

A hand holding a white stylus pointing at a tablet displaying a colorful network diagram. The background is a blurred indoor setting with a green plant and a wooden table.

Financial data of Asseco Poland S.A.

for the period of 6 months ended 30 June 2023

asseco

Financial data of Asseco Poland S.A. for the period of 6 months ended 30 June 2023

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Financial Highlights

Asseco Poland S.A.

The following table presents the selected financial data of Asseco Poland S.A.

	6 months ended 30 June 2023 PLN mn	6 months ended 30 June 2022 PLN mn	6 months ended 30 June 2023 EUR mn	6 months ended 30 June 2022 EUR mn
Operating revenues	684.5	573.3	148.4	123.5
Operating profit	110.7	96.4	24.0	20.8
Pre-tax profit	255.0	273.3	55.3	58.9
Net profit for the reporting period	225.8	252.6	48.9	54.4
Net cash provided by (used in) operating activities	49.3	88.9	10.7	19.1
Net cash provided by (used in) investing activities	106.2	135.9	23.0	29.3
Net cash provided by (used in) financing activities	(298.6)	(285.4)	(64.7)	(61.5)
Cash and short-term deposits (comparable data as at 31 December 2022)	162.8	306.4	36.6	65.3
Earnings per ordinary share (in PLN/EUR)	2.72	3.04	0.59	0.65

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

- Items of the interim condensed 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 in the period reported. These exchange rates were respectively:
 - for the period from 1 January 2023 to 30 June 2023: EUR 1 = PLN 4.6130
 - for the period from 1 January 2022 to 30 June 2022: EUR 1 = PLN 4.6427
- The Company'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 30 June 2023: EUR 1 = PLN 4.4503
 - 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.

**Interim Condensed
Financial Statements
of Asseco Poland S.A.**

for the period of 6 months
ended 30 June 2023

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Interim Statement of Profit and Loss and Other Comprehensive Income

Asseco Poland S.A.

STATEMENT OF PROFIT AND LOSS	Note	3 months ended	6 months ended	3 months ended	6 months ended
		30 June 2023	30 June 2023	30 June 2022	30 June 2022
		PLN mn	PLN mn	PLN mn	PLN mn
Operating revenues	<u>4.1</u>	367.0	684.5	293.5	573.3
Cost of sales	<u>4.2</u>	(265.5)	(496.6)	(205.4)	(403.1)
Gross profit on sales		101.5	187.9	88.1	170.2
Selling costs	<u>4.2</u>	(12.0)	(24.5)	(13.2)	(25.2)
General and administrative expenses	<u>4.2</u>	(29.2)	(53.9)	(24.4)	(47.2)
Net profit on sales		60.3	109.5	50.5	97.8
Other operating income		0.7	1.9	0.5	1.0
Other operating expenses		(0.4)	(0.7)	(1.1)	(2.4)
Operating profit		60.6	110.7	49.9	96.4
Financial income	<u>4.3</u>	31.5	155.9	62.1	179.2
Financial expenses	<u>4.3</u>	(10.2)	(11.6)	(0.9)	(2.3)
Pre-tax profit		81.9	255.0	111.1	273.3
Corporate income tax	<u>4.4</u>	(15.8)	(29.2)	(9.0)	(20.7)
Net profit		66.1	225.8	102.1	252.6
Earnings per share (in PLN):					
basic earnings per share	<u>4.5</u>	0.80	2.72	1.23	3.04
diluted earnings per share	<u>4.5</u>	0.80	2.72	1.23	3.04

OTHER COMPREHENSIVE INCOME:	Note	3 months ended	6 months ended	3 months ended	6 months ended
		30 June 2023	30 June 2023	30 June 2022	30 June 2022
		PLN mn	PLN mn	PLN mn	PLN mn
Net profit		66.1	225.8	102.1	252.6
Total other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD		66.1	225.8	102.1	252.6

Interim Statement of Financial Position

Asseco Poland S.A.

ASSETS	Note	30 June 2023	31 December 2022
		<i>PLN mn</i>	<i>PLN mn</i>
Non-current assets			
Property, plant and equipment	5.1	290.9	289.6
Intangible assets	5.2	2,214.1	2,212.0
<i>of which goodwill from business combinations</i>	5.4	1,936.9	1,936.9
Right-of-use assets	5.3	83.8	86.5
Investment property		0.3	0.3
Investments in subsidiaries and associates	5.5	2,077.3	2,073.0
Other receivables and trade receivables	5.7	10.9	10.6
Prepayments and accrued income	5.7	35.1	32.4
Other assets	5.9	17.3	15.5
		4,729.7	4,719.9
Current assets			
Inventories	5.11	8.6	10.6
Trade receivables	5.7	257.3	175.0
Contract assets	5.7	247.7	228.1
Other receivables	5.7	9.7	19.5
Prepayments and accrued income	5.7	29.1	26.4
Other assets	5.9	4.3	3.8
Cash and short-term deposits	5.9	162.8	306.4
		719.5	769.8
Assets held for sale	5.12	20.1	20.1
		739.6	789.9
TOTAL ASSETS		5,469.3	5,509.8

Interim Statement of Financial Position

Asseco Poland S.A.

EQUITY AND LIABILITIES	Note	30 June 2023	31 December 2022
		<i>PLN mn</i>	<i>PLN mn</i>
TOTAL EQUITY			
Share capital		83.0	83.0
Share premium		4,180.1	4,180.1
Retained earnings	<u>5.13</u>	699.4	764.1
		4,962.5	5,027.2
Non-current liabilities			
Lease liabilities	<u>5.14</u>	55.8	60.1
Other financial liabilities	<u>5.15</u>	-	0.2
Deferred tax liabilities		43.3	37.6
Contract liabilities	<u>5.18</u>	27.8	27.1
Corporate income tax payable	<u>5.17</u>	2.6	2.6
Other liabilities	<u>5.17</u>	0.8	0.9
Provisions	<u>5.19</u>	13.5	4.9
Accruals and deferred income	<u>5.20</u>	46.1	47.2
		189.9	180.6
Current liabilities			
Lease liabilities	<u>5.14</u>	12.9	12.8
Other financial liabilities	<u>5.15</u>	-	0.2
Trade payables	<u>5.17</u>	96.9	84.6
Contract liabilities	<u>5.18</u>	68.1	71.7
Corporate income tax payable	<u>5.17</u>	18.1	9.0
Other liabilities	<u>5.17</u>	56.8	70.4
Provisions	<u>5.19</u>	4.7	5.7
Accruals and deferred income	<u>5.20</u>	56.3	44.5
Liabilities held for sale	<u>5.12</u>	3.1	3.1
		316.9	302.0
TOTAL LIABILITIES		506.8	482.6
TOTAL EQUITY AND LIABILITIES		5,469.3	5,509.8

Interim Statement of Changes in Equity

Asseco Poland S.A.

	Note	Share capital PLN mn	Share premium PLN mn	Retained earnings PLN mn	Total equity PLN mn
As at 1 January 2023		83.0	4,180.1	764.1	5,027.2
Net profit		-	-	225.8	225.8
Total comprehensive income for the reporting period		-	-	225.8	225.8
Dividend for the year 2022	<u>4.6</u>	-	-	(290.5)	(290.5)
As at 30 June 2023		83.0	4,180.1	699.4	4,962.5
As at 1 January 2022		83.0	4,180.1	702.6	4,965.7
Net profit		-	-	252.6	252.6
Total comprehensive income for the reporting period		-	-	252.6	252.6
Dividend for the year 2021	<u>4.6</u>	-	-	(278.9)	(278.9)
As at 30 June 2022		83.0	4,180.1	676.3	4,939.4

Interim Statement of Cash Flows

Asseco Poland S.A.

	Note	6 months ended 30 June 2023	6 months ended 30 June 2022
		PLN mn	PLN mn
Cash flows – operating activities			
Pre-tax profit		255.0	273.3
Total adjustments:		(191.8)	(168.2)
Depreciation and amortization		29.5	29.3
Changes in working capital	<u>6.1</u>	(83.5)	(19.5)
Interest income/expenses		0.8	(3.4)
Gain/loss on foreign exchange differences		(0.6)	0.2
Dividend income	<u>4.3</u>	(143.8)	(173.5)
Other financial (income) expenses		6.8	(1.0)
Gain/loss on investing activities		(1.0)	(0.3)
Gross cash provided by (used in) operating activities		63.2	105.1
Corporate income tax paid		(13.9)	(16.2)
Net cash provided by (used in) operating activities		49.3	88.9
Cash flows – investing activities			
Inflows:			
Disposal of property, plant and equipment, and intangible assets	<u>6.2</u>	3.9	2.6
Disposal of investments in related entities	<u>6.2</u>	4.0	4.3
Loans collected	<u>6.2</u>	0.8	8.1
Dividends received		143.3	153.3
Interest received		0.3	4.2
Outflows:			
Acquisition of property, plant and equipment, and intangible assets	<u>6.2</u>	(19.8)	(22.6)
Expenditures for development projects in progress	<u>6.2</u>	(11.8)	(12.2)
Acquisition of shares in related entities	<u>6.2</u>	(12.1)	(0.6)
Loans granted	<u>6.2</u>	(2.4)	(1.2)
Net cash provided by (used in) investing activities		106.2	135.9
Cash flows – financing activities			
Inflows:			
Grants received		-	-
Outflows:			
Dividends paid out	<u>6.3</u>	(290.5)	(278.9)
Payments of lease liabilities		(6.8)	(5.3)
Interest paid		(1.3)	(1.2)
Net cash provided by (used in) financing activities		(298.6)	(285.4)
Net change in cash and cash equivalents		(143.1)	(60.6)
Net foreign exchange differences		(0.5)	0.3
Cash and cash equivalents as at 1 January		306.4	233.1
Cash and cash equivalents as at 30 June	<u>5.9</u>	162.8	172.8

**Explanatory Notes
to the Interim Condensed
Financial Statements**

ASSECO

Explanatory Notes to the Interim Condensed Financial Statements

1. General information

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

Asseco Poland S.A. (the “Company”, “Issuer”, “Asseco”) with registered office at 14 Olchowa St., Rzeszów, Poland, 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.

Since 1998, the Company’s shares have been listed on the main market of the Warsaw Stock Exchange S.A.

Asseco Poland S.A. is one of the largest IT companies listed on the Warsaw Stock Exchange. The Company is also a major player in the European software producers market.

Asseco Poland S.A. focuses on the production and development of proprietary software, dedicated for each sector of the economy. As one of the very few companies in Poland, Asseco Poland develops and implements integrated core banking systems that are operated by over half of domestic banks. Furthermore, Asseco offers software solutions for the insurance industry and implements dedicated systems for the public administration, among others for the Polish Social Insurance Institution (ZUS) or the Ministry of Finance. Asseco implements numerous IT projects for the energy industry, telecommunications, healthcare, local governments, agriculture, uniformed services, as well as for international organizations and institutions.

As a leader of Asseco Group, Asseco Poland S.A. is actively engaged in mergers and acquisitions both in the Polish and foreign markets, seeking to strengthen its position across Europe and worldwide. 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.

2. Basis for the preparation of interim condensed financial statements

2.1. Basis for preparation

These interim condensed financial statements have been prepared in accordance with the historical cost convention, except for financial assets carried at fair value through profit or loss or through other comprehensive income, financial liabilities carried at fair value through profit or loss, as well as investment property which are measured at fair value.

These interim condensed financial statements have been prepared on a going-concern basis, assuming the Company will continue its business activities in the foreseeable future. Till the date of preparing these financial statements, we have not observed any circumstances that would threaten the Company's ability to continue as a going concern.

These interim condensed financial statements do not include all information and disclosures required for annual financial statements and therefore they should be read together with the financial statements of Asseco Poland S.A. for the year ended 31 December 2022 which were published on 18 April 2023.

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

As at the date of publication of these interim condensed 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 Company's ability to continue as a going concern over a period not shorter than 12 months from 30 June 2023 is not threatened.

The Company is monitoring the impact exerted by the political and economic situation in the territory of Ukraine on the Company's business operations, including on its financial position and financial performance in the future.

On 24 February 2022, the Russian invasion of Ukraine caused a change in the geopolitical situation of the entire region in which Poland is located. Asseco Poland is not engaged in any significant business operations in Russia, Belarus or in Ukraine. It does not have any employees in Ukraine, therefore the hostilities taking place in that territory do not directly affect the Company. At the time of publication of this report, the Company has not observed any significant impact of the current economic and political situation in Ukraine or the sanctions imposed on Russia on the Company's operations. This situation had no direct impact on these financial statements.

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 Company'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 Company's financial performance. For obvious reasons, the Company 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 Company in the future.

2.3. Compliance statement

These interim condensed 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 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 semi-annual reporting period from 1 January to 30 June 2023 and the comparable period from 1 January to 30 June 2022 in case of the statement of profit and loss, statement of cash flows and the statement of changes in equity, as well as the financial position data as at 30 June 2023 and the comparable data as at 31 December 2021 in case of the statement of financial position.

The cumulative data presented for the period of 6 months ended 30 June 2023 as well as for the comparable period have been reviewed by a certified auditor. Whereas, the quarterly data disclosed for the period from 1 April to 30 June 2023 and for the corresponding period of 2022 have not been subject to such a review. These data have been calculated as the difference between the semi-annual cumulative data and the data presented in the quarterly condensed consolidated financial statements of Asseco Group for the interim period ended 31 March 2023 which were published on 24 May 2023.

2.4. Functional currency and presentation currency

The presentation currency of these interim condensed 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 Polish zloty is also the functional currency applied by Asseco Poland S.A.

Transactions denominated in currencies other than the Polish zloty are, at the time of initial recognition, translated into Polish zlotys using the exchange rate effective on the transaction date.

At the reporting date:

- monetary items denominated in a foreign currency are translated at the closing exchange rate, this is at the mid exchange rate of that currency as quoted by the National Bank of Poland on the reporting date;
- non-monetary items carried at historical cost denominated in a foreign currency are translated using the exchange rate effective on the transaction date;
- non-monetary items carried at fair value denominated in a foreign currency are translated using the exchange rate effective on the fair value measurement date.

For valuation purposes, we have adopted the following exchange rates of euro and US dollar (and analogically the exchange rates of other currencies as quoted by the National Bank of Poland):

- exchange rate effective on 30 June 2023: EUR 1 = PLN 4.4503
- exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899
- exchange rate effective on 30 June 2022: EUR 1 = PLN 4.6806
- exchange rate effective on 30 June 2023: USD 1 = PLN 4.1066
- exchange rate effective on 31 December 2022: USD 1 = PLN 4.4018
- exchange rate effective on 30 June 2022: USD 1 = PLN 4.4825

2.5. Professional judgement and estimates

Preparation of 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 Company'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 our accounting policies, were subject not only to accounting estimates but also to the management's professional judgement, and whose estimates, if changed, could significantly affect the Company's future results.

In addition, the Company discloses changes to estimates and professional judgement presented in previous reporting periods that have a significant impact on the current period.

i. Estimates

In the period of 6 months ended 30 June 2023, our approach to making estimates was not subject to any substantial modification.

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

The table below presents certain items of these interim condensed financial statements that are at significant risk of material adjustment to the carrying values of assets and liabilities.

Item	Significant accounting policies described in the financial statements for the year 2022	Estimates and assumptions
Property, plant and equipment, intangible assets and right-of-use assets	Note 5.1 Note 5.2 Note 5.3	At each reporting date, the Company determines if there are any objective indications of impairment of a given component of property, plant and equipment, intangible assets and right-of-use assets. In addition, at the end of each financial year, the Company verifies the periods of useful life of property, plant and equipment, and intangible assets.
Goodwill	Note 5.4	Goodwill is tested for impairment on an annual basis as well as at each reporting date when there is a justified indication to do so. Conducting an impairment test each time requires making many assumptions and exercising professional judgment.
Financial assets – Loans granted	Note 5.9	As required by IFRS 9 'Financial Instruments', the Company classifies and measures loans granted at each reporting date, as well as estimates the amount of impairment losses.
Receivables and contract assets	Note 5.7	The Company estimates the amount of expected credit losses on receivables and assets from contracts with customers in accordance with the new requirements of IFRS 9 'Financial Instruments'.
Deferred tax assets	Note 4.4	The Company makes an assessment of realizability of deferred income tax assets at each reporting date.
Provisions	Note 5.19	The Company estimates the amount of provisions created based on the adopted assumptions, methodology and appropriate calculation methods. A provision should be recognized when the Company has a present obligation arising from past events, the settlement of which is probable to require an outflow of resources embodying economic benefits from the Company.

2.6. Accounting policies applied

Significant accounting policies applied by the Company in these interim condensed financial statements are consistent with those explained in the Company's annual 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.

New standards or amendments effective from 1 January 2023:

- *IFRS 17 'Insurance Contracts'*;
- *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;
- Amendments to IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures: Supplier Finance Arrangements’ (issued on 25 May 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 12 ‘Income Taxes: International Tax Reform – Pillar Two Model Rules’ (issued on 23 May 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IAS 21 ‘The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability’ (issued on 15 August 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2025.

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 Company did not decide on early adoption of any standard, interpretation or amendment which has been published but has not yet become effective.

The Company is currently conducting an analysis of how the above-mentioned amendments are going to impact its financial statements.

2.8. Correction of errors

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

3. Information on operating segments

According to IFRS 8, an operating segment is a separable component of the Company'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 Company has identified the following reportable segments (a reportable segment is an operating segment that is required for disclosure under IFRS 8):

Banking and Finance – this segment offers comprehensive banking systems, capital market systems (for brokerage houses, banks, firms and institutions engaged in investing activities) as well as highly specialized solutions and IT services for the commercial insurance sector. During the period of 6 months ended 30 June 2023, the segment's major clients included: Bank PKO Bank Polski S.A., Bank Gospodarstwa Krajowego, Getin Noble Bank S.A., VeloBank S.A., and SGB-Bank S.A. Revenues from none of the above-mentioned clients exceeded the threshold of 10% of operating revenues generated by the Company in the period of 6 months ended 30 June 2023.

Healthcare and Public Administration – within this segment Asseco Poland S.A. carries out projects including primarily the design, development, implementation and operation of dedicated IT systems. During the period of 6 months ended 30 June 2023, the segment's major clients included: Social Insurance Institution (ZUS), Agency for Restructuring and Modernization of Agriculture (ARiMR), National Healthcare Fund (NFZ), the Ministry of Justice, and the Chamber of Tax Administration. Only revenues obtained from the Social Insurance Institution exceeded the threshold of 10% of operating revenues generated by the Company in the period of 6 months ended 30 June 2023.

General Business – this segment is engaged in the provision of dedicated IT solutions for large and medium-sized industrial enterprises (energy industry, gas industry, and telecommunications). The core business areas of this segment include the sale of proprietary software (in particular billing systems) as well as information technology services such as IT consulting, systems integration and implementation, and related support services. During the period of 6 months ended 30 June 2023, the segment's major clients included: Polsat Plus Group (telecom and media), Tauron Group (power industry), Enea Group (power industry), PGE Group (power industry), and Polskie Sieci Energetyczne Group (national power grid). Revenues from none of the above-mentioned clients exceeded the threshold of 10% of operating revenues generated by the Company in the period of 6 months ended 30 June 2023.

None of the Company's operating segments needed to be combined with another operating segment in order to be identified as a reportable segment. The results achieved by individual segments are regularly monitored by the management in order to decide on allocation of resources among operating segments as well as to assess their performance and effects of such allocation. Operating profit (loss) is the main measure in evaluation of the segment's performance.

Financing activities (including financial expenses and income) as well as income taxes are monitored at the whole company level and therefore they are not allocated to individual operating segments. The Management also does not analyze cash flows in a breakdown by segments.

The table below presents the key financial information reviewed by the chief operating decision maker in the Company. Operating assets that are employed in the generation of operating cash flows are individually allocated by the Company to its operating segments which involves the following asset classes: goodwill, intangible assets recognized in business combinations, research and development expenditures, and capitalized costs of performing contracts with customers. Other operating assets employed in the generation of operating cash flows, including in particular net working capital, are allocated to operating segments using the allocation key based on the 3-year average annual operating profit margin. In addition, starting from 2021, the Company decided to identify common (corporate) assets that contribute to the generation of future cash flows by multiple cash-generating units. Therefore, corporate assets are tested for potential impairment at the aggregate level of operating segments identified in the Company, after taking into account revenues and costs from holding activities. The Company's corporate assets include the "ASSECO" trademark, land and buildings where our representative offices are located, as well as company-wide intangible assets.

Period of 6 months ended 30 June 2023	Banking and Finance segment	Healthcare and Public Administration segment	General Business segment	Other	Total
	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Sales to external customers	221.6	334.8	108.0	20.1	684.5
Inter-segment settlements	3.2	1.3	0.6	(5.1)	-
Net profit on sales of reportable segment	41.6	61.7	24.5	(18.3)	109.5
Depreciation and amortization	(9.1)	(14.5)	(3.0)	(2.9)	(29.5)
Intangible assets recognized in business combinations allocated to the segment	-	22.1	-	-	22.1
Goodwill from business combinations allocated to the segment	896.8	859.1	181.0	n/a	1,936.9
Other net assets allocated directly to the segment	66.4	33.5	37.2	-	137.1
Average number of employees, recalculated into full-time salaried jobs	892	1,075	270	62	2,299

Period of 6 months ended 30 June 2022	Banking and Finance segment	Healthcare and Public Administration segment	General Business segment	Other	Total
	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
Sales to external customers	160.4	317.6	82.5	12.8	573.3
Inter-segment settlements	1.2	(0.1)	1.6	(2.7)	-
Net profit on sales of reportable segment	28.6	66.7	14.8	(12.3)	97.8
Depreciation and amortization	(8.1)	(15.2)	(2.9)	(3.1)	(29.3)
Intangible assets recognized in business combinations allocated to the segment	-	28.5	-	-	28.5
Goodwill from business combinations allocated to the segment	896.8	859.1	181.0	n/a	1,936.9
Other net assets allocated directly to the segment	54.4	29.8	36.2	-	120.4
Average number of employees, recalculated into full-time salaried jobs	856	1,012	262	55	2,185

4. Explanatory notes to the statement of profit and loss and other comprehensive income

4.1 Structure of operating revenues

Operating revenues generated during the periods of 3 and 6 months ended 30 June 2023 and in the comparable periods were as follows:

	3 months ended 30 June 2023	6 months ended 30 June 2023	3 months ended 30 June 2022	6 months ended 30 June 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Operating revenues by type of products				
Proprietary software and services*	326.0	620.8	268.5	515.7
Third-party software and services	31.7	53.8	18.9	41.0
Hardware and infrastructure	9.3	9.9	6.1	16.6
Total operating revenues	367.0	684.5	293.5	573.3

* including operating revenues from leases recognized in accordance with IFRS 16

i. Segment revenues in a breakdown by type of products

Sales revenues of individual segments generated by type of products during the periods of 3 and 6 months ended 30 June 2023 and in the comparable periods were as follows:

	Banking and Finance	Healthcare and Public Administration	General Business	Other	Total
	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
3 months ended 30 June 2023					
Proprietary software and services*	113.6	154.1	50.6	7.7	326.0
Third-party software and services	8.9	14.9	7.5	0.4	31.7
Hardware and infrastructure	6.9	2.3	-	0.1	9.3
Total sales revenues	129.4	171.3	58.1	8.2	367.0
6 months ended 30 June 2023					
Proprietary software and services*	205.2	301.7	99.6	14.3	620.8
Third-party software and services	9.5	30.2	8.4	5.7	53.8
Hardware and infrastructure	6.9	2.9	-	0.1	9.9
Total sales revenues	221.6	334.8	108.0	20.1	684.5
3 months ended 30 June 2022					
Proprietary software and services*	81.3	143.5	37.7	6.0	268.5
Third-party software and services	0.7	12.6	5.0	0.6	18.9
Hardware and infrastructure	-	6.1	-	-	6.1
Total sales revenues	82.0	162.2	42.7	6.6	293.5
6 months ended 30 June 2022					
Proprietary software and services*	159.0	271.7	73.5	11.5	515.7
Third-party software and services	1.4	29.7	8.6	1.3	41.0
Hardware and infrastructure	-	16.2	0.4	-	16.6
Total sales revenues	160.4	317.6	82.5	12.8	573.3

* including operating revenues from leases recognized in accordance with IFRS 16 which amounted to PLN 6.1 million in the first half of 2023, as compared to PLN 5.7 million in the first half of 2022. Such revenues are presented in the "Other" segment.

ii. *Revenues from contracts with customers by the method of recognition in the statement of profit and loss*

	3 months ended 30 June 2023	6 months ended 30 June 2023	3 months ended 30 June 2022	6 months ended 30 June 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Revenues from contracts with customers recognized in accordance with IFRS 15:				
From goods and services transferred at a specific point in time, of which:	44.0	60.5	16.5	41.8
<i>Banking and Finance segment</i>	25.7	26.4	1.6	2.2
<i>Healthcare and Public Administration segment</i>	12.8	22.6	10.2	32.4
<i>General Business segment</i>	5.2	6.2	4.4	6.5
<i>Other</i>	0.3	5.3	0.3	0.7
From goods and services transferred over the passage of time, of which:	320.0	617.9	274.0	525.8
<i>Banking and Finance segment</i>	103.7	195.2	80.4	158.2
<i>Healthcare and Public Administration segment</i>	158.5	312.2	152.0	285.2
<i>General Business segment</i>	52.9	101.8	38.3	76.0
<i>Other</i>	4.9	8.7	3.3	6.4
Revenues from operating leases recognized in accordance with IFRS 16	3.0	6.1	3.0	5.7
Total operating revenues	367.0	684.5	293.5	573.3

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

	3 months ended 30 June 2023	6 months ended 30 June 2023	3 months ended 30 June 2022	6 months ended 30 June 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Poland	362.1	672.5	288.6	560.8
Foreign countries, including:	4.9	12.0	4.9	12.5
Germany	2.6	4.9	2.5	5.8
Lithuania	1.1	2.4	-	4.3
Slovak Republic	0.9	2.2	0.9	1.9
Czech Republic	-	0.7	0.1	0.4
Austria	0.1	0.1	0.2	0.4
Luxembourg	0.1	0.1	-	0.3
Other	0.1	1.6	1.2	(0.6)
Total	367.0	684.5	293.5	573.3

4.2 Structure of operating costs

The table below presents operating costs incurred during the periods of 3 and 6 months ended 30 June 2023 and in the comparable periods.

Operating costs	3 months ended 30 June 2023	6 months ended 30 June 2023	3 months ended 30 June 2022	6 months ended 30 June 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Cost of goods, materials and third-party services sold	(40.4)	(55.6)	(23.8)	(52.3)
Employee benefits	(132.0)	(259.4)	(113.2)	(225.2)
Depreciation and amortization	(14.7)	(29.5)	(16.5)	(29.3)
Third-party services	(78.3)	(165.3)	(66.5)	(126.2)
Other	(41.3)	(65.2)	(23.0)	(42.5)
Total	(306.7)	(575.0)	(243.0)	(475.5)
Cost of sales (before allowances for trade receivables)	(265.5)	(497.1)	(205.9)	(405.5)
Selling costs	(12.0)	(24.5)	(13.2)	(25.2)
General and administrative expenses	(29.2)	(53.9)	(24.4)	(47.2)
(Recognition)/reversal of allowances for trade receivables	-	0.5	0.5	2.4
Total	(306.7)	(575.0)	(243.0)	(475.5)

In the period of 6 months ended 30 June 2023, other operating costs included primarily maintenance of property and company cars in the amount of PLN 43.2 million, as well as business trips in the amount of PLN 2.6 million. Whereas, in the comparable period other operating costs included primarily maintenance of property and company cars in the amount of PLN 37.0 million, as well as business trips in the amount of PLN 1.2 million.

i. Costs of employee benefits

	3 months ended 30 June 2023	6 months ended 30 June 2023	3 months ended 30 June 2022	6 months ended 30 June 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Salaries	(107.1)	(210.5)	(93.0)	(183.9)
Social insurance contributions	(9.2)	(18.1)	(7.8)	(15.2)
Costs of pension benefits	(12.3)	(25.3)	(10.9)	(22.7)
Other post-employment benefits	(1.1)	(1.1)	0.2	0.1
Other costs of employee benefits	(2.3)	(4.4)	(1.7)	(3.5)
Total costs of employee benefits	(132.0)	(259.4)	(113.2)	(225.2)

4.3 Financial income and expenses

Financial income earned during the periods of 3 and 6 months ended 30 June 2023 and in the comparable periods was as follows:

Financial income	3 months ended 30 June 2023 PLN mn	6 months ended 30 June 2023 PLN mn	3 months ended 30 June 2022 PLN mn	6 months ended 30 June 2022 PLN mn
Interest income on investments in debt securities and bank deposits carried at amortized cost	5.6	10.0	3.5	4.6
Positive foreign exchange differences	0.6	1.1	(0.4)	-
Dividends receivable	24.3	143.8	57.9	173.5
Net gain on exercise and/or valuation of derivative instruments	1.0	1.0	0.2	0.2
Net gain on exercise and/or valuation of equity instruments	-	-	0.9	0.9
Total	31.5	155.9	62.1	179.2

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

Financial expenses incurred during the periods of 3 and 6 months ended 30 June 2023 and in the comparable periods were as follows:

Financial expenses	3 months ended 30 June 2023 PLN mn	6 months ended 30 June 2023 PLN mn	3 months ended 30 June 2022 PLN mn	6 months ended 30 June 2022 PLN mn
Interest expenses on bank loans, debt securities and trade payables	(1.6)	(2.1)	(0.1)	(0.1)
Interest expenses on leases	(0.7)	(1.3)	(0.6)	(1.2)
Other interest expenses	(0.2)	(0.4)	(0.2)	(0.4)
Impairment loss on investments	(7.8)	(7.8)	-	-
Negative foreign exchange differences	-	-	(0.6)	(0.6)
Loss on impairment of financial assets carried at fair value through profit or loss	-	-	0.1	-
Loss on exercise and/or valuation of derivative instruments	0.1	-	0.5	-
Total	(10.2)	(11.6)	(0.9)	(2.3)

The impairment loss on investments resulted from writing down our investment in the company DahliaMatic Sp. z o.o. by the amount of PLN 7.8 million.

4.4 Corporate income tax

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

	3 months ended 30 June 2023 PLN mn	6 months ended 30 June 2023 PLN mn	3 months ended 30 June 2022 PLN mn	6 months ended 30 June 2022 PLN mn
Current income tax and prior years' adjustments	(17.7)	(23.5)	(6.3)	(14.8)
Deferred income tax	1.9	(5.7)	(2.7)	(5.9)
Income tax expense as disclosed in the statement of profit and loss	(15.8)	(29.2)	(9.0)	(20.7)

On 15 July 2016, Poland's Tax Code was amended to include the provisions of General Anti-Abuse Rule (GAAR). GAAR is intended to prevent the creation and use of artificial legal arrangements aiming to avoid payment of taxes in Poland. GAAR defines tax avoidance as an action carried out for the essential purpose of obtaining a tax benefit that under the circumstances is inconsistent with the object and purpose of relevant tax provisions. According to GAAR, an action shall not result in achieving a tax advantage if it is conducted on a non-genuine basis. The occurrence of (i) an unjustified division of operations, (ii) involvement of intermediaries without an economic or commercial reason, (iii) mutually cancelling or offsetting elements,

as well as (iv) any other actions of similar nature may be considered to indicate the undertaking of artificial actions that are subject to GAAR provisions. These regulations require much greater judgment when assessing the tax effects of each transaction.

The general anti-abuse rule shall apply to transactions conducted after its entry into force as well as to transactions that were carried out prior to its entry into force but brought tax benefits after that time or still continue to bring such benefits. The implementation of the above-mentioned regulations has enabled the Polish tax control authorities to put into question the legal arrangements and agreements undertaken by taxpayers, including the restructuring or reorganization of a group of companies.

Regulations pertaining to the value added tax, corporate income tax, personal income tax or social security are frequently amended, thereby depriving taxpayers of a possibility to refer to well established court decisions and precedents. The current regulations in force are not always unambiguous, which may cause additional discrepancies in their interpretation. Tax treatments are subject to audit by the taxation authorities. Should any irregularities in tax settlements be detected, a taxpayer is obliged to pay the outstanding amounts along with the statutory interest thereon. Payment of tax arrears does not always release a taxpayer from penal and fiscal liability. Due to such circumstances, tax treatments are subject to a relatively high risk. Settlement of tax liabilities may come under control in a period of five years, counting from the end of the year in which relevant tax returns were filed. In effect, the amounts of taxes payable disclosed in the financial statements may be later changed, after they are finally determined by the taxation authorities.

Presented below is the reconciliation of corporate income tax payable on pre-tax profit at the statutory tax rate, with corporate income tax computed at the effective tax rate.

	3 months ended 30 June 2023	6 months ended 30 June 2023	3 months ended 30 June 2022	6 months ended 30 June 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Pre-tax profit from continuing operations	81.9	255.0	111.1	273.3
Statutory corporate income tax rate	19%	19%	19%	19%
Corporate income tax computed at the statutory tax rate	15.6	48.5	21.1	51.9
Dividends received from subsidiaries and associates	(2.7)	(25.4)	(8.5)	(30.5)
Expenses related to tax-exempt dividend income	0.1	2.2	0.4	2.4
IP BOX tax relief – difference resulting from the application of a different tax rate	(0.8)	(0.6)	(1.3)	(1.3)
R&D tax reliefs	(1.2)	(2.3)	(1.2)	(1.6)
CIT (difference between corporate income tax recognized and the CIT-8 tax filing)	-	-	(0.7)	(0.7)
CFC – Provision for income tax of controlled foreign companies	1.5	3.0	(0.6)	-
Impairment losses on investments	1.5	1.5	-	-
Exceeding the limit of expenditures for intangible assets	-	-	(0.4)	(0.4)
Derecognition of receivables with the use of an allowance	-	-	-	0.5
Other permanent differences	1.8	2.3	0.2	0.4
Corporate income tax computed at the effective tax rate	15.8	29.2	9.0	20.7
Effective rate of corporate income tax	19.2%	11.5%	8.1%	7.6%

4.5 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.

	3 months ended 30 June 2023	6 months ended 30 June 2023	3 months ended 30 June 2022	6 months ended 30 June 2022
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	83,000,303	83,000,303	83,000,303	83,000,303
Net profit attributable to shareholders of the Company for the reporting period (in millions of PLN)	66.1	225.8	102.1	252.6
Earnings per share for the reporting period (in PLN)	0.80	2.72	1.23	3.04

4.6 Information on dividends paid out

On 30 May 2023, the Annual General Meeting of Shareholders of Asseco Poland S.A. resolved that the net profit for the financial year 2022, which equalled PLN 340.6 million, should be distributed as follows: the amount of PLN 290.5 million was allocated for distribution among the Company's Shareholders through the payment of a dividend amounting to PLN 3.50 per share, while the remaining portion of the net profit in the amount of PLN 50.1 million was allocated to the reserve capital. The dividend record date was set for 19 June 2023; whereas, the dividend payment was scheduled for 28 June 2023.

On 25 May 2022, the Annual General Meeting of Shareholders of Asseco Poland S.A. resolved that the net profit for the financial year 2021, which equalled PLN 320.9 million, should be distributed as follows: 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, while the remaining portion of the net profit in the amount of PLN 42.0 million was allocated to the reserve capital. The dividend record date was set for 10 June 2022; whereas, the dividend payment was scheduled for 21 June 2022.

5. Explanatory notes to the statement of financial position

5.1. Property, plant and equipment

Changes in the net book value of property, plant and equipment that took place during the period of 6 months ended 30 June 2023 and in the comparable period are presented below:

	6 months ended 30 June 2023 <i>PLN mn</i>	6 months ended 30 June 2022 <i>PLN mn</i>
Net book value of property, plant and equipment as at 1 January	289.6	309.4
Additions, of which:	16.9	8.9
Purchases and modernization	16.9	8.9
Reductions, of which:	(15.6)	(17.7)
Depreciation charges for the reporting period	(12.7)	(13.4)
Disposal and liquidation	(2.9)	(1.9)
Reclassification to assets held for sale	-	(2.4)
Net book value of property, plant and equipment as at 30 June	290.9	300.6

5.2. Intangible assets

Changes in the net book value of intangible assets that took place during the period of 6 months ended 30 June 2023 and in the comparable period are presented below:

	6 months ended 30 June 2023 <i>PLN mn</i>	6 months ended 30 June 2022 <i>PLN mn</i>
Net book value of intangible assets as at 1 January	2,212.0	2,205.2
Additions, of which:	13.7	13.4
Purchases and modernization	1.5	0.8
Costs of development projects in progress	12.2	12.6
Reductions, of which:	(11.6)	(11.0)
Amortization charges for the reporting period	(11.6)	(11.0)
Net book value of intangible assets as at 30 June	2,214.1	2,207.6

5.3. Right-of-use assets

Changes in the net book value of right-of-use assets that took place during the period of 6 months ended 30 June 2023 and in the comparable period are presented below:

	6 months ended 30 June 2023 <i>PLN mn</i>	6 months ended 30 June 2022 <i>PLN mn</i>
Net book value of right-of-use assets as at 1 January	86.5	95.4
Additions, of which:	4.4	2.7
Conclusion of new lease contracts	-	1.4
Modification of existing contracts (lease extension, interest rate change)	4.4	1.3
Reductions, of which:	(7.1)	(6.3)
Depreciation charges for the reporting period	(7.1)	(6.0)
Modification of existing contracts (lease shortening, interest rate change)	-	(0.3)
Change in presentation	-	(0.2)
Net book value of right-of-use assets as at 30 June	83.8	91.6

5.4. Goodwill

The largest portion of intangible assets is constituted by goodwill recognized from business combinations that were carried out in previous years. As at 30 June 2023 and in the comparable period, goodwill arising from business combinations amounted to PLN 1,936.9 million.

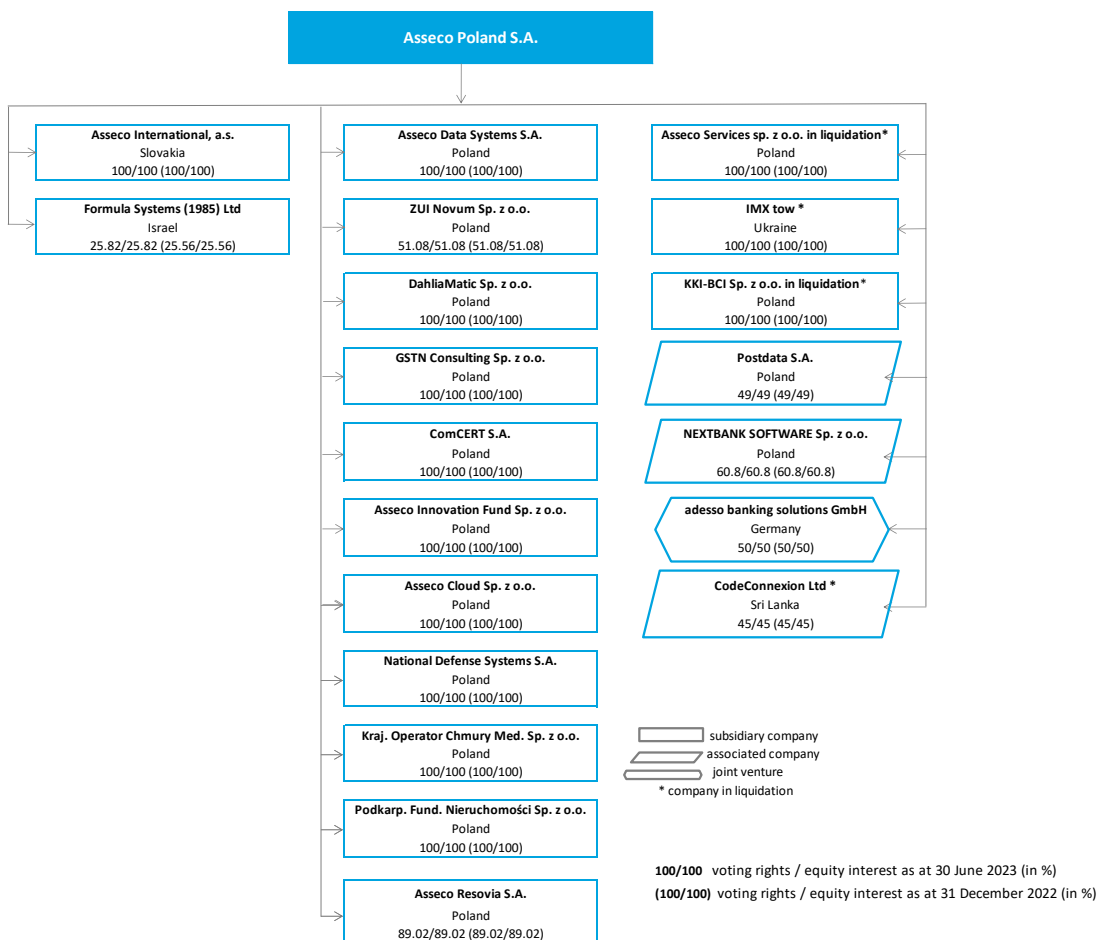
Goodwill is allocated to the following operating segments which are treated as cash-generating units:

	30 June 2023 <i>PLN mn</i>	31 December 2022 <i>PLN mn</i>
Goodwill allocated to the Banking and Finance segment	896.8	896.8
Goodwill allocated to the Healthcare and Public Administration segment	859.1	859.1
Goodwill allocated to the General Business segment	181.0	181.0
Goodwill presented in intangible assets	1,936.9	1,936.9

Goodwill is tested for impairment whenever there are indications of impairment, but at least once a year. The assessment of circumstances and indications that may require performing an impairment test as at 30 June 2023 has been described in explanatory note 5.6 to these interim condensed financial statements of Asseco Poland S.A.

5.5. Investments in subsidiaries and associates

The structure of Asseco Poland’s investments in subsidiaries and associates is presented in the chart below:



The Company's equity investments held as at 30 June 2023 and in the comparable period are disclosed in the table below:

	30 June 2023	31 December 2022
	PLN mn	PLN mn
Investments in companies quoted in an active market		
Formula Systems (1985), Ltd	261.3	249.2
Investments in non-listed companies		
Asseco International A.S.	1,178.7	1,178.7
Asseco Data Systems S.A.	395.3	395.3
Podkarpacki Fundusz Nieruchomości Sp. z o.o.	89.2	89.2
DahliaMatic Sp. z o.o.	60.4	68.2
GSTN Consulting Sp. z o.o.	33.8	33.8
Asseco Cloud Sp. z o.o.	26.7	26.7
Nextbank Software Sp. z o.o. (associated company)	17.3	17.3
ComCERT S.A.	5.0	5.0
ZUI Novum Sp. z o.o.	3.9	3.9
Asseco Innovation Fund Sp. z o.o.	2.1	2.1
Postdata S.A. (associated company)	1.0	1.0
Krajowy Operator Chmury Medycznej Sp. z o.o.	1.0	1.0
adesso banking solutions GmbH (joint venture)	0.9	0.9
Asseco Services Sp. z o.o. in liquidation	0.6	0.6
National Defense Systems S.A.	0.1	0.1
	2,077.3	2,073.0

During the period of 6 months ended 30 June 2023, Asseco Poland's investments in subsidiaries and associates changed as follows:

- **Issuance of shares under the employee stock option plan at Formula Systems (1985) Ltd**

In the first quarter of 2023, 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. As a result of this transaction, Asseco Poland's equity interest in Formula Systems dropped to 25.54%.

- **Acquisition of shares in Formula Systems (1985) Ltd**

On 31 March 2023, Asseco Poland S.A. acquired 42,553 shares (or a 0.28% stake) in Formula Systems (1985) Ltd for the amount of NIS 10 million (PLN 12.1 million). As a result of this transaction, Asseco Poland's equity interest in Formula Systems increased to 25.82%.

5.6. Impairment tests

Both as at 30 June 2023 and during the period of 6 months ended 30 June 2023, the stock market capitalization of Asseco Poland S.A. remained above the book value of the Company's net assets.

In order to analyze the indications of possible impairment, the Company's assets were divided into two groups:

1. assets employed in operating activities. Such assets represent net operating assets that have been allocated to individual operating segments (e.g. goodwill, working capital) as well as common (corporate) assets as described in section III of these financial statements;

2. assets related to investing activities, representing mainly financial assets and equity investments in subsidiaries and associates.

Ref. 1 Assets employed in operating activities

As described in explanatory note 5.4 to these interim condensed financial statements, goodwill arising from business combinations has been allocated to the Company's operating segments. The value of individual cash-generating units has been subsequently increased by net operating assets, which are used by such units to generate cash flows.

In accordance with the guidelines of the International Financial Reporting Standards, the Company's Management analyzed the indications for impairment testing, including in particular the execution of budgets by individual operating segments identified within the Company as well as the ongoing war in the territory of Ukraine.

All the operating segments of Asseco Poland fulfilled their budgets for the period of 6 months ended 30 June 2023, while the review of forecasts for the coming years showed no significant deviations that could derail the achievement of planned business goals.

With regard to the above, the Management concluded that the assumptions made in the impairment tests carried out as at 31 December 2022 remain realistic, and therefore there are no indications of possible impairment.

Ref. 2 Assets related to investing activities

In the case of cash-generating units constituted by companies quoted in an active market, factors indicating potential impairment may include: low market capitalization of a given cash-generating unit (i.e. excess of its book value over its market value).

Our companies or groups of companies quoted in an active market include: Asseco Business Solutions S.A., Asseco South Eastern Europe S.A., as well as Formula Systems (1985) Ltd and its subsidiary subgroups.

The table below compares the market values of our equity investments against their book values as at 30 June 2023 as well as at the date of the last annual impairment test, this is as at 31 December 2022:

	Formula Systems (1985), Ltd	Asseco South Eastern Europe S.A.	Asseco Business Solutions S.A.
	PLN mn	PLN mn	PLN mn
30 June 2023			
book value	261.3	268.8*	69.0*
fair value	1,175.8	1,311.8	616.8
excess (+) / deficit (-) of fair value over carrying value	914.5	1,043.0	547.8
31 December 2022			
book value	249.2	268.8*	69.0*
fair value	1,417.3	1,152.7	484.3
excess (+) / deficit (-) of fair value over carrying value	1,168.1	883.9	415.3

* As at 30 June 2023, both Asseco South Eastern Europe S.A. and Asseco Business Solutions S.A. were indirect subsidiaries of Asseco Poland S.A. Therefore, the values of investments in these companies are presented as part of Asseco Poland's investment in Asseco International that maintains direct control over the above-mentioned companies.

The fair value of our investment in Formula Systems (1985), Ltd. is much higher than its carrying value, hence it was deemed unnecessary to perform any additional interim impairment test.

Concurrently, we have concluded that our investment in Asseco International, a.s. does not have to be tested for impairment as at the reporting date, because it comprises the groups of Asseco South Eastern Europe and Asseco Business Solutions whose market capitalizations are substantially higher than the historical carrying values of these investments, and the actual budget execution by Asseco International Group is good.

As at 30 June 2023, the Company's Management has found indications of impairment only for our investments in non-public companies that failed to execute their budgets for the first half of 2023. As a consequence, the Company considered it necessary to conduct impairment tests for our investments in DahliaMatic Sp. z o.o., Asseco Data Systems S.A., Asseco Spain S.A., and in ACE Group (being part of our investment in Asseco International A.S.). Based on the conducted tests, we have identified an impairment loss on our investment in DahliaMatic in the amount of PLN 7.8 million. No impairment losses were recognized for the remaining companies.

Analysis of sensitivity

Additionally, the Company carried out a sensitivity analysis in relation to the impairment test performed for our investing activity assets. Such sensitivity analysis examined the impact of changes in:

- discount rate applied for the residual period, i.e. for cash flows generated after 2027;
- compound annual growth rate (CAGR) of free cash flows over the period of forecast, i.e. in the years 2023-2027;

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

The objective of such a sensitivity analysis was to find the threshold values showing how much the selected parameters applied in the model could be changed so that the estimated value in use of each cash-generating unit was equal to its carrying value. The results of such sensitivity analysis carried out as at 30 June 2023 are presented in the following table:

	Book value of investment <i>PLN mn</i>	Discount rate for the residual period		Threshold value of annual growth rate of free cash flows (FCFF) %
		applied in the model	threshold value	
		%	%	
DahliaMatic Sp. z o.o.	60.4	13.7%	13.7%	18.9%
Asseco Data Systems S.A.	395.3	11.4%	17.3%	8.6%
Asseco Spain S.A.*	77.3	9.6%	10.4%	2.6%
Asseco Central Europe a.s.*	542.8	9.3%	∞	(39.1)%

∞ means that the threshold discount rate for the residual period is greater than 100%.

* As at 30 June 2022, Asseco Spain S.A. (a direct subsidiary of Asseco Western Europe S.A.) and Asseco Central Europe a.s. were indirect subsidiaries of Asseco Poland S.A. Therefore, the values of investments in these companies are presented as part of Asseco Poland's investment in Asseco International that maintains direct control over the above-mentioned companies.

The table below presents data as at 30 June 2022:

	Book value of investment <i>PLN mn</i>	Discount rate for the residual period		Threshold value of annual growth rate of free cash flows (FCFF) %
		applied in the model	threshold value	
		%	%	
DahliaMatic Sp. z o.o.	73.6	13.3%	15.0%	3.1%
Asseco PST (formerly Exictos)*	103.4	8.7%	∞	(38.8)%

∞ means that the threshold discount rate for the residual period is greater than 100%.

* As at 30 June 2022, Asseco PST was an indirect subsidiary of Asseco Poland S.A. Therefore, that the value of investment in this company is presented as part of Asseco Poland's investment in Asseco International that maintains direct control over the above-mentioned company.

5.7. Receivables and contract assets

The table below presents receivables and assets from contracts with customers as at 30 June 2023 as well as at 31 December 2022.

	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Trade receivables	3.4	265.5	3.3	184.1
From related parties, of which:	0.9	38.6	1.7	28.4
Invoiced receivables	0.9	17.0	1.7	18.3
<i>from subsidiaries</i>	-	2.1	-	3.1
<i>from associates</i>	-	0.4	-	1.2
<i>from other related parties</i>	0.9	14.5	1.7	14.0
Uninvoiced receivables	-	21.6	-	10.1
<i>from subsidiaries</i>	-	7.4	-	1.3
<i>from associates</i>	-	0.3	-	0.3
<i>from other related parties</i>	-	13.9	-	8.5
From other entities, of which:	2.5	226.9	1.6	155.7
Invoiced receivables	0.9	146.0	0.6	109.0
Uninvoiced receivables	1.6	80.9	1.0	46.7
Allowances for expected credit losses (-)	-	(8.2)	-	(9.1)
Total trade receivables	3.4	257.3	3.3	175.0

As at 30 June 2022, there were no substantial changes in the ageing structure of receivables, or in the percentage of receivables covered by allowances for expected credit losses in individual age ranges in comparison with such data disclosed in the financial statements of Asseco Poland for the year ended 31 December 2022.

The table below presents assets from contracts with customers as at 30 June 2023 as well as at 31 December 2022:

	30 June 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, of which:	-	42.8	-	37.8
<i>from subsidiaries</i>	-	0.1	-	1.9
<i>from associates</i>	-	0.7	-	0.1
<i>from other related parties</i>	-	42.0	-	35.8
from other entities	-	204.9	-	190.3
Total contract assets	-	247.7	-	228.1

Assets from contracts with customers result from the excess of the percentage of completion of comprehensive IT projects over invoices issued.

Related party transactions have been presented in explanatory note 5.21 to these interim condensed financial statements.

The Company has adopted a relevant policy that allows for selling products and services to verified customers only. In the Management's opinion, as at 30 June 2023 there is no need to recognize additional allowances for expected credit losses.

The table below presents other receivables as at 30 June 2023 and as at 31 December 2022:

Other receivables	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Receivables from disposal of property, plant and equipment	0.2	0.2	-	0.3
Receivables from disposal of financial instruments or equity investments	5.7	5.8	6.7	9.3
Receivables from security deposits paid-in	-	2.1	-	4.2
Receivables from grants	1.5	-	0.5	-
Receivables in court litigation	-	0.3	-	0.4
Other receivables	0.1	1.7	0.1	5.7
Allowances for expected credit losses on other receivables (-)	-	(0.4)	-	(0.4)
Total other receivables	7.5	9.7	7.3	19.5

5.8. Prepayments and accrued income

As at 30 June 2023 and 31 December 2022, prepayments and accrued income included the following items:

	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Prepaid services, of which:	7.6	17.8	9.4	17.6
<i>maintenance services and license fees</i>	6.2	8.8	8.4	13.1
<i>insurances</i>	-	1.1	0.1	0.7
<i>other services</i>	1.4	7.9	0.9	3.8
Expenses related to services performed for which revenues have not been recognized yet	27.3	8.4	22.8	7.5
<i>Costs of contracts with customers</i>	27.3	6.5	22.8	5.4
<i>Costs of other services</i>	-	1.9	-	2.1
Other prepayments and accrued income	0.2	2.9	0.2	1.3
Total	35.1	29.1	32.4	26.4

As at 30 June 2023 and at the end of the comparable period, prepayments and accrued income included primarily the costs of performing projects from which revenues will be recognized in future periods, and which qualify for capitalization in accordance with IFRS 15, as well as the costs of maintenance services and license fees that will be successively expensed in future periods. The costs of contracts with customers amounting to PLN 33.8 million in 2023 included mainly capitalized expenditures for the development and adaptation of a banking solution, revenues from which will be recognized by the Company in the future, over time as the solution is made available to banks that declared their willingness to use it in the SaaS model.

5.9. Other assets

i. Other financial assets

Both as at 30 June 2023 and 31 December 2022, apart from receivables and cash and cash equivalents described in other notes, the Company also held other financial assets as presented in the table below.

	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Financial assets carried at amortized cost, of which:	7.4	0.6	5.9	0.5
Loans granted to related parties	6.2	0.2	5.1	0.1
Loans granted to employees	1.2	0.4	0.8	0.4
Financial assets carried at fair value through profit or loss, of which:	0.5	1.0	0.2	0.9
Forward contracts	0.5	1.0	0.2	0.9
Financial assets carried at fair value through other comprehensive income, of which:	9.4	-	9.4	-
Shares in non-listed companies (except for subsidiaries and associates)	9.4	-	9.4	-
Total	17.3	1.6	15.5	1.4

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

In the period of 6 months ended 30 June 2023, the Company did not change its methods for measuring the fair value of financial instruments carried at fair value, did not transfer any instruments between individual levels of the fair value hierarchy, nor did it reclassify any financial instruments.

Both as at 30 June 2023 and 31 December 2022, the fair values of financial assets were not significantly different from their book values.

As at 30 June 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	1.5	-	1.5	-
Total	1.5	-	1.5	-
Financial assets carried at fair value through other comprehensive income				
Shares in companies not listed on regulated markets	9.4	-	-	9.4
Total	9.4	-	-	9.4

- i. fair value determined on the basis of quoted prices offered in active markets for identical assets;
- ii. fair value determined using calculation models based on inputs that are observable, either directly or indirectly, in active markets;
- iii. fair value determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets.

As at 31 December 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	1.1	-	1.1	-
Total	1.1	-	1.1	-
Financial assets carried at fair value through other comprehensive income				
Shares in companies not listed on regulated markets	9.4	-	-	9.4
Total	9.4	-	-	9.4

- i. fair value determined on the basis of quoted prices offered in active markets for identical assets;
- ii. fair value determined using calculation models based on inputs that are observable, either directly or indirectly, in active markets;
- iii. fair value determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets.

ii. Non-financial assets

The balance of other assets as at 30 June 2023 and as at 31 December 2022 comprised:

	30 June 2023	31 December 2022
	PLN mn	PLN mn
Trade advance payments	2.7	2.4

5.10. Cash and cash equivalents

The table below presents cash and cash equivalents as at 30 June 2023 and 31 December 2022:

	30 June 2023	31 December 2022
	PLN mn	PLN mn
Cash at bank accounts	42.7	44.6
Cash at split payment accounts	1.7	12.1
Short-term bank deposits	118.4	249.7
Total cash and cash equivalents as disclosed in the statement of financial position and in the cash flow statement	162.8	306.4

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.

5.11. Impairment losses on inventories

In the period of 6 months ended 30 June 2023 and in the comparable period, we did not recognize any significant impairment losses on inventories.

5.12. Assets and liabilities held for sale

As at 30 June 2023, the value of non-current assets held for sale equalled PLN 20.1 million and the related financial liabilities amounted to PLN 3.1 million. This item comprises tangible assets and right-of-use assets relating to a real estate property located in Wrocław.

5.13. Share capital and other components of equity

Reserve capital

The reserve capital was established in accordance with the Commercial Companies Code (CCC), from the premium of issuance price over the par value on shares (less the share issuance-related expenses) as well as from prior years' profits that have been appropriated to reserve capital by the Company's General Meeting of Shareholders. The remaining portion of reserve capital is presented as retained earnings and is related to the accounting for prior years' profits in compliance with the CCC.

On 15 June 2023, the Extraordinary General Meeting of Shareholders of Asseco Poland S.A. decided to create a capital reserve in the amount of PLN 1,185.6 million, which may be used for future dividend payments or for acquisitions of the Company's own shares.

In order to demonstrate the Company's ability to pay out dividends, the table below presents the components and total amount of the Company's reserve capital as at 30 June 2023 and 31 December 2022.

	30 June 2023	31 December 2022
	<i>PLN mn</i>	<i>PLN mn</i>
Share premium	4,180.1	4,180.1
Retained earnings appropriated to reserve capital by the General Meeting of Shareholders	-	1,135.5
Result on settlement of transactions in treasury shares	(734.0)	(734.0)
Capital reserve appropriated for dividend payments or for buy-back of the Company's own shares	1,185.6	-
	4,631.7	4,581.6

5.14. Lease liabilities

As at 30 June 2023, assets used under lease contracts where the Company is a lessee, included:

- office buildings,
- cars.

The table below presents the amounts of lease liabilities as at 30 June 2023 as well as at 31 December 2022.

Lease liabilities	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	<i>PLN mn</i>	<i>PLN mn</i>	<i>PLN mn</i>	<i>PLN mn</i>
Leases of real estate	55.8	12.9	60.1	12.7
Lease of a car	-	-	-	0.1
Total	55.8	12.9	60.1	12.8

Changes in the amount of lease liabilities during the period of 6 months ended 30 June 2023 and in the comparable period are presented in the table below:

		6 months ended 30 June 2023	6 months ended 30 June 2022
As at 1 January		72.9	78.0
Cash changes	Repayment of principal amount	(6.8)	(5.3)
	Interest paid	(1.3)	(1.2)
Non-cash changes	Interest accrued	1.3	1.2
	New lease contracts	-	1.4
	Non-cash increase in liabilities	4.4	0.9
	Foreign exchange differences recognized in financial income/expenses	(1.8)	0.5
As at 30 June		68.7	75.5

5.15. Other financial liabilities

The table below presents other financial liabilities as at 30 June 2023 and as at 31 December 2022:

	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Financial liabilities, of which:				
Liabilities from forward contracts	-	-	0.2	0.2
Total	-	-	0.2	0.2

As at 30 June 2023 as well as at 31 December 2022, the Company had the following financial liabilities measured at fair value:

As at 30 June 2023	Carrying value	Level 1 ⁱ⁾	Level 2 ⁱⁱ⁾	Level 3 ⁱⁱⁱ⁾
	PLN mn	PLN mn	PLN mn	PLN mn
Financial liabilities				
Currency forward contracts	-	-	-	-
Total	-	-	-	-
As at 31 December 2022				
Financial liabilities				
Currency forward contracts	0.4	-	0.4	-
Total	0.4	-	0.4	-

- i. fair value determined on the basis of quoted prices offered in active markets for identical assets;
- ii. fair value determined using calculation models based on inputs that are observable, either directly or indirectly, in active markets;
- iii. fair value determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets.

The fair values of financial liabilities held by the Company both as at 30 June 2023 and 31 December 2022 did not significantly differ from their carrying values.

5.16. Bank loans and debt securities issued

Both as at 30 June 2023 and 31 December 2022, the Company had no debt under any bank loans, but it had available credit facilities which are presented in the table below:

	Maximum debt limit available	Effective interest rate %	Repayment date	30 June 2023		31 December 2022	
				Long-term	Short-term	Long-term	Short-term
Bank overdraft facilities				-	-	-	-
Bank overdraft facility	150.0	1M WIBOR + margin	2023-11-30	-	-	-	-
Bank overdraft facility	50.0	1M WIBOR + margin	2024-06-30	-	-	-	-
Bank overdraft facility	70.0	1M WIBOR + margin	2023-10-31	-	-	-	-
Bank overdraft facility	200.0	1M WIBOR + margin	2024-07-31	-	-	-	-
Bank overdraft facility	70.0	1M WIBOR + margin	2024-06-25	-	-	-	-
	540.0						
TOTAL				-	-	-	-

As at 30 June 2023, total funds available to Asseco Poland S.A. under bank account overdraft facilities amounted to PLN 540.0 million, of which PLN 23.2 million were used as collateral for bank guarantees. As at 31 December 2022, total funds available to Asseco Poland S.A. under bank account overdraft facilities amounted to PLN 540.0 million, of which PLN 26.7 million were used as collateral for bank guarantees.

5.17. Trade payables, state budget liabilities and other liabilities

The table below presents the structure of the Company's trade payables outstanding as at 30 June 2023 and 31 December 2022:

	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
To related parties, of which:	0.8	11.3	0.8	14.6
Invoiced payables	0.8	3.7	0.8	11.4
<i>from subsidiaries</i>	0.7	3.3	0.8	10.9
<i>from other related parties</i>	0.1	0.4	-	0.5
Uninvoiced payables	-	7.6	-	3.2
<i>from subsidiaries</i>	-	7.3	-	3.0
<i>from other related parties</i>	-	0.3	-	0.2
To other entities, of which:	-	85.6	-	70.0
Invoiced payables	-	29.2	-	22.5
Uninvoiced payables	-	56.1	-	43.1
Liabilities arising from contractual penalties	-	0.3	-	4.4
Total trade payables	0.8	96.9	0.8	84.6

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 5.21 to these interim condensed financial statements.

As at 30 June 2023 and 31 December 2022, the Company had the following liabilities to the state budget and other liabilities:

	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Corporate income tax payable	2.6	18.1	2.6	9.0
Other liabilities to the state and local budgets				
Value added tax (VAT)	-	3.0	-	9.3
Personal income tax (PIT)	-	5.7	-	10.4
Social security contributions	-	23.1	-	22.8
Other	-	1.2	-	0.4
Total liabilities to the state and local budgets	-	33.0	-	42.9
Other liabilities				
Salaries payable	-	21.3	-	20.3
Liabilities from purchases of tangible assets and intangible assets	-	1.1	-	2.5
Advance payments received from customers	-	0.5	-	-
Other liabilities	-	0.9	0.1	4.7
Total other liabilities	-	23.8	0.1	27.5

5.18. Contract liabilities

The table below presents the structure of the Company's liabilities from contracts with customers as at 30 June 2023 and 31 December 2022:

	30 June 2023		31 December 2022	
	Long-term	Short-term	Long-term	Short-term
	PLN mn	PLN mn	PLN mn	PLN mn
Contract liabilities				
To related parties, of which:	2.0	6.2	1.0	10.1
Contract liabilities	2.0	5.4	1.0	9.2
Liabilities arising from valuation of IT contracts due to subsidiaries	-	0.8	-	0.9
To other entities, of which:	25.8	61.9	26.1	61.6
Contract liabilities	25.8	49.6	26.1	46.1
Liabilities arising from valuation of IT contracts	-	12.3	-	15.5
Total contract liabilities	27.8	68.1	27.1	71.7

5.19. Provisions

Changes in the amount of provisions during the period of 6 months ended 30 June 2023 and in the comparable period are presented in the table below:

	Post-employment benefits	Provision for warranty repairs	Provision for onerous contracts	Other provisions	Total
	PLN mn	PLN mn	PLN mn	PLN mn	PLN mn
As at 1 January 2023	4.0	0.6	5.9	0.1	10.6
Provisions created (+)	1.0	-	11.0	-	12.0
Provisions utilized / reversed (-)	-	(0.1)	(4.3)	-	(4.4)
As at 30 June 2023, of which:	5.0	0.5	12.6	0.1	18.2
Short-term	0.6	0.3	3.7	0.1	4.7
Long-term	4.4	0.2	8.9	-	13.5
As at 1 January 2022	3.7	0.1	4.0	0.1	7.9
Provisions created (+)	-	-	0.1	-	0.1
Unwinding of discount (+)	-	-	0.1	-	0.1
Provisions utilized / reversed (-)	(0.3)	-	(3.6)	-	(3.9)
As at 30 June 2022, of which:	3.4	0.1	0.6	0.1	4.2
Short-term	0.4	0.1	0.6	0.1	1.2
Long-term	3.0	-	-	-	3.0

The provision for post-employment benefits relates entirely to retirement benefits which are to be potentially paid to the Company's employees when they go into retirement. In compliance with the Labour Code provisions, Asseco Poland S.A. makes a severance payment in the amount of one-month average salary to each retiring employee.

5.20. Accruals and deferred income

	30 June 2023		31 December 2022	
	Long-term PLN mn	Short-term PLN mn	Long-term PLN mn	Short-term PLN mn
Accruals, of which:	-	54.2	-	42.4
Accruals for unused holiday leaves	-	31.2	-	24.9
Accruals for employee and management bonuses	-	23.0	-	17.5
Deferred income, of which:	46.1	2.1	47.2	2.1
Grants related to assets	46.1	2.1	47.2	2.1
Total	46.1	56.3	47.2	44.5

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 resulted from the bonus incentive schemes applied by the Company.

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

5.21. Related party transactions

Revenues from related parties include sales of goods and IT services related to ongoing IT projects, as well as income from letting of own office space and from other activities. Transactions with management board members of other companies of the Group are associated with proceeds from the sale of shares.

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

	Revenues		Costs	
	6 months ended 30 June 2023	6 months ended 30 June 2022	6 months ended 30 June 2023	6 months ended 30 June 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Transactions with capital-related entities	81.8	61.8	35.5	29.9
Transactions with associates	3.9	4.3	0.1	0.1
Transactions with entities related through the Key Management Personnel and Members of the Supervisory Board	0.5	-	0.4	-
Transactions with Members of the Management Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.3	0.4
Transactions with Members of the Supervisory Board	-	-	-	0.3
Total related party transactions	86.2	66.1	36.3	30.7

	Trade receivables, other receivables and contract assets as at		Trade payables, contract liabilities and other liabilities as at	
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
	PLN mn	PLN mn	PLN mn	PLN mn
Transactions with capital-related entities	81.4	67.0	20.3	26.3
Transactions with associates	1.4	1.5	-	-
Transactions with the Group's Key Management Personnel	10.6	13.1	-	-
Transactions with entities related through the Key Management Personnel and Members of the Supervisory Board	-	-	-	0.1
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	-	0.1
Total related party transactions	93.4	81.6	20.3	26.5

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

As at 30 June 2023, total receivables from related parties comprised trade receivables and contract assets amounting to PLN 82.3 million, as well as other receivables amounting to PLN 11.1 million. As at 31 December 2022, total receivables from related parties comprised trade receivables and contract assets amounting to PLN 67.9 million, as well as other receivables amounting to PLN 13.7 million.

As at 30 June 2023, total liabilities to related parties comprised trade payables and contract liabilities amounting to PLN 20.3 million. As at 31 December 2022, total liabilities to related parties comprised trade payables amounting to PLN 26.5 million.

Loans granted to related parties	30 June 2023	31 December 2022
	<i>PLN mn</i>	<i>PLN mn</i>
Nextbank Software Sp. z o.o.	5.9	4.7
adesso banking solutions GmbH	0.5	0.5
Total	6.4	5.2

All transactions with related parties are carried out on an arm's length basis.

6. Explanatory notes to the statement of cash flows

6.1. Cash flows – operating activities

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

	6 months ended 30 June 2023	6 months ended 30 June 2022
	PLN mn	PLN mn
Change in inventories	2.0	0.7
Change in receivables and contract assets	(96.4)	13.1
Change in other non-financial assets	(0.3)	(3.6)
Change in payables and contract liabilities	(2.8)	(42.9)
Change in prepayments and accruals, including capitalized costs of contracts with customers	6.5	16.9
Change in provisions	7.5	(3.7)
Total	(83.5)	(19.5)

6.2. Cash flows – investing activities

In the period of 6 months ended 30 June 2023, the amount of cash flows from investing activities was affected primarily by the following proceeds and expenditures:

	6 months ended 30 June 2023	6 months ended 30 June 2022
	PLN mn	PLN mn
Disposal of property, plant and equipment	3.9	2.6
Acquisition of property, plant and equipment	(18.0)	(19.1)
Acquisition of intangible assets	(1.8)	(3.5)
Expenditures for development projects	(11.8)	(12.2)

The table below presents expenditures for the acquisition of shares in related entities as well as proceeds from the sale of shares in related entities during the period of 6 months ended 30 June 2023:

Name of entity	Expenditures for the acquisition of shares	Proceeds from the sale of shares
	PLN mn	PLN mn
Formula Systems (1985) Ltd	(12.1)	-
Komunikacja Masowa Sp. z o.o.	-	2.0
Asseco Central Europe, a.s.	-	1.9
Eversoft Sp. z o.o.	-	0.1
Total	(12.1)	4.0

The table below presents expenditures for the acquisition of shares as well as proceeds from the sale of shares during the period of 6 months ended 30 June 2022:

Name of entity	Expenditures for the acquisition of shares	Proceeds from the sale of shares
	PLN mn	PLN mn
Asseco South Eastern Europe S.A.	-	4.1
Komunikacja Masowa Sp. z o.o.	-	0.2
Asseco Innovation Fund Sp. z o.o.	(0.2)	-
ComCERT S.A.	(0.3)	-
National Defense Systems S.A.	(0.1)	-
Total	(0.6)	4.3

The following table presents detailed cash flows relating to loans during the period of 6 months ended 30 June 2023:

Name of entity	Loans collected	Loans granted
	PLN mn	PLN mn
Nextbank Software Sp. z o.o. (associated company)	-	(1.2)
Other entities (mainly loans for employees)	0.8	(1.2)
Total	0.8	(2.4)

The following table presents detailed cash flows relating to loans during the period of 6 months ended 30 June 2022:

Name of entity	Loans collected	Loans granted
	PLN mn	PLN mn
Podkarpacki Fundusz Nieruchomości Sp. z o.o.	7.4	-
adesso banking solutions GmbH	-	(0.5)
Other entities (mainly loans for employees)	0.7	(0.7)
Total	8.1	(1.2)

6.3. Cash flows – financing activities

Dividends paid out represent the divided amounting to PLN 290.5 million that was distributed by the Company for the year 2022, which has been described in detail in explanatory note 4.6.

7. Other explanatory notes

7.1. Off-balance-sheet liabilities

The table below presents our contingent liabilities as at 30 June 2023 and 31 December 2022:

Contingent liabilities	30 June 2023	31 December 2022
	PLN mn	PLN mn
Liabilities from guarantees of due performance of contracts		
Liabilities falling due within 3 months	9.6	8.7
Liabilities falling due within 3 to 12 months	32.9	44.8
Liabilities falling due within 1 to 5 years	81.9	79.6
Liabilities falling due after 5 years	5.6	1.4
Total	130.0	134.5

Guarantees of due performance of contracts granted by the Company 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 Company 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 financial statements.

None of the above-described guarantee obligations meet the definition of a financial guarantee under IFRS 9, and therefore they are not recognized as liabilities in the statement of financial position of the Company as at 30 June 2023 nor as at 31 December 2022.

Disputes in litigation as at the end of the reporting period

As at 30 June 2023, the Company was party to two court proceedings initiated by the same customer, in which the total amount in dispute was approx. PLN 13.3 million. The Company's Management assessed the validity of claims brought in court and considered them to be groundless, and consequently assessed the risk of an outflow of economic benefits from the Company to be so small that there was no need to create any provision. In the said disputes, the plaintiff made unjustified demands upon the Company to transfer proprietary software copyrights and extend the licenses granted.

In the second quarter of 2023, the Second Instance Court resolved the first of these disputes dismissing the claim against the Company by an overwhelming margin, as anticipated by our Management. Consequently, there will be no outflow of any significant economic benefits from the Company which confirms that the Management's decision not to create any provision was correct and fully justified. Due to such favourable settlement of the first dispute, the Company has not changed its assessment as to a favourable outcome also in the second dispute, the value of which is PLN 7.1 million.

As at the reporting date, there was also another court dispute pending in which the plaintiff filed a claim for payment of PLN 17.1 million (the 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 30 June 2023. In addition, after the end of the reporting period, Asseco Poland S.A. along with Asseco Data Systems S.A. filed a counter-claim in this case for the payment of compensation for damages incurred as a result of the plaintiff's unjustified withdrawal from the contract.

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

7.2. Seasonal and cyclical business

The Company's operating 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.

7.3. Employment

Number of employees as at:	30 June 2023	31 December 2022
Management Board	11	11
Production departments	2,067	2,002
Sales departments	85	90
Administration departments	336	310
Total	2,499	2,413

7.4. Significant events after the reporting period

- Adoption of a resolution to sell a stake of shares in Podkarpacki Fundusz Nieruchomości Sp. z o.o.

On 22 August 2023, the Management Board of Asseco Poland S.A. adopted a resolution to take action to dispose of 23.38% of shares in Podkarpacki Fundusz Nieruchomości Sp. z o.o. in order to enable voluntary cancellation of shares of that company.

7.5. Significant events related to prior years

Until the date of preparing these interim condensed financial statements for the period of 6 months ended 30 June 2023, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.

**Approval for publication
by the Management Board**

QJSECO

These interim condensed financial statements of Asseco Poland S.A. for the period of 6 months ended 30 June 2023 have been approved for publication by the Management Board of Asseco Poland S.A. on 24 August 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
Vice President
of the Management Board

Paweł Piwowar
Vice President
of the Management Board

Zbigniew Pomianek
Vice President
of the Management Board

Karolina Rzońca-Bajorek
Vice President
of the Management Board

Sławomir Szmytkowski
Vice President
of the Management Board

Artur Wiza
Vice President
of the Management Board

Gabriela Żukowicz
Vice President
of the Management Board

Person responsible for maintaining the accounting books:

Renata Bojdo
Chief Accountant

Technology for business, solutions for people.

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