



Quarterly Report of **Asseco Group**

for the period of 3 months ended
31 March 2024

ASSECO



Present in
59 countries



PLN 4,250 million
in sales revenues



33,032
highly committed
employees



PLN 125.2 million
of net profit
for Shareholders
of the Parent Company



PLN 11,159 million
in order backlog* for 2024



PLN 7.1 billion
in market capitalization

* refers to proprietary software and services

Asseco Group

Quarterly Report for the period of 3 months ended 31 March 2024

FINANCIAL HIGHLIGHTS	5
A. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ASSECO GROUP FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2024	6
INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	7
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	10
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.....	12
EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.....	15
1. GENERAL INFORMATION	15
2. BASIS FOR THE PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	16
2.1. Basis for preparation.....	16
2.2. Impact of the geopolitical situation on the Group's business operations	16
2.3. Compliance statement.....	17
2.4. Functional currency, presentation currency and hyperinflation	17
2.5. Professional judgement and estimates.....	17
2.6. Accounting policies applied	18
2.7. New standards and interpretations published but not in force yet	18
2.8. Changes in the accounting policies and presentation methods applied	19
2.9. Restatement of comparable data and correction of errors.....	19
2.10. Effects of Turkey's status as a hyperinflationary economy	21
3. ORGANIZATION AND CHANGES IN THE STRUCTURE OF ASSECO GROUP, INCLUDING THE ENTITIES SUBJECT TO CONSOLIDATION	23
4. INFORMATION ON OPERATING SEGMENTS	30
5. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS	33
5.1. Structure of operating revenues.....	33
5.2. Structure of operating costs	35
5.3. Other operating income and expenses.....	36
5.4. Financial income and expenses	37
5.5. Corporate income tax	38
5.6. Earnings per share	38
5.7. Information on dividends paid out	38
6. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION	39
6.1. Intangible assets	39
6.2. Goodwill	39
6.3. Entities with significant non-controlling interests	41
6.4. Receivables and contract assets	42
6.5. Other financial assets.....	44
6.6. Inventories	45
6.7. Cash and cash equivalents.....	45
6.8. Treasury shares.....	46
6.9. Bank loans, borrowings and debt securities	46
6.10. Other financial liabilities	48
6.11. Trade payables, state budget liabilities and other liabilities	49
6.12. Contract liabilities	50
6.13. Accruals and deferred income	50
6.14. Related party transactions.....	51
7. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS	53
7.1. Cash flows – operating activities	53
7.2. Cash flows – investing activities.....	53

7.3. Cash flows – financing activities	54
8. OTHER EXPLANATORY NOTES	55
8.1. Off-balance-sheet liabilities	55
8.2. Seasonal and cyclical business	57
8.3. Employment.....	57
8.4. Significant events after the reporting period	57
8.5. Significant events related to prior years.....	58
B. COMMENTARY AND SUPPLEMENTARY INFORMATION TO THE QUARTERLY REPORT OF ASSECO GROUP ..	59
1. SUMMARY OF THE FINANCIAL RESULTS OF ASSECO GROUP FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2024	60
2. SUMMARY OF THE FINANCIAL RESULTS OF ASSECO GROUP FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2024 – PRESENTATION ON A PROPORTIONAL BASIS.....	69
3. MAJOR FACTORS AND EVENTS WITH IMPACT ON OUR FINANCIAL PERFORMANCE	73
3.1 Asseco Poland segment	73
3.2 Asseco International segment	85
3.3 Formula Systems segment.....	91
4. NON-RECURRING EVENTS WITH IMPACT ON OUR FINANCIAL PERFORMANCE.....	93
5. GOVERNING BODIES OF ASSECO POLAND S.A.	94
6. SHAREHOLDERS STRUCTURE OF ASSECO POLAND S.A.	95
7. OTHER INFORMATION	96
7.1. Issuance, redemption and repayment of non-equity and equity securities.....	96
7.2. Effects of changes in the organizational structure	96
7.3. Information on pending legal proceedings concerning liabilities or receivables of Asseco Poland or its subsidiaries	96
7.4. Related party transactions.....	96
7.5. Bank loans, borrowings, sureties, guarantees and off-balance-sheet liabilities.....	96
7.6. Changes in the Group management policies	96
7.7. Agreements concluded by Asseco Group with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions.....	96
7.8. Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders	96
7.9. Opinion on feasibility of the Management’s financial forecasts for 2024.....	96
7.10. Information on monitoring of employee stock option plans.....	96
7.11. Factors which in the Management’s opinion will affect the Group’s financial performance at least in the next quarter	97
7.12. Other factors significant for the assessment of human resources, assets and financial position	97
C. INTERIM CONDENSED FINANCIAL STATEMENTS OF ASSECO POLAND S.A. FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2024.....	98
STANDALONE INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME	99
STANDALONE INTERIM STATEMENT OF FINANCIAL POSITION	100
STANDALONE INTERIM STATEMENT OF CHANGES IN EQUITY.....	102
STANDALONE INTERIM STATEMENT OF CASH FLOWS.....	103
APPROVAL FOR PUBLICATION BY THE MANAGEMENT BOARD	104

Financial Highlights

Asseco Group

The following table presents the selected financial data of Asseco Group.

	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
	PLN mn	PLN mn	EUR mn	EUR mn
Operating revenues	4,249.6	4,335.4	983.5	922.3
Operating profit	420.3	397.2	97.3	84.5
Pre-tax profit before share of profits of associates and joint ventures	395.5	377.0	91.5	80.2
Net profit for the reporting period	312.6	292.1	72.3	62.1
Net profit attributable to Shareholders of the Parent Company	125.2	107.9	29.0	23.0
Net cash provided by (used in) operating activities	343.6	306.9	79.5	65.3
Net cash provided by (used in) investing activities	(54.9)	(460.5)	(12.7)	(98.0)
Net cash provided by (used in) financing activities	(325.9)	(230.0)	(75.4)	(48.9)
Cash and cash equivalents at the end of the period (comparable data as at 31 December 2023)	2,934.0	2,987.1	682.2	687.0
Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	1.84	1.30	0.43	0.28
Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	1.84	1.30	0.43	0.28

The selected financial data disclosed in these interim condensed consolidated financial statements have been translated into euros (EUR) in the following way:

- Items of the interim condensed consolidated statement of profit and loss and statement of cash flows have been translated into EUR at the arithmetic average of mid exchange rates as published by the National Bank of Poland and in effect on the last day of each month. These exchange rates were respectively:
 - for the period from 1 January 2024 to 31 March 2024: EUR 1 = PLN 4.3211,
 - for the period from 1 January 2023 to 31 March 2023: EUR 1 = PLN 4.7005.
- The Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at daily mid exchange rates as published by the National Bank of Poland. These exchange rates were respectively:
 - exchange rate effective on 31 March 2024: EUR 1 = PLN 4.3009,
 - exchange rate effective on 31 December 2023: EUR 1 = PLN 4.3480.

All figures in this report are presented in millions of Polish zlotys (PLN), unless stated otherwise.

**A. Interim Condensed
Consolidated Financial
Statements of **Asseco Group**
for the period of 3 months
ended 31 March 2024**

ASSECO

Interim Consolidated Statement of Profit and Loss and Other Comprehensive Income

Asseco Group

STATEMENT OF PROFIT AND LOSS		3 months ended 31 March 2024	3 months ended 31 March 2023 (restated*)
	Note	PLN mn	PLN mn
Operating revenues	<u>5.1</u>	4,249.6	4,335.4
Cost of sales	<u>5.2</u>	(3,338.7)	(3,395.3)
Gross profit on sales		910.9	940.1
Selling costs	<u>5.2</u>	(225.3)	(241.5)
General and administrative expenses	<u>5.2</u>	(274.1)	(302.3)
Net profit on sales		411.5	396.3
Other operating income	<u>5.3</u>	28.0	15.2
Other operating expenses	<u>5.3</u>	(19.2)	(14.3)
Operating profit		420.3	397.2
Financial income	<u>5.4</u>	49.0	49.8
Financial expenses	5.4	(73.8)	(70.0)
Pre-tax profit before share of profits of associates and joint ventures		395.5	377.0
Corporate income tax (current and deferred tax expense)	<u>5.5</u>	(85.4)	(83.5)
Share of profits of associates and joint ventures (net of income taxes)		2.5	(1.4)
Net profit for the reporting period		312.6	292.1
<i>Attributable to:</i>			
Shareholders of the Parent Company		125.2	107.9
Non-controlling interests	<u>6.3</u>	187.4	184.2
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	<u>5.6</u>	1.84	1.30
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period		312.6	292.1
<i>Components that may be reclassified to profit or loss</i>			
Gain (loss) on valuation of cash flow hedging instruments		0.1	(0.8)
Exchange differences on translation of foreign operations		(15.7)	(123.2)
<i>Components that will not be reclassified to profit or loss</i>			
Net gain/loss on valuation of financial assets		23.7	4.8
Actuarial gains/losses		2.3	1.9
Other changes in equity of companies consolidated using the equity method		(4.2)	-
Income tax relating to other comprehensive income that will not be reclassified		(0.2)	(0.5)
Total other comprehensive income		6.0	(117.8)
TOTAL COMPREHENSIVE INCOME attributable to:		318.6	174.3
Shareholders of the Parent Company		108.6	80.6
Non-controlling interests		210.0	93.7

* The restatement has been disclosed in detail in explanatory note 2.9 to these interim condensed consolidated financial statements.

Interim Consolidated Statement of Financial Position

Asseco Group

ASSETS	Note	31 March 2024	31 December 2023
		PLN mn	(restated*) PLN mn
Non-current assets			
Property, plant and equipment		955.0	965.3
Intangible assets	<u>6.1</u>	1,959.8	2,024.4
Right-of-use assets		750.7	754.9
Goodwill	<u>6.2</u>	5,859.4	5,846.1
Investments accounted for using the equity method		99.2	101.6
Other receivables and trade receivables	<u>6.4</u>	84.0	75.8
Deferred tax assets		236.2	228.6
Prepayments and accrued income		95.3	84.7
Other non-financial assets		1.8	1.9
Other financial assets	<u>6.5</u>	164.6	139.6
		10,206.0	10,222.9
Current assets			
Inventories	<u>6.6</u>	273.0	325.9
Prepayments and accrued income		343.4	318.6
Trade receivables	<u>6.4</u>	3,617.1	3,610.5
Contract assets	<u>6.4</u>	739.6	697.2
Corporate income tax receivable	<u>6.4</u>	141.5	130.8
Receivables from the state and local budgets and other receivables	<u>6.4</u>	209.1	188.5
Other non-financial assets		14.9	6.9
Other financial assets	<u>6.5</u>	328.2	310.9
Cash and bank deposits	<u>6.7</u>	2,934.0	2,987.1
		8,600.8	8,576.4
Non-current assets held for sale		19.5	43.2
Total current assets plus non-current assets held for sale		8,620.3	8,619.6
TOTAL ASSETS		18,826.3	18,842.5

* The restatement has been disclosed in detail in explanatory note 2.9 to these interim condensed consolidated financial statements.

Interim Consolidated Statement of Financial Position

Asseco Group

EQUITY AND LIABILITIES	Note	31 March 2024	31 December 2023
		PLN mn	(restated*) PLN mn
Equity <i>(attributable to shareholders of the Parent Company)</i>			
Share capital		83.0	83.0
Share premium		4,180.1	4,180.1
Treasury shares	<u>6.8</u>	(1,186.2)	(1,186.2)
Transactions with non-controlling interests		(197.0)	(195.1)
Exchange differences on translation of foreign operations		(55.1)	(33.3)
Retained earnings and other capitals		2,584.7	2,454.3
		5,409.5	5,302.8
Non-controlling interests	<u>6.3</u>	3,833.8	3,771.6
Total equity		9,243.3	9,074.4
Non-current liabilities			
Bank loans, borrowings and debt securities	<u>6.9</u>	2,011.4	2,241.8
Lease liabilities		516.4	519.2
Other financial liabilities	<u>6.10</u>	257.3	293.9
Deferred tax liabilities		431.5	449.8
Contract liabilities	<u>6.12</u>	139.1	91.2
Corporate income tax payable	<u>6.11</u>	-	5.6
Other liabilities	<u>6.11</u>	17.4	12.7
Provisions		62.1	64.4
Accruals and deferred income	<u>6.13</u>	56.1	55.5
		3,491.3	3,734.1
Current liabilities			
Bank loans, borrowings and debt securities	<u>6.9</u>	1,151.0	1,100.6
Lease liabilities		236.1	235.4
Other financial liabilities	<u>6.10</u>	428.5	260.3
Trade payables	<u>6.11</u>	1,321.7	1,645.8
Contract liabilities	<u>6.12</u>	1,310.7	1,109.6
Corporate income tax payable	<u>6.11</u>	174.5	148.0
Other liabilities to the state and local budgets	<u>6.11</u>	251.9	344.2
Other liabilities	<u>6.11</u>	671.2	612.1
Provisions		35.5	40.5
Accruals and deferred income	<u>6.13</u>	510.6	530.4
Liabilities held for sale		-	7.1
		6,091.7	6,034.0
TOTAL LIABILITIES		9,583.0	9,768.1
TOTAL EQUITY AND LIABILITIES		18,826.3	18,842.5

* The restatement has been disclosed in detail in explanatory note 2.9 to these interim condensed consolidated financial statements.

Interim Consolidated Statement of Changes in Equity

Asseco Group

	Note	Share capital	Share premium	Treasury shares	Transactions with non-controlling interests	Exchange differences on translation of foreign operations	Retained earnings and other capitals	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN mn	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
As at 1 January 2024 (restated)*		83.0	4,180.1	(1,186.2)	(195.1)	(33.3)	2,454.3	5,302.8	3,771.6	9,074.4
Net profit for the reporting period		-	-	-	-	-	125.2	125.2	187.4	312.6
Other comprehensive income for the reporting period		-	-	-	-	(21.8)	5.2	(16.6)	22.6	6.0
Total comprehensive income for the reporting period		-	-	-	-	(21.8)	130.4	108.6	210.0	318.6
Dividend for the year 2023	5.7	-	-	-	-	-	-	-	(128.0)	(128.0)
Share-based payment transactions with employees		-	-	-	-	-	-	-	17.3	17.3
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	-	(1.9)	-	-	(1.9)	(37.3)	(39.2)
Loss of control over subsidiaries		-	-	-	-	-	-	-	0.2	0.2
As at 31 March 2024		83.0	4,180.1	(1,186.2)	(197.0)	(55.1)	2,584.7	5,409.5	3,833.8	9,243.3

* The restatement has been disclosed in detail in explanatory note 2.9 to these interim condensed consolidated financial statements.

Interim Consolidated Statement of Changes in Equity

Asseco Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Exchange differences on translation of foreign operations	Retained earnings and other capitals	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN mn	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
As at 1 January 2023		83.0	4,180.1	(188.8)	217.8	2,257.5	6,549.6	3,663.3	10,212.9
Net profit for the reporting period		-	-	-	-	107.9	107.9	184.2	292.1
Other comprehensive income for the reporting period		-	-	-	(28.5)	1.2	(27.3)	(90.5)	(117.8)
Total comprehensive income for the reporting period		-	-	-	(28.5)	109.1	80.6	93.7	174.3
Dividend for the year 2022	5.7	-	-	-	-	-	-	(107.0)	(107.0)
Share-based payment transactions with employees		-	-	-	-	-	-	18.6	18.6
Transactions with non-controlling interests (including liabilities to non-controlling shareholders (put options))		-	-	2.3	-	-	2.3	(3.1)	(0.8)
Loss of control over subsidiaries		-	-	-	-	-	-	0.3	0.3
As at 31 March 2023 (restated)		83.0	4,180.1	(186.5)	189.3	2,366.6	6,632.5	3,665.8	10,298.3

Interim Consolidated Statement of Cash Flows

Asseco Group

	Nota	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 (restated) PLN mn
Cash flows – operating activities			
Pre-tax profit before share of profits of associates and joint ventures		395.5	377.0
Total adjustments:		48.0	30.4
Depreciation and amortization		205.7	225.3
Changes in working capital	<u>7.1</u>	(212.5)	(231.6)
Interest (income)/expenses		49.1	28.6
(Gain)/loss on foreign exchange differences		9.7	(4.9)
Other financial (income) expenses		2.7	12.0
(Gain)/loss on losing control over subsidiaries		(0.5)	(0.3)
Costs of share-based payment transactions with employees		17.8	19.3
(Gain)/loss on modification of lease contracts		0.1	(4.7)
(Gain)/loss on disposal and liquidation of property, plant and equipment, intangible assets, and investment property		(14.2)	(1.6)
Impairment losses on intangible assets, on property, plant and equipment, and on investment property		0.2	(1.3)
(Gain)/loss on hyperinflation		(10.4)	(9.9)
Other adjustments to pre-tax profit		0.3	(0.5)
Cash provided by (used in) operating activities		443.5	407.4
Corporate income tax paid		(99.9)	(100.5)
Net cash provided by (used in) operating activities		343.6	306.9
Cash flows – investing activities			
Inflows			
Disposal of property, plant and equipment, intangible assets, and investment property		33.0	5.7
Proceeds from sale of shares in related entities, net of cash in entities sold		0.4	1.0
Proceeds from disposal/settlement of financial assets carried at fair value as well as other financial assets carried at amortized cost		0.1	4.7
Loans collected (including cash deposits closed)	<u>7.2</u>	256.0	89.0
Interest received		4.6	3.2
Dividends received (from associates and/or joint ventures)		0.5	0.2
Outflows			
Acquisition of property, plant and equipment, and intangible assets (including R&D expenditures)	<u>7.2</u>	(68.8)	(98.6)
Expenditures for acquisition of subsidiaries and associates, net of cash and cash equivalents in companies acquired	<u>7.2</u>	(10.3)	(129.6)
Expenditures for acquisition/settlement of financial assets carried at fair value, as well as acquisition of other debt securities carried at amortized cost		(4.1)	(1.5)
Loans granted (including cash deposits made)	<u>7.2</u>	(266.1)	(334.6)
Other cash flows from investing activities		(0.2)	-
Net cash provided by (used in) investing activities		(54.9)	(460.5)

Cash flows – financing activities			
Inflows			
Proceeds from issuance of shares by a subsidiary company		-	11.5
Proceeds from bank loans and borrowings	<u>7.3</u>	77.1	118.1
Received grants related to assets and/or development projects		-	0.2
Outflows			
Expenditures for acquisition of non-controlling interests	<u>7.3</u>	(24.2)	(12.4)
Redemption of debt securities		(116.3)	(86.4)
Repayments of bank loans and borrowings	<u>7.3</u>	(123.5)	(133.7)
Payments of lease liabilities		(67.6)	(77.7)
Interest paid (including interest on leases)		(51.8)	(36.6)
Dividends paid out to non-controlling shareholders	<u>6.3</u>	(19.6)	(12.6)
Other cash flows from financing activities		-	(0.4)
Net cash provided by (used in) financing activities		(325.9)	(230.0)
Net increase (decrease) in cash and cash equivalents		(37.2)	(383.6)
Net foreign exchange differences		(2.0)	(81.4)
Net cash and cash equivalents as at 1 January		2,908.0	3,559.5
Net cash and cash equivalents as at 31 March	<u>6.7</u>	2,868.8	3,094.5

**Explanatory notes
to the Interim Condensed
Consolidated Financial
Statements of [Asseco Group](#)**

ASSECO

Explanatory notes to the Interim Condensed Consolidated Financial Statements

1. General information

Asseco Group (“Asseco Group”, the “Group”) is a group of companies, whose Parent Company is Asseco Poland S.A. (the “Parent Company”, “Company”, “Issuer”).

General information on the Parent Company	
Name	Asseco Poland S.A.
Registered seat	Rzeszów, 14 Olchowa St.
National Court Register number	0000033391
Statistical ID number (REGON)	010334578
Tax Identification Number (NIP)	522-000-37-82
Core business	Production of software

The Parent Company was established on 18 January 1989. On 4 January 2007, the Issuer changed its corporate name from Softbank S.A. to Asseco Poland S.A.

The period of the Company’s operations is indefinite.

Asseco Poland S.A. stands at the forefront of the multinational Asseco Group which is present, along with its subsidiaries, in 59 countries worldwide, including most of the European countries as well as in Israel, the USA, Africa and Asia. Asseco Group is one of the leading software producers in Europe as well as the largest provider of innovative IT solutions in Central and Eastern Europe.

As a leader of the Group, Asseco Poland S.A. is actively engaged in business acquisitions both in the domestic and foreign markets, seeking to strengthen its position across Europe and worldwide. Now the Company is expanding its investment spectrum for software houses, with an eye to gain insight into their local markets and customers, as well as access to innovative and unique IT solutions.

Our comprehensive offering includes products dedicated for the sectors of banking and finance, public administration, as well as industry, trade, and services. The Group has got a wide-range portfolio of proprietary products, unique competence and experience in the execution of complex IT projects, and a broad customer base, including the largest financial institutions, major industrial enterprises as well as public administration bodies.

2. Basis for the preparation of interim condensed consolidated financial statements

2.1. Basis for preparation

These interim condensed consolidated financial statements have been prepared in accordance with the historical cost convention, except for financial assets carried at fair value through profit or loss or through other comprehensive income, financial liabilities carried at fair value through profit or loss, as well as investment property which are measured at fair value. In addition, our subsidiaries operating in a hyperinflationary economy (Turkey) restated their financial data, taking into account the change in purchasing power based on the general price index, so that they were expressed in the measuring units current at the end of the reporting period. The impact of hyperinflation on the interim condensed consolidated financial statements has been described in explanatory note 2.10.

These interim condensed consolidated financial statements have been prepared on a going-concern basis, assuming the Group will continue its business activities over a period not shorter than 12 months from 31 March 2024. Till the date of preparing these interim condensed consolidated financial statements, we have not observed any circumstances that would threaten the Group's ability to continue as a going concern.

These interim condensed consolidated financial statements do not include all information and disclosures required for annual consolidated financial statements, and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2023 which were published on 27 March 2024.

2.2. Impact of the geopolitical situation on the Group's business operations

As at the date of publication of these interim condensed consolidated financial statements, based on the current analysis of risks including those arising from the current geopolitical situation, the Management Board concluded that the Group's ability to continue as a going concern over a period not shorter than 12 months from 31 March 2024 is not threatened.

The Russian invasion of Ukraine in February 2022 caused a radical change in the geopolitical situation of the region in which the Parent Company and other companies of our Group are located. Asseco Group does not conduct any significant business operations in Russia, Belarus or in Ukraine, nor does it hold any cash in Russian banks. However, some companies of our Group, mainly in the Formula Systems segment, outsource employees from Ukraine and Russia, in particular programmers.

This situation has no direct impact on these interim condensed consolidated financial statements. At the time of publication of these interim condensed financial statements, the Group has not observed any significant impact of the current economic and political situation in Ukraine or the sanctions imposed on Russia on the Group's operations.

As a consequence of the attack on Israel by the Hamas organization in October 2023 and the subsequent Israel's military operation in the Gaza Strip, the geopolitical situation of Israel changed significantly and that is where many companies of the Formula Systems segment (identical to the Formula Group) are located and operate.

The Formula Group companies have well-established business continuity programmes. At the time of publication of these interim condensed consolidated financial statements, all companies of the Formula Systems segment operate on an ongoing basis and fulfill their contractual obligations within the deadlines specified in relevant contracts. As a result of the military operation initiated by Israel in the fourth quarter of 2023, some of Israel-based companies switched to working from home or in a hybrid format. During the reporting period, the number of our employees who were called up for military service declined from approx. 500 (at the beginning of the period) to approx. 250 (at the end of the period), out of the total of 13,000+ people employed in Israel by companies of the Formula Systems segment. Calling up employees for military service had a negative impact on the Group's results due to lower revenues generated from Time & Material contracts and because salaries of those in defense forces are only partially reimbursed by the state. However, the negative impact described above was not significant.

Apart from the factors mentioned above, the situation in the Gaza Strip had no impact on these interim condensed consolidated financial statements. Continuation of this war, the full extent and duration of which are yet unknown, might have a significant impact on Israel's economy. At present time, it is difficult to assess the long-term effects of the war and their impact on the Group's subsidiary operations in Israel as well as on the financial performance of the Group itself.

2.3. Compliance statement

These interim condensed consolidated financial statements have been prepared in conformity with the requirements set forth in the International Accounting Standard 34 'Interim Financial Reporting' as endorsed by the European Union (IAS 34).

The scope of these interim condensed consolidated financial statements, being part of the quarterly report, is in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (consolidated text: Journal of Laws of 2018, item 757) ("Regulation"), and covers the semi-annual reporting period from 1 January to 31 March 2024 and the comparable period from 1 January to 31 March 2023 in case of the statement of profit and loss, statement of cash flows and the statement of changes in equity, as well as the financial position data as at 31 March 2024 and the comparable data as at 31 December 2023 in case of the statement of financial position.

2.4. Functional currency, presentation currency and hyperinflation

The presentation currency of these interim condensed consolidated financial statements is the Polish zloty (PLN), and all figures are presented in millions of PLN (PLN mn), unless stated otherwise. Any inaccuracies in totals, amounting to PLN 0.1 million, are due to the adopted rounding of numbers.

The functional currency applied by the Parent Company and, at the same time, the presentation currency used in these interim condensed consolidated financial statements is the Polish zloty (PLN). Functional currencies applied by our subsidiaries consolidated in these interim condensed consolidated financial statements are the currencies of primary business environments in which they operate. For consolidation purposes, financial statements of our foreign subsidiaries are translated into PLN using the respective currency exchange rates as quoted by the National Bank of Poland at the end of the reporting period in case of the statement of financial position, or using the arithmetic average of such exchange rates as published by the National Bank of Poland and effective on the last day of each month during the reporting period in case of the statement of profit and loss, statement of comprehensive income, and the statement of cash flows. The effects of such conversion are recognized in equity as 'exchange differences on translation of foreign operations'.

As regards our subsidiaries operating in a hyperinflationary economy, individual items of the statement of comprehensive income are translated into PLN using the respective currency exchange rates as quoted by the National Bank of Poland at the end of the reporting period.

2.5. Professional judgement and estimates

Preparation of consolidated financial statements in accordance with IFRS requires making estimates and assumptions which have an impact on the data disclosed in such financial statements. Although the adopted assumptions and estimates have been based on the Group's management best knowledge on the current activities and occurrences, the actual results may differ from those anticipated.

Presented below are the main areas which in the process of applying the accounting policies were subject to accounting estimates and the management's professional judgement, and whose estimates, if changed, could significantly affect the Group's future results.

i. Consolidation of entities in which the Group holds less than 50% of voting rights

The Group's Management has not changed its judgement regarding the existence of control over entities in which the Parent Company holds less than 50% of shares in relation to such judgement that has been described in detail in item 2.5 of section 'Basis for the preparation of financial statements' contained in the Group's consolidated financial statements for the year ended 31 December 2023 which were published on 27 March 2024.

Hence, in the period covered by these interim condensed consolidated financial statements as well as at 31 March 2024, in the Management's opinion, the Parent Company maintained control over Formula Systems (1985) Ltd (hereinafter "Formula" or "Formula Systems") in which the Group holds less than 50% of shares. The same conclusion applies to companies in which direct equity interests held by Formula Systems do not provide an absolute majority of voting rights, including Sapiens International Corporation NV (hereinafter "Sapiens"), Magic Software Enterprises Ltd (hereinafter "Magic"), and Matrix IT Ltd (hereinafter "Matrix IT").

The conclusion regarding the existence of control has also been upheld in the case of Asseco Business Solutions S.A., a direct subsidiary of Asseco Enterprise Solutions, a.s. in which the Group holds 46.47% of the share capital and total voting rights at the general meeting of shareholders.

Consequently, all of the above-mentioned entities have been fully consolidated in these interim condensed consolidated financial statements of Asseco Group for the period of 3 months ended 31 March 2024.

ii. Estimates

In the period of 3 months ended 31 March 2024, our approach to making estimates was not subject to any substantial modification.

In relevant notes to these interim condensed consolidated financial statements, the Group has disclosed possible changes to estimates presented in previous reporting periods that have a significant impact on the current interim period.

Significant accounting policies regarding the items that are at significant risk of material adjustment to the carrying values of assets and liabilities have been described in item 2.6 in the consolidated financial statements of Asseco Group for the year ended 31 December 2023.

iii. Hyperinflation

Professional judgement and estimates additionally covered the operations conducted by our foreign subsidiaries in a hyperinflationary economy. It needed to be assessed whether the financial statements of such entities must be restated as required by IAS 29. The Management analyzed qualitative and quantitative factors (including whether the three-year cumulative inflation rate is approaching or exceeds 100%) which indicate the existence of hyperinflation and concluded that Turkey is a country with a hyperinflationary economy. As a consequence, the financial data of our subsidiaries operating in Turkey, as part of ASEE Group (the Asseco International segment), have been restated taking into account the change in purchasing power based on the general price index, so that they were expressed in the measuring units current at the end of the reporting period. The impact of hyperinflation on these interim condensed consolidated financial statements has been described in explanatory note 2.10.

2.6. Accounting policies applied

Significant accounting policies applied by the Group in these interim condensed consolidated financial statements are consistent with those explained in the Group's annual consolidated financial statements for the year 2023, except for the adoption of new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2024.

New standards or amendments effective from 1 January 2024:

- Amendments to IFRS 16 'Leases': 'Lease Liability in a Sale and Leaseback';
- Amendments to IAS 1 'Presentation of Financial Statements': 'Classification of Liabilities as Current or Non-current', 'Non-current Liabilities with Covenants';

The amended standards and interpretations that were first applied in 2024 had no significant impact on the interim condensed consolidated financial statements of the Company.

2.7. New standards and interpretations published but not in force yet

The following standards and interpretations were issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC), but have not yet come into force:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (issued on 15 August 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2025;
- IFRS 18 'Presentation and Disclosure in Financial Statements' (issued on 9 April 2024) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2027;
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (issued on 9 May 2024) – not yet endorsed by the EU till the date of approval of these consolidated financial statements – effective for annual periods beginning on or after 1 January 2027;

- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures': 'Supplier Finance Arrangements' (issued on 25 May 2023) – the EU endorsement of these amendments has not yet come into effect till the date of approval of these consolidated financial statements – effective for annual periods beginning on or after 1 January 2024;
- IFRS 14 'Regulatory Deferral Accounts' (issued on 30 January 2014) – the European Commission has decided not to initiate the process of endorsement of this standard until the release of its final version – not yet endorsed by the EU till the date of approval of these consolidated financial statements – effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture' (issued on 11 September 2014) – work for the endorsement of these amendments has been postponed by the EU – the effective date of these amendments has been deferred indefinitely by the IASB.

The specified effective dates have been set forth in the standards published by the International Accounting Standards Board. The actual dates of adopting these standards in the European Union may differ from those set forth in the standards and they shall be announced once they are approved for application by the European Union. The Group did not decide on early adoption of any standard, interpretation or amendment which has been published but has not yet become effective.

The Group is currently conducting an analysis of how the introduction of the above-mentioned standards and interpretations may affect the consolidated financial statements and accounting policies applied by the Group.

2.8. Changes in the accounting policies and presentation methods applied

In the reporting period, the applied methods of presentation were not subject to any change.

2.9. Restatement of comparable data and correction of errors

In the first 3 months of 2024, the Group finalized the process of purchase price allocation of Bithat and Helius companies in the Asseco International segment, which necessitated a restatement of comparable data. Moreover, the Group revised the purchase price allocation of Ifthenpay and Dwelt companies in the Asseco International segment, Emalogic in the Formula Systems segment, and Nextbank in the Asseco Poland segment, which also required a restatement of comparable data.

The tables below present impact of the said changes on the comparable data contained in the statement of profit and loss and the statement of financial position.

Restatement of the statement of profit and loss	3 months ended	Revision of purchase	3 months ended
	31 March 2023	price allocation	31 March 2023
	PLN mn	PLN mn	(restated) PLN mn
Operating revenues	4,335.4	-	4,335.4
Cost of sales	(3,394.9)	(0.4)	(3,395.3)
Gross profit on sales	940.5	(0.4)	940.1
Selling costs	(241.5)	-	(241.5)
General and administrative expenses	(302.3)	-	(302.3)
Net profit on sales	396.7	(0.4)	396.3
Other operating income	15.2	-	15.2
Other operating expenses	(14.3)	-	(14.3)
Operating profit	397.6	(0.4)	397.2
Financial income	49.8	-	49.8
Financial expenses	(70.0)	-	(70.0)
Pre-tax profit before share of profits of associates and joint ventures	377.4	(0.4)	377.0
Corporate income tax (current and deferred tax expense)	(83.5)	-	(83.5)
Share of profits of associates and joint ventures (net of income taxes)	(1.4)	-	(1.4)
Net profit for the reporting period	292.5	(0.4)	292.1
<i>Attributable to:</i>			
Shareholders of the Parent Company	108.1	(0.2)	107.9
Non-controlling interests	184.4	(0.2)	184.2

Restatement of the statement of financial position	31 December	Revision of	Revision of	Revision of	31 December
	2023	purchase price allocation in the segment of Formula Systems	purchase price allocation in the segment of Asseco International	purchase price allocation in the segment of Asseco Poland	2023 (restated)
	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Non-current assets	10,221.1	(3.3)	4.4	0.7	10,222.9
of which:					
Property, plant and equipment	965.2	0.1	-	-	965.3
Intangible assets	1,989.7	(6.0)	40.7	-	2,024.4
Right-of-use assets	755.2	-	(0.3)	-	754.9
Goodwill	5,878.8	2.6	(36.0)	0.7	5,846.1
Current and non-current assets held for sale	8,619.6	-	-	-	8,619.6
TOTAL ASSETS	18,840.7	(3.3)	4.4	0.7	18,842.5
Total equity	9,075.7	(0.9)	(0.4)	-	9,074.4
of which:					
Equity (attributable to shareholders of the Parent Company)	5,303.0	-	(0.2)	-	5,302.8
Non-controlling interests	3,772.7	(0.9)	(0.2)	-	3,771.6
Non-current liabilities	3,730.0	(1.5)	4.9	0.7	3,734.1
of which:					
Lease liabilities	519.3	-	(0.1)	-	519.2
Deferred tax liabilities	445.6	(1.5)	5.0	0.7	449.8
Current liabilities	6,035.0	(0.9)	(0.1)	-	6,034.0
of which:					
Lease liabilities	235.5	-	(0.1)	-	235.4
Other liabilities	613.0	(0.9)	-	-	612.1
TOTAL LIABILITIES	9,765.0	(2.4)	4.8	0.7	9,768.1
TOTAL EQUITY AND LIABILITIES	18,840.7	(3.3)	4.4	0.7	18,842.5

2.10. Effects of Turkey's status as a hyperinflationary economy

The Group has subsidiaries operating in a hyperinflationary economy to which IAS 29 'Financial Reporting in Hyperinflationary Economies' is applied. The Group has identified hyperinflation in Turkey on the basis of qualitative and quantitative factors existing in this country, and in particular because the three-year cumulative inflation rate exceeded 100% in April 2022.

Assumptions for the approach and timing of hyperinflation restatements have not changed in relation to those described in detail in explanatory note 2.12 to the Group's consolidated financial statements for the year ended 31 December 2023 which were published on 27 March 2024.

Hyperinflation restatements of the financial data of our subsidiaries operating in Turkey have been based on officially available data on changes in the consumer price index (CPI) as published by the Turkish Statistical Institute. According to this index, the inflation rate for the period of 12 months ended 31 March 2024 reached 68%.

The rates of inflation for particular reporting periods are presented in the table below:

Inflation rate for particular periods	
March 2024 – December 2023	15%
March 2024 – March 2023	68%
December 2023 – December 2022	65%
December 2022 – December 2021	64%
Three-year cumulative inflation rate	
March 2024 – March 2021	309%
December 2023 – December 2020	268%

The impact of adopting IAS 29 on these interim condensed consolidated financial statements for the first 3 months of 2024 is summarized below:

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2024	Impact of hyperinflation	3 months ended 31 March 2024
	without impact of IAS 29		according to IAS 29
	PLN mn		PLN mn
Operating revenues	4,247.9	1.7	4,249.6
Cost of sales	(3,336.7)	(2.0)	(3,338.7)
Gross profit on sales	911.2	(0.3)	910.9
Selling costs	(225.2)	(0.1)	(225.3)
General and administrative expenses	(274.0)	(0.1)	(274.1)
Net profit on sales	412.0	(0.5)	411.5
Other operating income	28.0	-	28.0
Other operating expenses	(19.2)	-	(19.2)
Operating profit	420.8	(0.5)	420.3
Financial income	38.8	10.2	49.0
Financial expenses	(73.8)	-	(73.8)
Pre-tax profit before share of profits of associates and joint ventures	385.8	9.7	395.5
Corporate income tax (current and deferred tax expense)	(85.4)	-	(85.4)
Share of profits of associates and joint ventures (net of income taxes)	2.5	-	2.5
Net profit for the reporting period	302.9	9.7	312.6

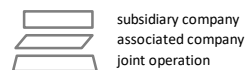
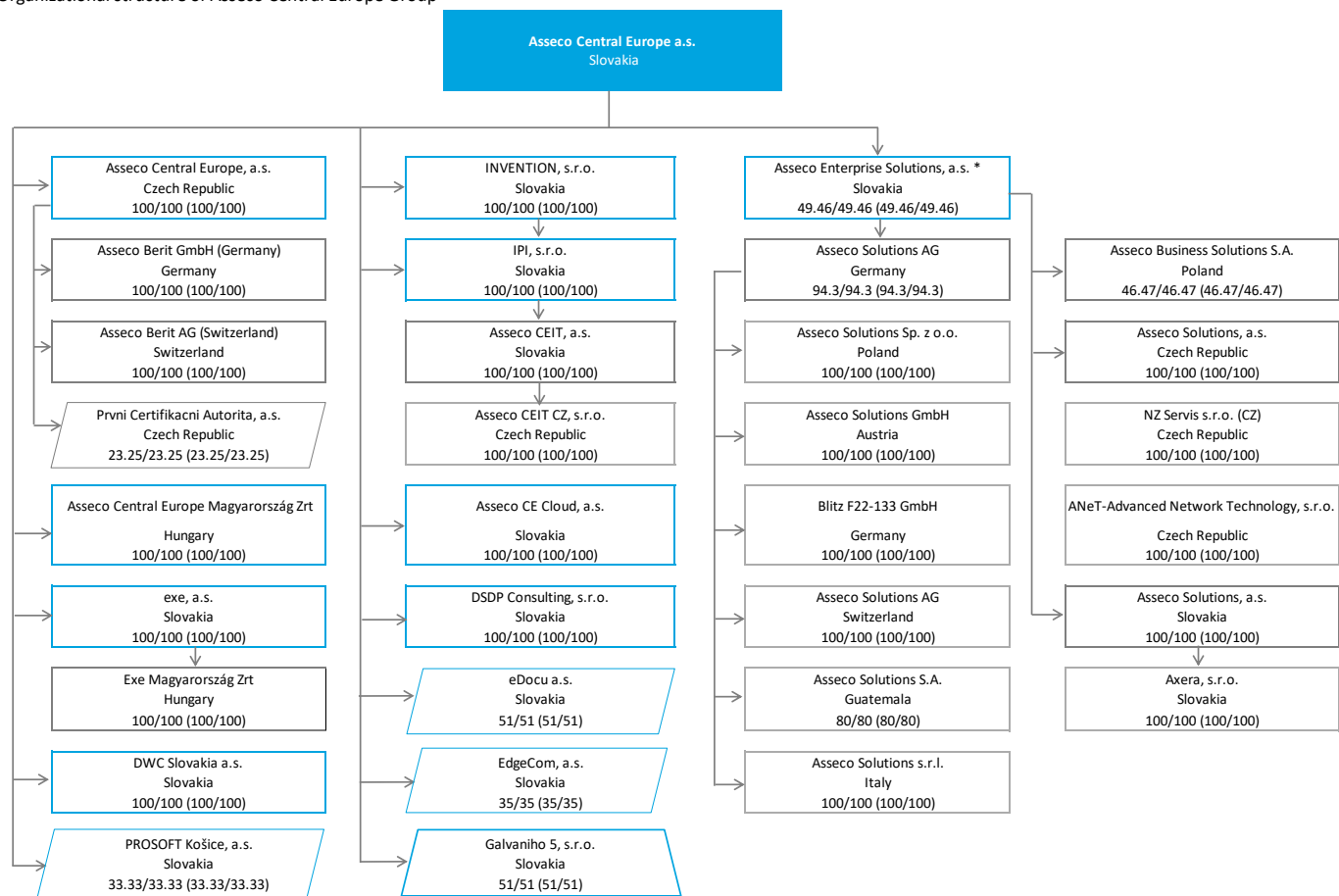
Attributable to:

Shareholders of the Parent Company	120.3	4.9	125.2
Non-controlling interests	182.6	4.8	187.4
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	1.77	0.07	1.84
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	302.9	9.7	312.6
Components that may be reclassified to profit or loss	(11.3)	(4.3)	(15.6)
Components that will not be reclassified to profit or loss	21.6	-	21.6
Total other comprehensive income	10.3	(4.3)	6.0
TOTAL COMPREHENSIVE INCOME attributable to:	313.2	5.4	318.6
Shareholders of the Parent Company	105.9	2.7	108.6
Non-controlling interests	207.3	2.7	210.0

ASSETS	31 March 2024	Impact of hyperinflation	31 March 2024
	without impact of IAS 29		according to IAS 29
	PLN mn	PLN mn	PLN mn
Non-current assets	10,134.4	71.6	10,206.0
Total current assets plus non-current assets held for sale	8,617.7	2.6	8,620.3
TOTAL ASSETS	18,752.1	74.2	18,826.3

EQUITY AND LIABILITIES	31 March 2024	Impact of hyperinflation	31 March 2024
	without impact of IAS 29		according to IAS 29
	PLN mn	PLN mn	PLN mn
Equity <i>(attributable to shareholders of the Parent Company)</i>	5,374.7	34.8	5,409.5
Non-controlling interests	3,800.7	33.1	3,833.8
Total equity	9,175.4	67.9	9,243.3
Non-current liabilities	3,490.2	1.1	3,491.3
Current liabilities	6,086.5	5.2	6,091.7
TOTAL LIABILITIES	9,576.7	6.3	9,583.0
TOTAL EQUITY AND LIABILITIES	18,752.1	74.2	18,826.3

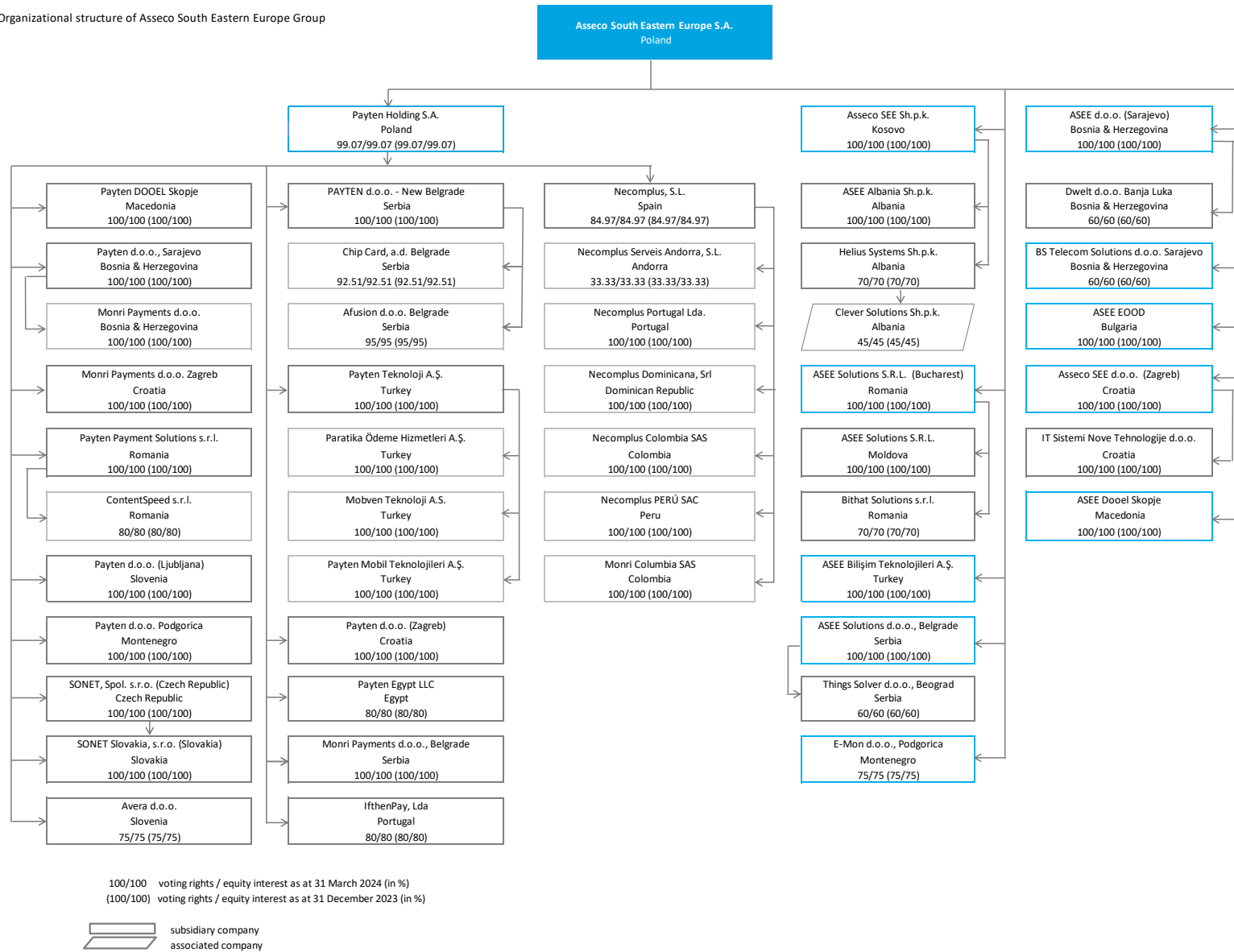
A. Organizational structure of Asseco Central Europe Group



100/100 voting rights / equity interest as at 31 March 2024 (in %)
 (100/100) voting rights / equity interest as at 31 December 2023 (in %)

* Asseco Central Europe, a.s. holds a 49.456601% stake in Asseco Enterprise Solutions, while the remaining 49.456623% of shares are held by Asseco International, a.s. Asseco Central Europe, a.s. maintains direct control over Asseco Enterprise Solutions, a.s.

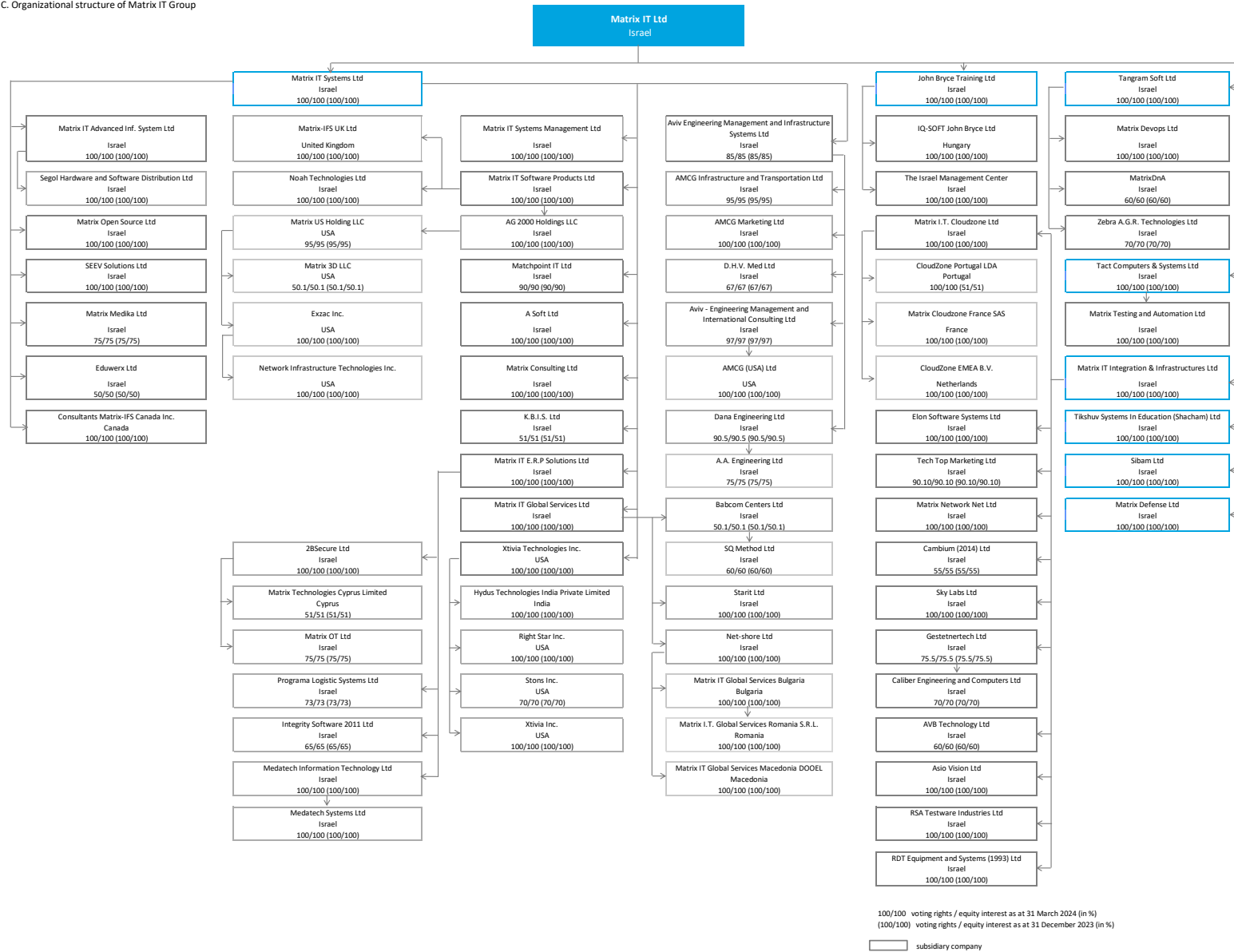
B. Organizational structure of Asseco South Eastern Europe Group



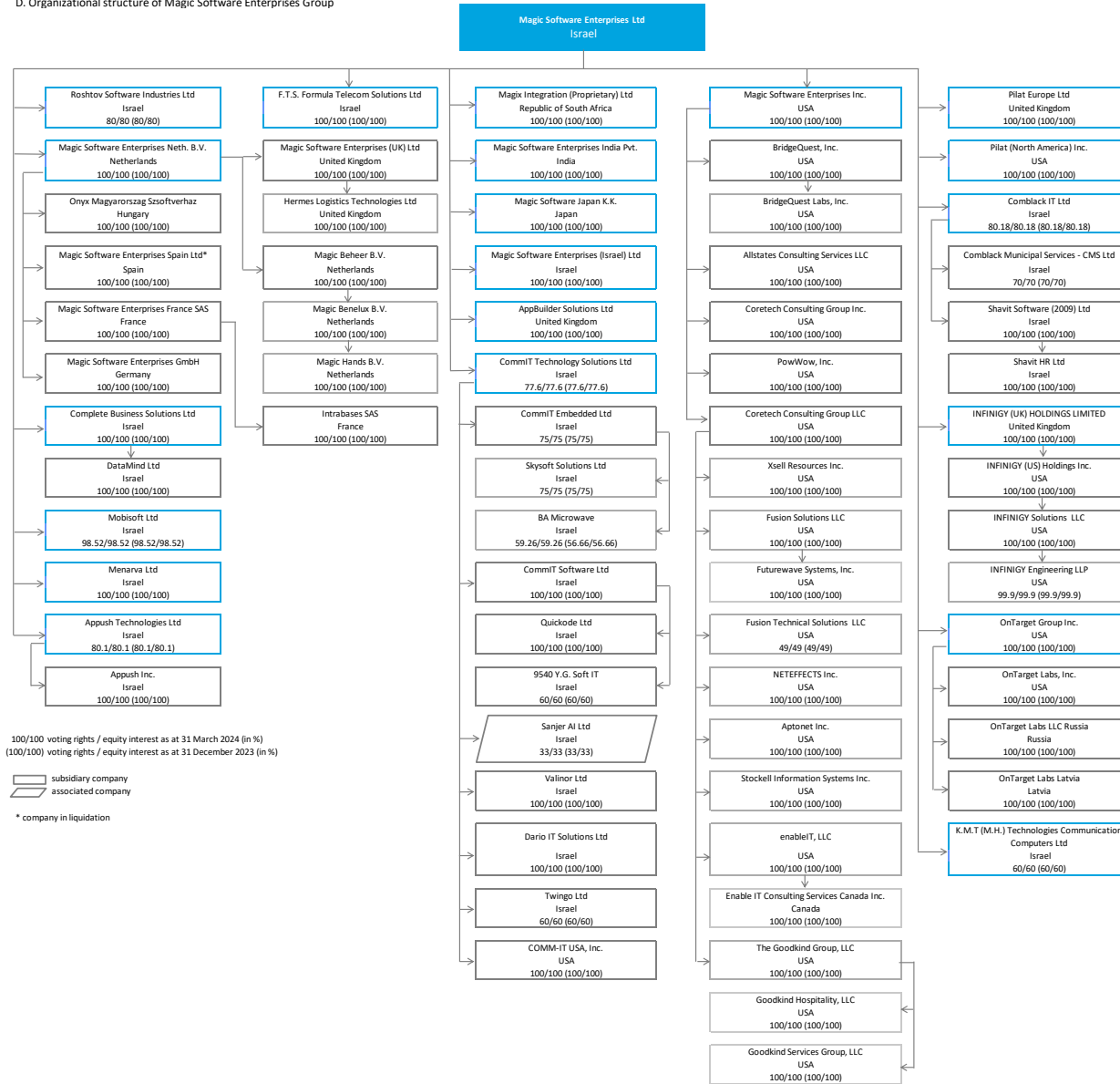
100/100 voting rights / equity interest as at 31 March 2024 (in %)
 (100/100) voting rights / equity interest as at 31 December 2023 (in %)

subsidiary company
 associated company

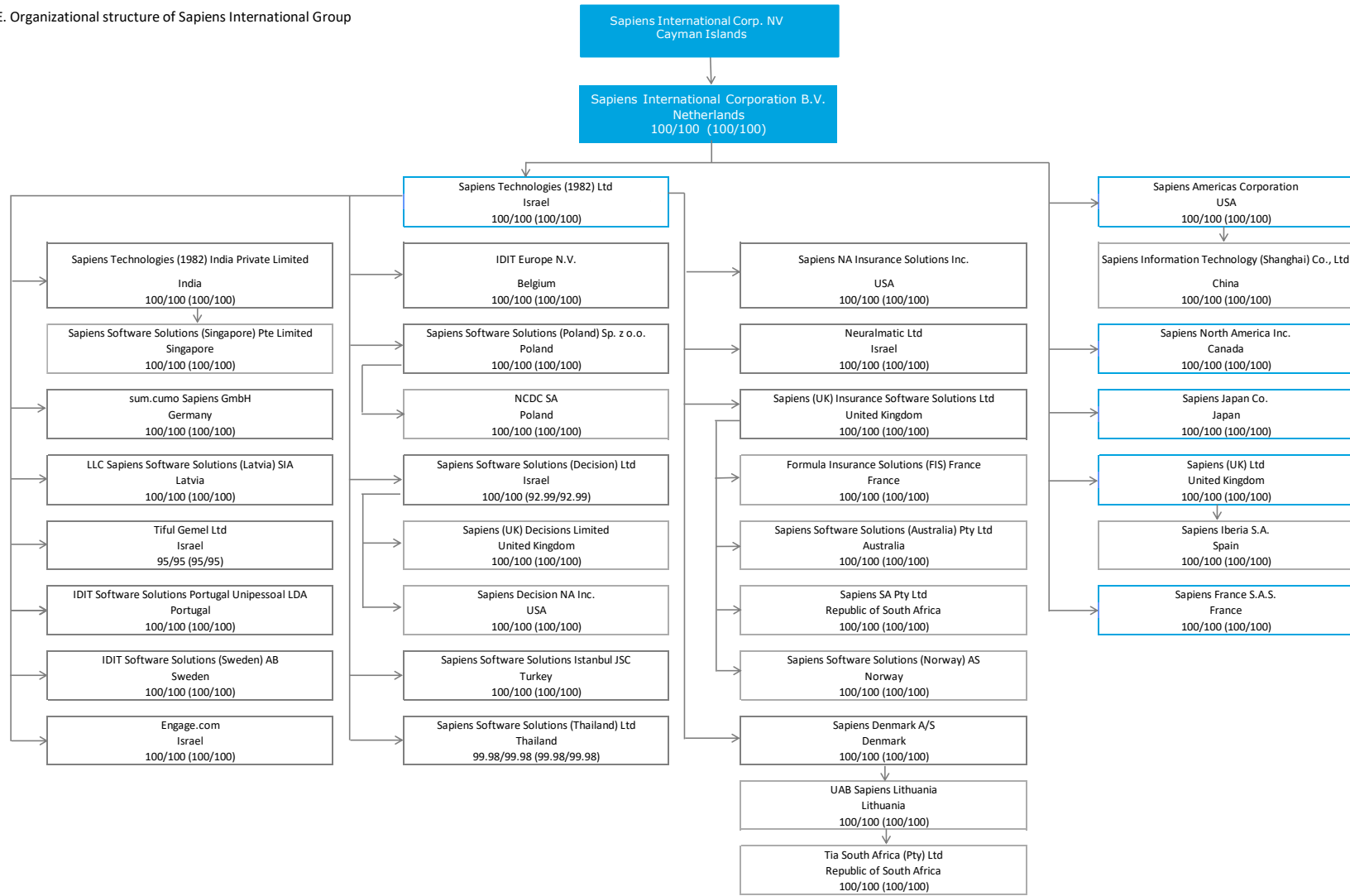
C. Organizational structure of Matrix IT Group



D. Organizational structure of Magic Software Enterprises Group



E. Organizational structure of Sapiens International Group



100/100 voting rights / equity interest as at 31 March 2024 (in %)
 (100/100) voting rights / equity interest as at 31 December 2023 (in %)

subsidiary company

During the period of 3 months ended 31 March 2024, the Group's composition changed as follows:

Asseco Poland segment

Changes within the Asseco Poland segment	Date of transaction	Percentage of voting rights after transaction	Impact on equity attributable to shareholders of the Parent Company (in PLN mn)
Liquidation of companies			
Commencing the process of winding-up the company of National Defense Systems S.A. in liquidation	1 March 2024	n/a	n/a

Asseco International segment

Changes within the Asseco International segment	Date of transaction	Percentage of voting rights after transaction	Impact on equity attributable to shareholders of the Parent Company (in PLN mn)
Merger of companies			
Merger of Evision Informacyjny Susteavi d.o.o. with IT Sistemi Nove Tehnologije d.o.o. acting as the taking-over company	16 January 2024	n/a	n/a
Sale of shares and loss of control in companies			
Asseco International, a.s. transferred all the shares it held in Asseco Software Nigeria Ltd and they were received by Asseco Nigeria Ltd as treasury shares	22 January 2024	n/a	0.5

Formula Systems segment

Changes within the Formula Systems segment	Date of transaction	Percentage of voting rights after transaction	Impact on equity attributable to shareholders of the Parent Company (in PLN mn)
Acquisition of shares in new companies			
Detailed information on transactions is presented in explanatory note 6.2 to these consolidated financial statements.			
Michpal Micro Computers (1983) Ltd acquired shares in Heshev Information Systems (2012) Ltd	1 January 2024	70%	-
Ofek Aerial Photography (1987) Ltd acquired shares in Yona Engineering Consulting & Management Ltd	15 January 2024	50.1%	-
Change of shareholdings in companies			
Michpal Micro Computers (1983) Ltd increased its equity interest in Software For Professionals – Liram Ltd following the exercise of call/put options	19 February 2024	100%	(0.8)
Sapiens Technologies (1982) Ltd increased its equity interest in Sapiens Software Solutions (Decision) Ltd	27 March 2024	100%	0.2
Formula Systems (1985) Ltd decreased its equity interest in Sapiens International Corp. NV	1st quarter of 2024	43.61%	(0.1)
Matrix I.T. Cloudzone Ltd increased its equity interest in CloudZone Portugal LDA	1st quarter of 2024	100%	-
CommIT Embedded Ltd increased its equity interest in BA Microwave	1st quarter of 2024	59.26%	-
Merger of companies			

Merger of Sapiens Software Solutions (IDIT) Ltd, Sapiens Software Solutions (Life and Pension) Ltd and Sapiens Israel Software Systems Ltd with Sapiens Technologies (1982) Ltd acting as the taking-over company	2 January 2024	n/a	n/a
---	----------------	-----	-----

4. Information on operating segments

According to IFRS 8, an operating segment is a separable component of the Group's business for which separate financial information is available and regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The **Asseco Poland segment** comprises our companies which generate revenues mostly in the Polish market. Performance of this segment is analyzed on a regular basis by the Management of the Parent Company acting as the chief operating decision maker. This segment includes, among others, the following companies: Asseco Poland, Asseco Data Systems, Pirios, DahliaMatic Group, ZUI Novum, ComCERT, GSTN Consulting, Asseco Cloud, National Medical Cloud Operator, and Asseco Innovation Fund Group. The aforementioned companies offer comprehensive IT services intended for a broad range of clients operating in the sectors of financial institutions, public administration, and enterprises. The segment's performance as a whole is subject to regular verification by the Management of Asseco Poland.

The **Asseco International segment** comprises our companies which generate revenues mostly in the markets of Central Europe, South Eastern Europe, as well as Western Europe and Eastern Europe. Performance of these companies is assessed on a periodic basis by the Management of Asseco International, a.s. This segment is identical with the composition of Asseco International Group. The segment's performance as a whole is subject to regular verification by the Management of Asseco Poland. The aforementioned companies offer comprehensive IT services intended for a broad range of clients operating primarily in the sectors of financial institutions, public administration, and enterprises.

The **Formula Systems segment** comprises our companies which generate revenues mostly in the markets of Israel, North America, as well as in Europe, Asia and Africa (EMEA region). Performance of these companies is assessed on a periodic basis by the Management of Formula Systems; hence, the segment's composition corresponds to the structure of Formula Systems Group. The segment's performance as a whole is subject to regular verification by the Management of Asseco Poland.

Revenues from none of our clients exceeded 10% of total sales generated by the Group in the period of 3 months ended 31 March 2024 just as in the comparable period.

Selected data from the statement of profit and loss and the cash flow statement for the period of 3 months ended 31 March 2024, in a breakdown by operating segments:

3 months ended 31 March 2024	Asseco Poland segment PLN mn	Asseco International segment PLN mn	Formula Systems segment PLN mn	Eliminations PLN mn	Total PLN mn
Revenues from external customers	499.3	952.1	2,798.2	-	4,249.6
Inter-segment transactions	9.4	3.0	3.4	(15.8)	-
Total operating revenues of segment	508.7	955.1	2,801.6	(15.8)	4,249.6
Operating profit (loss) of operating segment	86.0	102.2	236.6	(4.5)	420.3
Interest income ¹⁾	4.1	4.4	14.2	-	22.7
Interest expenses ²⁾	(16.4)	(3.9)	(32.4)	-	(52.7)
Corporate income tax	(14.8)	(20.2)	(50.4)	-	(85.4)
Non-cash items:					
Depreciation and amortization (as disclosed in the cash flow statement)	(24.8)	(49.4)	(132.3)	0.8	(205.7)
<i>of which amortization of intangible assets recognized in purchase price allocation (PPA)</i>	<i>(3.9)</i>	<i>(5.8)</i>	<i>(51.9)</i>	<i>-</i>	<i>(61.6)</i>
Costs of share-based payment transactions with employees	-	(0.2)	(17.6)	-	(17.8)
(Recognition)/reversal of impairment losses on segment's assets	(0.8)	(3.9)	1.9	-	(2.8)
Share of profits of associates and joint ventures	1.8	0.3	0.4	-	2.5
Net profit/loss attributable to the Parent Company	58.1	54.4	17.1	(4.4)	125.2
Cash provided by (used in) operating activities ³⁾	28.5	107.6	307.9	(0.5)	443.5

¹⁾ Interest income on loans granted, debt securities purchased, leases, trade receivables, and bank deposits

²⁾ Interest expenses on bank loans, borrowings, debt securities issued, leases, and trade payables

³⁾ Cash generated from operating activities before income tax paid

Selected data from the statement of financial position as at 31 March 2024, in a breakdown by operating segments:

31 March 2024	Asseco Poland segment PLN mn	Asseco International segment PLN mn	Formula Systems segment PLN mn	Eliminations PLN mn	Total PLN mn
Non-current assets	3,234.7	2,515.2	4,469.4	(13.3)	10,206.0
of which goodwill	2,271.7	1,727.8	1,859.9	-	5,859.4
Current assets	1,153.5	1,987.3	5,608.9	(129.4)	8,620.3
<i>including:</i>					
trade receivables and contract assets	580.0	730.0	3,056.0	(9.3)	4,356.7
cash and cash equivalents	378.5	812.9	1,742.6	-	2,934.0
Non-current liabilities	1,054.0	490.4	1,955.9	(9.0)	3,491.3
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	802.2	141.4	1,067.8	-	2,011.4
lease liabilities	81.9	110.0	331.7	(7.2)	516.4
Current liabilities	580.3	1,364.0	4,270.6	(123.2)	6,091.7
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	100.8	109.6	940.6	-	1,151.0
lease liabilities	16.5	45.7	175.6	(1.7)	236.1
trade payables and contract liabilities	218.7	661.9	1,757.8	(6.0)	2,632.4

Selected data from the statement of profit and loss and the cash flow statement for the period of 3 months ended 31 March 2023, in a breakdown by operating segments:

3 months ended 31 March 2023	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
<i>(restated)</i>	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Revenues from external customers	449.7	986.8	2,898.9	-	4,335.4
Inter-segment transactions	7.4	1.6	4.5	(13.5)	-
Total operating revenues of segment	457.1	988.4	2,903.4	(13.5)	4,335.4
Operating profit (loss) of operating segment	66.2	97.3	237.6	(3.9)	397.2
Interest income ¹⁾	5.5	3.8	8.7	-	18.0
Interest expenses ²⁾	(2.6)	(3.8)	(28.3)	0.1	(34.6)
Corporate income tax	(16.4)	(22.6)	(44.5)	-	(83.5)
Non-cash items:					
Depreciation and amortization (as disclosed in the cash flow statement)	(23.2)	(47.7)	(155.0)	0.6	(225.3)
<i>of which amortization of intangible assets recognized in purchase price allocation (PPA)</i>	<i>(3.5)</i>	<i>(4.7)</i>	<i>(67.5)</i>	-	<i>(75.7)</i>
Costs of share-based payment transactions with employees (SBP)	-	(0.2)	(19.1)	-	(19.3)
(Recognition)/reversal of impairment losses on segment's assets	0.5	(2.8)	(3.9)	-	(6.2)
Share of profits of associates and joint ventures	(1.2)	(0.4)	0.2	-	(1.4)
Net profit/loss attributable to the Parent Company	49.9	46.3	15.5	(3.8)	107.9
Cash provided by (used in) operating activities ³⁾	31.0	153.2	223.6	(0.4)	407.4

¹⁾ Interest income on loans granted, debt securities purchased, leases, trade receivables, and bank deposits

²⁾ Interest expenses on bank loans, borrowings, debt securities issued, leases, and trade payables

³⁾ Cash generated from operating activities before income tax paid

Selected data from the statement of financial position as at 31 December 2023, in a breakdown by operating segments:

31 December 2023	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
<i>(restated)</i>	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Non-current assets	3,232.4	2,547.9	4,454.4	(11.8)	10,222.9
of which goodwill	2,271.7	1,744.9	1,829.5	-	5,846.1
Current assets	1,007.8	2,088.0	5,535.3	(11.5)	8,619.6
<i>including:</i>					
trade receivables and contract assets	531.8	823.7	2,961.9	(9.7)	4,307.7
cash and cash equivalents	388.4	818.8	1,779.9	-	2,987.1
Non-current liabilities	1,075.9	507.3	2,161.8	(10.9)	3,734.1
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	826.1	156.0	1,259.7	-	2,241.8
lease liabilities	83.1	110.8	332.9	(7.6)	519.2
Current liabilities	588.4	1,416.0	4,038.9	(9.3)	6,034.0
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	102.4	126.9	871.3	-	1,100.6
lease liabilities	15.2	48.4	173.5	(1.7)	235.4
trade payables and contract liabilities	234.9	740.5	1,786.7	(6.7)	2,755.4

5. Explanatory notes to the consolidated statement of profit and loss

5.1. Structure of operating revenues

Operating revenues generated during the period of 3 months ended 31 March 2024 and in the comparable period were as follows:

Operating revenues	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Operating revenues by type of products		
Proprietary software and services	3,298.1	3,421.5
Third-party software and services	420.3	368.2
Hardware and infrastructure	531.2	545.7
Total	4,249.6	4,335.4
Operating revenues by group of products		
Solutions for finance	1,322.9	1,337.4
Solutions for public institutions	820.5	821.3
ERP solutions	372.1	370.0
Other IT solutions	715.8	763.4
Infrastructure	825.7	828.7
Other non-IT solutions	192.6	214.6
Total operating revenues	4,249.6	4,335.4

i. Breakdown of segment revenues by type of products

Operating revenues of individual segments generated by type of products during the period of 3 months ended 31 March 2024 and in the comparable period were as follows:

	Asseco Poland segment PLN mn	Asseco International segment PLN mn	Formula Systems segment PLN mn	Eliminations PLN mn	Total PLN mn
3 months ended 31 March 2024					
Proprietary software and services	452.2	679.1	2,174.7	(7.9)	3,298.1
Third-party software and services	46.0	125.5	256.6	(7.8)	420.3
Hardware and infrastructure	10.5	150.5	370.3	(0.1)	531.2
Total operating revenues	508.7	955.1	2,801.6	(15.8)	4,249.6

	Asseco Poland segment PLN mn	Asseco International segment PLN mn	Formula Systems segment PLN mn	Eliminations PLN mn	Total PLN mn
3 months ended 31 March 2023					
Proprietary software and services	401.9	669.3	2,357.4	(7.1)	3,421.5
Third-party software and services	39.2	112.4	222.9	(6.3)	368.2
Hardware and infrastructure	16.0	206.7	323.1	(0.1)	545.7
Total operating revenues	457.1	988.4	2,903.4	(13.5)	4,335.4

ii. *Breakdown of segment operating revenues by sectors*

Operating revenues of individual segments generated by sectors during the period of 3 months ended 31 March 2024 and in the comparable period were as follows:

	Asseco Poland segment PLN mn	Asseco International segment PLN mn	Formula Systems segment PLN mn	Eliminations PLN mn	Total PLN mn
3 months ended 31 March 2024					
Solutions for finance	139.6	339.9	846.9	(3.5)	1,322.9
Solutions for public institutions	244.9	92.2	485.6	(2.2)	820.5
ERP solutions	15.7	225.2	132.1	(0.9)	372.1
Other IT solutions	55.2	23.4	640.9	(3.7)	715.8
Infrastructure	50.3	272.6	506.2	(3.4)	825.7
Other non-IT solutions	3.0	1.8	189.9	(2.1)	192.6
Total operating revenues	508.7	955.1	2,801.6	(15.8)	4,249.6

	Asseco Poland segment PLN mn	Asseco International segment PLN mn	Formula Systems segment PLN mn	Eliminations PLN mn	Total PLN mn
3 months ended 31 March 2023					
Solutions for finance	117.7	338.0	886.3	(4.6)	1,337.4
Solutions for public institutions	224.6	89.7	507.7	(0.7)	821.3
ERP solutions	16.6	220.7	133.5	(0.8)	370.0
Other IT solutions	51.2	37.9	676.3	(2.0)	763.4
Infrastructure	43.6	295.8	493.1	(3.8)	828.7
Other non-IT solutions	3.4	6.3	206.5	(1.6)	214.6
Total operating revenues	457.1	988.4	2,903.4	(13.5)	4,335.4

iii. *Operating revenues in a breakdown by countries in which they were generated*

	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Israel	1,759.6	1,773.2
USA	629.1	739.6
Poland	588.4	526.3
Spain	140.1	182.7
United Kingdom	124.5	102.4
Germany	111.7	120.3
Czech Republic	110.4	93.7
Slovak Republic	104.5	133.4
Serbia	91.9	104.4
Turkey	45.4	40.9
Croatia	45.2	40.4
Romania	40.5	50.0
Other countries	458.3	428.1
Total	4,249.6	4,335.4

iv. Revenues from contracts with customers within total operating revenues

	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Revenues from contracts with customers recognized in accordance with IFRS 15, of which:	4,224.9	4,311.7
From goods and services transferred at a specific point in time	863.6	823.0
Asseco Poland segment	60.2	53.3
Asseco International segment	283.9	342.3
Formula Systems segment	526.6	432.0
Intragroup transactions	(7.1)	(4.6)
From goods and services transferred over the passage of time	3,361.3	3,488.7
Asseco Poland segment	446.9	403.4
Asseco International segment	647.0	622.3
Formula Systems segment	2,275.0	2,471.4
Intragroup transactions	(7.6)	(8.4)
Revenues from operating leases recognized in accordance with IFRS 16	24.7	23.7
Asseco Poland segment	1.6	0.4
Asseco International segment	24.2	23.8
Intragroup transactions	(1.1)	(0.5)
Total operating revenues	4,249.6	4,335.4

Revenues from operating leases recognized in accordance with IFRS 16, as disclosed in the table above, represent primarily revenues generated by the Asseco International segment (in particular by Asseco South Eastern Europe Group) from the provision of ATM and POS terminal outsourcing services. In addition, these revenues comprise income from letting of own property, including office space (particularly in the Asseco Poland segment). Such contracts are treated as operating lease contracts, and revenues generated therefrom are recognized as revenues from operating leases in accordance with IFRS 16.

5.2. Structure of operating costs

The table below presents operating costs incurred in the period of 3 months ended 31 March 2024 and in the comparable period.

Operating costs	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
	PLN mn	PLN mn
Cost of goods, materials and third-party services sold (COGS)	(750.7)	(766.5)
Employee benefits	(2,123.0)	(2,153.0)
Depreciation and amortization	(204.8)	(224.9)
Third-party services	(548.5)	(579.4)
Other	(211.1)	(215.3)
Total	(3,838.1)	(3,939.1)
Cost of sales	(3,335.9)	(3,388.2)
Selling costs	(225.3)	(241.5)
General and administrative expenses	(274.1)	(302.3)
Recognition/(reversal) of impairment losses on financial instruments *	(2.8)	(7.1)
Total	(3,838.1)	(3,939.1)

* allocated entirely to the Cost of sales

In the reporting period, the costs of third-party services include the costs of human resources outsourcing amounting to PLN 288.2 million as well as the costs of subcontractors amounting to PLN 212.1 million. In the comparable period, such costs amounted to PLN 298.8 million and PLN 228.4 million, respectively.

In the period of 3 months ended 31 March 2024, other operating costs included primarily maintenance of property and company cars in the amount of PLN 105.2 million, as well as business trips in the amount of PLN 16.4 million. Whereas, in the comparable period other operating costs included primarily maintenance of property and company cars in the amount of PLN 124.5 million, as well as business trips in the amount of PLN 15.9 million.

i. Costs of employee benefits

Costs of employee benefits	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Salaries	(1,754.8)	(1,785.9)
Social insurance contributions	(128.5)	(132.0)
Costs of pension benefits	(134.1)	(137.3)
Costs of share-based payment transactions with employees	(17.8)	(19.3)
Other costs of employee benefits	(87.8)	(78.5)
Total costs of employee benefits	(2,123.0)	(2,153.0)

The average level of employment during the reporting period presented in full-time salaried jobs, i.e. employment in full-time jobs adjusted for (reduced by) positions which are not salaried by the Group companies (such as an unpaid leave, maternity leave, etc.), exclusive of companies whose financial results are disclosed under other operating activities or discontinued operations, however inclusive of companies which joined the Group during the reporting period (calculated proportionally to the period of their consolidation) equalled 32,307 persons, as compared with 32,300 persons in the comparable period.

The costs of equity-settled share-based payment transactions with employees correspond to stock option plans that were awarded to employees and managers of companies incorporated within the Formula Systems segment as well as company managers of ASEE Group within the Asseco International segment.

During the period of 3 months ended 31 March 2024, such costs amounted to PLN 17.8 million as compared to PLN 19.3 million in the comparable period. In the financial results for 2024 and 2023, the Group recognized a portion of costs of the stock option plan awarded to the CEO of Formula Systems in 2020. Under this plan, the CEO has been granted Restricted Share Units (RSUs) that will be convertible into a 4% stake in Formula Systems after the passage of 8 years, i.e. after the end of 2027. The stock option plan is worth a total of NIS 170.0 million (PLN 186.6 million) which shall be recognized on a straight-line basis in the Group's costs over the period from 2020 to 2027. In its financial results for the first quarter of 2024, Formula Systems (1985) Ltd recognized the costs of stock option plans in the amount of NIS 6.6 million (PLN 7.2 million).

The remaining costs of share-based payment transactions with employees were incurred by Magic Group (PLN 2.3 million), Matrix Group (PLN 4.9 million), Sapiens Group (PLN 3.2 million), as well as by ASEE Group (PLN 0.2 million).

5.3. Other operating income and expenses

Other operating income and expenses in the period of 3 months ended 31 March 2024 and in the comparable period were as follows:

Other operating income	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Gain on disposal of property, plant and equipment	15.3	1.7
Gain on modification and early termination of lease contracts	-	4.7
Proceeds from sports and recreational activities	5.9	5.8
Gain on revaluation of deferred and conditional payments for controlling interests in subsidiaries as well as on revaluation of liabilities from the acquisition of non-controlling interests (put options)	2.6	0.7
Gain on loss of control over subsidiaries	0.5	0.3
Other	3.7	2.0
Total	28.0	15.2

Other operating expenses	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Expenses related to proceeds from sports and recreational activities	(10.5)	(9.2)
Allowances for receivables arising from the sale of shares in subsidiaries	(0.3)	-
Expenses related to obtaining control over subsidiaries	(1.3)	(0.3)
Loss on revaluation of deferred and conditional payments for controlling interests in subsidiaries as well as on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(3.5)	(2.4)
Other	(3.6)	(2.4)
Total	(19.2)	(14.3)

Gain and loss on revaluation of deferred and conditional payments for controlling interests in subsidiaries as well as on revaluation of liabilities from the acquisition of non-controlling interests (put options) resulted from a change in estimates of operating profits of our subsidiaries which constitute basis for the calculation of such liabilities.

5.4. Financial income and expenses

Financial income earned during the period of 3 months ended 31 March 2024 and in the comparable period was as follows:

Financial income	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Interest income on investments in debt securities and bank deposits carried at amortized cost	22.0	17.4
Other interest income (including on other investments in debt securities, leases and receivables)	0.7	0.6
Positive foreign exchange differences	15.2	20.7
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	0.5	1.1
Gain on the net monetary position – hyperinflation	10.2	9.6
Other financial income	0.4	0.4
Total financial income	49.0	49.8

The gain on the net monetary position – hyperinflation resulted from applying IAS 29 and making the inflation-related revaluation of non-monetary items in the statement of financial position and the statement of profit and loss of our subsidiaries operating in Turkey, as part of ASEE Group (the Asseco International segment), using the rate of inflation in the current year. Detailed information on the impact of hyperinflation has been provided in explanatory note 2.10 to these interim condensed consolidated financial statements.

Financial expenses incurred during the period of 3 months ended 31 March 2024 and in the comparable period were as follows:

Financial expenses	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Interest expenses on bank loans, borrowings, debt securities, leases, and on trade payables	(52.7)	(34.6)
Other interest expenses	(3.4)	(7.9)
Negative foreign exchange differences	(11.8)	(16.5)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	(0.2)	(7.9)
Unwinding of discounts on deferred and conditional payments for controlling interests in subsidiaries and on liabilities from the acquisition of non-controlling interests (put options)	(5.2)	(2.5)
Other financial expenses	(0.5)	(0.6)
Total financial expenses	(73.8)	(70.0)

Positive and negative foreign exchange differences are presented in net amounts (reflecting the excess of positive differences over negative differences or otherwise) at the level of individual subsidiaries.

5.5. Corporate income tax

The main charges on pre-tax profit resulting from corporate income tax (current and deferred portions):

Corporate income tax	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Current income tax and prior years' adjustments	(113.2)	(70.9)
Deferred income tax	27.8	(12.6)
Income tax expense as disclosed in the statement of profit and loss	(85.4)	(83.5)

During the period of 3 months ended 31 March 2024, our effective tax rate equalled 21.6% as compared to 22.1% in the comparable period.

5.6. Earnings per share

Both during the reporting period and the comparable period, there were no instruments that could potentially dilute basic earnings per share, hence our basic earnings per share and diluted earnings per share are equal.

The table below presents net profits and numbers of shares used for the calculation of earnings per share. The reduced number of shares (in relation to the comparable period) used in the calculation of earnings per share for the reporting period is a result of treasury shares held by Asseco Poland S.A. that were acquired through a buy-back in September 2023.

Earnings per share	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	68,191,431	83,000,303
Net profit attributable to shareholders of the Parent Company for the reporting period (in millions of PLN)	125.2	107.9
Consolidated earnings per share for the reporting period (in PLN)	1.84	1.30

5.7. Information on dividends paid out

Until 31 March 2024 and the publication of this quarterly report, the General Meeting of Shareholders has not yet adopted a resolution on distribution of the Parent Company's net profit for the year 2023.

In 2023, the Parent Company paid out to its shareholders a dividend for the year 2022. On 30 May 2023, the General Meeting of Shareholders of Asseco Poland S.A. resolved that the net profit for the financial year 2022 in the amount of PLN 340.6 million shall be distributed as follows:

- a) The amount of PLN 290.5 million was allocated for distribution among the Company's Shareholders through the payment of a dividend amounting to PLN 3.50 per share. The dividend record date was set for 19 June 2023; whereas, the dividend payment was scheduled for 28 June 2023;
- b) The remaining portion of the net profit for 2022 in the amount of PLN 50.1 million was allocated to the reserve capital.

6. Explanatory notes to the consolidated statement of financial position

6.1. Intangible assets

Changes in the net book value of intangible assets that took place during the period of 3 months ended 31 March 2024 and in the comparable period are presented below:

	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
	PLN mn	PLN mn
Net book value of intangible assets as at 1 January (restated)	2,024.4	2,388.6
Additions, of which:	30.6	52.8
Purchases and modernization	3.2	5.3
Obtaining control over subsidiaries	3.0	13.6
Capitalization of development project costs	24.4	33.9
Reductions, of which:	(92.7)	(102.5)
Amortization charges for the reporting period	(92.7)	(102.5)
(Recognition)/reversal of impairment losses	0.2	-
Impact of hyperinflation	0.2	-
Change in presentation	0.1	0.6
Exchange differences on translation of foreign operations	(3.0)	(73.5)
Net book value of intangible assets as at 31 March	1,959.8	2,266.0

6.2. Goodwill

For impairment testing purposes, goodwill arising from obtaining control over subsidiaries is allocated by the Group in the following way:

- to the groups of cash-generating units that constitute an operating segment; or
- to individual subsidiaries; or
- to operating segments identified within the Parent Company (including: “Finance and Banking”, “Healthcare and Public Administration”, or “General Business”).

The following table presents the amounts of goodwill as at 31 March 2024 and 31 December 2023, in a breakdown by operating segments:

	31 March 2024	31 December 2023 (restated)
	PLN mn	PLN mn
Goodwill		
Asseco Poland segment, of which:	2,271.7	2,271.7
Goodwill allocated to individual cash-generating units	350.2	350.2
Asseco Data Systems S.A.	245.5	245.5
Asseco Cloud Sp. z o.o.	11.0	11.0
GSTN Consulting Sp. z o.o.	33.1	33.1
ZUI Novum Sp. z o.o.	0.3	0.3
DahliaMatic Sp. z o.o.	44.8	44.8
ComCERT S.A.	3.2	3.2
Nextbank Sp. z o.o.	12.3	12.3
Operating segments identified within the Parent Company	1,921.5	1,921.5
Goodwill allocated to the Finance and Banking segment	890.2	890.2
Goodwill allocated to the Healthcare and Public Administration segment	850.3	850.3
Goodwill allocated to the General Business segment	181.0	181.0

Asseco International segment, of which:	1,727.8	1,744.9
Asseco Central Europe Group	735.7	745.6
Asseco South Eastern Europe Group	901.7	907.8
Asseco Spain S.A.	18.3	18.6
Asseco Lietuva UAB	0.5	0.5
Asseco PST Holding SGPS S.A. (formerly Exictos)	71.6	72.4
Formula Systems segment	1,859.9	1,829.5
Total goodwill	5,859.4	5,846.1

During the period of 3 months ended 31 March 2024, the following changes in goodwill arising from consolidation took place (the table includes changed components only):

Goodwill as allocated to reportable segments:	Goodwill at the beginning of the period (restated)	Obtaining of control	Impact of hyperinflation	Foreign exchange differences	Goodwill at the end of the period
	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Asseco International segment					
Asseco Central Europe Group	745.6	-	-	(9.9)	735.7
Asseco South Eastern Europe Group	907.8	-	10.3	(16.4)	901.7
Asseco Spain S.A.	18.6	-	-	(0.3)	18.3
Asseco PST Holding SGPS S.A. (formerly Exictos)	72.4	-	-	(0.8)	71.6
Formula Systems segment					
Formula Group	1,829.5	14.4	-	16.0	1,859.9

The increase in goodwill due to hyperinflation is a result of applying IAS 29 and is related to Turkey-based subsidiaries of ASEE Group (the Asseco International segment). Detailed information on the impact of hyperinflation has been provided in explanatory note 2.10 to these interim condensed consolidated financial statements.

Furthermore, in the period of 3 months ended 31 March 2024, the balance of goodwill arising from consolidation was affected by the transactions of obtaining control as described below. Foreign currency amounts disclosed for individual acquisitions in the tables below have been converted to Polish zlotys at the exchange rates effective on the acquisition date, whereas in the aggregate table above, changes in goodwill have been converted to Polish zlotys at the average exchange rate for the reporting period.

A detailed description including a table has only been provided for major acquisitions (where the value of net assets acquired was higher than PLN 10 million). For the remaining acquisitions, we have disclosed just basic information.

i. Acquisition of shares in Heshev Information Systems (2012) Ltd by Michpal Group

On 1 January 2024, Michpal Micro Computers (1983) Ltd acquired 70% of shares in the company Heshev Information Systems (2012) Ltd based in Israel. The purchase price amounted to NIS 4.9 million (PLN 5.3 million) and it was fully paid in cash.

As part of the provisional purchase price allocation, the excess of the purchase price paid over the value of net assets acquired was recognized in intangible assets in the amount of NIS 2.8 million (PLN 2.9 million), while the remaining amount of NIS 3.4 million (PLN 3.7 million) was allocated to goodwill.

Until 31 March 2024, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over that company.

ii. Acquisition of shares in Yona Engineering Consulting & Management Ltd by Ofek Group

On 15 January 2024, Ofek Aerial Photography Ltd (a company of Formula Group) acquired 50.1% of shares in the company Yona Engineering Consulting & Management Ltd based in Israel. The purchase price amounted to NIS 9.6 million (PLN 10.2 million), of which NIS 2.8 million (PLN 3.0 million) was paid in cash, and the remaining amount constitutes a deferred payment depending on future operating profits of the acquired company.

As part of the provisional purchase price allocation, the excess of the purchase price paid over the value of net assets acquired in the amount of NIS 9.8 million (PLN 10.4 million) was allocated to goodwill.

Until 31 March 2024, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over that company.

6.3. Entities with significant non-controlling interests

In explanatory note 3 to these interim condensed consolidated financial statements, we have presented information on entities in which the Group holds less than 100% of shares, including their company names, countries of registration, as well as equity interests and voting rights held by the Group.

In the Management's opinion, the entities with significant individual non-controlling interests are: Matrix IT Group, Magic Software Enterprises Group, Sapiens International Group, Asseco South Eastern Europe Group, as well as Asseco Central Europe Group, among others including Asseco Business Solutions S.A. In the case of other entities with non-controlling interests, individual non-controlling interests do not exceed 4% of total non-controlling interests therein, hence they have not been considered as entities with significant non-controlling interests.

The tables below present the selected financial data of entities with significant individual non-controlling interests for the period of 3 months ended 31 March 2024 and as at 31 March 2024, as well as for respective comparable periods. These figures are presented before consolidation adjustments, including the elimination of mutual transactions.

Percentage of non-controlling interests	31 March 2024	31 December 2023
Matrix IT Ltd *	87.55%	87.55%
Magic Software Enterprises Ltd *	87.94%	87.94%
Sapiens International Corp. NV *	88.74%	88.73%
ASEE Group	49.11%	49.11%
ACE Group	7.67%	7.67%

* Percentages of non-controlling interests are calculated taking into account our direct shareholding in Formula Systems (1985) Ltd as well as indirect shareholdings in the companies of Matrix IT Ltd, Magic Software Enterprises Ltd, and Sapiens International Corp. NV.

Name of group	Carrying value of non-controlling interests*	
	31 March 2024	31 December 2023 (restated)
Formula Group**	2,985.2	2,947.6
ASEE Group	571.0	558.9
ACE Group (including ABS)	266.5	256.2
Other individually insignificant	11.1	8.9
Total	3,833.8	3,771.6

* Carrying values of non-controlling interests have been adjusted for the value of put options granted to minority shareholders.

** The value of non-controlling interest in Formula Group includes, among others, the values of non-controlling interests in Matrix IT Ltd, Magic Software Enterprises Ltd, and Sapiens International Corp. NV.

Name of group	Net profit attributable to non-controlling interests for the period of 3 months ended		Dividends paid out to non-controlling interests in the period of 3 months ended	
	31 March 2024	31 March 2023 (restated)	31 March 2024	31 March 2023
Matrix IT Ltd	65.5	66.3	(2.3)	(3.6)
Magic Software Enterprises Ltd	31.4	41.7	(8.3)	(6.7)
Sapiens International Corp. NV	55.1	49.1	-	(0.2)
ASEE Group	24.7	23.9	(4.1)	(0.2)
ACE Group (including ABS)	14.5	11.9	(2.3)	(0.5)
Other individually insignificant	(3.8)	(8.7)	(2.6)	(1.4)
Total	187.4	184.2	(19.6)	(12.6)

Name of group	Matrix IT Ltd	Magic Software Enterprises Ltd	Sapiens International Corp. NV	ASEE Group	ACE Group
31 March 2024					
Non-current assets	1,620.9	1,054.8	1,425.9	1,163.6	951.4
Current assets	2,806.5	1,067.9	1,411.0	794.5	743.7
<i>of which cash and cash equivalents</i>	<i>607.7</i>	<i>501.8</i>	<i>465.5</i>	<i>259.0</i>	<i>300.3</i>
Non-current liabilities	757.7	304.8	224.4	274.2	180.3
Current liabilities	2,495.8	635.4	856.4	532.3	518.6
31 December 2023 (restated)					
Non-current assets	1,586.4	1,059.9	1,452.4	1,168.8	963.9
Current assets	2,840.7	998.9	1,380.9	952.5	698.7
<i>of which cash and cash equivalents</i>	<i>694.6</i>	<i>418.5</i>	<i>498.7</i>	<i>313.7</i>	<i>284.4</i>
Non-current liabilities	800.7	362.7	321.1	278.2	183.4
Current liabilities	2,424.8	551.2	759.0	716.9	470.5

Name of group	Matrix IT Ltd	Magic Software Enterprises Ltd	Sapiens International Corp. NV	ASEE Group	ACE Group
Period of 3 months ended 31 March 2024					
Cash provided by (used in) operating activities	58.6	128.6	102.6	4.7	105.8
Net cash provided by (used in) investing activities	(9.5)	(6.2)	(20.6)	(13.6)	(16.1)
Net cash provided by (used in) financing activities	(99.9)	(29.2)	(99.8)	(32.0)	(45.4)
Period of 3 months ended 31 March 2023					
Cash provided by (used in) operating activities	(4.3)	100.3	127.1	50.8	109.0
Net cash provided by (used in) investing activities	(65.5)	(47.8)	(205.1)	(16.4)	(48.1)
Net cash provided by (used in) financing activities	(114.6)	58.5	(105.6)	(11.2)	(40.8)

6.4. Receivables and contract assets

The table below presents receivables and assets from contracts with customers as at 31 March 2024 as well as at 31 December 2023.

	31 March 2024		31 December 2023	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Trade receivables, of which:				
Invoiced receivables	12.8	3,009.3	1.2	3,091.2
from related parties	0.5	7.8	0.6	8.0
from other entities	12.3	3,001.5	0.6	3,083.2
Uninvoiced receivables	13.0	727.2	16.0	641.2
from related parties	-	16.8	-	8.8
from other entities	13.0	710.4	16.0	632.4
Receivables from operating leases	-	9.4	-	8.7
from related parties	-	-	-	-
from other entities	-	9.4	-	8.7
Net investment in the lease	1.5	0.7	1.6	0.7
Allowances for expected credit losses on trade receivables	-	(129.5)	-	(131.3)
Total trade receivables	27.3	3,617.1	18.8	3,610.5

Corporate income tax receivable	-	141.5	-	130.8
Receivables from the state and local budgets	-	67.6	-	53.1
Value added tax	-	40.7	-	28.2
Other	-	26.9	-	24.9
Other receivables	56.7	141.5	57.0	135.4
Other receivables	56.7	144.0	57.0	137.7
Allowances for expected credit losses on other receivables (-)	-	(2.5)	-	(2.3)
Total receivables from the state and local budgets and other receivables	56.7	209.1	57.0	188.5
Total receivables	84.0	3,967.7	75.8	3,929.8

Assets from contracts with customers result from the excess of the percentage of completion of implementation contracts over invoices issued.

	31 March 2024		31 December 2023	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Contract assets				
from related parties	-	57.2	-	54.1
from other entities	-	682.4	-	643.1
Total contract assets	-	739.6	-	697.2

Both as at 31 March 2024 and 31 December 2023, the carrying values of receivables and contract assets were not different from their fair values.

Related party transactions have been presented in explanatory note 6.14 to these interim condensed consolidated financial statements.

The Group has adopted a relevant policy that allows for selling products and services to verified customers only. However, due to the dynamic macroeconomic and geopolitical situation prevailing in Poland and globally, the Group has implemented a process of even stricter monitoring of its receivables and has intensified its standard debt collection procedures. As at the date of publication of this report, we have not found any indications to increase the amount of allowances for expected credit losses or to amend the Group's policy in this respect.

6.5. Other financial assets

Both as at 31 March 2024 and 31 December 2023, apart from receivables and cash and cash equivalents described in other explanatory notes, the Group also held other financial assets as presented in the table below.

	31 March 2024		31 December 2023	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Financial assets carried at fair value through profit or loss, of which:				
Shares in companies not quoted in an active market	18.1	0.2	18.2	0.2
Shares in companies quoted in an active market	13.2	0.1	9.1	0.1
Other assets	13.1	1.4	12.8	1.2
	44.4	1.7	40.1	1.5
Financial assets carried at fair value through other comprehensive income, of which:				
Shares in companies not quoted in an active market	10.7	-	10.7	-
Shares in companies quoted in an active market	99.8	-	76.6	-
Corporate bonds	0.1	0.6	-	0.6
Other	1.7	-	1.7	-
	112.3	0.6	89.0	0.6
Financial assets carried at amortized cost, of which:				
Other debt securities	-	0.2	0.1	0.2
Loans, of which:				
granted to related parties	5.2	2.9	6.8	1.3
granted to employees	1.7	1.8	1.6	1.6
Cash deposits	1.0	321.0	2.0	305.7
	7.9	325.9	10.5	308.8
Total other financial assets	164.6	328.2	139.6	310.9

The balance of shares in companies quoted in an active market (in the category of financial assets carried at fair value through other comprehensive income) includes a small stake of shares in a stock exchange-listed company that was purchased by Formula Systems (1985) Ltd in 2022. The value of shares in companies not quoted in an active market increased primarily due to the valuation of the above-mentioned shareholding.

The increase in term cash deposits is primarily related to the Sapiens Group companies (the Formula Systems segment).

Changes in the fair value measurement of financial instruments carried at fair value, and changes in the classification of financial instruments

In the period of 3 months ended 31 March 2024, the Group did not change its methods for measuring the fair value of financial instruments carried at fair value nor did it transfer any instruments between individual levels of the fair value hierarchy.

Both as at 31 March 2024 and 31 December 2023, the fair values of financial assets were not significantly different from their book values.

As at 31 March 2024	Carrying value	Level 1 ⁱ⁾	Level 2 ⁱⁱ⁾	Level 3 ⁱⁱⁱ⁾
	PLN mn	PLN mn	PLN mn	PLN mn
Financial assets carried at fair value through profit or loss				
Shares in companies not quoted in an active market	18.3	-	-	18.3
Shares in companies quoted in an active market	13.3	13.3	-	-
Other assets	14.5	-	14.5	-
Total	46.1	13.3	14.5	18.3
Financial assets carried at fair value through other comprehensive income				
Shares in companies not quoted in an active market	10.7	-	-	10.7
Shares in companies quoted in an active market	99.8	99.8	-	-
Corporate bonds	0.7	-	0.7	-
Other	1.7	-	-	1.7
Total	112.9	99.8	0.7	12.4

i. fair value determined on the basis of quoted prices offered in active markets for identical assets;

ii. fair value determined using calculation models based on inputs that are observable, either directly or indirectly, in active markets;

iii. fair value determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets.

As at 31 December 2023	Carrying value PLN mn	Level 1 ⁱ⁾ PLN mn	Level 2 ⁱⁱ⁾ PLN mn	Level 3 ⁱⁱⁱ⁾ PLN mn
Financial assets carried at fair value through profit or loss				
Shares in companies not quoted in an active market	18.4	-	-	18.4
Shares in companies quoted in an active market	9.2	9.2	-	-
Other assets	14.0	-	14.0	-
Total	41.6	9.2	14.0	18.4
Financial assets carried at fair value through other comprehensive income				
Shares in companies not quoted in an active market	10.7	-	-	10.7
Shares in companies quoted in an active market	76.6	76.6	-	-
Corporate bonds	0.6	-	0.6	-
Other assets	1.7	-	-	1.7
Total	89.6	76.6	0.6	12.4

Descriptions of the fair value hierarchy levels are identical to those provided under the table above.

6.6. Inventories

The table below presents inventories as at 31 March 2024 as well as at 31 December 2023:

Inventories	31 March 2024 PLN mn	31 December 2023 PLN mn
Computer hardware, third-party software licenses and other goods for resale	271.1	323.8
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	33.3	33.1
Impairment losses on inventories	(31.4)	(31.0)
Total	273.0	325.9

Changes in the amount of impairment losses on inventories during the period of 3 months ended 31 March 2024 and in the comparable period are presented in the table below:

Impairment losses on inventories	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Impairment losses as at 1 January	(31.0)	(26.1)
Recognized during the reporting period	(2.7)	(7.7)
Utilized during the reporting period	-	0.5
Reversed during the reporting period	2.0	1.2
Foreign exchange differences	0.3	0.1
Impairment losses as at the end of the reporting period	(31.4)	(32.0)

6.7. Cash and cash equivalents

The table below presents cash and cash equivalents as at 31 March 2024 and 31 December 2023:

	31 March 2024 PLN mn	31 December 2023 PLN mn
Cash at bank accounts	1,832.0	1,860.0
Cash at split payment accounts	4.4	19.4
Cash on hand	1.1	0.7
Short-term bank deposits (up to 3 months)	1,095.7	1,106.2
Other cash equivalents	0.8	0.8
Total cash and cash equivalents as disclosed in the statement of financial position	2,934.0	2,987.1
Interest accrued on cash and cash equivalents	0.1	0.1
Bank overdraft facilities utilized for current liquidity management	(65.3)	(80.3)
Cash and cash equivalents classified as assets held for sale	-	1.1
Total cash and cash equivalents as disclosed in the cash flow statement	2,868.8	2,908.0

Interest earned on cash at bank is variable and depends on interest rates offered on bank deposits. Short-term bank deposits are made for varying periods of between one day and three months and earn interest at their respective fixed interest rates.

6.8. Treasury shares

In September 2023, Asseco Poland S.A. conducted a buy-back of own shares. In the buy-back transaction, the Company acquired a total of 14,808,872 own shares, representing approximately 17.84% of the share capital and 17.84% of total voting rights at the Company's general meeting. The purchase price was PLN 80.00 per share.

During the reporting period, the number of treasury shares held has not changed.

6.9. Bank loans, borrowings and debt securities

The table below presents the Group's debt outstanding as at 31 March 2024 and 31 December 2023:

	31 March 2024		31 December 2023	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Bank loans	1,223.7	632.2	1,337.5	585.2
- overdraft facilities	-	138.1	-	111.7
- non-revolving loans	1,223.7	494.1	1,337.5	473.5
Debt securities	785.9	514.1	902.4	512.5
Loans	1.8	4.7	1.9	2.9
Total	2,011.4	1,151.0	2,241.8	1,100.6

The Group's total liabilities under all bank loans and borrowings obtained and debt securities issued aggregated at PLN 3,162.4 million as at 31 March 2024, as compared to PLN 3,342.4 million outstanding as at 31 December 2023. Our total debt decreased mainly in the Formula Systems segment, primarily as a result of redemption of corporate bonds and other debentures by Matrix IT Group and Sapiens Group.

Bank overdraft facilities outstanding as at 31 March 2024 and 31 December 2023 are presented in the tables below.

Loan currency	Effective interest rate	31 March 2024		31 December 2023	
		Actual amount of debt PLN mn	Unused amount of credit facilities PLN mn	Actual amount of debt PLN mn	Unused amount of credit facilities PLN mn
EUR	Variable interest rate	32.6	199.8	49.4	207.9
	Fixed interest rate	0.1	8.8	-	9.0
PLN	Variable interest rate	-	636.0**	1.8	634.6**
NIS	Variable interest rate	70.1	n/a*	26.0	n/a*
	Fixed interest rate	3.6	-	6.8	-
BAM	Fixed interest rate	27.3	4.1	23.1	5.7
Other	Variable interest rate	4.3	25.6	4.5	26.4
	Fixed interest rate	0.1	0.3	0.1	0.3
		138.1	874.6	111.7	883.9

* Bank overdraft facilities in the amount of PLN 70.1 million as at 31 March 2024 (compared to PLN 26.0 million as at 31 December 2023) were used entirely by Matrix IT Group. In case of Matrix IT Group, limits available under credit facilities are negotiated with individual banks on an aggregate basis (meaning the sum of bank account overdrafts, non-revolving loans and guarantees), and as at 31 March 2024 the total limit of such credit facilities reached NIS 1,407.0 million (PLN 1,524.6 million), compared to NIS 1,629.0 million (PLN 1,767.3 million) as at 31 December 2023.

** of which PLN 45.7 million (compared to PLN 24.3 million as at 31 December 2023) were used as collateral for guarantees.

Non-revolving bank loans outstanding as at 31 March 2024 and 31 December 2023 are presented in the table below.

Loan currency	Effective interest rate	31 March 2024		31 December 2023	
		Long-term	Short-term	Long-term	Short-term
		PLN mn	PLN mn	PLN mn	PLN mn
EUR	Variable interest rate	25.5	8.4	35.4	10.9
	Fixed interest rate	97.0	26.9	101.6	30.1
NIS	Variable interest rate	33.6	17.9	33.3	19.3
	Fixed interest rate	150.6	236.8	188.8	246.3
USD	Variable interest rate	97.7	96.4	135.1	58.4
	Fixed interest rate	-	0.5	-	0.5
PLN	Variable interest rate	802.2	100.6	826.1	100.4
Other	Variable interest rate	0.6	0.7	0.6	0.9
	Fixed interest rate	16.5	5.9	16.6	6.7
		1,223.7	494.1	1,337.5	473.5

The Group's liabilities under bonds and other debt securities issued are attributable to the following companies: Formula Systems, Sapiens International and Matrix IT, and they are presented in the table below:

Company	Division into short-term and long-term portion	Series	31 March 2024	31 December 2023	Effective interest rate	Currency
			PLN mn	PLN mn		
Formula Systems	long-term portion	Series C	355.7	355.8	2.71%	NIS
	short-term portion	Series A	37.4	37.7	2.38%	NIS
		Series C	91.1	88.8	2.71%	NIS
Formula Systems subtotal			484.2	482.3		
Sapiens International	long-term portion	Series B	78.8	155.6	3.52%	NIS/USD
	short-term portion	Series B	80.3	77.8	3.52%	NIS/USD
Sapiens International subtotal			159.1	233.4		
Matrix IT	long-term portion	Series B	351.4	391.0	4.36%	NIS
	short-term portion	Series B	88.6	91.2	4.36%	NIS
	short-term portion	n/a	216.7	217.0	Bank of Israel interest rate + 0.5%	NIS
Matrix IT subtotal			656.7	699.2		
Total bonds and other debt securities			1,300.0	1,414.9		

Assets serving as collateral for bank loan facilities:

Category of assets	Net value of assets		Utilized amount of bank loans secured with assets	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	PLN mn	PLN mn	PLN mn	PLN mn
Cash and cash equivalents	16.8	21.0	18.7	55.1
Land and buildings	87.8	174.9	126.8	131.4
Transportation vehicles	0.5	0.2	0.5	0.2
Other tangible assets	18.1	18.4	-	-
Long-term investments	1,871.1	1,583.4	484.2	482.2
Other financial assets	2.0	1.5	-	6.9
Inventories	8.3	8.9	3.8	5.0
Current and future receivables	63.4	82.6	42.0	57.6
Total	2,068.0	1,890.9	676.0	738.4

Some loans obtained from Polish, Slovak and Israeli banks come with the so-called covenants which impose an obligation to maintain certain financial ratios at the levels required by the bank. These ratios are related to the level of indebtedness, e.g. debt to EBITDA or debt to equity ratios, or to achieving the expected operating results. In the event a company carrying such a covenanted loan fails to satisfy the said requirements, the bank may apply a sanction in the form of a higher credit margin. Should the bank deem the new level of a ratio to be unacceptable, the bank may in certain cases exercise its rights in the collateral provided. Both as at 31 March 2024 and 31 December 2023, one of ACE Group companies (the Asseco International segment) infringed on covenants defined in their bank loan agreement. The total amount of debt affected by the breach of covenants was EUR 0.9 million (PLN 3.9 million) as at 31 March 2024, as compared to EUR 1.2 million (PLN 5.2 million) as at 31 December 2023. This amount is presented in current liabilities. Apart from the case described above, as at 31 March 2024 and 31 December 2023, none of our companies infringed on any covenants defined in their bank loan agreements.

Fair value of financial liabilities

In the period of 3 months ended 31 March 2024, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy. Both as at 31 March 2024 and 31 December 2023, the fair values of bank loans and debt securities issued were not significantly different from their book values.

As at 31 March 2024	Carrying value PLN mn	Level 1 ⁱ⁾ PLN mn	Level 2 ⁱⁱ⁾ PLN mn	Level 3 ⁱⁱⁱ⁾ PLN mn
Bank loans, borrowings and debt securities				
Bank loans	1,855.9	-	-	1,855.9
- overdraft facilities	138.1	-	-	138.1
- non-revolving loans	1,717.8	-	-	1,717.8
Debt securities	1,300.0	1,083.3	216.7	-
Loans	6.5	-	-	6.5
Total	3,162.4	1,083.3	216.7	1,862.4

i. fair value determined on the basis of quoted prices offered in active markets for identical assets;

ii. fair value determined using calculation models based on inputs that are observable, either directly or indirectly, in active markets;

iii. fair value determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets.

As at 31 December 2023	Carrying value PLN mn	Level 1 ⁱ⁾ PLN mn	Level 2 ⁱⁱ⁾ PLN mn	Level 3 ⁱⁱⁱ⁾ PLN mn
Bank loans, borrowings and debt securities				
Bank loans	1,922.7	-	-	1,922.7
- overdraft facilities	111.7	-	-	111.7
- non-revolving loans	1,811.0	-	-	1,811.0
Debt securities	1,414.9	1,197.9	217.0	-
Loans	4.8	-	-	4.8
Total	3,342.4	1,197.9	217.0	1,927.5

Descriptions of the fair value hierarchy levels are identical to those provided under the table above.

6.10. Other financial liabilities

Other financial liabilities	31 March 2024		31 December 2023	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Dividends payable	-	112.1	-	7.5
Liabilities under deferred and/or conditional payments for controlling interests	9.1	94.8	14.8	89.0
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	248.2	221.5	279.1	163.6
Other financial liabilities	-	0.1	-	0.2
	257.3	428.5	293.9	260.3

Both as at 31 March 2024 and 31 December 2023, dividends payable comprised basically dividends payable to non-controlling shareholders in direct and indirect subsidiaries of the Parent Company.

As at 31 March 2024 and 31 December 2023, the Group carried estimated liabilities arising from deferred and/or conditional payments for controlling interests. The amounts of the above-mentioned liabilities have been measured

using the price calculation formula as defined in the controlling interest acquisition agreements, which usually corresponds to a given company's profit for the contractual term multiplied by a predetermined coefficient.

Both as at 31 March 2024 and 31 December 2023, the Group had liabilities arising from the acquisition of non-controlling interests in subsidiaries (put options). The amounts of such liabilities have been estimated using the formula for calculation of the exercise price of options that the Group granted to non-controlling shareholders, which corresponds to a given company's profit for the contractual term multiplied by a predetermined coefficient.

Both as at 31 March 2024 and 31 December 2023, the fair values of financial liabilities were not significantly different from their book values.

As at 31 March 2024	Carrying value PLN mn	Level 1 ⁱ⁾ PLN mn	Level 2 ⁱⁱ⁾ PLN mn	Level 3 ⁱⁱⁱ⁾ PLN mn
Financial liabilities				
Liabilities under deferred and/or conditional payments for controlling interests	103.9	-	-	103.9
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	469.7	-	-	469.7
Other financial liabilities	0.1	-	0.1	-
Total	573.7	-	0.1	573.6

i. fair value determined on the basis of quoted prices offered in active markets for identical assets;

ii. fair value determined using calculation models based on inputs that are observable, either directly or indirectly, in active markets;

iii. fair value determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets.

As at 31 December 2023	Carrying value PLN mn	Level 1 ⁱ⁾ PLN mn	Level 2 ⁱⁱ⁾ PLN mn	Level 3 ⁱⁱⁱ⁾ PLN mn
Other financial liabilities				
Liabilities under deferred and/or conditional payments for controlling interests	103.8	-	-	103.8
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	442.7	-	-	442.7
Other financial liabilities	0.2	-	0.1	0.1
Total	546.7	-	0.1	546.6

Descriptions of the fair value hierarchy levels are identical to those provided under the table above.

6.11. Trade payables, state budget liabilities and other liabilities

The table below presents the Group's liabilities outstanding as at 31 March 2024 and 31 December 2023:

	31 March 2024		31 December 2023 (restated)	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Trade payables and contractual penalties, of which:	10.7	1,321.7	1.1	1,645.8
Invoiced payables	9.7	812.7	0.2	1,113.8
from related parties	-	2.0	-	3.4
from other entities	9.7	810.7	0.2	1,110.4
Uninvoiced payables	1.0	500.4	0.9	523.4
from related parties	-	2.4	-	2.5
from other entities	1.0	498.0	0.9	520.9
Liabilities arising from contractual penalties	-	8.6	-	8.6
Corporate income tax payable	-	174.5	5.6	148.0
Liabilities to the state and local budgets	-	251.9	-	344.2
Value added tax (VAT)	-	109.2	-	194.7
Personal income tax (PIT)	-	59.9	-	69.5
Social insurance	-	74.0	-	74.1

Withholding income tax	-	5.2	-	4.6
Other	-	3.6	-	1.3
Other liabilities	6.7	671.2	11.6	612.1
Liabilities to employees (including salaries payable)	-	553.8	-	502.2
Other liabilities	6.7	117.4	11.6	109.9
Total	17.4	2,419.3	18.3	2,750.1

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 6.14 to these interim condensed consolidated financial statements.

6.12. Contract liabilities

The table below presents the Group's liabilities from contracts with customers as at 31 March 2024 and 31 December 2023:

	31 March 2024		31 December 2023	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Liabilities from valuation of IT contracts, of which:	-	99.0	-	98.6
to related parties	-	0.1	-	-
to other entities	-	98.9	-	98.6
Contract liabilities, of which:	139.1	1,211.7	91.2	1,011.0
Maintenance services and license fees	125.0	1,006.9	77.6	805.6
Implementation processes	1.3	136.2	0.9	136.4
Obligations to supply hardware	5.8	45.3	5.9	53.5
Other prepaid services	7.0	23.3	6.8	15.5
Total contract liabilities	139.1	1,310.7	91.2	1,109.6

6.13. Accruals and deferred income

As at 31 March 2024 and 31 December 2023, accruals and deferred income included the following items:

	31 March 2024		31 December 2023	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Accruals, of which:				
Accruals for unused holiday leaves	-	296.5	-	250.8
Accruals for employee and management bonuses	1.7	208.3	1.8	271.8
	1.7	504.8	1.8	522.6
Deferred income, of which:				
Grants related to assets	54.4	5.1	53.7	6.7
Other	-	0.7	-	1.1
	54.4	5.8	53.7	7.8
Total accruals and deferred income	56.1	510.6	55.5	530.4

The total amount of accruals comprises accruals for unused holiday leaves, as well as accruals for remunerations of the current period to be paid out in future periods which result from the bonus incentive schemes applied by the Group.

The balance of deferred income comprises mainly grants related to assets. Grants related to assets represent subsidies received by the Group in connection with its development projects or projects related to the creation of IT competence centers.

6.14. Related party transactions

	Sales		Purchases	
	3 months ended 31 March 2024	3 months ended 31 March 2023	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn	PLN mn	PLN mn
Transactions with associates and joint ventures	1.3	2.7	0.3	0.4
Transactions with entities or individuals related through the Key Management Personnel of the Group	29.6	0.1	2.9	2.2
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.2	0.9
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	-	-	0.9	3.5
Transactions with capital-related entities	-	27.4	-	1.3
Total related party transactions	30.9	30.2	4.3	8.3

Sales to related parties include revenues from the sale of goods and IT services related to ongoing IT projects and from other activities, as well as income from letting of own office space.

Purchases from related parties include purchases of goods and services for ongoing IT projects, sponsorship activities, purchases of consulting services, as well as rental of buildings.

'Transactions with capital-related entities', as presented for comparable periods in the table above and in the following tables in this explanatory note, disclose the balances outstanding under transactions between companies of Asseco Group and entities of Polsat Plus Group which in the comparable period held 22.95% of equity interest and voting rights at the General Meeting of Shareholders of the Parent Company. On 21 September 2023, Asseco Poland S.A. bought back a portion of shares that were owned by Cyfrowy Polsat S.A. as a result of which the equity interest and voting rights held by Cyfrowy Polsat S.A. at the General Meeting of Shareholders of the Parent Company decreased to 10.13%. Therefore, from the date of that transaction, entities belonging to Polsat Plus Group have no longer been considered as capital-related entities. Since 21 September 2023, the above-mentioned entities have only been related with Asseco Group through personnel, because persons related to Polsat Plus Group sit on the Supervisory Board of Asseco Poland S.A.

	Trade receivables, other receivables and contract assets as at		Trade payables, other liabilities and contract liabilities as at	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	PLN mn	PLN mn	PLN mn	PLN mn
Transactions with associates and joint ventures	2.2	1.6	0.4	0.4
Transactions with entities or individuals related through the Key Management Personnel of the Group	82.0	72.0	6.4	9.8
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	23.9	24.7	16.3	17.3
Total related party transactions	108.1	98.3	23.1	27.5

As at 31 March 2024, total receivables from related parties comprised trade receivables and contract assets amounting to PLN 82.3 million as well as other receivables amounting to PLN 25.8 million; whereas, as at 31 December 2023, such trade receivables and contract assets amounted to PLN 71.5 million and other receivables amounted to PLN 26.8 million.

As at 31 March 2024, total liabilities to related parties comprised trade payables and contract liabilities amounting to PLN 6.5 million as well as other liabilities amounting to PLN 16.6 million; whereas, as at 31 December 2023, such trade payables and contract liabilities amounted to PLN 9.6 million and other liabilities amounted to PLN 17.9 million.

The lack of receivables from and payables to capital-related entities as at 31 March 2024 is due to the decrease in the equity interest held by Polsat Plus Group in the Parent Company, however the balances outstanding under transactions with Polsat Plus Group are disclosed in the line 'Transactions with entities or individuals related through the Key Management Personnel of the Group'.

Receivables arising from transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group include primarily deferred payments for shares in our subsidiaries (ACE and ASEE) that were sold to their managers. Such sale transactions were conducted in previous years, and the resulting receivables are described in detail in explanatory note 6.8 to the consolidated financial statements of the Group for the year ended 31 December 2023.

Name of entity	Loans granted		Borrowings	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	PLN mn	PLN mn	PLN mn	PLN mn
Transactions with associates and joint ventures	0.5	0.5	-	-
Transactions with entities or individuals related through the Key Management Personnel of the Group	0.5	0.5	1.1	1.1
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	7.1	7.1	0.2	0.2
Total related party transactions	8.1	8.1	1.3	1.3

In the first quarter of 2024, interest income on loans granted and receivables from entities related through the Key Management Personnel amounted to PLN 0.1 million, as compared to PLN 0.2 million in the first quarter of 2023.

During the reporting period, all transactions with related parties of Asseco Group were carried out on an arm's length basis.

7. Explanatory notes to the consolidated statement of cash flows

7.1. Cash flows – operating activities

The table below presents items included in the line 'Changes in working capital':

	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Change in inventories	43.8	(12.6)
Change in receivables and non-financial assets	(115.2)	27.5
Change in liabilities	(135.0)	(225.7)
Change in prepayments and accruals	(2.1)	(26.0)
Change in provisions	(4.0)	5.2
Total	(212.5)	(231.6)

7.2. Cash flows – investing activities

In the period of 3 months ended 31 March 2024 as well as in the comparable period, the amount of cash flows from investing activities was affected primarily by the following transactions:

- Acquisitions of property, plant and equipment, intangible assets and expenditures for development projects:

Acquisition of property, plant and equipment, and intangible assets (including R&D expenditures)	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Acquisition of property, plant and equipment	(39.1)	(58.7)
Acquisition of intangible assets	(5.4)	(6.7)
Expenditures for development projects	(24.3)	(33.2)
Total	(68.8)	(98.6)

- Expenditures for acquisition of subsidiaries and associates, net of cash and cash equivalents held by the companies acquired as at the date of obtaining control:

Expenditures for acquisition of subsidiaries and associates, net of cash and cash equivalents in companies acquired	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN mn	PLN mn
Acquisitions made within the Asseco International segment	(4.4)	(0.9)
Acquisitions made within the Formula Systems segment	(5.9)	(128.7)
Total	(10.3)	(129.6)

- Cash flows related to loans and cash deposits:

for the period of 3 months ended 31 March 2024	Loans collected PLN mn	Loans granted PLN mn
Loans for employees	0.5	(0.8)
Loans for other entities	3.5	(0.9)
Term cash deposits with original maturity of more than 3 months	252.0	(264.4)
Total	256.0	(266.1)

for the period of 3 months ended 31 March 2023	Loans collected PLN mn	Loans granted PLN mn
Loans for employees	0.5	(9.3)
Loans for related parties	-	(1.2)
Loans for other entities	1.2	(9.5)
Term cash deposits with original maturity of more than 3 months	87.3	(314.6)
Total	89.0	(334.6)

7.3. Cash flows – financing activities

In the period of 3 months ended 31 March 2024 as well as in the comparable period, the amount of cash flows from financing activities was affected primarily by the following transactions:

- Proceeds from bank loans and borrowings:

Proceeds from bank loans and borrowings	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Bank loans and borrowings obtained within the Asseco International segment	6.4	10.8
Bank loans and borrowings obtained within the Formula Systems segment	70.7	107.3
Total	77.1	118.1

- Repayments of bank loans and borrowings:

Repayments of bank loans and borrowings	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Bank loans repaid within the Asseco Poland segment	(23.7)	(0.1)
Bank loans repaid within the Asseco International segment	(23.0)	(27.6)
Bank loans repaid within the Asseco International segment	(76.8)	(106.0)
Total	(123.5)	(133.7)

- Expenditures for acquisition of non-controlling interests

Expenditures for acquisition of non-controlling interests	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Non-controlling interests acquired within the Asseco International segment	(6.0)	(0.3)
Non-controlling interests acquired within the Formula Systems segment	(18.2)	(12.1)
Total	(24.2)	(12.4)

8. Other explanatory notes

8.1. Off-balance-sheet liabilities

The table below presents our contingent liabilities as at 31 March 2024 and 31 December 2023:

Contingent liabilities	31 March 2024	31 December 2023
	PLN mn	PLN mn
Liabilities from guarantees of due performance of contracts		
Liabilities falling due within 3 months	18.3	23.6
Liabilities falling due within 3 to 12 months	186.8	191.9
Liabilities falling due within 1 to 5 years	214.0	188.3
Liabilities falling due after 5 years	3.9	-
Total	423.0	403.8
Liabilities arising from bank guarantees and guarantee bonds		
Liabilities falling due within 3 months	2.4	1.1
Liabilities falling due within 3 to 12 months	42.3	53.9
Liabilities falling due within 1 to 5 years	2.4	2.4
Liabilities falling due after 5 years	0.3	-
Total	47.4	57.4
Other contingent liabilities	0.4	2.4

Guarantees of due performance of contracts granted by the Group were purchased from banks, hence the contingent liabilities disclosed in the table above may become due as a result of the bank's recourse to the Group in the event of failure to perform our contractual obligations.

In the Management's opinion, the probability of having to satisfy our liabilities from guarantees of due performance of contracts as presented in the table above is negligible; however, due to their amount, it was decided to make an appropriate disclosure in these interim condensed consolidated financial statements of Asseco Group.

None of the above-described guarantee obligations meet the definition of a financial guarantee under IFRS 9, and therefore such commitments are not recognized as liabilities in the statement of financial position of the Group as at 31 March 2024 and 31 December 2023.

As at 31 March 2024, guarantees granted by Asseco Central Europe a.s., as described in the annual report for 2023, amounted to EUR 2.98 million (PLN 12.8 million) for the company Prosoft Kosice a.s.; CZK 100 million (PLN 17.0 million) for the company Asseco Central Europe, a.s. (Czech Republic); EUR 3.5 million (PLN 15.0 million) for the company Asseco CEIT a.s.; and HUF 600.0 million (PLN 6.6 million) for the company Asseco Central Europe Magyarorszag Zrt.

Disputes in litigation as at the end of the reporting period

- **Asseco Poland segment**

During the reporting period, the Parent Company was involved in court proceedings in which the amount in dispute was PLN 7.1 million. The Company's Management assessed the validity of claims brought in court and considered them to be groundless, and consequently assessed the risk of an outflow of economic benefits from the Parent Company to be so small that there was no need to create any provision. In the said dispute, the plaintiff made unjustified demands upon the Company to transfer proprietary software copyrights and extend the licenses granted.

In 2023, the Second Instance Court resolved another litigation brought by the same plaintiff and related to the dispute described above, dismissing the claim against the Parent Company by an overwhelming margin, as anticipated by our Management. Consequently, there will be no outflow of any significant economic benefits from the Company which confirms that the Management's decision not to create any provision was correct and fully justified. Due to such favourable settlement of the first dispute, the Company has not changed its assessment as to a favourable outcome also in the second dispute.

In the reporting period, there was also another court dispute pending in which the plaintiff filed a claim for payment of PLN 17.1 million (the Parent Company was sued jointly and severally with its subsidiary Asseco Data Systems S.A.). The Company's Management assessed the validity of claims presented in the lawsuit and considered them to be completely groundless. Thus the Management determined there was no need to create any provision for such claims. Furthermore, in 2021, Asseco Poland S.A. along with Asseco Data Systems S.A. filed a counter-claim in this case for

the payment of compensation for damages incurred as a result of the plaintiff's unjustified withdrawal from the contract. In the first quarter of 2024, the court issued a decision to discontinue these proceedings. The discontinuation decision was the result of a settlement agreement reached by the parties. Both the settlement agreement and the discontinuation decision proved the claims were groundless. Consequently, there will be no outflow of any significant economic benefits from the Company which confirms that the Management's decision not to create any provision was correct and fully justified.

During the reporting period, the said Asseco Data Systems S.A. was party to court proceedings with the total amount in dispute of PLN 17.8 million. This amount was primarily related to the claim for payment of PLN 17.1 million which was dismissed in the first quarter of 2024 as mentioned above.

During the reporting period, DahliaMatic S.A. was engaged in a court dispute that was initiated in 2021, in which the plaintiff brought a claim for payment of PLN 12.1 million as a contractual penalty. As at 31 March 2024, the whole amount of receivables from that plaintiff has been written down, and the company's Management Board assessed the validity of claims being the subject of the above-mentioned dispute and found them groundless. Thus the Management determined there was no need to create any additional provisions for such claims as at 31 March 2024. Furthermore, due to the plaintiff's withdrawal from the contract, DahliaMatic S.A. filed a counter-claim for unpaid remuneration.

- ***Asseco International segment***

During the reporting period, ACE Group (of the Asseco International segment) was engaged in proceedings before the Czech Antimonopoly Office regarding the participation in a tendering procedure in which one of ACE Group subsidiaries was a sub-supplier. The Antimonopoly Office imposed a penalty of CZK 13.5 million (PLN 2.3 million) on that company, for which the Group created a provision in 2022. These proceedings have not been finalized yet and the company has filed an appeal against the decision of the office. In addition, during the reporting period, ACE Group was party to three disputes that entered the stage of court proceedings. In the first case, the claim was related to payment of contractual penalties in the amount of CZK 115.7 million (PLN 19.7 million), while the ACE Management has filed a counter-claim against the same the plaintiff, for compensation for the lost contract in the amount of CZK 102.9 million (PLN 17.5 million). This dispute was resolved by signing a settlement agreement in the reporting period. The settlement agreement resulted in a liability amounting to CZK 14.2 million (PLN 2.4 million) which was already recognized in the previous year. The total value of the remaining disputes is CZK 9.9 million (PLN 1.7 million) and they have been covered with provisions amounting to PLN 1.6 million.

- ***Formula Systems segment***

In the reporting period, Matrix IT Group (of the Formula Systems segment) was party to court proceedings where the total amount in dispute was NIS 23.3 million (PLN 25.2 million). Additionally, in December 2023, a court in Israel requested Matrix IT for disclosure of documents in order to investigate the possibility of filing a lawsuit against the company by its minority shareholder. The defendants would be the CEO of Matrix IT and members of its Board of Directors, and the lawsuit would challenge the remuneration awarded to the company's CEO despite the lack of approval by the Shareholders' Meeting. After the reporting date, Matrix IT responded to the court's request and made a motion to dismiss the lawsuit.

In the reporting period, Zap Group (which was acquired by Formula Systems in 2021) was party to court proceedings where the total amount in dispute was NIS 105.4 million (PLN 114.2 million). Included in the total amount of disputes are court cases for the amount of NIS 102.9 million (PLN 111.5 million) that were already pending before the acquisition of Zap Group and any potential claims resulting from such lawsuits were secured in an appropriate amount in the acquisition agreement and thus should not weigh upon the financial results of Asseco Group in the future. The total amount of disputes also includes litigation initiated after the acquisition of Zap Group for a total of NIS 2.5 million (PLN 2.7 million).

During the reporting period, Formula Systems (1985) Ltd was engaged in a dispute that began in 2020, in which Formula Systems (1985) Ltd and members of its management bodies were sued personally by a minority shareholder, who holds 28 shares representing 0.0001% of the total number of shares in this company. The lawsuit concerns the correctness of granting the stock option plan to Mr. Guy Bernstein (CEO of Formula Systems) in 2020, the terms and value of which are described in explanatory note 5.2 in the consolidated financial statements for the year 2020, which was awarded to the CEO by a resolution of the Board of Directors that overruled the decision made by the General Meeting of Shareholders. In the lawsuit, the shareholder has questioned the correctness of the adopted procedure and has also alleged irregularities in the implementation of the option plans of 2011 and 2012. The lawsuit also concerns the remuneration of the company's CFO. The shareholder's objection asserts acting to the detriment of minority shareholders. After consulting with legal advisors, the company has deemed the claim to be unfounded, considering that

both the Board of Directors and the company's managing officers (including the CEO and CFO) acted in accordance with the law. Formula Systems (1985) Ltd informed the Securities and Exchange Commission of the details of the claim in 6-K forms which are available to the public. In 2023, the court acceded to the company's request to dismiss the claim due to a change in the factual situation in dispute. In the reporting period, the plaintiff appealed against this court decision to the Israeli Supreme Court.

In the opinion of Company's Management Board, the provisions for pending litigation that are recognized in these interim condensed consolidated financial statements have been created in a sufficient amount to cover possible risks arising from existing disputes.

Except for those described above, during the reporting period, no significant proceedings were instituted or pending before any court, arbitration authority or public administration authority, concerning any liabilities or receivables of Asseco Group companies.

8.2. Seasonal and cyclical business

The Group's sales revenues are subject to some seasonality in individual quarters of the year. The fourth quarter revenues tend to be somewhat higher than in the remaining periods, as bulk of such turnover is generated from the sale of IT services for large enterprises and public administration. Such entities often decide to make higher purchases of hardware and licenses in the last months of a year.

8.3. Employment

Number of employees in the Group companies as at	31 March 2024	31 December 2023
Management Board of the Parent Company	11	11
Management Boards of the Group companies	201	208
Production departments	28,727	28,803
Sales departments	1,722	1,710
Administration departments	2,371	2,330
Total	33,032	33,062

Number of employees in the Group companies as at	31 March 2024	31 December 2023
Asseco Poland segment	3,813	3,778
Asseco International segment	8,527	8,475
Formula Systems segment	20,692	20,809
Total	33,032	33,062

8.4. Significant events after the reporting period

- **Establishing of Sapiens Latam S.A.S. in Sapiens Group**

On 30 April 2024, IDIT Software Solutions Portugal, Unipessoal LDA established a new company called Sapiens Latam S.A.S.

- **Liquidation of the company Sibam Ltd in Matrix IT Group**

The company Sibam Ltd was liquidated on 8 May 2024.

- **Increasing the shareholding in AVB Technology Ltd in Matrix IT Group**

On 16 April 2024, Matrix IT Integration & Infrastructures Ltd acquired 40% of shares in the company AVB Technology Ltd.

- **Acquisition of Theoris Inc. by Magic Group**

On 4 April 2024, Coretech Consulting Group LLC (a subsidiary of Magic Group) acquired 100% of shares in Theoris Inc., a company based in the United States. The purchase price amounted to USD 12.5 million (PLN 49.9 million).

8.5. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 3 months ended 31 March 2024, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.

**B. Commentary and
Supplementary Information
to the Quarterly Report
of [Asseco Group](#)**

ASSECO

1. Summary of the financial results of Asseco Group for the period of 3 months ended 31 March 2024

Consolidated financial results for the first quarter of 2024

Key financial data published on a non-IFRS basis provide crucial information for assessing the financial position and business development of Asseco Group. They are complementary to data reported in accordance with IFRS standards.

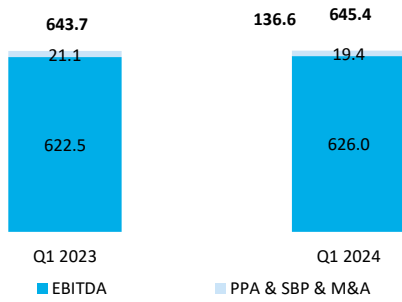
Non-IFRS figures include adjustments for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions/disposals, as well as the impact of hyperinflation (ASEE), inclusive of all related tax effects.

PLN mn	Q1 2024	Q1 2023	Change Q1 2024 / Q1 2023
Sales revenues	4,249.6	4,335.4	(2.0%)
Proprietary software and services	3,298.1	3,421.5	(3.6%)
Gross profit on sales	910.9	940.1	(3.1%)
Selling costs	(225.3)	(241.5)	(6.7%)
General and administrative expenses	(274.1)	(302.3)	(9.3%)
Other operating activities	8.8	0.9	877.8%
EBIT	420.3	397.2	5.8%
PPA & SBP & M&A & one-off events	81.0	96.9	(16.4%)
Non-IFRS EBIT	501.3	494.1	1.5%
Financial income and expenses, net	(24.8)	(20.2)	22.8%
Pre-tax profit	395.5	377.0	4.9%
Income tax	(85.4)	(83.5)	2.3%
<i>Effective tax rate</i>	21.6%	22.1%	(0.6) pp
Share of profits (losses) of associates	2.5	(1.4)	-
Net profit attributable to shareholders of the Parent Company	125.2	107.9	16.0%
PPA & SBP & M&A & one-off events	11.4	12.3	(7.6%)
Non-IFRS net profit attributable to shareholders of the parent company	136.6	120.2	13.6%
EBITDA	626.0	622.5	0.6%
Non-IFRS EBITDA	645.4	643.7	0.3%

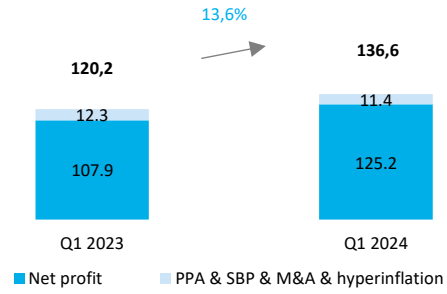
It should be noted that our financial results for the first quarter of 2024 were affected by the sale of a real estate property by Asseco Poland, which contributed PLN 14.0 million to the consolidated operating profit, as a result of which the consolidated net profit attributable to shareholders of Asseco Group increased by PLN 11.3 million. In addition, following the revaluation of items in the statement of financial position due to hyperinflation related to the Turkey-based subsidiaries of ASEE Group, Asseco Group recognized a financial income of PLN 10.2 million which translated into an increase of the net profit attributable to shareholders of the parent company of Asseco Poland Group by PLN 5.2 million.

Whereas, in the first quarter 2023, following the revaluation of items in the statement of financial position due to hyperinflation related to the Turkey-based subsidiaries of ASEE Group, Asseco Group recognized a financial income of PLN 9.6 million which translated into an increase of the net profit attributable to shareholders of the parent company of Asseco Poland Group by PLN 4.9 million.

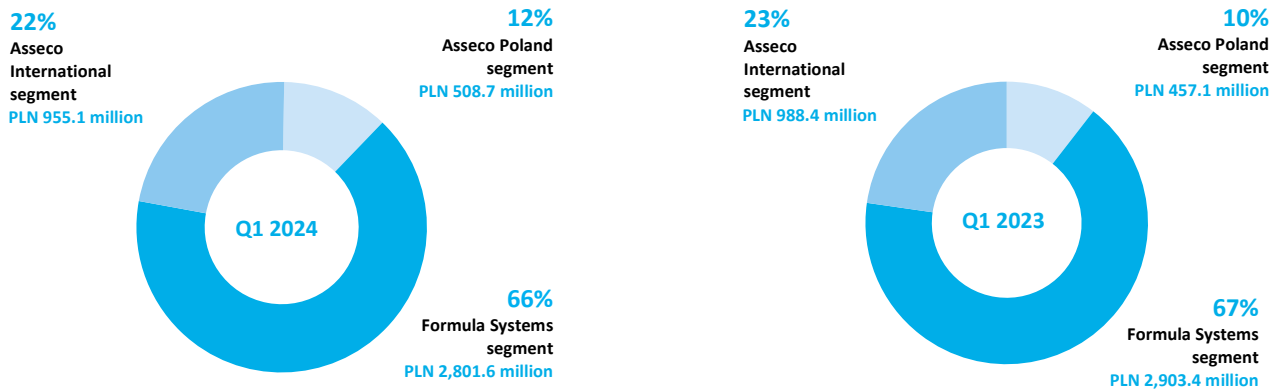
Non-IFRS EBITDA



Non-IFRS net profit for shareholders of the Parent Company



Revenue structure by operating segments



* Figures including inter-segment sales.

The table below presents the selected financial data of our operating segments for the period of 3 months ended 31 March 2024.

Q1 2024 (in PLN mn)	Asseco Poland segment	Asseco International segment	Formula Systems segment
Sales revenues*	508.7	955.1	2,801.6
EBIT	86.0	102.2	236.6
EBIT margin	16.9%	10.7%	8.4%
Non-IFRS EBIT	89.9	108.4	307.5
Non-IFRS EBIT margin	17.7%	11.3%	11.0%
EBITDA	110.8	151.6	368.9
EBITDA margin	21.8%	15.9%	13.2%
CFO BT	28.5	107.6	307.9
CAPEX	(12.1)	(28.1)	(28.6)
Lease expenditures	(4.0)	(13.5)	(50.6)
FCF	12.4	66.0	228.7
Cash conversion rate	14%	61%	74%
Cash and cash equivalents (as at 31 March 2024)	378.5	812.9	1,742.6
Interest-bearing debt (as at 31 March 2024)**	(1,001.4)	(406.7)	(2,515.7)
of which bank loans, borrowings and bonds issued	(903.0)	(251.0)	(2,008.4)
of which leases	(98.4)	(155.7)	(507.3)

* Revenues from sales to external customers as well as inter-segment sales

** Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals, as well as for one-off events

EBITDA = EBIT + depreciation and amortization

CFO BT = cash generated from operating activities before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = |CFO BT| - |CAPEX| - |lease expenditures| + /incomes from the sale of real estate/

Cash conversion rate = FCF / Non-IFRS EBIT

The table below presents the selected financial data of our operating segments for the period of 3 months ended 31 March 2023.

Q1 2023 (in PLN mn) (restated)	Asseco Poland segment	Asseco International segment	Formula Systems segment
Sales revenues*	457.1	988.4	2,903.4
EBIT	66.2	97.3	237.6
EBIT margin	14.5%	9.8%	8.2%
Non-IFRS EBIT	69.7	102.1	326.1
Non-IFRS EBIT margin	15.3%	10.3%	11.2%
EBITDA	89.4	145.0	392.6
EBITDA margin	19.6%	14.7%	13.5%
CFO BT	31.0	153.2	223.6
CAPEX	(23.7)	(35.0)	(39.7)
Lease expenditures	(4.0)	(14.4)	(59.8)
FCF	3.3	103.8	124.1
Cash conversion rate	5%	102%	38%
Cash and cash equivalents (as at 31 March 2024)	508.4	756.9	1,923.9
Interest-bearing debt (as at 31 March 2024)**	(85.6)	(491.5)	(3,214.1)

of which bank loans, borrowings and bonds issued	(1.2)	(316.8)	(2,666.2)
of which leases	(84.4)	(174.7)	(547.9)

* Revenues from sales to external customers as well as inter-segment sales

** Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals, as well as for one-off events

EBITDA = EBIT + depreciation and amortization

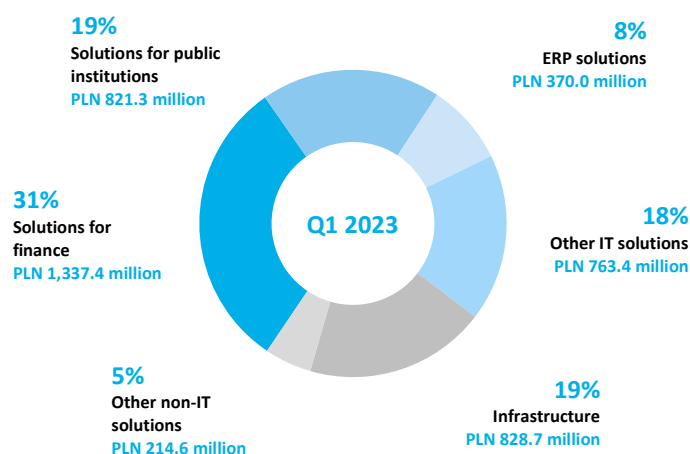
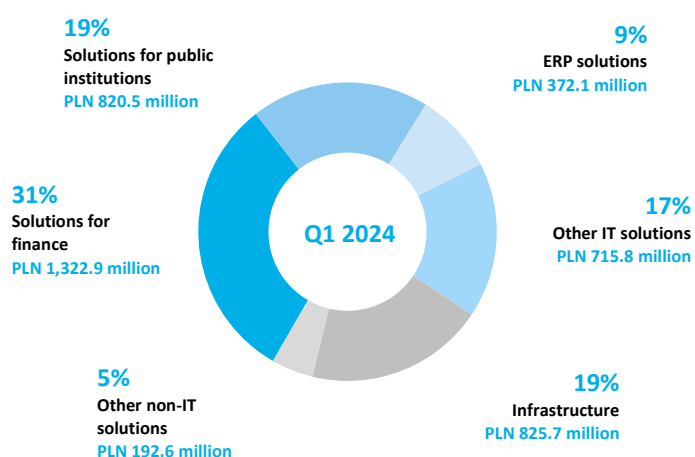
CFO BT = cash generated from operating activities before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = |CFO BT| - |CAPEX| - |lease expenditures|

Cash conversion rate = FCF / Non-IFRS EBIT

Revenue structure by groups of products



The table below presents the selected financial data for groups of products for the period of 3 months ended 31 March 2024.

Q1 2024 (in PLN mn)	Solutions for finance	Solutions for public institutions	ERP solutions	Other IT solutions	Infrastructure	Other non- IT solutions	Eliminations and other operating activities
Sales revenues	1,322.9	820.5	372.1	715.8	825.7	192.6	-
EBIT	159.5	76.9	49.2	63.5	66.2	(4.0)	8.9
EBIT margin	12.1%	9.4%	13.2%	8.9%	8.0%	(2.1%)	-
Non-IFRS EBIT	192.2	89.3	55.1	78.9	68.3	6.8	10.6
Non-IFRS EBIT margin	14.5%	10.9%	14.8%	11.0%	8.3%	3.6%	-
EBITDA	236.8	119.6	74.1	92.0	78.6	15.1	9.8
EBITDA margin	17.9%	14.6%	19.9%	12.8%	9.5%	7.9%	-

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

The table below presents the selected financial data for groups of products for the period of 3 months ended 31 March 2023.

Q1 2023 (in PLN mn)	Solutions for finance	Solutions for public institutions	ERP solutions	Other IT solutions	Infrastructure	Other non- IT solutions	Eliminations and other operating activities
Sales revenues	1,337.4	821.3	370.0	763.4	828.7	214.6	-
EBIT	149.8	89.2	51.4	67.6	43.5	(5.2)	0.9
EBIT margin	11.2%	10.9%	13.9%	8.9%	5.2%	(2.4%)	-
Non-IFRS EBIT	198.8	100.5	56.7	83.7	45.8	5.6	2.9
Non-IFRS EBIT margin	14.9%	12.2%	15.3%	11.0%	5.5%	2.6%	-
EBITDA	240.9	132.4	75.4	102.0	56.8	13.2	1.7
EBITDA margin	18.0%	16.1%	20.4%	13.4%	6.9%	6.2%	-

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

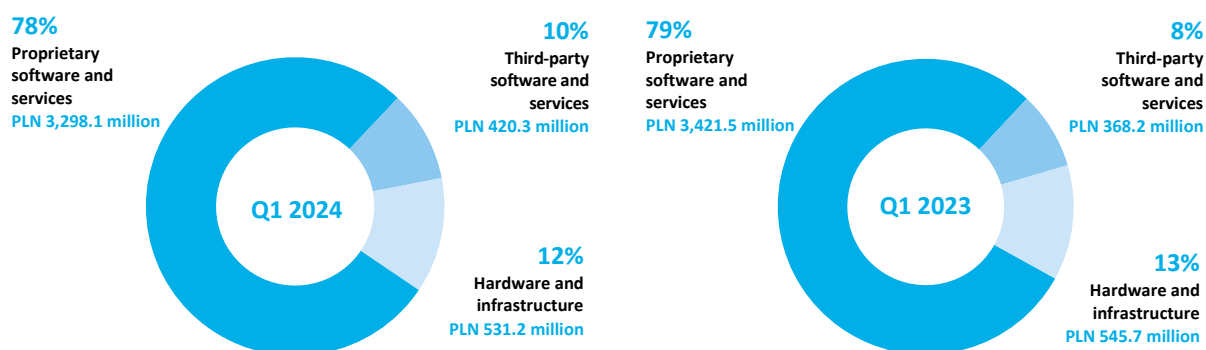
The table below presents consolidated revenues of our operating segments for the period of 3 months ended 31 March 2024, in a breakdown by groups of products.

Q1 2024 PLN mn	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
Solutions for finance	139.6	339.9	846.9	(3.5)	1,322.9
Solutions for public institutions	244.9	92.2	485.6	(2.2)	820.5
ERP solutions	15.7	225.2	132.1	(0.9)	372.1
Other IT solutions	55.2	23.4	640.9	(3.7)	715.8
Infrastructure	50.3	272.6	506.2	(3.4)	825.7
Other non-IT solutions	3.0	1.8	189.9	(2.1)	192.6
Total operating revenues	508.7	955.1	2,801.6	(15.8)	4,249.6

The table below presents consolidated revenues of our operating segments for the period of 3 months ended 31 March 2023, in a breakdown by groups of products.

Q1 2023 PLN mn	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
Solutions for finance	117.7	338.0	886.3	(4.6)	1,337.4
Solutions for public institutions	224.6	89.7	507.7	(0.7)	821.3
ERP solutions	16.6	220.7	133.5	(0.8)	370.0
Other IT solutions	51.2	37.9	676.3	(2.0)	763.4
Infrastructure	43.6	295.8	493.1	(3.8)	828.7
Other non-IT solutions	3.4	6.3	206.5	(1.6)	214.6
Total operating revenues	457.1	988.4	2,903.4	(13.5)	4,335.4

Revenue structure by type



The table below presents consolidated revenues of our operating segments for the period of 3 months ended 31 March 2024, in a breakdown by type.

Q1 2024 PLN mn	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
Proprietary software and services	452.2	679.1	2,174.7	(7.9)	3,298.1
Third-party software and services	46.0	125.5	256.6	(7.8)	420.3
Hardware and infrastructure	10.5	150.5	370.3	(0.1)	531.2
Total operating revenues	508.7	955.1	2,801.6	(15.8)	4,249.6

The table below presents consolidated revenues of our operating segments for the period of 3 months ended 31 March 2023, in a breakdown by type.

Q1 2023 PLN mn	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
Proprietary software and services	401.9	669.3	2,357.4	(7.1)	3,421.5
Third-party software and services	39.2	112.4	222.9	(6.3)	368.2
Hardware and infrastructure	16.0	206.7	323.1	(0.1)	545.7
Total operating revenues	457.1	988.4	2,903.4	(13.5)	4,335.4

Revenue structure by currencies

Presented below is the foreign currency structure of our sales revenues in the period of 3 months ended 31 March 2024 as well as in the comparable period last year:

Currency	Q1 2024	Q1 2023
NIS (Israeli new shekel)	41.5%	41.0%
EUR (euro)	17.5%	17.5%
USD (US dollar)	15.4%	18.3%
PLN (Polish zloty)	13.6%	12.1%
CZK (Czech crown)	2.6%	2.2%
GBP (British pound)	2.3%	2.6%
RSD (Serbian dinar)	2.2%	1.8%
RON (new Romanian leu)	0.9%	0.1%
DKK (Danish krone)	0.4%	0.6%
Other currencies	3.6%	3.8%
Total	100.0%	100.0%

Cash flows

In the first 3 months of 2024, gross cash flows provided by operating activities of Asseco Group amounted to PLN 443.5 million (before income tax paid) and were by 8.9% higher than in the comparable period last year.

During the reporting period, net cash used in investing activities (CFI) amounted to PLN 54.9 million, decreasing by 88.1% year on year. This was due to higher net cash inflows from term cash deposits and lower expenditures for acquisitions than in the comparable period. Whereas, net cash outflows in financing activities (CFF) amounted to PLN 325.9 million as compared to PLN 230.0 million a year ago.

CF	Q1 2024	Q1 2023	Change Q1 2024 / Q1 2023
CFO BT	443.5	407.4	8.9%
Income tax paid	(99.9)	(100.5)	(0.6%)
CFI	(54.9)	(460.5)	(88.1%)
CAPEX	(68.8)	(98.4)	(30.1%)
CFF	(325.9)	(230.0)	41.7%
Dividend payment	-	-	-
Net change in cash and cash equivalents	(37.2)	(383.6)	-

CFO BT = cash generated from operating activities before income tax paid

CFI = net cash provided by (used in) investing activities

CAPEX = expenditures for purchases of property, plant and equipment and intangible assets + expenditures for R&D projects less grants received (included in CFF)

CFF = net cash provided by (used in) financing activities

Statement of financial position

The table below presents the selected financial position data as at 31 March 2024:

31 March 2024 PLN mn	Asseco Group	Formula Systems segment	Asseco International segment	Asseco Poland segment	Eliminations
Cash and cash equivalents	2,934.0	1,742.6	812.9	378.5	-
Interest-bearing liabilities (current)	(1,387.1)	(1,116.2)	(155.3)	(117.3)	1.7
<i>Liabilities under bank loans and borrowings (current)</i>	<i>(1,151.0)</i>	<i>(940.6)</i>	<i>(109.6)</i>	<i>(100.8)</i>	-
<i>Lease liabilities (current)</i>	<i>(236.1)</i>	<i>(175.6)</i>	<i>(45.7)</i>	<i>(16.5)</i>	1.7
Net cash (current)	1,546.9	626.4	657.6	261.2	1.7
Inventories + current receivables – current liabilities*	981.7	711.9	(34.3)	312.0	(7.9)
Net operating assets (current)	2,528.6	1,338.3	623.3	573.2	(6.2)
Net cash (current + non-current)	(980.9)	(773.1)	406.2	(622.9)	8.9

* Inventories + current receivables + current prepayments – current liabilities excluding bank loans and lease liabilities

The table below presents the selected financial position data as at 31 December 2023:

31 December 2023 PLN mn	Asseco Group	Formula Systems segment	Asseco International segment	Asseco Poland segment	Eliminations
Cash and cash equivalents	2,987.1	1,779.9	818.8	388.4	-
Interest-bearing liabilities (current)	(1,336.0)	(1,044.8)	(175.3)	(117.6)	1.7
<i>Liabilities under bank loans and borrowings (current)</i>	<i>(1,100.6)</i>	<i>(871.3)</i>	<i>(126.9)</i>	<i>(102.4)</i>	-
<i>Lease liabilities (current)</i>	<i>(235.4)</i>	<i>(173.5)</i>	<i>(48.4)</i>	<i>(15.2)</i>	1.7
Net cash (current)	1,651.1	735.1	643.5	270.8	1.7
Inventories + current receivables – current liabilities*	934.5	761.3	28.5	148.6	(3.9)
Net operating assets (current)	2,585.6	1,496.4	672.0	419.4	(2.2)
Net cash (current + non-current)	(1,109.9)	(857.5)	376.7	(638.4)	9.3

* Inventories + current receivables + current prepayments – current liabilities excluding bank loans and lease liabilities

Analysis of financial ratios

Profitability ratios

The table below presents the key profitability ratios achieved by the Group for the period of 3 months ended 31 March 2024 and for the comparable period:

Profitability	Q1 2024	Q1 2023 (restated)	Change Q1 2024 / Q1 2023
Gross profit margin	21.4%	21.7%	(0.3) pp
EBITDA margin	14.7%	14.4%	0.3 pp
Non-IFRS EBITDA margin	15.2%	14.8%	0.4 pp
EBIT margin	9.9%	9.2%	0.7 pp
Non-IFRS EBIT margin	11.8%	11.4%	0.4 pp
Net profit margin	7.4%	6.7%	0.7 pp
Non-IFRS net profit margin	8.8%	8.4%	0.4 pp

Gross profit margin = gross profit on sales / sales revenues

EBITDA margin = EBITDA / sales revenues

Non-IFRS EBITDA margin = Non-IFRS EBITDA / sales revenues

EBIT margin = operating profit / sales revenues

Non-IFRS EBIT margin = Non-IFRS operating profit / sales revenues

Net profit margin = net profit / sales revenues

Non-IFRS net profit margin = Non-IFRS net profit / sales revenues

In the first 3 months of 2024, the Group's consolidated EBITDA margin equalled 14.7% increasing by 0.3 pp, while operating profit margin reached 9.9% increasing by 0.7 pp. The net profit margin reached 7.4% as compared to 6.7% a year ago.

During the reporting period, the Group's consolidated non-IFRS EBITDA margin reached 15.2% increasing by 0.4 pp, while non-IFRS EBIT margin equalled 11.8% increasing by 0.4 pp. The non-IFRS net profit margin equalled 8.8% as compared to 8.4% a year ago.

Liquidity ratios

For the analysis of liquidity, Asseco Group primarily uses the concept of working capital defined as the difference between current assets and current liabilities. Working capital shows the scale of financing of current assets with the Group's short-term capital.

At the end of March 2024, our working capital amounted to PLN 2,509.1 million, as compared to PLN 2,542.4 million at the end of 2023 and PLN 3,026.8 million at the end of March last year.

At the end of March this year, our current liquidity, quick liquidity and absolute liquidity ratios remained at similar levels as at the end of the previous year and at the end of March 2023.

The current liquidity ratio remains stable within a range of 1.2-2.0 that is commonly considered as safe. Likewise, our quick liquidity ratio exceeds the level of 1.0 which is considered to be trustworthy.

The cash conversion rate (measuring the coverage of non-IFRS EBIT with free cash flows) equalled 61% for the first quarter of 2024. The level of the cash conversion rate was affected by the payment schedules in significant projects.

It should be noted that our cash conversion rate for the last 12 months remained at a high and safe level of 121%.

The table below presents the key liquidity ratios achieved by the Group as at 31 March 2024 and in the comparable periods:

Liquidity	31 March 2024	31 December 2023 (restated)	31 March 2023
Working capital (in millions of PLN)	2,509.1	2,542.4	3,026.8
Current liquidity ratio	1.4	1.4	1.5
Quick liquidity ratio	1.3	1.3	1.4
Absolute liquidity ratio	0.5	0.5	0.5
Cash conversion rate	61%	117%	47%

Working capital = current assets – current liabilities

Current liquidity ratio = current assets / current liabilities

Quick liquidity ratio = (current assets – inventories – prepayments) / current liabilities

Absolute liquidity ratio = (cash + short-term bank deposits) / current liabilities

Cash conversion rate = FCF / Non-IFRS EBIT

Debt ratios

The table below presents the key debt ratios achieved by the Group as at 31 March 2024 and in the comparable periods:

Debt	31 March 2024	31 December 2023	31 March 2023
Total debt ratio	50.9%	51.8%	48.0%
Debt / equity ratio	42.4%	45.1%	36.7%
Debt / (debt + equity) ratio	29.8%	31.1%	26.8%

Total debt ratio = (non-current liabilities + current liabilities) / assets

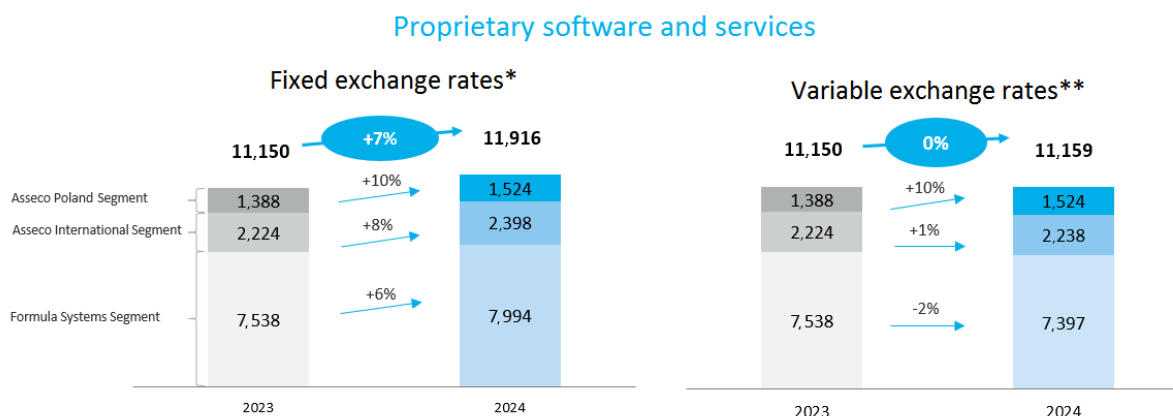
Debt / equity ratio = (interest-bearing bank loans + debt securities + lease liabilities) / equity

Debt / (debt + equity) ratio = (interest-bearing bank loans + debt securities + lease liabilities) / (interest-bearing bank loans + debt securities + lease liabilities + equity)

As at 31 March 2024, our debt ratios were higher than at the end of March 2023, among other things due to the bank loan taken out by Asseco Poland in order to finance the buy-back of own shares. The levels of our total debt ratio as well as debt-to-equity ratio should be considered safe.

Consolidated order backlog for 2024

In comparison to the order backlog presented in May 2023



Figures in millions of PLN.

Value of the order backlog for 2024 presented as at 21 May 2024; value of the order backlog for 2023 as at 22 May 2023.

* The 2024 backlog translated applying the same exchange rates as for the 2023 backlog.

** The 2024 backlog translated at the exchange rates of 21 May 2024.

2. Summary of the financial results of Asseco Group for the period of 3 months ended 31 March 2024 – presentation on a proportional basis

Key financial data published on a non-IFRS basis (EBIT, EBITDA, net profit), as well as data additionally restated and presented on a proportional basis, provide crucial information for assessing the financial position and business development of Asseco Group. They are complementary to data reported in accordance with IFRS standards.

Non-IFRS figures include adjustments for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions/disposals, as well as impact of hyperinflation (ASEE), inclusive of all related tax effects.

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

Proportional data presented below have not been audited or reviewed by any independent certified auditors. Proportional data do not constitute financial data prepared in accordance with IFRS. Moreover, there is no uniform definition or method for calculating proportional data by various entities, which may result in limited comparability with information presented by other companies, including those operating in the same industry as Asseco Group. Hence, this disclosure should be regarded as a supplement to and not a substitute for financial data prepared in accordance with IFRS. Proportional data should not be considered more significant than measurements resulting directly from the consolidated financial statements.

The table below presents the selected financial data calculated on a proportional basis for the period of 3 months ended 31 March 2024 and for the comparable period:

DATA ON A PROPORTIONAL BASIS			
PLN mn	Q1 2024	Q1 2023	Change Q1 2024 / Q1 2023
Sales revenues	1,487.1	1,460.3	1.8%
Proprietary software and services	1,161.9	1,129.8	2.8%
EBIT	165.9	141.4	17.3%
PPA & SBP & M&A	17.9	19.6	(8.8%)
Non-IFRS EBIT	183.8	161.0	14.1%
Net profit attributable to shareholders of the Parent Company	125.2	107.9	16.0%
PPA & SBP & M&A & hyperinflation	11.4	12.3	(7.6%)
Non-IFRS net profit attributable to shareholders of the parent company	136.6	120.2	13.6%
EBITDA	237.7	213.5	11.4%
Non-IFRS EBITDA	240.9	217.3	10.8%

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

Non-IFRS EBITDA = Non-IFRS EBIT + depreciation and amortization

Proportional data by operating segments

The table below presents the selected financial data calculated on a proportional basis for our operating segments for the period of 3 months ended 31 March 2024.

DATA ON A PROPORTIONAL BASIS			
Q1 2024 PLN mn	Asseco Poland segment	Asseco International segment	Formula Systems segment
Sales revenues*	498.2	663.4	341.3
EBIT	83.9	60.7	25.8
<i>EBIT margin</i>	16.8%	9.2%	7.5%
Non-IFRS EBIT	87.8	64.3	36.1
<i>Non-IFRS EBIT margin</i>	17.6%	9.7%	10.6%
EBITDA	108.5	91.4	43.1
<i>EBITDA margin</i>	21.8%	13.8%	12.6%
CFO BT	25.5	80.4	38.9
CAPEX	(11.8)	(17.2)	(4.1)
Lease expenditures	(4.0)	(9.0)	(6.5)
FCF	9.7	54.2	28.3
Cash conversion rate	11%	84%	78%
Cash and cash equivalents (as at 31 December)	367.7	622	230.8
Interest-bearing debt (as at 31 December)**	(1,000.5)	(290.0)	(387.8)
<i>of which bank loans, borrowings and bonds issued</i>	<i>(902.6)</i>	<i>(193.3)</i>	<i>(319.9)</i>
<i>of which leases</i>	<i>(97.9)</i>	<i>(96.7)</i>	<i>(67.9)</i>

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

* Revenues from sales to external customers as well as inter-segment sales

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization
CFO BT = cash generated from operating activities before income tax paid
CAPEX = segment's capital expenditures for non-current assets
FCF = |CFO BT| - |CAPEX| - |lease expenditures| + /incomes from the sale of real estate/
Cash conversion rate = FCF / Non-IFRS EBIT

The table below presents the selected financial data calculated on a proportional basis for our operating segments for the period of 3 months ended 31 March 2023.

DATA ON A PROPORTIONAL BASIS			
Q1 2023 PLN mn	Asseco Poland segment	Asseco International segment	Formula Systems segment
Sales revenues*	449.4	678.8	345.7
EBIT	64.8	56.5	24.1
EBIT margin	14.4%	8.3%	7.0%
Non-IFRS EBIT	68.3	59.8	36.9
Non-IFRS EBIT margin	15.2%	8.8%	10.7%
EBITDA	87.9	86.4	43.7
EBITDA margin	19.6%	12.7%	12.7%
CFO BT	29.4	105.3	25.7
CAPEX	(23.6)	(21.6)	(5.8)
Lease expenditures	(4.0)	(9.8)	(7.6)
FCF	1.8	73.9	12.3
Cash conversion rate	3%	124%	33%
Cash and cash equivalents (as at 31 December)	487.1	562.7	259.5
Interest-bearing debt (as at 31 December)**	(85.6)	(353.9)	(495.5)
of which bank loans, borrowings and bonds issued	(1.2)	(241.4)	(423.0)
of which leases	(84.4)	(112.5)	(72.5)

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

* Revenues from sales to external customers as well as inter-segment sales

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

CFO BT = cash generated from operating activities before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = |CFO BT| - |CAPEX| - |lease expenditures| + /incomes from the sale of real estate/

Cash conversion rate = FCF / Non-IFRS EBIT

Proportional data by groups of products

The table below presents the selected financial data calculated on a proportional basis for groups of products for the period of 3 months ended 31 March 2024.

DATA ON A PROPORTIONAL BASIS						
Q1 2024 (in PLN mn)	Solutions for finance	Solutions for public institutions	ERP solutions	Other IT solutions	Infrastructure	Other non-IT solutions
Sales revenues	419.4	376.8	196.4	139.8	317.5	37.3
EBIT	55.5	56.5	24.3	11.6	11.4	(3.9)
EBIT margin	13.2%	15.0%	12.4%	8.3%	3.6%	(10.3%)
Non-IFRS EBIT	62.4	58.6	25.6	13.6	11.9	1.2
Non-IFRS EBIT margin	14.9%	15.6%	13.0%	9.8%	3.7%	3.2%
EBITDA	80.0	73.9	35.2	16.6	17.3	3.4
EBITDA margin	19.1%	19.6%	17.9%	11.9%	5.5%	9.0%

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

The table below presents the selected financial data calculated on a proportional basis for groups of products for the period of 3 months ended 31 March 2023.

DATA ON A PROPORTIONAL BASIS						
Q1 2023 (in PLN mn)	Solutions for finance	Solutions for public institutions	ERP solutions	Other IT solutions	Infrastructure	Other non-IT solutions
Sales revenues	400.9	360.2	199.7	144.7	308.3	46.5
EBIT	51.9	56.4	25.9	13.8	3.6	(7.5)
EBIT margin	12.9%	15.7%	13.0%	9.6%	1.2%	(16.1%)
Non-IFRS EBIT	60.8	58.0	27.1	15.8	4.0	(2.4)
Non-IFRS EBIT margin	15.2%	16.1%	13.6%	10.9%	1.3%	(5.2%)
EBITDA	77.0	73.1	36.4	20.2	9.5	(0.8)
EBITDA margin	19.2%	20.3%	18.2%	14.0%	3.1%	(1.8%)

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

The table below presents the selected financial position data as at 31 March 2024:

DATA ON A PROPORTIONAL BASIS					
31 March 2024 PLN mn	Asseco Group	Formula Systems segment	Asseco International segment	Asseco Poland segment	Eliminations
Cash and cash equivalents	1,220.5	230.8	622.0	367.7	-
Interest-bearing liabilities (current)	(393.2)	(165.3)	(112.2)	(116.5)	0.8
Liabilities under bank loans and borrowings (current)	(324.1)	(142.6)	(81.1)	(100.4)	-
Lease liabilities (current)	(69.1)	(22.7)	(31.1)	(16.1)	0.8
Net cash (current)	827.3	65.5	509.8	251.2	0.8
Inventories + current receivables – current liabilities*	395.1	95.8	(22.3)	325.1	(3.5)
Net operating assets (current)	1,222.4	161.3	487.5	576.3	(2.7)
Net cash (current + non-current)	(453.8)	(156.9)	332.0	(632.9)	4.0

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

* Inventories + current receivables + current prepayments – current liabilities excluding bank loans and lease liabilities

The table below presents the selected financial position data:

DATA ON A PROPORTIONAL BASIS					
31 December 2023 PLN mn	Asseco Group	Formula Systems segment	Asseco International segment	Asseco Poland segment	Eliminations
Cash and cash equivalents	1,227.7	235.6	611.9	380.2	-
Interest-bearing liabilities (current)	(394.0)	(149.6)	(129.2)	(116.0)	0.8
Liabilities under bank loans and borrowings (current)	(323.0)	(127.1)	(95.1)	(100.8)	-
Lease liabilities (current)	(71.0)	(22.5)	(34.1)	(15.2)	0.8
Net cash (current)	833.7	86.0	482.7	264.2	0.8
Inventories + current receivables – current liabilities*	330.5	96.1	66.6	168.7	(0.9)
Net operating assets (current)	1,164.2	182.1	549.3	432.9	(0.1)

Net cash (current + non-current)	(516.0)	(166.0)	292.4	(646.5)	4.1
----------------------------------	---------	---------	-------	---------	-----

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

* Inventories + current receivables + current prepayments – current liabilities excluding bank loans and lease liabilities

DATA ON A PROPORTIONAL BASIS

PLN mn	Q1 2024	Q1 2023
CFO BT	144.8	160.3
CFI	(3.7)	(118.7)
CAPEX	(33.1)	(50.9)
CFF	(102.1)	(66.1)
Dividend payment	-	-
Net change in cash and cash equivalents	9.1	(56.7)

Proportional data result from the recalculation of the financial data of Asseco Group companies by a percentage reflecting the effective equity interest held by Asseco Poland in these companies.

CFO BT = cash generated from operating activities before income tax paid

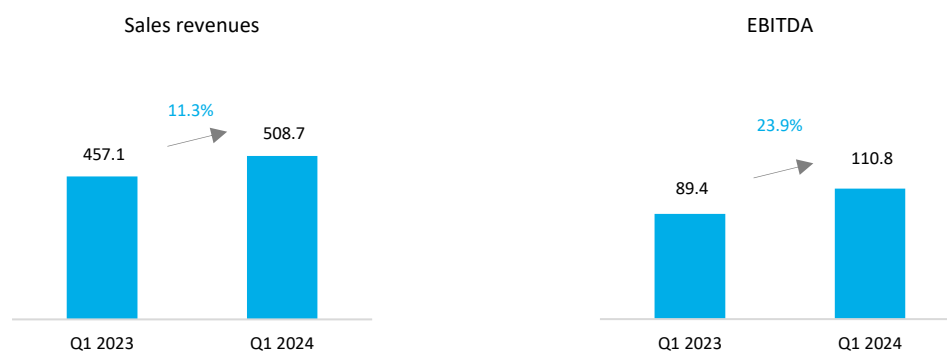
CFI = net cash provided by (used in) investing activities

CAPEX = expenditures for purchases of property, plant and equipment and intangible assets + expenditures for R&D projects less grants received

CFF = net cash provided by (used in) financing activities

3. Major factors and events with impact on our financial performance

3.1 Asseco Poland segment



The table below presents the selected financial data of the Asseco Poland segment for the period of 3 months ended 31 March 2024 and for the comparable period:

PLN mn	Q1 2024	Q1 2023 (restated)	Change Q1 2024 / Q1 2023
Sales revenues*	508.7	457.1	11.3%
EBIT	86.0	66.2	29.9%
<i>EBIT margin</i>	<i>16.9%</i>	<i>14.5%</i>	<i>2.4 pp</i>
Non-IFRS EBIT	89.9	69.7	29.0%
<i>Non-IFRS EBIT margin</i>	<i>17.7%</i>	<i>15.3%</i>	<i>2.4 pp</i>
EBITDA	110.8	89.4	23.9%
<i>EBITDA margin</i>	<i>21.8%</i>	<i>19.6%</i>	<i>2.2 pp</i>
CFO BT	28.5	31.0	(8.1%)
CAPEX	(12.1)	(23.7)	(48.9%)
Lease expenditures	(4.0)	(4.0)	0.0%

FCF	12.4	3.3	275.8%
Cash conversion rate	13.8%	4.7%	9.1 pp
Cash and cash equivalents (comparable data as at 31 December 2023)	378.5	388.4	(2.5%)
Interest-bearing debt (comparable data as at 31 December 2023)**	(1,001.4)	(1,026.8)	(2.5%)
<i>of which bank loans, borrowings and bonds issued</i>	<i>(903.0)</i>	<i>(928.5)</i>	<i>(2.7%)</i>
<i>of which leases</i>	<i>(98.4)</i>	<i>(98.3)</i>	<i>0.1%</i>

* Revenues from sales to external customers as well as inter-segment sales

** Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

CFO BT = cash generated from operating activities before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = |CFO BT| - |CAPEX| - |lease expenditures| +/- incomes from the sale of real estate/

Cash conversion rate = FCF / Non-IFRS EBIT

In the first quarter of 2024, sales revenues generated by the Asseco Poland segment reached PLN 508.7 million as compared to PLN 457.1 million reported in the comparable period of the previous year. This segment accounted for 12% of the Group's total sales in the reporting period. Operating profit amounted to PLN 86.0 million as compared to PLN 66.2 million earned in the first quarter of 2023.



In the **finance and banking** sector, Asseco Poland, being the largest contributor to the Polish operating segment, continued to work for its existing customers, among others by performing long-term service contracts which represented approx. 40% of revenues from that sector in the first quarter of 2024.

It should be noted that during the period reported, the Company was implementing three projects in parallel:

- at Bank Gospodarstwa Krajowego – transformation of a core transaction system;
- at Bank Polskiej Spółdzielczości – implementation of a core transaction system;
- as a key subcontractor to IBM, at one of the commercial banks which is part of a global financial group – implementation of a core transaction system.

In the case of Bank Gospodarstwa Krajowego, Asseco Poland provided services of maintenance, optimal development and transformation of the def2000 system into an open architecture, enabling further maintenance and development of the system without significant technological and legal restrictions, under a 4-year contract that was signed in 2022.

For Bank Polskiej Spółdzielczości, the Company performed a 10-year contract, which was signed in 2021, covering the implementation of a new core banking system, including the main transaction system and data warehouse, and its operation using the data processing centers of Asseco. As part of the project, Asseco will also provide a next-generation Internet banking system for retail and corporate customers and a mobile application.

With regard to the project, in which the Company acts as a key subcontractor of IBM, its activities focused on transforming one of the commercial banks and moving it to the cloud, based on the application technology elements of Asseco BooX (Bank out of the Box). As part of this project, the bank will migrate from its legacy system into the Asseco Core Banking system.

The Company continued its long-term cooperation with the largest bank in the region, namely PKO BP, where it is engaged in the development and maintenance of the core IT system that handles transactions of bank clients, interbank settlements system, as well as Google Cloud-based debit card management and clearing system of PKO BP.

Asseco Poland's sales force engaged in activities aimed at acquiring new projects both in Poland and in foreign markets.

During the period reviewed, the Company supported the development of the Allegro Pay service. The system created by Asseco processes all contracts entered into under the BNPL (Buy Now Pay Later) service that was launched by Allegro in 2020. The Asseco Core Banking Platform, which is an important component of Allegro Pay, brings ready-made solutions proven successful in the banking sector and accommodates Allegro's accounting schemes. The Asseco system, among other things, prepares a repayment schedule, calculates and posts interest, records a loan disbursement, handles settlement of repayments, calculates arrears, and processes bookings, so that the seller immediately receives the entire amount and does not have to wait for subsequent instalments paid by the buyer. The Asseco systems also support Allegro Pay in post-sales customer service. This service is provided in the Software-as-a-Service model developed for the needs of financial institutions where payment is made on a subscription basis.

In addition, Asseco continued to develop its proprietary Asseco BooX platform which will be the basis of the Company's offering for the banking sector in Poland and worldwide. Asseco BooX is the first in Poland, comprehensive technology and process platform for selling and handling financial products. Not only does it ensure access to all systems required to perform banking services, but it also includes IT BPO services provided by Asseco employees in the subscription fee. The first customers for this IT solution are cooperative banks, but it is also offered to commercial banks and fintech companies. BooX, being able to run as a cloud-based subscription platform, is an excellent solution for neo-banks, banks subject to consolidation, test and regulatory sandboxes, and marketplace solutions (in e-Commerce). It enables new business initiatives to demonstrate to the national regulator their high operational readiness already at the early stage of obtaining a banking license. Entities that are already present on the market can use the platform features (subscription, work in a technological sandbox) in the process of testing and launching new services. Carrying out transformation or consolidation of banks is a natural application of the BooX platform. Innovation necessary for the development of financial institutions will be ensured by the use of solutions built into the platform that were developed within the Asseco Innovation Hub, e.g. voicebots. Asseco BooX is available in the subscription model as well as upon purchasing a license. The solution can be operated on-premise or in a cloud-based or hybrid model.

The cooperative banking market is another important business area for the segment of Asseco Poland. Subsidiaries of Asseco Group operating in the Polish market provide services to more than 80% cooperative banks and support a large number of them in the area of modern e-Banking solutions offered in the Software-as-a-Service (SaaS) model.

In the first quarter of this year, Asseco worked on software solutions for cooperative banks associated in both major groups operating in Poland. Among other projects, it continued the development of the SGB Services System (SUS) which is carried out together with SGB-Bank. The SUS system is a comprehensive package of modules that make up a modern banking system. Asseco is the provider of the core transaction system, as well as online banking and analytical tools. The SUS System also brings a range of other services that provide affiliated cooperative banks with full accounting and IT services. It operates in a private cloud model owned by SGB-Bank. Currently, this solution is used by 50 cooperative banks.

The company is also the author of a unique project of Common IT Platform (WPI), being an implementation of BooX for cooperative banks, which is carried out together with the BPS cooperative banking group. WPI is a pioneer solution in Poland that can be described as a "bank in the socket", featuring everything that a modern financial institution needs today: a transaction system, intuitive omnichannel solutions (online and mobile banking, process front-end), reporting and analytical tools. The platform can be parameterized depending on the needs. Processes that are similar in all banks (accounting, settlements, reporting, risk management, anti-money laundering, product pricing) can be automated using this solution, consequently leading to lower back-office costs in each institution. The platform also enables banks to develop certain functionalities independently, such as building a commercial offer. The Common IT Platform is available in the SaaS model, which reduces the costs of owning separate infrastructure and resources. To date, the Company has finalized implementations of this platform at cooperative banks in Lubaczów, Płońsk, Oleśnica, and Biecz. At the end of March 2024, the WPI platform was being implemented at four additional cooperative banks, in the cities of Łęczna, Radzyń Podlaski, Lubartów, and Katowice. The work on acquiring more customers is underway.



During the reporting period, Asseco implemented Kids and Junior solutions (mobile applications featuring parent and child/teenager dashboards for online banking) in cooperative banks. These solutions provide appropriately prepared payment instruments for children under 13 years of age (Kids) and for youth aged 13+ (Junior). One of the key advantages of Asseco's mobile application is the capability to automatically adapt to the user's age. This means that when a child turns 13, the BSGo Kids app will automatically convert to the Junior version, and then when the user reaches the age of majority, it will provide the complete functionality for adults.

During the first three months of 2024, the Company worked on automating the verification of PESEL number reservations in order to mitigate some effects of identity theft and to handle dormant accounts. In addition, we continued to develop the Customer 360 salesperson console which enables quick access to comprehensive information on bank customers and their agreements, as well as to integrate the Asseco Enterprise Banking Platform system with the National e-Invoice System (KSeF).

Asseco Poland is one of the leading technology providers to the Polish capital market. In the first quarter of 2024, among other projects, the Company was implementing:

- the complete suite of PROMAK NEXT solutions, including the ePROMAK NEXT investor platform, mobile solution and investment advisory support system at Santander Brokerage Office;
- the PROMAK NEXT solutions for another broker with as a well-established market position.

Asseco responds dynamically to market changes and emerging trends and constantly develops its offerings. The Company works on the PROMAK NEXT development project related to a new product line of modern, highly automated cloud-based solutions for brokerage houses. The PROMAK NEXT architecture is based on mini-applications, which allow for easy extension of this solution and its quick integration with other products or customer services. A cloud agnostic approach was adopted in the design of PROMAK NEXT, which means that Asseco's partners are not tied to one selected cloud, but have full freedom of choice in this respect.

In the reporting period, the Company continued to perform a contract signed in 2022 with one of the major brokerage houses for design, construction and implementation of a data warehouse equipped with reporting tools, as well as for subsequent maintenance and development of the system. This is a pioneer project of this type at a brokerage house in Poland which is aimed to simplify and improve efficiency of the processes of obtaining and using distributed data within the organization.

Furthermore, we carried out a number of projects to launch IT solutions in the areas of:

- mandatory reporting for customers in the financial sector,
- development of data warehouse solutions for clients in the banking sector,
- compliance (anti-money laundering & fraud detection) for customers in the banking and loan sectors,
- customer analytics and communication solutions using Artificial Intelligence technology for clients in the financial and medical sectors.



During the first quarter of 2024, the Company's **public administration** segment continued cooperation with major public sector institutions, including the Social Insurance Institution (ZUS), National Healthcare Fund (NFZ), Ministry of Finance, Ministry of Justice, Agency for Restructuring and Modernization of Agriculture (ARiMR), Agricultural Social Insurance Fund (KRUS), and the General Inspectorate of Road Transport (GITD).

In the first quarter of 2024, Asseco Poland performed the framework agreement of 25 August 2023 with ARiMR for the development and maintenance of the Agency's Information Systems (SIA). After the end of the reporting period, on 4 April 2024, the Company signed a new 2-year contract with ARiMR for continued development and maintenance of their SIA systems. The Agency's Information Systems constitute one of the largest computer databases in Poland, which are made available for the needs of external entities and institutions and also used to manage subsidy mechanisms. The SIA systems include the following applications:

- eWniosekPlus – enabling farmers to apply for direct payments over the Internet,
- IRZplus – allowing animal breeders and entities involved in livestock production to electronically submit documents relating to the identification and registration of animals,
- eWoP – used to submit online applications for the payment of investment project grants and bonuses,
- ZSZIK/IACSplus – used to handle applications for direct payments for about 1.4 million beneficiaries.

Moreover, during the analyzed period, Asseco focused on the project to expand the Central Beneficiary Support System (CSOB) along with maintenance services. The implementation and development of CSOB is a key stage on the Agency's path to digitalization and – thanks to the planned integration with the Electronic Services Platform (PUE) dedicated to electronic communication with beneficiaries – the process of handling subsidy applications will be performed via electronic means. This will help shorten the time needed to launch further subsidy programs, streamline the handling of applications within the Agency and improve the quality of service to farmers.

During the reporting period, Asseco Poland continued to cooperate with the Social Insurance Institution (ZUS) by performing the following contracts:

Contracts carried out by Asseco Poland for ZUS in the first quarter of 2024

- Agreement to provide operational support and maintenance of the Comprehensive Information System (KSI ZUS) signed in 2022 and subsequently annexed in 2023 and the first quarter of 2024;
- Framework agreement for modification and development of the ZUS KSI system entered into in 2022:
 - at the end of March 2024, 18 execution contracts were carried out under this agreement, 3 of which were signed in the first quarter of 2024;
- Framework agreement for modification and development of the ZUS KSI system entered into in 2018:
 - at the end of March 2024, 6 execution contracts were carried out under this agreement, all of which were signed in previous reporting periods;
- Contracts involving the preparation of the ZUS KSI system and PUE Portal to:
 - perform tasks related to the payment of child raising benefits under the "Family 500+" program (the agreement was concluded in 2021 and subsequently annexed in 2022 and 2023),
 - perform tasks resulting from the amended rules of settlement and payment of health insurance contributions under "The Polish Deal" (the agreement was concluded in 2021 and subsequently annexed in 2022 and 2023),
 - handling a new support benefit for people with disabilities and their caregivers (the agreement was concluded in 2023 and subsequently annexed in the first quarter of 2024).

The Company carried out the following contracts for the Ministry of Justice:

- for construction, maintenance and development of the IT system supporting the National Register of Debtors that facilitates restructuring and bankruptcy proceedings – contract signed in 2020 and subsequently annexed in 2020, 2021 and 2023;
- for development and maintenance of the ICT system of Electronic Land and Mortgage Register (EKW) – contract signed in the first quarter of 2024;
- for maintenance and development of the National Court Register system – contract signed in 2023;
- for maintenance and development of the Random Case Assignment System (SLPS) – contract signed in 2023.

Asseco also performed activities under a 2-year contract for maintenance and development of the Forest System, being an integrated component of the State Forest Information System (SILP), which was signed in 2022.

During the reporting period, Asseco Poland continued to perform a 6-year contract for maintenance and development of the CPD CANARD ICT system for the General Inspectorate of Road Transport (GITD) which has been effective since March 2023. The central data processing system supports GITD in handling the detected traffic offenses, including the management of related cases and the processes of issuing tickets, making payments and collecting fines. Moreover, since June 2023, the Company has performed three 5-year contracts to provide support services for elements of technical infrastructure and third-party software used within CPD CANARD. Under a separate contract concluded in 2022, we carry out a project for GITD that includes the construction, maintenance and development of the Central Record of Violations 2.0 ICT system, which will eventually replace the existing Central Record of Violations 1.0. The new system will support the tasks of services that conduct roadside inspections as well as inspections at companies, within the scope of their authority under the Act on road transportation.

Asseco Poland also worked for the Ministry of Finance, including projects for the maintenance and development of customs and tax systems implemented under the “Platform of Electronic Tax and Customs Services (PUESC)” program which is co-financed by the European Union. A noteworthy project implemented within this framework together with the company T4B Sp. z o.o. is to maintain and develop the Digital Border System. It is a highly advanced and innovative solution that enables efficient handling of people and entities at border crossings using mechanisms for automatic data exchange, among others with the Border Guard System, as well as automatic vehicle identification and traffic control. The Digital Border System is operated at 53 locations of road and rail border crossings as well as air and sea border traffic. The system support, maintenance and development services will be provided till the end of 2025.

In the first quarter of 2024, the Company, acting in a consortium with Pentacomp, carried out a contract for the Ministry of Finance represented by the Chamber of Tax Administration in Cracow, which involved the development, modernization and maintenance of components of the Tax and Customs Information System (SISC) in the area of Trading in Goods with Third Countries and Excise Duty Movements. In addition, under the master agreement of 2021 and a supplementary agreement concluded in 2023 with the same client, Asseco Poland expanded, modernized and developed the ZEFIR2 system which supports the collection and settlement of customs and tax liabilities for the benefit of the State Treasury and the EU budget. Both the above-mentioned contracts consist in expanding the functionality and maintenance of IT systems that were earlier developed by the Company itself. The main goal is to adapt these systems to comply with new EU regulations contained in the EU Customs Code, as well as with a number of national regulations, including changes in excise tax or VAT settlements.

In turn, in cooperation with the Chamber of Tax Administration in Szczecin, the Company is implementing the Platform for Coordination and Exchange of Data – Single Window project, the aim of which is to provide mechanisms for exchanging data between the National Tax Administration, entrepreneur/customer (importer/exporter undergoing customs clearance procedures in Poland), and inspection bodies performing checks on goods before they are placed on the market. In the past year, an addendum was signed to adapt the system to the latest specification of the EU Customs Single Window – CERTEX, which enables the verification of the required EU certificates.

Asseco Poland is one of the largest providers of IT solutions and services for the healthcare sector. Currently, it cooperates with more than 450 hospitals all over Poland. Whereas, in the segment of doctor offices, small and

medium-sized outpatient clinics, and medical practices, the Company supports 9,300 locations (38,100 users), representing about 40% of the market.

In the first quarter of 2024, Asseco participated, either as a main contractor or subcontractor, in projects carried out as a consequence of tendering procedures, including the supply and implementation, as well as support for the operational launch of e-Services or applications in hospitals and medical centers across Poland.

Under these contracts, Asseco implements or is involved in the deployment of software that is primarily intended to streamline patient registration for appointments, make it easier for patients to check the results of examinations, as well as to provide them with online access to medical records. New e-Services are fully integrated with the existing solutions operated at hospitals, including Hospital Information Systems (HIS) and entity management systems (ERP).

During the period reviewed, the Company also performed numerous maintenance contracts for hospital systems that have been already deployed, which accounted for over 50% of revenues generated from the healthcare sector.

Asseco is a provider of the Blood Bank IT system for 18 Blood Donation and Hemotherapy Centers and for the Military Center of Blood Donation and Hemotherapy. The main goal of this system is to support the management of blood donation centers related to the registration of donors, organization of blood donation, laboratory operation and the production and distribution of blood components in a way that ensures the safety of both donors and patients. This system is capable of supporting more than one Blood Bank within a single hospital.

In the period reviewed, acting in a consortium with Kamssoft, Asseco Poland continued to perform the contract signed in 2019 with the National Healthcare Fund for the maintenance and development of the NHF Operations Support System (SIWDzNFZ).

Leveraging on many years of experience in the computerization of medical centers, the Company is continuously developing the suite of solutions dedicated to hospitals, outpatient clinics and doctor offices. One of the projects developed during the first quarter of 2024 was the Asseco Medical Patient Desktop application which is made available to hospitals as part of the Asseco Medical Management Solutions (AMMS). By using the application, doctors can access the data they currently need without having to browse through multiple AMMS modules. They can see the patient's entire disease history, examination results, past treatments and other information about the patient's condition on a single screen.

Asseco is also developing proprietary applications dedicated to patients: Medical Information (management of information provided by medical centers), Home Medicine Box (personal administration of medicines), and My Measurements (self-monitoring of health condition by patients). Thanks to the integration of the My Measurements and the Medical Information solutions, information on various health parameters of a patient can be sent directly to the doctor's office and be recorded in the patient's disease history.

Digitalization of the healthcare system not only allows to simplify and accelerate the existing processes, but also opens the possibility for creating new, innovative services. In 2021, Asseco established a new company **National Medical Cloud Operator (Cloud for Health)**, the purpose of which is to enable medical facilities to provide services in the Software-as-a-Service (SaaS) model while maintaining the highest standards of security with the support of Asseco Cloud. The Cloud for Health specializes in the cloud-based implementations of Electronic Medical Records. It safeguards the stored and shared data and enables electronic settlement of the Prophylaxis 40 PLUS program. Currently, the National Medical Cloud Operator cooperates with nearly 300 customers.

The Cloud for Health also represents an attractive opportunity for other providers of healthcare software. These companies, instead of developing their own solutions for electronic medical records, can take advantage of the service offered by the Cloud for Health and deliver it to their customers. Currently, more than 200 medical centers are already using this solution.

Asseco Poland is a reputable provider of tailor-made software solutions and services for local and international **defense** organizations. So far, the Company has finalized more than 70 advanced technology projects for the European Union and NATO agencies. Its clients include institutions such as the North Atlantic Treaty Organization (NATO), the European Border and Coast Guard Agency (Frontex), the European Chemicals Agency (ECHA), the European Defense Agency (EDA), the European Space Agency (ESA), the Polish Ministry of National Defense and the National Cyberspace Security Center.

During the first quarter of 2024, Asseco Poland, acting in a consortium with the company JSW Nowe Projekty, continued to implement a contract signed with the Polish Air Navigation Services Agency for maintenance and development of the PansaUTM system for digital coordination of unmanned aerial vehicle (UAV) flights and digital management of flight requests and approvals. The system transmits information about operators, their authorizations and drones, which optimizes the process of evaluating requests for UAV flights. Owing to the drone Flight Plan (dFPL) functionality, it also enables the electronic creation of missions performed out of sight. In addition, the system presents the terrain topography taking into account the current weather conditions, thereby streamlining the processes of planning, verification and approval of UAV missions.

Recently, Asseco was the first Polish company to introduce an IT solution that allows data available on military CSD (Coalition Shared Data) servers to be transmitted and used directly from the level of analytical software. CSD systems enable reconnaissance data, i.e. satellite images, reports, maps or drone videos to be shared quickly between parties. The CSD_eP solution is based on the ArcGIS Pro platform and allows for the collection, storage and sharing of reconnaissance data within the NATO coalition. In this way, military analysts using a single application can access the CSD server, search for and download the required materials, perform their analytical work, create a product such as a report and upload it back to the server. Such a solution streamlines work and allows for the ongoing exchange of strategic information within the North Atlantic Alliance.

Asseco Poland, with the support of ComCERT, is involved in the CYBER4DE project – “Cyber Rapid Response Toolbox for Defense Use” which was commenced in December 2021. The consortium, formed by Asseco and 8 other companies from EU countries, will develop and implement tools for rapid response to cyber incidents at the national and international levels. As part of CYBER4DE, companies from Poland, Lithuania, Estonia, France, Croatia, Italy and Romania will prepare an easy-to-implement, modular and scalable toolkit. It will be used by PESCO Cybersecurity Rapid Response Teams (CRRTs), streamlining and improving the effectiveness of operational activities. By mid-2024, a fully functional, easily deployable Next Generation Defense Cyber Toolkit (TRL7 / TRL8) will be created, consisting of four main modules – Workplace, Sensors, Back-office and Cloud services.

Asseco is strengthening its position in the cybersecurity consulting segment thanks to its subsidiary **ComCERT**. ComCERT is the first consulting company in Poland specialized in CERT (Computer Emergency Response Team) services for enterprises and institutions, not affiliated with any telecommunications operator. ComCERT experts analyze clients’ systems for vulnerability to hacker attacks, support them during an incident, and analyze the status of systems after the event. At the junction of these three services, our experts also develop Security Operations Center (SOC) teams at clients’ premises, not only by actively helping them to maintain a high level of network security, but also by expanding their competence. They run outsourced SOC units for several largest organizations in Poland. ComCERT is competent in designing, implementing and maintaining hardware and software solutions from the world’s leading manufacturers. It also offers a proprietary product for software code protection. The product technology has been verified for effectiveness and recognized as unique by Israeli experts from TSG IT Advanced Systems. ComCERT is constantly expanding its services, striving to remain a leader in the cybersecurity market. The Company has recently added a multi-channel platform, C3TI, to its Cyber Threat Intelligence service to collect, process and transmit information on cyber security incidents. The solution is available in a convenient web-based form.

The Cybersecurity Center built by ComCERT for the City of Rzeszow was inaugurated in the first quarter of 2024. It safeguards the Municipal ICT Network which, in addition to the Rzeszów City Hall, is used by the Municipal Road Authority, Municipal Transport Authority as well as the Municipal Administration of Marketplaces and Parking Lots. It is the first in Poland centralized unit to provide services of monitoring, response and prevention of cyber incidents for various entities under the city’s authority.

ComCERT cooperates with other companies from Asseco Group in the implementation of cybersecurity projects. For example, together with Asseco Poland, it participates in the CYBER4DE project – “Cyber Rapid Response Toolbox for Defense Use”. Whereas, as a subcontractor of Asseco Data Systems, ComCERT provides services related to the maintenance of CERT and SOC solutions implemented in the Togolese Republic.

Additionally, ComCERT conducts preparations to assist its customers in complying with new regulations related to the amendment to the National Cybersecurity Act, as well as the Directive on measures for a high common level of cybersecurity across the Union (NIS 2 Directive) published in the EU Official Journal on 27 December 2022. Member states must adopt measures necessary to comply with the NIS 2 Directive by 17 October 2024. The company is also planning to provide crucial solutions for conducting practical exercises in responding to cyberattacks.

ComCERT is active in international circles, including becoming a partner in a report on the twilight of the neutrality of digital technology, which had its premiere at the World Economic Forum in Davos. The company is accredited as a member of prestigious European initiatives bringing together the best CSIRT teams – FIRST (Forum of Incident Response and Security Teams) and TF-CSIRT (Task Force – Computer Security Incident Response Team). Representatives of ComCERT have for many years supported other CSIRT teams in building organizational structures and their subsequent development and they have contributed, among others, to the success of Botswana’s CSIRT team which, with their assistance, has become a fully-fledged member of the prestigious Forum of Incident Response and Security Teams. In the domestic market, the CERT team at ComCERT has successfully assisted the Credit Information Bureau in their application process to the FIRST forum.

In the first quarter of 2024, the ISO 22301:2019 certification process was completed which is equivalent to meeting the requirements of PE EN ISO 22301:2020-04. It is an international standard for business continuity management, which confirms that the company’s procedures and systems are fully compliant with the highest global standards. This certification covers a wide range of cybersecurity services, including operational security monitoring (SOC), computer security incident response team (CERT), IT consulting and audits. The certificate was obtained in February this year.

The company is finalizing the process of obtaining an Industrial Safety Certificate. This certification will confirm the ability to protect classified information both at the national and international level, including within the European Union and the North Atlantic Treaty Organization (NATO).



Asseco cooperates with customers operating in the **telecommunications and energy** sectors.

During the first quarter of 2024, the Company continued to work for leading energy industry groups under previously signed contracts and also gained new orders. The company is a leader among Polish producers of IT solutions for the domestic energy sector. The Asseco Utility Management Solutions (AUMS) is a package of integrated products that provide comprehensive support for many areas of operation in this sector. In Poland, more than 60% of all electricity bills are issued using AUMS Billing & CIS, our proprietary billing and customer service system. Domestic companies that chose the AUMS billing system include the following energy groups: Enea, Tauron, and PGE. Asseco also continues to work with PGNiG Retail related to the central billing system that was implemented last year.

In the first quarter of 2024, Asseco Poland continued to perform its contract with PSE to provide data migration services to the Central Energy Market Information System (CSIRE). The purpose of this cooperation is to prepare the data necessary to launch CSIRE. As part of the project, Asseco is developing specialized software making use of cloud-based solutions. This will enable much better scalability of data processing, which is crucial for such a large project.

The CSIRE system will be used to collect and process information necessary for the implementation of energy market processes in line with regulatory requirements, including the sale of electricity, making settlements for its supply, or changing the electricity seller of choice. The most important tasks of CSIRE are to ensure effective and secure exchange of information in the electricity market, allowing its participants to fulfill their statutory rights and obligations.

Asseco together with its customers are taking intensive efforts to develop requirements and assumptions for necessary changes in billing systems related to the introduction of CSIRE.

Asseco Poland also develops the AUMS Market Connector 1.0 system. The solution is dedicated to electricity and natural gas sellers, balancing agents and energy distributors, and it will run both on-premise and in the SaaS model. It enables integration of domain management systems used by the organization with systems of external partners, including with CSIRE, PSG (Edi), and KSeF. It also allows to quickly connect new solutions from various vendors and maintain full control over the execution of business processes.

In the first quarter of 2024, the company continued to invest in the AUMS Elmo project aiming to create a publicly available mobile application for electric car drivers, featuring the Progressive Web Application technology. The application will display charging stations existing in the central system, support the process of charging an electric vehicle, as well as enable payment for the charging session using payment cards registered

on the user's account. Another element of the project will be the supplier's panel which will allow charging service providers to access their charging stations and manage the applied tariffs. In addition, the portal will provide Asseco with access to aggregate information on turnovers generated at charging stations. The solution will be available in both the cloud-based and on-premise versions. It will be integrated with the central system used for management and communication with charging stations, as well as with the central Register of Alternative Fuels Infrastructure (EIPA) and a payment operator.

During the first quarter of 2024, Asseco Poland continued its cooperation with Polkomtel Sp. z o.o. as part of a three-stage project involving the transformation of sales automation systems, as well as retail customer service and billing systems (B2C) of Polsat Plus Group. In the reporting period, the Company focused carrying out the first stage of the project, which encompasses changes to IT systems dedicated to the sale of products and services of Polsat Plus Group. Cooperation under this project was conducted based on a framework agreement defining the general scope and terms of cooperation between the project partners, which was concluded in 2021. The framework agreement also regulated the work performed on the basis of earlier orders and set forth the detailed terms and conditions of cooperation in the first stage of the project. The said agreement stipulates that orders placed in the second and third stage of cooperation will be subject to separate negotiations between the parties (including their pricing) and will each time require corporate approvals in order to be carried out. The scope of work covered by the first stage is not significantly different from other activities performed by the Company as part of its business.

In the reporting period, Asseco Poland completed a project for Polsat Plus Group involving the implementation of a new telecommunication services management system – Asseco Technical Order Management (ATOM). The main objectives of this project were to shorten the time to market for new telecom services, reduce failure rates and cut operating costs. The replacement of such a critical and complex system was carried out without affecting the client's IT environment and ongoing business operations, as well as alongside the concurrent transformation of the business-to-consumer (B2C) environment at Polsat Plus Group. Migrations from the legacy Oracle Communications solution to ATOM were conducted on a continuous basis, making the changes invisible to the end customer. More than 20 million subscriptions have been transferred under the project, and now the system can handle several hundred thousand orders per hour. The implementation of the ATOM system has also translated into a better end-user experience. By speeding up the launch of services on the operator's network, service availability has increased, and the time required to activate cards and enable new offering variants has been significantly reduced.

In addition, dedicated, separate teams carried out projects also for other telecommunications and media clients of Asseco.

In the first quarter of 2024, **Asseco Data Systems** made further efforts to strengthen its market position.

The company continued to support the country's strategic systems. ADS provided maintenance of the EMIR-SEKS/AD system for the Social Insurance Institution (ZUS), which is used for administration, calculation and payment of retirement and pension benefits.

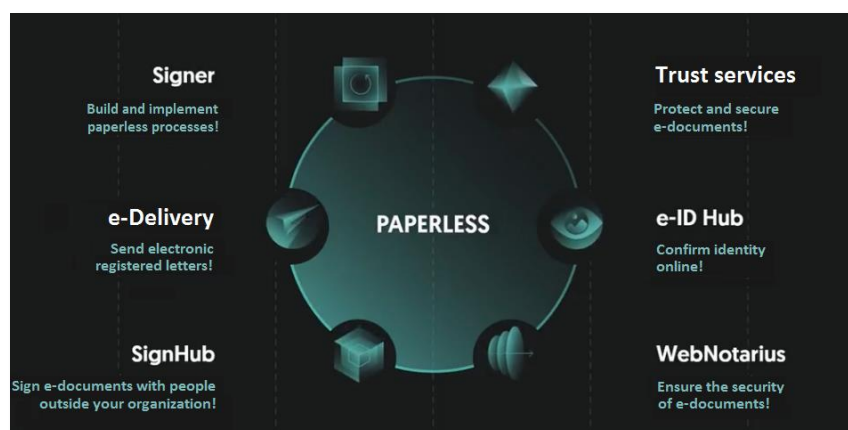
As part of a 2-year contract signed in March 2023 in a consortium with Asseco Cloud, the company performed work related to maintenance and development of the pension benefits administration system called "Farmer". Under a 4-year contract signed in March 2022, ADS was also responsible for maintenance and development of the Workflow system, constituting a core component of the Integrated Information System (ZSI) that handles the mission-critical business processes. In turn, under a contract concluded in a consortium with Asseco Cloud in May 2022, ADS provided KRUS with comprehensive support for the New Insurance Information System (nSIU) which is responsible for handling social and health insurance, as well as short-term benefits and accident proceedings.

During the first quarter of 2024, this company continued to expand sales of trust services under the Certum brand. As one of Europe's major providers of trust services, Certum offers not only products, but also expert support, know-how and many years of experience in the fields of trust and identification services, paperless processes, digital workflows, encryption, cybersecurity, regulations, and industry and technology standards. Certum currently works with more than 500,000 customers in 70 countries on 6 continents. During the reporting period, Certum's retail and partner sales were primarily focused on qualified electronic signatures, which accounted for approx. 70% of total sales to mass customers. There is a steadily growing interest in a qualified electronic seal, especially among medium-sized and large enterprises, as it is required to use such authentication, for instance, in the EPREL (European Registry for Energy Labelling) database and in the National

e-Invoice System (KSeF). It is offered by Asseco, among others, together with a machine-to-machine (M2M) component, making it possible to automatically seal documents. The solution is provided by Iron Mountain company in partnership with Asseco.

Asseco Data Systems has continued to expand its ecosystem of #EnterprisePaperless services. It is a comprehensive offering that provides a wide range of solutions designed for business processes. The paperless services portfolio includes:

- Signer – a platform allowing for building electronic business processes that require signing and transferring documents,
- e-Delivery by Asseco – a qualified registered electronic delivery service that allows you to send and receive electronic registered letters. This solution can be used by all registered companies and small businesses, public trust professionals, as well as by natural persons. The service offered by ADS can be tailored to individual needs of an organization and allows for integration with corporate solutions such as mailroom or document workflow systems;
- SignHub – a solution allowing to sign electronic documents with various e-signatures: qualified, advanced (including biometric), or simple;
- Trust services – complementing and securing the life cycle of electronic documents, providing legal security to an organization that has implemented digital business processes;
- e-ID Hub – a solution that aggregates various methods of remote identification of an individual, which is part of most business processes following the so-called Know You Customer approach;
- WebNotarius – a service for validation and maintenance of qualified electronic signatures and seals. The WebNotarius validation report constitutes a legal proof of validation and confirms the validity or invalidity of qualified electronic signatures and seals.



The company is developing a platform for managing HR processes in business, as well as integrated IT solutions for managing universities, the teaching process, and employee competency development. Asseco cooperates with more than 50 universities and colleges in Poland.

Operating under the brand of Asseco Academy which for years has been one of the leading training providers on the Polish market, ADS responds dynamically to the changing needs of customers and adapts its offering to match the demand. Its portfolio includes more than 600 training courses. To date, it conducted 75,000+ trainings which were attended by more than 500,000 students from over 35,000 companies and institutions.

Asseco Data Systems was also engaged in activities related to the digitalization of local administration bodies. Its solutions have been chosen by more than 220 local governments in Poland. OTAGO is an ERP-class Integrated Information System that supports all areas of local government activities, such as budgeting, taxes and fees, assets, finance and accounting, human resources (HR), civic affairs, social issues, employment, and waste management. It is currently used by 50 cities and local government units, including Gdańsk, Gdynia, Kraków, Łódź, Bydgoszcz, and Wrocław.

In the first quarter of 2024, ADS continued the implementation of an ERP system for the provision of public e-services in the city of Police. The project covered the implementation of integrated domain systems and

the necessary infrastructure at the City Hall and municipal bodies for the provision of e-Services to the public, along with data migration and training, document workflow and an Education Management platform. The contract provides for a 3-year system maintenance service.

During the period in review, the company made efforts to expand the eBOK customer service platform operated in Zabrze with additional e-Services. ADS also signed new deals, including with the Marshal's Office of Mazovia Province, Zielona Góra City Hall and Ruda Śląska City Hall for technical assistance and maintenance services on the Otago system.

In the first quarter of 2024, Asseco together with the Ministry of Digitization and the Central Information Technology Center introduced a new functionality in the mObywatel (mCitizen) application that enables the payment of municipal waste management fees. Owing to the integration of the Otago System with the ePayments Platform, city residents can make commission-free BLIK payments for garbage collection. The continued development of the ePayments Platform and close cooperation with local offices that use the Otago System allow for the simplification and automation of payment processes in public administration, as well as for improving their security.

The company develops and implements Smart City solutions. Its central Metropolis system automates the complex and multifaceted process of managing a municipal organization by integrating and coordinating various domain systems and services.

During the period under review, the company implemented two major projects related to public transportation fare collection systems.

The company continued to develop the Platform for Integrated Mobility Services (FALA). The FALA system is an innovative, nationwide integrated system for collecting fees for public transportation, which will serve residents of the Pomerania Province. One electronic platform will connect the railroad network and public transportation. Payment for trips will be based on the application and a special transportation card as well as a network of card readers (validators). The system will also contain information about ticket prices, timetables and routes of buses, trams, trolleybuses, and trains – so as to ensure the settlement of a huge volume of transportation services at any time of operation. Development of the FALA system is carried out by ADS in a consortium with the Italian company AEP Ticketing Solutions.

The second major project related to fare collection, being carried out in the first quarter of 2024, was the implementation of the Transport GZM system in order to modernize the collection of fees for public transportation in the Upper Silesian and Zagłębie Metropolis.

In the first quarter of 2024, the company carried out projects related to software for managing lease contracts. Advanced features of the company's proprietary LEO system provide comprehensive support throughout the lifecycle of lease contracts, along with additional products such as various types of insurance, CFM services (fuel cards, tyres, maintenance). During the period reviewed, ADS deployed the new LEO 4 version of the system for its customers, introduced modifications to the LEO system in order to enable communication with the National e-Invoice System or to adapt the system to individual client requirements, and performed a number of development projects.

In the first quarter of 2024, ADS-owned company **Pirios**, which is a leading provider of Contact Center solutions in the Polish market, supported companies and institutions in effective communication with retail customers. Virtual agents offered by this company can perform tens of thousands of different business processes and are used by the largest Polish companies from the energy, banking, insurance, and telecommunications sectors, as well as by the public administration. The company also provides a solution for handling the energy emergency number 991.

During the first quarter of 2024, **Asseco Cloud** continued to develop and implement its proprietary solutions and those of leading cloud technology providers, ensuring end-to-end support from design to deployment, as well as providing professional expertise and IT outsourcing in the managed services model. The company continued and expanded cooperation in the area of cloud computing with customers from various industries, strengthening its position as a reliable integrator and expert in the Polish market.

The company continued to cooperate with the trading sector, including with Dino Polska. Under this contract, the customer is provided with the maintenance of key production systems, as well as support in the implementation of a new ERP system. This cooperation also includes strategic consulting on Dino Poland's digital transformation.

In the first quarter of 2024, Asseco Cloud continued to work for Carrefour Poland by providing advanced IT competence and resources in order to support and develop the key business processes at the customer’s company.

In cooperation with Asseco Data Systems, the company provides services to BMW Financial Services (Leasing) including computing power and IT expertise in a service model.

The company is a reputable provider of solutions for the public sector. Acting in a consortium with ADS, it provides maintenance and development services for the New Insurance Information System (nSIU) at the Agricultural Social Insurance Fund (KRUS). In the first quarter of 2024, Asseco Cloud, working in a consortium with ADS, continued to fulfill a contract signed in 2023 for maintenance and development of the pension benefits management system called “Farmer”.

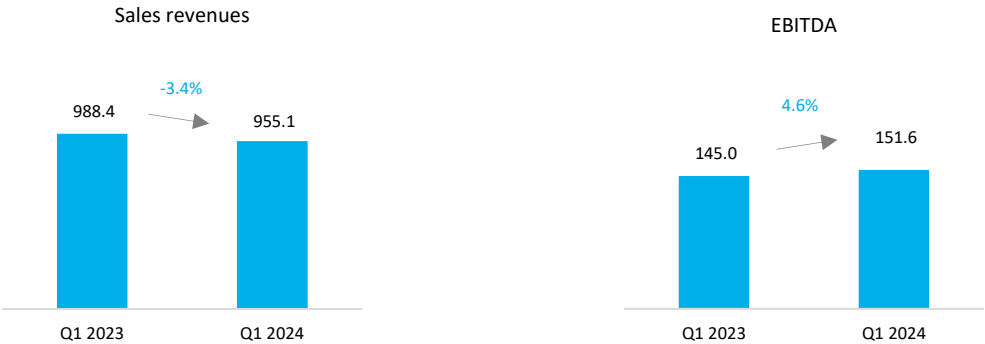
Asseco Cloud is an active player in the European market. During the period in review, the company continued its strategic cooperation with the Danish consulting firm Globeteam regarding the implementation of cloud projects in the Danish market. The scope of this cooperation involves the competence and cloud infrastructure of Asseco Cloud.

In the period reported, Asseco Cloud and the Polish Cloud, which is the national association of Polish cloud service providers, undertook joint efforts aiming to integrate the market and raise awareness of Polish cloud-based solutions. An important part of these activities was to engage in making recommendations to government institutions and offices.

In addition, during the first quarter of 2024, Asseco Cloud performed contracts for the provision of IT system maintenance and development services to meet the internal needs of Asseco Poland and Asseco Data Systems.

The first three months of 2024 were an intensive period for **DahliaMatic**, one of the largest Polish consulting and implementation companies specializing in the implementation, maintenance and development of ERP systems dedicated to large and medium-sized enterprises (Oracle E-Business Suite, SAP S/4HANA, Microsoft Dynamics 365, Softlab ERP). In addition to support for ERP solutions, DahliaMatic also offers a number of own products, including Archillea, a proprietary electronic document management system (allowing for full digitization, automation and optimization of business processes), as well as a purchasing platform and an electronic office. Furthermore, DahliaMatic specializes in building custom solutions in the areas of Web Design & Development, Big Data & Data Analysis and DevOps. During the reporting period, among other things, the company provided maintenance and development services for the Oracle E-Business Suite (EBS) System used at ARiMR, under a 29-month contract commenced in September 2023. The Agency for Restructuring and Modernization of Agriculture uses the Oracle EBS system not only to manage its accounting and finance functions, but also to handle the processes of distribution and settlement of the European Union subsidies for more than 2 million farmers.

3.2 Asseco International segment



The table below presents the selected financial data of the Asseco International segment for the period of 3 months ended 31 March 2024 and for the comparable period:

PLN mn	Q1 2024	Q1 2023 (restated)	Change Q1 2024 / Q1 2023
Sales revenues*	955.1	988.4	(3.4%)
EBIT	102.2	97.3	5.1%
EBIT margin	10.7%	9.8%	0.9 pp
Non-IFRS EBIT	108.4	102.1	6.1%
Non-IFRS EBIT margin	11.3%	10.3%	1.0 pp
EBITDA	151.6	145.0	4.6%
EBITDA margin	15.9%	14.7%	1.2 pp
CFO BT	107.6	153.2	(29.8%)
CAPEX	(28.1)	(35.0)	(19.7%)
Lease expenditures	(13.5)	(14.4)	(6.3%)
FCF	66.0	103.8	(36.4%)
Cash conversion rate	60.9%	101.6%	(40.7) pp
Cash and cash equivalents (comparable data as at 31 December 2023)	812.9	818.8	(0.7%)
Interest-bearing debt (comparable data as at 31 December 2023)**	(406.7)	(442.1)	(8.0%)
of which bank loans, borrowings and bonds issued	(251.0)	(282.9)	(11.3%)
of which leases	(155.7)	(159.2)	(2.2%)

* Revenues from sales to external customers as well as inter-segment sales

** Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

CFO BT = cash generated from operating activities before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = |CFO BT| - |CAPEX| - |lease expenditures|

Cash conversion rate = FCF / Non-IFRS EBIT

In the first quarter of 2024, the Asseco International segment generated PLN 955.1 million in sales revenues, showing a decrease by 3.4%. This was directly attributable to changes in exchange rates. The segment's share in the consolidated sales reached 22%. Operating profit improved by 5.1% and amounted to PLN 102.2 million.

The first quarter of 2024 was a period of steady growth for **Asseco Central Europe Group (ACE Group)** which represents Asseco in the Central European region.

During the period reported, **ACE companies operating in the Czech Republic and Slovakia** executed projects for domestic public sector institutions. Among other projects, the implementation of the Nature Protection Information System for the Nature and Landscape Protection Agency of the Czech Republic was finalized during this time. The new portal gathers data related to nature and landscape preservation and makes it available to the public through various applications and services. This portal also provides a new platform for monitoring the status of protected areas at the national and European level.

In the first quarter of 2024, the "Online Pension Application" service implemented by Asseco Central Europe for the Czech Social Security Administration won the prestigious "IT Project of the Year 2023" award from the Czech Association of IT Managers.

ACE plays an active role in the healthcare sector. It cooperates closely with Slovakia's National Health Information Center and General Health Insurance Company, as well as with the Czech Social Security Administration.

During the period reported, ACE continued its activities for digitalization of the insurance sector and further developed the functionality of its platform supporting the digitization of insurance documents and processes – Asseco Digital Insurance Platform. The company strengthened its cooperation with Youplus, an international insurance company, for which it serves as a strategic technology partner. The ambition of Youplus is to build a fully digital insurance business and expand into European markets, which is successfully accomplished with the help of Insurance out of the Box (looX) system provided by ACE.

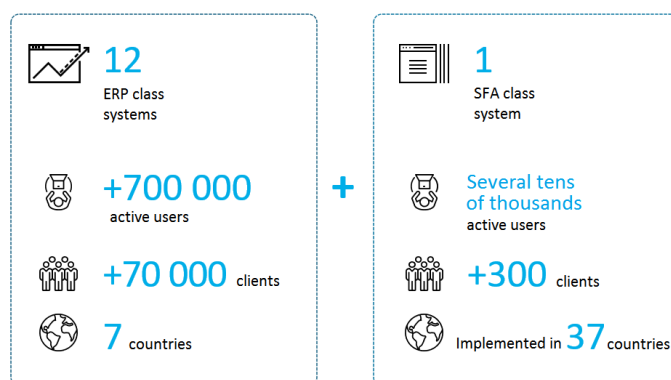
In addition, ACE worked for financial institutions, including J&T Finance Group, Slovenská sporiteľňa, Raiffeisen stavební spořitelna, and Modrá pyramida stavební spořitelna.

During the reporting period, the company inaugurated the second edition of the UpSteer incubator which focuses on reaching and collaborating with Slovak and Czech start-ups in the sectors of banking, insurance, healthcare and Industry 4.0. Over the course of this program, its participants will work with mentors and attend workshops on law, sales, marketing, HR and finance. At the same time, they will have the opportunity to use office space in Bratislava, Prague or Brno.

Asseco CEIT, a subsidiary of ACE Group, specializing in the digitalization of industrial enterprises and implementation of the Industry 4.0 concept, in the first quarter of 2024 conducted projects for automotive companies (e.g. Volkswagen Slovakia, AUDI Hungaria) relating to the automation of intralogistics, including the delivery of AGV (Automated Guided Vehicle) systems.

Research and development are among the key areas of the company's activities and they are carried out in its own R&D center. Asseco CEIT utilizes its private 5G campus network to develop technology and process innovations in its systems supporting the logistics and manufacturing industries. In the analyzed period, Asseco CEIT made efforts to expand the functionality of its software for planning and optimizing production, logistics and warehouse processes – Twiserion Design Manager.

Asseco Enterprise Solutions Group (AES Group), which operates as a competence center for ERP solutions within ACE Group, generated strong revenues in the first quarter of 2024. AES Group managed to increase sales of proprietary software and related services, which accounted for 92% of its total revenues in the analyzed period. This is a result of the growing trend among enterprises to spend more on ERP solutions in all major markets where AES Group operates, which is paralleled by continuing development of the Group's product portfolio. AES Group products are currently used by over 70,000 customers (700,000+ active users). Asseco companies engaged in the ERP area consistently implement the strategy of upgrading their software solutions with specialized artificial intelligence functions.



Revenues generated by **Asseco Business Solutions (ABS)** in the reporting period were 12% higher than in the comparable period last year. The company's comprehensive offer includes ERP-class systems that support business processes at medium-sized and large enterprises, a suite of small firm management applications, HR management programs, SFA-class mobile applications for managing a network of sales representatives which are popular all over Europe, data exchange platforms, as well as programs for handling of factoring transactions.

In the first quarter of 2024, the company's sales in the domestic market grew by 14%, while sales in foreign markets (which account for 12% of total turnover) remained at a similar level as in the comparable period of 2023. ABS systems support business in dozens of countries around the world. During the period reported, the largest foreign sales were recorded in the countries of Austria, Germany, Switzerland, France, the Netherlands, the United Kingdom and Romania, which together accounted for 86% of revenues from foreign markets.

ABS is pursuing a common, unified strategy for all of its three ERP product lines, which is based on three pillars:

- Anywhere (run your business no matter where you are),
- Genius (with a smart ERP system),
- Paperless (follow the idea of going paperless).

A growing number of products and services offered by ABS (both in the ERP and SFA class) are available in the cloud model. The number of projects implemented in the full outsourcing model is systematically increasing, thanks to which the company takes over responsibility not only for the software itself, but also for such important elements of solutions as system and communication



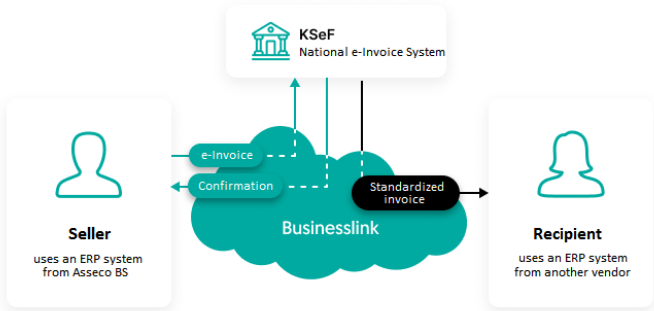
infrastructure, and supervision over the operation of integration processes. Such approach to project implementation is enabled by ABS's two own Data Centers, the operating parameters of which satisfy the highest requirements for security, reliability and efficiency of system operation. For solutions deployed outside of Poland, the company also relies on the infrastructure of public cloud providers, currently using locations in Europe, North America and Asia. Moreover, the technology and business partners of Asseco Business Solutions include the world's major players such as Oracle, Microsoft, HP, IBM, and Citrix.

In the first quarter of 2024, ABS continued to work on incorporating artificial intelligence algorithms into the products and services it offers, based on its proprietary Genius by Asseco engine. These solutions provide increasing support for a number of key processes. Based on the collected data, they generate recommendations and business notifications, enabling the system to adapt to the user work style, automate repetitive tasks, and offer intelligent analytics with predictive elements.

ABS also focused on the development of products and related services in connection with the planned implementation of KSeF (National e-Invoice System).

ERP products from ABS provide support for KSeF, maintaining full compatibility with the system to streamline processes. The company offers an ecosystem of tools and services to support the operation of KSeF:

- ERP systems adapted to support KSeF,
- Businesslink document exchange platform,
- Electronic document workflow system,
- Businesscheck for e-Invoice control,
- SimplySign electronic signature.



Asseco Solutions AG which operates in the markets of Germany, Austria, Switzerland and Italy, expanded its cooperation with existing partners and acquired new customers in the first quarter of 2024. APplus, the company's proprietary ERP system dedicated to the manufacturing sector, is currently used by over 80,000 users in more than a thousand companies in 25 countries. The latest version of APplus is tailored to satisfy the growing requirements from business customers for innovation, efficiency, rapid adaptability and ease of use. It introduces AI APplus 8 panels, allowing users to configure their own individual control centre. Supported by artificial intelligence, the module suggests interface elements to customers that best match their actual use of APplus. These are determined on the basis of anonymously observed individual use of APplus, similar roles or industry-specific scenarios.

Asseco Solutions Czechia has a 25% share in the local market of ERP solutions dedicated to the SME sector and offers 4 proprietary systems used by 17,000+ customers in the Czech Republic and Slovakia, both in the corporate and public sector. The company is expanding sales of solutions for small and medium-sized businesses, and also offers an ERP solution for medium-sized and large enterprises under the Helios Nephrite brand.

Asseco Solutions Slovakia, whose proprietary ERP systems have been implemented for more than 4,000 customers, giving that company a 10% share in the domestic market, focused on attracting new contractors in the first quarter of this year. The company developed sales of a new generation of its proprietary products under the QASIDA brand.

Revenues generated by **Asseco South Eastern Europe Group (ASEE Group)**, which operates in the South Eastern European markets, in the first quarter of 2024 remained at a similar level as in the corresponding period last year. The reported results were negatively affected by the decline in the average exchange rate of euro against the Polish zloty.

In terms of geographical regions, ASEE Group generated the largest sales in Serbia, Croatia, Turkey, Romania, Spain, Bosnia and Herzegovina, Macedonia and Portugal, which together accounted for 83% of its total revenues in the period reported. In this period, 49% of revenues were generated by the payment solutions segment, 31% by the dedicated solutions segment, and 20% by the banking solutions segment.

Growing sales in the payment solutions segment were mainly driven by the business lines of e-Commerce and payment card processing. This improvement was largely achieved by our companies operating in Turkey and Western Europe. Revenues also increased in the business lines responsible for offering our independent POS terminals (IPD) and electronic cash registers (ECR) to retail merchants, mainly owing to our operations in Slovenia, Romania, Bosnia and Herzegovina, Slovakia and the Czech Republic. The business line responsible for the supply and maintenance of ATMs recorded an increase in revenues due to deliveries carried out in Croatia, Northern Macedonia and in Bosnia and Herzegovina.

Sales of the banking solutions segment for the reporting period remained at a similar level as a year ago. Stronger revenues were generated by the business line offering multi-channel solutions owing to services provided in Bulgaria and Croatia and subscription fees collected in Serbia, as well as by the business line offering security solutions, primarily on the back of implementation services performed in Croatia.

Revenues of the dedicated solutions segment in the first three months of this year were mainly affected by the business line responsible for third-party solutions in Serbia and Romania which completed smaller deliveries of equipment and third-party solutions.

It should be noted that ASEE Group's results were also affected by the hyperinflation restatement of the financial data of its Turkish subsidiaries, made in accordance with IAS 29, in order to reflect the purchasing power at the end of the reporting period (due to Turkey's accounting status as a hyperinflationary economy). The impact of this operation is presented in section B1 "Summary of the financial results of Asseco Group for the period of 3 months ended 31 March 2024" as well as in explanatory note 2.10 to these interim condensed consolidated financial statements.

Asseco Group companies are active in the **Western European** markets. **Asseco PST** continued and expanded its cooperation with banks by providing maintenance and development of core banking systems. This company is present in Portugal and Portuguese-speaking countries in Africa (Angola, Mozambique, Cape Verde, East Timor, and Saint Thomas and Prince Islands), as well as in Namibia and Malta. The company's customer base includes about 70 financial institutions – its solutions are used by approx. 80% of banks in Angola and Cape Verde, approx. 40% of banks in Mozambique, approx. 25% of banks in Portugal, and approx. 20% of banks in East Timor, Namibia, and Saint Thomas and Prince Islands.

Asseco PST customers can use the company's products through its cloud-based Core Banking System (CBS) platform. It is a complete solution that allows banks to introduce financial products and services in a flexible, modular way. All business processes supported by the individual CBS modules and tailored to the different markets in which Asseco PST operates, share common components, such as a centralized client catalog or product and pricing catalog.

Asseco PST is working on expanding the functionality of its proprietary Promosoft Financial Suite (PFS) solution. PFS is a comprehensive, module-based platform designed to support bank operations. The company also continues its collaboration with Portuguese start-ups: AgentifAI (this partnership aims to integrate the functionality of a virtual banking assistant with the Asseco PST omnichannel platform), and LOQR (the goal is to offer financial institutions the ability to perform a range of operations, including opening accounts online, updating customer data and retrieving data in remote access mode).

At the beginning of 2024, Asseco PST released a solution using the Unstructured Supplementary Service Data (USSD) technology in mobile banking. The USSD technology is an interactive communication tool that provides mobile phone users with access to banking services through a simple text interface. With the company's solution, financial institutions can provide basic banking services to their customers who do not have access to smartphones or broadband Internet.

Finantech – Sistemas de Informação (Finantech), a subsidiary of Asseco PST Group, in the period reported conducted intensive activities in Angola related to the implementation of its flagship product dedicated to capital market players – the SIFOX platform. The company continues to develop the platform, which resulted in the following functionalities: Sifox Trader (trading in bonds), Sifox Screening (detection of suspicious transactions), or Sifox BackOffice (fiscal report for the Angola market).

CPI Angola (Consultoria de Projetos Informáticos), another subsidiary of Asseco PST Group, which is a provider of proprietary accounting systems for entities in the financial sector, also develops its business in Angola, focusing on implementing modifications to IT systems of local banks.

During the reporting period, **Asseco Spain** gained new contracts for the supply of IT hardware, software and related services. Among other things, the company won a tender for the supply of equipment to members of the Congress of Deputies combined with a 2-year maintenance contract.

In the first quarter of 2024, **Asseco Lietuva** carried out a 3-year contract signed in 2023 for the maintenance and development of its billing system for Ignitis Group, one of the largest energy groups in the Baltic Sea region. The goal of this project is to improve the billing system operation and the quality of customer service while ensuring the business continuity of Ignitis.

The company performed a project for UAB Vilnius Vandeny, Lithuania's largest water supply company, related to the FAVAKA system consisting of 3 modules (CRM, billing, financial accounting). It will be integrated with other internal and external systems used by Vilnius Vandeny. The contract will be carried out until 2026.

In addition, the company was implementing a contract for the creation, implementation, maintenance and development of the Lithuanian Public Employment Service Information System (UZTIS) which was signed at the end of 2023 with the Lithuanian Public Employment Service under the Ministry of Social Security and Labour of the Republic of Lithuania. UZTIS will become the main service delivery channel for all employment seekers and employers. Implementation of the new system is expected to take place within 2 years.

Asseco Lietuva also implemented an integrated university management support system (VUSIS) at Vilnius University. Subsequently, Asseco will be responsible for support and further development of the system.

Contracts entered into by the company during the reporting period included:

- contract with the Ministry of the Interior to provide maintenance of the Lithuanian Visa Information System (N.VIS),
- contract with the National Land Service to develop a system for drawing up planning documents (ŽPDRIS).

During the first quarter of 2024, Asseco Lietuva provided services for the Department of Customs at the Ministry of Finance of Lithuania related to the maintenance, development and modification of three customs systems: MLS – customs permit system, VLS – single window system, and MDAS – customs declaration processing system. In addition, the company carried out a contract for this customer under a warranty for the system of reporting goods for customs control (PPMKS), the development of which was completed in December 2023. Asseco Poland acts as a strategic subcontractor to Asseco Lietuva in the implementation of VLS, MDAS and PPMKS projects. During the reporting period, Asseco Lietuva received an award of recognition from the World Customs Organization for its contribution to the international customs community.

On 22 January 2024, Asseco International, a.s. transferred all the shares it held in Asseco Software Nigeria Ltd and they were received by Asseco Nigeria Ltd as treasury shares, hence Asseco International, a.s. lost control over that company.

3.3 Formula Systems segment



The table below presents the selected financial data of the Formula Systems segment for the period of 3 months ended 31 March 2024 and for the comparable period:

PLN mn	Q1 2024	Q1 2023 (restated)	Change Q1 2024 / Q1 2023
Sales revenues*	2,801.6	2,903.4	(3.5%)
EBIT	236.6	237.6	(0.4%)
<i>EBIT margin</i>	8.4%	8.2%	0.2 pp
Non-IFRS EBIT	307.5	326.1	(5.7%)
<i>Non-IFRS EBIT margin</i>	11.0%	11.2%	(0.2) pp
EBITDA	368.9	392.6	(6.0%)
<i>EBITDA margin</i>	13.2%	13.5%	(0.3) pp
CFO BT	307.9	223.6	37.7%
CAPEX	(28.6)	(39.7)	(28.0%)
Lease expenditures	(50.6)	(59.8)	(15.4%)
FCF	228.7	124.1	84.3%
Cash conversion rate	74.4%	38.1%	36.3 pp
Cash and cash equivalents (comparable data as at 31 December 2023)	1,742.6	1,779.9	(2.1%)
Interest-bearing debt (comparable data as at 31 December 2023)**	(2,515.7)	(2,637.4)	(4.6%)
<i>of which bank loans, borrowings and bonds issued</i>	<i>(2,008.4)</i>	<i>(2,131.0)</i>	<i>(5.8%)</i>
<i>of which leases</i>	<i>(507.3)</i>	<i>(506.4)</i>	<i>0.2%</i>

* Revenues from sales to external customers as well as inter-segment sales

** Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT adjusted for amortization charges on intangible assets recognized in purchase price allocation (PPA), for the costs of share-based payment transactions with employees (SBP), for financial income and expenses recognized in accounting for company acquisitions / disposals

EBITDA = EBIT + depreciation and amortization

CFO BT = cash generated from operating activities before income tax paid

CAPEX = segment's capital expenditures for non-current assets

FCF = |CFO BT| - |CAPEX| - |lease expenditures|

Cash conversion rate = FCF / Non-IFRS EBIT

In the first quarter of 2024, revenues generated by the companies of Formula Systems Group reached PLN 2,801.6 million and were 3.5% lower than in the corresponding period of 2023. This was directly attributable to changes in exchange rates. The Formula Systems segment accounted for 66% of the Group's consolidated sales. Operating profit amounted to PLN 236.6 million, remaining at a similar level as a year ago.

Matrix IT – a leading IT company in Israel, whose position has been confirmed for over a dozen years by research firms IDC, STKI and Gartner – during the reporting period implemented strategic projects for large organizations and public institutions.

The company is involved, among others, in the Nimbus project which aims to accelerate the deployment of cloud technologies in the Israeli public sector – it enables working in the cloud while saving data locally in Israel. Matrix IT is a licensed expert for government agencies, supporting the processes of moving government information systems to the cloud.

Matrix develops systems for security authorities both in Israel and abroad. The company has extensive experience in implementing artificial intelligence projects for the Israeli military sector (for both defense and civic purposes), as well as in conducting projects for foreign government institutions. During the period reported, Matrix Defense performed a contract signed in 2023 to develop and deliver an advanced cloud-based artificial intelligence system as part of a 2-year project related to cybersecurity. In addition, John Bryce Training, a subsidiary of Matrix and the largest training organization in Israel, offers specialized courses in GenAI.

On the other hand, Dana Engineering of Matrix IT Group is the leading entity in the tender won last year for planning and managing the implementation of M1 metro line in the Tel Aviv Metropolitan Area. The project is estimated to last about 13 years. The M1 metro line will have 62 stations and 85 kilometres in length. In turn, Matrix Digital is carrying out a large-scale digital transformation project at a major financial institution in Israel.

Matrix IT is engaged in a project related to significant expansion of the analytical and research capabilities of the Israel's Central Bureau of Statistics (CBS). The company is responsible for creation and 9-year maintenance of a central data repository, one of the largest in the Israeli public sector.

The company is involved in the most innovative technology projects in the Israeli healthcare system, including the printing of human organs for pre-operative procedures, research into the detection of lung and respiratory diseases using voice identification and artificial intelligence, as well as in telemedicine projects. Matrix IT is also engaged in national healthcare and education initiatives.

The company supports its clients in the completion of FDA/CE certification procedures. It provides an advanced IT platform allowing to integrate in one place all management, logistics, settlement and finance processes performed at a healthcare facility.

In the first quarter of 2024, Matrix IT expanded its business in the American market (USA, Canada) which accounted for 8% of its total revenues. The company carried out projects for the banking sector, mainly in the field of GRC (Governance, Risk & Compliance) solutions. Due to the popularization of digital payments and increasing exposure to online fraud, the demand for GRC systems from financial institutions is expected to continue to grow.

Matrix IT continues to pursue growth through innovation by developing and implementing state-of-the-art technologies in the areas of cloud computing, cyberspace, big data, artificial intelligence, machine learning, IoT, automation, and augmented reality.

The financial performance of **Sapiens International**, a leading global provider of software and IT services for the insurance industry, reflects the company's continued focus on supporting its 600+ existing customers located in more than 30 countries, leveraging on cross-selling and up-selling opportunities. Sapiens also conducts intensive sales activities aimed at gaining new business – the goal is to expand its customer base by 20-30 new contractors each year.

Global trends of accelerated digital transformation and changing customer expectations mean insurers must modernize their IT systems in order to remain at the competitive edge. Sapiens' comprehensive cloud solutions are becoming increasingly popular among customers. The company operates cloud competence centers in the US, Europe, Israel and India. During the reporting period, Sapiens continued to migrate on-premise IT systems of its existing customers to the cloud. To date, the process of migrating into the cloud has been completed at around 150 out of more than 600 customers of the company. The majority of new deals signed in the first quarter of this year involved products offered in the SaaS model.

Revenues from software products and re-occurring post-production services (licenses, maintenance, subscriptions, cloud solutions) accounted for 70% of sales in the first quarter of 2024, with the rest coming from pre-production implementation services.

The company generated stronger revenues across all major regions of its operations. The geographical breakdown of the company's sales was as follows: Europe – 51%, North America – 41%, and Rest of the World – 8%.

Sapiens reiterated its 2024 annual guidance for revenues in a range of USD 550 million to USD 555 million.

Magic Software, a global provider of IT consulting services and end-to-end integration solutions and application development platforms, in the reporting period focused on the execution of projects in a variety of sectors, including finance, healthcare, defense and public administration, as well as in the high-tech industry. The company supported more than 350 customers in migrating to cloud providers such as AWS, Azure and Google Cloud Platform.

Magic Software's sales are geographically diversified. In the first quarter of 2024, revenues from North America accounted for 40% of its total sales, Israel – 45%, and the remaining 15% of revenues came from Europe, Asia Pacific and other regions of the world. In this period, 19% of the company's revenues were generated from the sale of software, while IT services accounted for 81% of sales.

The company is constantly looking for potential acquisition targets – small and medium-sized businesses that match its strategy for geographical expansion, and will enlarge its product portfolio and customer base.

Magic Software reiterated its 2024 annual revenue guidance of between USD 540 million and USD 550 million.

Stronger year-on-year sales were reported by **Michpal Group** which is a provider of HR and payroll management software and associated services. In the first quarter of 2024, Michpal Group was joined by Heshev Information Systems, a provider systems and services for accounting, finance and human resources.

ZAP Group manages more than 20 leading consumer websites, including ZAP Price Comparisons, ZAP Yellow Pages – Israel's largest electronic business directory, ZAP Rest – a restaurant search engine, and ZAP Doctors portal. In the first quarter of this year, the company conducted a number of projects in the fields of digital marketing and advertising. The company also runs an investment project aiming to transform its price comparison website into a leading marketplace in Israel.

In addition, the Formula Systems segment's results include contributions from:

- **Insync Staffing** – a US-based provider of consulting services and human resources outsourcing;
- **Shamrad Electronics (1977)** – an Israeli provider of advanced security and control systems;
- **Ofek Aerial Photography (1987)** – a company specialized in the provision of advanced aerial and satellite mapping services and the aggregation and processing of geographic data. In the first quarter of 2024, Ofek took over YONA Engineering Consulting & Management Ltd, a company specializing in highways, airports and railroads engineering.

4. Non-recurring events with impact on our financial performance

The war in Ukraine which has continued since 24 February 2022 as well as military operations on the territory of Israel launched by the Hamas organization on 7 October 2023 have not exerted a significant impact on the financial results of Asseco Group generated in the first quarter of 2024.

Information on the impact exerted by the geopolitical and macroeconomic situation on the business operations of Asseco Group can be found in explanatory note 2.2 to these interim condensed consolidated financial statements for the period of 3 months ended 31 March 2024.

Apart from the events described in section B.1 "Summary of the financial results of Asseco Group for the period of 3 months ended 31 March 2024" and section B.3 "Major factors and events with impact on our financial performance" in this quarterly report, we observed no events being unusual due to their type, value or frequency that would significantly affect the Group's assets, liabilities, equity, net profit or cash flows.

5. Governing bodies of Asseco Poland S.A.

During the period of 3 months ended 31 March 2024, the Management Board of Asseco Poland was composed of the following persons:

Management Board	Period of service
Adam Góral	01.01.2024 - 31.03.2024
Grzegorz Bartler	01.01.2024 - 31.03.2024
Andrzej Dopierała	01.01.2024 - 31.03.2024
Krzysztof Groyecki	01.01.2024 - 31.03.2024
Marek Panek	01.01.2024 - 31.03.2024
Paweł Piwowar	01.01.2024 - 31.03.2024
Zbigniew Pomianek	01.01.2024 - 31.03.2024
Sławomir Szmytkowski	01.01.2024 - 31.03.2024
Karolina Rzońca-Bajorek	01.01.2024 - 31.03.2024
Artur Wiza	01.01.2024 - 31.03.2024
Gabriela Żukowicz	01.01.2024 - 31.03.2024

From the end of the reporting period till the publication of this quarterly report, the composition of the Management Board of Asseco Poland remained unchanged.

During the period of 3 months ended 31 March 2024, the Company's Supervisory Board was composed of the following persons:

Supervisory Board	Period of service
Jacek Duch	01.01.2024 - 31.03.2024
Adam Noga	01.01.2024 - 31.03.2024
Izabela Albrycht	01.01.2024 - 31.03.2024
Piotr Augustyniak	01.01.2024 - 31.03.2024
Dariusz Brzeski	01.01.2024 - 31.03.2024
Artur Gabor	01.01.2024 - 31.03.2024
Piotr Maciąg	01.01.2024 - 31.03.2024
Piotr Żak	01.01.2024 - 31.03.2024
Tobias Solorz	01.01.2024 - 31.03.2024

The Supervisory Board runs an Audit Committee in the following composition: Artur Gabor – Chairman, Jacek Duch and Piotr Augustyniak – Members of the Audit Committee.

From the end of the reporting period till the publication of this quarterly report, the composition of the Supervisory Board of Asseco Poland remained unchanged.

6. Shareholders structure of Asseco Poland S.A.

Major shareholders as at 27 May 2024	Number of shares held / number of votes attached	Equity interest / percentage of total voting rights
Cyfrowy Polsat ⁽¹⁾	8,405,327	10.13%
Adam Góral Family Foundation ⁽²⁾	8,310,000	10.01%
Allianz Open Pension Fund ⁽³⁾	8,300,027	9.99%
Nationale-Nederlanden Open Pension Fund ⁽⁴⁾	4,171,121	5.03%
Other shareholders	39,004,956	47.00%
Asseco Poland ⁽⁵⁾ – treasury shares*	14,808,872	17.84%
Total	83,000,303	100.00%

* Treasury shares purchased under the share buy-back programme announced on 6 September 2023. In accordance with art. 364 sect. 2 of the Commercial Companies Code, Asseco Poland S.A. does not exercise any shareholder rights attached to treasury shares.

(1) In accordance with the regulatory filing no. 30/2023 of 25 September 2023.

(2) In accordance with the regulatory filings no. 6/2024 and 7/2024 of 26 April 2024.

(3) In accordance with the regulatory filing no. 35/2023 of 20 November 2023.

(4) In accordance with the regulatory filing no. 21/2015 of 19 October 2015.

(5) In accordance with the regulatory filing no. 28/2023 of 21 September 2023.

On 26 April 2024, the Company received notifications of transactions in the Company's shares conducted by Adam Góral, President of its Management Board, and the Adam Góral Family Foundation being an entity closely related to the person performing managerial duties. As a result of these transactions, 8,310,000 shares representing 10.01% of the Company's share capital and carrying the right to exercise 8,310,000 votes representing 10.01% of total voting rights at the Company's general meeting, which had been held by Adam Góral, President of the Management Board, were transferred to the Adam Góral Family Foundation.

Major shareholders as at 27 and 31 March 2024	Number of shares held / number of votes attached	Equity interest / percentage of total voting rights
Cyfrowy Polsat ⁽¹⁾	8,405,327	10.13%
Adam Góral ⁽²⁾	8,310,000	10.01%
Allianz Open Pension Fund ⁽³⁾	8,300,027	9.99%
Nationale-Nederlanden Open Pension Fund ⁽⁴⁾	4,171,121	5.03%
Other shareholders	39,004,956	47.00%
Asseco Poland ⁽⁵⁾ – treasury shares*	14,808,872	17.84%
Total	83,000,303	100.00%

* Treasury shares purchased under the share buy-back programme announced on 6 September 2023. In accordance with art. 364 sect. 2 of the Commercial Companies Code, Asseco Poland S.A. does not exercise any shareholder rights attached to treasury shares.

(1) In accordance with the regulatory filing no. 30/2023 of 25 September 2023.

(2) In accordance with the regulatory filing no. 37/2023 of 28 November 2023 and the regulatory filing no. 38/2023 of 30 November 2023.

(3) In accordance with the regulatory filing no. 35/2023 of 20 November 2023.

(4) In accordance with the regulatory filing no. 21/2015 of 19 October 2015.

(5) In accordance with the regulatory filing no. 28/2023 of 21 September 2023.

Shares held by the management and supervisory personnel

The numbers of Asseco Poland shares held by its management and supervisory staff are presented in the table below:

	27 May 2024	31 March 2024	27 March 2024
Jacek Duch – Chairman of the Supervisory Board	31,458	31,458	31,458
Adam Góral – President of the Management Board	0	8,310,000	8,310,000

The remaining members of the Supervisory Board and Management Board held no shares in Asseco Poland at any of the above-mentioned dates.

The table below presents the numbers of shares in related companies held by our management and supervisory staff as at 27 March 2024, 31 March 2024, and as at 27 May 2024:

First name and surname	Related party	Number of shares	Par value per share	Par value of all shares held
Adam Noga	Asseco South Eastern Europe	150	PLN 10	PLN 1,500
Zbigniew Pomianek	Asseco South Eastern Europe	700	PLN 10	PLN 7,000
Marek Panek	Asseco South Eastern Europe	300	PLN 10	PLN 3,000
Gabriela Żukowicz	Asseco South Eastern Europe	150	PLN 10	PLN 1,500

7. Other Information

7.1. Issuance, redemption and repayment of non-equity and equity securities

During the reporting period, the Parent Company did not conduct any transactions of issuance, redemption or repayment of equity or debt securities.

7.2. Effects of changes in the organizational structure

Description of the organizational structure of Asseco Group and changes thereto is provided in explanatory note 3 to the interim condensed consolidated financial statements of the Group for the period of 3 months ended 31 March 2024.

7.3. Information on pending legal proceedings concerning liabilities or receivables of Asseco Poland or its subsidiaries

Asseco Group's disputes in litigation have been described in explanatory note 8.1 to the interim condensed consolidated financial statements of the Group for the period of 3 months ended 31 March 2024.

7.4. Related party transactions

Transactions with our related parties have been presented in explanatory note 6.15 to the interim condensed consolidated financial statements for the period of 3 months ended 31 March 2024. All transactions with related parties are carried out on an arm's length basis.

7.5. Bank loans, borrowings, sureties, guarantees and off-balance-sheet liabilities

Bank loans and borrowings obtained, sureties and guarantees granted, as well as off-balance-sheet liabilities have been disclosed in explanatory notes 6.10 and 8.1 to the interim condensed consolidated financial statements for the period of 3 months ended 31 March 2024.

7.6. Changes in the Group management policies

During the period of 3 months ended 31 March 2024, the Group's management practices remained unchanged.

7.7. Agreements concluded by Asseco Group with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions

The Group companies did not conclude any agreements with their management officers that would provide for payment of compensations in the event such persons resign or are dismissed from their positions without substantial reason, or when they are dismissed as a result of a company merger by acquisition.

7.8. Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders

There are no agreements which may result in future changes of the equity interests held by the existing shareholders and bondholders.

7.9. Opinion on feasibility of the Management's financial forecasts for 2024

The Management Board of Asseco Poland S.A. did not publish any financial forecasts for the year 2024.

7.10. Information on monitoring of employee stock option plans

As at the date of publication of this report, the Issuer did not run any share-based employee incentive scheme.

7.11. Factors which in the Management's opinion will affect the Group's financial performance at least in the next quarter

The Management Board of Asseco Poland believes the Group's current financial standing, production potential and market position pose no threats to its continued operations and development over a period of at least 12 months from the end of the reporting period.

There are numerous factors, both of internal and external nature, which may directly or indirectly affect the Group's financial performance.

External factors with a bearing on the future financial results of Asseco Group include:

- development of the economic and political situation in Poland, European Union and other countries in which the Group conducts its business operations, including the impact of the geopolitical situation in Ukraine and in the Gaza Strip as described in explanatory note 2.2 to the interim condensed consolidated financial statements;
- inflation and currency exchange rate fluctuations (foremost of the dollar and euro, but also currencies of the countries where the Group operates);
- increased or decreased demand for IT solutions in the sectors of banking and finance, public administration, and enterprises;
- shortage of qualified IT experts in the demanding labour market (risk of increased labour costs);
- more and more severe competition both from Polish and international IT companies, which is observed especially when it comes to the execution of large and prestigious contracts;
- changes in the credit standing, financial liquidity and availability of debt financing for our customers;
- changes of market interest rates and lending margins applied by banks;
- opportunities and risks resulting from relatively rapid technological changes and innovations in the IT market;
- risk of postponing the IT spending decisions by potential clients;

Internal factors with a bearing on the future financial results of Asseco Group include:

- execution of complex information technology projects carried out under long-term agreements;
- effects of commercial activities undertaken both in the domestic and foreign markets;
- necessity to retain the most qualified and key employees;
- results of work on the development of new products;
- implementation of the Group's business strategy involving organic growth and expansion into new foreign markets;

7.12. Other factors significant for the assessment of human resources, assets and financial position

Except for the information provided above, Asseco Group is not aware of any events the disclosure of which might significantly affect the assessment of human resources, assets and financial position of the Group.

**C. Interim Condensed
Financial Statements of
[Asseco Poland S.A.](#)
for the period of 3 months
ended 31 March 2024**

ASSECO

Standalone Interim Statement of Profit and Loss and Other Comprehensive Income

Asseco Poland S.A.

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Operating revenues	371.0	317.5
Cost of sales	(275.2)	(231.1)
Gross profit on sales	95.8	86.4
Selling costs	(14.3)	(12.5)
General and administrative expenses	(27.0)	(24.7)
Net profit on sales	54.5	49.2
Other operating income	15.0	1.2
Other operating expenses	(0.3)	(0.3)
Operating profit	69.2	50.1
Financial income	118.0	124.4
Financial expenses	(16.6)	(1.4)
Pre-tax profit	170.6	173.1
Corporate income tax	(12.8)	(13.4)
Net profit for the reporting period	157.8	159.7
Earnings per share (in PLN):		
Basic and diluted earnings per share for the reporting period	2.31	1.92
Other comprehensive income:		
Net profit for the reporting period	157.8	159.7
Components that may be reclassified to profit or loss	-	-
Components that will not be reclassified to profit or loss	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	157.8	159.7

Standalone Interim Statement of Financial Position

Asseco Poland S.A.

ASSETS	31 March 2024	31 December 2023
	PLN mn	PLN mn
Non-current assets		
Property, plant and equipment	282.9	286.7
Intangible assets	2,201.1	2,203.7
<i>of which goodwill from business combinations</i>	<i>1,936.9</i>	<i>1,936.9</i>
Right-of-use assets	105.2	104.9
Investments in subsidiaries and associates	1,975.5	1,975.1
Other receivables and trade receivables	14.9	1.8
Prepayments and accrued income	37.7	37.5
Other assets	16.0	15.9
	4,633.3	4,625.6
Current assets		
Inventories	2.6	3.3
Trade receivables	233.0	241.2
Contract assets	216.5	172.8
Other receivables	133.4	21.9
Prepayments and accrued income	33.7	22.9
Other assets	8.2	6.2
Cash and bank deposits	258.8	260.7
	886.2	729.0
Non-current assets held for sale	-	20.1
	886.2	749.1
TOTAL ASSETS	5,519.5	5,374.7

Standalone Interim Statement of Financial Position

Asseco Poland S.A.

EQUITY AND LIABILITIES	31 March 2024	31 December 2023
	PLN mn	PLN mn
TOTAL EQUITY		
Share capital	83.0	83.0
Share premium	4,180.1	4,180.1
Treasury shares	(1,186.2)	(1,186.2)
Retained earnings and other capitals	982.3	824.5
	4,059.2	3,901.4
Non-current liabilities		
Bank loans	802.2	826.1
Lease liabilities	75.3	76.0
Deferred tax liabilities	22.1	21.1
Contract liabilities	36.9	36.2
Corporate income tax payable	-	5.6
Trade payables and other liabilities	9.8	0.6
Provisions	5.7	6.9
Accruals and deferred income	44.5	45.0
	996.5	1,017.5
Current liabilities		
Bank loans	100.6	100.4
Lease liabilities	14.4	13.4
Other financial liabilities	0.1	-
Trade payables	81.3	101.6
Contract liabilities	88.8	73.4
Corporate income tax payable	42.5	32.3
Other liabilities	66.6	72.7
Provisions	11.2	9.7
Accruals and deferred income	58.3	49.2
Liabilities held for sale	-	3.1
	463.8	455.8
TOTAL LIABILITIES	1,460.3	1,473.3
TOTAL EQUITY AND LIABILITIES	5,519.5	5,374.7

Standalone Interim Statement of Changes in Equity

Asseco Poland S.A.

	Share capital	Share premium	Treasury shares	Retained earnings and other capitals	Total equity
As at 1 January 2024	83.0	4,180.1	(1,186.2)	824.5	3,901.4
Net profit	-	-	-	157.8	157.8
As at 31 March 2024	83.0	4,180.1	(1,186.2)	982.3	4,059.2
As at 1 January 2023	83.0	4,180.1	-	764.1	5,027.2
Net profit	-	-	-	159.7	159.7
As at 31 March 2023	83.0	4,180.1	-	923.8	5,186.9

Standalone Interim Statement of Cash Flows

Asseco Poland S.A.

	3 months ended 31 March 2024 PLN mn	3 months ended 31 March 2023 PLN mn
Cash flows – operating activities		
Pre-tax profit	170.6	173.1
Total adjustments:	(144.0)	(168.2)
Depreciation and amortization	15.2	14.6
Changes in working capital	(48.3)	(62.9)
Interest (income)/expenses	16.0	0.3
(Gain)/loss on foreign exchange differences	2.0	(0.1)
Dividend income	(115.0)	(119.5)
Other financial income/expenses	0.2	0.1
(Gain)/loss on disposal and liquidation of property, plant and equipment and intangible assets	(14.1)	(0.7)
Net cash generated from operating activities	26.6	4.9
Corporate income tax paid	(6.8)	(6.8)
Net cash provided by (used in) operating activities	19.8	(1.9)
Cash flows – investing activities		
Inflows:		
Disposal of property, plant and equipment, and intangible assets	28.4	1.8
Sale of shares in related entities	0.5	1.1
Loans collected	0.4	0.4
Dividends received	-	119.5
Interest received	-	0.2
Outflows:		
Acquisition of property, plant and equipment, and intangible assets	(5.2)	(12.1)
Expenditures for development projects in progress	(1.6)	(6.4)
Acquisition of shares in related entities	(0.4)	(12.0)
Loans granted	(0.5)	(1.7)
Net cash provided by (used in) investing activities	21.6	90.8
Cash flows – financing activities		
Outflows:		
Repayments of bank loans	(23.7)	-
Payments of lease liabilities	(3.4)	(3.4)
Interest paid	(16.3)	(0.7)
Net cash provided by (used in) financing activities	(43.4)	(4.1)
Net change in cash and cash equivalents	(2.0)	84.8
Net foreign exchange differences	0.1	-
Cash and cash equivalents as at 1 January	260.7	306.4
Cash and cash equivalents as at 31 March	258.8	391.2

The background features abstract, overlapping geometric shapes in various shades of blue (from light to dark) and white. The shapes are rounded and angular, creating a modern, clean aesthetic. The text is positioned on a white, rounded rectangular area in the lower-left quadrant.

**Approval for publication
by the Management Board**

This quarterly report of Asseco Group for the period of 3 months ended 31 March 2024 has been approved for publication by the Management Board of Asseco Poland S.A. on 27 May 2024.

Management Board:

Adam Góral
President
of the Management Board

Grzegorz Bartler
Vice President
of the Management Board

Andrzej Dopierała
Vice President
of the Management Board

Krzysztof Groyecki
Vice President
of the Management Board

Marek Panek
Vice President
of the Management Board

Paweł Piwowar
Vice President
of the Management Board

Zbigniew Pomianek
Vice President
of the Management Board

Karolina Rzońca-Bajorek
Vice President
of the Management Board

Sławomir Szmytkowski
Vice President
of the Management Board

Artur Wiza
Vice President
of the Management Board

Gabriela Żukowicz
Vice President
of the Management Board

Person responsible for the preparation of interim condensed consolidated financial statements:

Rafał Obodziński
Director of the Financial
Reporting Department

Technology for business, solutions for people.

Asseco Poland S.A.

14 Olchowa St., 35-322 Rzeszów, Poland

Phone: +48 17 888 55 55

Fax: +48 17 888 55 50

Email: info@asseco.pl

investor.asseco.pl