INDEPENDENT AUDITOR’S REPORT ON THE AUDIT OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

To the Supervisory Board of Asseco Poland S.A.

The audit report on the annual consolidated financial statements

We have audited the accompanying annual financial statements for the year ended 31 December 2017 of Asseco Group (‘the Group‘), for which the holding company is Asseco Poland S.A. (‘the Company‘) located in Rzeszów at Olchowa 14 street, containing the consolidated statement of financial position as at 31 December 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the period from 1 January 2017 to 31 December 2017 and the summary of significant accounting policies and other explanatory notes (‘the accompanying consolidated financial statements’).

Responsibilities of the Company’s Management and members of the Supervisory Board for the consolidated financial statements

The Company’s Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of European Commission decrees and other applicable laws, as well as the Company’s Statute. The Company’s Management is also responsible for such internal control as determined is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In accordance with the Accounting Act of 29 September 1994 (the ‘Accounting Act’), the Company’s Management and the members of the Company’s Supervisory Board are required to ensure that the accompanying consolidated financial statements meet the requirements of the Accounting Act.

Auditor’s responsibility

Our objective was to express an opinion on whether the accompanying consolidated financial statements give a true and fair view[1] of the financial position and results of the operations of the Group in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of European Commission regulations and adopted accounting policies.

[1] Translation of the following expression in Polish is ‘rzetelny i jasny obraz’.

We conducted our audit of the accompanying consolidated financial statements in accordance with:

- Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (‘Act on Statutory Auditors’),
- National Auditing Standards in the wording of the International Auditing Standards adopted by the resolution no. 2783/52/2015 of the National Council of Statutory Auditors of 10 February 2015 with subsequent amendments,
- Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (“Regulation 537/2014”).

Those regulations require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

The purpose of the audit is to obtain reasonable assurance as to whether the consolidated financial statements as a whole were prepared based on properly maintained accounting records and are free from material misstatement due to fraud or error, and to issue an independent auditor's report containing our opinion. Reasonable assurance is a high level of assurance, but it is not guarantee that an audit conducted in accordance with the above mentioned standards will always detect material misstatements. Misstatements may arise as a result of fraud or error and are considered material if it can reasonably be expected that individually or in aggregate, they could influence economic decisions of the users taken on the basis of these consolidated financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not recognizing a material misstatement due to an error, as fraud may involve collusion, falsification, deliberate omissions, misleading or circumventing internal control and may affect every area of law and regulation, not just this directly affecting the consolidated financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company’s preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the consolidated financial statements.

The scope of the audit does not include assurance on the future profitability of the audited Group nor effectiveness of conducting business matters of the Group now and in the future by the Company’s Management Board.

In accordance with International Auditing Standard 320 section 5 the concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor’s report. Hence all auditor’s assertions and statements contained in the auditor’s report, including those on other information or regulatory requirements, are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor’s professional judgement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The opinion is consistent with the additional report to the audit committee issued on the date of this report.

Independence

While conducting our audit, the key certified auditor and the audit firm remained independent of the entities comprising the Group in accordance with the regulations of Act on Statutory Auditors, Regulation 537/2014 and principles of professional ethics adopted by resolutions of the National Council of Statutory Auditors.

Based on our best knowledge and belief, we declare that we have not provided non-audit services, that are prohibited based on article 136 of the Act on Statutory Auditors and article 5, point 1 of Regulation 537/2014, to the Company.

Appointment of the audit firm

We were appointed to audit the consolidated financial statements based on the Company’s Supervisory Board resolution dated 23 May 2017. We have been auditing the consolidated financial statements of the Company consecutively since the beginning of the financial year ended 31 December 2003; this is for 15 years.

Most significant assessed risks

In the course of our audit we have identified the below described most significant assessed risks of material misstatement (key audit matters), including due to fraud and we designed appropriate audit procedures in response to those risks. Where we considered to be relevant in order to understand the nature of the identified risk and audit procedures performed we have also included key observations arising with respect to those risks.

These matters were addressed in the context of our audit of the accompanying consolidated financial statements as a whole, and in forming our opinion thereon. Therefore we do not provide a separate opinion on these matters.

Description of the type of risk of material misstatement (key audit matters)	Procedures of the auditor in response to the identified risk
Revenue recognition	
The Group's sales revenues for the year ended December 31, 2017 amounted to 7 830,5 million PLN. The Group recognizes revenues resulting from the implementation IT contracts, in accordance with International Accounting Standard No. 18 "Revenues" ("IAS 18") using the percentage of completion method, applying the requirements of IAS 11 Construction Contracts to recognize revenues and related costs. In addition, a significant part of revenues from sales is recognized on the basis of contracts with customers, which often include an obligation to provide more than one service or delivery of goods. Allocating revenue to a given performance obligation under the contract and the moment of recognizing revenues, determining the value of revenues as well as presentation of revenues in the consolidated financial statements resulting from this type of contracts require a number of significant estimates and judgments from the Board. In case of long-term contracts, the Group estimates the total budgets of such contracts, detailed costs necessary to complete the order, and then based on percentage of completion of planned costs, recognizes sales revenues. Due to the fact that such estimates constitute an important element of the Management Board's assessment and include the risk of incorrectly defining the scope or valuation of costs to be incurred, we consider this issue a key matter of the audit.	As part of the audit of the consolidated financial statements of the Group Asseco, We have assessed the adopted accounting policies regarding the recognition and presentation of sales revenues in terms of compliance with International Financial Reporting Standards ("IFRS"). For significant revenue streams: • We have documented the operation of the identified processes and assessed the Group's key control mechanisms. We tested compliance tests for selected controls; • for selected sales contracts that include the Group's commitment to provide more than one service and / or commodity, we assessed the recognition of revenue and the amount of recognized revenue; • for products and services for which revenue is recognized in time, on a selected sample of orders we have performed detailed tests of the reliability of contract budgets, which formed the basis for determining the stage of completion and recognition of revenue; • we conducted discussions with the Group's Management Board and Managers of selected long-term contracts, accounted for by the stage of completion, in order to exclude the need to create provisions for losses; • through analytical procedures, transactional tests and analysis of our accounting journal reports, we assessed the correctness of recognizing revenue

A reference to disclosure in the financial statements Accounting policy regarding the revenue recognition method is described in the consolidated financial statements in Note No. III.24 "Revenues" and III.25 "Revenues and costs related to the execution of implementation contracts", and in Note No. VI.1 "Sales revenues and operating costs" of additional notes and explanations, other disclosures on revenues. The description of the Management Board's judgments and estimates referring to revenues was included in Note No. II.4ii "Valuation of IT contracts and measurement of their completion" of additional notes and explanations.	over time and the correctness of the recognized revenue. In addition, we assessed the adequacy of the presentation and disclosures in the consolidated financial statements regarding revenues.
Impairment of goodwill	
The goodwill recognized in the Group's balance sheet as at December 31, 2017 amounts to PLN 7 158.9 million, which is the most significant item of the Group's assets, constituing 49% of the total assets. In accordance with International Accounting Standard No. 36 "Impairment of Assets" ("IAS 36"), the Management Board of Asseco Poland S.A. is required to perform, at least annually, an impairment test of a cash-generating unit or group of cash-generating units identified not higher than at the level of the operating segment to which goodwill is allocated. The goodwill impairment test is performed by determining the recoverable amount based on the value in use determined by discounted cash flows which result from detailed forecasts of the financial results achieved by the cash-generating unit in the five-year period and the residual value of the unit.	As part of the audit of the consolidated financial statements of the Group, we performed, in relation to the goodwill impairment test performed by the Group's Management Board, the following procedures: • we became familiar with the method of goodwill allocation to cash-generating units, not greater than the operating segments; • we became familiar with the model used to determine the value in use of the cash-generating units to which goodwill is allocated; • we assessed the assumptions made by the Management Board regarding cash flows in the form of budget assumptions and financial projections used in the model, and compared them to information obtained during other audit procedures, market information and by comparison to the historical realization of forecasted financial results;

The impairment test is a key audit matter due to the high value of goodwill, and a significant element of the Management Board's judgment in the allocation of goodwill to cash-generating units, as well as assumptions made to estimate cash flow projections used in the model used to determine the value in use of cash-generating units or groups of cash-generating units. The area of judgement and significant estimate of the Group's Management Board in relation to the model applied relates in particular to changes in revenues in the forecasted period, depending on the expected market conditions and the overall macroeconomic situation affecting each of the operating segments, and the discount rate used to determine the present value of future cash flow. *A reference to disclosure in the financial statements* The Group made disclosures regarding the identification of cash-generating units and the impairment test in Note No. VI.12 "Goodwill" and VI.13 "Impairment testing" of the attached consolidated financial statements, where key assumptions and test results along with sensitivity analysis were explained.	• we assessed the discount rate used in the model to determine the present value of cash flows with the support of our valuation specialists; • we analyzed the sensitivity of the test results to changes in key input parameters such as change in the discount rate and changes in income and expenses in the forecast years and growth rate for the residual period; • analysis of disclosures in the consolidated financial statements of the Group in the light of the regulations of IAS 36. In addition, we assessed the adequacy of the presentation and disclosures in the consolidated financial statements regarding impairment tests.
Loss and regaining control over the Formula Systems Group	
In August 2017, Asseco Poland sold Formula Systems (1985) Ltd shares ('Formula Systems') representing 20% shares in the Formula Systems share capital and lost control over Formula Systems. The company maintained a significant influence	As part of the audit of the consolidated financial statements, we assessed the recognition of the sale of Formula Systems shares and loss and regain of the control over company, in particular:

over Formula Systems and recognized the investment in an associate using the equity method. Due to the loss of control over Formula Systems, the Asseco Poland Group recognized a profit of 324.3 million PLN. In October 2017, the Management Board of Asseco Poland entered into an agreement with the CEO of the Formula Systems, under which obtained an irrevocable power of attorney to vote on behalf of CEO of Formula Systems from a 13.39% stake in Formula Systems capital and the same vote in the General Meeting. In the opinion of the Management Board of Asseco Poland, pursuant to the above agreement, the Company obtained de facto control over Formula Systems, which was described in Note No. VI.12vi "Regaining of control over Formula Systems (1985) Ltd." of the consolidated financial statements of the Group and therefore recognized the result on this transactions in the amount of PLN 76.2 million. Until 31 December 2017, Asseco Poland have not completed the the acquisition process of control over Formula Systems, the settlement is provisional. The transactions described above constitute a key matter of the audit in relation to the high value of the result recognized on loss of control in the consolidated financial statements and the complexity of judgments on existence of de facto control required to assess whether control is effectively performed. *A reference to disclosure in the financial statements* The Company disclosed, in Note No. VI.8 "Loss of control over Formula Systems	• we agreed the calculation of the result on the sale of shares to the source documents and accounting books; • we analyzed the valuation of shares in the affiliate and consolidation adjustments as at the date of loss of control; • we made inquiries and received written representations from the Management Board of Asseco Poland and the CEO of the Formula Systems, which confirmed that there was no written or oral agreement regarding the voting of the CEO of the Formula Systems as of the date of loss of control over company; • we analyzed the circumstances, content and conditions of contracts and agreements signed; • we assessed the possession of de facto control on the basis of historical data on representation at the general assemblies of Formula Systems; • we assessed the disclosures related to these transactions in the consolidated financial statements.

(1985) Ltd.” and VI.12vi "Regaining of control over Formula Systems (1985) Ltd." and VI.3 "Financial income and expenses" to the consolidated financial statements of the Group, information on the above transactions, including judgments regarding de facto control and their impact on the consolidated financial statements of Asseco Poland.	
Loans and receivables related to the sale of shares and stocks in subsidiaries	
In 2017 and in previous years, the Company carried out sale transactions of shares in related companies, as a result of which it recognized receivables or loans secured on sold shares. Part of these receivables as a result of the Management Board's judgment was written down in the accounting books. The net value of the above receivables and loans was PLN 187.7 million. In case of these receivables and loans, repayment of a significant part of capital in accordance with the contract may take place in the years 2020-2024. The value of these receivables and loans is a significant portion of the Group's assets and is based on the Management Board's judgment in assessing the correct value, which is why we have decided that the above issue is a key matter of the audit. *A reference to disclosure in the financial statements* The Company disclosed in Note No. VI.16 "Other financial assets" and VI.30 "Related party transactions" in the consolidated financial statements of the Group information concerning the terms of loans	As part of the audit of the consolidated financial statements of the Group, we assessed the recoverability of loans and receivables, in particular: • we agreed on the value of loans and receivables and their terms disclosed in the consolidated financial statements to the signed contracts, including collateral for the repayment of such receivables; • we assessed the disclosures made regarding loans and receivables granted in the consolidated financial statements; • • we assessed the appropriateness of write-downs.

granted and receivables from the sale of shares and impairment write-downs.	

Opinion

In our opinion, accompanying consolidated financial statements:

- give a true and fair view of the financial position of the Group as at 31 December 2017 and its financial performance for the year from 1 January 2017 to 31 December 2017 in accordance with International Accounting Standards, International Financial Reporting Standards and related interpretations announced in the form of regulations of the European Commission and other applicable laws and the adopted accounting policies,
- are in respect of the form and content in accordance with legal regulations governing the Company and the Company's Statute.

Report on other legal and regulatory requirements

Opinion on the Directors' Report

Our opinion on the consolidated financial statements does not include the Directors' Report.

The Company's Management is responsible for preparation of the Directors' Report in accordance with the Accounting Act and other applicable laws. In addition, the Company's Management and members of the Company's Supervisory Board are required to ensure that the Directors' Report meets the requirements of the Accounting Act.

Our responsibility in accordance with the Act on Statutory Auditors was to issue an opinion on whether the Director's Report was prepared in accordance with relevant laws and that it is consistent with the information contained in the accompanying consolidated financial statements.

Our responsibility was also to make a statement, on whether based on our knowledge about the Company and its environment obtained during the audit of the financial statements we have identified in the Director's Report any material misstatements and to indicate the nature of each of material misstatement.

In our opinion the Directors' Report was prepared in accordance with the relevant regulations and reconciles with the information derived from the accompanying financial statements. Moreover, based on our knowledge of the Company and its environment obtained during the audit of the financial statements, we have not identified material misstatements in the Directors' Report.

Opinion on the corporate governance application representation

The Company's Management and members of the Company's Supervisory Board are responsible for preparation of the representation on application of corporate governance in accordance with the applicable laws.

In connection with the conducted audit of the consolidated financial statements, our responsibility in accordance with the Act on Statutory Auditors was to issue an opinion on whether the issuer, obliged to present a representation on application of corporate governance, constituting a separate part of the Director's Report, included in the representation information required by applicable laws and whether the related information is in accordance with applicable regulations and with the information included in the accompanying consolidated financial statements.

In our opinion, in the representation on application of corporate governance, the Company has included information stipulated in paragraph 91, section 5, point 4, letter a, b, g, j, k and l of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and conditions of deeming information required by the regulations of a non-member country equal ('Regulation') .

Information stipulated in paragraph 91, section 5, point 4 letter c-f, h and i of the Regulations included in the representation on application of corporate governance is in accordance with applicable laws and information included in the accompanying consolidated financial statements.

Information on preparation of the statement on non-financial information

In accordance with the requirements of the Act on Statutory Auditors, we inform that the Company has published information on the preparation of a separate report on non-financial information, referred to in art. 49b par. 9 of the Accounting Act and that the Company has prepared such a separate report.

We have not performed any attestation services in respect to the statement on non-financial information and do not express any assurance in its respect.

Warsaw, 19 March 2018

Key Certified Auditor

Robert Klimacki
certified auditor
No. 90055

on behalf of
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