901)	81	52	1,124
Forward contracts	-	-	-	52	52
Cash and deposits	1,382	(216)	-	-	1,166
Bank deposits	503	-	-	-	503

Trade and other receivables	7	(685)	81	-	(597)
Financial liabilities:	(1,684)	1,317	-	-	(367)
Bank loans	(24)	-	-	-	(24)
Lease liabilities	(1,660)	1,334	-	-	(326)
Trade liabilities	-	(17)	-	-	(17)

VIII. Other explanatory notes

8.1. Off-balance sheet liabilities

Selected accounting rules

Off-balance sheet commitments they are primarily contingent liabilities understood as: a possible commitment that arises as a result of past events, the existence of which will be confirmed only when one or more uncertain future events occur that are not wholly under control of the entity, or a current commitment that arises as a result of past events but is not recognized in the financial statements because: (i) it is unlikely that the fulfilment of the obligation necessitates an outflow of economic benefits, or (ii) the amount of the obligation (liability) cannot be measured reliably enough.

Contingent liabilities are not recognized in the statement of financial position, however, information on contingent liabilities is disclosed, unless the likelihood of an outflow of economic benefits is negligible.

Lease agreements subject to exemptions – short-term agreements and low-value assets

The Company takes advantage of a practical exception regarding lease and similar agreements concluded for a period shorter than 12 months from the date of inception of the lease.

The exception regarding the rental of low-value assets is used in the Company to lease mainly IT equipment and other equipment with a low initial value, i.e. below USD 5 thousand.

Lease payments for both exceptions are recognized in the costs of the period to which they belong, using, in principle, the straight-line method. Neither right-of-use assets nor the corresponding financial liability are recognized in the balance sheet. Liabilities under lease agreements that are subject to exemptions are off-balance sheet liabilities.

Contingent liabilities as at 31 December 2024 and as at 31 December 2023 are shown in the table below:

Liability	31 Dec 2024 PLN thou.	31 Dec 2023 PLN thou.
Liabilities arising from performance guarantee		
Liabilities due up to 3 months	-	-
Liabilities due from 3 to 12 months	855	881
Liabilities due from 1 to 5 years	770	560
Liabilities due after 5 years	-	-
Total	1,625	1,441

As at 31 December 2024 and as at 31 December 2023, liabilities under lease guarantees granted to related parties through the Executives amounted to PLN 300 thousand.

In the opinion of the Management Board, the probability of meeting the liabilities resulting from the guarantees shown in the table above is negligible. None of the guarantees meet the definition of a financial guarantee under IFRS 9.

8.2. Seasonality and cyclicity

The distribution of the Company's operating income in the quarters of the year is subject to low seasonality. Income in the fourth quarter is usually slightly higher than in the other quarters because most of it is generated by the sale of IT services to large enterprises and public institutions. In the last months of the year, such customers often make larger investment purchases of equipment and licences.

8.3. Headcount

Average employment during the reporting period*	12 months to 31 Dec 2024	12 months to 31 Dec 2023
Management Board	6	5
Production depts.	937	925
Sales depts.	55	58
Administration depts.	59	56
Total	1,057	1,044

*Average employment in the reporting period in salaried positions, i.e. Employment adjusted (reduced) by FTEs for which the Company does not pay remuneration (e.g. unpaid leave, maternity leave, etc.).

Employment as at:	31 Dec 2024	31 Dec 2023
Management Board	6	6
Production depts.	982	950
Sales depts.	57	58
Administration depts.	66	59
Total	1,111	1,073

8.4. Information on the remuneration of the entity authorised to audit the financial statements

The table below shows the remuneration of the entity authorised to audit the Company's financial statements paid or due for the year ended 31 December 2024 and 31 December 2023, divided by the type of services:

	12 months to 31 Dec 2024 PLN thou.	12 months to 31 Dec 2023 PLN thou.
Mandatory audit of the annual financial statements and review of the condensed semi-annual financial statements	287	261

Other verification and validation services	207	-
	494	261

8.5. Remuneration of key personnel

The tables below show the remuneration of the Company's key personnel for carrying out their functions at Asseco Business Solutions S.A. in 2024 and 2023.

Remuneration	Fixed remuneration items in 2024	Cost of variable remuneration items in 2024	Payment as shares**	In addition: variable remuneration components from 2023 paid in 2024*
	PLN thou.	PLN thou.	PLN thou.	PLN thou.
Wojciech Barcentewicz	420	1,002	4,694	231
Piotr Masłowski	420	1,071	4,694	231
Mariusz Lizon	300	857	843	58
Renata Łukasik	300	455	484	19
Jacek Lisowski	300	586	655	9
Rafał Mróz	300	612	658	63
	2,040	4,583	12,028	611

* the amounts reflect the time shift of the payment of variable remuneration components relative to the accrual method of recognition of provisions in the costs of the year which they concerned

** these amounts include part of the costs of the incentive scheme to be realized from the results of 2025 and 2026

	Fixed remuneration item in 2023	Cost of variable remuneration items in 2023	In addition: variable components of remuneration from 2022 paid in 2023*
	PLN thou.	PLN thou.	PLN thou.
Wojciech Barcentewicz	420	3,876	231
Piotr Masłowski	420	3,926	231
Mariusz Lizon	300	1,223	104
Renata Łukasik**	225	444	-
Jacek Lisowski**	225	605	-
Rafał Mróz**	225	644	-
	1,815	10,718	566

* the amounts reflect the time shift of the payment of variable remuneration components relative to the accrual method of recognition of provisions in the costs of the year which they concerned.

** on 28 March 2023, the Supervisory Board of Asseco Business Solutions S.A. appointed Ms Renata Łukasik, Mr Jacek Lisowski, and Mr Rafał Mróz as Members of the Management Board. The appointment became effective as from 1 April 2023.

The table below presents paid and due remuneration of the Members of the Issuer's Supervisory Board for the period of 12 months ended 31 December 2024 and in the comparative period:

Remuneration for period	12 months to 31 Dec 2024	12 months to 31 Dec 2023
	PLN thou.	PLN thou.
Rafał Kozłowski	114	114

Marcin Murawski	112	108
Romuald Rutkowski	63	78
Adam Góral	66	66
Tomasz Stankiewicz	33	-
Artur Osuchowski	19	48
Zbigniew Pomianek	48	48
Total	455	462

8.6. Revenues, expenditures, and employment in R&D

Information on net turnover from the sale of R&D services referred to in Article 17(2)(1)(a) of the Act of 30 May 2008 on Certain Forms of Supporting Innovative Activities (consolidated text: Journal of Laws of 2022, item 2474, as amended).

Revenues from R&D account for 37% of the net turnover from the sales of goods and products achieved by the Company, plus revenues from financial operations earned in 2024; the same revenues in 2023 reached 33%. The table below presents revenues and expenditures for R&D projects:

	12 months to 31 Dec 2024	12 months to 31 Dec 2023	Change y/y
	PLN thou.	PLN thou.	PLN thou.
Operating revenues	428,812	380,540	48,272
R&D revenues	158,776	126,732	32,044
R&D expenditure**	28,850	24,041	4,809

**isolated from operating revenues from the items: proprietary software and services.*

***R&D expenditures include expenditures on development subject to capitalization in accordance with IAS/IFRS and other expenditures incurred allocated to R&D, in accordance with the definition of R&D in the Act of 20 July 2018 The Law on Higher Education and Science and in the Act of 15 February 1992 on Corporate Income Tax.*

The table below presents headcount in R&D projects:

	31 Dec 2024	31 Dec 2023	Change y/y
Employment in R&D positions	229	227	2

8.7. Capital management

The main objective of the Company's capital management is to maintain creditworthiness and secure capital indicators that would support the Company's operation's and increase value for its shareholders.

The Company manages the capital structure and introduces modifications in response to changing economic conditions. In order to maintain or adjust capital structure, the Company may amend the payment of dividend to shareholders, return capital to shareholders or issue new shares.

The Company monitors the status of capitals using the leverage ratio, which is calculated as the ratio of net debt to the total of capitals plus net borrowing. The Company's net borrowing includes interest-bearing loans as well as lease liabilities, less cash and bank deposits.

	31 Dec 2024	31 Dec 2023
	<i>PLN thou.</i>	<i>PLN thou.</i>
Lease liabilities	49,529	49,030
Less cash and cash deposits	(40,923)	(52,999)
Net debt	8,606	(3,969)
Equity	385,127	379,260
Equity and net borrowings	393,733	375,291
Leverage ratio	2.2%	-1.1%

The leverage ratio is within the limits set by the Company's Management Board.

8.8. Significant events after the balance sheet date

□ Joining TAX ORDER Sp. o.o. and the taking up of shares

On 15 January 2025, Asseco Business Solutions S.A. the company Tax Order Sp. z o.o. and acquired 27,000 of its shares with a nominal value of PLN 100.00 each, with a total nominal value of PLN 2,700 thousand. The shares were taken up at their nominal value. Following the transaction, the Company will hold 60% of the shares in Tax Order Sp. z o.o. On the date of preparation of these financial statements, the increase has not yet been registered.

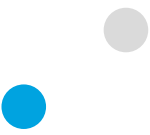
8.9. Significant events concerning previous years

To the date of these financial statements for 12 months ended 31 December 2024, there were no events concerning previous years that were not, and should be, included in these financial statements.

Management Board's approval for publication

These financial statements for the year ended 31 December 2024 were approved for publication by the Management Board of Asseco Business Solutions S.A. on 3 March 2025.

The Management Board:



Full name	Position/Function	Signature
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Wojciech Barczentewicz	President of the Management Board	
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Piotr Masłowski	Vice-president of the Management Board	
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Mariusz Lizon	Member of the Management Board	
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Renata Łukasik	Member of the Management Board	
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Jacek Lisowski	Member of the Management Board	
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Rafał Mróz	Member of the Management Board	
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Artur Czabaj	Book keeper	
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