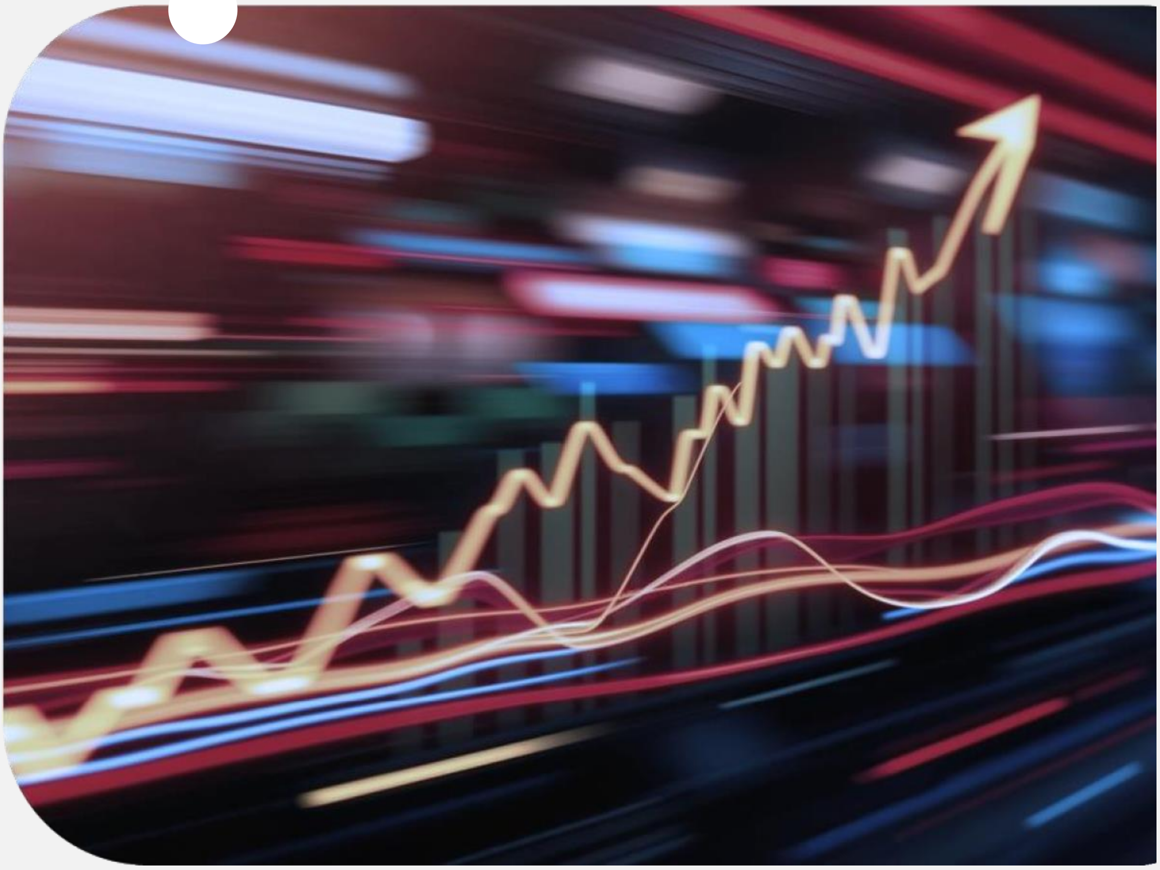
asseco
Business Solutions



Semi-annual Financial Statements

Asseco Business Solutions Group for the Six Months Ended 30 June 2025

assecobs.pl/inwestor

Contents

Selected financial data of the Asseco Business Solutions Group

The table below contains selected financial data of the Asseco Business Solutions Group

	6 months to 30 June 2025 PLN thou.	6 months to 30 June 2024 PLN thou.	6 months to 30 June 2025 EUR thou.	6 months to 30 June 2024 EUR thou.
Operating revenues	213,673	201,320	50,624	46,700
Operating profit	54,679	52,689	12,955	12,222
Profit before tax	55,006	53,407	13,032	12,389
Net profit for reporting period	50,724	47,126	12,018	10,932
Net profit attributable to shareholders of the Parent	50,750	47,126	12,024	10,932
Net cash from operating activities	68,172	59,391	16,151	13,777
Net cash generated (used) in investing activities	(16,486)	(20,381)	(3,906)	(4,728)
Net cash from financing activities	(90,349)	(5,400)	(21,406)	(1,253)
Cash and cash equivalents at end of period (comparable period: 31.12.2024)	2,260	40,923	533	9,577
Net profit per ordinary share (in PLN/EUR)	1.54	1.41	0.37	0.33

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

- the ABS Group's cash position at the end of the current reporting period and at the end of the comparable period is translated at the average exchange rate announced by the National Bank of Poland on the balance sheet date,
- on 30 June 2025, 1 EUR = 4.2419 PLN,
- on 31 December 2024, 1 EUR = PLN 4.2730,
- selected items from the semi-annual condensed statement of comprehensive income and the semi-annual condensed statement of cash flows are translated at the exchange rate being the arithmetic average of the average exchange rates announced by the National Bank of Poland on the last day of each month,
- in the period from 1 January to 30 June 2025: EUR 1 = PLN 4,2208,
- in the period from 1 January to 30 June 2024: EUR 1 = PLN 4,3109.

Condensed Consolidated Interim Financial Statements

for the Six Months Ended 30 June 2025

prepared in accordance with IAS 34 Interim Financial Reporting approved by the EU

Interim consolidated profit and loss account and statement of other comprehensive income of the Asseco Business Solutions Group

PROFIT AND LOSS ACCOUNT	Notes	3 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2025 *PLN thou.*	3 months to 30 June 2024 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Operating revenues	1.1	105,589	213,673	101,501	201,320
Own cost of sales	1.2	(65,176)	(127,707)	(62,254)	(122,302)
Gross profit on sales		40,413	85,966	39,247	79,018
Cost of sales	1.2	(5,611)	(11,509)	(5,948)	(11,360)
General and administrative expenses	1.2	(10,768)	(20,408)	(7,454)	(15,321)
Net profit on sales		24,034	54,049	25,845	52,337
Other operating revenues		878	1,275	517	926
Other operating expenses		(476)	(645)	(327)	(574)
Operating profit		24,436	54,679	26,035	52,689
Financial revenues	1.3	597	1,120	894	1,583
Financial expenses	1.3	(442)	(793)	(528)	(865)
Profit before tax		24,591	55,006	26,401	53,407
Tax on profit or loss	1.4	(2,276)	(4,282)	(3,308)	(6,281)
Net profit		22,315	50,724	23,093	47,126
Falling to:					
Shareholders of the Parent		22,341	50,750	23,093	47,126
Non-controlling interests		(26)	(26)	-	-
Net income per ordinary share (in PLN):					
Basic and diluted earnings per share (in PLN) from the consolidated profit for the period, attributable to the shareholders of the Parent	1.5	0.68	1.54	0.69	1.41

TOTAL INCOME:	Notes	3 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2025 *PLN thou.*	3 months to 30 June 2024 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Net profit		22,315	50,724	23,093	47,126
Items that may be reclassified to profit and loss		-	-	-	-
Items not subject to reclassification to profit and loss		-	-	-	-

Other comprehensive income total:	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR PERIOD	22,315	50,724	23,093	47,126
Shareholders of the Parent	22,341	50,750	23,093	47,126
Non-controlling shareholders	(26)	(26)	-	-

Interim consolidated balance sheet of the Asseco Business Solutions Group

ASSETS	Notes	30 June 2025 *PLN thou.*	31 Dec 2024 *PLN thou.*
Non-current assets			
Property, plant and equipment	2.1	44,580	48,089
Intangible property	2.2	302,378	297,405
including goodwill from merger	2.2	253,527	252,879
Right-of-use assets	2.3	43,861	46,450
Other receivables	2.7	431	415
Deferred tax assets		4,344	3,907
Prepayments and accrued income	2.6	651	289
		396,245	396,555
Current assets			
Inventories	2.4	217	209
Trade receivables	2.7	62,197	56,461
Assets from contracts with customers	2.7	5,224	3,671
Tax receivables under corporate income tax		1,348	2,555
Budgetary commitments and other receivables	2.7	1,268	159
Prepayments and accrued income	2.6	4,047	2,180
Deposits with maturity above 3 months		1,019	-
Other assets	2.5	153	60
Cash and deposits	2.8	2,260	40,923
		77,733	106,218
TOTAL ASSETS		473,978	502,773

Condensed interim balance sheet, cont.

LIABILITIES	Notes	30 June 2025 *PLN thou.*	31 Dec 2024 *PLN thou.*
TOTAL EQUITY			
Subscribed capital		167,091	167,091
Premium		62,543	62,543
Own shares	2.9	(25,106)	(36,149)
Retained earnings and other capital		129,899	191,642
		334,427	385,127
Non-controlling interests		1,342	-
Total equity		335,769	385,127
Non-current liabilities			
Lease liabilities	2.11	37,869	40,902
Other liabilities	2.12	96	219
Provisions	2.13	2,979	2,979
		40,944	44,100
Current liabilities			
Bank loans	2.10	24,171	-
Lease liabilities	2.11	9,018	8,627
Trade liabilities	2.12	7,536	5,058
Liabilities from contracts with customers	2.12	18,425	20,313
Budgetary commitments and other liabilities	2.12	20,881	22,100
Provisions	2.13	130	130
Accruals and deferred income	2.14	17,104	17,318
		97,265	73,546
TOTAL LIABILITIES		138,209	117,646
TOTAL EQUITY AND LIABILITIES		473,978	502,773

Interim consolidated statement of changes in equity of the Asseco Business Solutions Group

	Notes	Subscribed capital	Premium	Own shares	Retained earnings and other capital	Equity of the parent	Non-controlling interests	Total equity
		PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*	*PLN thou.*		
As at 1 January 2025		167,091	62,543	(36,149)	191,642	385,127	-	385,127
Profit in reporting period		-	-	-	50,750	50,750	(26)	50,724
Dividend for 2024	1.6	-	-	-	(108,905)	(108,905)	-	(108,905)
Acquisition of a subsidiary	2.2	-	-	-	-	-	1,368	1,368
Transactions with employees settled through equity instruments	1.2	-	-	11,043	(3,588)	7,455	-	7,455
As at 30 June 2025 *(unaudited)*		167,091	62,543	(25,106)	129,899	334,427	1,342	335,769
As at 1 January 2024		167,091	62,543	-	149,626	379,260	-	379,260
Profit in reporting period		-	-	-	47,126	47,126	-	47,126
Dividend for 2023	1.6	-	-	-	(86,887)	(86,887)	-	(86,887)
Other adjustments		-	-	-	(8)	(8)	-	(8)
As at 30 June 2024 *(unaudited)*		167,091	62,543	-	109,857	339,491	-	339,491

Interim consolidated statement of cash flows of the Asseco Business Solutions Group

	Notes	6 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Cash flow from operating activities			
Gross profit		55,006	53,407
Adjustments:		16,603	13,816
Amortisation/depreciation		19,744	19,704
Changes in working capital	3.1	(10,978)	(6,380)
Interest revenues/expenses		764	855
FX gains/(losses)		(69)	(104)
Cost of transactions with employees settled through equity instruments	1.2	7,455	-
Other financial revenues/expenses		(107)	(60)
Investment gain/(loss)		(206)	(199)
Cash from operating activities		71,609	67,223
Paid tax on profit or loss		(3,437)	(7,832)
Net cash from operating activities		68,172	59,391
Cash flow from investing activities			
Receipts:			
Receipts from the sale of fixed assets and intangible assets	3.1	510	338
Other receipts		12	-
Outflows:			
Purchase of fixed assets and intangible property	3.1	(1,947)	(6,523)
Expenses related to running development projects	3.1	(13,498)	(14,196)
Expenditure on acquisition of subsidiaries adjusted by cash and cash equivalents in acquired parties		(1,563)	-
Net cash used in investing activities		(16,486)	(20,381)
Cash flows from financing activities			
Receipts:			
Receipts from obtained loans		24,171	-
Outflows:			
Dividend paid		(108,905)	-
Repayment of lease liabilities		(4,871)	(4,545)
Interest paid		(744)	(855)

Net cash from financing activities		(90,349)	(5,400)
Change in net cash and cash equivalents		(38,663)	33,610
Cash and cash equivalents as at 1 January		40,923	52,999
Cash and cash equivalents as at 30 June	2.8	2,260	86,609

Additional explanation to the condensed consolidated interim financial statements

I. Basic information

Grupa Kapitałowa Asseco Business Solutions – The Asseco Business Solutions Group ("ABS Group") is a capital group having Asseco Business Solutions S.A. as the parent ("Parent," "Issuer," "Company"). The ABS Group consists of Asseco Business Solutions S.A. and Tax Order Sp. z o.o.

On 15 January 2025, Asseco Business Solutions S.A. joined and acquired 60% of shares in Tax Order Sp. z o.o., seated in Białystok. The purchase price was PLN 2,700 thousand paid in cash. Under the provisional accounting for the acquisition, the ABS Group recognised PLN 648 thousand as goodwill, representing the excess of the consideration transferred over the fair value of the net assets acquired. Tax Order Sp. z o.o. has been consolidated as from 27 March 2025, following the registration of the share acquisition in the National Court Register.

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
Core economic activity	Information technology

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

The ABS Group is part of the international Asseco Group, a Europe-leading vendor of proprietary software. The Group is a constellation of enterprises engaged in the advancement of information technology and is present in 65 countries around the world, including most European countries and the USA, Canada, Israel, and Japan.

The comprehensive offering of the Asseco Business Solutions Group 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.

The Asseco Business Solutions Group operates two own Data Centres whose capacity parameters meet the highest standards of security, reliability and effectiveness of systems operation. All products designed by the Asseco Business Solutions Group are based on the knowledge and expertise of experienced professionals, a proven project methodology and the use of tomorrow's information technology tools. With the high quality products and related services, the software from the ABS Group has been successful in supporting the operations of tens of thousands of companies. 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. which holds indirectly through subsidiaries 95.12% of shares in Asseco Enterprise Solutions a.s.

As regards Asseco Business Solutions S.A., the decision of maintaining control over the six months ended 30 June 2025 in accordance with IFRS 10 was based on the following factors:

- decisions at the General Meeting are taken by a simple majority of votes present at the meeting;
- the Company's shareholding is dispersed and, apart from Asseco Enterprise Solutions a.s. (a subsidiary of Asseco Poland S.A.), there are only two shareholders holding more than 5% of votes at the General Meeting; the largest shareholder holds 11.94% of votes, while the third largest one 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 2021 to 2025, the percentage of shareholders present at the General Meetings ranged from 69.36% to 76.36%. This means that shareholders' activity is relatively low or moderate. Considering that Asseco Enterprise Solutions a.s. currently holds 47.05% of the total number of votes at the General Meeting, the attendance would have to exceed 94.11% 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 condensed consolidated interim financial statements

1. Basis for the preparation

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

These condensed consolidated interim financial statements have been prepared on the understanding that the ABS Group intends to continue as a going concern for the period of no less than 12 months as of 30 June 2025. At the date of approval of these interim financial statements, no fact or circumstances were identified that might pose a threat to the ABS Group as a going concern.

These condensed consolidated interim financial statements do not include all information and disclosures required in annual financial statements and should be read in conjunction with the financial statements of Asseco Business Solutions S.A. made public on 3 March 2025.

2. Impact of the political and economic situation on the territory of Ukraine on the ABS Group's business

At the time of publication of these condensed consolidated interim financial statements, the ABS Group did not report any significant impact of the war in Ukraine and sanctions imposed against Russia its operations. The ABS Group does not conduct any significant business operation in Russia, Belarus, or Ukraine. The ABS Group does not employ personnel in Ukraine; that is why, the warfare in the territory of Ukraine does not impact it directly. The situation does not affect these financial statements directly, either.

However, the ABS Group cannot rule out a scenario that in the event of this prolonged uncertain political and economic situation and its negative impact on the domestic and global economy, this may have an adverse effect on the ABS Group's operations or financial results, yet, at this point, it is not possible to determine to what extent or on what scale. Given the circumstances, the ABS Group attempts to lessen the possible negative impact of the situation on future financial results.

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

3. Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting", as adopted by the European Union ("IAS 34").

The scope of these condensed consolidated interim financial statements as part of the quarterly report is in line with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information provided by issuers of securities and on the conditions for recognition as equivalent of the information required by the laws of a non-member state (consolidated text: Journal of Laws of 2018, No. 33, item 757) ("Regulation") and covers a reporting period from 1 January to 30 June 2025 and the corresponding period of 1 January to 30 June 2024 for the income statement, cash flow statement, and statement of changes in equity, respectively, as well as the balance sheet as at 30 June 2025 and the comparable data as at 31 December 2024.

The figures for the quarter from 1 April to 30 June 2025 and the corresponding period in 2024 were calculated as the difference between the cumulative data for the semi-annual period and the data disclosed in the quarterly consolidated financial statements of the ABS Group for the period ended 31 March 2025 and published on 29 April 2025. The condensed interim statement of profit or loss account and the condensed interim statement of other comprehensive income, together with the relevant notes, covering the data for the three-month period ended 30 June 2025 and comparative data for the three-month period ended 30 June 2024, have not been subject to review or audit by a statutory auditor.

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

4. Functional currency and presentation currency

These condensed consolidated interim financial statements are presented in the Polish złoty ("PLN") and all values, unless specified otherwise, are expressed in thousands of PLN. The functional currency of the

ABS Group is also the Polish złoty. Possible differences in the total amount of up to PLN 1 thousand result from adopted roundings.

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

As at the balance sheet date:

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

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

- exchange rate effective on 30 June 2025, 1 EUR = 4.2419 PLN
- exchange rate effective on 30 June 2024, 1 EUR = 4.3130 PLN
- exchange rate effective on 30 June 2025, 1 USD = 3.6164 PLN
- exchange rate effective on 30 June 2024, 1 USD = 4.0320 PLN

5. Estimates and professional judgement

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

Item 9 Estimates of the explanatory notes shows 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 ABS Group's results in the future.

In the six months ended 30 June 2025, there were no major changes to the method of making estimates disclosed in these financial statements and shown in Item 8 Accounting policy.

6. Changes in accounting rules used

An overview of the principal accounting rules applied by the ABS Group is contained in Item 8 Accounting policy.

The accounting rules (policies) used to prepare these condensed consolidated interim financial statements are consistent with those applied in preparing the Parent's financial statements for the year ended day 31 December 2024.

New standards or changes effective from 1 January 2025:

- 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.

The amended standards and interpretations applicable for the first time in 2025 do not have a significant impact on the ABS Group's condensed consolidated interim financial statements.

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

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

- IFRS 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 IFRIS 7: Contracts Referencing Nature-dependent Electricity (published on 18 December 2024) – applicable to annual periods beginning on or after 1 January 2026;
- Amendments to IFRS 9 and IFRIS 7: Amendments to the Classification and Measurement of Financial Instruments (published on 30 May 2024) – applicable to annual periods beginning on or after 1 January 2026;
- Annual Improvements, Volume 11 (published on 18 October 2024) – 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 ABS Group is currently analysing how the introduction of these standards and interpretations may influence the financial statements and on the ABS Group's accounting rules (policy).

8. Accounting policy

8.1. Operating revenues

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

The ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 that 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 the ABS Group’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 ABS Group 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 ABS Group 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 ABS Group 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 Group has considered whether such contracts include a lease component (i.e. whether the Group confers the right to control the identified asset for a given period of time in return for payment). The ABS Group has not identified lease components in contracts with customers.

- Variable pay

If the remuneration specified in the contract includes a variable amount, the ABS Group 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 ABS Group 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 ABS Group under contracts, the ABS Group 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 ABS Group.

- Allocation of transaction price to obligations of performance

The ABS Group 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

ABS Group's expectations, is payable in exchange for the transfer of promised goods or services to the customer.

- Other practical exceptions applied in the ABS Group

In justified cases, the ABS Group also applies a practical solution permitted by IFRS 15, namely if the ABS Group has the right to receive remuneration from a customer in the amount directly corresponding to the value of the ABS Group'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 ABS Group may recognise revenue in the invoiceable amount.

8.2. Operating expenses

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

ABS Group'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 ABS Group and administration costs. The cost of employee benefits includes all forms of ABS Group'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 ABS Group 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).

8.3. Financial revenues and expenses

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

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

Interest costs resulting from the financing obtained by the ABS Group 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).

8.4. Tax on profit or loss

The ABS Group 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.

8.5. Earnings per share

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.

8.6. Property, plant and equipment

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.

8.7. Intangible property

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 the consolidated financial statements, goodwill represents the value arising from the acquisition of control over business entities. This value was initially calculated as the excess of the price paid over the acquired identifiable net assets.

Internally generated intangible assets

In separate categories, the ABS Group 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 ABS Group 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 ABS Group 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.

8.8. Right-of-use assets

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 ABS Group 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 ABS Group 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 ABS Group 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).

8.9. Asset impairment tests

At every balance sheet date, the ABS Group 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 ABS Group will 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group. 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.

8.10. Receivables and assets from contracts with customers

Assets under contracts with customers confer the right to remuneration in exchange for goods or services that the entity 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 ABS Group 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 ABS Group provided its contracted services) but were not invoiced before the balance sheet date. As at the balance sheet date, the ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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.

8.11. Prepaid expenses and accrued income

In accruals and deferred income, 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 ABS Group recognizes as an asset the costs of conclusion of a contract with a customer and the costs of performance of the agreement if the ABS Group expects to recover such costs.

8.12. Other assets

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

8.13. Inventories

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.

8.14. Cash and deposits

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 ABS Group 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 ABS Group recognises only those revolving loans and demand features as a cash equivalent which are an integral part of the cash management of the ABS Group. The ABS Group 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.

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

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 ABS Group offset the Fund's assets with its commitments to the Fund because these assets do not fall within the definition of Company assets.

8.16. Bank loans

The ABS Group classifies its financial liabilities into one of the categories:

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

The ABS Group 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 ABS Group 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.

8.17. Lease liabilities

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 ABS Group measures the lease liability in the amount of the current value of lease payments remaining due on that date. The ABS Group discounts lease payments using the lease interest rate if it can be easily determined. Otherwise, the ABS Group 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 ABS Group will use this option) and fines for termination (if there is reasonable certainty that the ABS Group 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 ABS Group uses the lessee's marginal rate which is the total of the risk-free rate (for its determination, the ABS Group uses the quotas of relevant derivative instruments – IRS – or government bond interest rates for relevant currencies) and the ABS Group's credit risk premiums, which is quantified based on the offering of margins for investment loans available to the ABS Group and secured on the ABS Group'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 ABS Group 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 ABS Group has the option, under some lease agreements, to extend the term of asset lease. The ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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.

8.18. Trade and other liabilities

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.

8.19. Liabilities from contracts with customers

Liabilities from contracts with customers are the unit's obligations to transfer goods and services to the customer in exchange for remuneration obtained by or due to the ABS Group 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 ABS Group generally meets its performance obligations. Most often, in the case of contracts for the implementation of a comprehensive IT system and maintenance contracts, the ABS Group 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 ABS Group 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 ABS Group's opinion, is tantamount to transferring control over the licence to the customer.

8.20. Provisions

A provision should be recognised when the ABS Group 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 ABS Group 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 ABS Group 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 ABS Group 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.

8.21. Accruals and deferrals

Provision for unused leaves

The ABS Group 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 ABS Group 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 ABS Group recognises 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 ABS Group 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 ABS Group 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.

8.22. Off-balance sheet liabilities

Off-balance sheet commitments they are primarily contingent liabilities understood us: 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 ABS Group 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 ABS Group 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.

8.23. Organization and changes to the structure of the Asseco Business Solutions Group, including units subject to consolidation

For each acquisition of a subsidiary, the ABS Group measures the non-controlling interests at the acquisition date using either the proportionate share of the acquiree's identifiable net assets or the fair value method.

9. Estimates

9.1. Operating revenues

As described above, the ABS Group 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 Group has considered whether such contracts include a lease component (i.e. whether the Group confers the right to control the identified asset for a given period of time in return for payment). The ABS Group has not identified lease components in contracts with customers.

9.2. Tax on profit or loss

On each balance sheet date, the ABS Group assesses the realisability of deferred tax assets. This assessment requires professional judgement and estimates. If, in the ABS Group's opinion, it is likely that the ABS Group's approach to a tax or taxes is accepted by the tax authority, the ABS Group 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 ABS Group 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 ABS Group determines that it is not likely that the tax authority accepts the ABS Group's approach to a tax or taxes, then the ABS Group will reflect the effects of uncertainty in recognition of its tax in the period which was covered by the determination. The ABS Group 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 ABS Group determines the most likely scenario – a single amount among the possible results or
- the ABS Group recognizes the expected value – it is the total of probability-weighted amounts among the possible results.

9.3. Property, plant and equipment

At each balance sheet date, the ABS Group 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 ABS Group 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 ABS Group verifies useful lives based on current estimates of the expected useful life of a given asset. Over the 6 months ended 30 June 2025, there were no major changes to the manner of making estimates. In 2025 there were no significant changes to the amortization rates applied by the ABS Group.

9.4. Intangible property

At each balance sheet date, the ABS Group 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 ABS Group reviews the adopted periods of economic useful life based on current estimates annually. In 2025 there were no significant changes to the intangible asset amortization rates applied by the ABS Group.

The cost price of an internally generated intangible asset is determined and capitalised in accordance with the ABS Group'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 ABS Group 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.

9.5. Right-of-use assets

At each balance sheet date, the ABS Group 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 ABS Group is generally carried out on a straight-line basis. If under a lease agreement, the ownership of the underlying asset is transferred to the ABS Group at the end of the lease period or if the cost of a right-of-use asset takes into account that the ABS Group will take advantage of the purchase option, the ABS Group depreciates right-of-use assets from the initial date up to the end of the useful life of the underlying asset. Otherwise, the ABS Group 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 ABS Group applies IAS 36 Impairment of Assets. At each balance sheet date, the ABS Group 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.

9.6. Asset impairment tests

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 ABS Group 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 ABS Group does not make estimates in the fair value model.

9.7. Receivables and assets from contracts with customers

Each time, the ABS Group 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 ABS Group 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.

9.8. Lease liabilities

The recognition of lease agreements in the ABS Group 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 ABS Group 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.

9.9. Liabilities from contracts with customers

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

9.10. Provisions

Note that all provisions estimated in the ABS Group, 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 ABS Group. 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.

9.11. Accruals and deferrals

The ABS Group estimates the amount of liabilities based on adopted assumptions and methodology and assessing the likelihood of expending funds carrying economic benefits; as liabilities, the ABS Group 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 ABS Group at various levels.

The ABS Group does not recognize a grant unless there is reasonable assurance that the ABS Group 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.

III. Organization and changes to the structure of the Asseco Business Solutions Group, including units subject to consolidation

These condensed consolidated financial statements of the ABS Group comprises the assets, liabilities, equity, revenues, expenses, and cash flows of the Parent, Asseco Business Solutions S.A., and its controlled (subsidiary) entities.

The financial statements of the subsidiaries, after adjustments to ensure compliance with IFRS, are prepared for the same reporting period as the financial statements of the Parent, using consistent accounting policies based on uniform principles applied to transactions and economic events of a similar nature. Adjustments are made to eliminate any discrepancies in the accounting policies applied.

All significant balances and transactions between the ABS Group entities, including unrealised gains arising from intra-group transactions, have been fully eliminated. Unrealised losses are eliminated unless they provide evidence of impairment.

Subsidiaries are consolidated from the date on which control is obtained by the ABS Group and cease to be consolidated from the date control is lost. The ABS Group exercises control when: (i) it has power over the given entity, (ii) it is exposed, or has rights, to variable returns from its involvement with the entity, and (iii) it has the ability to use its power to affect the amount of those returns.

Where the ABS Group holds less than a majority of the voting rights in an entity, but such voting rights are sufficient to unilaterally direct the relevant activities of that entity, it is deemed to have power over the entity.

In the event of the loss of control over a subsidiary, the consolidated financial statements include the results for that portion of the reporting year during which the ABS Group had control. Acquisitions of subsidiaries are accounted for using the full method.

Changes in the equity/voting rights that do not result in the loss of control over a subsidiary are recognised as equity transactions. In such cases, to reflect the changes in the relative interests in the subsidiary, the ABS Group adjusts the carrying amounts of the controlling and non-controlling interests. Any difference between the amount of the adjustment to non-controlling interests and the fair value of the amount disbursed or received is recognised in equity (transactions with non-controlling interests) and attributed to the owners of the Parent.

	Share in votes	Share in equity
Tax Order Sp. z o.o.	60%	60%

IV. Information on operating segments

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

For the management optimization purposes, the ABS Group was divided into segments reflecting its manufactured products and rendered services. Based on that, the Management Board have identified the ERP systems segment which accounts for more than 96% of total ABS Group'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 ABS Group'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 ABS Group (including financial income and expenses) and income tax are monitored at the Management Board 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 ABS Group, i.e. the Management Board. The Management Board does not analyse cash flows by segment, either.

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

3 Months to 30 June 2025	ERP segment	Unallocated	Total
	PLN thou.	*PLN thou.*	*PLN thou.*
Sales to external customers	100,083	5,506	105,589
Settlements between segments	-	-	-
Gains on sales from reported segment	23,376	658	24,034
Amortisation/depreciation	(9,891)	(49)	(9,940)
Intangible assets recognised during the settlement of combination allocated to segment	264	-	264
Goodwill from combinations assigned to segment	253,527	-	253,527

6 months to 30 June 2025	ERP segment *PLN thou.*	Unallocated *PLN thou.*	Total *PLN thou.*
Sales to external customers	204,277	9,396	213,673
Settlements between segments	-	-	-
Gains on sales from reported segment	53,122	927	54,049
Amortisation/depreciation	(19,580)	(102)	(19,682)
Intangible assets recognised during the settlement of combination allocated to segment	264	-	264
Goodwill from combinations assigned to segment	253,527	-	253,527

3 months to 30 June 2024	ERP segment *PLN thou.*	Unallocated *PLN thou.*	Total PLN thou.
Sales to external customers	93,790	7,711	101,501
Settlements between segments	-	-	-
Gains on sales from reported segment	24,923	922	25,845
Amortisation/depreciation	(9,873)	(56)	(9,929)
Intangible assets recognised during the settlement of combination allocated to segment	575	-	575
Goodwill from combinations assigned to segment	252,879	-	252,879

6 months to 30 June 2024	ERP segment *PLN thou.*	Unallocated *PLN thou.*	Total PLN thou.
Sales to external customers	188,699	12,621	201,320
Settlements between segments	-	-	-
Gains on sales from reported segment	51,036	1,301	52,337
Amortisation/depreciation	(19,506)	(110)	(19,616)
Intangible assets recognised during the settlement of combination allocated to segment	575	-	575
Goodwill from combinations assigned to segment	252,879	-	252,879

V. Explanatory notes to the condensed consolidated interim financial statements

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

1.1. Structure of operating revenues

Operating revenues in the period of three and six months ended 30 June 2025 and in the comparative period were as follows:

	3 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2025 *PLN thou.*	3 months to 30 June 2024 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Operating revenues by type				
Licences and own services	100,209	204,204	93,824	188,629
Licences and external services	3,529	6,504	6,261	9,436
Equipment and infrastructure	1,851	2,965	1,416	3,255
Operating revenues total	105,589	213,673	101,501	201,320

Revenues from contracts with customers in total operating revenues

	3 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2025 *PLN thou.*	3 months to 30 June 2024 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Income from contracts with customers recognized in accordance with IFRS 15				
From goods or services provided at a specified time, including:	11,762	26,662	13,883	28,509
ERP segment	*6,600*	*17,905*	*6,476*	*16,476*
Unallocated	*5,162*	*8,757*	*7,407*	*12,033*
From goods or services provided over time, including:	93,827	187,011	87,618	172,811
ERP segment	*93,483*	*186,372*	*87,314*	*172,223*
Unallocated	*344*	*639*	*304*	*588*
Operating revenues total	105,589	213,673	101,501	201,320

Structure of operating income by country of generation

	3 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2025 *PLN thou.*	3 months to 30 June 2024 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*

Poland	91,864	185,411	89,893	177,602
ROW, including:	13,725	28,262	11,608	23,718
- Austria	4 003	8 154	1 968	4 152
- Switzerland	2,246	4,867	2,243	4,064
- France	2,016	4,184	1,827	3,608
- Germany	1,682	3,355	2,019	3,874
- The Netherlands	802	1,838	978	2,197
- Romania	593	1,169	620	1,122
- Sweden	482	812	17	34
- United Kingdom	320	696	377	1,420
- Bulgaria	274	524	232	534
- Italy	253	496	267	505
- Czechia	216	418	194	432
- Slovakia	189	371	301	301
- Spain	106	216	145	288
- Baltics (Lithuania, Latvia, Estonia)	-	-	70	143
- other	543	1,162	350	1,044
	105,589	213,673	101,501	201,320

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

1.2. Structure of operating expenses

	3 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2025 *PLN thou.*	3 months to 30 June 2024 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Operating expenses				
Value of goods and external services sold	(4,630)	(8,459)	(6,339)	(10,716)
Employee benefits, including:	(53,869)	(106,876)	(47,569)	(96,239)
Cost of transactions with employees settled through equity instruments	(3,985)	(7,455)	-	-
Amortisation/depreciation	(9,940)	(19,682)	(9,929)	(19,616)
External services	(9,856)	(18,707)	(8,453)	(16,256)
Other	(3,260)	(5,900)	(3,366)	(6,156)
Total	(81,555)	(159,624)	(75,656)	(148,983)
Own cost of sales	(65,176)	(127,707)	(62,254)	(122,302)
including: *Allowance/reversal for expected credit losses in respect of trade receivables*	*(12)*	*62*	*(236)*	*(241)*

Cost of sales	(5,611)	(11,509)	(5,948)	(11,360)
General and administrative expenses	(10,768)	(20,408)	(7,454)	(15,321)
Total	(81,555)	(159,624)	(75,656)	(148,983)

The table below presents employee benefit expenses for the three- and six-month periods ended 30 June 2025 and for the respective comparative periods:

	3 months to 30 June 2025	6 months to 30 June 2025	3 months to 30 June 2024	6 months to 30 June 2024
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Remuneration	(40,389)	(79,726)	(38,908)	(78,567)
Employee benefits, including:	(8,830)	(18,365)	(8,008)	(16,364)
Social security expenses	*(7,308)*	*(15,290)*	*(6,696)*	*(13,734)*
Cost of transactions with employees settled through equity instruments	(3,985)	(7,455)	-	-
Other	(665)	(1,330)	(653)	(1,308)
Total cost of employee benefits	(53,869)	(106,876)	(47,569)	(96,239)

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	
Period of acquisition of rights	01.01.2024-31.12.2024	
	01.01.2024-31.12.2025	

	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	
	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	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: over the given 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.

The award of shares to scheme participants for the 12-month period ended 31 December 2024 was carried out in the reporting period based on the financial data used to prepare the financial statements for 2024, as audited by a statutory auditor. The number of shares granted to Members of the Management Board amounted to 158,112, while the number of shares granted to key Company executives amounted to 25,185.

The interim condensed consolidated financial statements of the ABS Group for the 6-month period ended 30 June 2025 included the cost of two schemes totalling PLN 7,455 thousand. The counter-entry for the transaction was recognised under a separate equity item.

1.3. Financial revenues and expenses

The structure of financial income in the period of three and six months ended 30 June 2025 and in the comparable period was as follows:

Financial revenues	3 months to 30 June 2025	6 months to 30 June 2025	3 months to 30 June 2024	6 months to 30 June 2024
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Interest income from bank deposits measured through amortized cost	548	1,013	832	1,424
Positive exchange differences	(58)	-	(14)	62
Profit from realisation/valuation of derivatives	107	107	76	97
Total	597	1,120	894	1,583

Financial expenses in the three and six months ended 30 June 2025 and in the comparable period were as follows:

Financial expenses	3 months to 30 June 2025	6 months to 30 June 2025	3 months to 30 June 2024	6 months to 30 June 2024
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Interest expense on lease	(393)	(744)	(524)	(855)
Other interest expense	-	-	(4)	(10)
Negative exchange rates	(49)	(49)	-	-
Total	(442)	(793)	(528)	(865)

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

1.4. Tax on profit or loss

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

	3 months to 30 June 2025	6 months to 30 June 2025	3 months to 30 June 2024	6 months to 30 June 2024
-	*PLN thou.*	*PLN thou.*	*PLN thou.*	*PLN thou.*
Current income tax	(3,540)	(4,646)	(3,772)	(6,962)
Deferred tax	1,264	364	464	681
Tax expense reported in profit and loss	(2,276)	(4,282)	(3,308)	(6,281)

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.

	3 months to 30 June 2025	6 months to 30 June 2025	3 months to 30 June 2024	6 months to 30 June 2024
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Accounting income from continuing operations	24,591	55,006	26,401	53,407
Applicable corporate income tax rate	19%	19%	19%	19%
Income tax at applicable statutory tax rate	4,672	10,451	5,016	10,147

Use of tax-deductible tax allowances (R&D relief)	(1,565)	(3,084)	(1,625)	(3,267)
SFRD	95	181	75	149
IP BOX relief	(507)	(2,177)	(393)	(1,248)
Other fixed differences	(419)	(1,089)	235	500
Tax expense reported in profit and loss	2,276	4,282	3,308	6,281

The effective tax rate in the six months ended 30 June 2025 was 7.8 % compared to 11.8 % in the comparable period.

1.5. Earnings per share

Following the purchase of 600,000 own shares on 19 September 2024 and the subsequent award of 183,297 Company shares to participants of the incentive scheme on 26 March 2025, the weighted average number of ordinary shares was determined as follows:

- in the period from 1 January to 26 March 2025, 32,818,193 shares were included in the calculations (less own shares),
- in the period from 27 to 30 June 2025, 33,001,490 shares were included in the calculations (plus shares awarded under the incentive scheme that were no longer own shares).

Based on the above, the weighted average number of shares in the 6-month period ended 30 June 2025 was calculated at 32,915,411 own shares.

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

	3 months to 30 June 2025	6 months to 30 June 2025	3 months to 30 June 2024	6 months to 30 June 2024
Weighted average number of issued ordinary shares used to calculate basic earnings per share (per piece)	33,001,490	32,915,411	33,418,193	33,418,193
Net profit for the reporting period (in PLN thou.)	22,341	50,750	23,093	47,126
Net profit per share (in PLN)	0.68	1.54	0.69	1.41

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

1.6. Information on dividends paid

Pursuant to the decision of the Ordinary General Meeting of Shareholders of Asseco Business Solutions S.A. on 29 April 2025, the net profit for the financial year 2024 in the amount of PLN 115,026 thousand was divided as follows:

- part of the net profit for the year 2024 in the amount of PLN 110,280 thousand was earmarked for distribution among the shareholders, i.e. for the payment of the dividend in the amount of PLN 3.30 per share; this amount will be further reduced by the product of the amount of dividend per share and the number of the Company's own shares held by the Company on the dividend date, i.e. PLN 1,375 thousand;

- the reminder of the net profit for 2024, amounting to PLN 4,746 thousand, increased by the product of the dividend per share and the number of the Company's own shares to be held by the Company on the dividend date, was allocated to supplementary capital.

The dividend date was set on 22 May 2025 and the dividend payment date on 5 June 2025.

The Company did not make advance payments for the 2024 dividend.

Pursuant to the decision of the Ordinary General Meeting of Shareholders of Asseco Business Solutions S.A. of 27 June 2024, the net profit for the financial year 2023 in the amount of PLN 95,030 thousand was divided as follows:

- part of the net profit for the year 2023 in the amount of PLN 86,887 thousand was earmarked for distribution among the shareholders, i.e. for the payment of the dividend in the amount of PLN 2.60 per share;
- the reminder of the net profit for 2023 in the amount of PLN 8,143 thousand was transferred to retained earnings.

The dividend date was set on 5 July 2024 and the dividend payment date on 16 July 2024.

The Company did not make advance payments for the 2023 dividend.

2. Notes to the balance sheet

2.1. Property, plant and equipment

Changes in net worth of property, plant and equipment in the period of the six months ended 30 June 2025 and in the comparable period were attributed to the following:

	6 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Net value of fixed assets as at 1 January	48,089	45,033
Increase through:	1,641	6,234
Purchase and upgrade	1,641	6,234
Decrease through:	(5,150)	(4,741)
Depreciation allowance for reporting period	(4,846)	(4,559)
Sales and liquidation	(304)	(182)
Net value of fixed assets as at 30 June	44,580	46,526

2.2. Intangible property

Changes in net worth of property, plant and equipment in the period of six months ended 30 June 2025 and in the comparable period were attributed to the following:

	6 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Net value of intangible property as at 1 January	44,526	37,030
Increase through:	14,353	14,345
Purchase	97	149
Capitalized costs of ongoing development projects	13,510	14,196
Taking control of subsidiaries	746	-
Decrease through:	(10,028)	(10,552)
Depreciation allowance for reporting period	(10,028)	(10,552)
Net value of intangible assets as at 30 June	48,851	40,823

Goodwill

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

	30 June 2025	31 Dec 2024
	PLN thou.	*PLN thou.*
Goodwill presented in intangible property	253,527	252,879

On 15 January 2025, Asseco Business Solutions S.A. joined and acquired 60% of shares in Tax Order Sp. z o.o., seated in Białystok. The purchase price was PLN 2,700 thousand paid in cash. Under the provisional accounting for the acquisition, the ABS Group recognised PLN 648 thousand as goodwill, representing the excess of the consideration transferred over the fair value of the net assets acquired.

Tax Order Sp. z o.o. has been consolidated as from 27 March 2025, following the registration of the share acquisition in the National Court Register. By 30 June 2025, the process of purchase price allocation had not yet been completed by the ABS Group. Thus, goodwill recognized upon the acquisition of Tax Order Sp. z o.o. may still be subject to change over the period of 12 months since the take-over.

The provisional value of identifiable assets and liabilities of Tax Order Sp. z o.o. as at the date of gaining control is as follows:

	30 June 2025
	PLN thou.
Acquired assets	3,641
Intangible property	746
Deposits with maturity above 3 months	1,008
Cash and cash equivalents	1,144
Other assets	743
Acquired liabilities	221
Net value of assets	3,420
Value of non-controlling interests	1,368
Acquired % of share capital	60%
Acquisition price	2,700
Goodwill on acquisition date	648

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

The Management Board is of the opinion that the military conflict in Ukraine is not an indicator of impairment of goodwill. As at 30 June 2025, the Management Board first reviewed the assumptions used in the impairment test conducted for the year ended 31 December 2024, as shown below in this condensed consolidated financial statement. In the opinion of the Management Board, the assumptions adopted in the test remain realistic as at 30 June 2025. Accordingly, the Management Board concluded that there is no need to recognise an impairment loss on goodwill and that the indicators of goodwill impairment, as well as the assumptions adopted for the test at the end of 2024, remain valid.

However, in accordance with the requirements of IAS 36, a goodwill impairment test was conducted as at 31 December 2024. 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 doe 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.

Sensitivity analysis

Additionally, the ABS Group carried out a sensitivity analysis in relation to the conducted impairment test as at 31 December 2024. Such a sensitivity analysis examined the impact of changes in:

- 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 as at 31 December 2024 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

Change in the value of FCFF in 2025-2029 (reduced by a percentage value)							
	-5%	-3%	-1%	0%	1%	3%	5%
Current value of FCFF (in PLN thou.)	1,246,663	1,272,909	1,299,154	1,312,277	1,325,400	1,351,645	1,377,891
Above/less than unit book value (in PLN thou.)	856,899	883,145	909,390	922,513	935,636	961,881	988,127

2.3. Right-of-use assets

During the six months ended 30 June 2025 and in the comparable period, changes in the net worth of right-of-use assets resulted from the following events:

	6 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Net value of right-of-use assets as at 1 January	46,450	45,873
Increase through:	2,298	10,491
New lease agreement	243	6,365
Modifications of existing agreements	2,055	4,126
Decrease through:	(4,887)	(6,081)
Depreciation allowance for reporting period	(4,887)	(4,604)
Modifications of agreements	-	(1,414)
Early agreement termination	-	(63)
Net value of assets from right of use under economic activity as at 30 June	43,861	50,283

2.4. Inventories

Inventory write-down as at 30 June 2025 amounted to PLN 186 thousand and as at 31 December 2024 to PLN 207 thousand.

2.5. Other assets

The table below presents the balance of financial assets as at 30 June 2025 and 31 December 2024:

	30 June 2025		31 December 2024	
	Non-current	Current	Non-current	Current
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Financial instruments measured at fair value through profit or loss, including	-		-	-
Concluded forward contracts	-	61	-	-
Total	-	61	-	-

Financial assets measured at fair value through profit and loss include forward transactions concluded in order to secure foreign exchange risk resulting from contracts settled in foreign currency.
During the six months ended 30 June 2025, the ABS Group did not change the method of determining the fair value of financial instruments measured at fair value, and there were no transfers of instruments between levels of the fair value hierarchy.

According to the ABS Group's assessment, the fair value of cash, short-term deposits, trade receivables, trade liabilities and other current liabilities does not differ from the carrying amounts largely due to the short period of maturity. The fair value of financial assets held by the ABS Group as at 30 June 2025 and as at 31 December 2024 does not differ significantly from their carrying value.

As at 30 June 2025, the ABS Group held the following financial instruments measured at fair value:

30 June 2025	Carrying value	Level 1 i)	Level 2 ii)	Level 3 iii)
Financial assets measured at fair value through profit or loss				
Concluded forward contracts	61	-	61	-
Total	61	-	61	-

i. the fair value is determined based on quoted prices offered for identical assets in active markets; ii. the fair value determined by using models for which the input data is observable either directly or indirectly in active markets; iii. the fair value determined by using models for which the input data is not observable either directly or indirectly in active markets.

As at 31 December 2024, the ABS Group was not a party to any forward contracts.

As at 30 June 2025 and as at 31 December 2024, the ABS Group held the following non-financial assets:

	30 June 2025	31 Dec 2024
	PLN thou.	*PLN thou.*
Prepayments for deliveries	92	60

2.6. Prepayments

As at 30 June 2025 and as at 31 December 2024, the balance of prepayments comprised the following items:

	30 June 2025		31 December 2024	
	Non-current PLN thou.	Current PLN thou.	Non-current PLN thou.	Current PLN thou.
Prepaid services, including:				
maintenance services and licence fees	*644*	*1,836*	*282*	*482*
prepaid training	*-*	*171*	*-*	*340*
insurances	*1*	*1,024*	*-*	*758*
other services	*6*	*1,016*	*7*	*600*
Total	651	4,047	289	2,180

2.7. Receivables and assets from contracts with customers

The table below presents balances of receivables and balances of assets under contracts with customers as at 30 June 2025 and as at 31 December 2024.

	30 June 2025		31 December 2024	
	Non-current *PLN thou.*	Current *PLN thou.*	Non-current *PLN thou.*	Current *PLN thou.*
Trade receivables	-	63,686	-	58,131
From related parties, including:	-	642	-	386
Invoiced receivables	-	642	-	386
From other parties, including:	-	63,044	-	57,745
Invoiced receivables	-	62,867	-	57,707
Receivables not invoiced	-	177	-	38
Allowance for expected credit losses (-)	-	(1,489)	-	(1,670)
Total trade receivables	-	62,197	-	56,461

The ABS Group 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.

Related party transactions are shown in Item 2.15 hereof.

The following table presents the balances of contract assets as at 30 June 2025 and 31 December 2024.

	30 June 2025		31 December 2024	
	Non-current *PLN thou.*	Current *PLN thou.*	Non-current *PLN thou.*	Current *PLN thou.*
Assets under contracts with customers, incl.				
From related parties	-	-	-	-

From other parties	-	5,224	-	3,671
Total receivables from contracts with customers	-	5,224	-	3,671

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

Other receivables	30 June 2025		31 December 2024	
	Non-current	Current	Non-current	Current
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Budget receivables	-	128	-	-
Receivables from paid deposits	431	21	415	116
Other receivables	-	1,119	-	43
Other receivables total	431	1,268	415	159

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

2.8. Cash and deposits

Short-term deposits bear interest at variable interest rates, the amount of which depends on the interest rate of overnight bank deposits.

The fair value of cash and short-term deposits at 30 June 2025 amounts to PLN 2,260 thousand (31 December 2024: PLN 40,923 thousand).

The balance of cash and short-term deposits shown in the balance sheet and in the statement of cash flows consisted of the following items:

	30 June 2025	31 Dec 2024
	PLN thou.	*PLN thou.*
Cash at bank in current accounts	1,273	20,730
Cash at bank in split payment accounts	640	1,038
Short-term deposits	302	19,076
Cash in hand	7	3
Cash in transit	38	76
Total cash balance shown in balance sheet and cash flow statement	2,260	40,923

2.9. Own shares

As at 31 December 2024, the balance of own shares includes shares bought back by Asseco Business Solutions S.A. in September 2024 under a share buy-back transaction. The Company acquired a total of 600,000 of own shares, representing approximately 1.7954% of the share capital and 1.7954% of the total voting rights at the Company's General Meeting. The price per share amounted to PLN 60.00.

During the reporting period, 183,297 shares were issued to Members of the Management Board and key Company executives under the incentive scheme. As a result of this transaction, the balance as at 30 June 2025 comprises 416,703 shares.

2.10. Bank loans

As at 30 June 2025, the ABS Group had an overdraft facility in the current account of PLN 24,171 thousand. As at 31 December 2024, the ABS Group had no debt in the current account.

	Maximum amount of debt	Effective interest rate %	Repayment date	30 June 2025		31 December 2024	
				Non-current	Current	Non-current	Current
Overdraft facilities							
Overdraft facility	70,000	WIBOR 1 mth+margin	31-10-2026	-	24,171	-	-
Total				-	24,171	-	-

As at 30 June 2025 and 31 December 2024, the ABS Group kept open credit lines that (i) enable access to financing in the amount of up to PLN 70,000 thousand with the overdraft facility repayment date on 31 October 2026 and (ii) enable the award of bank guarantees up to the amount of PLN 2,000 thousand with the repayment date on 31 September 2026.

During the reporting period, the ABS Group did not grant any sureties for credits or loans collectively to a single entity or its subsidiary.

2.11. Lease liabilities

The table below presents the balance of lease liabilities as at 30 June 2025 and 31 December 2024:

	30 June 2025		31 December 2024	
	Non-current	Current	Non-current	Current
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN tho*
Real property lease	37,869	9,018	40,902	8,627
Total	37,869	9,018	40,902	8,627

Real property lease

As at 30 June 2025, the net value of real property leased was PLN 43,861 thousand and as at 31 December 2024 PLN 46,450 thousand.

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

	30 June 2025	31 Dec 2024
	PLN thou.	*PLN thou.*
Future minimum lease payments		

in less than 1 year	10,534	10,208
from 1 to 5 years	39,994	43,202
more than 5 years	767	766
Future minimum lease payments	51,295	54,176
Future interest expense	(4,408)	(4,647)
Current value of lease liabilities		
in less than 1 year	9,018	8,627
from 1 to 5 years	37,451	40,201
more than 5 years	418	701
Lease liability	46,887	49,529

Changes in lease liabilities in the period of the six months ended 30 June 2025 and in the comparable period were attributed to the following:

		6 months to 30 June 2025	6 months to 30 June 2024
As at 1 January		49,529	49,030
Cash changes	Repayment of capital	(4,871)	(4,545)
	Repayment of interest	(744)	(855)
Non-cash changes	Accrued interest	744	855
	New lease agreements	243	6,365
	Non-cash increase in liabilities	2,055	4,126
	FX differences included in financial revenues/expenses	(69)	(104)
	Reduced commitments	-	(1,519)
As at 30 June		46,887	53,353

2.12. Liabilities under contracts with customers; trade liabilities and other liabilities

As at 30 June 2025 and as at 31 December 2024, the ABS Group's trade liabilities were as follows:

	30 June 2025		31 December 2024	
	Non-current	Current	Non-current	Current
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
To related parties, including:	-	13	-	95
Invoiced liabilities	-	13	-	91

Liabilities not invoiced	-	-	-	4
To other parties, including:	-	7,523	-	4,963
Invoiced liabilities	-	6,025	-	3,705
Liabilities not invoiced	-	1,305	-	1,065
Liabilities from project-related contractual penalties	-	193	-	193
Total trade liabilities	-	7,536	-	5,058

Trade liabilities are not interest-bearing. Related party transactions are shown in Item 2.15 of the notes to these condensed consolidated interim financial statements.

As at 30 June 2025 and as at 31 December 2024, ABS Group's liabilities under contracts with customers were as follows:

	30 June 2025		31 December 2024	
	Non-current *PLN thou.*	Current *PLN thou.*	Non-current *PLN thou.*	Current *PLN thou.*
Liabilities from contracts with customers				
To related parties, including:	-	216	-	38
Deferred income from contracts with customers	-	216	-	38
To other parties, including:	-	18,209	-	20,275
Deferred income from contracts with customers, incl.	-	18,038	-	19,089
- pre-paid maintenance services	-	*5,574*	-	*5,164*
- licence fees	-	*12,437*	-	*13,925*
- Other pre-paid services	-	*27*	-	-
Liabilities arising from the valuation of IT contracts	-	171	-	1,186
Liabilities from contracts with customers total	-	18,425	-	20,313

As at 30 June 2025 and as at 31 December 2024, other ABS Group's other liabilities arise from the following:

	30 June 2025		31 December 2024	
	Non-current *PLN thou.*	Current *PLN thou.*	Non-current *PLN thou.*	Current *PLN thou.*
Budgetary commitments				
Values added tax (VAT)	-	6,676	-	8,066
Personal income tax (PIT)	-	1,577	-	2,301
Social Insurance Institution	-	7,111	-	6,425
Other	-	179	-	207
Total budgetary commitments	-	15,543	-	16,999

Other liabilities				
Liabilities from acquisition of tangible and intangible fixed assets	-	527	-	736
Other liabilities	96	932	219	476
Total other liabilities	96	5,338	219	5,101
Budgetary commitments and other liabilities total	96	20,881	219	22,100
Liabilities to employees	-	3,879	-	3,889

2.13. Provisions

Changes in provisions in the six months ended 30 June 2025 and in the comparable period resulted from the following:

	Post-employment benefits	Other provisions	Total
	PLN thou.	*PLN thou.*	*PLN thou.*
As at 1 January 2025	3,109	-	3,109
As at 30 June 2025, incl.	3,109	-	3,109
Current	130	-	130
Non-current	2,979	-	2,979
As at 1 January 2024	2,964	-	2,964
As at 30 June 2025, incl.	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 ABS Group's employees when they go into retirement. The ABS Group 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 ABS Group based on calculations made by the actuary.

2.14. Accruals and deferrals

As at 30 June 2025 and as at 31 December 2024, the ABS Group's accruals and deferred income were as follows:

	30 June 2025	31 December 2024

	Non-current *PLN thou.*	Current *PLN thou.*	Non-current *PLN thou.*	Current *PLN thou.*
Expenses due and unpaid, including:	-	17,085	-	17,296
Provision for unused leaves	-	7,069	-	4,469
Provision for executive bonuses	-	10,016	-	12,827
Deferred income, including:	-	19	-	22
Grants to assets	-	19	-	22
Total accruals and deferrals	-	17,104	-	17,318

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

2.15. Related party transactions

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

	Revenues		Costs	
	6 months to 30 June 2025	6 months to 30 June 2024	6 months to 30 June 2025	6 months to 30 June 2024
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Transactions with Asseco Poland S.A.	1,495	1,551	3,195	3,040
Transactions with other related parties	402	508	166	351
Total transactions with related parties	1,897	2,059	3,361	3,391

	Trade receivables and assets due under contracts with customers from related parties		Trade liabilities, lease liabilities, liabilities from contracts with customers, lease liabilities and other liabilities to related parties	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	PLN thou.	*PLN thou.*	*PLN thou.*	*PLN thou.*
Transactions with related parties				
Asseco Poland S.A.	310	301	9,760	10,668
Other related parties	327	79	229	58
TRANSACTIONS TOTAL	637	380	9,989	10,726

As at 30 June 2025, the balance of lease liabilities with related entities committed by the Company Executives was PLN 9,735 thousand, and as at 31 December 2024 it amounted to PLN 10,419 thousand.

In the first six months of 2025, the cost of interest arising from F/X differences under lease agreements with related parties committed by the Company Executives was PLN 4 thousand while PLN 30 thousand in the comparable period.

As at 30 June 2025, the balance of unsettled receivables due under transactions with related parties committed by or with the Company Executives was PLN 5 thousand; as at 31 December 2024, the corresponding balance was PLN 6 thousand.

As at 30 June 2025 and 30 December 2024, there was no outstanding balance of liabilities arising from transactions with related parties committed by the Company Executives and with the Company Executives.

According to the records of Asseco Business Solutions S.A., in the six months ended 30 June 2025, the value (net) of purchase transactions of goods and services (including rental) with related parties conducted by the Company Executives and directly with the Company Executives amounted to PLN 1,410 thousand while PLN 1,400 in the comparable period. In the period of the six months of 2025, the value of sales transactions of goods and services to related parties conducted by or with the Company Executives was PLN 4 thousand, while in the comparable period it was PLN 8 thousand.

3. Other explanatory notes

3.1. Additional explanations to the consolidated cash flow statement

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

	6 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Change in inventories	(8)	(99)
Change in receivables	(7,987)	(5,784)
Change in non-financial fixed assets	525	(300)
Change in the balance of liabilities and accruals and prepayments	(3,508)	(197)
Total	(10,978)	(6,380)

The following table lists items concerning investing activities

	6 months to 30 June 2025 *PLN thou.*	6 months to 30 June 2024 *PLN thou.*
Sale of property, plant and equipment	510	338
Acquisition of property, plant and equipment	(1,850)	(6,374)
Acquisition of intangible assets	(97)	(149)
Expenses for development work	(13,498)	(14,196)

3.2. Contingent liabilities

The table below presents contingent liabilities as at 30 June 2025 and as at 31 December 2024:

Contingent liabilities	30 June 2025 *PLN thou.*	31 December 2024 *PLN thou.*
Liabilities arising from performance guarantee and rental		
Liabilities due up to 3 months	503	-
Liabilities due from 3 to 12 months	215	855
Liabilities due from 1 to 5 years	905	770
Total	1,623	1,625

3.3. Headcount

Average employment during the reporting period	6 months to 30 June 2025	6 months to 30 June 2024
Management Board	7	6
Production departments	927	914
Trade departments	91	94
Administrative departments	64	58
Total	1,089	1,072

Employment as at:	30 June 2025	31 Dec 2024
Management Board	7	6
Production departments	943	945
Trade departments	91	94
Administrative departments	66	66
Total	1,107	1,111

3.4. Seasonality and cyclicality

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

3.5. Significant events after the balance sheet date

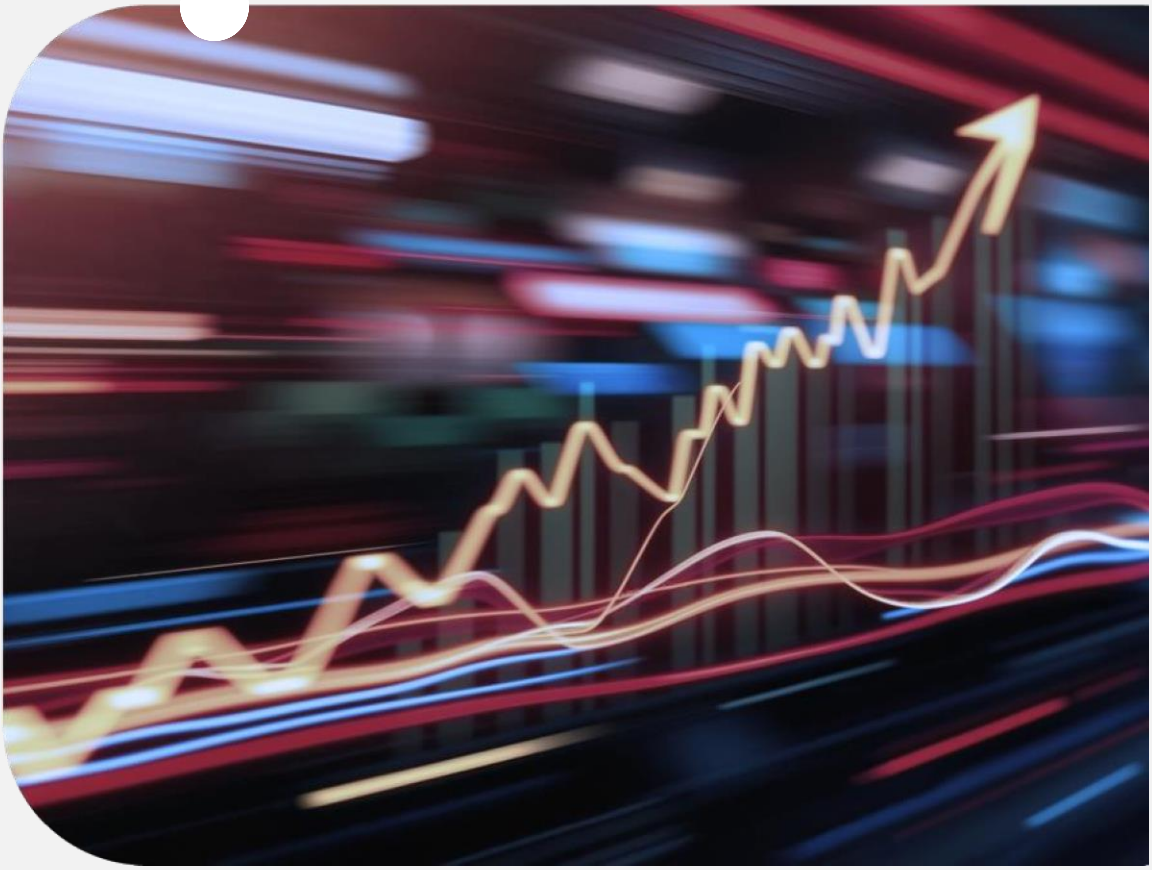
To the date of these semi-annual condensed consolidated financial statements for the six months ended 30 June 2025, i.e. until 5 August 2025, there has been no significant events after the balance sheet date that should be included in these condensed consolidated financial statements.

3.6. Significant events concerning previous years

To the date of these semi-annual condensed financial statements for the six months ended 30 June 2025, that is, until 5 July 2025, there has been no events concerning previous years that are not, and should be, included in these condensed consolidated financial statements.

3.7. Signatures of Management Board Members

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



Asseco Business Solutions S.A.

ul. Konrada Wallenroda 4c
20-607 Lublin

Phone: +48 81 535 30 00
Fax +48 81 535 30 05

info@assecobs.pl
assecobs.pl