Quarterly Report of Asseco Group

for the period of 3 months ended 31 March 2023

Present in
60 countries

PLN 4,335 million
in sales revenues

32,941
highly committed
employees

PLN 108.1 million
of net profit for Shareholders
of the Parent Company

PLN 11,150 million
in order backlog* for 2023

PLN 7.5 billion
in market capitalization

*refers to proprietary software and services

Asseco Group
Quarterly Report for the period of 3 months ended 31 March 2023

Financial Highlights

Asseco Group

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

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn	3 months ended 31 March 2023 EUR mn	3 months ended 31 March 2022 EUR mn
Operating revenues	4,335.4	4,047.5	922.3	871.0
Operating profit	397.6	386.7	84.6	83.2
Pre-tax profit before share of profits of associates and joint ventures	377.4	368.5	80.3	79.3
Net profit for the reporting period	292.5	287.1	62.2	61.8
Net profit attributable to Shareholders of the Parent Company	**108.1**	**107.6**	**23.0**	**23.2**
Net cash provided by (used in) operating activities	306.9	375.0	65.3	80.7
Net cash provided by (used in) investing activities	(460.5)	(217.2)	(98.0)	(46.7)
Net cash provided by (used in) financing activities	(230.0)	158.2	(48.9)	34.0
Cash and short-term deposits (comparable data as at 31 December 2022)	3,189.2	3,636.0	682.1	775.3
Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	1.30	1.30	0.28	0.28
Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	1.30	1.30	0.28	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 2023 to 31 March 2023: EUR 1 = PLN 4.7005
  - for the period from 1 January 2022 to 31 March 2022: EUR 1 = PLN 4.6472
- 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 2023: EUR 1 = PLN 4.6755
  - exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899

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 2023

Interim Consolidated Statement of Profit and Loss and Other Comprehensive Income

Asseco Group

STATEMENT OF PROFIT AND LOSS	Note	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated*)* PLN mn
Operating revenues	5.1	4,335.4	4,047.5
Cost of sales	5.2	(3,394.9)	(3,157.1)
Gross profit on sales		**940.5**	**890.4**
Selling costs	5.2	(241.5)	(225.8)
General and administrative expenses	5.2	(302.3)	(268.4)
Net profit on sales		**396.7**	**396.2**
Other operating income	5.3	15.2	15.1
Other operating expenses	5.3	(14.3)	(24.6)
Operating profit		**397.6**	**386.7**
Financial income	5.4	49.8	19.0
Financial expenses	5.4	(70.0)	(37.2)
Pre-tax profit before share of profits of associates and joint ventures		**377.4**	**368.5**
Corporate income tax *(current and deferred tax expense)*	5.5	(83.5)	(82.4)
Share of profits of associates and joint ventures	6.5	(1.4)	1.0
Net profit for the reporting period		**292.5**	**287.1**
Attributable to:			
Shareholders of the Parent Company		**108.1**	**107.6**
Non-controlling interests	6.6	184.4	179.5
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	5.6	1.30	1.30

OTHER COMPREHENSIVE INCOME		
Net profit for the reporting period	**292.5**	**287.1**
Components that may be reclassified to profit or loss		
Gain (loss) on valuation of cash flow hedging instruments	(0.8)	-
Exchange differences on translation of foreign operations	(123.2)	82.8
Components that will not be reclassified to profit or loss		
Net gain/loss on valuation of financial assets carried at fair value	4.8	-
Actuarial gains/losses	1.9	4.4
Income tax relating to components of other comprehensive income	(0.5)	(1.4)
Total other comprehensive income	**(117.8)**	**85.8**
TOTAL COMPREHENSIVE INCOME attributable to:	**174.7**	**372.9**
Shareholders of the Parent Company	**80.8**	**149.1**
Non-controlling interests	93.9	223.8

** The restatement has been disclosed in detail in explanatory note 2.10 to these interim condensed consolidated financial statements.*

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 7

Interim Consolidated Statement of Financial Position

Asseco Group

ASSETS	Note	31 March 2023 PLN mn	31 December 2022 *(restated*)* PLN mn
Non-current assets			
Property, plant and equipment	6.1	992.1	993.0
Intangible assets	6.2	2,258.6	2,380.8
Right-of-use assets	6.3	787.0	789.9
Investment property		1.7	1.7
Goodwill	6.4	5,931.6	5,950.1
Investments accounted for using the equity method	6.5	117.4	123.1
Other receivables and trade receivables	6.7	81.2	70.6
Deferred tax assets		248.0	267.3
Prepayments and accrued income	6.8	87.6	89.1
Other non-financial assets		0.2	0.2
Other financial assets	6.9	110.3	103.4
		10,615.7	**10,769.2**
Current assets			
Inventories	6.10	346.5	326.0
Prepayments and accrued income	6.8	363.4	323.0
Trade receivables	6.7	3,780.3	3,954.7
Contract assets	6.7	854.3	763.1
Corporate income tax receivable	6.7	99.5	62.8
Receivables from the state and local budgets and other receivables	6.7	160.9	124.5
Other non-financial assets		21.3	18.0
Other financial assets	6.9	348.3	120.0
Cash and short-term deposits	6.11	3,189.2	3,636.0
		9,163.7	**9,328.1**
Non-current assets held for sale	6.12	42.5	42.5
Total current assets plus non-current assets held for sale		**9,206.2**	**9,370.6**
TOTAL ASSETS		**19,821.9**	**20,139.8**

** The restatement has been disclosed in detail in explanatory note 2.10 to these interim condensed consolidated financial statements.*

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 8

Interim Consolidated Statement of Financial Position

Asseco Group

EQUITY AND LIABILITIES	Note	31 March 2023 PLN mn	31 December 2022 *(restated*)* PLN mn
Equity ***(attributable to shareholders of the Parent Company)***			
Share capital		83.0	83.0
Share premium		4,180.1	4,180.1
Transactions with non-controlling interests		(186.5)	(188.8)
Exchange differences on translation of foreign operations		189.3	217.8
Retained earnings and other capitals		2,367.0	2,257.7
		6,632.9	**6,549.8**
Non-controlling interests	6.6	**3,666.2**	**3,663.6**
Total equity		**10,299.1**	**10,213.4**
Non-current liabilities			
Bank loans, borrowings and debt securities	6.13	1,813.7	2,021.8
Lease liabilities	6.14	523.0	535.6
Other financial liabilities	6.15	234.0	221.7
Deferred tax liabilities		558.4	572.6
Contract liabilities	6.17	74.4	84.8
Corporate income tax payable	6.16	57.7	59.0
Other liabilities and trade payables	6.16	10.3	10.7
Provisions	6.18	58.6	59.5
Accruals and deferred income	6.19	55.8	56.4
		3,385.9	**3,622.1**
Current liabilities			
Bank loans, borrowings and debt securities	6.13	1,170.5	1,145.9
Lease liabilities	6.14	273.1	264.4
Other financial liabilities	6.15	532.5	522.7
Trade payables	6.16	1,386.8	1,599.5
Contract liabilities	6.17	1,265.8	1,126.8
Corporate income tax payable	6.16	120.5	115.2
Other liabilities to the state and local budgets	6.16	227.8	322.8
Other liabilities	6.16	634.2	646.2
Provisions	6.18	46.0	38.4
Accruals and deferred income	6.19	476.6	519.3
Liabilities held for sale	6.12	3.1	3.1
		6,136.9	**6,304.3**
TOTAL LIABILITIES		**9,522.8**	**9,926.4**
TOTAL EQUITY AND LIABILITIES		**19,821.9**	**20,139.8**

** The restatement has been disclosed in detail in explanatory note 2.10 to these interim condensed consolidated financial statements.*

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 9

Interim Consolidated Statement of Changes in Equity

Asseco Group

	Note	Share capital PLN mn	Share premium PLN mn	Transactions with non-controlling interests PLN mn	Exchange differences on translation of foreign operations PLN mn	Retained earnings and other capitals PLN mn	Equity attributable to shareholders of the Parent Company PLN mn	Non-controlling interests PLN mn	Total equity PLN mn
As at 1 January 2023 *(restated)*		**83.0**	**4,180.1**	**(188.8)**	**217.8**	**2,257.7**	**6,549.8**	**3,663.6**	**10,213.4**
Net profit for the reporting period		-	-	-	-	108.1	**108.1**	184.4	**292.5**
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)**	**109.3**	**80.8**	**93.9**	**174.7**
Dividend for the year 2022	0	-	-	-	-	-	**-**	(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**	(3.2)	**(0.9)**
Loss of control over subsidiaries		-	-	-	-	-	**-**	0.3	**0.3**
As at 31 March 2023		**83.0**	**4,180.1**	**(186.5)**	**189.3**	**2,367.0**	**6,632.9**	**3,666.2**	**10,299.1**

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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 2022		**83.0**	**4,180.1**	**(147.5)**	**138.8**	**2,027.8**	**6,282.2**	**3,363.2**	**9,645.4**
Net profit for the reporting period		-	-	-	-	107.6	**107.6**	179.5	**287.1**
Other comprehensive income for the reporting period		-	-	-	41.1	0.4	**41.5**	44.3	**85.8**
Total comprehensive income for the reporting period		**-**	**-**	**-**	**41.1**	**108.0**	**149.1**	**223.8**	**372.9**
Dividend for the year 2021	0	-	-	-	-	-	**-**	(108.4)	**(108.4)**
Share-based payment transactions with employees		-	-	-	-	-	**-**	13.3	**13.3**
Transactions with non-controlling interests (including liabilities to non-controlling shareholders (put options))		-	-	(14.3)	-	-	**(14.3)**	(27.5)	**(41.8)**
As at 31 December 2022 (restated)		**83.0**	**4,180.1**	**(161.8)**	**179.9**	**2,135.8**	**6,417.0**	**3,464.4**	**9,881.4**

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Interim Consolidated Statement of Cash Flows

Asseco Group

	Note	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Cash flows – operating activities			
Pre-tax profit before share of profits of associates and joint ventures		377.4	368.5
Total adjustments:		**30.0**	**80.0**
Depreciation and amortization		224.9	214.3
Changes in working capital	7.1	(231.6)	(161.8)
Interest income/expenses		28.6	13.5
Gain/loss on foreign exchange differences		(4.9)	(8.1)
Other financial income/expenses		12.0	3.6
(Gain)/loss on disposal of property, plant and equipment and intangible assets		(1.7)	(0.4)
(Gain)/loss on losing control over subsidiaries		(0.3)	-
Impairment losses on property, plant and equipment, intangible assets, investment property and on right-of-use assets		(1.2)	-
Costs of share-based payment transactions with employees		19.3	18.3
(Gain)/loss on modification of lease contracts		(4.7)	-
(Gain)/loss on hyperinflation		(9.9)	-
Other adjustments to pre-tax profit		(0.5)	0.6
Cash provided by (used in) operating activities		**407.4**	**448.5**
Corporate income tax paid		(100.5)	(73.5)
Net cash provided by (used in) operating activities		**306.9**	**375.0**
Cash flows – investing activities			
Inflows			
Disposal of property, plant and equipment, intangible assets, and investment property		5.7	2.2
Proceeds from sale of shares in related entities, net of cash in entities sold		1.0	2.4
Disposal/settlement of financial assets carried at fair value through profit or loss		4.7	-
Loans collected (including cash deposits closed)	7.2	89.0	59.0
Interest received		3.2	1.0
Dividends received (from associates and/or joint ventures)		0.2	0.3
Other cash flows from investing activities		-	7.6
Outflows			
Acquisition of property, plant and equipment, intangible assets (including R&D expenditures), and investment property	7.2	(98.6)	(99.9)
Expenditures for acquisition of subsidiaries and associates, net of cash and cash equivalents in companies acquired	7.2	(129.6)	(125.6)
Expenditures for acquisition/settlement of financial assets carried at fair value through profit or loss or through other comprehensive income, as well as acquisition of other debt securities carried at amortized cost		(1.5)	-
Acquisition of investments in other debt securities carried at amortized cost		-	(1.2)
Loans granted (including cash deposits made)	7.2	(334.6)	(63.0)
Net cash provided by (used in) investing activities		**(460.5)**	**(217.2)**

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Cash flows – financing activities			
Inflows			
Proceeds from issuance of shares		11.5	-
Proceeds from bank loans and borrowings	7.3	118.1	465.6
Received grants related to assets and/or development projects		0.2	0.2
Outflows			
Expenditures for acquisition of non-controlling interests	7.3	(12.4)	(34.4)
Redemption of debt securities	7.3	(86.4)	(82.4)
Repayments of bank loans and borrowings	7.3	(133.7)	(100.9)
Payments of lease liabilities		(77.7)	(62.6)
Interest paid (including interest on leases)		(36.6)	(14.1)
Dividends paid out to non-controlling shareholders	6.6	(12.6)	(11.4)
Other cash flows from financing activities		(0.4)	(1.8)
Net cash provided by (used in) financing activities		**(230.0)**	**158.2**
Net increase (decrease) in cash and cash equivalents		**(383.6)**	**316.0**
Net foreign exchange differences		(81.4)	57.8
Net cash and cash equivalents as at 1 January		3,559.5	3,021.8
Net cash and cash equivalents as at 31 March	**6.11**	**3,094.5**	**3,395.6**

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Explanatory notes to the Interim Condensed Consolidated Financial Statements of Asseco Group

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 60 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.

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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 assets carried at amortized cost, financial liabilities carried at fair value through profit or loss, as well as investment property 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 2.11.

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 2023. 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 2022 which were published on 18 April 2023.

2.2. Impact of the war in Ukraine 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 and in particular those arising from the war in Ukraine, 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 2022 is not threatened.

On 24 February 2022, the Russian invasion of Ukraine caused a radical change in the geopolitical situation of the entire 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. In connection with the hostilities, the above-mentioned companies have already taken steps to eliminate any associated risks.

This situation had no direct impact on these financial statements. At the time of publication of these 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.

At the publication date, the situation is dynamic and therefore it is difficult to determine the long-term economic effects of the war in Ukraine and their impact on the overall macroeconomic situation, which indirectly affects the Group's financial results.

On a global scale, the war in Ukraine has translated into a less stable economic environment, rising inflation and higher interest rates. These changes have not yet exerted a direct impact on the Group's financial performance, and the interest rate hikes have not caused a significant increase in interest expenses as most of the Group's debt is based on a fixed interest rate. For obvious reasons, the Group cannot exclude the possibility that in the long run an undoubtedly negative impact of the war on the overall economic situation in Poland and in the world may also have an adverse effect on the operations or financial results of the Group in the future.

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 a 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) (the "Regulation"), and covers the reporting period from 1 January to 31 March 2023 and the comparable period from 1 January to 31 March 2022 in case of the statement of profit and loss and the statement of cash flows, as well as the financial position data as at 31 March 2023 and the comparable data as at 31 December 2022 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. The difference resulting from the translation of the statement of comprehensive income at the exchange rate effective on the reporting date, instead of using the average exchange rate for the reporting period, is disclosed in the line 'Exchange differences on translation of foreign operations'.

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 2022 which were published on 18 April 2023.

Hence, in the period covered by these interim condensed consolidated financial statements as well as at 31 March 2023, 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 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 2023.

ii. Estimates

In the period of 3 months ended 31 March 2023, 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 2022.

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 2.11.

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 2022, except for the adoption of new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2023, as well as except for the change described in explanatory note 2.8.

New standards or amendments effective from 1 January 2023:

- IFRS 17 'Insurance Contracts' and amendments to IFRS 17;
- Amendments to IAS 1 'Presentation of Financial Statements' and the IASB's 'Practice Statement on Disclosure of Accounting Policies';
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- Amendments to IAS 12 'Income Taxes'.

The amended standards and interpretations that were first applied in 2023 had no significant impact of the interim condensed 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:

- 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 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;
- Amendments to IAS 1 'Presentation of Financial Statements – Classification of Liabilities as Current or Non-current' and 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date' and 'Non-current Liabilities with Covenants' (issued on 23 January 2020 and 15 July 2020 and on 31

October 2022, respectively) – 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 2024;
- Amendments to IFRS 16 'Leases – Lease Liability in a Sale and Leaseback' (issued on 22 September 2022) – 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 2024.

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 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 Group revised its accounting policy applied for the presentation of selected items of income and expenses. Before the change in presentation, these items were disclosed under financial activities, and after the presentation change, they are included in other operating activities. The change has affected the following items of income and expenses:

Items of income and expenses	Before change in presentation	After change in presentation
Expenses related to obtaining control over subsidiaries	Financial expenses	Other operating expenses
Gain and loss on revaluation of deferred and conditional payments for controlling interests in subsidiaries – portion based on operating profits of subsidiaries	Financial income or expenses	Other operating income or expenses
Gain and loss on revaluation of liabilities from the acquisition of non-controlling interests (put options) – portion based on operating profits and equity of subsidiaries*	Financial income or expenses	Other operating income or expenses
Dividends paid out to non-controlling shareholders*	Financial expenses	Other operating expenses
Recognition/Reversal of allowances for receivables arising from the sale of shares in subsidiaries (hitherto recognized as 'Impairment loss on financial instruments')	Financial income or expenses	Other operating income or expenses

*Applies only to put options and non-controlling interests accounted for using the present ownership method.

Gain and loss on revaluation of deferred and conditional payments for controlling interests in subsidiaries which result from unwinding of discounts on liabilities and foreign exchange differences are still disclosed in financial income or expenses. Gain and loss on revaluation of liabilities from the acquisition of non-controlling interests (put options) which result from unwinding of discounts on liabilities and foreign exchange differences are still disclosed in financial income or expenses.

These changes are intended to provide more consistent presentation of certain income and expenses in the Group's consolidated statement of profit and loss, as well as to emphasize that acquisitions are part of the Group's ordinary operating activities.
Income and expenses arising from the measurement of contingent liabilities and put options are largely due to changes in the current and expected operating profits generated by our subsidiaries and therefore, in the Group's opinion, they should be disclosed under operating activities rather than financial activities. Similar conclusions apply to the costs of acquiring companies that must be determined in order to finalize the acquisition process itself, as well as to the costs of dividends paid out to non-controlling interests (accounted for using the present ownership method), the amounts of which are also derived from operating profits generated by our subsidiaries. Furthermore, presentation of the above indicated income and expenses under other operating activities is consistent with the fact that other significant items related to the operating activities of subsidiaries, such as goodwill impairment charges or gains and losses on losing control over subsidiaries are also presented in other operating activities.

The restatement of data for the comparable period resulting from the said change in presentation is provided in explanatory note 2.10 to these condensed consolidated financial statements.

2.9. Correction of errors

In the reporting period, no events occurred that would require making corrections of any misstatements.

2.10. Restatement of comparable data

In the first 3 months of 2023, the Group revised the purchase price allocation in the acquisitions of Pirios S.A. (in the Asseco Poland segment) as well as Formally Smart Form System Ltd, Bear Staffing, Appush Ltd and The Goodkind Group LLC (in the Formula Systems segment) which necessitated a restatement of the comparable data. Such comparable data have been also restated due to changes in the values of assets acquired that were recognized in the purchase price allocation of subsidiaries from ASEE Group (the Asseco International segment).
In addition, one of companies in the Formula Systems segment has reclassified a portion of its revenues from the resale of third-party services. The reclassification consisted in presenting such revenues net of the cost of services sold. As a result of this reclassification, the Group has restated the comparable data contained in the statement of profit and loss.
The comparable data have also been restated due to a change in the presentation of certain financial income and expenses (as described in more detail in explanatory note 2.8).
These events resulted in changing the values of some assets and liabilities disclosed as at 31 December 2022, as well as some items disclosed in the statement of profit and loss for the period of 3 months ended 31 March 2022.

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 31 March 2022**	**Revision of purchase price allocation**	**Reclassification of revenues and costs in the Formula Systems segment**	**Change in presentation of certain financial income and expenses**	**3 months ended 31 March 2022 *(restated)***
	PLN mn	**PLN mn**	**PLN mn**	**PLN mn**	**PLN mn**
Operating revenues	4,075.5	0.5	(28.5)	-	4,047.5
Cost of sales	(3,184.5)	(1.1)	28.5	-	(3,157.1)
Gross profit on sales	**891.0**	**(0.6)**	**-**	**-**	**890.4**
Selling costs	(225.8)	-	-	-	(225.8)
General and administrative expenses	(268.4)	-	-	-	(268.4)
Net profit on sales	**396.8**	**(0.6)**	**-**	**-**	**396.2**
Other operating income	7.9	-	-	7.2	15.1
Other operating expenses	(14.4)	-	-	(10.2)	(24.6)
Operating profit	**390.3**	**(0.6)**	**-**	**(3.0)**	**386.7**
Financial income	26.2	-	-	(7.2)	19.0
Financial expenses	(47.4)	-	-	10.2	(37.2)
Pre-tax profit before share of profits of associates and joint ventures	**369.1**	**(0.6)**	**-**	**-**	**368.5**
Corporate income tax (current and deferred tax expense)	(82.5)	0.1	-	-	(82.4)
Share of profits of associates and joint ventures	1.0	-	-	-	1.0
Net profit for the reporting period	**287.6**	**(0.5)**	**-**	**-**	**287.1**
Attributable to:					
Shareholders of the Parent Company	**107.9**	**(0.3)**	**-**	**-**	**107.6**
Non-controlling interests	179.7	(0.2)	-	-	179.5

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Restatement of the statement of financial position	31 December 2022	Revision of purchase price allocation in the Formula Systems segment	Revision of purchase price allocation in the Asseco International segment	31 December 2022 *(restated)*
	PLN mn	PLN mn	PLN mn	PLN mn
Non-current assets				
Property, plant and equipment	993.0	-	-	993.0
Intangible assets	2,379.8	-	1.0	2,380.8
Right-of-use assets	789.9	-	-	789.9
Investment property	1.7	-	-	1.7
Goodwill	5,942.2	8.8	(0.9)	5,950.1
Investments accounted for using the equity method	123.1	-	-	123.1
Other receivables and trade receivables	70.6	-	-	70.6
Deferred tax assets	267.3	-	-	267.3
Prepayments and accrued income	89.1	-	-	89.1
Other non-financial assets	0.2	-	-	0.2
Other financial assets	103.4	-	-	103.4
	10,760.3	**8.8**	**0.1**	**10,769.2**
Current assets				
Inventories	326.0	-	-	326.0
Prepayments and accrued income	323.0	-	-	323.0
Trade receivables	3,954.7	-	-	3,954.7
Contract assets	763.1	-	-	763.1
Corporate income tax receivable	62.8	-	-	62.8
Receivables from the state and local budgets and other receivables	124.5	-	-	124.5
Other non-financial assets	18.0	-	-	18.0
Other financial assets	120.4	(0.4)	-	120.0
Cash and short-term deposits	3,636.0	-	-	3,636.0
	9,328.5	**(0.4)**	**-**	**9,328.1**
Non-current assets held for sale	42.5	-	-	42.5
Total current assets plus non-current assets held for sale	**9,371.0**	**(0.4)**	**-**	**9,370.6**
TOTAL ASSETS	**20,131.3**	**8.4**	**0.1**	**20,139.8**
Total equity	**10,213.5**	**-**	**(0.1)**	**10,213.4**
Equity (attributable to shareholders of the Parent Company)	6,549.9	-	(0.1)	6,549.8
Non-controlling interests	3,663.6	-	-	3,663.6
Non-current liabilities				
Bank loans, borrowings and debt securities	2,021.8	-	-	2,021.8
Lease liabilities	535.6	-	-	535.6
Other financial liabilities	221.7	-	-	221.7
Deferred tax liabilities	572.4	-	0.2	572.6
Contract liabilities	84.8	-	-	84.8
Corporate income tax payable	59.0	-	-	59.0
Other liabilities and trade payables	10.7	-	-	10.7

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Provisions	59.5	-	-	59.5
Accruals and deferred income	56.4	-	-	56.4
	3,621.9	**-**	**0.2**	**3,622.1**
Current liabilities				
Bank loans, borrowings and debt securities	1,145.9	-	-	1,145.9
Lease liabilities	264.4	-	-	264.4
Other financial liabilities	514.6	8.1	-	522.7
Trade payables	1,599.5	-	-	1,599.5
Contract liabilities	1,126.8	-	-	1,126.8
Corporate income tax payable	115.2	-	-	115.2
Other liabilities to the state and local budgets	322.8	-	-	322.8
Other liabilities and trade payables	645.9	0.3	-	646.2
Provisions	38.4	-	-	38.4
Accruals and deferred income	519.3	-	-	519.3
Liabilities held for sale	3.1	-	-	3.1
	6,295.9	**8.4**	**-**	**6,304.3**
TOTAL LIABILITIES	**9,917.8**	**8.4**	**0.2**	**9,926.4**
TOTAL EQUITY AND LIABILITIES	**20,131.3**	**8.4**	**0.1**	**20,139.8**

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

The assessment whether the Group companies operate in a hyperinflationary economy is based on qualitative and quantitative factors. In Turkey, which is covered by operations carried out by ASEE Group (the Asseco International segment), high monthly increases in inflation recorded by the Turkish Statistical Institute from December 2021 up to the present brought the three-year cumulative inflation rate above the level of 100% percent in April 2022. Moreover, qualitative indicators of hyperinflation are also present in Turkey. Consequently, the Group recognized Turkey as a country with a hyperinflationary economy, and has applied IAS 29 'Financial Reporting in Hyperinflationary Economies' retrospectively from 1 January 2022 for its subsidiaries based in Turkey, as if the Turkish economy was always hyperinflationary. Also the financial data of our subsidiaries whose functional currency is the Turkish lira have been restated taking into account the change in purchasing power based on the consumer price index (CPI), so that they were expressed in the measuring units current at the end of the reporting period.

Accordingly, non-monetary items in the statement of financial position as well as the statement of profit and loss have been restated to reflect the purchasing power at the reporting date. Monetary items such as cash, receivables, liabilities, bank debt, etc. already reflect the purchasing power at the reporting date because these items are composed of balances, amounts of receivables or payables in respective monetary units. IAS 29, in conjunction with IAS 21 on foreign currency translation, also requires all transactions carried out in a hyperinflationary currency, i.e. Turkish lira (TRY), to be translated into the Group's presentation currency, i.e. the Polish zloty (PLN), using the exchange rate effective on the reporting date. Therefore, all transactions conducted in Turkey were converted into PLN using the exchange rate effective on 31 March 2023; whereas, all transactions conducted in Turkey in the previous year were converted into PLN using the exchange rate of 31 December 2022, although the Group usually translates transactions in the statement of profit and loss at the average exchange rate for the given reporting period.

As the Group's presentation currency, namely PLN, is not hyperinflationary, IAS 21 and IAS 29 do not require a restatement of the Group's comparable data in order to reflect the purchasing power at the end of March 2022. Hence, the Group's financial data for prior years have not been restated. The cumulative effect of applying IAS 29 as at 1 January 2022 has been recognized in the Group's other comprehensive income.

Basis of restatements due to hyperinflation

- Price index:

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 2023 reached 51%.

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

Inflation rate for particular periods	
March 2023 – December 2022	13%
March 2023 – March 2022	51%
December 2022 – December 2021	64%
December 2021 – December 2020	36%
Three-year cumulative inflation rate	
March 2023 – March 2020	182%
December 2022 – December 2019	156%

- Currency exchange rate:

All financial data of our subsidiary operations in Turkey, both in the interim consolidated statement of financial position and the interim consolidated statement of profit and loss are translated into the Group's presentation currency (PLN) using the TRY/PLN exchange rate effective on the reporting date, which is contrary to the Group's usual practice of translating the statement of profit and loss at the average exchange rate for the reporting period. As at 31 March 2023, this exchange rate was: TRY 1 = PLN 0.2239.

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Assumptions for the approach and timing of hyperinflation restatements:

1) Hyperinflation restatements in the local currency

   a) The Group has analyzed items of the statement of financial position of its subsidiaries in Turkey and divided them into monetary and non-monetary assets/liabilities. Monetary items have not been restated because they are already expressed in terms of the monetary unit current at the end of the reporting period.

   b) Significant non-monetary items existing in our Turkish subsidiaries include: goodwill arising from the acquisition of these companies, property, plant and equipment, intangible assets, right-of-use asset, prepayments, and liabilities from contracts with customers. Right-of-use assets have not been additionally revalued because they are periodically indexed by the inflation rate. Other non-monetary items have been restated to reflect the effects of inflation based on changes in the price index. Effects of changes in the price index in the period from initial recognition till 31 December 2022 have been recognized in the financial data for the year 2022. Whereas, effects of changes in the price index since 1 January till 31 March 2023 have been recognized in the interim condensed consolidated financial statements for the current reporting period. The restatements were made as at the date of initial recognition of non-monetary items, but not earlier than as at the date of acquisition of subsidiaries by the Group, because it is assumed that non-monetary items were then translated and recognized in the consolidated financial statements at fair value, reflecting the purchasing power as at the acquisition date. The restatement increased the value of goodwill, property, plant and equipment, and intangible assets. Such restatement also resulted in higher costs in the statement of profit and loss in the form of higher depreciation and amortization charges due to the restated gross values of property, plant and equipment and intangible assets, as well as higher expenses and income from the accounting for restated amounts of accruals and contract liabilities.

   c) Due to the revaluation of non-monetary assets and liabilities, deferred tax calculated as the difference between the tax value and the book value was also revalued.

   d) All transactions included in the statement of profit and loss for the period of 3 months ended 31 March 2023 have been restated to reflect changes in the price index from the month when recognized till 31 March, except for depreciation charges on property, plant and equipment and amortization charges on intangible assets that have been remeasured based on the adjusted gross value of these assets. The remeasurement of depreciation and amortization charges has been based on the normal periods of useful life of relevant assets. The restatement of the statement of profit and loss for the inflation rate resulted in an increase in the value of individual items presented in the local currency due to changes in the price index from the date of their recognition till 31 March 2023.

   e) In correspondence to the restatement of the statement of profit and loss and the statement of financial position for the inflation rate in the current reporting period, the Group has recognized financial income/expenses in the statement of profit and loss, disclosed in the line 'Gain on the net monetary position – hyperinflation'.

2) Translation of financial data into the Group's presentation currency

   a) Once the financial statements of our subsidiaries operating in Turkey were restated for the effects of inflation in the local currency, they have been translated into PLN which involved translating the statement of financial position and all items of the statement of profit and loss for the reporting period, using the TRY/PLN exchange rate effective on the reporting date. As at 31 March 2023, this exchange rate was: TRY 1 = PLN 0.2239. Translation of the statement of financial position has remained unchanged compared to the Group's usual practice, while the new principle of translating the statement of profit and loss has had an impact on its individual items. The effect of translating the statement of comprehensive income using the closing exchange rate of the reporting period has been recognized in correspondence in the line 'Exchange differences on translation of foreign operations'.

3) Time of recognition

   a) IAS 29 has been implemented by the Group since 1 January 2022 and the first hyperinflation restatements have been made in the interim condensed consolidated financial statements for the period of 6 months ended 30 June 2022.

b) Because the three-year cumulative inflation rate exceeded 100% in April 2022, the already published data for the first quarter of 2022 have not been changed.

The impact of adopting IAS 29 on these interim condensed consolidated financial statements for the first 3 months of 2023 is summarized below:

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2023 without impact of IAS 29 PLN mn	Impact of hyperinflation PLN mn	3 months ended 31 March 2023 according to IAS 29 PLN mn
Operating revenues	4,334.0	1.4	4,335.4
Cost of sales	(3,393.5)	(1.4)	(3,394.9)
Gross profit on sales	**940.5**	**-**	**940.5**
Selling costs	(241.5)	-	(241.5)
General and administrative expenses	(302.2)	(0.1)	(302.3)
Net profit on sales	**396.8**	**(0.1)**	**396.7**
Other operating income	15.2	-	15.2
Other operating expenses	(14.3)	-	(14.3)
Operating profit	**397.7**	**(0.1)**	**397.6**
Financial income	40.2	9.6	49.8
Financial expenses	(70.0)	-	(70.0)
Pre-tax profit before share of profits of associates and joint ventures	**367.9**	**9.5**	**377.4**
Corporate income tax (current and deferred tax expense)	(83.4)	(0.1)	(83.5)
Share of profits of associates and joint ventures	(1.4)	-	(1.4)
Net profit for the reporting period	**283.1**	**9.4**	**292.5**
Attributable to:			
Shareholders of the Parent Company	**103.3**	**4.8**	**108.1**
Non-controlling interests	179.8	4.6	184.4
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	1.24	0.06	1.30
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	**283.1**	**9.4**	**292.5**
Components that may be reclassified to profit or loss			
Gain (loss) on valuation of cash flow hedging instruments	(0.8)	-	(0.8)
Exchange differences on translation of foreign operations	(120.5)	(2.7)	(123.2)
Components that will not be reclassified to profit or loss			
Net gain/loss on valuation of financial assets carried at fair value	4.8	-	4.8
Actuarial gains/losses	1.9	-	1.9
Income tax relating to components of other comprehensive income	(0.5)	-	(0.5)
Total other comprehensive income	**(115.1)**	**(2.7)**	**(117.8)**
TOTAL COMPREHENSIVE INCOME attributable to:	**168.0**	**6.7**	**174.7**
Shareholders of the Parent Company	**77.4**	**3.4**	**80.8**
Non-controlling interests	90.6	3.3	93.9

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ASSETS	31 March 2023 without impact of IAS 29 PLN mn	Impact of hyperinflation PLN mn	31 March 2023 according to IAS 29 PLN mn
Non-current assets			
Property, plant and equipment	989.8	2.3	992.1
Intangible assets	2,258.1	0.5	2,258.6
Right-of-use assets	787.0	-	787.0
Investment property	1.7	-	1.7
Goodwill	5,867.0	64.6	5,931.6
Investments accounted for using the equity method	117.4	-	117.4
Other receivables and trade receivables	81.2	-	81.2
Deferred tax assets	247.1	0.9	248.0
Prepayments and accrued income	87.6	-	87.6
Other non-financial assets	0.2	-	0.2
Other financial assets	110.3	-	110.3
	10,547.4	**68.3**	**10,615.7**
Current assets			
Inventories	346.5	-	346.5
Prepayments and accrued income	359.7	3.7	363.4
Trade receivables	3,780.3	-	3,780.3
Contract assets	854.3	-	854.3
Corporate income tax receivable	99.5	-	99.5
Receivables from the state and local budgets and other receivables	160.9	-	160.9
Other non-financial assets	21.3	-	21.3
Other financial assets	348.3	-	348.3
Cash and short-term deposits	3,189.2	-	3,189.2
	9,160.0	**3.7**	**9,163.7**
Non-current assets held for sale	42.5	-	42.5
Total current assets plus non-current assets held for sale	**9,202.5**	**3.7**	**9,206.2**
TOTAL ASSETS	**19,749.9**	**72.0**	**19,821.9**

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EQUITY AND LIABILITIES	31 March 2023 without impact of IAS 29 PLN mn	Impact of hyperinflation PLN mn	31 March 2023 according to IAS 29 PLN mn
Equity *(attributable to shareholders of the Parent Company)*			
Share capital	83.0	-	83.0
Share premium	4,180.1	-	4,180.1
Transactions with non-controlling interests	(186.5)	-	(186.5)
Exchange differences on translation of foreign operations	190.7	(1.4)	189.3
Retained earnings and other capitals	2,331.9	35.1	2,367.0
	6,599.2	**33.7**	**6,632.9**
Non-controlling interests	**3,633.9**	**32.3**	**3,666.2**
Total equity	**10,233.1**	**66.0**	**10,299.1**
Non-current liabilities			
Bank loans, borrowings and debt securities	1,813.7	-	1,813.7
Lease liabilities	523.0	-	523.0
Other financial liabilities	234.0	-	234.0
Deferred tax liabilities	557.1	1.3	558.4
Contract liabilities	73.9	0.5	74.4
Corporate income tax payable	57.7	-	57.7
Other liabilities and trade payables	10.3	-	10.3
Provisions	58.6	-	58.6
Accruals and deferred income	55.8	-	55.8
	3,384.1	**1.8**	**3,385.9**
Current liabilities			
Bank loans, borrowings and debt securities	1,170.5	-	1,170.5
Lease liabilities	273.1	-	273.1
Other financial liabilities	532.5	-	532.5
Trade payables	1,387.3	(0.5)	1,386.8
Contract liabilities	1,261.1	4.7	1,265.8
Corporate income tax payable	120.5	-	120.5
Other liabilities to the state and local budgets	227.8	-	227.8
Other liabilities	634.2	-	634.2
Provisions	46.0	-	46.0
Accruals and deferred income	476.6	-	476.6
Liabilities held for sale	3.1	-	3.1
	6,132.7	**4.2**	**6,136.9**
TOTAL LIABILITIES	**9,516.8**	**6.0**	**9,522.8**
TOTAL EQUITY AND LIABILITIES	**19,749.9**	**72.0**	**19,821.9**

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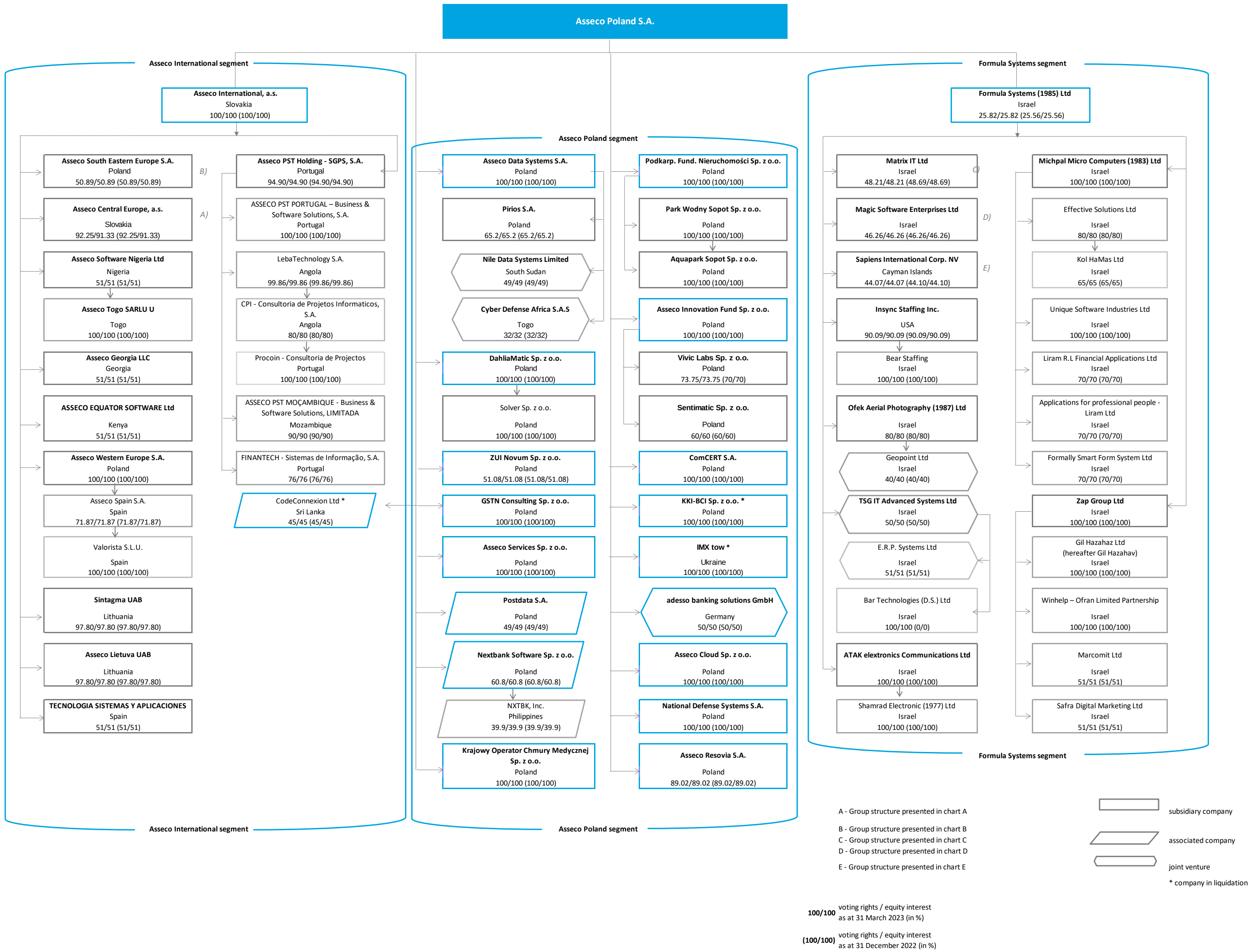
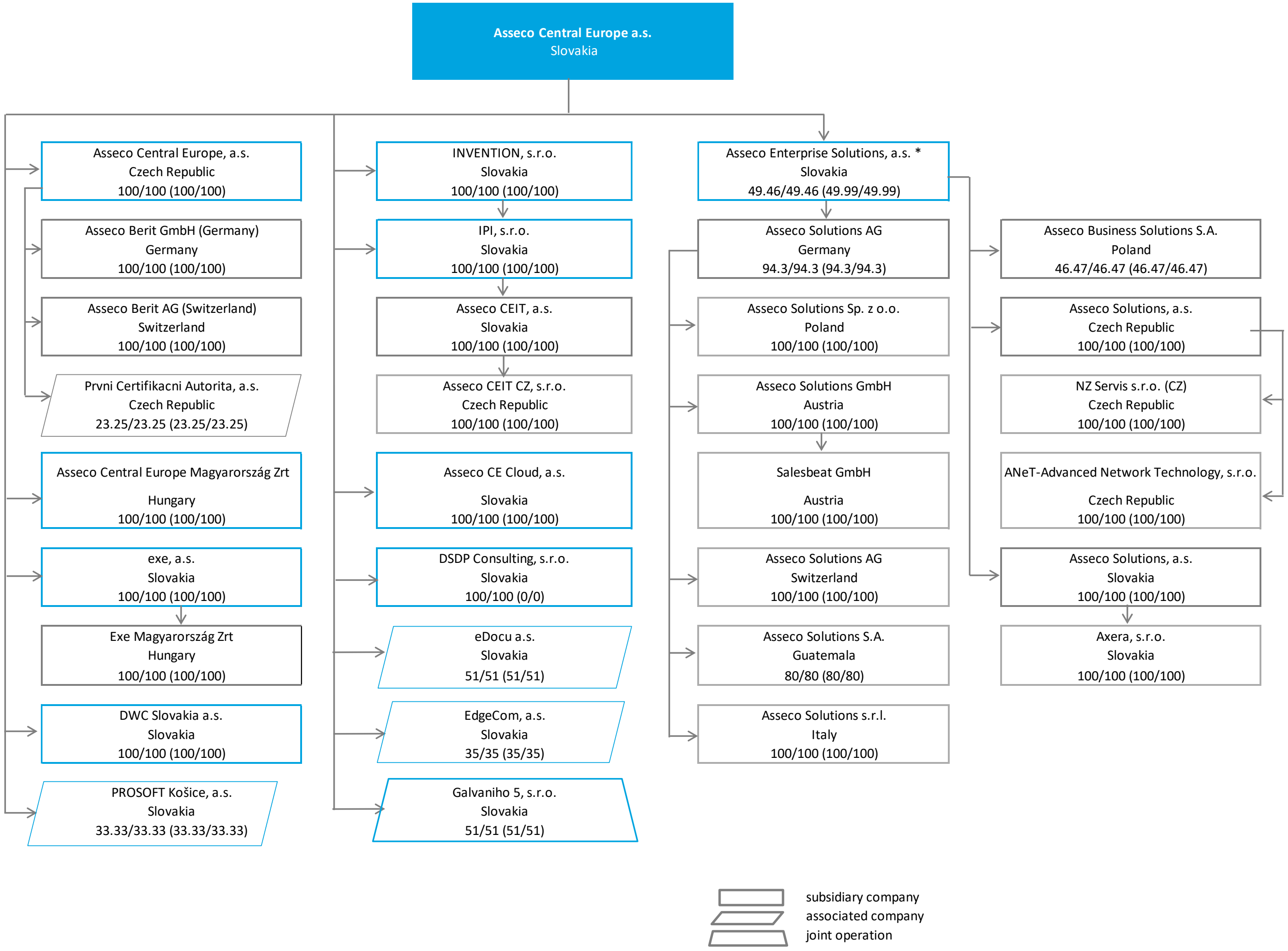
3. Organization and changes in the structure of Asseco Group, including the entities subject to consolidation

The organizational structure of Asseco Group has been presented in the chart below (the voting rights and equity interest held as at 31 March 2023 and 31 December 2022 are disclosed under the name of each company):



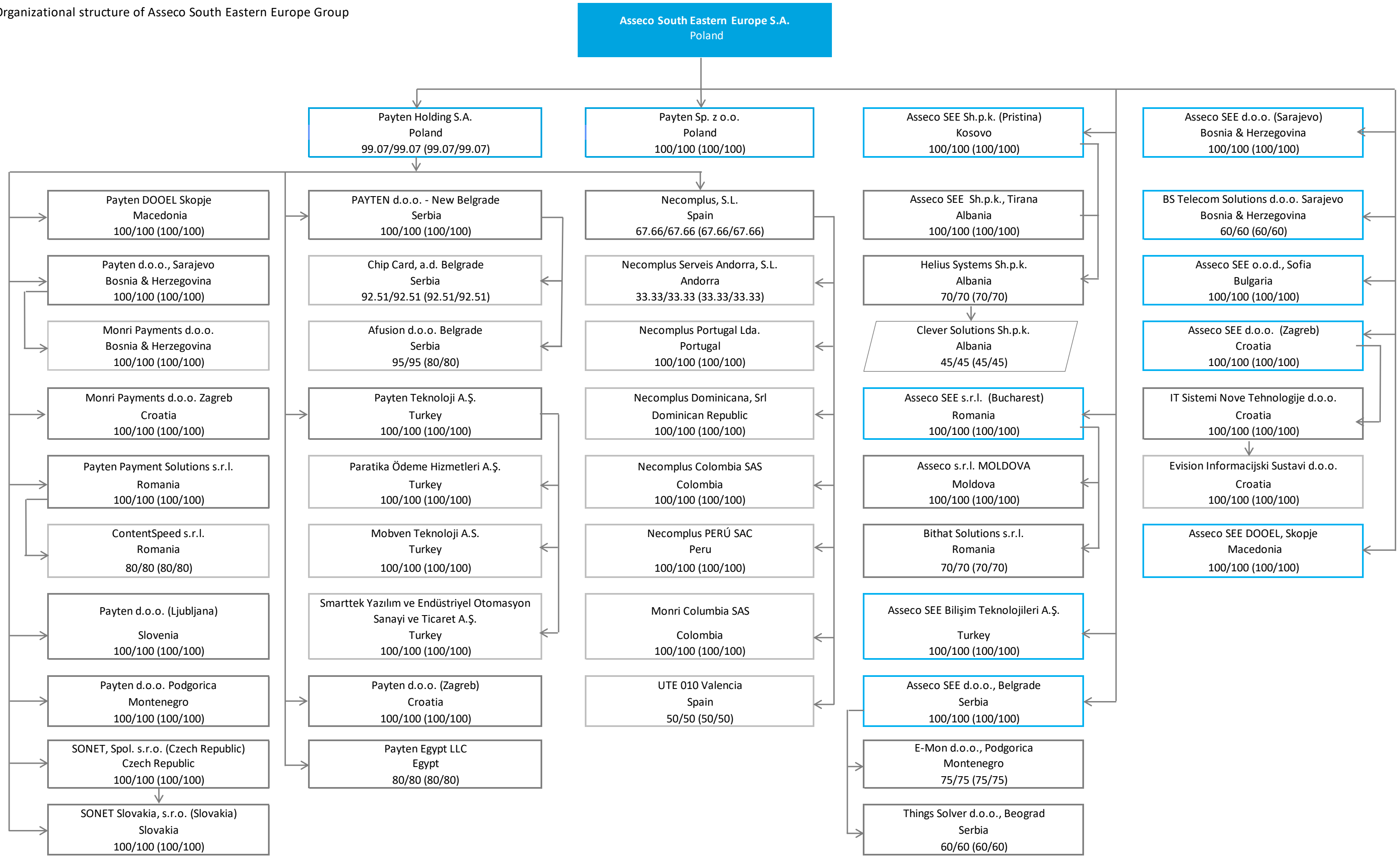
A. Organizational structure of Asseco Central Europe Group



100/100 voting rights / equity interest as at 31 March 2023 (in %)
(100/100) voting rights / equity interest as at 31 December 2022 (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.

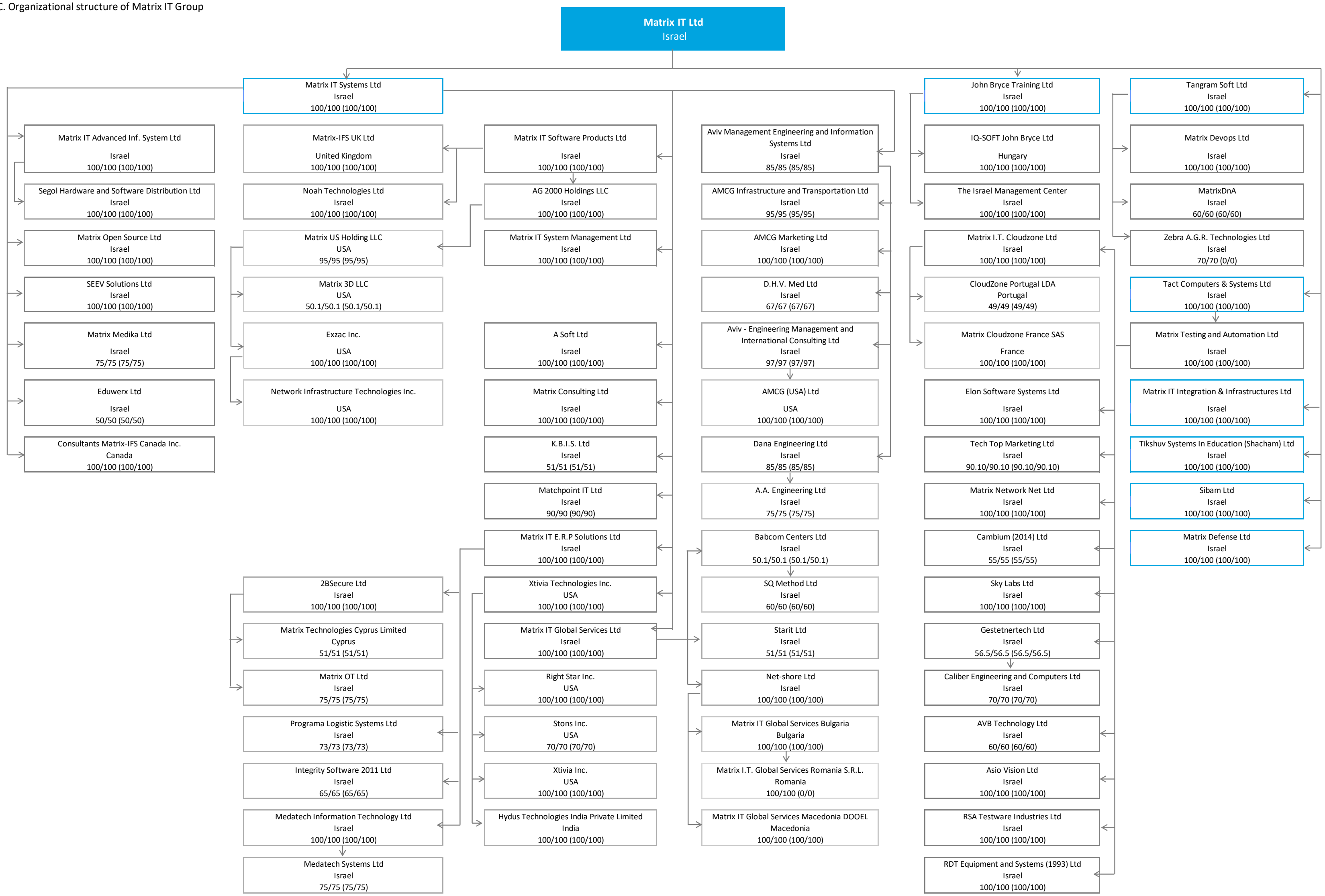
B. Organizational structure of Asseco South Eastern Europe Group



100/100 voting rights / equity interest as at 31 March 2023 (in %)
(100/100) voting rights / equity interest as at 31 December 2022 (in %)

subsidiary company
associated company

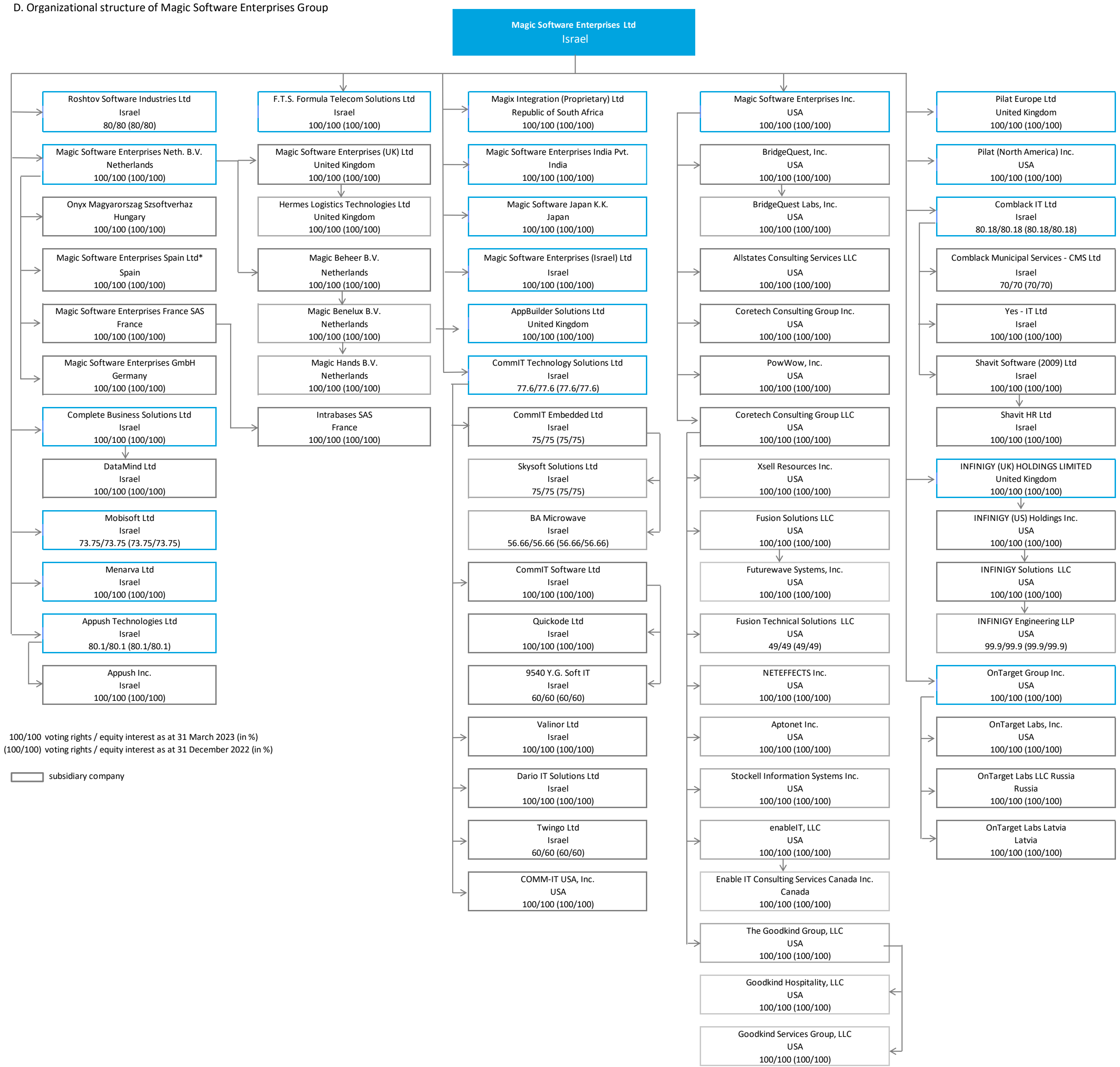
C. Organizational structure of Matrix IT Group



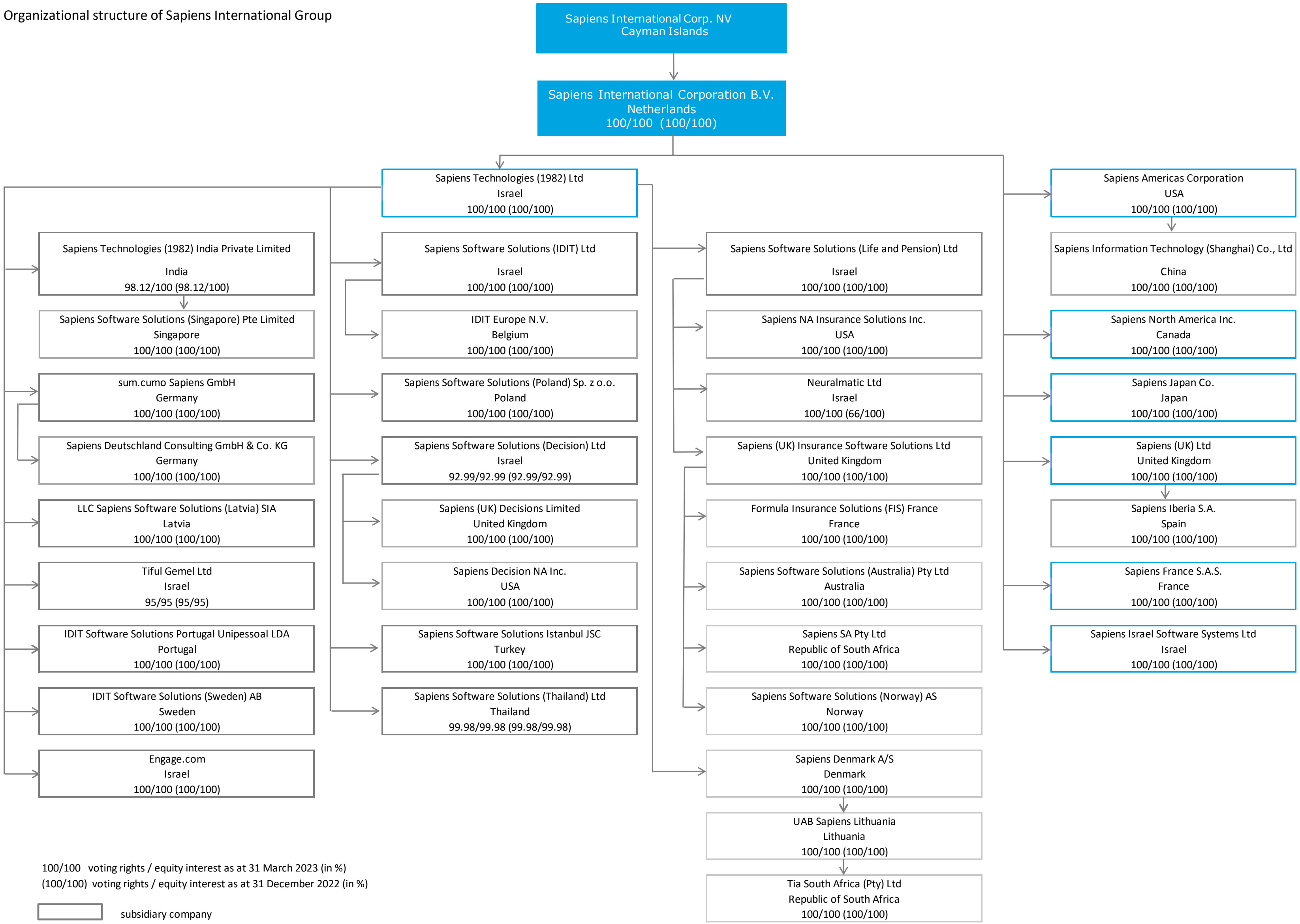
100/100 voting rights / equity interest as at 31 March 2023 (in %)
(100/100) voting rights / equity interest as at 31 December 2022 (in %)

subsidiary company

D. Organizational structure of Magic Software Enterprises Group



E. Organizational structure of Sapiens International Group



During the period of 3 months ended 31 March 2023, 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)
Change of shareholdings in companies			
Asseco Innovation Fund Sp. z o.o. increased its equity interest in the company Vivic Labs Sp. z o.o.	19 January 2023	73.75%	-
Equity interest held by Asseco Poland S.A. in Formula Systems (1985) Ltd dropped following an issuance of shares under the employee stock option plan	1st quarter of 2023	25.54%	(0.4)
Asseco Poland S.A. increased its equity interest in Formula Systems (1985) Ltd by purchasing additional shares		25.82%	(7.9)
Merger of companies			
Merger of NavySol Sp. z o.o. with Asseco Innovation Fund Sp. z o.o. acting as the taking-over company	16 January 2023	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)
Change of shareholdings in companies			
PAYTEN d.o.o. – New Belgrade increased its equity interest in Afusion d.o.o. Belgrade	10 March 2023	95%	-
Equity interest held by Asseco International, a.s. and Asseco Central Europe, a.s. in Asseco Enterprise Solutions, a.s. dropped following an issuance of shares. The newly issued shares were acquired by the manager of Asseco Enterprise Solutions Group.	24 March 2023	98.91% (total share-holding of both companies)	5.7
Merger of companies			
Merger of companies Integrirani Poslovni Sustavi d.o.o., Gastrobit d.o.o. and Web Studio d.o.o. with Monri Payments d.o.o. acting as the taking-over company	14 February 2023	n/a	n/a
Establishing of new companies			
Asseco Central Europe, a.s. (Slovakia) established the company DSDP Consulting, s.r.o.	28 March 2023	100%	n/a
Sale of shares in companies			
Payten Sp. z o.o. sold 242 shares in Payten Holding S.A. to Asseco South Eastern Europe S.A.	9 January 2023	99.07%	-
Asseco International, a.s. sold a 51% stake in Asseco Central Asia MChJ QK. and lost control over that company.	14 February 2023	-	0.3

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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 6.4 to these consolidated financial statements.**			
Tangram Soft Ltd acquired shares in Zebra A.G.R. Technologies Ltd	1 January 2023	70%	-
TSG IT Advanced Systems Ltd (joint venture) acquired shares in Bar Technologies (D.S.) Ltd	1 January 2023	100%	-
Change of shareholdings in companies			
Sapiens Software Solutions (Life and Pension) Ltd increased its equity interest in Neuralmatic Ltd	1st quarter of 2023	100%	-
Formula Systems (1985) Ltd decreased its equity interest in Matrix IT Ltd	1st quarter of 2023	48.21%	(1.1)
Formula Systems (1985) Ltd decreased its equity interest in Sapiens International Corp. NV	1st quarter of 2023	44.07%	(0.1)
Establishing of new companies			
Matrix IT Global Services Bulgaria established the company Matrix I.T. Global Services Romania S.R.L.	13 January 2023	100%	n/a
Liquidation of companies			
Liquidation of Matrix Advisory Europe Ltd	13 March 2023	n/a	-

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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 Group, DahliaMatic Group, ZUI Novum, Asseco Services, ComCERT, GSTN Consulting, Asseco Cloud, National Medical Cloud Operator, National Defense Systems, 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, Japan, as well as in Europe, Middle East, 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 2023 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 2023, in a breakdown by operating segments:

3 months ended 31 March 2023	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
	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 segment	**66.2**	**97.7**	**237.6**	**(3.9)**	**397.6**
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)	(47.3)	(155.0)	0.6	(224.9)
of which amortization of intangible assets recognized in purchase price allocation (PPA)	*(3.5)*	*(4.3)*	*(67.5)*	-	*(75.3)*
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 shareholders of the Parent Company	**49.9**	**46.5**	**15.5**	**(3.8)**	**108.1**
Cash provided by (used in) operating activities)	**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 March 2023, in a breakdown by operating segments:

31 March 2023	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Non-current assets	**3,239.1**	**2,536.9**	**4,852.9**	**(13.2)**	**10,615.7**
of which goodwill	2,264.3	1,722.7	1,944.6	-	5,931.6
Current assets plus non-current assets held for sale	**1,240.7**	**2,033.0**	**5,944.9**	**(12.4)**	**9,206.2**
including:					
trade receivables and contract assets	593.5	853.7	3,197.8	(10.4)	4,634.6
cash and bank deposits	508.4	756.9	1,923.9	-	3,189.2
Non-current liabilities	**243.8**	**432.2**	**2,721.6**	**(11.7)**	**3,385.9**
including:					
liabilities arising from bank loans, borrowings and debt securities	-	159.4	1,654.3	-	1,813.7
lease liabilities	68.5	123.3	340.4	(9.2)	523.0
Current liabilities	**424.3**	**1,328.0**	**4,393.9**	**(9.3)**	**6,136.9**
including:					
liabilities arising from bank loans, borrowings and debt securities	1.2	157.4	1,011.9	-	1,170.5
lease liabilities	15.9	51.4	207.5	(1.7)	273.1
trade payables and contract liabilities	223.2	708.2	1,728.8	(7.6)	2,652.6

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Selected data from the statement of profit and loss and the cash flow statement for the period of 3 months ended 31 March 2022, in a breakdown by operating segments:

3 months ended 31 March 2022	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
(restated)	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Revenues from external customers	**404.1**	**939.2**	**2,704.2**	**-**	**4,047.5**
Inter-segment transactions	4.3	1.1	2.1	(7.5)	-
Total operating revenues of segment	408.4	940.3	2,706.3	(7.5)	4,047.5
Operating profit/loss of segment	**67.5**	**95.1**	**224.6**	**(0.5)**	**386.7**
Interest income [1]	0.9	0.8	0.4	-	2.1
Interest expenses [2]	(0.9)	(2.5)	(17.7)	0.1	(21.0)
Corporate income tax	**(19.0)**	**(20.8)**	**(42.6)**	**-**	**(82.4)**
Non-cash items:					
Depreciation and amortization (as disclosed in the cash flow statement)	(23.1)	(47.1)	(144.9)	0.8	(214.3)
of which amortization of intangible assets recognized in purchase price allocation (PPA)	*(3.2)*	*(5.8)*	*(63.5)*	-	*(72.5)*
Costs of share-based payment transactions with employees (SBP)	-	(0.1)	(18.2)	-	(18.3)
(Recognition)/reversal of impairment losses on segment's assets	1.9	(3.9)	0.6	-	(1.4)
Share of profits of associates and joint ventures	**(0.2)**	**0.3**	**0.9**	**-**	**1.0**
Net profit/loss attributable to shareholders of the Parent Company	**48.6**	**43.5**	**16.0**	**(0.5)**	**107.6**
Cash provided by (used in) operating activities	**98.4**	**77.3**	**273.7**	**(0.9)**	**448.5**

[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 December 2022, in a breakdown by operating segments:

31 December 2022	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
(restated)	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Non-current assets	**3,232.9**	**2,531.5**	**5,016.8**	**(12.0)**	**10,769.2**
of which goodwill	2,273.1	1,717.3	1,959.7	-	5,950.1
Current assets plus non-current assets held for sale	**1,093.6**	**2,092.5**	**6,193.0**	**(8.5)**	**9,370.6**
including:					
trade receivables and contract assets	559.2	908.7	3,259.7	(9.8)	4,717.8
cash and bank deposits	405.9	833.9	2,396.2	-	3,636.0
Non-current liabilities	**235.4**	**447.5**	**2,949.8**	**(10.6)**	**3,622.1**
including:					
liabilities arising from bank loans, borrowings and debt securities	-	168.7	1,853.1	-	2,021.8
lease liabilities	64.7	128.3	351.1	(8.5)	535.6
Current liabilities	**438.1**	**1,331.1**	**4,544.2**	**(9.1)**	**6,304.3**
including:					
liabilities arising from bank loans, borrowings and debt securities	1.8	146.4	997.7	-	1,145.9
lease liabilities	14.1	52.9	198.9	(1.5)	264.4
trade payables and contract liabilities	229.5	664.4	1,839.9	(7.5)	2,726.3

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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 2023 and in the comparable period were as follows:

Operating revenues	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 (restated) PLN mn
Operating revenues by type of products		
Proprietary software and services	3,421.5	3,161.3
Third-party software and services	368.2	398.7
Hardware and infrastructure	545.7	487.5
Total	**4,335.4**	**4,047.5**
Operating revenues by sectors		
Banking and Finance	1,437.9	1,341.6
General Business	1,883.6	1,786.7
Public Institutions	1,013.9	919.2
Total operating revenues	**4,335.4**	**4,047.5**

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 2023 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 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**

	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 2022 *(restated)*					
Proprietary software and services	345.3	620.0	2,201.4	(5.4)	**3,161.3**
Third-party software and services	38.9	102.4	259.1	(1.7)	**398.7**
Hardware and infrastructure	24.2	217.9	245.8	(0.4)	**487.5**
Total operating revenues	**408.4**	**940.3**	**2,706.3**	**(7.5)**	**4,047.5**

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 2023 and in the comparable period were as follows:

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	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					
Banking and Finance	125.3	360.6	956.6	(4.6)	**1,437.9**
General Business	112.1	479.7	1,300.4	(8.6)	**1,883.6**
Public Institutions	219.7	148.1	646.4	(0.3)	**1,013.9**
Total operating revenues	**457.1**	**988.4**	**2,903.4**	**(13.5)**	**4,335.4**

	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 2022 *(restated)*					
Banking and Finance	110.0	302.7	931.4	(2.5)	**1,341.6**
General Business	87.0	481.7	1,222.8	(4.8)	**1,786.7**
Public Institutions	211.4	155.9	552.1	(0.2)	**919.2**
Total operating revenues	**408.4**	**940.3**	**2,706.3**	**(7.5)**	**4,047.5**

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

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Israel	1,773.2	1,708.6
USA	739.6	663.6
Poland	526.3	467.7
Spain	182.7	204.9
Slovak Republic	133.4	112.2
Germany	120.3	96.9
Serbia	104.4	79.0
United Kingdom	102.4	70.4
Czech Republic	93.7	80.0
Romania	50.0	51.8
Turkey	40.9	27.8
Denmark	26.2	62.4
Other countries	442.3	422.2
Total operating revenues	**4,335.4**	**4,047.5**

iv. Revenues from contracts with customers within total operating revenues

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Revenues from contracts with customers recognized in accordance with IFRS 15, of which:	**4,311.7**	**4,024.1**
From goods and services transferred at a specific point in time	**823.0**	**751.2**
Asseco Poland segment	53.3	61.3
Asseco International segment	342.3	327.6
Formula Systems segment	432.0	365.0
Intragroup transactions	(4.6)	(2.7)

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From goods and services transferred over the passage of time	**3,488.7**	**3,272.9**
Asseco Poland segment	403.4	346.1
Asseco International segment	622.3	589.7
Formula Systems segment	2,471.4	2,341.3
Intragroup transactions	(8.4)	(4.2)
Revenues from operating leases recognized in accordance with IFRS 16	**23.7**	**23.4**
Asseco Poland segment	0.4	1.0
Asseco International segment	23.8	23.0
Formula Systems segment	-	-
Intragroup transactions	(0.5)	(0.6)
Total operating revenues	**4,335.4**	**4,047.5**

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 2023 and in the comparable period.

Operating costs	**3 months ended 31 March 2023** **PLN mn**	**3 months ended 31 March 2022 *(restated)*** **PLN mn**
Cost of goods, materials and third-party services sold (COGS)	(766.5)	(729.2)
Employee benefits	(2,153.0)	(2,012.6)
Depreciation and amortization	(224.5)	(213.9)
Third-party services*	(579.4)	(520.1)
Other	(215.3)	(175.5)
Total	**(3,938.7)**	**(3,651.3)**
Cost of sales	(3,387.8)	(3,156.5)
Selling costs	(241.5)	(225.8)
General and administrative expenses	(302.3)	(268.4)
(Recognition)/reversal of allowances for trade receivables	(7.1)	(0.6)
Total	**(3,938.7)**	**(3,651.3)**

** The costs of third-party services include the costs of outsourcing of human resources as well as non-project-related costs, in total amounting to PLN 351.0 million in the period of 3 months ended 31 March 2023, as compared to PLN 398.8 million incurred in the period of 3 months ended 31 March 2022.*

In the period of 3 months ended 31 March 2023, 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. Whereas, in the comparable period other operating costs included primarily maintenance of property and company cars in the amount of PLN 105.1 million, as well as business trips in the amount of PLN 8.0 million.

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i. Costs of employee benefits

Costs of employee benefits	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Salaries	(1,785.9)	(1,653.6)
Social insurance contributions	(132.0)	(118.3)
Costs of pension benefits	(137.3)	(135.4)
Costs of share-based payment transactions with employees	(19.3)	(18.3)
Other costs of employee benefits	(78.5)	(87.0)
Total costs of employee benefits	**(2,153.0)**	**(2,012.6)**

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 32,300 persons, as compared with 29,921 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 2023, such costs amounted to PLN 19.3 million as compared to PLN 18.3 million in the comparable period. In the financial results for 2023 and 2022, 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 million (PLN 201.9 million) which shall be recognized on a straight-line basis in the Group's costs in the period from 2020 to 2027, and thus over the remaining period of less than 5 years. In its financial results for the first quarter of 2023, Formula Systems (1985) Ltd recognized the costs of stock option plans in the amount of NIS 6.7 million (PLN 8.2 million).

5.3. Other operating income and expenses

Other operating income and expenses in the period of 3 months ended 31 March 2023 and in the comparable period were as follows:

Other operating income	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Gain on disposal of property, plant and equipment	1.7	1.4
Gain on modification of lease contracts	4.7	-
Reversal of provision	0.6	0.2
Discounts and rebates received as well as grants related to other operations	0.2	0.1
Proceeds from sports and recreational activities	5.8	5.3
Gain on revaluation of deferred and conditional payments for controlling interests in subsidiaries	0.7	-
Gain on revaluation of liabilities from the acquisition of non-controlling interests (put options)	-	7.2
Gain on losing control over a subsidiary	0.3	-
Other	1.2	0.9
Total	**15.2**	**15.1**

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Other operating expenses	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Charitable contributions to unrelated parties	(0.6)	(1.7)
Expenses related to proceeds from sports and recreational activities	(9.2)	(10.1)
Impairment loss on financial instruments	-	(0.1)
Expenses related to obtaining control over subsidiaries	(0.3)	(1.9)
Loss on revaluation of deferred and conditional payments for controlling interests in subsidiaries	-	(1.3)
Loss on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(2.4)	(0.6)
Dividends paid out to non-controlling shareholders	-	(6.4)
Other	(1.8)	(2.5)
Total	**(14.3)**	**(24.6)**

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.

Dividends paid out to non-controlling shareholders are related to non-controlling interests that are subject to put options and accounted for using the present ownership method.

5.4. Financial income and expenses

Financial income earned during the period of 3 months ended 31 March 2023 and in the comparable period was as follows:

Financial income	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Interest income on investments in debt securities and bank deposits carried at amortized cost	17.4	2.0
Interest income on other investments in debt securities, leases, and on trade receivables and other receivables	0.6	0.1
Other interest income	-	0.3
Positive foreign exchange differences	20.7	11.9
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	1.1	4.0
Gain on the net monetary position – hyperinflation	9.6	-
Other financial income	0.4	0.7
Total financial income	**49.8**	**19.0**

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 2.11 to these interim condensed consolidated financial statements.

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Financial expenses incurred during the period of 3 months ended 31 March 2023 and in the comparable period were as follows:

Financial expenses	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Interest expenses on bank loans, borrowings, debt securities, leases, and on trade payables	(34.6)	(21.0)
Other interest expenses	(7.9)	(4.2)
Negative foreign exchange differences	(16.5)	(5.8)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	(7.9)	(1.8)
Unwinding of discounts on deferred and conditional payments for controlling interests in subsidiaries	(0.6)	(3.8)
Unwinding of discounts on liabilities from the acquisition of non-controlling interests (put options)	(1.9)	(0.6)
Other financial expenses	(0.6)	-
Total financial expenses	**(70.0)**	**(37.2)**

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 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Current income tax and prior years' adjustments	(70.9)	(99.7)
Deferred income tax	(12.6)	17.3
Income tax expense as disclosed in the statement of profit and loss	**(83.5)**	**(82.4)**

During the period of 3 months ended 31 March 2023, our effective tax rate equalled 22.1% as compared to 22.4% 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.

Earnings per share	3 months ended 31 March 2023	3 months ended 31 March 2022 *(restated)*
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	83,000,303	83,000,303
Net profit attributable to shareholders of the Parent Company for the reporting period (in millions of PLN)	108.1	107.6
Consolidated earnings per share for the reporting period (in PLN)	**1.30**	**1.30**

5.7. Information on dividends paid out

Until 31 March 2023 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 2022.

In 2022, the Parent Company paid out to its shareholders a dividend for the year 2021. On 25 May 2022, the General Meeting of Shareholders of Asseco Poland S.A. resolved that the net profit for the financial year 2021 in the amount of PLN 320.9 million shall be distributed as follows:

a) The amount of PLN 278.9 million was allocated for distribution among the Company's Shareholders through the payment of a dividend amounting to PLN 3.36 per share. The dividend record date was set for 10 June 2022; whereas, the dividend payment was scheduled for 21 June 2022;

b) The remaining portion of the net profit for 2021 in the amount of PLN 42.0 million was allocated to the reserve capital.

6. Explanatory notes to the consolidated statement of financial position

6.1. Property, plant and equipment

Changes in the net book value of property, plant and equipment that took place during the period of 3 months ended 31 March 2023 and in the comparable period are presented below:

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Net book value of property, plant and equipment as at 1 January	**993.0**	**905.9**
Additions, of which:	**61.0**	**43.9**
Purchases and modernization	57.3	42.7
Obtaining control over subsidiaries	0.4	0.4
Acquisition of right-of-use assets	0.1	-
Other	3.2	0.8
Reductions, of which:	**(50.9)**	**(50.2)**
Depreciation charges for the reporting period	(47.8)	(47.9)
Loss of control over subsidiaries	(0.1)	-
Disposal and liquidation	(2.9)	(2.1)
Other	(0.1)	(0.2)
(Recognition)/reversal of impairment losses	**(0.1)**	**-**
Impact of hyperinflation	**1.0**	**-**
Exchange differences on translation of foreign operations	**(11.9)**	**6.6**
Net book value of property, plant and equipment as at 31 March	**992.1**	**906.2**

6.2. Intangible assets

Changes in the net book value of intangible assets that took place during the period of 3 months ended 31 March 2023 and in the comparable period are presented below:

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Net book value of intangible assets as at 1 January (restated)	**2,380.8**	**2,503.8**
Additions, of which:	**52.8**	**156.2**
Purchases and modernization	5.3	6.0
Obtaining control over subsidiaries	13.6	117.7
Costs of development projects in progress	33.9	32.5
Reductions, of which:	**(102.1)**	**(101.8)**
Amortization charges for the reporting period	(102.1)	(101.5)
Disposal and liquidation	-	(0.3)
(Recognition)/reversal of impairment losses	**-**	**0.4**
Change in presentation	**0.6**	**-**
Exchange differences on translation of foreign operations	**(73.5)**	**30.7**
Net book value of intangible assets as at 31 March	**2,258.6**	**2,589.3**

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6.3. Right-of-use assets

Changes in the net book value of right-of-use assets that took place during the period of 3 months ended 31 March 2023 and in the comparable period are presented below:

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 *(restated)* PLN mn
Net book value of right-of-use assets as at 1 January	**789.9**	**831.1**
Additions, of which:	**155.2**	**24.7**
Conclusion of new lease contracts	145.7	18.7
Modification of existing contracts (lease extension, interest rate change)	9.5	5.5
Obtaining control over subsidiaries	-	0.5
Reductions, of which:	**(138.2)**	**(66.7)**
Depreciation charges for the reporting period	(76.1)	(65.7)
Early termination of contracts	(56.2)	(0.4)
Modification of existing contracts (lease shortening, interest rate change)	(3.6)	(0.6)
Acquisition of right-of-use assets	(0.1)	-
Other	(2.2)	-
(Recognition)/reversal of impairment losses	**1.3**	**-**
Exchange differences on translation of foreign operations	**(21.2)**	**17.4**
Net book value of right-of-use assets as at 31 March	**787.0**	**806.5**

6.4. 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: "Banking and Finance", "Public Administration", or "General Business").

The following table presents the amounts of goodwill as at 31 March 2023 and 31 December 2022, in a breakdown by operating segments:

Goodwill	31 March 2023 PLN mn	31 December 2022 *(restated)* PLN mn
Asseco Poland segment, of which:	**2,264.3**	**2,264.3**
Goodwill allocated to individual cash-generating units	**342.8**	**342.8**
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.	49.7	49.7
ComCERT S.A.	3.2	3.2
Operating segments identified within the Parent Company	**1,921.5**	**1,921.5**
Goodwill allocated to the Banking and Finance segment	890.2	890.2
Goodwill allocated to the Public Administration segment	850.3	850.3
Goodwill allocated to the General Business segment	181.0	181.0

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Asseco International segment, of which:	**1,722.7**	**1,717.3**
Asseco Central Europe Group	789.1	786.1
Asseco South Eastern Europe Group	834.8	832.1
Asseco Spain S.A.	20.0	20.0
Sintagma UAB [1)]	0.7	0.7
Asseco PST Holding SGPS S.A.	78.1	78.4
Formula Systems segment	**1,944.6**	**1,968.5**
Total goodwill	**5,931.6**	**5,950.1**

[1)] Goodwill recognized on the acquisition of Sintagma UAB and Asseco Lietuva UAB.

During the period of 3 months ended 31 March 2023, 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)* PLN mn	Obtaining of control / Loss of control / Other structural changes PLN mn	Impact of hyperinflation PLN mn	Foreign exchange differences PLN mn	Goodwill at the end of the period PLN mn
Asseco International segment					
Asseco Central Europe Group	786.1	-	-	3.0	789.1
Asseco South Eastern Europe Group	832.1	-	9.3	(6.6)	834.8
Asseco PST Holding SGPS S.A.	78.4	-	-	(0.3)	78.1
Formula Systems segment					
Formula Group	1,968.5	33.9	-	(57.8)	1,944.6

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 2.11 to these interim condensed consolidated financial statements.

Additionally, in the period of 3 months ended 31 March 2023, the balance of goodwill arising from consolidation was affected by the transactions 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 provided just basic information.

i. Acquisition of shares in Zebra company by Matrix Group

On 1 January 2023, Tangram Soft Ltd (a company of Matrix IT Group) acquired 70% of shares in the company Zebra A.G.R. Technologies Ltd based in Israel. The purchase price amounted to NIS 79.3 million (PLN 98.4 million), of which NIS 53.0 million (PLN 65.8 million) was paid in cash, and the remaining amount represents a put option worth NIS 26.3 million (PLN 32.6 million). All non-controlling interests are puttable and are accounted for using the present ownership method (whereby the value of put options is measured at purchase price, while the balance of non-controlling interests stands at 0). The acquisition agreement provides for bilateral call and put options for the remaining shares in that company.

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 11.2 million (PLN 13.9 million), while the amount of NIS 28.7 million (PLN 35.6 million) was allocated to goodwill.

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Until 31 March 2023, 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. The provisional values of identifiable assets and liabilities of the acquired company as at the acquisition date are presented below:

	Provisional values as at the acquisition date NIS mn	Provisional values as at the acquisition date PLN mn
Assets acquired		
Intangible assets (including those identified under purchase price allocation)	11.2	13.9
Trade receivables	117.8	146.1
Inventories	15.3	19.0
Cash and cash equivalents	15.1	18.7
Other assets	3.6	4.5
Total assets	**163.0**	**202.2**
Liabilities acquired		
Bank loans and borrowings	25.1	31.1
Trade payables	78.5	97.4
Other liabilities	6.2	7.7
Deferred tax liabilities	2.6	3.2
Total liabilities	**112.4**	**139.4**
Net assets value	**50.6**	**62.8**
Value of non-controlling interests	**-**	**-**
Equity interest acquired	**70%**	**70%**
Purchase price	**79.3**	**98.4**
Goodwill as at the acquisition date	**28.7**	**35.6**

ii. Accounting for the acquisition of shares in Pirios S.A. by Asseco Data Systems S.A.

On 25 January 2022, Asseco Data Systems S.A. acquired 65.2% of shares in Pirios S.A., a company based in Poland. The purchase price amounted to PLN 24.3 million, of which PLN 13.0 million was paid in cash, PLN 3.0 million constitutes a conditional payment depending on future operating profits of the acquired company, while the remaining portion of PLN 8.3 million represents liabilities arising from put options granted to non-controlling shareholders. All non-controlling interests are puttable and are accounted for using the present ownership method (whereby the value of put options is measured at purchase price, while the balance of non-controlling interests stands at 0).

As part of the final 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 PLN 8.2 million, while the remaining amount of PLN 12.4 million was allocated to goodwill.

As at 31 March 2023, the process of purchase price allocation has already been completed by the Group. The provisional values and fair values of identifiable assets and liabilities of the acquired company as at the acquisition date are presented below:

	Provisional values as at the acquisition date PLN mn	Fair values as at the acquisition date PLN mn
Assets acquired		
Property, plant and equipment	0.1	0.1
Intangible assets (including those identified under purchase price allocation)	13.7	15.4
Right-of-use assets	0.5	0.5
Trade receivables	2.8	2.8
Cash and cash equivalents	0.2	0.2
Other assets	1.7	1.7
Total assets	**19.0**	**20.7**
Liabilities acquired		
Bank loans and borrowings	0.9	0.9
Trade payables	2.8	2.8

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Other liabilities	3.5	3.7
Deferred tax liabilities	1.2	1.4
Total liabilities	**8.4**	**8.8**
Net assets value	**10.6**	**11.9**
Value of non-controlling interests	**-**	**-**
Equity interest acquired	**65.2%**	**65.2%**
Purchase price	**25.1**	**24.3**
Goodwill as at the acquisition date	**14.5**	**12.4**

iii. Accounting for the acquisition of shares in Vidstart Ltd (Appush Ltd) by Magic Group

On 27 January 2022, Magic Software Enterprises Ltd (a company of Magic Group) acquired 50.1% of shares in Appush Ltd (former Vidstart Ltd) based in Israel. The purchase price amounted to USD 21.4 million (PLN 87.4 million), of which USD 11.1 million (PLN 45.3 million) was paid in cash, and the remaining amount constitutes a deferred payment depending on future operating profits of the acquired company.

The Group made a contractual commitment to buy the remaining 49.9% of shares in that company by the end of 2024 and therefore Appush Ltd is fully consolidated, as if 100% of shares have already been purchased, whereby the liability arising from the future acquisition of non-controlling interests is measured at purchase price, while the balance of non-controlling interests stands at 0.

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 USD 7.4 million (PLN 30.2 million), while the remaining amount of USD 15.2 million (PLN 62.1 million) was allocated to goodwill.

As at 31 March 2023, the process of purchase price allocation has already been completed by the Group. The provisional values and fair values of identifiable assets and liabilities of the acquired company as at the acquisition date are presented below:

	Provisional values as at the acquisition date USD mn	Provisional values as at the acquisition date PLN mn	Fair values as at the acquisition date USD mn	Fair values as at the acquisition date PLN mn
Assets acquired				
Property, plant and equipment	0.1	0.4	0.1	0.4
Intangible assets (including those identified under purchase price allocation)	11.3	46.1	7.4	30.2
Trade receivables	4.5	18.4	4.4	18.0
Cash and cash equivalents	1.6	6.5	1.5	6.1
Other assets	0.4	1.6	0.4	1.6
Total assets	**17.9**	**73.0**	**13.8**	**56.3**
Liabilities acquired				
Trade payables	3.8	15.5	3.7	15.1
Other liabilities	0.7	2.9	2.2	9.0
Deferred tax liabilities	2.8	11.3	1.7	6.9
Total liabilities	**7.3**	**29.7**	**7.6**	**31.0**
Net assets value	**10.6**	**43.3**	**6.2**	**25.3**
Value of non-controlling interests	**-**	**-**	**-**	**-**
Equity interest acquired	**50.1%**	**50.1%**	**50.1%**	**50.1%**
Purchase price	**22.6**	**92.3**	**21.4**	**87.4**
Goodwill as at the acquisition date	**12.0**	**49.0**	**15.2**	**62.1**

iv. Accounting for the acquisition of shares in Formally Smart Form System Ltd by Michpal Group

On 16 February 2022, Michpal Micro Computers (1983) Ltd (a company of Michpal Group) acquired a 70% stake in Formally Smart Form System Ltd based in Israel. The purchase price amounted to NIS 44.8 million (PLN 55.6 million) and it was fully paid in cash.

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As part of the final 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 28.6 million (PLN 35.5 million), while the remaining amount of NIS 30.0 million (PLN 37.2 million) was allocated to goodwill.

As at 31 March 2023, the process of purchase price allocation has already been completed by the Group. The provisional values and fair values of identifiable assets and liabilities of the acquired company as at the acquisition date are presented below:

	Provisional values as at the acquisition date NIS mn	Provisional values as at the acquisition date PLN mn	Fair values as at the acquisition date NIS mn	Fair values as at the acquisition date PLN mn
Assets acquired				
Property, plant and equipment	0.1	0.1	0.1	0.1
Intangible assets (including those identified under purchase price allocation)	42.0	52.1	28.6	35.5
Trade receivables	4.3	5.3	2.7	3.3
Cash and cash equivalents	5.7	7.1	34.2	42.4
Other assets	0.8	1.0	0.2	0.2
Total assets	**52.9**	**65.6**	**65.8**	**81.5**
Liabilities acquired				
Trade payables	0.6	0.7	0.2	0.2
Accruals and deferred income	3.7	4.6	2.8	3.5
Deferred tax liabilities	9.7	12.0	6.2	7.7
Other liabilities	6.4	8.0	35.4	43.8
Total liabilities	**20.4**	**25.3**	**44.6**	**55.2**
Net assets value	**32.5**	**40.3**	**21.2**	**26.3**
Value of non-controlling interests	**-**	**-**	**6.4**	**7.9**
Equity interest acquired	**70.0%**	**70.0%**	**70.0%**	**70.0%**
Purchase price	**64.0**	**79.4**	**44.8**	**55.6**
Goodwill as at the acquisition date	**31.5**	**39.1**	**30.0**	**37.2**

v. Accounting for the acquisition of shares in Bear Staffing Services by Insync

On 12 December 2022, Insync Staffing Inc. (a company of Formula Group) acquired 100% of shares in Bear Staffing Services Corporation based in the United States. The purchase price amounted to USD 15.0 million (PLN 66.6 million), of which USD 5.3 million (PLN 23.6 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 USD 4.4 million (PLN 19.5 million) was allocated to goodwill.

Until 31 March 2023, 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. The provisional values of identifiable assets and liabilities of the acquired company as at the acquisition date are presented below:

	Provisional values as at the acquisition date USD mn	Initial values as at the acquisition date PLN mn	Provisional values as at the acquisition date USD mn	Provisional values as at the acquisition date PLN mn
Assets acquired				
Property, plant and equipment	0.1	0.4	0.1	0.4
Intangible assets	1.9	8.4	1.9	8.4
Trade receivables	2.1	9.3	2.1	9.3
Cash and cash equivalents	8.5	37.8	8.5	37.8
Total assets	**12.6**	**55.9**	**12.6**	**55.9**
Liabilities acquired				
Bank loans and borrowings	0.9	4.0	0.9	4.0
Trade payables	1.0	4.4	1.0	4.4
Other liabilities	0.1	0.4	0.1	0.4
Total liabilities	**2.0**	**8.8**	**2.0**	**8.8**

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Net assets value	**10.6**	**47.1**	**10.6**	**47.1**
Value of non-controlling interests	**-**	**-**	**-**	**-**
Equity interest acquired	**100%**	**100%**	**100%**	**100%**
Purchase price	**13.5**	**60.0**	**15.0**	**66.6**
Goodwill as at the acquisition date	**2.9**	**12.9**	**4.4**	**19.5**

6.5. Associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method and their key financial information is presented in the table below.

Financial position data of associates and joint ventures	31 March 2023 PLN mn	of which TSG company PLN mn	31 December 2022 PLN mn	of which TSG company PLN mn
Non-current assets	486.6	439.3	437.0	349.8
Current assets	324.1	249.1	369.5	296.0
Non-current liabilities	392.4	316.4	374.4	318.9
Current liabilities	179.9	131.4	189.6	148.0
Net assets	**238.4**	**240.6**	**242.5**	**178.9**
Book value of investments	**117.4**	**81.5**	**123.1**	**85.2**

Profit and loss data of associates and joint ventures	3 months ended 31 March 2023 PLN mn	of which TSG company PLN mn	3 months ended 31 March 2022 PLN mn	of which TSG company PLN mn
Revenues	127.6	90.6	116.2	80.8
Operating profit	8.4	7.1	5.6	5.7
Net profit/loss	(0.4)	0.3	3.5	1.9
Share of profits of associates and joint ventures	**(1.4)**	**0.1**	**1.0**	**1.0**

In addition, other comprehensive income of associates and joint ventures for the period of 3 months ended 31 March 2023 that is attributable to shareholders of the Parent Company amounted to PLN 0.5 million and resulted from exchange differences on translation of foreign operations.

The largest among our companies consolidated using the equity method is TSG IT Advanced Systems Ltd (included in the Formula Systems segment) which is a jointly controlled entity. Other associated companies with the largest carrying value of investment include: Nextbank Software Sp. z o.o. (the Asseco Poland segment) and Prvni Certifikacni Autorita a.s. (the Asseco International segment).

6.6. 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. 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 2023 and as at 31 December 2022, as well as for respective comparable periods. These figures are presented before consolidation adjustments, including the elimination of mutual transactions.

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Percentage of non-controlling interests	31 March 2023	31 December 2022
Matrix IT Ltd *	87.55%	87.55%
Magic Software Enterprises Ltd *	88.06%	88.18%
Sapiens International Corp. NV *	88.62%	88.73%
ASEE Group	49.11%	49.11%
ACE Group	8.67%	8.67%

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

	Carrying value of non-controlling interests*	
Group name	**31 March 2023**	**31 December 2022**
Formula Group**	2,809.3	2,842.2
ASEE Group	575.9	557.1
ACE Group (including ABS)	258.6	243.2
Other individually insignificant	22.4	21.1
Total	**3,666.2**	**3,663.6**

** 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.*

	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	
Group name	**31 March 2023**	**31 March 2022 *(restated)***	**31 March 2023**	**31 March 2022**
Matrix IT Ltd	66.3	74.5	(3.6)	(0.5)
Magic Software Enterprises Ltd	41.7	37.7	(6.7)	(7.1)
Sapiens International Corp. NV	49.1	42.7	(0.2)	-
ASEE Group	24.1	20.2	(0.2)	(0.4)
ACE Group (including ABS)	11.9	11.4	(0.5)	(2.3)
Other individually insignificant	(8.7)	(7.0)	(1.4)	(1.1)
Total	**184.4**	**179.5**	**(12.6)**	**(11.4)**

Group name	Matrix IT Ltd	Magic Software Enterprises Ltd	Sapiens International Corp. NV	ASEE Group	ACE Group
31 March 2023					
Non-current assets	1,766.5	1,091.0	1,594.2	1,065.3	1,019.7
Current assets	3,028.6	1,147.1	1,378.8	801.4	789.0
of which cash and cash equivalents	*769.6*	*440.1*	*501.3*	*306.4*	*236.2*
Non-current liabilities	1,026.3	364.6	447.0	177.7	212.9
Current liabilities	2,577.5	718.3	813.3	528.0	572.7
31 December 2022 *(restated)*					
Non-current assets	1,774.7	1,157.2	1,674.8	1,059.7	1,012.2
Current assets	3,226.6	1,082.7	1,424.4	814.1	710.7
of which cash and cash equivalents	*1,049.9*	*365.6*	*706.0*	*298.6*	*207.2*
Non-current liabilities	1,140.4	336.5	558.3	185.2	212.4
Current liabilities	2,654.0	687.0	791.5	566.1	495.6

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Group name	Matrix IT Ltd	Magic Software Enterprises Ltd	Sapiens International Corp. NV	ASEE Group	ACE Group
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)
Period of 3 months ended 31 March 2022					
Cash provided by (used in) operating activities	51.9	69.2	96.7	41.8	73.1
Net cash provided by (used in) investing activities	(14.4)	(43.4)	(73.0)	(14.8)	4.5
Net cash provided by (used in) financing activities	208.0	83.5	(94.4)	0.7	(58.0)

6.7. Receivables and contract assets

The table below presents receivables and assets from contracts with customers as at 31 March 2023 as well as at 31 December 2022.

	31 March 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Trade receivables, of which:				
Invoiced receivables	**2.1**	**3,084.0**	**2.8**	**3,302.3**
from related parties	1.6	9.6	1.7	17.9
from other entities	0.5	3,074.4	1.1	3,284.4
Uninvoiced receivables	**13.4**	**807.0**	**1.0**	**766.1**
from related parties	-	6.9	-	9.0
from other entities	13.4	800.1	1.0	757.1
Receivables from operating leases	**-**	**10.2**	**-**	**9.5**
from related parties	-	-	-	-
from other entities	-	10.2	-	9.5
Net investment in the lease	**2.3**	**0.9**	**2.5**	**1.0**
Allowances for expected credit losses on trade receivables	**-**	**(121.8)**	**(0.2)**	**(124.2)**
Total trade receivables	**17.8**	**3,780.3**	**6.1**	**3,954.7**
Corporate income tax receivable	**-**	**99.5**	**-**	**62.8**
Receivables from the state and local budgets	**-**	**81.4**	**-**	**43.6**
Value added tax	-	55.3	-	22.6
Other	-	26.1	-	21.0
Other receivables	**63.4**	**79.5**	**64.5**	**80.9**
Other receivables	63.4	81.4	64.5	82.9
Allowances for expected credit losses on other receivables (-)	-	(1.9)	-	(2.0)
Total receivables from the state and local budgets and other receivables	**63.4**	**160.9**	**64.5**	**124.5**
Total receivables	**81.2**	**4,040.7**	**70.6**	**4,142.0**

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

	31 March 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Contract assets				
from related parties	-	44.4	-	35.9
from other entities	-	809.9	-	727.2
Total contract assets	**-**	**854.3**	**-**	**763.1**

Both as at 31 March 2023 and 31 December 2022, the carrying values of receivables and contract assets were not different from their fair values.

Related party transactions have been presented in explanatory note 6.20 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.

Changes in the amount of allowances for trade receivables during the period of 3 months ended 31 March 2023 and in the comparable period are presented in the table below:

Allowances for trade receivables	**3 months ended 31 March 2023 PLN mn**	**3 months ended 31 March 2022 PLN mn**
Allowances as at 1 January	**(124.4)**	**(118.9)**
Recognized during the reporting period	(12.7)	(8.7)
Utilized during the reporting period	6.4	3.1
Reversed during the reporting period	5.9	7.4
Obtaining control over subsidiaries	-	(0.1)
Foreign exchange differences	3.0	(0.7)
As at the end of the reporting period	**(121.8)**	**(117.9)**

6.8. Prepayments and accrued income

As at 31 March 2023 and 31 December 2022, prepayments and accrued income included the following items:

	31 March 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Prepaid services, of which:	**62.2**	**326.9**	**66.0**	**288.7**
Maintenance services and license fees	60.8	253.7	63.7	228.6
Rents and averaged instalments under operating leases	0.3	1.8	0.2	1.9
Insurances	0.5	29.0	0.6	19.4
Other services	0.6	42.4	1.5	38.8
Expenses related to services performed for which revenues have not been recognized yet	**25.2**	**19.1**	**22.9**	**17.5**
Costs incurred in fulfilling contracts with customers	25.2	15.0	22.8	14.7
Other costs of services for which revenues have not been recognized yet	-	4.1	0.1	2.8
Other prepayments and accrued income	**0.2**	**17.4**	**0.2**	**16.8**
Total	**87.6**	**363.4**	**89.1**	**323.0**

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6.9. Other financial assets

Both as at 31 March 2023 and 31 December 2022, 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 2023		31 December 2022 *(restated)*	
	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:				
Currency forward contracts	0.3	0.4	0.2	1.0
Corporate and Treasury bonds	1.9	-	3.3	-
Shares in companies not quoted in an active market	19.9	-	20.9	-
Shares in companies quoted in an active market	-	0.1	-	3.3
Other assets	13.4	-	14.0	-
	35.5	**0.5**	**38.4**	**4.3**
Financial assets carried at fair value through other comprehensive income, of which:				
Shares in companies not quoted in an active market	13.0	3.8	13.0	3.8
Shares in companies quoted in an active market	44.1	-	41.4	-
Other	3.0	-	3.2	-
	60.1	**3.8**	**57.6**	**3.8**
Financial assets carried at amortized cost, of which:				
Treasury and corporate bonds	-	0.1	-	-
Promissory notes	-	-	-	1.0
Other debt securities	-	1.0	-	0.6
Loans, of which:				
granted to related parties	8.0	7.6	5.1	1.1
granted to employees	1.0	2.3	0.9	2.4
granted to other entities	-	-	-	1.2
Cash deposits	5.7	333.0	1.4	105.6
	14.7	**344.0**	**7.4**	**111.9**
Total	**110.3**	**348.3**	**103.4**	**120.0**

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 in the third quarter of 2022.

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

<u>Changes in the fair value measurement of financial instruments carried at fair value, and changes in the classification of financial instruments</u>

In the period of 3 months ended 31 March 2023, 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 2023 and 31 December 2022, the fair values of financial assets were not significantly different from their book values.

As at 31 March 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				
Currency forward contracts	0.7	-	0.7	-
Corporate and Treasury bonds	1.9	1.9	-	-
Shares in companies not quoted in an active market	19.9	-	-	19.9
Shares in companies quoted in an active market	0.1	0.1	-	-
Other assets	13.4	-	13.4	-
Total	**36.0**	**2.0**	**14.1**	**19.9**
Financial assets carried at fair value through other comprehensive income				

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Shares in companies not listed on regulated markets	16.8	-	-	16.8
Shares in companies listed on regulated markets	44.1	44.1	-	-
Other	3.0	-	-	3.0
Total	**63.9**	**44.1**	**-**	**19.8**

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 2022	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				
Currency forward contracts	1.2	-	1.2	-
Corporate and Treasury bonds	3.3	3.3	-	-
Shares in companies not quoted in an active market	20.9	-	-	20.9
Shares in companies quoted in an active market	3.3	3.3	-	-
Other assets	14.0	-	14.0	-
Total	**42.7**	**6.6**	**15.2**	**20.9**
Financial assets carried at fair value through other comprehensive income				
Shares in companies not listed on regulated markets	16.8	-	-	16.8
Shares in companies quoted in an active market	41.4	41.4	-	-
Other assets	3.2	-	-	3.2
Total	**61.4**	**-**	**-**	**61.4**

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

6.10. Inventories

The table below presents inventories as at 31 March 2023 as well as at 31 December 2022:

Inventories	31 March 2023 PLN mn	31 December 2022 PLN mn
Computer hardware, third-party software licenses and other goods for resale	344.5	318.0
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	34.0	34.1
Impairment losses on inventories	(32.0)	(26.1)
Total	**346.5**	**326.0**

Changes in the amount of impairment losses on inventories during the period of 3 months ended 31 March 2023 and in the comparable period are presented in the table below:

Impairment losses on inventories	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Impairment as at 1 January	**(26.1)**	**(21.6)**
Recognized during the reporting period	(7.7)	(2.1)
Utilized during the reporting period	0.5	1.1
Reversed during the reporting period	1.2	1.4
Loss of control over subsidiaries	-	0.1
Foreign exchange differences	0.1	(0.2)
As at the end of the reporting period	**(32.0)**	**(21.3)**

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6.11. Cash and cash equivalents

The table below presents cash and cash equivalents as at 31 March 2023 and 31 December 2022:

	31 March 2023 PLN mn	31 December 2022 PLN mn
Cash at bank accounts	1,961.6	2,352.9
Cash at split payment accounts	4.2	15.9
Cash on hand	0.9	0.7
Short-term bank deposits (up to 3 months)	1,221.0	1,265.1
Other cash equivalents	1.5	1.4
Total cash and cash equivalents as disclosed in the statement of financial position	**3,189.2**	**3,636.0**
Interest accrued on cash and cash equivalents	0.1	-
Bank overdraft facilities utilized for current liquidity management	(94.8)	(76.5)
Total cash and cash equivalents as disclosed in the cash flow statement	**3,094.5**	**3,559.5**

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.

6.12. Non-current assets and liabilities held for sale

Both as at 31 March 2023 and December 2022, non-current assets held for sale included a real estate property owned by Asseco Poland S.A. with a total value of PLN 20.1 million, as well as a property held by Asseco Central Europe, a.s. (Slovakia) with a value of PLN 22.4 million.
Both as at 31 March 2023 and December 2022, liabilities held for sale included liabilities related to a real estate property owned by Asseco Poland S.A. with a total value of PLN 3.1 million.

6.13. Bank loans, borrowings and debt securities

The table below presents the Group’s debt outstanding as at 31 March 2023 and 31 December 2022:

	31 March 2023		31 December 2022	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Bank loans	654.3	602.6	673.2	591.4
- overdraft facilities	-	*178.5*	-	*130.5*
- non-revolving loans	*654.3*	*424.1*	*673.2*	*460.9*
Bonds and other debt securities	1,155.8	566.8	1,345.3	550.8
Loans	3.6	1.1	3.3	3.7
Total	**1,813.7**	**1,170.5**	**2,021.8**	**1,145.9**

The Group’s total liabilities under all bank loans and borrowings obtained and debt securities issued aggregated at PLN 2,984.2 million as at 31 March 2023, as compared to PLN 3,167.7 million outstanding as at 31 December 2022. Our debt decreased mainly in the Formula Systems segment, primarily as a result of redemption of bonds by Sapiens Group.

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Bank overdraft facilities outstanding as at 31 March 2023 and 31 December 2022 are presented in the tables below.

Loan currency	Effective interest rate	Actual amount of debt as at 31 March 2023 PLN mn	Maximum debt limit available PLN mn	Unused amount of credit facilities PLN mn
EUR	EONIA + margin	-	36.0	36.0
	EURIBOR + margin	34.0	203.2	169.2
	LIBOR + margin	-	9.4	9.4
	Fixed interest rate	0.2	3.9	3.7
	ESTR + margin	6.3	32.3	26.0
NIS	Fixed interest rate	7.8	7.8	-
	PRIME (Israel) + margin	76.0*	n/a*	n/a*
PLN	WIBOR + margin	1.2	633.6	632.4**
USD	Fixed interest rate	4.1	4.1	-
MKD	Fixed interest rate	-	0.1	0.1
TRY	Fixed interest rate	0.1	0.3	0.2
HUF	BUBOR + margin	12.7	17.6	4.9
RON	EURIBOR + margin	0.1	7.6	7.5
CZK	PRIBOR + margin	9.8	29.8	20.0
COP	Fixed interest rate	-	0.1	0.1
BAM	Fixed interest rate	26.2	35.8	9.6
		178.5	**1,021.6**	**919.1**

** Debt in the amount of PLN 76.0 million represents bank overdraft facilities 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 2023 the total limit of such credit facilities reached NIS 1,660 million (PLN 1,971.5 million).*
*** of which PLN 27.5 million used as collateral for guarantees.*

Loan currency	Effective interest rate	Actual amount of debt as at 31 December 2022 PLN mn	Maximum debt limit available PLN mn	Unused amount of credit facilities PLN mn
EUR	EONIA + margin	-	36.1	36.1
	EURIBOR + margin	10.1	167.4	157.3
	LIBOR + margin	-	9.4	9.4
	Fixed interest rate	0.4	0.9	0.5
	ESTR + margin	16.9	48.2	31.3
PLN	WIBOR + margin	1.7	642.2	640.5**
USD	Fixed interest rate	4.1	4.1	-
NIS	Fixed interest rate	10.8	10.8	-
	PRIME (Israel) + margin	43.2*	n/a*	n/a*
MKD	Fixed interest rate	-	0.1	0.1
TRY	Fixed interest rate	0.1	0.1	-
HUF	BUBOR + margin	10.2	13.2	3.0
COP	PRIBOR + margin	-	0.1	0.1
BAM	Fixed interest rate	33.0	34.8	1.8
		130.5	**967.4**	**880.1**

** Debt in the amount of PLN 43.2 million represents bank overdraft facilities 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 and non-revolving loans), and as at 31 December 2022 the total limit of such credit facilities reached NIS 1,472 million (PLN 1,841.3 million).*
*** of which PLN 26.7 million used as collateral for guarantees*

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Non-revolving bank loans outstanding as at 31 March 2023 and 31 December 2022 are presented in the table below.

Loan currency	Effective interest rate	31 March 2023 Long-term PLN mn	31 March 2023 Short-term PLN mn	31 December 2022 Long-term PLN mn	31 December 2022 Short-term PLN mn
EUR	EURIBOR + margin	32.4	21.6	36.3	26.2
	Fixed interest rate	113.0	39.7	118.7	37.6
HRK/EUR	Fixed interest rate	-	-	-	4.7
NIS	PRIME (Israel) + margin	24.2	13.6	29.5	8.2
	Fixed interest rate	291.7	304.3	357.2	339.9
USD	SOFR + margin	150.3	21.5	88.0	22.0
	LIBOR + margin	32.2	17.2	33.0	16.5
	Fixed interest rate	-	0.7	-	-
CHF	Fixed interest rate	0.5	0.1	0.6	0.1
CZK	Fixed interest rate	8.0	4.0	7.8	3.9
BAM	EURIBOR + margin	1.7	1.4	1.8	1.8
GTQ	Fixed interest rate	0.3	-	0.3	-
		654.3	**424.1**	**673.2**	**460.9**

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- and long-term portion	Series	31 March 2023 PLN mn	31 December 2022 PLN mn	Effective interest rate	Currency
Formula Systems	long-term portion	Series A	40.9	43.2	2.38%	NIS
		Series C	483.9	509.1	2.71%	NIS
	short-term portion	Series A	41.2	42.8	2.38%	NIS
		Series C	100.6	102.4	2.71%	NIS
Formula Systems subtotal			**666.6**	**697.5**		
Sapiens International	long-term portion	Series B	169.6	260.9	3.52%	NIS/USD
	short-term portion	Series B	87.1	93.1	3.52%	NIS/USD
Sapiens International subtotal			**256.7**	**354.0**		
Matrix IT	long-term portion	Series B	461.4	532.1	4.36%	NIS
	short-term portion	Series B	100.4	62.3	4.36%	NIS
	short-term portion	n/a	237.5	250.2	Bank of Israel interest rate + 0.5%	NIS
Matrix IT subtotal			**799.3**	**844.6**		
Total bonds and other debt securities			**1,722.6**	**1,896.1**		

Borrowings outstanding as at 31 March 2023 and 31 December 2022 are presented in the table below.

Loan currency	Effective interest rate	Repayment date	31 March 2023 Long-term PLN mn	31 March 2023 Short-term PLN mn	31 December 2022 Long-term PLN mn	31 December 2022 Short-term PLN mn
EUR	Fixed interest rate	2023	-	0.7	-	0.8
		2024	-	0.1	-	0.1
		2026	1.3	-	1.3	-
		2030	1.1	0.1	1.1	0.1
		2037	0.6	-	0.6	-
NIS	Fixed interest rate	not specified	-	-	-	2.2

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PLN	Fixed interest rate	2023	-	0.1	-	0.1
UZS	LIBOR + margin	not specified	-	-	-	0.3
CZK	Fixed interest rate	2025	0.2	0.1	0.3	0.1
		2027	0.4	-	-	-
			3.6	**1.1**	**3.3**	**3.7**

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 2023	**31 December 2022**	**31 March 2023**	**31 December 2022**
	PLN mn	**PLN mn**	**PLN mn**	**PLN mn**
Cash and cash equivalents	24.8	16.2	36.4	36.9
Land and buildings	182.2	183.2	118.0	120.7
Other tangible assets	17.0	17.1	-	-
Long-term investments	1,659.4	1,987.1	666.7	697.6
Other financial assets	3.9	3.8	5.3	13.6
Inventories	14.4	16.0	26.6	28.7
Current and future receivables	56.4	73.1	86.8	75.2
Total	**1,958.1**	**2,296.5**	**939.8**	**972.7**

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 2023 and 31 December 2022, one of ACE Group companies (the Asseco International segment) infringed covenants defined in their bank loan agreement. The total amount of debt affected by the breach of covenants was EUR 5.0 million (PLN 23.4 million) as at 31 March 2023, as compared to EUR 7.2 million (PLN 33.8 million) as at 31 December 2022. This amount is presented in current liabilities. Apart from the case described above, as at 31 March 2023 and 31 December 2022, 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 2023, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy. Both as at 31 March 2023 and 31 December 2022, the fair values of bank loans and debt securities issued were not significantly different from their book values.

As at 31 March 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	1,256.9	-	-	1,256.9
- overdraft facilities	*178.5*	-	-	*178.5*
- non-revolving loans	*1,078.4*	-	-	*1,078.4*
Bonds and other debt securities	1,722.6	1,485.1	237.5	-
Loans	4.7	-	-	4.7
Total	**2,984.2**	**1,485.1**	**237.5**	**1,261.6**

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.

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As at 31 December 2022	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	1,264.6	-	-	1,264.6
- overdraft facilities	*130.5*	-	-	*130.5*
- non-revolving loans	*1,134.1*	-	-	*1,134.1*
Bonds and other debt securities	1,896.1	1,645.9	250.2	-
Loans	7.0	-	-	7.0
Total	**3,167.7**	**1,645.9**	**250.2**	**1,271.6**

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

6.14. Lease liabilities

As at 31 March 2023, assets used under lease contracts where the Group is a lessee, included:

- real estate,
- cars,
- IT hardware and other assets.

The table below presents the amounts of lease liabilities as at 31 March 2023 as well as at 31 December 2022.

Lease liabilities	31 March 2023		31 December 2022	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Leases of real estate	451.3	189.6	504.3	245.2
Leases of transportation vehicles	69.9	82.0	29.2	17.3
Leases of IT hardware and other assets	1.8	1.5	2.1	1.9
Total	**523.0**	**273.1**	**535.6**	**264.4**

6.15. Other financial liabilities

Other financial liabilities	31 March 2023		31 December 2022 *(restated)*	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Dividends payable	-	96.4	-	6.2
Liabilities under deferred and/or conditional payments for controlling interests	54.8	97.9	76.8	169.8
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	172.8	336.6	144.5	345.1
Other financial liabilities	6.4	1.6	0.4	1.6
	234.0	**532.5**	**221.7**	**522.7**

Both as at 31 March 2023 and 31 December 2022, dividends payable comprised basically dividends payable to non-controlling shareholders in direct and indirect subsidiaries of the Parent Company.

As at 31 March 2023 and 31 December 2022, 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. The table below presents liabilities arising from deferred and/or conditional payments for controlling interests in subsidiaries as at 31 March 2023 and 31 December 2022:

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Liabilities under deferred and/or conditional payments for controlling interests	31 March 2023 PLN mn	31 December 2022 *(restated)* PLN mn
Liabilities from acquisitions made within the Asseco Poland segment	3.3	3.3
Liabilities from acquisitions made within the Asseco International segment	31.8	34.1
Liabilities from acquisitions made within the Formula Systems segment	117.6	209.2
	152.7	**246.6**

Both as at 31 March 2023 and 31 December 2022, 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.

The table below presents liabilities arising from put options granted to non-controlling shareholders in subsidiaries as at 31 March 2023 and 31 December 2022:

Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	31 March 2023 PLN mn	31 December 2022 PLN mn
Liabilities of companies within the Asseco Poland segment	8.8	8.7
Liabilities of companies within the Asseco International segment	163.6	152.7
Liabilities of companies within the Formula Systems segment	337.0	328.2
	509.4	**489.6**

Both as at 31 March 2023 and 31 December 2022, the fair values of financial liabilities were not significantly different from their book values.

As at 31 March 2023	Carrying value PLN mn	Level 1[i] PLN mn	Level 2 [ii] PLN mn	Level 3 [iii] PLN mn
Other financial liabilities				
Dividends payable	96.4	-	-	96.4
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	152.7	-	-	152.7
Liabilities from the acquisition of minority interests in subsidiaries (put options)	509.4	-	-	509.4
Other financial liabilities	8.0	-	8.0	-
Total	**766.5**	**-**	**8.0**	**758.5**

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 2022 *(restated)*	Carrying value PLN mn	Level 1[i] PLN mn	Level 2 [ii] PLN mn	Level 3 [iii] PLN mn
Other financial liabilities				
Dividends payable	6.2	-	-	6.2
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	246.6	-	-	246.6
Liabilities from the acquisition of minority interests in subsidiaries (put options)	489.6	-	-	489.6
Other financial liabilities	2.00	-	2.0	-
Total	**744.4**	**-**	**2.0**	**742.4**

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

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6.16. Trade payables, state budget liabilities and other liabilities

The table below presents the Group's liabilities outstanding as at 31 March 2023 and 31 December 2022:

	31 March 2023		31 December 2022 *(restated)*	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Trade payables, of which:	**2.5**	**1,386.8**	**2.7**	**1,599.5**
Invoiced payables	**1.4**	**880.6**	**1.5**	**1,024.4**
to related parties	-	1.1	-	1.2
to other entities	1.4	879.5	1.5	1,023.2
Uninvoiced payables	**1.1**	**503.5**	**1.2**	**568.3**
to related parties	-	0.3	-	0.6
to other entities	1.1	503.2	1.2	567.7
Liabilities arising from contractual penalties	**-**	**2.7**	**-**	**6.8**
Corporate income tax payable	**57.7**	**120.5**	**59.0**	**115.2**
Liabilities to the state and local budgets	**-**	**227.8**	**-**	**322.8**
Value added tax (VAT)	-	99.6	-	181.9
Personal income tax (PIT)	-	47.2	-	61.1
Social insurance	-	72.0	-	71.7
Withholding income tax	-	5.1	-	5.1
Other	-	3.9	-	3.0
Other liabilities	**7.8**	**634.2**	**8.0**	**646.2**
Liabilities to employees (including salaries payable)	-	570.2	-	576.0
Other liabilities	7.8	64.0	8.0	70.2
Total	**68.0**	**2,369.3**	**69.7**	**2,683.7**

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 6.20 to these interim condensed consolidated financial statements.

6.17. Contract liabilities

The table below presents the Group's liabilities from contracts with customers as at 31 March 2023 and 31 December 2022:

	31 March 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Liabilities from valuation of IT contracts, of which:	**-**	**96.2**	**-**	**106.8**
to related parties	-	-	-	0.4
to other entities	-	96.2	-	106.4
Deferred income from IT projects, of which:	**74.4**	**1,169.6**	**84.8**	**1,020.0**
Maintenance services and license fees	74.4	1,000.8	84.4	860.9
Other prepaid services	-	168.8	0.4	159.1
Total contract liabilities	**74.4**	**1,265.8**	**84.8**	**1,126.8**

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6.18. Provisions

Changes in the amount of provisions during the period of 3 months ended 31 March 2023 and in the comparable period are presented in the table below:

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
As at 1 January	**97.9**	**80.9**
Obtaining control over subsidiaries	-	2.1
Provisions created during the reporting period	17.9	9.7
Discount change and actuarial gains/losses	(2.0)	(5.7)
Provisions utilized during the reporting period	(2.2)	(2.1)
Provisions reversed during the reporting period	(4.8)	(3.5)
Exchange differences on translation of foreign operations	(2.2)	1.2
As at the end of the reporting period, of which:	**104.6**	**82.6**
Short-term	**46.0**	**20.7**
Long-term	**58.6**	**61.9**

6.19. Accruals and deferred income

As at 31 March 2023 and 31 December 2022, accruals and deferred income included the following items:

	31 March 2023		31 December 2022	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Accruals, of which:				
Accruals for unused holiday leaves	-	281.1	-	260.6
Accruals for employee and management bonuses	1.6	187.0	1.8	250.7
	1.6	**468.1**	**1.8**	**511.3**
Deferred income, of which:				
Grants related to assets	54.1	5.6	54.6	5.3
Other	0.1	2.9	-	2.7
	54.2	**8.5**	**54.6**	**8.0**
Total accruals and deferred income	**55.8**	**476.6**	**56.4**	**519.3**

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.

6.20. Related party transactions

	Sales		Purchases	
	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Transactions with associates and joint ventures	2.7	2.7	0.4	0.4
Transactions with entities or individuals related through the Group's Key Management Personnel	0.1	-	2.2	1.2
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.9	0.3
Transactions with Members of Management Boards and Supervisory Boards and Commercial	-	-	3.5	0.9

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Proxies of other companies of the Group				
Transactions with capital-related entities	27.4	24.5	1.3	0.8
Total related party transactions	**30.2**	**27.2**	**8.3**	**3.6**

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.

	Trade receivables, other receivables and contract assets as at		Trade payables, other liabilities and contract liabilities as at	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Transactions with associates and joint ventures	3.5	4.2	1.1	1.8
Transactions with entities or individuals related through the Group's Key Management Personnel	3.4	3.6	10.9	11.4
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.1	0.1
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	37.7	37.6	14.1	13.3
Transactions with capital-related entities	59.0	60.1	8.2	10.3
Total related party transactions	**103.6**	**105.5**	**34.4**	**36.9**

The above tables, in the line 'Transactions with capital-related entities', disclose the outstanding balances of receivables and payables between companies of Asseco Group and entities belonging to Polsat Plus Group which holds 22.95% of equity interest and voting rights at the General Meeting of Shareholders of the Parent Company.

As at 31 March 2023, total receivables from related parties comprised trade receivables and contract assets amounting to PLN 62.5 million as well as other receivables amounting to PLN 41.1 million; whereas, as at 31 December 2022, such trade receivables and contract assets amounted to PLN 64.5 million and other receivables amounted to PLN 41.0 million.

As at 31 March 2023, total liabilities to related parties comprised trade payables and contract liabilities amounting to PLN 9.7 million, as compared to PLN 12.5 million outstanding as at 31 December 2022.

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 6.9 to the consolidated financial statements of the Group for the year ended 31 December 2022.

Name of entity	Loans granted		Borrowings	
	31 March 2023	31 December 2022	31 March 2023	31 December 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Transactions with associates and joint ventures	6.5	5.6	-	-
Transactions with entities or individuals related through the Group's Key Management Personnel	0.6	0.6	0.3	0.3
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	8.5	-	-	2.2
Total related party transactions	**15.6**	**6.2**	**0.3**	**2.5**

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

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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 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Change in inventories	(12.6)	(69.2)
Change in receivables and non-financial assets	27.5	89.6
Change in liabilities	(225.7)	(269.8)
Change in prepayments and accruals	(26.0)	83.1
Change in provisions	5.2	4.5
Total	**(231.6)**	**(161.8)**

7.2. Cash flows – investing activities

In the period of 3 months ended 31 March 2023 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:

Acquisitions of property, plant and equipment, intangible assets and expenditures for development projects	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Acquisition of property, plant and equipment	(58.7)	(52.4)
Acquisition of intangible assets	(6.7)	(8.8)
Expenditures for development projects	(33.2)	(38.7)
Total	**(98.6)**	**(99.9)**

- 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 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Acquisitions made within the Asseco Poland segment	-	(13.2)
Acquisitions made within the Asseco International segment	(0.9)	(3.2)
Acquisitions made within the Formula Systems segment	(128.7)	(109.2)
Total	**(129.6)**	**(125.6)**

- Cash flows related to loans and cash deposits:

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 maturities exceeding 3 months	87.3	(314.6)
Total	**89.0**	**(334.6)**

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for the period of 3 months ended 31 March 2022	Loans collected PLN mn	Loans granted PLN mn
Loans for employees	0.4	(0.3)
Loans for related parties	14.0	-
Loans for other entities	-	(0.3)
Term cash deposits with original maturities exceeding 3 months	44.6	(62.4)
Total	**59.0**	**(63.0)**

7.3. Cash flows – financing activities

In the period of 3 months ended 31 March 2023 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 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Bank loans and borrowings obtained within the Asseco International segment	10.8	16.3
Bank loans and borrowings obtained within the Formula Systems segment	107.4	449.3
Total	**118.1**	**465.6**

- Repayments of bank loans and borrowings:

Repayments of bank loans and borrowings	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Bank loans repaid within the Asseco Poland segment	(0.1)	(0.1)
Bank loans repaid within the Asseco International segment	(27.6)	(12.9)
Bank loans repaid within the Asseco International segment	(106.0)	(87.9)
Total	**(133.7)**	**(100.9)**

- Expenditures for acquisition of non-controlling interests

Expenditures for acquisition of non-controlling interests	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Non-controlling interests acquired within the Asseco Poland segment	-	(0.3)
Non-controlling interests acquired within the Asseco International segment	(0.3)	-
Non-controlling interests acquired within the Formula Systems segment	(12.1)	(34.1)
Total	**(12.4)**	**(34.4)**

- In addition, in the period of 3 months ended 31 March 2023, companies of Sapiens Group (the Formula Systems segment) redeemed their previously issued bonds. Cash outflows for this purpose amounted to PLN 86.4 million.

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8. Other explanatory notes

8.1. Off-balance-sheet liabilities

The table below presents our contingent liabilities as at 31 March 2023 and 31 December 2022:

Contingent liabilities	31 March 2023 PLN mn	31 December 2022 PLN mn
Liabilities from bank guarantees and guarantee bonds granted to secure due performance of a contracts		
Liabilities falling due within 3 months	27.1	20.8
Liabilities falling due within 3 to 12 months	258.4	243.7
Liabilities falling due within 1 to 5 years	183.5	191.9
Liabilities falling due after 5 years	8.9	8.2
Total	**477.9**	**464.6**
Liabilities from bank guarantees and guarantee bonds granted to secure payments		
Liabilities falling due within 3 months	10.0	3.2
Liabilities falling due within 3 to 12 months	42.4	38.4
Liabilities falling due within 1 to 5 years	5.7	6.0
Liabilities falling due after 5 years	-	-
Total	**58.1**	**47.6**
Other contingent liabilities	**0.7**	**0.8**

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 2023 and 31 December 2022.

As at 31 March 2023, guarantees granted by Asseco Central Europe a.s., as described in the annual report for 2022, amounted to EUR 2.98 million (PLN 13.9 million) for the company Prosoft Kosice a.s.; CZK 100 million (PLN 19.9 million) for the company Asseco Central Europe, a.s. (Czech Republic); and EUR 3.5 million (PLN 16.4 million) for the company Asseco CEIT a.s.

Disputes in litigation as at the end of the reporting period

As at 31 March 2023, the Parent Company was party to two court proceedings initiated by the same plaintiff, in which the total value of the subject in dispute amounted to approx. PLN 13.3 million. The Parent 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 disputes, the plaintiff makes unjustified demands upon the Parent Company to transfer proprietary software copyrights and extend the licenses granted.
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 as at 31 March 2023. Furthermore, in 2021, the Parent Company 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.

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During the reporting period, the said Asseco Data Systems S.A. was party to court proceedings with the total amount in dispute of PLN 17.9 million. This amount was primarily related to the claim for payment of PLN 17.1 million which has been described 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 2023, 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 2023. Furthermore, due to the plaintiff's withdrawal from the contract, DahliaMatic S.A. filed a counter-claim for unpaid remuneration.

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 2.7 million) on that company, for which the Group created a provision in the previous year. 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 two more significant disputes that entered the stage of court proceedings. In the first case, the claim is related to payment of contractual penalties in the amount of CZK 115.7 million (PLN 23.0 million). The Management of ACE Group considers the plaintiff's claim to be unjustified. In addition, the ACE Group 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 20.4 million). The second dispute originated back in 2009 and concerns the method of calculating the price for the compulsory buyout of shares in a subsidiary company of ACE Group, and the amount claimed is CZK 3.0 million (PLN 0.6 million). The amount in dispute is covered by a provision created by ACE Group in previous years.

In 2021, Asseco Spain S.A. sued one of its customers for the unjustified unilateral termination of a contract which was meant to be in force till the end of 2026. Asseco Spain claimed compensation for such breach of the contract. Moreover, the company sued the same customer and its new supplier for infringement of the company's intellectual property rights. The case is currently pending before a court of law in Madrid. As at 31 March 2023, all accounts receivable and other assets related to the terminated contract have been written down, and therefore a potential winning of this court case is going to have positive financial effects for the Group.

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 35.1 million (PLN 41.7 million).

In the reporting period, Sapiens Group (of the Formula Systems segment) was party to just one court litigation where the amount of claims was USD 0.2 million (PLN 0.9 million). The court of first instance issued a judgment dismissing all claims brought against the company. Currently, as a result of an appeal filed by the other party to the dispute, the company of Sapiens Group is awaiting a date for the next hearing.

During the current reporting period, both court proceedings pending against one of the Michpal Group companies (of the Formula Systems segment) were concluded. From the perspective of both the Group and the company, the cost of adjudicated claims is immaterial and has been expensed in the current period results.

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 103.8 million (PLN 123.3 million). All these cases were pending before the acquisition of Zap Group and, in the opinion of Formula's management, 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.

In 2020, Formula Systems (1985) Ltd and members of its management bodies have been 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 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 2023	31 December 2022
Management Board of the Parent Company	11	11
Management Boards of the Group companies	241	254
Production departments	28,564	28,421
Sales departments	1,775	1,751
Administration departments	2,350	2,313
Total	**32,941**	**32,750**

Number of employees in the Group companies as at	31 March 2023	31 December 2022
Asseco Poland segment	3,551	3,529
Asseco International segment	8,520	8,441
Formula Systems segment	20,870	20,780
Total	**32,941**	**32,750**

8.4. Significant events after the reporting period

- ***Acquisition of shares in Dana Engineering Ltd***

On 17 April 2023, Aviv – Engineering Management and International Consulting Ltd (Matrix Group, the Formula Systems segment) acquired a 5.5% stake in the company Dana Engineering Ltd. As a result of this transaction, the equity interest held by Aviv – Engineering Management and International Consulting Ltd in Dana Engineering Ltd increased to 90.5%.

- ***Registration of ASSECO Middle East Co. (Limited Liability Company)***

On 3 May 2023, we established ASSECO Middle East Co. (Limited Liability Company) based in Saudi Arabia. Asseco Data Systems S.A. acquired 43% of shares in this newly established company which is an associated entity consolidated under the equity method.

- ***Liquidation of Asseco Services Sp. z o.o.***

On 16 May 2023, the Extraordinary General Meeting of Shareholders of Asseco Services Sp. z o.o. made a decision to dissolve that company and initiate its liquidation process.

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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 2023, 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

1. Selected financial data for the period of 3 months ended 31 March 2023 (non-IFRS)

Non-IFRS data presented below have not been audited or reviewed by any independent certified auditors. Non-IFRS data do not constitute financial data in accordance with IFRS as endorsed by the European Union. There is no uniform definition or calculation method for non-IFRS data and, consequently, they may not be comparable to such data presented by other entities, including entities operating in the same industry as Asseco Group. These financial data should be analyzed as additional information only, and not as a substitute for financial data prepared in accordance with EU IFRS. Non-IFRS data should not be considered more significant than measurements resulting directly from the consolidated financial statements.

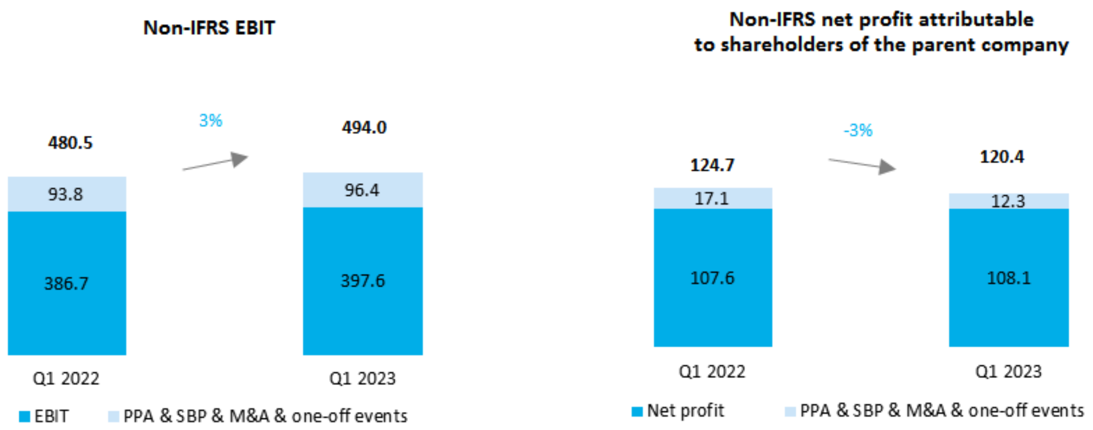
Financial and operational summary:

- Sustained **growth** driven by **proprietary products** and related services:
  - sales revenues reached **PLN 4,335 million**, growing by **7.1%**
  - non-IFRS EBIT increased by **2.8%** to the level of **PLN 494.0 million**
  - non-IFRS net profit amounted to **PLN 120.4 million**
- Strong business **diversification** (by geographical regions, sectors, products):
  - **90%** of revenues generated in foreign markets
  - **44%** of revenues from general business, **33%** from banking and finance, **23%** from public institutions
  - **79%** of revenues generated from proprietary software and services
- **Long-lasting** customer relations that ensure **recurring revenues** and **financial strength**

Consolidated financial highlights for the first quarter of 2023 (non-IFRS)

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 for one-off events (inclusive of all related tax effects).



Consolidated financial results of Asseco Group (non-IFRS)

PLN mn	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Sales revenues	**4,335.4**	**4,047.5**	**7.1%**
Proprietary software and services	3,421.5	3,161.3	8.2%
Non-IFRS EBIT	**494.0**	**480.5**	**2.8%**
PPA & SBP & M&A & one-off events	96.4	93.8	2.8%

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 74

Non-IFRS net profit attributable to shareholders of the parent company	**120.4**	**124.7**	**(3.4%)**
PPA & SBP & M&A & one-off events	12.3	17.1	(28.1%)
Non-IFRS EBITDA	**643.6**	**622.3**	**3.4%**

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

It should be noted that our results for the first quarter 2023 were affected by the revaluation of items in the statement of financial position due to hyperinflation related to the Turkey-based subsidiaries of ASEE Group, as a result of which Asseco Group recognized a financial income of PLN 9.6 million which translated into an increase of net profit attributable to shareholders of the parent company of Asseco Poland Group by PLN 4.9 million.

2. Summary and analysis of financial results of Asseco Group for the period of 3 months ended 31 march 2023

Consolidated financial results

Statement of profit and loss

The consolidated financial results of Asseco Group for the period of 3 months ended 31 March 2023 as well as for the comparable period last year are presented in the table below:

PLN mn	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Sales revenues	**4,335.4**	**4,047.5**	**7.1%**
Proprietary software and services	3,421.5	3,161.3	8.2%
Gross profit on sales	**940.5**	**890.4**	**5.6%**
Selling costs	(241.5)	(225.8)	7.0%
General and administrative expenses	(302.3)	(268.4)	12.6%
Other operating activities	0.9	(9.5)	
EBIT	**397.6**	**386.7**	**2.8%**
Net profit attributable to shareholders of the parent company	**108.1**	**107.6**	**0.5%**
EBITDA	**622.5**	**601.0**	**3.6%**

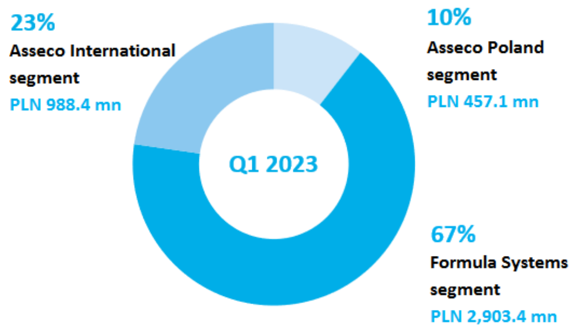
EBITDA = EBIT + depreciation and amortization

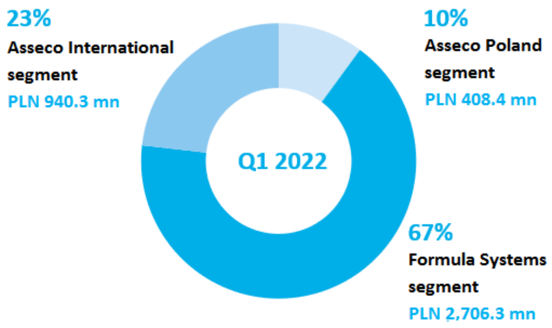
Revenue structure by operating segments

The table below presents sales revenues generated by individual operating segments in the period of 3 months ended 31 March 2023 and in the comparable period last year:

Sales revenues by segments (PLN mn)	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Asseco Poland segment	457.1	408.4	11.9%
Formula Systems segment	2,903.4	2,706.3	7.3%
Asseco International segment	988.4	940.3	5.1%
Eliminations	(13.5)	(7.5)	80.0%
Total	**4,335.4**	**4,047.5**	**7.1%**

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 75



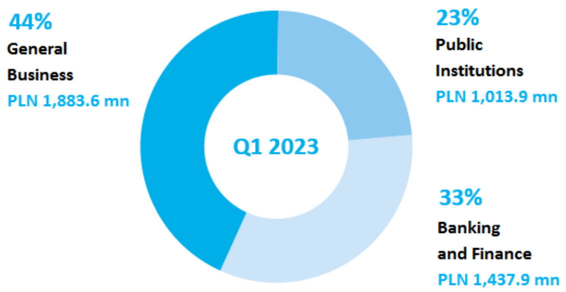


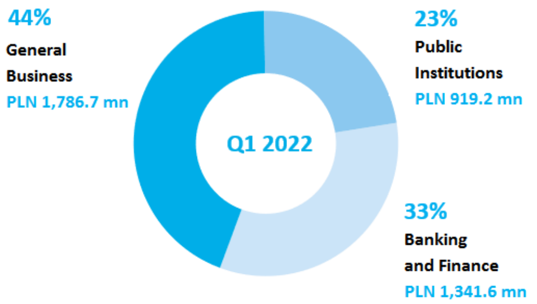
**Figures including inter-segment sales.*

Revenue structure by business sectors

The table below presents sales revenues generated in particular business sectors in the period of 3 months ended 31 March 2023 and in the comparable period last year:

Sales revenues by sectors (PLN mn)	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Banking and Finance	1,437.9	1,341.6	7.2%
General Business	1,883.6	1,786.7	5.4%
Public Institutions	1,013.9	919.2	10.3%
Total	**4,335.4**	**4,047.5**	**7.1%**



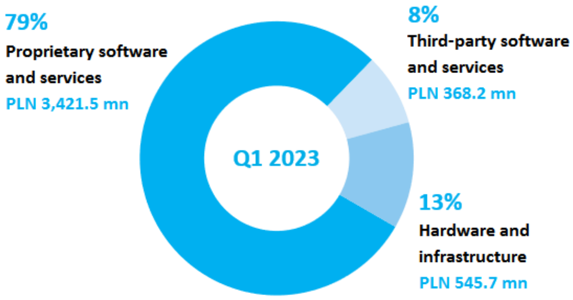


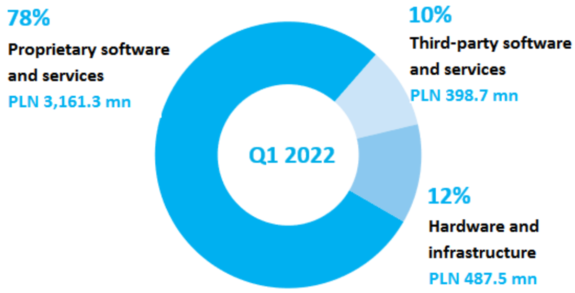
Revenue structure by type of products

The table below presents sales revenues achieved from particular types of products in the period of 3 months ended 31 March 2023 and in the comparable period last year:

Sales revenues by type of products (PLN mn)	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Proprietary software and services	3,421.5	3,161.3	8.2%
Third-party software and services	368.2	398.7	(7.6%)
Hardware and infrastructure	545.7	487.5	11.9%
Total	**4,335.4**	**4,047.5**	**7.1%**

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 76





Revenue structure by currencies

Presented below is the foreign currency structure of our sales revenues in the period of 3 months ended 31 March 2023 as well as in the comparable period last year:

Currency	Q1 2023	Q1 2022
NIS (Israeli new shekel)	41.0%	42.9%
USD (US dollar)	18.3%	17.3%
EUR (euro)	17.5%	16.5%
PLN (Polish zloty)	12.1%	11.5%
GBP (British pound)	2.6%	2.1%
CZK (Czech crown)	2.2%	1.9%
RSD (Serbian dinar)	1.8%	1.8%
DKK (Danish krone)	0.6%	1.8%
RON (new Romanian leu)	0.1%	1.2%
Other currencies	3.9%	3.0%
Total	**100.0%**	**100.0%**

Cash flows

In the first 3 months of 2023, cash flows provided by Asseco Group's operating activities (before income tax paid) amounted to PLN 407.4 million and were by 9.2% lower than in the comparable period last year. Such weaker operating cash flows in the period reported were a consequence of two key factors. Firstly, cash flows are generated from long-term contracts whose payment schedules provide for settlements in future periods. Consequently, some revenues from those contracts have not yet been recognized in current cash flows. Secondly, in the first quarter of 2023, the Group settled liabilities that arose in the preceding quarter.

During the reporting period, net cash used in investing activities (CFI) amounted to PLN 460.5 million, increasing by 112.0% year on year. Whereas, net cash outflows in financing activities (CFF) amounted to PLN 230.0 million as compared to net cash inflows of PLN 158.2 million a year ago. Financing cash flows were negative compared to those recorded in the previous year mainly due to loans obtained a year ago which had a positive impact on last year's cash flow. In the current year, loan repayments exceed the amount of loans obtained, contributing to a greater negative impact on cash flows from financing activities.

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 77

CF	Q1 2023	Q1 2022	Change Q1 2023 / Q1 2022
CFO BT	407.4	448.5	(9.2%)
Income tax paid	(100.5)	(73.5)	36.7%
CFI	(460.5)	(217.2)	112.0%
CAPEX	(98.4)	(99.7)	(1.3%)
CFF	(230.0)	158.2	-
Dividend payment	-	-	-
Net change in cash and cash equivalents	(383.6)	316.0	(221.4%)

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

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 2022 and for the comparable period:

Profitability	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Gross profit margin	21.7%	22.0%	(0.3) pp
EBITDA margin	14.4%	14.8%	(0.4) pp
Non-IFRS EBITDA margin	14.8%	15.4%	(0.6) pp
EBIT margin	9.2%	9.6%	(0.4) pp
Non-IFRS EBIT margin	11.4%	11.9%	(0.5) pp
Net profit margin	6.7%	7.1%	(0.4) pp
Non-IFRS net profit margin	8.4%	9.0%	(0.6) 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 2023, the Group's consolidated EBITDA margin equalled 14.4% decreasing by 0.4 pp, while operating profit margin reached 9.2% decreasing by 0.4 pp. The net profit margin equalled 6.7% compared to 7.1% a year ago.

During the reporting period, the Group's consolidated non-IFRS EBITDA margin reached 14.8% decreasing by 0.6 pp, while non-IFRS EBIT margin equalled 11.4% decreasing by 0.5 pp. The non-IFRS net profit margin equalled 8.4% as compared to 9.0% 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 2023, our working capital amounted to PLN 3,026.8 million, as compared to PLN 3,023.8 million at the end of 2022 and PLN 2,575.3 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 2022.

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 78

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 47% for the first quarter of 2023. This was related to lower free cash flows resulting from payment schedules under long-term contracts as well as the settlement of liabilities that arose in the fourth quarter of 2022.

It should be noted that our cash conversion rate for the last 12 months remained at a high and safe level of 73%.

The table below presents the key liquidity ratios achieved by the Group as at 31 March 2023 and in the comparable periods:

Liquidity	31 March 2023	31 December 2022 *(restated)*	31 March 2022
Working capital (in millions of PLN)	3,026.8	3,023.8	2,575.3
Current liquidity ratio	1.5	1.5	1.4
Quick liquidity ratio	1.4	1.4	1.3
Absolute liquidity ratio	0.5	0.6	0.6
Cash conversion rate	47%	76%	60%

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 2023 and in the comparable periods:

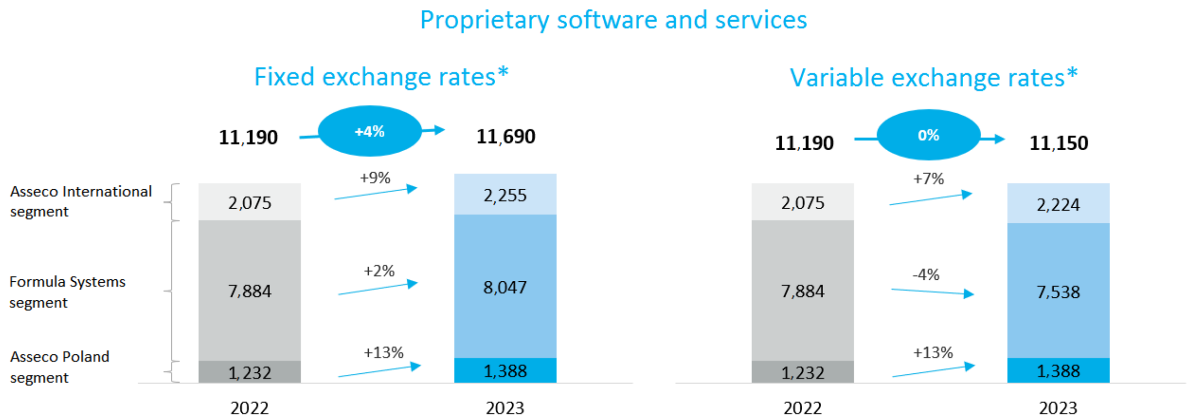
Debt	31 March 2023	31 December 2022	31 March 2022
Total debt ratio	48.0%	49.3%	48.8%
Debt / equity ratio	36.7%	38.8%	37.9%
Debt / (debt + equity) ratio	26.8%	28.0%	27.5%

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)

The levels of our total debt ratio as well as debt-to-equity ratio should be considered very safe in relation to global standards. This reflects the conservative financial policy applied by Asseco Poland's Management.

Consolidated order backlog for 2023

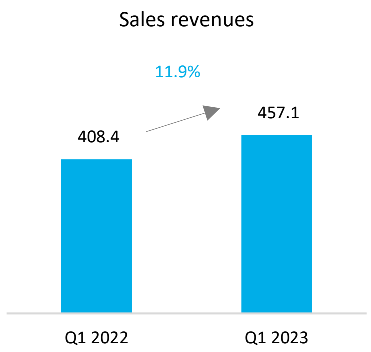
In comparison to the order backlog presented in May 2022

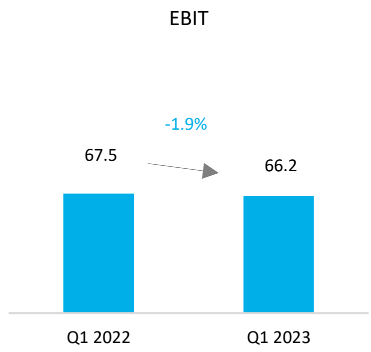


Figures in millions of PLN.
Value of the order backlog for 2023 presented as at 22 May 2023; value of the order backlog for 2022 as at 20 May 2022.
** The 2023 backlog translated applying the same exchange rates as for the 2022 backlog.*
*** The 2023 backlog translated applying the average exchange rates in Q1 2023 for the actual execution in Q1 2023, and the exchange rates effective as at 22 May 2023 for the period of Q2-Q4 2023.*

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 2023 and for the comparable period:

PLN mn	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Sales revenues*	**457.1**	**408.4**	**11.9%**
EBIT	**66.2**	**67.5**	**(1.9%)**
EBIT margin	*14.5%*	*16.5%*	*(2.0) pp*
Non-IFRS EBIT	69.7	70.8	(1.5%)
Non-IFRS EBIT margin	*15.3%*	*17.3%*	*(2.0) pp*
EBITDA	**89.4**	**90.6**	**(1.3%)**
EBITDA margin	*19.6%*	*22.2%*	*(2.6) pp*
CFO BT	31.0	98.4	(68.5%)
CAPEX	(23.7)	(26.1)	(9.2%)
Lease expenditures	(4.0)	(3.4)	17.6%
FCF	3.3	68.9	(95.2%)
Cash conversion rate	4.7%	97.3%	(92.6) pp
Cash and cash equivalents (comparable data as at 31 December 2022)	*508.4*	*405.9*	25.3%
Interest-bearing debt (comparable data as at 31 December 2022)**	*(85.6)*	*(80.6)*	6.2%
of which bank loans, borrowings and bonds issued	*(1.2)*	*(1.8)*	(33.3%)
of which leases	*(84.4)*	*(78.8)*	7.1%

** 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 = net 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 2023, sales revenues generated by the Asseco Poland segment reached PLN 457.1 million as compared to PLN 408.4 million reported in the comparable period of the previous year. This segment accounted for 10% of the Group's total sales in the reporting period. Operating profit amounted to PLN 66.2 million as compared to PLN 67.5 million earned in the first quarter of 2022.

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 81

In the **banking and finance** 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 2023.

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, first under the contract of 2020 and then under a new 4-year transformation service 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 debit card management and clearing system at PKO BP.

It also executed a contract with RCI Banque Group for development of a customer portal with leasing and banking functionalities. The portal will enable customers and users to take advantage of chatbot services and will be equipped with the latest Asseco Advanced Customer Intelligence solution, allowing to create dedicated offers for clients of the financial institution.

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 (Bank out of the Box) 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. Both the availability of particular functionalities and the cost incurred by institutions depend on the actual level of their use.

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 nearly 80% of local 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 2023, 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 which is carried out together with SGB-Bank. The SGB Services System is a comprehensive package of modules that make up a modern banking platform. Asseco is the provider of the core transaction system, as well as online banking and analytical tools. The SGB 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. So far, this solution is used by 40 cooperative banks.

The company is also the author of a unique project of Common IT Platform (WPI), being an implementation of BooX (Bank out of the Box) 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, and Oleśnica. At the end of March 2023, the WPI platform was being implemented at three additional cooperative banks, in the towns of Łęczna, Radzyń Podlaski, and Biecz. The work on acquiring more customers is underway.

During the period reported, Asseco performed contracts to launch the Asseco Fraud Detection System (FDS) as part of its Internet Services Center (CUI). In this period, Asseco FDS was implemented at the Cooperative Bank in Wschowa. This system enables banks to reduce the risk of external and internal cybercrime threats. It protects clients against online banking frauds as well as internal abuse. It is equipped with an editor of rules which allows, depending on your needs, to easily add a new or modify an existing detection rule. This enables a bank to react quickly to any new methods of action applied by fraudsters and search the system repository for similar incidents.

In the first quarter of this year, a virtual consultant was introduced as part of the Internet Services Center and Common IT Platform dedicated to cooperative banks. During this period, the company signed agreements with 8 cooperative banks for customer service via voicebot.

The company was also preparing the Junior solution for youth aged 13+ based on the BSGo Junior mobile application and a parent and child desktop in online banking. BSGo Junior will enable teenagers to make BLIK payments, transfer money, ask parents for “pocket money”, top up a cell phone, or accumulate savings in money boxes. Everything will take place under control via the parent’s desktop with support for limits and marking of the child’s transactions. During the reporting period, Asseco entered into 7 contracts for implementation of the Junior 13+ e-banking solution. Delivery of this solution to customers and its operational launch are expected in the late second quarter or early third quarter of 2023.

Asseco has begun building an ecosystem of partners to extend the services of banks supported by Asseco within e-banking, online and mobile banking. Thanks to cooperation with partners, Asseco has launched for its customers an online currency exchange service, sale of insurance policies, as well as durable medium services. In the case of insurance, customers of cooperative banks, which work on Asseco technology, can use an online calculator of premiums and get convenient and secure access to a wide range of insurance coverage.

In the period from January to March 2023, a project was carried out to adapt the defBank-Pro as well as Asseco Authority Requests and Data Services (Asseco ARS) solutions in order to enable banks to fulfill their regulatory obligation of establishing a Financial Information System (SInF). The purpose of SInF is to prevent money laundering and terrorist financing, among other things, by collecting, processing and sharing information on open and closed bank accounts. We also worked on other new functionalities of Asseco systems, such as the Management Information module in the Asseco Data Analytics system. This module provides a set of ready-to-use reports that allow for monitoring of the institution’s business situation. Among other things, this solution makes it possible to conduct a detailed business analysis, examine efficiency of the bank and its employees, as well as check the effectiveness of sales and marketing campaigns. Analysis results are available in QlikSense via a web browser.

Asseco Poland holds a leading position among providers of IT solutions for institutions operating in the Polish capital market. In the first quarter of 2023, the Company carried out work under contracts signed in previous reporting periods, including the implementation of a suite of ePROMAK NEXT solutions along with the ePROMAK NEXT investor platform, mobile solution and the investment advisory support system at Santander Brokerage Office.

The Company also signed further contracts with financial institutions, for example, for implementation of a new version of the PROMAK PORTFOLIO solution. This system allows a great deal of freedom in modelling and managing investment portfolios. It monitors and archives all the concluded transactions. The system allows running detailed analyses and simulations and, thanks to its multiple configuration options, creating even the most advanced investment strategies.

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.

Asseco Poland is a major provider of Business Intelligence solutions on the Polish market, which has so far implemented over 20 data warehouses for financial institutions. In the reporting period, the Company performed a contract signed last year with one of the brokerage houses for design, construction and implementation of a data warehouse equipped with reporting tools as well as 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.

In the first quarter of 2023, 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 reporting period, Asseco performed activities under the agreement for operational support and maintenance of the Comprehensive Information System (KSI) at the Social Insurance Institution (ZUS) that was signed in 2022.

The Company also implemented the framework agreement signed last year for modification and expansion of the KSI ZUS software. At the end of March 2023, 5 execution contracts were carried out under this agreement, 4 of which were awarded in the first quarter of 2023. These execution contracts involve:

- introducing a functionality to handle benefits which so far used to be granted in legacy ZETO IT systems only (contract signed in 2022);
- modification of the KSI ZUS system in order to enable "streamlining and rationalizing the social security system (part 2)" (contract signed in the first quarter of 2023);
- adjusting the KSI application to solve the problem of running out set of internal identifiers for settlement documents (contract signed in the first quarter of 2023);
- upgrading the KSI system to enable simplified transfer of benefit records from legacy ZETO IT systems to KSI ZUS (contract signed in the first quarter of 2023);
- providing support in the process of indexation of retirement and pension benefits in 2023 (contract signed in the first quarter of 2023).

Moreover, in the period from January to March 2023, Asseco carried out 13 execution contracts under the 2018 framework agreement for modification and development of the KSI ZUS system software. They involved:

- optimizing the functionality of interactive applications that support ZUS employees in carrying out process tasks (contract signed in 2020);
- adaptation of the KSI system to legislative changes resulting from amendment of the Act on enforcement proceedings in administration and certain other acts (contract signed in 2020);
- adaptation of the KSI system to legislative changes resulting from the introduction of the so-called e-files, small business and other acts, stage II (contract signed in 2020);
- optimization of applications used for handling allowance benefits with regard to information security (contract signed in 2021);
- adjusting the KSI system to support the processes of awarding, payment and documentation for 2021 of another additional cash benefit available to retirees, disability pensioners and persons receiving other long-term benefits (contract signed in 2021);
- optimizing the functionality of interactive applications that support ZUS employees in carrying out process tasks (CRKZ) (contract signed in 2021);
- modification of the KSI system involving the functionality optimization of the Judgment Support (WO) application (contract signed in 2021);
- streamlining and rationalizing the social security system from December 2021 till March 2022 (contract signed in 2021);
- automation of E2 application processes in the scope of handling pension related matters and its integration with the Electronic Documents Exchange Platform (contract signed in 2022);
- handling the revaluation of retirement and disability pensions in 2022, as well as awarding and payment of compensation benefits for persons eligible for early retirement due to raising children who require permanent care, and handling of early retirement benefits (contract signed in 2022);
- adaptation of IT systems to present an extended scope of information obtained by ZUS from the PESEL register in the KSI domain applications and the proprietary PESEL_KEP application, as well as to electronically retrieve abbreviated copies of civil status acts from the Register of Civil Status (contract signed in 2022);
- adaptation of the KSI system to handle applications for benefits by exception and parental supplementary benefits (contract signed in 2022);

- modification of the ZUS KSI system involving delocalization of benefit case handling (contract signed in 2022).

The Company also carried out contracts for the Social Insurance Institution concerning the preparation of their KSI information systems and the PUE Portal to perform the tasks:

- resulting from the implementation of the Act on special solutions related to the prevention, counteracting and combating of COVID-19, other infectious diseases and emergencies caused by them (the original agreement was signed in 2020 and till the end of March 2023 it was supplemented with 14 annexes: 5 signed in 2020, 6 in 2021, 2 in 2022, and 1 in the first quarter of 2023);
- arising from the Act on the Polish tourist voucher (the original agreement was signed in 2020 and till the end of March 2023 it was supplemented with 8 annexes: 3 signed in 2020, 2 in 2021, 2 in 2022, and 1 in the first quarter of 2023);
- related to the operation of the “Good Start” program (the original agreement was signed in 2021 and till the end of March 2023 it was supplemented with 5 annexes: 3 signed in 2021, and 2 in 2022);
- related to handling the family care capital (RKO) and co-financing of children nursery fees incurred by parents, the so-called nursery subsidy (the original agreement was signed in 2021 and till the end of March 2023 it was supplemented with 5 annexes: 3 signed in 2022, and 2 in the first quarter of 2023);
- related to the payment of child raising benefits under the “Family 500+” program (the original agreement was signed in 2021 and till the end of March 2023 it was supplemented with 4 annexes signed in 2022);
- resulting from the amended rules of settlement and payment of health insurance contributions under “The Polish Deal” (the original agreement was signed in 2022 and till the end of March 2023 it was supplemented with 5 annexes signed in 2022);
- resulting from the implementation of the Act on assistance to citizens of Ukraine in connection with the armed conflict in the territory of that country, related to the awarding and payment of social benefits to Ukrainian refugees (the original agreement was signed in 2022 and till the end of March 2023 it was supplemented with 4 annexes: 3 signed in 2022, and 1 in the first quarter of 2023).

Asseco Poland also continued to perform the framework agreement of 2019 with the Agency for Restructuring and Modernization of Agriculture (ARiMR) for the development and maintenance of their SIA IT system, under which 1 system modification order and 8 operational orders were placed during the first quarter of 2023. The Company also developed the IRZplus application to support registration of animals, which was carried out under a supplementary order of 2021 to the said contract. Till the end of the reporting period, a total of 10 annexes were concluded to the aforementioned agreement.

During the analyzed period, the Company performed a contract with ARiMR for building their Central Beneficiary Support System (CSOB), along with implementation, maintenance and development services, as well as the provision of supporting hardware and software. The implementation 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) developed to enable electronic communication with beneficiaries – the entire process of handling subsidy applications will be performed over the Internet, eliminating the need for paper documents. The premise of the project is to use a technical business process management platform in the solution under construction, so the development time will be much shorter than in a conventional process. The standardization of procedures for carrying out assistance activities by various departments of ARiMR, as well as automation mechanisms provided by the selected technical platform, will make it possible to 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.

For the Ministry of Justice, Asseco carried out:

- a contract for construction, 3-year maintenance and development of the IT system supporting the National Register of Debtors which facilitates restructuring and bankruptcy proceedings, which was signed in 2020 and subsequently supplemented with annexes in 2020 and 2021;

- a contract for maintenance, modification and trainings for the ICT system of Electronic Land and Mortgage Register (EKW), which was signed in 2020 and subsequently amended in the first quarter of 2023, constituting an extension of the original agreement of 2017.

In the reporting period, the Company signed a 45-month contract with the Ministry of Justice for maintenance and development of the National Court Register (KRS).

During the first three months of 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.

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 provides efficient customer service 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. In January 2022, the Digital Border System was set into operation at all of the 53 locations of road and rail border crossings as well as air and sea border traffic sites. The system maintenance support and development services will be provided over a period of 4 years.

In the first quarter of 2023, 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. For the same client, Asseco Poland also 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.

During the reporting period, Asseco Poland continued to perform a 10-year contract, which is effective till March 2023, by maintaining the ICT system of the Automatic Road Traffic Monitoring Center (CANARD) at the General Inspectorate of Road Transport (GITD). At that time, a new 6-year contract was signed for the maintenance and development of the CPD CANARD ICT system. The central data processing system supports CPD CANARD in detecting traffic offenses, as well as in handling the processes of issuing tickets and the payment and collection of fines. The Company also worked for GITD under the contract signed in 2022 which provides for the construction, maintenance and development of the Central Record of Violations 2.0 ICT system, which will eventually replace the Central Record of Violations 1.0. The system will support the tasks of services that carry out roadside inspections as well as inspections at companies, particularly in the scope of the Act on road transportation.

Asseco Poland is one of the largest providers of IT solutions and services for the **healthcare** sector. Currently, it cooperates with more than 400 hospitals all over Poland. Whereas, in the segment of doctor offices, small and medium-sized outpatient clinics, and medical practices, the Company supports 9,500 locations (36,900 users), representing about 40% of the market.

In the first quarter of 2023, Asseco won further tendering procedures, among others for delivery and implementation of e-services or applications for:

- military hospitals subordinate to the Ministry of Defense,
- Regional Hospital in Kołobrzeg,
- Independent Public Specialized Healthcare Center “Zdroje” in Szczecin,
- St. Raphael’s Provincial Specialized Hospital in Czerwona Góra.

Under these contracts, Asseco implements 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 reported, Asseco Poland performed activities under the contract signed last year with the Marshal’s Office of the Kujawy-Pomerania Province for preparation and implementation of the Regional Repository for Electronic Medical Records. As a result of this cooperation, in addition to the necessary infrastructure, the company will provide a repository for medical and imaging records, a Patient Portal, Staff Portal, and will perform the required integrations with medical entities.

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 17 Blood Donation and Hemotherapy Centers (in Bydgoszcz, Gdańsk, Kalisz, Katowice, Kielce, Kraków, Lublin, Łódź, Olsztyn, Poznań, Radom, Rybnik, Rzeszów, Słupsk, Szczecin, Warsaw and in Wrocław) 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.

The Company is also engaged in the project of developing e-Blood IT system which is implemented by the Centre for Healthcare Information Systems. The new solution will improve the quality of medical services by streamlining the exchange of data between the entities involved in the process of blood collection and its use in treatment, and by ensuring effective management of obtained and used data. Asseco’s responsibility under this project is to develop software for data extraction from local systems operated at 18 blood donation and hemotherapy centers into the central e-Blood system.

During the analyzed period, acting in a consortium with Kamsoft, Asseco Poland implemented 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 facilities, the Company has developed 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 cooperate with the National Cloud in order to enable medical facilities to provide e-Services in the Software-as-a-Service (SaaS) model while maintaining the highest standards of security. 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. The use of cloud computing is also encouraged by Polish legislators in the Resolution No. 6 of the Council of Ministers of 11 January 2022 on the adoption of the State Purchasing Policy. The legislators emphasize the benefits and new opportunities for organizations that decide to use cloud computing. The resolution indicates it is justified to formulate requirements in the tender dossier in such a way as to include cloud services, which will provide Polish contracting institutions with access to the state-of-the-art solutions. It is also recommended that purchasers, when preparing the procurement procedure, where possible, should require contractors to use cloud services or promote them, as well as require cloud service providers to have certificates confirming their ability to provide such services in accordance with the applicable standards and best practices. Currently, the National Medical Cloud Operator cooperates with about 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, almost 10 companies have already chosen this option.

Healthcare facilities that use the Cloud for Health have recently been provided with a new product, e-Survey. Its primary task is to securely handle the process of collecting various types of information from service beneficiaries. It allows for defining and managing questionnaire templates, facilitates conducting survey campaigns among patients, and enables statistical analysis of responses. In addition, it enables monitoring of the degree of execution of therapeutic programs that are settled by the National Healthcare Fund. The Company intends to launch a Patient Portal, Doctor Portal and Regional Portal for groups of medical facilities in the next steps. These are dedicated screens, composed of sliding widgets, presenting the desired data in an optimal and customizable form for a given target group.

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.

In the first quarter of 2023, we continued the contract with the Armament Agency for delivery of 24 micro-class unmanned aerial vehicles for the Polish Armed Forces. In November 2022, Asseco commissioned 6 MayFly Unmanned Aerial System sets for use by the army. Each set consists of 4 drones, as well as a steering and control station with dedicated software and a package of accessories. This equipment enables day and night observation of the enemy and terrain, assessment of the effects of strikes, detection of targets, as well as observation of rooms in urban areas.

During the reporting period, Asseco Poland, acting in a consortium with the company JSW Nowe Projekty, continued to implement the 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.

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. The company also offers a CTI portal called C3TI, being a new version of its Cyber Threat Intelligence (CTI) service. C3TI is a proprietary portal created by ComCERT for collecting, processing and transmitting information on cybersecurity incidents. The solution is available in a convenient web-based form.

ComCERT participates in cybersecurity research and development projects. It is, among others, the leader of a consortium which also includes the Warsaw University of Technology and Cryptomage in a project to create a system supporting the detection and imaging of APT (Advanced Persistence Threat) attacks. The project has been awarded funds from the National Centre for Research and Development under the National Programme CyberSecIdent (4th CyberSecIdent – Cybersecurity and e-Identity competition), which is aimed at improving the security of Poland's cyberspace by increasing the availability of hardware and software solutions.

During the period reported, the company delivered and integrated solutions from leading manufacturers and supported its customers in creating processes in the area of incident management. Among others, it performed a contract with the Polish Post, including SOC support, trainings and advanced services. It also carried out tasks related to the provision and implementation of cyber security systems for the Mazovian Hospital in Bródno.

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, it 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 ground-breaking 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 has been accredited for another consecutive year 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).

In the **general business** segment, Asseco cooperates with major **telecoms and energy utilities**.

During the first quarter of 2023, Asseco Poland 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, Energa, Tauron, and PGE. Asseco is also implementing a project to build and implement the largest billing system in the energy sector in Central and Eastern Europe at PGNiG Retail. The new solution will be used by over 7 million natural gas and electricity consumers in Poland. As a fully scalable solution equipped with a CRM class system, it will ensure comprehensive sales support and customer service on the mass retail market. The processes will be fully centralized and unified, allowing for more efficient management of the country's largest database of natural gas contracts.

In the reporting period, Asseco Poland performed a contract with PSE to provide data migration services for 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. CSIRE will harmonize and streamline processes taking place in the market and the flow of information between market participants. It will enable end users to access their own energy market information (including metering data) free of charge, and will improve competitiveness in the sector. It will also provide free access to selected statistical data resulting from energy market processes as well as to data enabling market participants to offer new products and services.

Asseco Poland also develops the AUMS Market Connector 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. Hence, the system helps meet the obligations imposed by the changing market environment, significantly reducing the resources needed to handle bulk data exchange.

During the period reviewed, the Company continued work on a new version of AUMS SPS, a solution dedicated to companies trading in electricity and natural gas. This solution supports management of metering data – from their collection from external sources, through validation to the calculation of consumption data in accordance with the requirements stipulated in a sales contract. AUMS SPS provides the company with high quality and reliability of the processed information used in the customer billing process and all other processes based on metering data. The latest version of the system focuses on the functionalities of mass processing of data from remote reading meters and the integration of service processes with CSIRE.

Moreover, the company invested in the AUMS Elmo project aiming to create a mobile application for electric car drivers, featuring the Progressive Web Application technology and available to the public. 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 CloudCharge central system (DEFA) which is 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 2023, 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 addition, dedicated, separate teams carried out projects also for other telecommunications and media clients of Asseco.

In the first quarter of 2023, **Asseco Data Systems (ADS)** operating in the Polish market made further efforts to strengthen its market position.

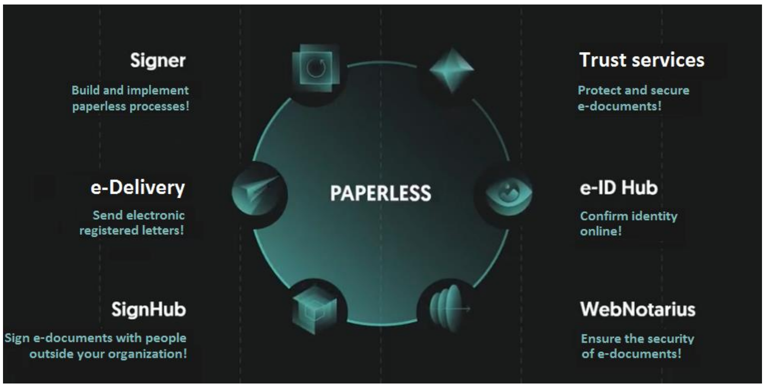
The company continued to support the country's strategic systems. ADS maintained and developed the EMIR-SEKS/AD system for the Social Insurance Institution (ZUS), which is used for administration, calculation and payment of retirement and pension benefits.

As part of cooperation with the Agricultural Social Insurance Fund (KRUS), the company performed work related to maintenance and development of the pension benefits administration system called "Farmer". At the end of March 2023, a consortium of ADS and Asseco Cloud entered into a new 2-year contract with KRUS for maintenance and development services for the above-mentioned system. 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.

In the reporting period, the company developed 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 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 mass sales were primarily focused on qualified electronic signatures, which accounted for approx. 80% of total sales to mass customers. There is a growing interest in qualified electronic seals, especially among small and large enterprises, among others due to the requirement of using such authentication in the EPREL (European Registry for Energy Labelling) database.

In the first quarter of 2023, Asseco Data Systems 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 – a qualified registered electronic delivery service that allows you to send and receive electronic registered letters. Setting up an e-Delivery box from Asseco Data Systems will be available to both legal entities (companies) and individuals. The service offered by Asseco Data Systems 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 is the only legally valid document in the Polish market which – pursuant to the European Union law – constitutes a legal proof of validation and confirms the validity or invalidity of qualified electronic signatures and seals.



In addition, in the first quarter of 2023, the company worked to automate the issuance of SSL certificates, optimize verification of organization and subscriber identity in non-qualified certificates, as well as to introduce new variants of S/MIME certificates. In the past period, the company signed a contract with Icarus to implement an S/MIME certificate for a dedicated email solution.

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. They range from large public universities such as the University of Wrocław, the Warsaw University of Life Sciences, the University of Life Sciences in Lublin, the Silesian University of Technology, the Polish Naval Academy, through private universities to end up with vocational schools.

ADS collaborates with universities, among others by providing hybrid teaching forms, such as the VR application “Virtual Crime Scene”. It enables students to improve their skills related to conducting a forensic examination and securing traces found at the crime scene. In the first quarter of 2023, Asseco deployed a forensic procedures simulator at the Academy of Business and Health Sciences, which is the first solution of its kind in Łódź Province.

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.

The company also focused on activities related to the digitalization of local administration bodies. Its solutions are used by more than 400 institutions. 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 facilitates the work of offices serving both small and large urban centres, municipalities or even provinces.

In the first quarter of 2023, ADS conducted work related to 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 also provides for a 3-year system maintenance service.

During the period reported, ADS also deployed an information system at the Marshal’s Office of the Subcarpathia Province. The solution is based on the proprietary products of Otago and Edicta and involves the launch of an ERP system for accounting, budgeting and document workflow.

Moreover, ADS worked to implement the City365 platform and expand the ERP system in Elbląg Municipality. The project involves the IT system modernization, deployment of the City Communication Platform, as well as the implementation of an IT system to support the civic budget management as part of the project called “Digital Elbląg expansion of the public e-services system”.

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. Metropolis carries out smart city tasks in accordance with the ISO 37120 standard, which defines a comprehensive set of indicators necessary to measure and control the level of urban development from a social, economic and environmental perspective. It also provides support for IoT, GIS, BigData, and OpenDataAPI.

During the analyzed period, 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.

During the first quarter of 2023, acting in a consortium with mBank, ADS performed the contract to ensure the continuity of operation of the Silesian Public Services Card (ŚKUP), which was concluded in 2021 and amended in the reporting period. Furthermore, the company was engaged in the project entitled “ŚKUP 1.5 – Upgrading the public transportation ticketing system” which includes the modernization, maintenance and development of the Silesian Public Service Card system.

In the first months of this year, ADS was contracted by the Rzeszów Municipal Transport Office to create an e-ticket store along with a user account and mobile application. Implementation of the Digital Season Ticket will enable passengers of Rzeszów Municipal Transport Company to remotely purchase e-tickets and save them to a payment card, without the need to use the Rzeszów City Card. This investment will be subsidized by the European Union under the project entitled “Integration of various forms of public transportation in Rzeszów", co-financed by the European Regional Development Fund, under the Operational Program Eastern Poland 2014-2020.

In the past quarter, the company carried out projects related to software for managing lease contracts. Advanced features of the company's proprietary LEO system provide comprehensive support over the life of lease contracts, along with additional products such as various types of insurance, CFM services (fuel cards, tyres, maintenance). The integrated financial and accounting module makes it possible to perform accounting operations and generate reports. The LEO system, which is already used by more than 8,000 users, is available in both on-premise and SaaS models.

ADS supports digitalization processes in African markets. In the first quarter of 2023, Asseco signed a letter of intent with the Digital Development Agency, which is responsible for developing digital services in the Democratic Republic of Congo. The document has laid the foundation for a portfolio of projects aiming to support the country's digitalization process. As a result of collaboration with Asseco, this second-largest country in Africa will be provided with a geographic information system (GIS) that is going to be an important element in the development of the agriculture and food sector. There are also plans to implement a public procurement system, a platform to support and register farmers, as well as a system of agricultural education to support local entrepreneurship. Asseco experts will also help establish a training center for specialists in the field of digitalization.

In the period reported, Asseco Data Systems and Middle East Investment Company signed a shareholders' agreement that established Asseco Middle East. The newly formed company will focus on providing IT services and technologies to support the development of digitalization in Saudi Arabia.

In the first quarter of 2023, 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 period reviewed, **Asseco Cloud** carried out activities of development and implementation of its proprietary solutions and those of major cloud technology providers, ensuring end-to-end support from design to deployment and maintenance, 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.

In the healthcare sector, Asseco Cloud carried out tasks for one of the largest providers of medical services in the Polish market – American Heart of Poland. The company is responsible for the migration and maintenance of comprehensive Asseco Medical Management Solutions in the SaaS model.

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.

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 2023, Asseco Cloud, in a consortium with ADS, concluded a 2-year contract to maintain and develop the Farmer pension benefits management system for KRUS.

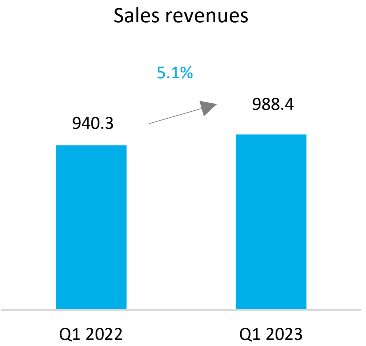
In the European market, Asseco Cloud continues to work for Ancotrans which operates in the logistics sector. The contract includes maintenance and administration services for the company's core shipping system along with auxiliary systems running on the AWS cloud platform.

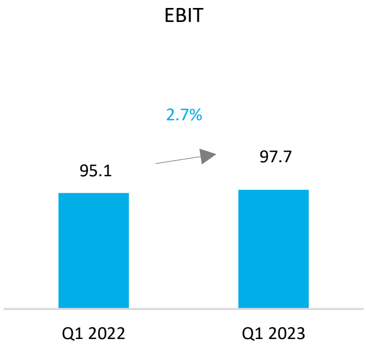
During the period reported, Asseco Cloud and the Polish Cloud, that is the national association of Polish cloud service providers, undertook joint efforts aiming to integrate the market and raise awareness of Polish cloud-based solutions. An important part of these activities was to engage in making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

In addition, in the past period 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.

In the field of cybersecurity, the company has a wide range of services to ensure business continuity for customers. First and foremost, it creates and implements processes and tools, offers monitoring of cybersecurity events with an incident response service, and develops cybersecurity programs.

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 2023 and for the comparable period:

PLN mn	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Sales revenues*	**988.4**	**940.3**	**5.1%**
EBIT	**97.7**	**95.1**	**2.7%**
EBIT margin	*9.9%*	*10.1%*	*(0.2) pp*
Non-IFRS EBIT	102.1	101.0	1.1%
Non-IFRS EBIT margin	*10.3%*	*10.7%*	*(0.4) pp*
EBITDA	**145.0**	**142.2**	**2.0%**
EBITDA margin	*14.7%*	*15.1%*	*(0.4) pp*
CFO BT	153.2	77.3	98.2%
CAPEX	(35.0)	(24.4)	43.4%
Lease expenditures	(14.4)	(14.4)	-
FCF	103.8	38.5	169.6%
Cash conversion rate	101.6%	38.1%	63.5 pp
Cash and cash equivalents (comparable data as at 31 December 2022)	*756.9*	*833.9*	(9.2%)
Interest-bearing debt (comparable data as at 31 December 2022)**	*(491.5)*	*(496.3)*	(1.0%)
of which bank loans, borrowings and bonds issued	*(316.8)*	*(315.1)*	0.5%
of which leases	*(174.7)*	*(181.2)*	(3.6%)

** 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 = net 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 2023, the Asseco International segment generated PLN 988.4 million in sales revenues, achieving an increase by 5.1%. The segment's share in the consolidated sales reached 23%. Operating profit improved by 2.7% and amounted to PLN 97.7 million.

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Asseco Central Europe Group (ACE Group), which represents Asseco in the Central European region, reported stronger sales revenues for the first quarter of 2023 in relation to the comparable period of 2022.

During the past quarter, **Asseco CE companies** operating **in the Czech Republic and Slovakia** executed projects under contracts concluded in previous years as well as new contracts with domestic public sector institutions. ACE cooperates in the Czech Republic with institutions such as the Ministry of the Interior, the Ministry of Labour and Social Policy, the Ministry of Finance, and the Czech Statistical Office. Whereas, customers in the Slovak Republic include the Supreme Audit Office and the Financial Administration.

This year, Asseco Central Europe received a prestigious certificate from the Slovak Ministry of the Interior for the latest version of its automated registration management system, Fabasoft eGov Suite 2023. The certificate confirms that the Asseco solution complies with the requirements of the Slovak Ministry of the Interior and meets the conditions for document exchange in public administration bodies applicable in the European Union and Slovakia.

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. Moreover, it carries out a number of development initiatives in this area. One of them is to create IT tools enabling the development of telemedicine, for which ACE will allocate EUR 7 million (EUR 1 million of own funds, EUR 6 million of co-financing from the European Union). The project was initiated in 2021 and will last until mid-2023.

ACE intensified activities for digitalization of the insurance sector and further developed the functionality of its platform supporting the digitalization 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. Youplus’ ambition is to build a fully digital insurance business and expand into more markets in Europe, which it is successfully accomplishing by using the Insurance out of the Box (IooX) system provided by ACE. Leveraging on its experience gained in the Czech, Slovak and Austrian markets, Youplus entered the Swiss market in the first quarter of 2023 with the implementation of the IooX solution for comprehensive life insurance offered online.

In addition, ACE worked for financial institutions, including J&T Finance Group, Raiffeisen Building Savings Bank, and ČSOB Building Savings Bank.

During the reporting period, the company continued to work with start-ups within the UpSteer incubator, which focuses on reaching out to Slovak and Czech start-ups in the banking, insurance, healthcare, utility and Industry 4.0 sectors.

ACE Magyarország, an ACE Group company which is a reputable provider of hospital IT systems in Hungary with a market share of more than 50%, conducted work on systems dedicated to oncology patients or the National Cancer Registry in the first quarter of 2023. The company continued to develop its proprietary MedWorkS system which is dedicated to private medical facilities.

Asseco CEIT, a subsidiary of ACE Group, specializing in the digitalization of industrial enterprises and implementation of the Industry 4.0 concept, conducted projects for automotive companies involving, among others, 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 – which increases the efficiency of processes by an average of 30%, shortens their execution time by 25%, and reduces costs by 30%.

Asseco Enterprise Solutions Group (AES Group), which operates as a competence center for ERP solutions within ACE Group, generated 16% higher revenues in the first quarter of 2023 than in the comparable period last year. 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. A growing number of users of their ERP systems benefit from hints, recommendations and alerts generated by built-in AI algorithms. Over the next months, the Group companies plan to implement new AI functionalities, thereby strengthening their leading position as providers of AI-backed ERP solutions.

Revenues generated by **Asseco Business Solutions** (ABS) in the first quarter of 2023 were 16% higher than a year ago. The company's comprehensive offer includes ERP-class systems that support business processes at medium and large-sized 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.

The company's sales in the domestic market grew by 16% last year, and by 14% in foreign markets which account for 13% of total turnover. ABS systems support business in dozens of countries around the world. During the period reported, the largest foreign sales were recorded in countries of Great Britain, Germany, Austria, France, the Netherlands, and Romania, which together accounted for 85% of revenues from foreign markets.

Asseco Business Solutions 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. The company also offers access to Data Centers for solutions deployed outside Poland that are located, for instance, in China, India, the US and Brazil. Moreover, the company's technology and business partners include the world's major players such as Oracle, Microsoft, HP, IBM, and Citrix, just to mention a few.

In the first quarter of 2023, 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.

Favourable sales results were reported also by **Asseco Solutions AG** which operates in the markets of Germany, Austria, Switzerland, and Italy. During the first quarter of 2023, this company expanded cooperation with its existing partners and gained 11 new customers, recording a 15% increase in revenues year on year. 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.

Asseco Solutions Czechia, which has a 25% share in the local market of ERP solutions dedicated to the SME sector and offers 4 proprietary systems used by 11,000+ customers both in the corporate and public sectors, generated a 25% increase in revenues in the period reported. Higher sales were recorded particularly in the area of solutions for small and medium-sized enterprises, where 30 new contracts were signed during the reporting period. The company also develops solutions for medium and large-sized enterprises, offering a new version of its ERP system called Nephrite. In the first quarter of 2023, Asseco Solutions Czechia focused on the integration of ANeT-Advanced Network Technology, a developer of work time scheduling, recording and monitoring software, as well as access control systems, which was taken over in December 2022. Its software is used by nearly a thousand customers in the Czech and Slovak markets.

Asseco Solutions Slovakia, whose proprietary ERP systems have been implemented for more than 2,000 customers, giving that company around 10% of share in the domestic market, gained 6 new contractors in the first quarter of 2023. In this period, the company launched the Asseco Store which brings together cloud applications and add-ons for the ERP software it offers.

Asseco South Eastern Europe Group (ASEE Group), which operates in the **South Eastern European markets**, expanded its business across all operating segments and recorded a 22% increase in sales revenues for the first quarter of 2023 compared to the corresponding period last year. The growing scale of operations was also partly attributable to the consolidation of new companies that joined ASEE Group in the previous year. Bithat Solutions, a provider of data and documents storage, archiving and management solutions, has been consolidated since June 2022; whereas, Helius Systems, a provider of proprietary systems for process management, accounting and microfinance, postal and notary services, as well as payment platforms and gateways and e-wallet solutions, has been consolidated since October last year. 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 has been described in the chapter "Financial information of Asseco Group", as well as in explanatory note 2.11 to these interim condensed consolidated financial statements.

In terms of geographical regions, the largest sales were generated in Serbia, Spain, Romania, Croatia, Turkey, Bosnia and Herzegovina, and Macedonia, which together accounted for 84% of total revenues of ASEE Group in the period reported. In this period, 45% of revenues were generated by the payment solutions segment, 36% by the dedicated solutions segment, and 19% by the banking solutions segment. Most of the 15 largest banks operating in South Eastern Europe are customers of ASEE Group.

Revenues of the payment solutions segment increase by 13% in the first quarter of 2023. The key revenue driver was the business line dealing with maintenance of POS terminals mainly due to larger deliveries of POS terminals in Western Europe, which was partially offset by lower revenues from deliveries in Serbia. Deliveries also generated more revenues from the installation and maintenance of POS terminals. In addition, this business line reported higher sales of independent POS network and ECR solutions offered to retail customers. The second highest revenue growth was recorded by the business line responsible for e-Commerce solutions, primarily owing to our operations in Turkey offering a payment gateway.

Sales revenues generated by the dedicated solutions segment during the reporting period improved by 30% in comparison to the first quarter of 2022. The main engine of growth was the business line offering third-party solutions, mainly in Serbia and to a lesser extent in Turkey. Within proprietary solutions, the largest increase was recorded by the business line responsible for Business Process Management (BPM) solutions.

The banking solutions segment achieved a 28% increase in sales for the first quarter of 2023 in relation to the comparable period last year. Stronger revenues were recorded by all of the segment's three business lines: core banking systems, multi-channel solutions, and security solutions, with the biggest progress accomplished in core banking systems. In terms of geographical regions, such growth was generated mainly in Serbia through ongoing implementation of projects involving a broad portfolio of products offered by individual business lines.

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. In the first months of 2023, Asseco PST completed a project involving the transfer of Atlantico Europa bank's core system to the cloud.

Asseco PST has also entered into cooperation with LOQR, a company that offers artificial intelligence-based Journey-as-a-Service solutions for financial institutions looking to digitalize their services. Integrated into the Asseco ecosystem, LOQR's solution provides financial institutions with the ability to perform a range of operations, including opening accounts online, updating client data, and retrieving access remotely. Recently, as part of its collaboration with start-ups, Asseco PST has also partnered with AgentifAI, and together they are working on a solution to integrate the functionality of a virtual assistant with the Asseco PST banking platform.

Finantech - Sistemas de Informação (Finantech), a subsidiary of Asseco PST Group, conducted intensive activities in Angola in the first quarter of 2023 Q1 2023 related to the implementation of its flagship product dedicated to capital market players – the SIFOX platform. Furthermore, it carried out projects for the Cape Verde Stock Exchange.

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 dynamically developed its business in Angola. It focused on implementing modifications to IT systems of local banks that were required due to changes in the rules of reporting to the Central Bank of Angola.

Asseco Spain, a subsidiary of Asseco Western Europe, in the period from January to March 2023, gained new contracts for the supply of IT hardware, software and related services. It also carried out contracts signed in previous reporting periods, including the cooperation agreement with SAG Racing Team concluded last year. Both teams work together to optimize work processes, improve motorcycle performance and increase team efficiency in racing by implementing technological solutions, mainly based on Big Data, blockchain and artificial intelligence.

The company has got the Digitalization Agent status under the Digital Kit program initiated by the government of Spain. Financed from the EU's Next Generation funds, Digital Kit aims to support the digitalization of small businesses, micro-enterprises as well as the self-employed over the period from 2021 to 2023. A prerequisite for using the funds is to obtain an assessment of the level of digital maturity. After passing the verification process, it is necessary to conclude an agreement with a digitalization agent engaged in the program, such as Asseco Spain.

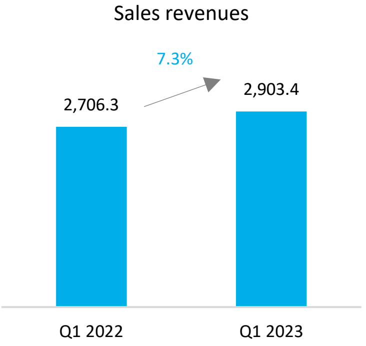
In the first quarter of 2023, **Asseco Lietuva** signed a new 3-year contract for the maintenance and development of its billing system for Ignitis Group, one of the largest energy groups in the Baltic Sea region. The goal of this project is to improve the billing system operation and the quality of customer service while ensuring the business continuity of Ignitis. The company commenced a project for UAB Vilniaus Vandenys, Lithuania's largest water supply company, which purchased an IT system for financial, accounting and customer service management. Among new deals concluded during the reporting period, worth mentioning is the contract signed with the Office of the Chief Archivist of Lithuania for modernization of its electronic information archive.

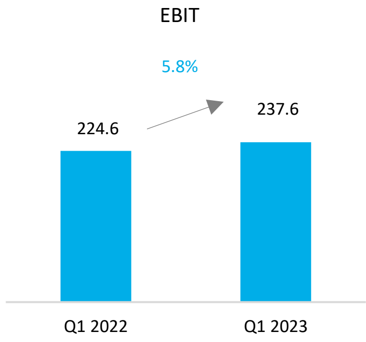
Implementation of the modernized LIMIS integrated museum information system was completed in April this year. The project was carried out with the Lithuanian National Museum of Art. It resulted in the creation of new e-services, such as virtual tours of museums, exhibitions, castles, ordering high-resolution digital images, or searching for works of art, scientific articles and copyright holders. Currently, the LIMIS system includes over 700,000 digitized items of cultural heritage and covers more than 100 museums.

During the past quarter, Asseco Lietuva provided services for the Department of Customs at the Ministry of Finance of Lithuania related to the maintenance and modification of three customs systems: MLS – customs permit system and, together with Asseco Poland, VLS – single window, and MDAS – customs declaration processing system. The company also executed for this client a contract for building, development and maintenance of a system for reporting goods for customs clearance (PPMKS). Asseco Poland acts as a strategic subcontractor of Asseco Lietuva in the implementation of this project.

The liquidation process of **Tecnolocia Sistemas y Aplicaciones (Tecsisa)** has been initiated on 29 March 2023. Intangible assets and goodwill (representing the vast majority of the company's net assets) were already written down in 2022. The bankruptcy process was initiated last year due to a key customer's resignation from services provided by 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 2023 and for the comparable period:

PLN mn	Q1 2023	Q1 2022 *(restated)*	Change Q1 2023 / Q1 2022
Sales revenues*	**2,903.4**	**2,706.3**	**7.3%**
EBIT	**237.6**	**224.6**	**5.8%**
EBIT margin	*8.2%*	*8.3%*	*(0.1) pp*
Non-IFRS EBIT	326.1	309.2	5.5%
Non-IFRS EBIT margin	*11.2%*	*11.4%*	*(0.2) pp*
EBITDA	**392.6**	**369.5**	**6.3%**
EBITDA margin	*13.5%*	*13.7%*	*(0.2) pp*
CFO BT	223.6	273.7	(18.3%)
CAPEX	(39.7)	(49.2)	(19.3%)
Lease expenditures	(59.8)	(45.4)	31.7%
FCF	124.1	179.1	(30.7%)
Cash conversion rate	38.1%	57.9%	(19.9) pp
Cash and cash equivalents (comparable data as at 31 December 2022)	*1,923.9*	*2,396.2*	(19.7%)
Interest-bearing debt (comparable data as at 31 December 2022)**	*(3,214.1)*	*(3,400.8)*	(5.5%)
of which bank loans, borrowings and bonds issued	*(2,666.2)*	*(2,850.8)*	(6.5%)
of which leases	*(547.9)*	*(550.0)*	(0.4%)

** 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 = net 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 2023, revenues generated by the companies of Formula Systems Group reached PLN 2,903.4 million and were 7.3% higher than in the corresponding period of 2022. The Formula Systems segment accounted for 67% of the Group's consolidated sales. Operating profit improved by 5.8% and amounted to PLN 237.6 million.

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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 – continued to implement strategic projects for large organizations, government and defense sector in Israel. The company is involved, among others, in the Nimbus project which aims to accelerate the deployment of cloud technologies in the Israeli public sector. During the reporting period, Matrix IT took part in the transformation of the Homeland Command portal, including the addition of new capabilities for alerts in case of earthquakes, terrorist infiltration, and other threats. The Matrix team also worked on launching the website for the Disability Rehabilitation Center of the Israeli Defense Ministry. In addition, the company carried out a project related to significant expansion of the analytical and research capabilities of the Israel's Central Bureau of Statistics (CBS). Under this contract, Matrix IT is responsible for creation and 9-year maintenance of an innovative administrative database, one of the largest in the Israeli public sector.

Matrix IT is seeing continued growth in the demand for cloud services. For instance, in the first quarter of 2023, the company assisted Harel which moved the core of its data operations to the cloud as the first insurance company in Israel. It also launched the "Tafnit Portal", a cloud-based platform for advanced two-way communication between the company and its suppliers, enabling high-quality monitoring of the supply chain.

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 engaged in national healthcare and education initiatives, including the following projects:

- "Nefesh Haht" aiming to improve the treatment of victims of post-traumatic stress disorder and their families,
- "START" promoting technological innovation and entrepreneurship in the education system,
- "GIS" at the Ministry of Health, which enables easy and quick analysis of information and offers life-saving insights.

The company has extensive experience in the area 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. During the reporting period, as part of collaboration between Matrix, Cloudera Global and Clalit Health Services, the Cloudera platform was implemented. It supports the process of detailed management of data and their analysis in real time within the healthcare system.

In the first quarter, Matrix IT expanded its business in the American market (USA, Canada) by carrying out projects in the banking and healthcare sectors.

The company offers a wide portfolio of training courses, which is constantly expanded and adapted to market needs due to the shortage of IT staff and growing demand for such services.

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. Organic growth is supported with acquisitions. During the reporting period, Matrix IT took over Zebra A.G.R. Technologies, an Israeli company offering comprehensive cyber protection and network management solutions, along with consulting and training services.

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. The company's business model assumes approx. 85-95% of revenues should be generated from the existing customer base, and the remaining 5-15% from new customers or from acquisitions.

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. A significant portion of new deals signed during the period involved products offered in the SaaS model.

Revenues from software products and re-occurring post-production services (licenses, maintenance, subscriptions, cloud solutions) accounted for 66% of sales in the first quarter of 2023, with the rest coming from pre-production implementation services.

After a noticeable rebound in the US market in 2022, an upward trend could also be observed in the first quarter of 2023. The company expanded its business in the European market, recording strong growth in Germany, the United Kingdom and Scandinavia. In South Africa and the Asia-Pacific region, the company focused on building the market awareness, while increasing sales to existing customers. The geographical breakdown of the company's sales was as follows: Europe – 52%, North America – 40%, and Rest of the World – 8%.

Increased demand for digital products, combined with high recurring revenue and a solid balance sheet, position Sapiens as a leader in the growing insurance software industry. Given the anticipated growth momentum in North America, as well as further strengthening of its position in Europe, the company has increased its full-year 2023 revenue guidance to a range of USD 507-512 million, up from USD 502-507 million presented earlier.

Magic Software, a global provider of application development and business process integration software solutions as well as IT consulting services, in the first quarter of 2023 focused on projects executed for the sectors of finance, healthcare, defense and public administration. The company has seen a significant increase in demand for services of customer systems migration to the cloud as well as cybersecurity services.

The company's sales are geographically diversified. In the first three months of this year, revenues from North America accounted for 51% of its total sales, Israel – 37%, Europe – 9%, and from Asia Pacific and other regions of the world – 3%. In this period, 18% of Magic Software's revenues were generated from the sale of IT solutions, while IT services accounted for 82% 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 expand its product portfolio and customer base.

Taking into account the pace of growth in the American and Israeli markets, Magic Software reiterated its 2023 annual revenue guidance in a range of USD 585-593 million.

Financial results of the Formula Systems segment include the contribution from **ZAP Group**, the largest operator of consumer websites in Israel. ZAP Group manages more than 20 leading consumer websites, including ZAP Price Comparisons, ZAP Yellow Pages – Israel's largest electronic business directory, ZAP Rest – the largest restaurant search engine, and ZAP Doctors portal which is a forum for sharing knowledge, experiences and opinions about doctors and medical centers. The ZAP sites provide Internet users with a convenient way to search for desired content using a variety of advanced tools. ZAP offers small and medium-sized firms a wide range of solutions, including in the fields of advertising, website promotion or e-mail marketing. It works intensively to expand the functionality of its websites in order to optimize customer service and increase the web traffic conversion for its contractors. It also performs an investment project aiming to transform its price comparison website into a leading marketplace in Israel.

Moreover, in the first quarter of 2023, strong sales were recorded by the following Formula Systems companies:

- **Michpal Group** – a provider of HR and payroll management software and associated services;
- **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 that was taken over by the parent of Formula Systems Group last year.

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

The war in Ukraine, which has continued since 24 February 2022, has not exerted a significant impact on the financial results of Asseco Group generated for the period of 3 months ended 31 March 2023. Information on the impact of the economic and political situation in the territory of Ukraine on the business operations of Asseco Group can be found in explanatory note 2.2 to these interim condensed consolidated financial statements.

Apart from the events described in section B.1 "Selected financial data for the period of 3 months ended 31 March 2023 (non-IFRS)" 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 2023, the Management Board of Asseco Poland was composed of the following persons:

Management Board	Period of service
Adam Góral	01.01.2023 - 31.03.2023
Grzegorz Bartler	01.01.2023 - 31.03.2023
Andrzej Dopierała	01.01.2023 - 31.03.2023
Krzysztof Groyecki	01.01.2023 - 31.03.2023
Marek Panek	01.01.2023 - 31.03.2023
Paweł Piwowar	01.01.2023 - 31.03.2023
Zbigniew Pomianek	01.01.2023 - 31.03.2023
Sławomir Szmytkowski	01.01.2023 - 31.03.2023
Karolina Rzońca-Bajorek	01.01.2023 - 31.03.2023
Artur Wiza	01.01.2023 - 31.03.2023
Gabriela Żukowicz	01.01.2023 - 31.03.2023

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.

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During the period of 3 months ended 31 March 2023, the Company's Supervisory Board was composed of the following persons:

Supervisory Board	Period of service
Jacek Duch	01.01.2023 - 31.03.2023
Adam Noga	01.01.2023 - 31.03.2023
Izabela Albrycht	01.01.2023 - 31.03.2023
Piotr Augustyniak	01.01.2023 - 31.03.2023
Dariusz Brzeski	01.01.2023 - 31.03.2023
Artur Gabor	01.01.2023 - 31.03.2023
Piotr Maciąg	01.01.2023 - 31.03.2023
Piotr Żak	01.01.2023 - 31.03.2023
Tobias Solorz	01.01.2023 - 31.03.2023

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.

The table below presents the major shareholders of Asseco Poland as at 24 May 2023.

Major shareholders as at 24 May 2023	Number of shares held / number of votes attached	Equity interest / percentage of total voting rights
Cyfrowy Polsat[1)]	19,047,373	22.95%
Allianz Open Pension Fund[2)]	8,979,027	10.82%
Adam Góral, President of the Management Board[3)]	8,083,000	9.74%
Pension Funds managed by Generali PTE[4)]	4,684,688	5.64%
NN Open Pension Fund[5)]	4,171,121	5.03%
Other shareholders	38,035,094	45.82%
Total	**83,000,303**	**100.00%**

1) In accordance with the regulatory filing no. 20/2020 of 31 July 2020.
2) In accordance with the regulatory filing no. 13/2023 of 16 May 2023.
3) In accordance with the regulatory filing no. 51/2012 of 15 December 2012.
4) In accordance with the regulatory filing no. 4/2023 of 3 February 2023 (regarding the following funds: Generali OFE, Generali DFE, NNLife OFE, NNLife DFE).
5) In accordance with the regulatory filing no. 21/2015 of 19 October 2015; in relation to earlier presentations of our shareholders structure, we specified the name of NN Open Pension Fund which holds the Company's shares and is an entity managed by NN PTE.

On 12 May 2023, as a result of liquidation of Drugi Allianz Poland Open Pension Fund by transferring its assets to Allianz Open Pension Fund, the share in the total number of votes at Asseco Poland held by Allianz Open Pension Fund reached 10.82% (as disclosed in the Company's regulatory filing no. 13/2023 of 16 May 2023).

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The table below presents the major shareholders of Asseco Poland as at 31 March 2023 and 18 April 2023.

Major shareholders as at as at 31 March 2023 and 18 April 2023	Number of shares held / number of votes attached	Equity interest / percentage of total voting rights
Cyfrowy Polsat[1)]	19,047,373	22.95%
Funds managed by Allianz PTE[2)]	9,379,027	11.30%
Adam Góral, President of the Management Board[3)]	8,083,000	9.74%
Pension Funds managed by Generali PTE[4)]	4,684,688	5.64%
NN PTE[5)]	4,171,121	5.03%
Other shareholders	37,635,094	45.34%
Total	**83,000,303**	**100.00%**

1) In accordance with the regulatory filing no. 20/2020 of 31 July 2020.
2) In accordance with the regulatory filing no. 1/2023 of 5 January 2023, subsequently corrected with the regulatory filing no. 2/2023 of 9 January 2023 (regarding the following funds: Allianz OFE, Allianz DFE, Drugi Allianz OFE).
3) In accordance with the regulatory filing no. 51/2012 of 15 December 2012.
4) In accordance with the regulatory filing no. 4/2023 of 3 February 2023 (regarding the following funds: Generali OFE, Generali DFE, NNLife OFE, NNLife DFE).
5) In accordance with the regulatory filing no. 21/2015 of 19 October 2015.

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:

	24 May 2023	18 April 2023	31 March 2023
Jacek Duch – Chairman of the Supervisory Board	31,458	31,458	31,458
Adam Góral – President of the Management Board	8,083,000	8,083,000	8,083,000

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 31 March 2023, 18 April 2023, and as at 24 May 2023:

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 2023.

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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 2023.

7.4. Related party transactions

Transactions with our related parties have been presented in explanatory note 6.20 to the interim condensed consolidated financial statements for the period of 3 months ended 31 March 2023. 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 6.13 and 8.1 to the interim condensed consolidated financial statements for the period of 3 months ended 31 March 2023.

7.6. Changes in the Group management policies

During the period of 3 months ended 31 March 2023, 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 2023

The Management Board of Asseco Poland S.A. did not publish any financial forecasts for the year 2023.

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 not shorter than 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 war in Ukraine 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 2023

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 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Operating revenues	317.5	279.8
Cost of sales	(231.1)	(197.7)
Gross profit on sales	**86.4**	**82.1**
Selling costs	(12.5)	(12.0)
General and administrative expenses	(24.7)	(22.8)
Net profit on sales	**49.2**	**47.3**
Other operating income	1.2	0.5
Other operating expenses	(0.3)	(1.3)
Operating profit	**50.1**	**46.5**
Financial income	124.4	117.1
Financial expenses	(1.4)	(1.4)
Pre-tax profit	**173.1**	**162.2**
Corporate income tax	(13.4)	(11.7)
Net profit for the reporting period	**159.7**	**150.5**
Earnings per share (in PLN):		
Basic and diluted earnings per share for the reporting period	1.92	1.81
Other comprehensive income:		
Net profit for the reporting period	**159.7**	**150.5**
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	**159.7**	**150.5**

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Standalone Interim Statement of Financial Position

Asseco Poland S.A.

ASSETS	31 March 2023 PLN mn	31 December 2022 PLN mn
Non-current assets		
Property, plant and equipment	291.9	289.6
Intangible assets	2,214.3	2,212.0
of which goodwill from business combinations	*1,936.9*	*1,936.9*
Right-of-use assets	87.1	86.5
Investment property	0.3	0.3
Investments in subsidiaries and associates	2,085.1	2,073.0
Other receivables and trade receivables	10.4	10.6
Prepayments and accrued income	33.9	32.4
Other financial assets	16.9	15.5
	4,739.9	**4,719.9**
Current assets		
Inventories	6.1	10.6
Trade receivables	180.3	175.0
Contract assets	271.3	228.1
Other receivables	13.8	19.5
Prepayments and accrued income	35.1	26.4
Other assets	3.5	3.8
Cash and bank deposits	391.2	306.4
	901.3	**769.8**
Non-current assets held for sale	20.1	20.1
	921.4	**789.9**
TOTAL ASSETS	**5,661.3**	**5,509.8**

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 110

Standalone Interim Statement of Financial Position

Asseco Poland S.A.

EQUITY AND LIABILITIES	31 March 2023 PLN mn	31 December 2022 PLN mn
TOTAL EQUITY		
Share capital	83.0	83.0
Share premium	4,180.1	4,180.1
Retained earnings	923.8	764.1
	5,186.9	**5,027.2**
Non-current liabilities		
Lease liabilities	59.8	60.1
Other financial liabilities	0.2	0.2
Deferred tax liabilities	45.2	37.6
Contract liabilities	25.3	27.1
Corporate income tax payable	2.6	2.6
Other liabilities	0.9	0.9
Provisions	4.4	4.9
Deferred income	46.6	47.2
	185.0	**180.6**
Current liabilities		
Lease liabilities	13.7	12.8
Other financial liabilities	0.1	0.2
Trade payables	71.3	84.6
Contract liabilities	78.0	71.7
Corporate income tax payable	8.0	9.0
Other liabilities	55.1	70.4
Provisions	5.4	5.7
Accruals and deferred income	54.7	44.5
Liabilities held for sale	3.1	3.1
	289.4	**302.0**
TOTAL LIABILITIES	**474.4**	**482.6**
TOTAL EQUITY AND LIABILITIES	**5,661.3**	**5,509.8**

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 111

Standalone Interim Statement of Changes in Equity

Asseco Poland S.A.

	Share capital	Share premium	Retained earnings and current net profit	Total equity
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**
As at 1 January 2022	**83.0**	**4,180.1**	**702.6**	**4,965.7**
Net profit	**-**	**-**	150.5	**150.5**
As at 31 March 2022	**83.0**	**4,180.1**	**853.1**	**5,116.2**

Quarterly Report for the period of 3 months ended 31 March 2023 (in millions of PLN) | 112

Standalone Interim Statement of Cash Flows

Asseco Poland S.A.

	3 months ended 31 March 2023 PLN mn	3 months ended 31 March 2022 PLN mn
Cash flows – operating activities		
Pre-tax profit	173.1	162.2
Total adjustments:	**(168.2)**	**(82.0)**
Depreciation and amortization	14.6	14.7
Changes in working capital	(62.9)	19.1
Interest income/expenses	0.3	(0.5)
Gain (loss) on foreign exchange differences	(0.1)	(0.2)
Dividend income	(119.5)	(115.6)
Other financial income/expenses	0.1	0.6
Gain (loss) on investing activities	(0.7)	(0.1)
Net cash generated from operating activities	**4.9**	**80.2**
Corporate income tax paid	(6.8)	(6.4)
Net cash provided by (used in) operating activities	**(1.9)**	**73.8**
Cash flows – investing activities		
Inflows:		
Disposal of property, plant and equipment, and intangible assets	1.8	1.5
Disposal of investments in related companies	1.1	-
Loans collected	0.4	2.4
Dividends received	119.5	105.3
Interest received	0.2	1.0
Outflows:		
Acquisition of property, plant and equipment, and intangible assets	(12.1)	(17.7)
Expenditures for development projects in progress	(6.4)	(6.5)
Acquisition of shares in related entities	(12.0)	(0.5)
Loans granted	(1.7)	(0.3)
Net cash provided by (used in) investing activities	**90.8**	**85.2**
Cash flows – financing activities		
Outflows:		
Payments of lease liabilities	(3.4)	(2.6)
Interest paid	(0.7)	(0.6)
Net cash provided by (used in) financing activities	**(4.1)**	**(3.2)**
Net change in cash and cash equivalents	**84.8**	**155.8**
Net foreign exchange differences	-	0.1
Cash and cash equivalents as at 1 January	306.4	233.1
Cash and cash equivalents as at 31 March	**391.2**	**389.0**

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Approval for publication by the Management Board

These interim condensed consolidated financial statements of Asseco Group for the period of 3 months ended 31 March 2023 have been approved for publication by the Management Board of Asseco Poland S.A. on 24 May 2023.

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
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Vice President
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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
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Technology for business, solutions for people.

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