

Semi-Annual Report of [Asseco Group](#)  
for the period of 6 months ended 30 June 2020

**ASSECO**



Present in  
**58 countries**



**PLN 5,770 million**  
in sales revenues



**26,751** highly  
committed employees



**PLN 176.8 million**  
of net profit  
for Shareholders of  
the Parent Company



**PLN 10,270 million**  
in order backlog for 2020



**PLN 5.9 billion**  
in market capitalization

## Asseco Group

### Semi-Annual Report for the period of 6 months ended 30 June 2020

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# Financial Highlights

## Asseco Group

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

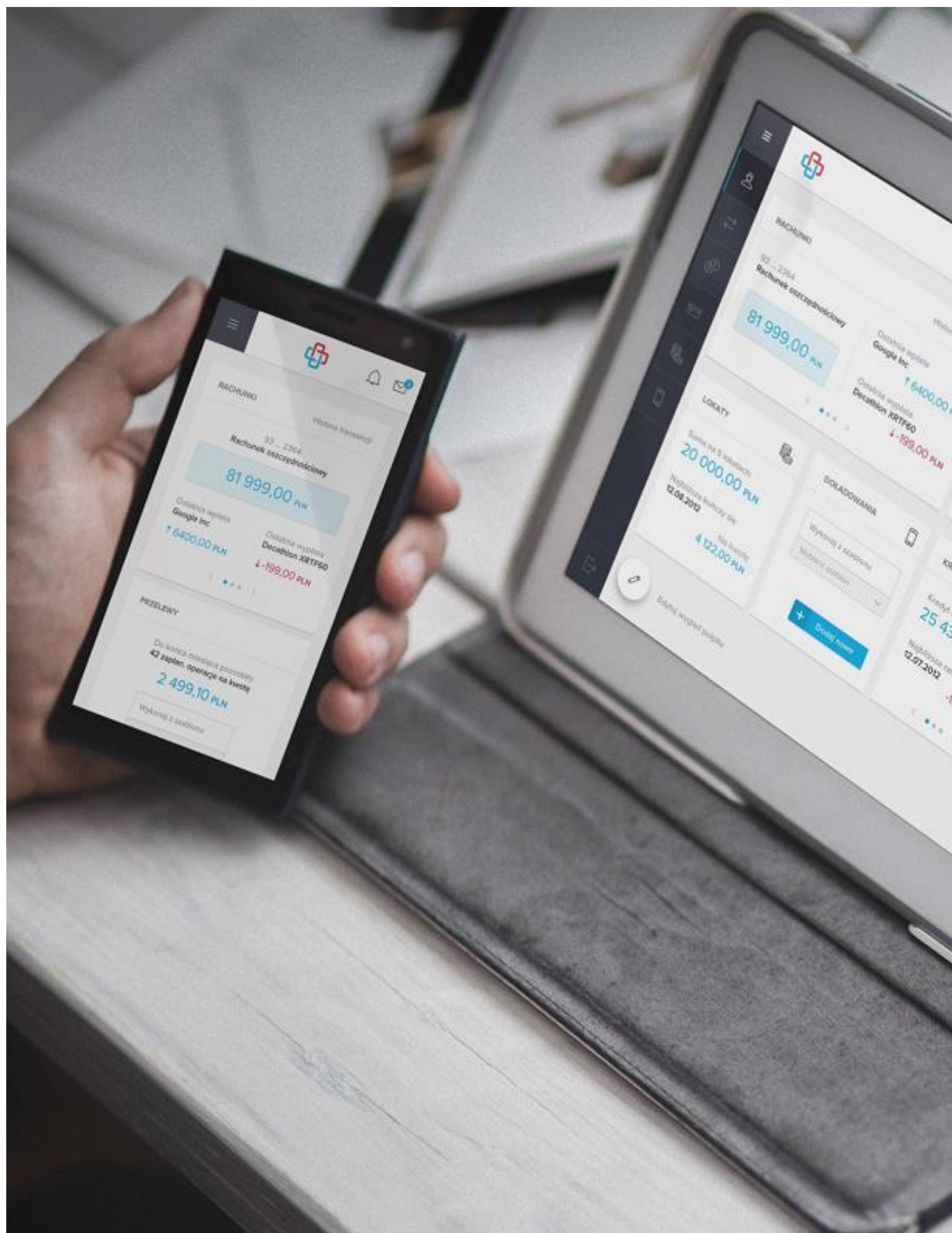
	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN	6 months ended 30 June 2020 mEUR	6 months ended 30 June 2019 mEUR
Operating revenues	5,769.5	4,990.9	1,299.1	1,163.9
Operating profit	553.5	453.6	124.6	105.8
Pre-tax profit before share of profits of associates	502.7	418.0	113.2	97.5
Net profit for the reporting period	388.0	326.6	87.4	76.2
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>176.8</b>	<b>159.7</b>	<b>39.8</b>	<b>37.2</b>
Net cash provided by (used in) operating activities	750.2	429.9	168.9	100.3
Net cash provided by (used in) investing activities	(124.0)	(231.9)	(27.9)	(54.1)
Net cash provided by (used in) financing activities	(350.1)	(130.8)	(78.8)	(30.5)
Cash and short-term deposits (comparable data as at 31 December 2019)	2,489.4	2,153.5	557.4	505.7
Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	2.13	1.92	0.48	0.45
Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	2.13	1.92	0.48	0.45

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 2020 to 30 June 2020: EUR 1 = PLN 4.4413
  - for the period from 1 January 2019 to 30 June 2019: EUR 1 = PLN 4.2880
- 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 30 June 2020: EUR 1 = PLN 4.4660
  - exchange rate effective on 31 December 2019: EUR 1 = PLN 4.2585

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





**Interim Condensed Consolidated Financial  
Statements of [Asseco Group](#)  
for the period of 6 months ended 30 June 2020**

# Interim Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income

## Asseco Group

STATEMENT OF PROFIT AND LOSS	Note	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Operating revenues	5.1	2,850.0	5,769.5	2,538.7	4,990.9
Cost of sales	5.2	(2,229.5)	(4,540.8)	(1,989.3)	(3,912.7)
<b>Gross profit on sales</b>		<b>620.5</b>	<b>1,228.7</b>	<b>549.4</b>	<b>1,078.2</b>
Selling costs	5.2	(142.8)	(290.9)	(132.8)	(263.0)
General and administrative expenses	5.2	(170.6)	(375.7)	(185.2)	(354.1)
<b>Net profit on sales</b>		<b>307.1</b>	<b>562.1</b>	<b>231.4</b>	<b>461.1</b>
Other operating income		3.6	12.5	7.1	19.0
Other operating expenses		(7.3)	(21.1)	(9.6)	(26.5)
<b>Operating profit</b>		<b>303.4</b>	<b>553.5</b>	<b>228.9</b>	<b>453.6</b>
Financial income	5.3	26.7	73.4	10.1	25.4
Financial expenses	5.3	(57.4)	(124.2)	(21.1)	(61.0)
<b>Pre-tax profit before share of profits of associates and joint ventures</b>		<b>272.7</b>	<b>502.7</b>	<b>217.9</b>	<b>418.0</b>
Corporate income tax (current and deferred tax expense)	5.4	(62.0)	(113.7)	(48.2)	(92.0)
Share of profits of associates and joint ventures	6.6	0.8	(1.0)	(0.3)	0.6
<b>Net profit for the reporting period</b>		<b>211.5</b>	<b>388.0</b>	<b>169.4</b>	<b>326.6</b>
<i>Attributable to:</i>					
<b>Shareholders of the Parent Company</b>		<b>95.1</b>	<b>176.8</b>	<b>80.1</b>	<b>159.7</b>
Non-controlling interests	6.7	116.4	211.2	89.3	166.9
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	5.5	1.15	2.13	0.97	1.92
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Net profit for the reporting period</b>		<b>211.5</b>	<b>388.0</b>	<b>169.4</b>	<b>326.6</b>
<i>Components that may be reclassified to profit or loss</i>					
Net gain/loss on valuation of financial assets		0.1	0.1	0.3	0.4
Differences on foreign currency translation of subsidiaries		(105.5)	152.3	(80.6)	(15.6)
<i>Components that will not be reclassified to profit or loss</i>					
Amortization of intangible assets recognized directly in equity		-	-	(2.2)	(2.4)
Actuarial gains/losses		(0.1)	(0.3)	(1.3)	(1.5)
Income tax relating to components of other comprehensive income		(0.3)	0.1	0.6	0.7
<b>Total other comprehensive income</b>		<b>(105.8)</b>	<b>152.2</b>	<b>(83.2)</b>	<b>(18.4)</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>		<b>105.7</b>	<b>540.2</b>	<b>86.2</b>	<b>308.2</b>
<b>Shareholders of the Parent Company</b>		<b>46.4</b>	<b>251.9</b>	<b>44.9</b>	<b>139.6</b>
Non-controlling interests		59.3	288.3	41.3	168.6

# Interim Condensed Consolidated Statement of Financial Position

## Asseco Group

ASSETS	Note	30 June 2020 mPLN	31 Dec. 2019 (*restated) mPLN
<b>Non-current assets</b>			
Property, plant and equipment	<u>6.1</u>	859.1	822.7
Intangible assets	<u>6.2</u>	2,148.9	2,111.5
Right-of-use assets	<u>6.3</u>	731.3	686.6
Investment property		17.4	20.6
Goodwill	<u>6.4</u>	4,744.6	4,563.6
Investments accounted for using the equity method	<u>6.6</u>	156.6	145.0
Other receivables and trade receivables	<u>6.10</u>	90.9	110.3
Deferred tax assets		187.8	177.7
Prepayments and accrued income	<u>6.9</u>	71.7	68.4
Other non-financial assets		-	0.5
Other financial assets	<u>6.8</u>	143.3	142.2
		<b>9,151.6</b>	<b>8,849.1</b>
<b>Current assets</b>			
Inventories	<u>6.11</u>	136.6	122.6
Prepayments and accrued income	<u>6.9</u>	277.8	242.9
Trade receivables	<u>6.10</u>	2,517.8	2,632.4
Contract assets	<u>6.10</u>	328.6	212.6
Corporate income tax receivable	<u>6.10</u>	61.0	71.5
Receivables from the state and local budgets	<u>6.10</u>	31.9	34.5
Other receivables	<u>6.10</u>	61.5	73.4
Other non-financial assets		13.9	12.8
Other financial assets	<u>6.8</u>	73.0	194.8
Cash and bank deposits	<u>6.12</u>	2,489.4	2,153.5
		<b>5,991.5</b>	<b>5,751.0</b>
Non-current assets held for sale		1.3	1.3
<b>Total current assets and assets held for sale</b>		<b>5,992.8</b>	<b>5,752.3</b>
<b>TOTAL ASSETS</b>		<b>15,144.4</b>	<b>14,601.4</b>

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



# Interim Condensed Consolidated Statement of Financial Position

## Asseco Group

		30 June 2020	31 Dec. 2019
EQUITY AND LIABILITIES	Noty		(*restated)
		mPLN	mPLN
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		(173.0)	(171.2)
Differences on foreign currency translation of subsidiaries		83.3	8.2
Retained earnings and other capitals		1,591.8	1,664.8
		5,765.2	5,764.9
Non-controlling interests	6.7	2,342.0	2,218.9
Total equity		8,107.2	7,983.8
Non-current liabilities			
Bank loans, borrowings and debt securities	6.14	1,777.7	1,366.2
Lease liabilities	6.13	530.9	472.3
Other financial liabilities	6.15	174.0	243.9
Deferred tax liabilities		494.7	477.5
Contract liabilities	6.17	82.8	57.7
Accruals	6.19	-	1.9
Other liabilities	6.16	9.2	10.4
Provisions	6.18	93.5	81.9
Deferred income	6.19	54.7	41.0
		3,217.5	2,752.8
Current liabilities			
Bank loans, borrowings and debt securities	6.14	679.7	689.4
Lease liabilities	6.13	199.6	216.7
Other financial liabilities	6.15	296.9	265.1
Trade payables	6.16	852.9	983.5
Contract liabilities	6.17	733.8	627.3
Corporate income tax payable	6.16	81.2	89.5
Liabilities to the state and local budgets	6.16	204.6	231.0
Other liabilities	6.16	382.3	372.8
Provisions	6.18	39.1	39.2
Deferred income	6.19	7.1	9.8
Accruals	6.19	342.5	340.5
		3,819.7	3,864.8
TOTAL LIABILITIES		7,037.2	6,617.6
TOTAL EQUITY AND LIABILITIES		15,144.4	14,601.4

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

# Interim Condensed Consolidated Statement of Changes in Equity

## Asseco Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Differences on foreign currency translation of subsidiaries	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		mPLN	mPLN	mPLN	mPLN	mPLN	mPLN	mPLN	mPLN
<b>As at 1 January 2020 (restated)</b>		<b>83.0</b>	<b>4,180.1</b>	<b>(171.2)</b>	<b>8.2</b>	<b>1,664.8</b>	<b>5,764.9</b>	<b>2,218.9</b>	<b>7,983.8</b>
Net profit for the reporting period		-	-	-	-	176.8	176.8	211.2	388.0
Other comprehensive income for the reporting period		-	-	-	75.1	-	75.1	77.1	152.2
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>75.1</b>	<b>176.8</b>	<b>251.9</b>	<b>288.3</b>	<b>540.2</b>
Dividend for the year 2019	5.6	-	-	-	-	(249.8)	(249.8)	(134.0)	(383.8)
Share-based payment transactions with employees		-	-	-	-	-	-	15.4	15.4
Transactions with non-controlling interests (including liabilities to non-controlling shareholders (put options))		-	-	(1.8)	-	-	(1.8)	(53.8)	(55.6)
Obtaining control over subsidiaries		-	-	-	-	-	-	7.2	7.2
<b>As at 30 June 2020</b>		<b>83.0</b>	<b>4,180.1</b>	<b>(173.0)</b>	<b>83.3</b>	<b>1,591.8</b>	<b>5,765.2</b>	<b>2,342.0</b>	<b>8,107.2</b>

## Interim Condensed Consolidated Statement of Changes in Equity

### Asseco Group

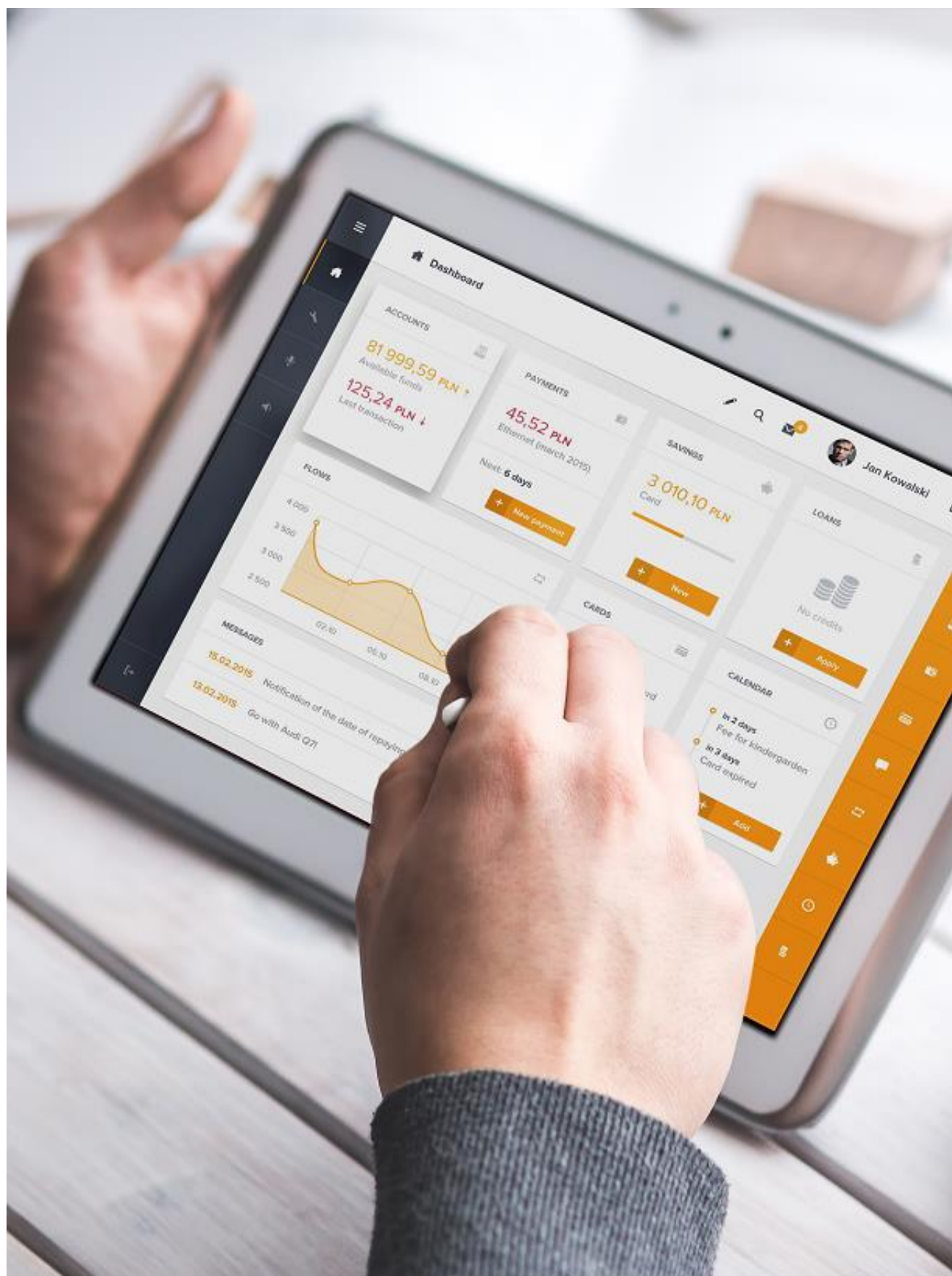
	Share capital	Share premium	Transactions with non-controlling interests	Differences on foreign currency translation of subsidiaries	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	mPLN	mPLN	mPLN	mPLN	mPLN	mPLN	mPLN	mPLN
<b>As at 1 January 2019</b>	<b>83.0</b>	<b>4,180.1</b>	<b>(177.6)</b>	<b>20.3</b>	<b>1,600.2</b>	<b>5,706.0</b>	<b>1,932.6</b>	<b>7,638.6</b>
Net profit for the reporting period	-	-	-	-	159.7	159.7	166.9	326.6
Other comprehensive income for the reporting period	-	-	-	(18.1)	(2.0)	(20.1)	1.7	(18.4)
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18.1)</b>	<b>157.7</b>	<b>139.6</b>	<b>168.6</b>	<b>308.2</b>
Dividend for the year 2018 <u>5.6</u>	-	-	-	-	(254.8)	(254.8)	(113.6)	(368.4)
Share-based payment transactions with employees	-	-	-	-	-	-	11.4	11.4
Transactions with non-controlling interests (including liabilities to non-controlling shareholders (put options))	-	-	17.9	-	-	17.9	53.9	71.8
Loss of control over subsidiaries	-	-	-	-	-	-	(0.7)	(0.7)
Obtaining control over subsidiaries	-	-	-	-	-	-	1.8	1.8
<b>As at 30 June 2019</b>	<b>83.0</b>	<b>4,180.1</b>	<b>(159.7)</b>	<b>2.2</b>	<b>1,503.1</b>	<b>5,608.7</b>	<b>2,054.0</b>	<b>7,662.7</b>

# Interim Condensed Consolidated Statement of Cash Flows

## Asseco Group

	Nota	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
<b>Cash flows – operating activities</b>			
Pre-tax profit before share of profits of associates and joint ventures		502.7	418.0
<b>Total adjustments:</b>		<b>367.3</b>	<b>154.0</b>
Depreciation and amortization		343.1	303.2
Changes in working capital	<u>7.1</u>	(36.7)	(195.8)
Interest income/expenses		37.4	39.5
Gain/loss on foreign currency translation differences		(4.6)	(5.4)
Gain/loss on financial assets (valuation, disposal, impairment)		2.1	(2.3)
Other financial income/expenses		12.0	6.1
Gain/loss on disposal of property, plant and equipment and intangible assets		(1.5)	(1.6)
Costs of share-based payment transactions with employees		10.6	8.9
Gain/loss on disposal of property, plant and equipment and intangible assets		1.2	1.6
Other adjustments to pre-tax profit		3.7	(0.2)
<b>Cash provided by (used in) operating activities</b>		<b>870.0</b>	<b>572.0</b>
Corporate income tax paid		(119.8)	(142.1)
<b>Net cash provided by (used in) operating activities</b>		<b>750.2</b>	<b>429.9</b>
<b>Cash flows – investing activities</b>			
<b>Inflows</b>			
Disposal of property, plant and equipment, intangible assets, and investment property		5.0	18.2
Proceeds from the sale of shares in related entities, less cash and cash equivalents in entities sold		28.0	4.3
Settlement/disposal of financial assets carried at fair value through profit or loss		0.5	0.3
Settlement/disposal of financial assets carried at fair value through other comprehensive income		17.3	-
Disposal of investments in other debt securities carried at amortized cost		12.6	3.5
Disposal of other financial assets		-	9.3
Loans collected	<u>7.2</u>	31.5	31.3
Interest received		4.4	5.3
Dividends received		13.5	1.2
Other cash flows from investing activities		7.1	-
<b>Outflows</b>			
Acquisition of property, plant and equipment, intangible assets (including R&D expenditures), and investment property	<u>7.2</u>	(155.7)	(142.1)
Expenditures for the acquisition of subsidiaries and associates, plus cash and cash equivalents in subsidiaries acquired	<u>7.2</u>	(67.2)	(153.3)
Acquisition/settlement of financial assets carried at fair value through profit or loss		(0.3)	(0.2)
Acquisition/settlement of financial assets carried at fair value through other comprehensive income		(2.1)	(0.5)
Acquisition of investments in other debt securities carried at amortized cost		(1.9)	(4.5)
Loans granted	<u>7.2</u>	(16.7)	(4.3)
Other cash flows from investing activities		-	(0.4)
<b>Net cash provided by (used in) investing activities</b>		<b>(124.0)</b>	<b>(231.9)</b>

<b>Cash flows – financing activities</b>			
<b>Inflows</b>			
Proceeds from the implementation of employee stock option plan		10.3	0.4
Proceeds from bank loans and borrowings	<u>7.3</u>	598.9	429.1
Proceeds from issuance of debt securities	<u>7.3</u>	302.3	311.4
Received grants related to assets and/or development projects		5.6	2.3
<b>Outflows</b>			
Expenditures for the acquisition of non-controlling interests	<u>7.3</u>	(99.8)	(4.6)
Redemption of debt securities	<u>7.3</u>	(103.6)	(80.5)
Repayments of bank loans and borrowings	<u>7.3</u>	(485.0)	(275.4)
Payments of lease liabilities		(114.9)	(99.0)
Interest paid		(42.2)	(39.1)
Dividends paid out by the Parent Company	<u>5.6</u>	(249.8)	(254.8)
Dividends paid out to non-controlling shareholders	<u>6.7</u>	(171.9)	(120.6)
<b>Net cash provided by (used in) financing activities</b>		<b>(350.1)</b>	<b>(130.8)</b>
<b>Net increase in cash and cash equivalents</b>		<b>276.1</b>	<b>67.2</b>
Net foreign currency translation differences		67.6	4.7
Net cash and cash equivalents as at 1 January		2,118.2	1,767.5
<b>Net cash and cash equivalents as at 30 June</b>	<u><b>6.12</b></u>	<b>2,461.9</b>	<b>1,839.4</b>



## 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

<b>Name</b>	Asseco Poland S.A.
<b>Seat</b>	Rzeszów, 14 Olchowa St.
<b>National Court Register number</b>	0000033391
<b>Statistical ID number (REGON)</b>	010334578
<b>Tax Identification Number (NIP)</b>	522-000-37-82
<b>Core business</b>	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. 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.

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

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

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

### 2.1. Basis for preparation

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

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 30 June 2020. 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 2019 which were published on 23 March 2020.

### 2.2. Impact of the COVID-19 epidemic on the Group's business operations

As at the date of publication of these financial statements, based on the current analysis of risks and in particular those arising from the COVID-19 pandemic prevailing in Poland and worldwide, the Management Board concluded that the Group's ability to continue as a going concern over a period not shorter than 12 months from 30 June 2020 is not threatened.

The Group is continuously monitoring how the situation caused by the COVID-19 pandemic affects its member companies. Within its core business during the first half of 2020, the Group has not recorded a material direct impact of the coronavirus on its overall financial position and economic results. However, the epidemiological situation affected the organizational aspect of the Group's operations. As a consequence of actions undertaken by Polish authorities, as well as similar precautions taken by the governments of the countries where the Group companies operate, for the sake of the Group's employees and customers, the Group has made efforts to enable most of our employees to work remotely in order to ensure business continuity and continued provision of IT services to our customers. At the time of publication of this report, apart from Aquapark Sopot and sports clubs, whose activities are not related to the Group's core business, all other companies of our Group operate on an ongoing basis and fulfill their contractual obligations within the deadlines specified in relevant contracts.

Due to the existing circumstances, the Group is trying to minimize the possible negative effects of the pandemic on its future financial results, among others, by reducing selected costs and expenses. At the same time, the Group monitors the current situation in individual sectors of the economy, trying to take advantage of business opportunities in the market of IT products and services, which are also created by the epidemic.

As described in explanatory note 6.5, after a due analysis, the Group currently sees no significant risk of impairment of assets, and especially goodwill. We have also observed no significant changes in the collection of receivables, which is why the calculation of expected credit losses remained almost unchanged. The Group has sufficient financial resources to continue its business operations, including the settlement of current liabilities. The Group has not experienced a negative impact of the epidemic on its financial liquidity and fulfils its obligations under loan agreements and bonds on a timely basis. Some companies from our Group used public aid programs available in the countries where the Group operates, but these were sporadic cases and mostly consisted in deferring the payment deadlines for tax and legal liabilities or using bank loans guaranteed by the state (Asseco Spain, Tecsisa).

For obvious reasons, the Group cannot exclude the possibility that in the long run an undoubtedly negative impact of the pandemic 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; however, it is now impossible to determine to what extent or scale this could occur.

### 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 semi-annual report, is in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (consolidated text: Journal of Laws of 2018, item 757) ("Regulation"), and covers the interim reporting period from 1 January to 30 June 2020 and the comparable period from 1 January to 30 June 2019 in case of the statement of profit and loss and the statement of cash flows, as well as the financial data as at 30 June 2020 and the comparable data as at 31 December 2019 in case of the statement of financial position.

The cumulative data presented for the period of 6 months ended 30 June 2020 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 2020 and for the corresponding period of 2019 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 2020 which were published on 28 May 2020.

### 2.4. Functional currency and presentation currency

The presentation currency of these interim condensed consolidated financial statements is the Polish zloty (PLN), and all figures are presented in millions of PLN (mPLN), 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 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 'Differences on foreign currency translation of subsidiaries'.

### 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 2.4 of section 'Basis for the preparation of financial statements' contained in the Group's consolidated financial statements for the year ended 31 December 2019 which were published on 23 March 2020. As stated in the aforementioned report, the judgment regarding the exercise of control over Formula Group was to a large extent based on the fact of concluding an agreement between the Parent Company and Mr. Guy Bernstein, CEO and the second largest shareholder in Formula. The agreement was concluded for

a period of 36 months with the possibility of being automatically extended for subsequent 12-month periods (automatic renewal). Taking into account its original 36-month effective period, the agreement shall continue in effect for less than 2 months from the date of publication of these consolidated financial statements; however, the 6-month period of notice, during which the agreement could have been terminated, has already passed. This means there is no reason to doubt that on 11 October 2020 the said agreement will be automatically extended for 12 consecutive months. During the periods of automatic renewal, either of the parties may terminate the agreement at least 6 months before expiry of the ongoing 12-month extension period.

Hence, in the period covered by these interim condensed consolidated financial statements as well as at 30 June 2020, 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.

Moreover, the Group has analyzed its relationships with other related entities and upheld the conclusion that, in accordance with IFRS 10, it maintains control over Asseco Resovia S.A. and Gdynski Klub Koszykówki Arka S.A. Such conclusion is based on the indications set out in the above-referred section of the consolidated financial statements of the Group for the year ended 31 December 2019.

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 6 months ended 30 June 2020.

## *ii. Estimates*

In the period of 6 months ended 30 June 2020, 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 6 in the consolidated financial statements of Asseco Group for the year ended 31 December 2019.

### *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 2019 which were published on 23 March 2020, except for the adoption of new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2020.

New standards or amendments effective from 1 January 2020:

- Amendments to IFRS 3: 'Definition of a Business';
- Amendments to IFRS 7, IFRS 9 and IAS 39: 'Interest Rate Benchmark Reform';
- Amendments to IAS 1 and IAS 8: 'Definition of Materiality';
- 'Conceptual Framework for Financial Reporting' issued on 29 March 2018.

The amended standards and interpretations that became effective starting from 2020 have had no significant impact of the interim condensed consolidated financial statements of the Group.

## 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;
- IFRS 17 'Insurance Contracts' (issued on 18 May 2017) – 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 2021;
- Amendments to IAS 1 'Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current' (issued on 23 January 2020) – not yet endorsed by the EU till the date of approval of these financial statements – the effective date of these amendments has not yet been determined.
- Amendments to IFRS 3 'Reference to the Conceptual Framework' (issued on 14 May 2020) – 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 2022;
- Amendments to IAS 16 'Property, Plant and Equipment – Proceeds before Intended Use' (issued on 14 May 2020) – 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 2022;
- Amendments to IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract' (issued on 14 May 2020) – 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 2022;
- Annual Improvements to IFRS Standards 2018-2020 (issued on 14 May 2020) – 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 2022;
- Amendment to IFRS 16 'Leases – Covid-19-Related Rent Concessions' (issued on 18 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 June 2020; Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020;
- Amendments to IFRS 4 'Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9' (issued on 25 June 2020) – 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 2021.

The specified effective dates have been set forth in the standards published by the International Accounting Standards Board. The actual dates of adopting these standards in the European Union may differ from those set forth in the standards and they shall be announced once they are approved for application by the European Union.

The Group did not decide on early adoption of any standard, interpretation or amendment which has been published but has not yet become effective in accordance with the EU regulations. 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. Corrections of material errors

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

## 2.9. Restatement of comparable data

In 2020, the Group changed the purchase price allocation of five companies that were acquired in 2019: Unique Software Industries (a company acquired within Michpal Group, included in the Formula Systems segment), Tecsis (the Asseco International segment), as well as SONET společnost, SONET Slovakia and Monri Group (companies acquired within ASEE Group, included in the Asseco International segment). These events resulted in changing the values of some assets and liabilities disclosed as at 31 December 2019, which necessitated a restatement of comparable data.

The impact of the said changes on the comparable data has been presented in the table below.

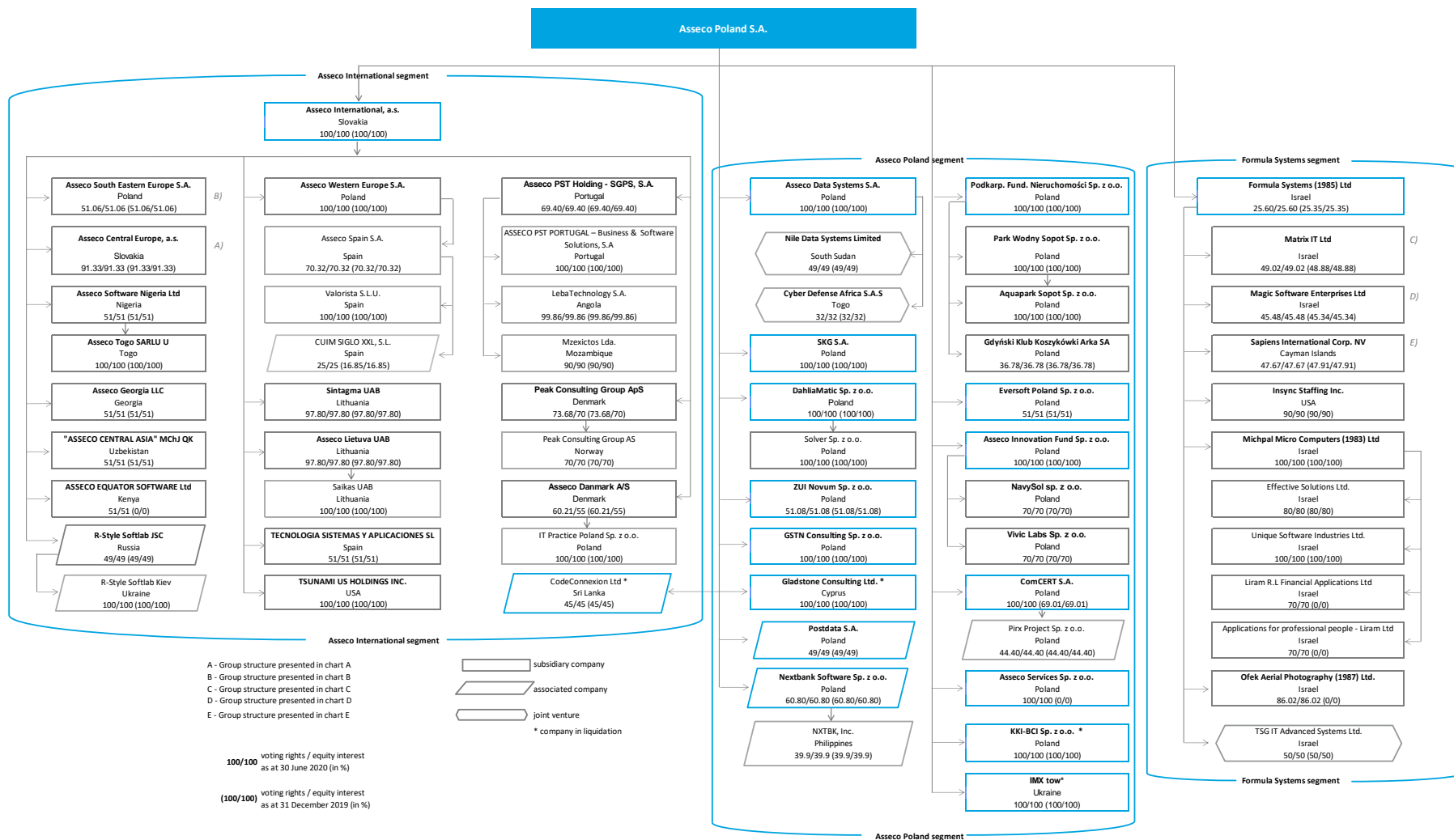
Restatement of the statement of financial position as at 31 December 2019	31 Dec. 2019 mPLN	Change of purchase price allocation within Michpal Group (Formula segment) mPLN	Change of purchase price allocation of Tecsis (Asseco International segment) mPLN	Change of purchase price allocation within ACE Group (Asseco International segment) mPLN	31 Dec. 2019 (restated) mPLN
<b>Non-current assets</b>	<b>8,845.6</b>	<b>0.6</b>	<b>0.5</b>	<b>2.4</b>	<b>8,849.1</b>
Property, plant and equipment	822.7	-	-	-	822.7
Intangible assets	2,095.5	(0.9)	7.0	9.9	2,111.5
Right-of-use assets	686.6	-	-	-	686.6
Investment property	20.6	-	-	-	20.6
Goodwill	4,576.1	1.5	(6.5)	(7.5)	4,563.6
Investments accounted for using the equity method	145.0	-	-	-	145.0
Other receivables and trade receivables	110.3	-	-	-	110.3
Deferred tax assets	177.7	-	-	-	177.7
Prepayments and accrued income	68.4	-	-	-	68.4
Other non-financial assets	0.5	-	-	-	0.5
Other financial assets	142.2	-	-	-	142.2
<b>Current and non-current assets held for sale</b>	<b>5,752.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,752.3</b>
<b>TOTAL ASSETS</b>	<b>14,597.9</b>	<b>0.6</b>	<b>0.5</b>	<b>2.4</b>	<b>14,601.4</b>
<b>Total equity</b>	<b>7,981.0</b>	<b>-</b>	<b>2.3</b>	<b>0.5</b>	<b>7,983.8</b>
Equity (attributable to shareholders of the Parent Company)	5,762.4	-	2.3	0.2	5,764.9
Non-controlling interests	2,218.6	-	-	0.3	2,218.9
<b>Non-current liabilities</b>	<b>2,752.3</b>	<b>0.6</b>	<b>(2.0)</b>	<b>1.9</b>	<b>2,752.8</b>
Bank loans, borrowings and debt securities	1,366.2	-	-	-	1,366.2
Lease liabilities	472.3	-	-	-	472.3
Other financial liabilities	246.9	0.8	(3.8)	-	243.9
Deferred tax liabilities	474.0	(0.2)	1.8	1.9	477.5
Contract liabilities	57.7	-	-	-	57.7
Accruals	1.9	-	-	-	1.9
Other liabilities	10.4	-	-	-	10.4
Provisions	81.9	-	-	-	81.9
Deferred income	41.0	-	-	-	41.0



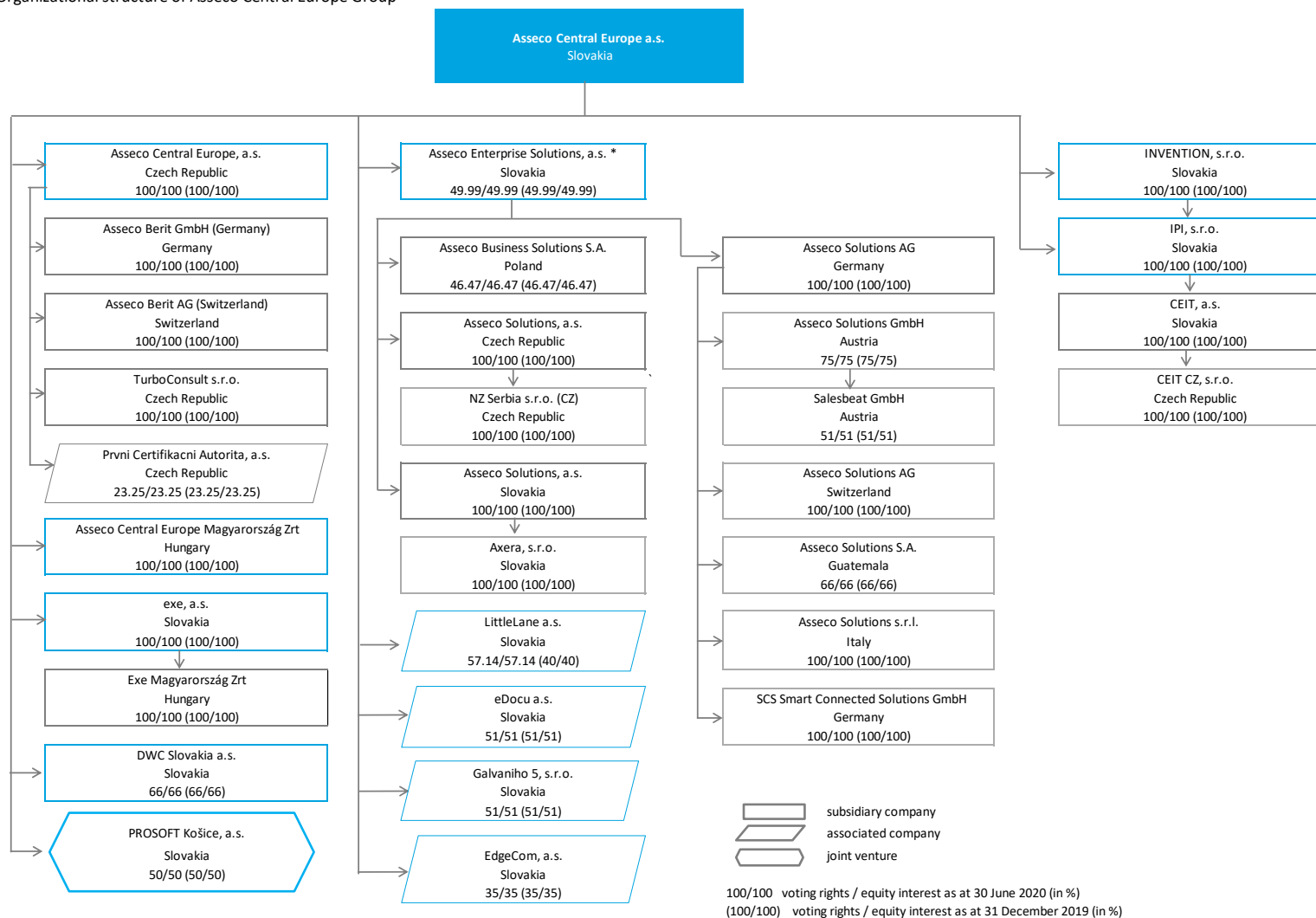
<b>Current liabilities</b>	<b>3,864.6</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>3,864.8</b>
Bank loans, borrowings and debt securities	689.4	-	-	-	689.4
Lease liabilities	216.7	-	-	-	216.7
Financial liabilities	264.9	-	0.2	-	265.1
Trade payables	983.5	-	-	-	983.5
Contract liabilities	627.3	-	-	-	627.3
Corporate income tax payable	89.5	-	-	-	89.5
Liabilities to the state and local budgets	231.0	-	-	-	231.0
Other liabilities	372.8	-	-	-	372.8
Provisions	39.2	-	-	-	39.2
Deferred income	9.8	-	-	-	9.8
Accruals	340.5	-	-	-	340.5
<b>TOTAL LIABILITIES</b>	<b>6,616.9</b>	<b>0.6</b>	<b>(1.8)</b>	<b>1.9</b>	<b>6,617.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>14,597.9</b>	<b>0.6</b>	<b>0.5</b>	<b>2.4</b>	<b>14,601.4</b>

### 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 30 June 2020 and 31 December 2019 are disclosed under the name of each company):

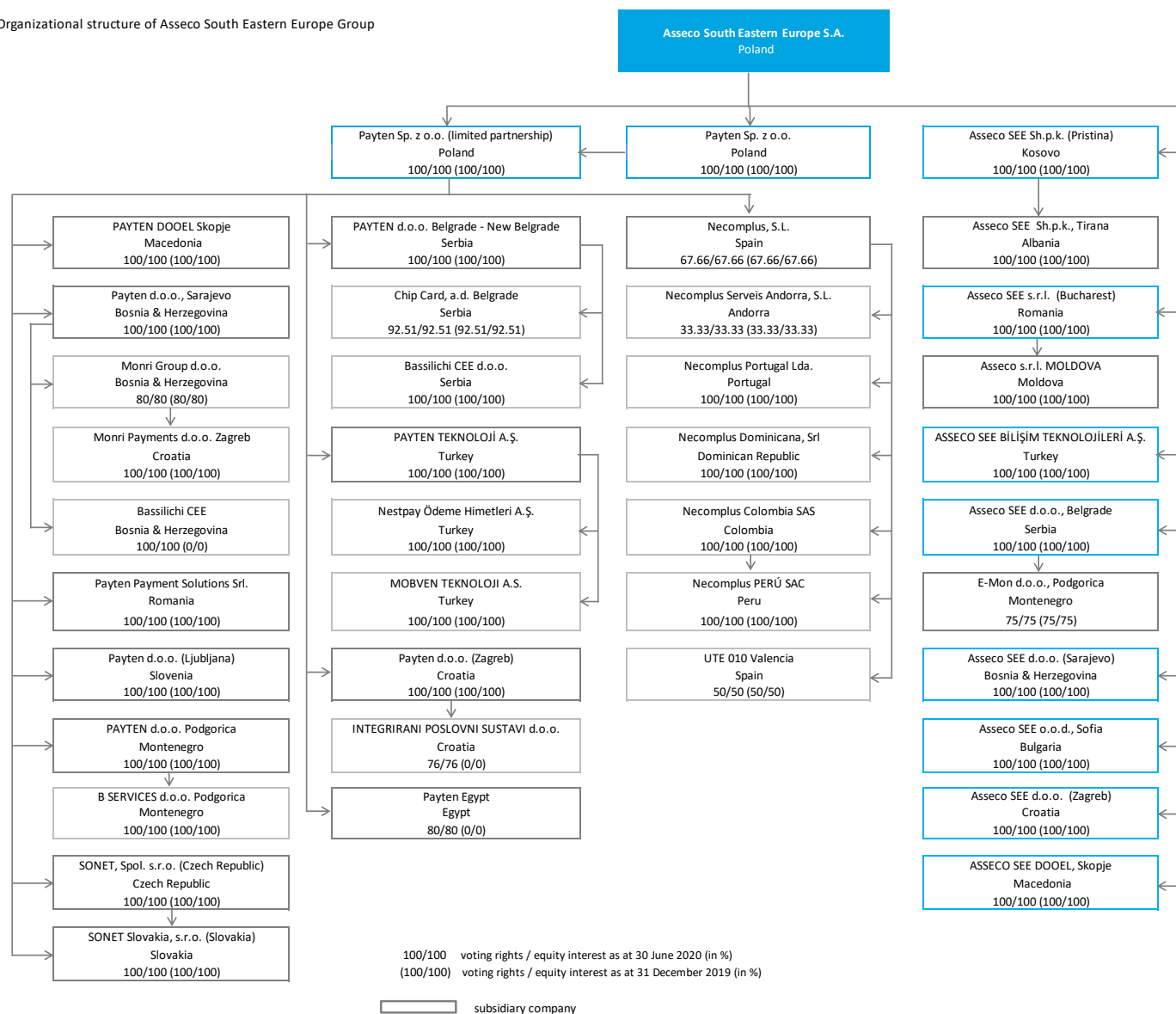


# A. Organizational structure of AssecO Central Europe Group

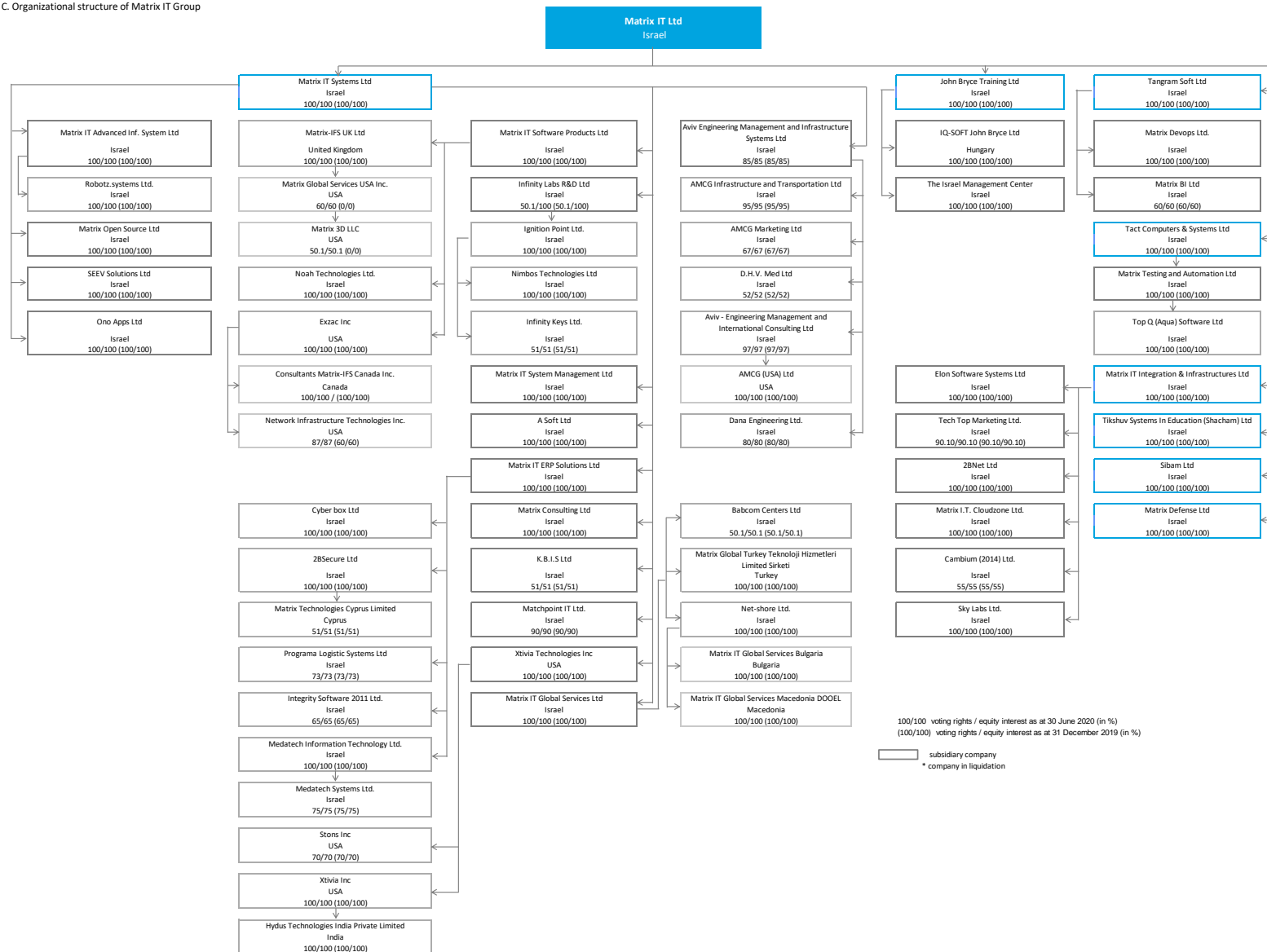


\* AssecO Central Europe, a.s. holds 49.999999% of shares in AssecO Enterprise Solutions, while the remaining 50.000001% of shares are held by AssecO International, a.s. AssecO Central Europe, a.s. maintains direct control over AssecO Enterprise Solutions, a.s.

B. Organizational structure of Asseco South Eastern Europe Group



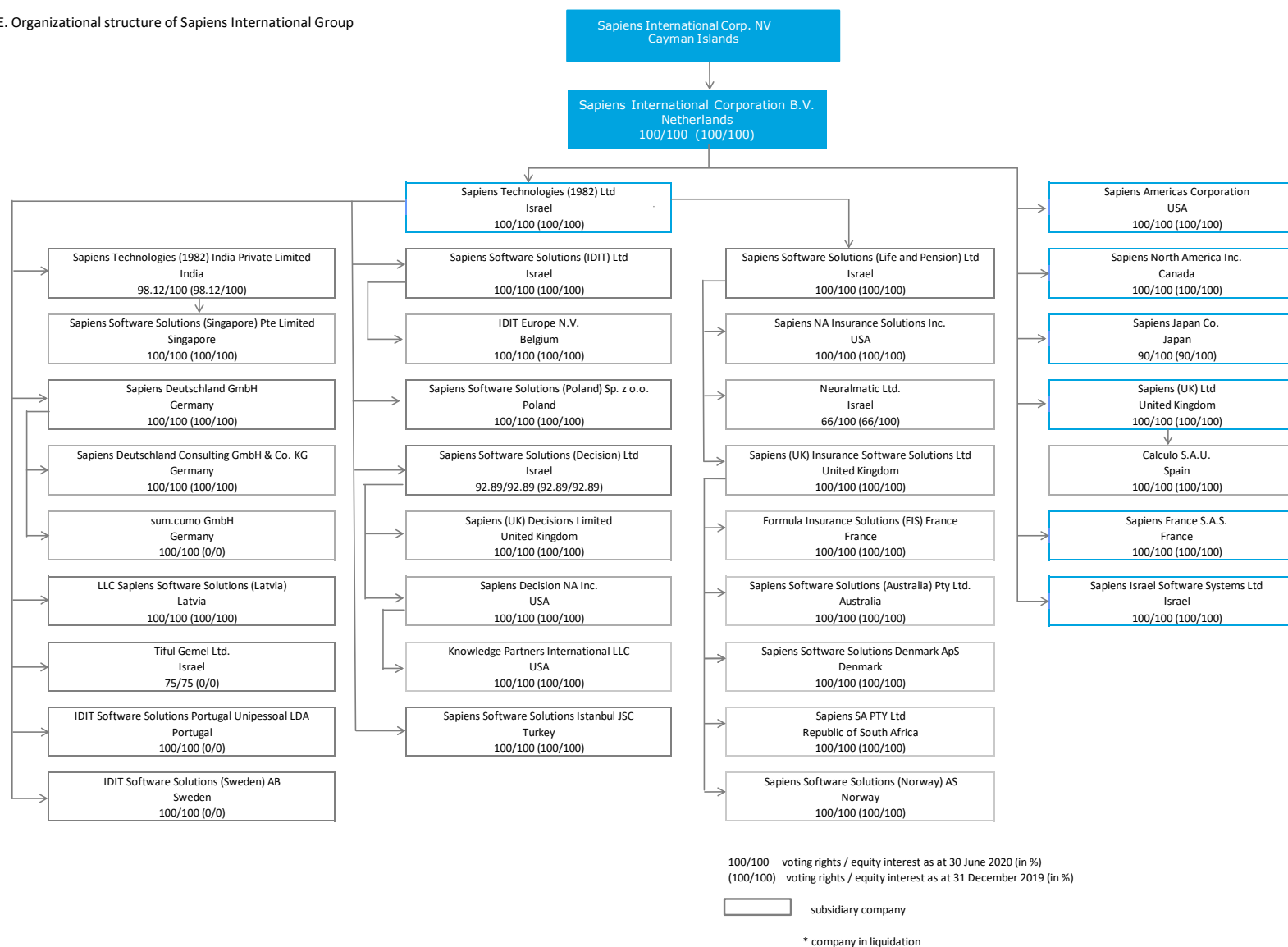
C. Organizational structure of Matrix IT Group







E. Organizational structure of Sapiens International Group



During the period of 6 months ended 30 June 2020, 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 the Group's equity
<b>Change of shareholdings in companies</b>			
Asseco Poland S.A. increased its equity interest in ComCERT S.A.	16 June 2020	100%	(0.8) mPLN
<b>Establishing of new companies</b>			
Asseco Poland S.A. established the company Asseco Services Sp. z o.o.	18 March 2020	100%	-

### Asseco International segment

Changes within the Asseco International segment	Date of transaction	Percentage of voting rights after transaction	Impact on the Group's equity
<b>Acquisition of shares in new companies</b>			
<b>Detailed information on transactions is presented in explanatory note 6.4 to these consolidated financial statements.</b>			
Payten d.o.o., Sarajevo acquired shares in Bassilichi CEE	20 January 2020	100%	-
Payten d.o.o. (Zagreb) acquired shares in INTEGRIRANI POSLOVNI SUSTAVI d.o.o.	4 June 2020	76%	-
<b>Change of shareholdings in companies</b>			
Asseco South Eastern Europe S.A. contributed shares in the company Payten Teknoloji A.Ş. to Payten Sp. z o.o. (limited partnership). This transaction consisted in making a non-cash contribution of an investment in one subsidiary to another subsidiary company of Asseco South Eastern Europe S.A. and therefore it had no impact on the financial position and financial results of the Group.	20 March 2020	n/a	-
Asseco Spain S.A. increased its equity interest in CUIM SIGLO XXL, S.L.	4 June 2020	25%	-
Asseco Central Europe a.s. increased its equity interest in LittleLane a.s.	8 June 2020	57.14%	-
Asseco South Eastern Europe S.A. contributed shares in the company Payten d.o.o., Novi Beograd to Payten Sp. z o.o. (limited partnership). This transaction consisted in making a non-cash contribution of an investment in one subsidiary to another subsidiary company of Asseco South Eastern Europe S.A. and therefore it had no impact on the financial position and financial results of the Group.	26 June 2020	n/a	-
<b>Establishing of new companies</b>			
Payten Sp. z o.o. (limited partnership) established the company Payten Egypt	26 January 2020	80%	-
Asseco International, a.s. established the company ASSECO EQUATOR SOFTWARE Ltd	29 May 2020	51%	-

**Formula Systems segment**

Changes within the Formula Systems segment	Date of transaction	Percentage of voting rights after transaction	Impact on the Group's equity
<b>Acquisition of shares in new companies</b>			
<b>Detailed information on transactions is presented in explanatory note 6.4 to these consolidated financial statements.</b>			
Sapiens Deutschland GmbH acquired shares in sum.cumo GmbH	5 February 2020	100%	-
Formula Systems (1985) Ltd acquired shares in Ofek Aerial Photography (1987) Ltd.	12 March 2020	86.02%	-
Coretech Consulting Group LLC acquired shares in Aptonet Inc.	1 May 2020	100%	-
Michpal Micro Computers (1983) Ltd. acquired shares in Liram R.L Financial Applications Ltd	12 May 2020	70%	-
Michpal Micro Computers (1983) Ltd. acquired shares in Applications for professional people – Liram Ltd	12 May 2020	70%	-
Sapiens Technologies (1982) Ltd acquired shares in Tiful Gemel Ltd	1 June 2020	75%	-
Magic Benelux B.V. acquired shares in Magic Hands B.V.	1 June 2020	100%	-
<b>Change of shareholdings in companies</b>			
Exzac Inc. increased its equity interest in Network Infrastructure Technologies Inc.	16 January 2020	87%	(0.1) mPLN
Magic Software Enterprises Ltd increased its equity interest in Roshtov Software Industries Ltd.	19 January 2020	80%	3.9 mPLN
Magic Software Enterprises Ltd increased its equity interest in Comblack IT Ltd	15 April 2020	80.18%	0.5 mPLN
Asseco Poland S.A. increased its equity interest in Formula Systems (1985) Ltd	1 <sup>st</sup> half of 2020	25.60%	(4.5) mPLN
Formula Systems (1985) Ltd increased its equity interest in Matrix IT Ltd	1 <sup>st</sup> half of 2020	49.02%	(1.0) mPLN
Formula Systems (1985) Ltd increased its equity interest in Magic Software Enterprises Ltd	1 <sup>st</sup> half of 2020	45.48%	(0.5) mPLN
Formula Systems (1985) Ltd decreased its equity interest in Sapiens International Corp. NV	1 <sup>st</sup> half of 2020	47.67%	0.8 mPLN
<b>Merger of companies</b>			
Merger of Alius Corp. with Exzac Inc. (as the taking-over company)	12 May 2020	n/a	-
<b>Establishing of new companies</b>			
Matrix-IFS UK Ltd established the company Matrix Global Services USA Inc.	21 January 2020	60%	-
Matrix Global Services USA Inc. established the company Matrix 3D LLC	29 January 2020	50.1%	-
Sapiens Technologies (1982) Ltd established the company IDIT Software Solutions (Sweden) AB	12 February 2020	100%	-
Sapiens Technologies (1982) Ltd established the company IDIT Software Solutions Portugal Unipessoal LDA	2 June 2020	100%	-
<b>Liquidation of companies</b>			
Liquidation of Matrix Nit	24 February 2020	-	-
Commencement of the liquidation process of F.T.S. Bulgaria Ltd	1 <sup>st</sup> quarter of 2020	n/a	-

#### 4. Information on operating segments

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

**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, DahliaMatic, ZUI Novum, SKG, ComCERT, and GSTN Consulting. 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.

**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.

**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 6 months ended 30 June 2020.

Selected data from the statement of profit and loss and the cash flow statement for the period of 6 months ended 30 June 2020, in a breakdown to operating segments:

6 months ended 30 June 2020	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
	mPLN	mPLN	mPLN	mPLN	mPLN
<b>Revenues from external customers</b>	<b>636.4</b>	<b>1,500.2</b>	<b>3,632.9</b>	<b>-</b>	<b>5,769.5</b>
Inter-segment transactions	3.0	3.3	5.4	(11.7)	-
Total operating revenues of segment	639.4	1,503.5	3,638.3	(11.7)	5,769.5
<b>Operating profit/loss of segment</b>	<b>94.8</b>	<b>172.6</b>	<b>287.4</b>	<b>(1.3)</b>	<b>553.5</b>
Interest income <sup>1)</sup>	1.9	3.9	1.5	-	<b>7.3</b>
Interest expenses <sup>2)</sup>	(2.1)	(4.8)	(37.7)	0.3	<b>(44.3)</b>
<b>Corporate income tax</b>	<b>(20.4)</b>	<b>(34.2)</b>	<b>(59.1)</b>	<b>-</b>	<b>(113.7)</b>
<b>Non-cash items:</b>					
Depreciation and amortization (as disclosed in the cash flow statement)	(46.1)	(86.0)	(211.9)	0.9	<b>(343.1)</b>
of which amortization of intangible assets recognized in purchase price allocation (PPA)	(8.1)	(6.9)	(95.7)	-	<b>(110.7)</b>
Costs of share-based payment transactions with employees (SBP)	-	(0.7)	(9.9)	-	<b>(10.6)</b>
Recognition/reversal of impairment losses on segment's assets	(3.1)	(4.1)	(5.2)	-	<b>(12.4)</b>
Share of profits of associates and joint ventures	(1.4)	(1.0)	1.4	-	<b>(1.0)</b>
<b>Net profit/loss attributable to shareholders of the Parent Company</b>	<b>69.2</b>	<b>89.2</b>	<b>19.3</b>	<b>(0.9)</b>	<b>176.8</b>
<b>Cash provided by (used in) operating activities</b>	<b>124.7</b>	<b>159.3</b>	<b>586.9</b>	<b>(0.9)</b>	<b>870.0</b>

<sup>1)</sup> Interest income on loans granted, debt securities, leases, trade receivables, and bank deposits

<sup>2)</sup> Interest expenses on bank loans, borrowings, debt securities, leases, and trade payables

<sup>3)</sup> Cash generated from operating activities before income tax paid

Selected data from the statement of financial position as at 30 June 2020, in a breakdown to operating segments:

30 June 2020	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
	mPLN	mPLN	mPLN	mPLN	mPLN
<b>Non-current assets</b>	<b>3,299.7</b>	<b>2,272.0</b>	<b>3,598.4</b>	<b>(18.5)</b>	<b>9,151.6</b>
of which goodwill	2,260.6	1,469.2	1,014.8	-	4,744.6
<b>Current assets</b>	<b>561.4</b>	<b>1,372.6</b>	<b>4,066.4</b>	<b>(7.6)</b>	<b>5,992.8</b>
<i>including:</i>					
trade receivables and contract assets	327.7	643.3	1,882.2	(6.8)	2,846.4
cash and cash equivalents	136.1	519.2	1,834.1	-	2,489.4
<b>Non-current liabilities</b>	<b>200.6</b>	<b>367.6</b>	<b>2,666.6</b>	<b>(17.3)</b>	<b>3,217.5</b>
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	-	112.2	1,665.5	-	1,777.7
lease liabilities	67.7	134.7	342.9	(14.4)	530.9
<b>Current liabilities</b>	<b>267.3</b>	<b>992.2</b>	<b>2,567.8</b>	<b>(7.6)</b>	<b>3,819.7</b>
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	0.6	103.9	575.2	-	679.7
lease liabilities	19.6	57.0	124.7	(1.7)	199.6
trade payables and contract liabilities	142.2	445.2	1,004.1	(4.8)	1,586.7

Selected data from the statement of profit and loss and the cash flow statement for the period of 6 months ended 30 June 2019, in a breakdown to operating segments:

6 months ended 30 June 2019	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
	mPLN	mPLN	mPLN	mPLN	mPLN
<b>Revenues from external customers</b>	<b>597.7</b>	<b>1,346.2</b>	<b>3,047.0</b>	<b>-</b>	<b>4,990.9</b>
Inter-segment transactions	6.0	-	6.3	(12.3)	-
Total operating revenues of segment	603.7	1,346.2	3,053.3	(12.3)	4,990.9
<b>Operating profit/loss of segment</b>	<b>87.4</b>	<b>150.8</b>	<b>214.4</b>	<b>1.0</b>	<b>453.6</b>
Interest income <sup>1)</sup>	2.7	3.6	2.2	-	8.5
Interest expenses <sup>2)</sup>	(3.1)	(3.8)	(31.0)	0.1	(37.8)
<b>Corporate income tax</b>	<b>(15.9)</b>	<b>(33.8)</b>	<b>(42.3)</b>	<b>-</b>	<b>(92.0)</b>
<b>Non-cash items:</b>					
Depreciation and amortization (as disclosed in the cash flow statement)	(46.2)	(70.4)	(188.5)	1.9	(303.2)
of which amortization of intangible assets recognized in purchase price allocation (PPA)	(8.4)	(4.5)	(89.3)	-	(102.2)
Costs of share-based payment transactions with employees (SBP)	-	(1.5)	(7.4)	-	(8.9)
Recognition/reversal of impairment losses on segment's assets	(0.1)	(4.1)	(0.5)	-	(4.7)
Share of profits of associates and jointly controlled entities	(0.4)	(3.2)	4.2	-	0.6
<b>Net profit/loss attributable to the Parent Company</b>	<b>68.8</b>	<b>74.9</b>	<b>14.8</b>	<b>1.2</b>	<b>159.7</b>
<b>Cash provided by (used in) operating activities <sup>3)</sup></b>	<b>95.0</b>	<b>123.8</b>	<b>353.7</b>	<b>(0.5)</b>	<b>572.0</b>

<sup>1)</sup> Interest income on loans granted, debt securities, finance leases, trade receivables, and bank deposits

<sup>2)</sup> Interest expenses on bank loans, borrowings, debt securities, finance leases, and trade payables

<sup>3)</sup> Cash generated from operating activities before income tax paid

Selected data from the statement of financial position as at 31 December 2019, in a breakdown to operating segments:

31 Dec. 2019	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
(restated)	mPLN	mPLN	mPLN	mPLN	mPLN
<b>Non-current assets</b>	<b>3,319.9</b>	<b>2,213.5</b>	<b>3,332.7</b>	<b>(17.0)</b>	<b>8,849.1</b>
of which goodwill	2,260.6	1,420.8	882.2	-	4,563.6
<b>Current assets</b>	<b>640.5</b>	<b>1,384.2</b>	<b>3,741.3</b>	<b>(13.7)</b>	<b>5,752.3</b>
<i>including:</i>					
trade receivables and contract assets	327.7	609.8	1,913.8	(6.3)	2,845.0
cash and cash equivalents	215.2	546.7	1,391.6	-	2,153.5
<b>Non-current liabilities</b>	<b>178.8</b>	<b>413.9</b>	<b>2,174.6</b>	<b>(14.5)</b>	<b>2,752.8</b>
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	-	86.0	1,280.2	-	1,366.2
lease liabilities	62.1	140.9	281.5	(12.2)	472.3
<b>Current liabilities</b>	<b>306.4</b>	<b>940.3</b>	<b>2,632.9</b>	<b>(14.8)</b>	<b>3,864.8</b>
<i>including:</i>					
liabilities under bank loans, borrowings and debt securities	-	92.6	596.8	-	689.4
lease liabilities	31.6	51.0	135.5	(1.4)	216.7
trade payables	154.9	488.4	973.8	(6.3)	1,610.8



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

### 5.1. Structure of operating revenues

Operating revenues generated during the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods were as follows:

	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
<b>Operating revenues by type of products</b>				
Proprietary software and services	2,298.8	4,652.7	2,092.8	4,074.0
Third-party software and services	207.1	393.9	183.4	358.3
Hardware and infrastructure	344.1	722.9	262.5	558.6
<b>Total</b>	<b>2,850.0</b>	<b>5,769.5</b>	<b>2,538.7</b>	<b>4,990.9</b>
<b>Operating revenues by sectors</b>				
Banking and Finance	1,068.6	2,130.8	1,023.4	1,980.7
General Business	1,117.9	2,270.6	921.8	1,842.8
Public Institutions	663.5	1,368.1	593.5	1,167.4
<b>Total operating revenues</b>	<b>2,850.0</b>	<b>5,769.5</b>	<b>2,538.7</b>	<b>4,990.9</b>

#### i. Breakdown of segment revenues by type of products

Operating revenues of individual segments generated by type of products during the period of 6 months ended 30 June 2020 and in the comparable period were as follows:

	Asseco Poland segment mPLN	Asseco International segment mPLN	Formula Systems segment mPLN	Eliminations mPLN	Total mPLN
<b>6 months ended 30 June 2020</b>					
Proprietary software and services	561.2	1,009.5	3,091.4	(9.4)	<b>4,652.7</b>
Third-party software and services	58.9	175.6	161.7	(2.3)	<b>393.9</b>
Hardware and infrastructure	19.3	318.4	385.2	-	<b>722.9</b>
<b>Total operating revenues</b>	<b>639.4</b>	<b>1,503.5</b>	<b>3,638.3</b>	<b>(11.7)</b>	<b>5,769.5</b>

	Asseco Poland segment mPLN	Asseco International segment mPLN	Formula Systems segment mPLN	Eliminations mPLN	Total mPLN
<b>6 months ended 30 June 2019</b>					
Proprietary software and services	533.6	916.2	2,633.3	(9.1)	<b>4,074.0</b>
Third-party software and services	42.8	178.3	141.6	(4.4)	<b>358.3</b>
Hardware and infrastructure	27.3	251.7	278.4	1.2	<b>558.6</b>
<b>Total operating revenues</b>	<b>603.7</b>	<b>1,346.2</b>	<b>3,053.3</b>	<b>(12.3)</b>	<b>4,990.9</b>

*ii. Breakdown of segment operating revenues by sectors*

Operating revenues of individual segments generated by sectors during the period of 6 months ended 30 June 2020 and in the comparable period were as follows:

	Asseco Poland segment mPLN	Asseco International segment mPLN	Formula Systems segment mPLN	Eliminations mPLN	Total mPLN
<b>6 months ended 30 June 2020</b>					
Banking and Finance	214.8	498.0	1,423.5	(5.5)	2,130.8
General Business	143.1	689.5	1,441.7	(3.7)	2,270.6
Public Institutions	281.5	316.0	773.1	(2.5)	1,368.1
<b>Total operating revenues</b>	<b>639.4</b>	<b>1,503.5</b>	<b>3,638.3</b>	<b>(11.7)</b>	<b>5,769.5</b>

	Asseco Poland segment mPLN	Asseco International segment (restated) mPLN	Formula Systems segment mPLN	Eliminations mPLN	Total (restated) mPLN
<b>6 months ended 30 June 2019</b>					
Banking and Finance	220.4	469.9	1,298.3	(7.9)	1,980.7
General Business	155.4	577.8	1,114.7	(5.1)	1,842.8
Public Institutions	227.9	298.5	640.3	0.7	1,167.4
<b>Total operating revenues</b>	<b>603.7</b>	<b>1,346.2</b>	<b>3,053.3</b>	<b>(12.3)</b>	<b>4,990.9</b>

*iii. Breakdown of operating revenues by countries in which they were generated*

	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Israel	2,215.2	1,874.6
USA	974.4	809.4
Poland	737.8	699.0
Spain	266.6	225.2
Slovakia	201.8	207.1
Czech Republic	164.3	163.6
Germany	142.2	106.6
Serbia	125.7	105.9
Denmark	114.5	92.7
United Kingdom	110.6	102.4
Other countries	716.4	604.4
<b>Total operating revenues</b>	<b>5,769.5</b>	<b>4,990.9</b>

iv. Revenues from contracts with customers within total operating revenues

	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
<b>Revenues from contracts with customers recognized in accordance with IFRS 15, of which:</b>	<b>5,720.3</b>	<b>4,951.3</b>
<b>From goods and services transferred at a specific point in time</b>	<b>1,029.3</b>	<b>946.5</b>
Asseco Poland segment	38.6	65.7
Asseco International segment	487.2	488.9
Formula Systems segment	506.6	396.3
Intragroup transactions	(3.1)	(4.4)
<b>From goods and services transferred over the passage of time</b>	<b>4,691.0</b>	<b>4,004.8</b>
Asseco Poland segment	600.8	538.0
Asseco International segment	967.2	817.7
Formula Systems segment	3,131.6	2,657.0
Intragroup transactions	(8.6)	(7.9)
<b>Other operating revenues (mainly from leases)*</b>	<b>49.2</b>	<b>39.6</b>
<b>Total operating revenues</b>	<b>5,769.5</b>	<b>4,990.9</b>

\*Other operating revenues are related entirely to the Asseco International segment.

Other operating revenues disclosed in the table above, which are not recognized in accordance with IFRS 15, represent primarily revenues generated by the Asseco International segment (and in particular by Asseco South Eastern Europe Group) from the provision of ATM and POS terminal outsourcing services. Such contracts are treated as operating leases.

## 5.2. Structure of operating costs

The table below presents operating costs incurred in the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods.

Operating costs	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Cost of goods, materials and third-party services sold (COGS)	(461.0)	(937.8)	(363.6)	(764.3)
Employee benefits	(1,395.6)	(2,868.6)	(1,309.9)	(2,536.0)
Depreciation and amortization	(171.4)	(339.1)	(156.5)	(298.7)
Third-party services*	(375.3)	(766.4)	(333.5)	(653.8)
Other	(139.6)	(295.5)	(143.8)	(277.0)
<b>Total</b>	<b>(2,542.9)</b>	<b>(5,207.4)</b>	<b>(2,307.3)</b>	<b>(4,529.8)</b>
Cost of sales	(2,222.4)	(4,530.1)	(1,993.5)	(3,917.1)
Selling costs	(142.8)	(290.9)	(132.8)	(263.0)
General and administrative expenses	(170.6)	(375.7)	(185.2)	(354.1)
(Recognition)/Reversal of allowances for trade receivables	(7.1)	(10.7)	4.2	4.4
<b>Total</b>	<b>(2,542.9)</b>	<b>(5,207.4)</b>	<b>(2,307.3)</b>	<b>(4,529.8)</b>

\* The costs of third-party services include the costs of human resources outsourcing as well as the costs of subcontractors involved in the execution of IT projects, in total amounting to PLN 579.5 million in the period of 6 months ended 30 June 2020, as compared with PLN 468.3 million incurred in the period of 6 months ended 30 June 2019.

In the period of 6 months ended 30 June 2020, other operating costs included primarily maintenance of property and company cars in the amount of PLN 170.2 million, as well as business trips in the amount of PLN 24.0 million. Whereas, in the comparable period other operating costs included primarily maintenance

of property and company cars in the amount of PLN 142.9 million, as well as business trips in the amount of PLN 51.4 million.

*i. Costs of employee benefits*

	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Salaries	(1,195.5)	(2,402.5)	(1,105.7)	(2,117.1)
Social insurance contributions	(86.1)	(174.0)	(78.9)	(156.8)
Costs of pension benefits	(91.3)	(199.0)	(91.4)	(181.9)
Costs of share-based payment transactions with employees	2.7	(10.6)	(3.8)	(8.9)
Other costs of employee benefits	(25.4)	(82.5)	(30.1)	(71.3)
<b>Total costs of employee benefits</b>	<b>(1,395.6)</b>	<b>(2,868.6)</b>	<b>(1,309.9)</b>	<b>(2,536.0)</b>

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 26,242 persons, as compared with 24,874 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 and the Asseco International segment (ASEE Group).

### 5.3. Financial income and expenses

Financial income earned during the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods was as follows:

Financial income	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Interest income on investments in debt securities and bank deposits carried at amortized cost	2.3	6.0	3.5	7.5
Interest income on other investments in debt securities, leases and trade receivables	0.9	1.3	0.5	1.0
Other interest income	0.1	0.2	0.1	0.2
Positive foreign currency translation differences	22.5	57.0	1.6	8.3
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	2.2	2.5	2.0	3.6
Gain on revaluation of deferred and conditional payments for controlling interests in subsidiaries	(0.1)	0.3	0.3	0.4
Gain on sale of subsidiaries and associates	-	-	-	0.2
Gain on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(1.4)	5.6	(0.6)	1.3
Other financial income	0.2	0.5	2.7	2.9
<b>Total financial income</b>	<b>26.7</b>	<b>73.4</b>	<b>10.1</b>	<b>25.4</b>

Financial expenses incurred during the periods of 3 and 6 months ended 30 June 2020 and in the comparable periods were as follows:

Financial expenses	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Interest expenses on bank loans, borrowings, debt securities, leases and trade payables	(23.1)	(44.3)	(20.4)	(37.8)
Other interest expenses	(2.9)	(5.9)	(2.4)	(4.9)
Negative foreign currency translation differences	(33.1)	(46.2)	5.0	(6.8)
Expenses related to obtaining control over subsidiaries	(3.6)	(5.6)	(0.1)	(0.5)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	8.5	(3.4)	-	(2.3)
Loss on revaluation of deferred and conditional payments for controlling interests in subsidiaries	(1.9)	(5.0)	(0.3)	(1.0)
Loss on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(1.2)	(6.6)	(1.2)	(3.0)
Other financial expenses	(0.1)	(7.2)	(1.7)	(4.7)
<b>Total financial expenses</b>	<b>(57.4)</b>	<b>(124.2)</b>	<b>(21.1)</b>	<b>(61.0)</b>

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

#### 5.4. Corporate income tax

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

	3 months ended 30 June 2020 mPLN	6 months ended 30 June 2020 mPLN	3 months ended 30 June 2019 mPLN	6 months ended 30 June 2019 mPLN
Current income tax and prior years' adjustments	(67.9)	(136.1)	(52.8)	(106.6)
Deferred income tax	5.9	22.4	4.6	14.6
<b>Income tax expense as disclosed in the statement of profit and loss</b>	<b>(62.0)</b>	<b>(113.7)</b>	<b>(48.2)</b>	<b>(92.0)</b>

During the period of 6 months ended 30 June 2020, our effective tax rate equalled 22.6%, as compared with 22.0% in the comparable period last year.

#### 5.5. 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 2020	6 months ended 30 June 2020	3 months ended 30 June 2019	6 months ended 30 June 2019
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 Parent Company for the reporting period (in millions of PLN)	95.1	176.8	80.1	159.7
<b>Consolidated earnings per share for the reporting period (in PLN)</b>	<b>1.15</b>	<b>2.13</b>	<b>0.97</b>	<b>1.92</b>

#### 5.6. Information on dividends paid out

In 2020, the Parent Company paid out to its shareholders a dividend for the year 2019. On 27 May 2020, the General Meeting of Shareholders of Asseco Poland S.A. resolved that the whole amount of net profit for the financial year 2019, which equalled PLN 206.8 million, shall be distributed among Shareholders in the form of a dividend payment. Additionally, the GMS decided to increase such dividend payment by distributing a portion of prior years' retained earnings in the amount of PLN 43 million. This means that the total amount allocated to dividend payment reached PLN 249.8 million or PLN 3.01 per share. The dividend record date was set for 5 June 2020; whereas, the dividend payment was scheduled for 17 June 2020.

In 2019, the Parent Company paid out to its shareholders a dividend for the year 2018. On 26 April 2019, the General Meeting of Shareholders of Asseco Poland S.A. resolved that the whole amount of net profit for the financial year 2018, which equalled PLN 166.5 million, shall be distributed among Shareholders in the form of a dividend payment. Additionally, the General Meeting of Shareholders decided to increase such dividend payment by distributing a portion of prior years' retained earnings in the amount of PLN 88.3 million. This means that the total amount allocated to dividend payment reached PLN 254.8 million or PLN 3.07 per share. The dividend record date was set for 20 May 2019; whereas, the dividend payment was scheduled for 5 June 2019.

## 6. Explanatory notes to the consolidated statement of financial position

### 6.1. Property, plant and equipment

The net book value of property, plant and equipment, during the period of 6 months ended 30 June 2020 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
<b>Net book value of property, plant and equipment as at 1 January</b>	<b>822.7</b>	<b>748.9</b>
<b>Additions, of which:</b>	<b>105.0</b>	<b>97.4</b>
Purchases and modernization	78.5	85.7
Obtaining control over subsidiaries	23.9	8.5
Acquisition of right-of-use assets	0.4	-
Other	2.2	3.2
<b>Reductions, of which:</b>	<b>(80.0)</b>	<b>(73.0)</b>
Depreciation charges for the reporting period	(75.1)	(66.0)
Loss of control over subsidiaries	-	(0.1)
Disposal and liquidation	(3.9)	(4.9)
Impairment losses	(0.3)	-
Other	(0.7)	(2.0)
<b>Change in presentation</b>	<b>-</b>	<b>0.1</b>
<b>Differences on foreign currency translation of subsidiaries</b>	<b>11.4</b>	<b>0.4</b>
<b>Net book value of property, plant and equipment as at 30 June</b>	<b>859.1</b>	<b>773.8</b>

### 6.2. Intangible assets

The net book value of intangible assets, during the period of 6 months ended 30 June 2020 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
<b>Net book value of intangible assets as at 1 January (restated)</b>	<b>2,111.5</b>	<b>1,990.2</b>
<b>Additions, of which:</b>	<b>129.1</b>	<b>149.0</b>
Purchases and modernization	10.2	11.5
Obtaining control over subsidiaries	68.8	88.2
Costs of development projects in progress	50.1	49.3
<b>Reductions, of which:</b>	<b>(164.0)</b>	<b>(151.4)</b>
Depreciation charges for the reporting period	(162.9)	(148.1)
Disposal and liquidation	(1.1)	(1.3)
Loss of control over subsidiaries	-	(2.0)
<b>Change in presentation</b>	<b>(6.8)</b>	<b>(0.7)</b>
<b>Differences on foreign currency translation of subsidiaries</b>	<b>79.1</b>	<b>31.2</b>
<b>Net book value of intangible assets as at 30 June</b>	<b>2,148.9</b>	<b>2,018.3</b>

### 6.3. Right-of-use assets

The net book value of right-of-use assets, during the period of 6 months ended 30 June 2020 and in the comparable period, changed as a result of the following transactions:

	6 months ended 30 June 2020	6 months ended 30 June 2019
	mPLN	mPLN
<b>Net book value of right-of-use assets as at 1 January</b>	<b>686.6</b>	<b>690.4</b>
<b>Additions, of which:</b>	<b>139.1</b>	<b>126.8</b>
Conclusion of new lease contracts	128.5	117.9
Modification of existing contracts (lease extension, interest rate change)	8.8	5.6
Obtaining control over subsidiaries	0.8	3.0
Other	1.0	0.3
<b>Reductions, of which:</b>	<b>(114.1)</b>	<b>(111.9)</b>
Depreciation charges for the reporting period	(106.9)	(93.5)
Loss of control over subsidiaries	-	(0.5)
Early termination of contracts	(0.3)	(1.4)
Other	(6.9)	(16.5)
<b>Change in presentation</b>	<b>-</b>	<b>0.1</b>
<b>Differences on foreign currency translation of subsidiaries</b>	<b>19.7</b>	<b>10.7</b>
<b>Net book value of right-of-use assets as at 30 June</b>	<b>731.3</b>	<b>716.1</b>

#### 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 30 June 2020 and 31 December 2019, in a breakdown to operating segments:

	30 June 2020	31 Dec. 2019
	mPLN	<i>restated</i> mPLN
<b>Goodwill</b>		
<b>AssecO Poland segment, of which:</b>	<b>2,260.6</b>	<b>2,260.6</b>
<b><i>Goodwill allocated to individual cash-generating units</i></b>	<b>343.5</b>	<b>343.5</b>
AssecO Data Systems S.A.	244.3	244.3
Gladstone Consulting Ltd. / GSTN Consulting Sp. z o.o.	36.3	36.3
ZUI Novum Sp. z o.o.	0.3	0.3
SKG S.A.	4.4	4.4
DahliaMatic Sp. z o.o.	54.7	54.7
ComCERT S.A.	3.2	3.2
Eversoft Poland Sp. z o.o.	0.3	0.3
<b><i>Operating segments identified within the Parent Company</i></b>	<b>1,917.1</b>	<b>1,917.1</b>
Goodwill allocated to the Banking and Finance segment	890.2	890.2
Goodwill allocated to the Public Administration segment	845.9	845.9
Goodwill allocated to the General Business segment	181.0	181.0
<b>AssecO International segment, of which:</b>	<b>1,469.2</b>	<b>1,420.8</b>



Asseco Central Europe Group	749.3	733.3
Asseco South Eastern Europe Group	587.1	561.1
Asseco Spain S.A.	19.1	18.2
Sintagma UAB <sup>1)</sup>	0.7	0.6
Asseco Danmark <sup>2)</sup>	33.9	32.2
Asseco PST Holding SGPS S.A. (former Exictos)	66.9	63.8
Tecnologia Sistemas y Aplicaciones SL (Tecsisa)	12.2	11.6
<b>Formula Systems segment</b>	<b>1,014.8</b>	<b>882.2</b>
<b>Total goodwill</b>	<b>4,744.6</b>	<b>4,563.6</b>

<sup>1)</sup> Goodwill recognized on the acquisition of Sintagma UAB and Asseco Lietuva UAB.

<sup>2)</sup> Goodwill recognized on the acquisition of Asseco Danmark A/S and Peak Consulting ApS.

During the period of 6 months ended 30 June 2020, the following changes in goodwill arising from consolidation were observed (the table includes changed components only):

Goodwill as allocated to reportable segments:	Goodwill at the beginning of the period	Obtaining of control / Loss of control / Other changes in the structure	Foreign currency translation differences	Goodwill at the end of the period
	mPLN	mPLN	mPLN	mPLN
<b>Asseco International segment</b>				
Asseco Central Europe Group	733.3	-	16.0	<b>749.3</b>
Asseco South Eastern Europe Group	561.1	9.6	16.4	<b>587.1</b>
Asseco Spain S.A.	18.2	-	0.9	<b>19.1</b>
Sintagma UAB	0.6	-	0.1	<b>0.7</b>
Asseco Danmark	32.2	-	1.7	<b>33.9</b>
Asseco PST Holding SGPS S.A.	63.8	-	3.1	<b>66.9</b>
Tecnologia Sistemas y Aplicaciones (Tecsisa)	11.6	-	0.6	<b>12.2</b>
<b>Formula Systems segment</b>				
Formula Group	882.2	93.5	39.1	<b>1,014.8</b>

In the period of 6 months ended 30 June 2020, the balance of goodwill arising from consolidation was affected by the below described transactions. Foreign currency amounts disclosed for individual acquisitions in the tables below have been converted to Polish zlotys at the exchange rates effective as at 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.

*i. Acquisition of shares in Basilichi CEE LLC by ASEE Group*

On 20 January 2020, Payten d.o.o. (Sarajevo) acquired 100% of shares in the company Basilichi CEE LLC based in Bosnia and Herzegovina. The transaction price amounted to EUR 1.

Until 30 June 2020, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Basilichi may still be subject to change. The provisional values of identifiable assets and liabilities of Basilichi as at the date of obtaining control were as follows (converted at the exchange rate of PLN/BAM effective as at the acquisition date):

	Provisional values as at the acquisition date
	mPLN
<b>Assets acquired</b>	
Property, plant and equipment	1.5
Intangible assets (including those identified under purchase price allocation)	0.2
Trade receivables	0.4
Cash and cash equivalents	0.3
Other assets	0.5
<b>Total assets</b>	<b>2.9</b>

<b>Liabilities acquired</b>	
Bank loans and borrowings	1.7
Lease liabilities	0.4
Trade payables	2.3
Other liabilities	0.2
<b>Total liabilities</b>	<b>4.6</b>
<b>Net assets value</b>	<b>(1.7)</b>
<b>Equity interest acquired</b>	<b>100%</b>
<b>Purchase price</b>	<b>-</b>
<b>Goodwill as at the acquisition date</b>	<b>1.7</b>

*ii. Acquisition of sum.cumo GmbH by Sapiens Group*

On 5 February 2020, Sapiens International (Sapiens Group) acquired 100% of shares in the company Sum.cumo GmbH based in Germany. The purchase price amounted to EUR 20.9 million (PLN 88.9 million) and it was fully paid in cash.

As part of the provisional purchase price allocation, the excess of the purchase price paid over the value of net assets acquired was recognized in intangible assets in the amount of EUR 7.7 million (PLN 32.8 million), while the remaining amount of EUR 13.7 million (PLN 58.3 million) was allocated to goodwill.

Until 30 June 2020, 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 mEUR	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>		
Property, plant and equipment	0.9	3.8
Right-of-use assets	3.5	14.9
Intangible assets identified under purchase price allocation	8.8	37.4
Trade receivables	2.4	10.2
Cash and cash equivalents	0.9	3.8
Other assets	0.5	2.1
<b>Total assets</b>	<b>17.0</b>	<b>72.2</b>
<b>Liabilities acquired</b>		
Trade payables	0.5	2.1
Lease liabilities	2.9	12.3
Deferred tax liabilities	3.5	14.9
Other liabilities	2.9	12.3
<b>Total liabilities</b>	<b>9.8</b>	<b>41.6</b>
<b>Net assets value</b>	<b>7.2</b>	<b>30.6</b>
<b>Equity interest acquired</b>	<b>100%</b>	<b>100%</b>
<b>Purchase price</b>	<b>20.9</b>	<b>88.9</b>
<b>Goodwill as at the acquisition date</b>	<b>13.7</b>	<b>58.3</b>

*iii. Acquisition of Ofek Aerial Photography (1987) Ltd. by Formula Group*

On 12 March 2020, Formula Systems acquired 86.02% of shares in the company Ofek Aerial Photography (1987) Ltd. based in Israel. The purchase price amounted to ILS 27.7 million (PLN 29.4 million).

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 ILS 3.2 million (PLN 3.4 million), while the remaining amount of ILS 4.7 million (PLN 5.0 million) was allocated to goodwill.

Until 30 June 2020, 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 mILS	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>		
Property, plant and equipment	14.3	15.2
Intangible assets identified under purchase price allocation	3.2	3.4
Investments in associates accounted for using the equity method	3.0	3.2
Deferred tax assets	1.1	1.2
Trade receivables	15.1	16.0
Receivables from the state and local budgets	27.9	29.6
Cash and cash equivalents	13.4	14.2
Other assets	0.4	0.4
<b>Total assets</b>	<b>78.4</b>	<b>83.2</b>
<b>Liabilities acquired</b>		
Trade payables	3.1	3.3
Deferred tax liabilities	0.7	0.7
Provisions	1.1	1.2
Financial liabilities	25.7	27.3
Other liabilities	21.1	22.4
<b>Total liabilities</b>	<b>51.7</b>	<b>54.9</b>
<b>Net assets value</b>	<b>26.7</b>	<b>28.3</b>
<b>Value of non-controlling interests</b>	<b>3.7</b>	<b>3.9</b>
<b>Equity interest acquired</b>	<b>86.02%</b>	<b>86.02%</b>
<b>Purchase price</b>	<b>27.7</b>	<b>29.4</b>
<b>Goodwill as at the acquisition date</b>	<b>4.7</b>	<b>5.0</b>

*iv. Acquisition of Aptonet by Magic Group*

On 1 May 2020, Coretech Consulting Group LLC, a subsidiary of Magic, acquired 100% of shares in the company Aptonet Inc. The purchase price amounted to USD 4.7 million (PLN 18.7 million), of which USD 2.9 million (PLN 11.5 million) was paid in cash, while the remaining portion constitutes a deferred payment for shares.

As part of the provisional purchase price allocation, the excess of the purchase price paid over the value of net assets acquired was allocated to goodwill in the amount of USD 1.8 million (PLN 7.1 million), while the remaining amount of USD 2.1 million (PLN 8.6 million) was recognized in intangible assets.

	Provisional values as at the acquisition date mUSD	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>		
Intangible assets identified under purchase price allocation	2.1	8.6
Trade receivables	1.6	6.2
Cash and cash equivalents	0.8	3.2
<b>Total assets</b>	<b>4.5</b>	<b>18.0</b>
<b>Liabilities acquired</b>		
Trade payables	0.8	3.2
Deferred tax liabilities	0.8	3.2
<b>Total liabilities</b>	<b>1.6</b>	<b>6.4</b>
<b>Net assets value</b>	<b>2.9</b>	<b>11.6</b>
<b>Value of non-controlling interests</b>	<b>-</b>	<b>-</b>
<b>Equity interest acquired</b>	<b>100%</b>	<b>100%</b>
<b>Purchase price</b>	<b>4.7</b>	<b>18.7</b>
<b>Goodwill as at the acquisition date</b>	<b>1.8</b>	<b>7.1</b>

*v. Acquisition of Liram companies by Michpal Group*

On 12 May 2020, Michpal Micro Computers (1983) Ltd. acquired 70% of shares in the company Liram R.L Financial Applications Ltd as well as 70% of shares in the company Applications for professional people – Liram Ltd. Both the companies are based in Israel and their purchase price amounted to ILS 15.3 million (PLN 18.3 million).

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 ILS 10.8 million (PLN 12.9 million), while the remaining amount of ILS 9.3 million (PLN 11.1 million) was allocated to goodwill.

Until 30 June 2020, 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 these companies. The provisional values of identifiable assets and liabilities of the acquired companies as at the acquisition date are presented below:

	Provisional values as at the acquisition date mILS	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>		
Property, plant and equipment	0.6	0.7
Intangible assets identified under purchase price allocation	10.8	12.9
Trade receivables	1.8	2.2
Cash and cash equivalents	1.0	1.2
<b>Total assets</b>	<b>14.2</b>	<b>17.0</b>
<b>Liabilities acquired</b>		
Trade payables	0.3	0.4
Deferred tax liabilities	2.5	3.0
Provisions	0.4	0.5
Deferred income	2.2	2.6
Other liabilities	0.2	0.2
<b>Total liabilities</b>	<b>5.6</b>	<b>6.7</b>
<b>Net assets value</b>	<b>8.6</b>	<b>10.3</b>
<b>Value of non-controlling interests</b>	<b>2.6</b>	<b>3.1</b>
<b>Equity interest acquired</b>	<b>70%</b>	<b>70%</b>
<b>Purchase price</b>	<b>15.3</b>	<b>18.3</b>
<b>Goodwill as at the acquisition date</b>	<b>9.3</b>	<b>11.1</b>

*vi. Acquisition of Magic Hands by Magic Group*

On 1 June 2020, Magic Benelux B.V., a subsidiary of Magic, acquired 100% of shares in the company Magic Hands. The purchase price amounted to USD 1.8 million (PLN 7.4 million), of which USD 1.4 million (PLN 5.5 million) was paid in cash, while the remaining portion constitutes a deferred payment for shares.

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 0.6 million (PLN 2.6 million), while the remaining amount of USD 1.1 million (PLN 4.3 million) was allocated to goodwill.

	Provisional values as at the acquisition date mUSD	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>		
Intangible assets identified under purchase price allocation	0.6	2.6
Property, plant and equipment	0.2	0.8
Trade receivables	0.4	1.5
Cash and cash equivalents	0.1	0.6
Other assets	0.1	0.3
<b>Total assets</b>	<b>1.4</b>	<b>5.8</b>
<b>Liabilities acquired</b>		
Trade payables	0.1	0.4
Deferred income	0.5	1.9
Deferred tax liabilities	0.1	0.4
<b>Total liabilities</b>	<b>0.7</b>	<b>2.7</b>
<b>Net assets value</b>	<b>0.7</b>	<b>3.1</b>
<b>Value of non-controlling interests</b>	<b>-</b>	<b>-</b>
<b>Equity interest acquired</b>	<b>100%</b>	<b>100%</b>
<b>Purchase price</b>	<b>1.8</b>	<b>7.4</b>
<b>Goodwill as at the acquisition date</b>	<b>1.1</b>	<b>4.3</b>

*vii. Acquisition of Tiful Gemel by Sapiens Group*

On 1 June 2020, Sapiens Technologies (1982) Ltd acquired 75% of shares in the company Tiful Gemel Ltd based in Israel. The purchase price amounted to ILS 6.1 million (PLN 6.9 million).

All non-controlling interests are puttable and accounted for using the purchase method. The value of put options is measured at purchase price amounting to ILS 0.5 million (PLN 0.5 million), while the carrying amount 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 ILS 1.9 million (PLN 2.2 million), while the remaining amount of ILS 2.3 million (PLN 2.6 million) was allocated to goodwill.

Until 30 June 2020, 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 mILS	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>		
Intangible assets identified under purchase price allocation	1.9	2.2
Trade receivables	0.5	0.6
Cash and cash equivalents	3.5	4.0
Other assets	0.6	0.7
<b>Total assets</b>	<b>6.5</b>	<b>7.5</b>
<b>Liabilities acquired</b>		
Liabilities to the state and local budgets	0.4	0.5
Deferred tax liabilities	0.4	0.5
Provisions	0.7	0.8
Other liabilities	1.2	1.4
<b>Total liabilities</b>	<b>2.7</b>	<b>3.2</b>
<b>Net assets value</b>	<b>3.8</b>	<b>4.3</b>
<b>Value of non-controlling interests</b>	<b>-</b>	<b>-</b>
<b>Equity interest acquired</b>	<b>75%</b>	<b>75%</b>
<b>Purchase price</b>	<b>6.1</b>	<b>6.9</b>
<b>Goodwill as at the acquisition date</b>	<b>2.3</b>	<b>2.6</b>

*viii. Acquisition of Integrirani Poslovni Sustavi d.o.o. by ASEE Group*

On 4 June 2020, Payten d.o.o. Zagreb signed an agreement to acquire 76% of shares in the company Integrirani Poslovni Sustavi d.o.o. ("IPS"), based in Oroslavje. The transaction price amounted to EUR 1.9 million (PLN 8.2 million), of which EUR 0.8 million (PLN 3.8 million) constitutes a conditional payment depending on the future financial results of the acquired company. Payten d.o.o. Zagreb also signed a put option agreement with the non-controlling shareholders of IPS.

Until 30 June 2020, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of IPS may still be subject to change. The provisional values of identifiable assets and liabilities of IPS company as at the date of obtaining control were as follows (converted at the exchange rate of PLN/HRK effective as at the acquisition date):

	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>	
Right-of-use assets	0.4
Trade receivables	0.7
Cash and cash equivalents	0.8
Other assets	0.6
<b>Total assets</b>	<b>2.5</b>

<b>Liabilities acquired</b>	
Bank loans and borrowings	0.5
Lease liabilities	0.4
Trade payables	0.4
Other liabilities	0.8
<b>Total liabilities</b>	<b>2.1</b>
<b>Net assets value</b>	<b>0.4</b>
<b>Value of non-controlling interests</b>	<b>0.1</b>
<b>Equity interest acquired</b>	<b>76%</b>
<b>Purchase price</b>	<b>8.2</b>
<b>Goodwill as at the acquisition date</b>	<b>7.9</b>

*ix. Change in allocation of the purchase price of SONET spol. s.r.o. z and SONET Slovakia s.r.o.*

On 5 September 2019, Payten Sp. z o.o. sp.k. acquired 100% of shares in the company SONET spol. s.r.o. based in the Czech Republic as well as 50% of shares in SONET Slovakia s.r.o. based in Slovakia, in which the remaining 50% stake is held by SONET spol. s.r.o. The total purchase price amounted to EUR 5.6 million (PLN 24.4 million), of which EUR 0.2 million constitutes a conditional payment depending on the future financial results achieved by that company.

Both SONET spol. s.r.o. and SONET Slovakia s.r.o. are primarily engaged in the provision of services for online payments processing.

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 PLN 5.9 million and consequently in deferred tax liabilities in the amount of PLN 0.9 million, while the remaining amount of PLN 5.9 million was allocated to goodwill. Under the initial provisional purchase price allocation that was presented in the annual consolidated financial statements of Asseco Group as at 31 December 2019, only PLN 1.0 million was recognized in intangible assets, while PLN 9.9 million was allocated to goodwill at that time. This change is therefore an element of the restatement of comparable data as described in explanatory note 2.9 to these interim condensed financial statements.

Until 30 June 2020, 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 mPLN
<b>Assets acquired</b>	
Property, plant and equipment	1.8
Right-of-use assets	0.9
Intangible assets (including those identified under purchase price allocation)	5.9
Trade receivables	4.4
Cash and cash equivalents	8.9
Other assets	0.6
<b>Total assets</b>	<b>22.5</b>
<b>Liabilities acquired</b>	
Bank loans and borrowings	0.2
Lease liabilities	0.9
Trade payables	0.9
Deferred tax liabilities	0.9
Other liabilities	1.1
<b>Total liabilities</b>	<b>4.0</b>
<b>Net assets value</b>	<b>18.5</b>
<b>Equity interest acquired</b>	<b>100%</b>
<b>Purchase price</b>	<b>24.4</b>
<b>Goodwill as at the acquisition date</b>	<b>5.9</b>

*x. Change in allocation of the purchase price of shares in Monri Group d.o.o.*

On 8 October 2019, Payten d.o.o. (Sarajevo) concluded a conditional agreement to acquire 80% of shares in Monri Group d.o.o. for the total consideration of EUR 1.96 million. The Group obtained control over Monri Group d.o.o. on 15 November 2019 upon satisfying all the conditions precedent. Monri Group holds 100% of shares in the company Monri Payments d.o.o. Zagreb.

Payten d.o.o. (Sarajevo) also signed a put option agreement with the non-controlling shareholders of Monri.

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 PLN 5.4 million and consequently in deferred tax liabilities in the amount of PLN 0.9 million, while the remaining amount of PLN 6.6 million was allocated to goodwill. Under the initial provisional purchase price allocation that was presented in the annual consolidated financial statements of Asseco Group as at 31 December 2019, the whole excess of the purchase price over the value of net assets in the amount of PLN 10.1 million was allocated to goodwill. This change is therefore an element of the restatement of comparable data as described in explanatory note 2.9 to these interim condensed financial statements.

Until 30 June 2020, 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 Monri Group as at the date of obtaining control were as follows (converted at the exchange rate of PLN/BAM effective as at the acquisition date):

	Provisional values as at the acquisition date mPLN
<b>Assets acquired</b>	
Intangible assets (including those identified under purchase price allocation)	5.4
Trade receivables	0.6
Cash and cash equivalents	0.5
Other assets	1.1
<b>Total assets</b>	<b>7.6</b>
<b>Liabilities acquired</b>	
Bank loans and borrowings	2.6
Trade payables	0.8
Deferred tax liabilities (including those arising from purchase price allocation)	1.0
Other liabilities	1.0
<b>Total liabilities</b>	<b>5.4</b>
<b>Net assets value</b>	<b>2.2</b>
<b>Value of non-controlling interests</b>	<b>0.4</b>
<b>Equity interest acquired</b>	<b>80%</b>
<b>Purchase price</b>	<b>8.4</b>
<b>Goodwill as at the acquisition date</b>	<b>6.6</b>

*xi. Accounting for the acquisition of Tecsisa*

On 23 July 2019, Asseco International, a.s. acquired 51% of shares in the company TECSISA based in Spain. The purchase price amounted to EUR 6.1 million (PLN 26.2 million), of which EUR 4.9 million (PLN 21.2 million) was paid in cash, while the remaining portion constitutes a conditional payment depending on the future operating results of that company.

Tecsisa specializes in the development of software for producers and sellers of electricity. The company provides native cloud and Big Data applications running on the technologically advanced Kommodo platform. The products offered by this company have already been implemented in several foreign countries, including Italy, Mexico, Guatemala, Peru, and Argentina.

Under 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 EUR 4.9 million (PLN 21.2 million) and in

deferred tax liabilities in the amount of EUR 1.2 million (PLN 5.1 million). The remaining portion of such excess in the amount of EUR 2.7 million (PLN 11.6 million) was allocated to goodwill.

As at 30 June 2020, the process of purchase price allocation has already been completed by the Group. The 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 mEUR	Provisional values as at acquisition date mPLN	Fair values as at acquisition date mEUR	Fair values as at the acquisition date mPLN
<b>Assets acquired</b>				
Intangible assets (including those identified under purchase price allocation)	6.2	26.6	8.1	34.7
Trade receivables	1.2	5.1	1.2	5.1
Cash and cash equivalents	0.9	3.9	0.9	3.9
Other assets	0.4	1.7	0.3	1.3
<b>Total assets</b>	<b>8.7</b>	<b>37.3</b>	<b>10.5</b>	<b>45.0</b>
<b>Liabilities acquired</b>				
Bank loans and borrowings	2.0	8.6	2.0	8.6
Trade payables	0.4	1.7	0.4	1.7
Other liabilities	0.3	1.3	0.3	1.3
Deferred tax liabilities	0.8	3.4	1.2	5.1
<b>Total liabilities</b>	<b>3.5</b>	<b>15.0</b>	<b>3.9</b>	<b>16.7</b>
<b>Net assets value</b>	<b>5.2</b>	<b>22.3</b>	<b>6.6</b>	<b>28.3</b>
<b>Value of non-controlling interests</b>	<b>2.6</b>	<b>11.2</b>	<b>3.2</b>	<b>13.7</b>
<b>Equity interest acquired</b>	<b>51%</b>	<b>51%</b>	<b>51%</b>	<b>51%</b>
<b>Purchase price</b>	<b>6.9</b>	<b>29.6</b>	<b>6.1</b>	<b>26.2</b>
<b>Goodwill as at the acquisition date</b>	<b>4.3</b>	<b>18.5</b>	<b>2.7</b>	<b>11.6</b>

*xii. Accounting for the acquisition of Unique*

On 18 November 2019, Michpal MicroComputers (a subsidiary of Formula Group) acquired 100% of shares in the company Unique Software Industries Ltd based in Israel. Unique Software Industries is a provider of software for human resources management. The purchase price amounted to ILS 58.3 million (PLN 65.9 million), of which ILS 49 million (PLN 55.4 million) was paid in cash, and the remaining amount constitutes a deferred payment depending on the future operating results achieved by that company.

Under 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 ILS 29.2 million (PLN 33 million) and in deferred tax liabilities in the amount of ILS 6.7 million (PLN 7.6 million), while the remaining amount of ILS 33 million (PLN 37.4 million) was allocated to goodwill.

As at 30 June 2020, 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 mILS	Provisional values as at acquisition date mPLN	Fair values as at acquisition date mILS	Fair values as at the acquisition date mPLN
<b>Assets acquired</b>				
Property, plant and equipment	1.5	1.7	1.5	1.7
Intangible assets identified under purchase price allocation	30.0	33.9	29.2	33.0
Trade receivables	9.0	10.2	5.4	6.1
Cash and cash equivalents	4.0	4.5	4.0	4.5
Other assets	0.3	0.3	0.3	0.3
<b>Total assets</b>	<b>44.8</b>	<b>50.6</b>	<b>40.4</b>	<b>45.6</b>
<b>Liabilities acquired</b>				
Deferred tax liabilities	6.9	7.8	6.7	7.6
Dividends payable	7.0	7.9	3.4	3.8
Other liabilities	5.0	5.7	5.0	5.7



<b>Total liabilities</b>	<b>18.9</b>	<b>21.4</b>	<b>15.1</b>	<b>17.1</b>
<b>Net assets value</b>	<b>25.9</b>	<b>29.2</b>	<b>25.3</b>	<b>28.5</b>
<b>Equity interest acquired</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Purchase price</b>	<b>57.5</b>	<b>65.0</b>	<b>58.3</b>	<b>65.9</b>
<b>Goodwill as at the acquisition date</b>	<b>31.6</b>	<b>35.8</b>	<b>33.0</b>	<b>37.4</b>

## 6.5. Impairment tests

In line with the Group's policy, each year as at 31 December, the Management of the Parent Company performs an annual impairment test on cash-generating units or groups of cash-generating units to which goodwill or/and intangible assets with an indefinite period of useful life have been allocated. Whereas, as at each interim reporting date, the Management of the Parent Company only performs a review of the indications of possible impairment of cash-generating units to which goodwill and/or intangible assets with indefinite useful life have been allocated. In the event such indications are identified, the Management shall first verify the assumptions adopted in the last annual impairment test and, if necessary, carry out an impairment test for a given cash-generating unit or group of cash-generating units also the interim reporting date. The procedures followed in interim impairment testing are consistent with those applied for annual impairment tests performed as at 31 December.

Each impairment test requires making estimates of the recoverable amount of a cash-generating unit or a group of cash-generating units to which goodwill is allocated.

In the case of the Asseco Poland segment, for impairment testing purposes, goodwill is allocated to the level of operating segments constituted by the three operating segments identified within the Parent Company and separately by each subsidiary company of Asseco Poland operating primarily in the Polish market. In accordance with the guidelines of the International Financial Reporting Standards and the policy described above, the Group's Management analyzed the indications for impairment testing, including in particular the prevailing global COVID-19 pandemic, and reviewed the budgets and financial forecasts for individual segments to which goodwill has been allocated. As a result of the conducted analysis, the Management Board assessed that with regard to the operating segments identified in the Parent Company, none of the above-mentioned indications requires performing an interim impairment test and, considering the industry in which the Parent Company operates and the fact that all of its operating segments have met their semi-annual budgets, they concluded that the assumptions made in the impairment tests carried out as at 31 December 2019 remain realistic.

In the case of the Asseco International segment, for impairment testing purposes, goodwill is allocated to the level of operating segments constituted by companies or subgroups incorporated within Asseco International Group.

In the case of the Formula Systems segment, goodwill impairment tests are performed for the operating segment represented by the entire Formula Group.

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 carrying 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 value of our cash-generating units constituted by companies or groups of companies quoted in an active market against their net assets value as at 30 June 2020 as well as at the date of the last annual impairment test, this is as at 31 December 2019:

	<b>Asseco South Eastern Europe S.A. mPLN</b>	<b>Asseco Business Solutions S.A. mPLN</b>	<b>Formula Systems 1985 Ltd. mPLN</b>
<b>30 June 2020</b>			
net assets value of cash-generating unit	891.4	289.8	2,678.6
fair value of cash-generating unit	1,786.1	1,136.1	4,500.3
<b>excess (+)/deficit (-) of fair value over carrying value</b>	<b>894.7</b>	<b>846.3</b>	<b>1,821.7</b>

<b>31 Dec. 2019</b>			
net assets value of cash-generating unit	855.9	318.7	2,520.8
fair value of cash-generating unit	1,179.9	930.3	3,993.5
<b>excess (+)/deficit (-) of fair value over carrying value</b>	<b>324.0</b>	<b>611.6</b>	<b>1,472.7</b>

The fair values of Asseco Business Solutions S.A., Asseco South Eastern Europe Group and Formula Systems Group are much higher than their net assets values, hence it was deemed unnecessary to perform an additional interim impairment test or to recognize an impairment loss on these cash-generating units.

In the case of cash-generating units constituted by companies not quoted in an active market, factors indicating potential impairment may include the achievement of lower financial results than assumed for a given cash-generating unit in the last annual impairment test, or a substantial increase in discount rates resulting from changes in the market parameters used for determination of such discount rates.

The discount rates applied to determine the present value of expected future cash flows in the Group's operating segments correspond to the estimated weighted average cost of capital of individual segments in each period. Particular components of these discount rates were determined taking into account the market values of risk-free interest rates, the beta coefficient, as well as the expected market yield.

As at 30 June 2020, the Group has found indications of possible impairment for the following companies: Tecnologia Sistemas y Aplicaciones SL (Tecsisa), Asseco Danmark and Peak Consulting (representing cash-generating units within the Asseco International segment), as well as DahliaMatic (a cash-generating unit allocated to the Asseco Poland segment). In each of the above cases, such indications correspond to the necessary reduction of forecasted future results, because their actual results achieved in the first half of 2020 were lower than assumed in the impairment test performed as at 31 December 2019.

Cash flows applied in the value-in-use model for each cash-generating unit were based on the forecasts of IT market growth in individual countries and in Poland in the years 2020 - 2024.

The conducted impairment tests did not indicate a necessity for the Group to recognize any impairment charges on any of its cash-generating units as at 30 June 2020.

### Analysis of sensitivity

We carried out a sensitivity analysis for all the impairment tests performed as at 30 June 2020 which involved the estimation of the value in use. Such sensitivity analysis examined the impact of changes in:

- discount rate applied for the residual period, i.e. for cash flows generated after 2024;
- compound annual growth rate of free cash flows over the period of forecast, i.e. in the years 2020-2024;

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

The objective of such sensitivity analysis was to find out how much the selected parameters applied in the model could be changed so that the estimated value in use of each cash-generating unit equalled its carrying value. The results of the conducted analysis are presented in the table below.

	Carrying value of cash-generating unit*	Discount rate for the residual period		Compound annual growth rate of free cash flows (FCFF)
		applied in the model	incremental	incremental
	mPLN	%	%	%
<b>Cash-generating units constituted by companies or groups of companies</b>				
Tecnologia Sistemas y Aplicaciones SL (Tecsisa)	51.2	9.89%	10.90%	204.02%
Asseco Danmark and Peak Consulting	30.9	9.09%	39.21%	-0.76%
DahliaMatic Sp. z o.o.	69.1	10.82%	16.59%	-1.17%

\* The carrying value of a cash-generating unit represents net operating assets (including the fair value of assets recognized in purchase price allocation) and gross goodwill that have been fully consolidated in these financial statements (hence this value does not include net debt/cash position).

In the case of Tecsis, the incremental compound annual growth rate of cash flows is relatively high, because the company is only at the stage of product development (start-up phase) and sales plans and representative results of this company are expected to be achieved in the coming periods. For Tecsis, 2020 is still a year of intensive investments in the product provided in the SaaS model, therefore the Management believes that the company has the potential to significantly increase its operational efficiency and thus profitability in the future.

#### 6.6. 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 data of associates and joint ventures	30 June 2020 mPLN	31 Dec. 2019 mPLN
Non-current assets	275.3	251.2
Current assets	257.9	246.8
Non-current liabilities	105.8	79.2
Current liabilities	156.5	170.1
<b>Net assets</b>	<b>270.9</b>	<b>248.7</b>
<b>Book value of investments</b>	<b>156.6</b>	<b>145.0</b>

Financial data of associates and joint ventures	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Revenues	229.9	201.8
Operating profit	2.8	2.8
Net profit (loss)	1.9	3.8
<b>Share of profits of associates and joint ventures</b>	<b>(1.0)</b>	<b>0.6</b>

Other comprehensive income of associates and joint ventures is insignificant from the point of view of the entire Group.

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 companies with the largest carrying value of investment include: Nextbank Software Sp. z o.o. (the Asseco Poland segment) and Galvaniho 5, s.r.o. (ACE Group, the Asseco International segment).

#### 6.7. 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 (ABS). In the case of other entities with non-controlling interests, individual non-controlling interests do not exceed 2% 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 6 months ended 30 June 2020 and as at 30 June 2020 as well as for respective comparable periods. These figures are presented before consolidation adjustments, including the elimination of mutual transactions.

Percentage of non-controlling interests	30 June 2020	31 Dec. 2019
Matrix IT Ltd. *	87.45%	87.61%
Magic Software Enterprises Ltd. *	88.36%	88.50%
Sapiens International Corp. NV *	87.80%	87.85%
ASEE Group	48.94%	48.94%
ACE Group	8.67%	8.67%

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

Group name	Carrying value of non-controlling interests*	
	30 June 2020	31 Dec. 2019
Formula Group**	1,732.4	1,611.3
ASEE Group	411.7	394.6
ACE Group (including ABS)	193.1	210.0
Other individually insignificant	4.8	3.0
<b>Total</b>	<b>2,342.0</b>	<b>2,218.9</b>

\* 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.

Group name	Net profit attributable to non-controlling interests 6 months ended		Dividends paid out to non-controlling interests 6 months ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
Matrix IT Ltd.	78.5	61.5	(52.0)	(40.4)
Magic Software Enterprises Ltd.	41.1	35.3	(18.5)	(20.8)
Sapiens International Corp. NV	39.2	25.0	(13.6)	(0.3)
ASEE Group	25.4	18.3	(0.6)	(0.4)
ACE Group (including ABS)	21.4	19.8	(36.8)	(31.9)
Other individually insignificant	5.6	7.0	(50.4)	(26.8)
<b>Total</b>	<b>211.2</b>	<b>166.9</b>	<b>(171.9)</b>	<b>(120.6)</b>

	Matrix IT Ltd.	Magic Software Enterprises Ltd.	Sapiens International Corp. NV	ASEE Group	ACE Group
<b>30 June 2020</b>					
Non-current assets	1,358.0	828.2	1,290.0	811.5	866.6
Current assets	2,101.3	762.4	860.3	463.4	494.8
of which cash and cash equivalents	730.8	314.6	509.4	199.8	121.5
Non-current liabilities	1,007.7	252.4	668.0	124.7	149.7
Current liabilities	1,581.0	294.7	547.3	313.7	424.1
<b>31 Dec. 2019</b>					
Non-current assets	1,306.1	757.5	1,160.9	782.9	856.1
Current assets	1,948.2	770.5	635.7	468.5	511.6
of which cash and cash equivalents	504.7	311.1	251.8	199.7	157.1
Non-current liabilities	794.9	189.7	479.8	124.0	154.7
Current liabilities	1,645.6	336.0	468.6	325.7	413.2

	Matrix IT Ltd.	Magic Software Enterprises Ltd.	Sapiens International Corp. NV	ASEE Group	ACE Group
<b>Period of 6 months ended 30 June 2020</b>					
Cash provided by (used in) operating activities	293.4	138.5	134.0	65.7	69.7
Net cash provided by (used in) investing activities	(26.1)	(34.9)	(16.0)	(25.8)	8.0
Net cash provided by (used in) financing activities	(38.1)	(96.9)	155.6	(28.9)	(98.2)
<b>Period of 6 months ended 30 June 2019</b>					
Cash provided by (used in) operating activities	94.5	118.2	119.7	30.9	97.3
Net cash provided by (used in) investing activities	(119.1)	(21.1)	(14.6)	(45.5)	(18.0)
Net cash provided by (used in) financing activities	127.3	(46.8)	(53.7)	1.3	(94.3)

## 6.8. Other financial assets

Both as at 30 June 2020 and 31 December 2019, apart from receivables and cash and cash equivalents described in other notes, the Group also held other financial assets as presented in the table below.

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Financial assets carried at fair value through profit or loss, of which:</b>				
Currency forward contracts	4.0	1.1	5.2	1.4
Corporate and Treasury bonds	4.5	-	4.2	-
Shares in companies quoted in an active market	1.1	0.1	0.8	0.1
Other assets	6.8	-	6.1	-
	<b>16.4</b>	<b>1.2</b>	<b>16.3</b>	<b>1.5</b>
<b>Financial assets carried at fair value through other comprehensive income, of which:</b>				
Shares in companies not quoted in an active market	10.1	3.6	10.1	-
Corporate bonds	-	4.5	-	20.8
Other	-	-	-	86.9
	<b>10.1</b>	<b>8.1</b>	<b>10.1</b>	<b>107.7</b>
<b>Financial assets carried at amortized cost, of which:</b>				
Promissory notes	-	1.9	-	11.8
Other debt securities	5.2	0.1	4.9	0.1
Loans, of which:				
granted to related parties	13.0	4.5	12.3	3.2
granted to employees	1.1	2.6	1.1	2.6
granted to other entities	92.8	13.9	93.0	18.5
Short-term deposits	4.7	40.7	4.5	49.4
	<b>116.8</b>	<b>63.7</b>	<b>115.8</b>	<b>85.6</b>
<b>Total</b>	<b>143.3</b>	<b>73.0</b>	<b>142.2</b>	<b>194.8</b>

As at 31 December 2019, the line 'Other' under financial assets carried at fair value through other comprehensive income includes the amount of PLN 86.9 million (USD 22.9 million) that was paid by Sapiens for the acquisition of its subsidiary sum.cumo, the control over which was obtained only in 2020. From the time of obtaining control, this company has been fully consolidated and thus as at 30 June 2020 the balance of such financial assets stands at 0.

### **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 2020, 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 30 June 2020 and 31 December 2019, the fair values of financial assets were not significantly different from their book values.

As at 30 June 2020	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	5.1	-	5.1	-
Corporate and Treasury bonds	4.5	4.5	-	-
Shares in companies quoted in an active market	1.2	1.2	-	-
Other assets	6.8	-	6.8	-
<b>Total</b>	<b>17.6</b>	<b>5.7</b>	<b>11.9</b>	<b>-</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies not listed on regulated markets	13.7	-	-	13.7
Corporate bonds	4.5	-	4.5	-
<b>Total</b>	<b>18.2</b>	<b>-</b>	<b>4.5</b>	<b>13.7</b>

- 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 2019	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	6.6	-	6.6	-
Corporate and Treasury bonds	4.2	4.2	-	-
Shares in companies quoted in an active market	0.9	0.9	-	-
Other assets	6.1	-	6.1	-
<b>Total</b>	<b>17.8</b>	<b>5.1</b>	<b>12.7</b>	<b>-</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies not listed on regulated markets	10.1	-	-	10.1
Corporate and Treasury bonds	20.8	-	20.8	-
Other	86.9	-	-	86.9
<b>Total</b>	<b>117.8</b>	<b>-</b>	<b>20.8</b>	<b>97.0</b>

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

### 6.9. Prepayments and accrued income

As at 30 June 2020 and 31 December 2019, prepayments and accrued income included the following items:

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Prepaid services, of which:	71.4	217.1	68.2	203.5
<i>maintenance services and license fees</i>	69.6	178.5	66.2	164.2
<i>rents</i>	-	2.4	0.1	2.5
<i>insurances</i>	0.2	9.2	0.2	5.4
<i>other services</i>	1.6	27.0	1.7	31.4
Expenses related to services performed for which revenues have not been recognized yet	-	33.2	0.2	20.5
Other prepayments and accrued income	0.3	27.5	-	18.9
<b>Total</b>	<b>71.7</b>	<b>277.8</b>	<b>68.4</b>	<b>242.9</b>

### 6.10. Receivables and contract assets

The table below presents receivables and assets from contracts with customers as at 30 June 2020 as well as at 31 December 2019.

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Trade receivables, of which:</b>				
<b>Invoiced receivables</b>	<b>4.0</b>	<b>2,070.5</b>	<b>8.8</b>	<b>2,233.1</b>
from related parties	-	2.5	-	19.0
from other entities	4.0	2,068.0	8.8	2,214.1
<b>Uninvoiced receivables</b>	<b>7.1</b>	<b>530.0</b>	<b>2.6</b>	<b>474.9</b>
from related parties	-	5.4	-	7.0
from other entities	7.1	524.6	2.6	467.9
<b>Receivables from operating leases</b>	<b>-</b>	<b>7.6</b>	<b>-</b>	<b>8.8</b>
from related parties	-	-	-	-
from other entities	-	7.6	-	8.8
<b>Allowances for trade receivables</b>	<b>-</b>	<b>(90.3)</b>	<b>-</b>	<b>(84.4)</b>
<b>Total trade receivables</b>	<b>11.1</b>	<b>2,517.8</b>	<b>11.4</b>	<b>2,632.4</b>
<b>Corporate income tax receivable</b>	<b>-</b>	<b>61.0</b>	<b>-</b>	<b>71.5</b>
<b>Receivables from the state and local budgets</b>	<b>-</b>	<b>31.9</b>	<b>-</b>	<b>34.5</b>
Value added tax	-	19.2	-	19.5
Other	-	12.7	-	15.0
<b>Other receivables</b>	<b>79.8</b>	<b>61.5</b>	<b>98.9</b>	<b>73.4</b>
Other receivables	79.8	74.6	98.9	87.3
Allowances for other doubtful receivables (-)	-	(13.1)	-	(13.9)
<b>Total receivables</b>	<b>90.9</b>	<b>2,672.2</b>	<b>110.3</b>	<b>2,811.8</b>

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

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Contract assets</b>				
from related parties	-	8.2	-	0.3
from other entities	-	320.4	-	212.3
<b>Total contract assets</b>	<b>-</b>	<b>328.6</b>	<b>-</b>	<b>212.6</b>

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. In the Management's opinion, as at 30 June 2020 there is no need to recognize additional allowances for expected credit losses. However, due to the situation caused by the COVID-19 pandemic in Poland and worldwide, 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 found no indications to significantly 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 6 months ended 30 June 2020 and in the comparable period are presented in the table below:

<b>Allowances for trade receivables</b>	<b>6 months ended 30 June 2020 mPLN</b>	<b>6 months ended 30 June 2019 mPLN</b>
<b>As at 1 January</b>	<b>(84.4)</b>	<b>(76.4)</b>
Recognized during the reporting period	(23.9)	(18.6)
Utilized during the reporting period	9.3	2.8
Reversed during the reporting period	12.2	14.6
Acquisition of subsidiaries	(1.0)	(1.3)
Foreign currency translation differences	(2.5)	-
<b>As at the end of the reporting period</b>	<b>(90.3)</b>	<b>(78.9)</b>

### 6.11. Inventories

The table below presents inventories as at 30 June 2020 and in the comparable period:

<b>Inventories</b>	<b>30 June 2020 mPLN</b>	<b>31 Dec. 2019 mPLN</b>
Computer hardware, third-party software licenses and other goods for resale	140.4	126.6
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	20.9	16.0
Impairment losses on inventories	(24.7)	(20.0)
<b>Total</b>	<b>136.6</b>	<b>122.6</b>

Changes in the amount of impairment losses on inventories during the period of 6 months ended 30 June 2020 and in the comparable period are presented in the table below:

<b>Impairment losses on inventories</b>	<b>6 months ended 30 June 2020 mPLN</b>	<b>6 months ended 30 June 2019 mPLN</b>
<b>As at 1 January</b>	<b>(20.0)</b>	<b>(18.2)</b>
Recognized during the reporting period	(3.4)	(1.9)
Utilized during the reporting period	0.1	0.3
Reversed during the reporting period	1.1	2.9
Acquisition of subsidiaries	(1.7)	-
Foreign currency translation differences	(0.8)	0.1
<b>As at the end of the reporting period</b>	<b>(24.7)</b>	<b>(16.8)</b>

### 6.12. Cash and cash equivalents

The table below presents cash and cash equivalents as at 30 June 2020 and in the comparable period:

	<b>30 June 2020 mPLN</b>	<b>31 Dec. 2019 mPLN</b>
Cash at bank accounts	2,114.0	1,528.7
Cash at split payment accounts	3.3	8.5
Cash on hand	0.7	0.5
Short-term bank deposits (up to 3 months)	370.7	615.1
Other cash equivalents	0.7	0.7
<b>Total cash and cash equivalents as disclosed in the statement of financial position</b>	<b>2,489.4</b>	<b>2,153.5</b>
Interest accrued on cash and cash equivalents	-	0.1
Bank overdraft facilities utilized for current liquidity management	(27.5)	(35.4)
<b>Total cash and cash equivalents as disclosed in the cash flow statement</b>	<b>2,461.9</b>	<b>2,118.2</b>



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

### 6.13. Lease liabilities

As at 30 June 2020, assets used under lease contracts where the Group is a lessee, included:

- office buildings,
- cars,
- IT hardware and other assets.

The table below presents the amounts of lease liabilities as at 30 June 2020 as well as at 31 December 2019.

Lease liabilities	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Leases of real estate	489.4	176.1	436.1	193.2
Leases of transportation vehicles	36.9	18.9	29.7	18.4
Leases of IT hardware and other assets	4.6	4.6	6.5	5.1
<b>Total</b>	<b>530.9</b>	<b>199.6</b>	<b>472.3</b>	<b>216.7</b>

### 6.14. Bank loans, borrowings and debt securities

The table below presents the Group's debt outstanding as at 30 June 2020 and 31 December 2019.

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Bank loans	920.5	393.7	696.3	457.1
- <i>overdraft facilities</i>	-	46.1	-	147.5
- <i>non-revolving loans</i>	920.5	347.6	696.3	309.6
Bonds and other debt securities	854.4	282.2	666.4	228.8
Loans	2.8	3.8	3.5	3.5
<b>Total</b>	<b>1,777.7</b>	<b>679.7</b>	<b>1,366.2</b>	<b>689.4</b>

The Group's total liabilities under all bank loans and borrowings obtained and debt securities issued aggregated at PLN 2,457.4 million as at 30 June 2020, as compared with PLN 2,055.6 million outstanding as at 31 December 2019. Our total debt increased mainly due to transactions conducted within the Formula Systems segment, including bank loans obtained and debt securities issued within Matrix IT Group.

Bank overdraft facilities outstanding as at 30 June 2020 and 31 December 2019 are presented in the tables below.

Loan currency	Effective interest rate	Actual amount of debt as at 30 June 2020 mPLN	Maximum debt limit available mPLN	Unused amount of credit facilities mPLN
EUR	EONIA + margin	-	25.4	25.4
	EURIBOR + margin	8.6	156.7	148.1
	Fixed interest rate	6.6	37.1	30.5
ILS	Prime (Israel) + margin	21.0	n/a*	n/a*
PLN	WIBOR + margin	2.5	683.2	680.7
	Fixed interest rate	-	0.5	0.5
MKD	Fixed interest rate	-	0.1	0.1
TRY	Fixed interest rate	-	0.3	0.3
HUF	BUBOR + margin	0.6	3.8	3.2
CZK	PRIBOR + margin	6.7	16.7	10.0
COP	Fixed interest rate	0.1	0.2	0.1
		<b>46.1</b>	<b>924.0</b>	<b>898.9</b>

\* Debt in the amount of PLN 21 million represents bank overdraft facilities used 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 30 June 2020 the total limit of such credit facilities reached ILS 1,474 million (PLN 1,692.9 million).

Loan currency	Effective interest rate	Actual amount of debt as at 31 December 2019 mPLN	Maximum debt limit available mPLN	Unused amount of credit facilities mPLN
EUR	EONIA + margin	4.2	15.7	11.5
	EURIBOR + margin	14.5	96.3	81.8
	Fixed interest rate	6.7	35.3	28.6
ILS	Prime (Israel) + margin	115.2	115.2	-
PLN	WIBOR + margin	-	428.1	428.1
	Fixed interest rate	-	150.0	150.0
MKD	Fixed interest rate	-	0.2	0.2
USD	Fixed interest rate	2.6	2.6	-
HUF	BUBOR + margin	4.1	4.1	-
TRY	Fixed interest rate	0.1	0.1	-
COP	Fixed interest rate	0.1	0.1	-
		<b>147.5</b>	<b>847.7</b>	<b>700.2</b>

Non-revolving bank loans outstanding as at 30 June 2020 and 31 December 2019 are presented in the table below.

Loan currency	Effective interest rate	30 June 2020		31 Dec. 2019	
		Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
EUR	EURIBOR + margin	26.4	28.0	25.7	28.6
	Fixed interest rate	82.8	48.7	43.3	28.1
HRK/EUR	EURIBOR + margin	-	-	10.9	3.1
	Fixed interest rate	-	0.5	2.6	1.7
ILS	Fixed interest rate	752.1	250.3	613.3	248.0
USD	Fixed interest rate	59.1	20.0	0.2	-
JVP	Fixed interest rate	0.1	-	0.3	-
COP	Fixed interest rate	-	0.1	-	0.1
		<b>920.5</b>	<b>347.6</b>	<b>696.3</b>	<b>309.6</b>

The Group's liabilities under bonds and other debt securities issued are attributable to three 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	30 June 2020 mPLN	31 Dec. 2019 mPLN	Effective interest rate	Currency
Formula Systems	long-term portion	Series A	158.9	152.6	2.38%	ILS
		Series C	303.9	290.4	2.53%	ILS
	short-term portion	Series A	42.0	40.0	2.38%	ILS
		Series C	38.5	36.9	2.53%	ILS
Formula Systems subtotal			543.3	519.9		
Sapiens International	long-term portion	Series B	391.6	223.4	3.69%	ILS/USD
	short-term portion	Series B	86.8	42.0	3.69%	ILS/USD
Sapiens International subtotal			478.4	265.4		
Matrix IT	short-term portion	n/a	114.9	109.9	Prime (Israel) + margin	ILS
Matrix IT subtotal			114.9	109.9		
Total bonds and other debt securities			1,136.6	895.2		

Borrowings outstanding as at 30 June 2020 and 31 December 2019 are presented in the table below.

Loan currency	Effective interest rate	Repayment date	30 June 2020		31 Dec. 2019	
			Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
EUR	Fixed interest rate	Q1 2020	-	-	0.1	-
		Q2 2020	-	-	-	0.3
		Q3 2020	-	0.1	-	-
		Q4 2020	-	-	0.5	-
		2021	-	0.6	0.6	0.3
		2022	1.3	1.0	1.5	0.4
		2023	0.4	0.2	-	-
		2030	0.9	-	0.8	-
ILS	Fixed interest rate	Q2 2020	-	1.9	-	2.1
UZS	LIBOR + margin	not specified	0.2	-	-	0.2
CZK	Fixed interest rate	2021	-	-	-	0.1
		2022	-	-	-	0.1
			2.8	3.8	3.5	3.5

Assets serving as collateral for bank loan facilities:

Category of assets	Net value of assets		Utilized amount of bank loans secured with assets	
	30 June 2020 mPLN	31 Dec. 2019 mPLN	30 June 2020 mPLN	31 Dec. 2019 mPLN
Land and buildings	85.5	110.2	-	2.1
Other tangible assets	7.6	8.2	1.5	4.5
Long-term investments	1,724.8	1,683.6	555.6	583.5
Other financial assets	3.0	3.0	1.8	1.8
Inventories	-	2.5	-	-
Current and future receivables	23.3	47.0	23.2	4.0
<b>Total</b>	<b>1,844.2</b>	<b>1,854.5</b>	<b>582.1</b>	<b>595.9</b>

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 also in certain cases exercise its rights in the collateral provided. Both as at 30 June 2020 and 31 December 2019, Asseco Group companies did not infringe any covenants defined in their loan agreements.

#### Fair value of financial liabilities

In the period of 6 months ended 30 June 2020, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy. Both as at 30 June 2020 and 31 December 2019, the fair values of bank loans and debt securities issued were not significantly different from their book values.

As at 30 June 2020	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Interest-bearing bank loans and debt securities issued</b>				
Bank loans	1,314.2	-	-	1,314.2
- overdraft facilities	46.1	-	-	46.1
- non-revolving loans	1,268.1	-	-	1,268.1
Bonds and other debt securities	1,136.6	1,021.7	114.9	-
Loans	6.6	-	-	6.6
<b>Total</b>	<b>2,457.4</b>	<b>1,021.7</b>	<b>114.9</b>	<b>1,320.8</b>

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 2019	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Interest-bearing bank loans and debt securities issued</b>				
Bank loans	1,153.4	-	-	1,153.4
- overdraft facilities	147.5	-	-	147.5
- non-revolving loans	1,005.9	-	-	1,005.9
Bonds and other debt securities	895.2	785.3	109.9	-
Loans	7.0	-	-	7.0
<b>Total</b>	<b>2,055.6</b>	<b>785.3</b>	<b>109.9</b>	<b>1,160.4</b>

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

#### 6.15. Other financial liabilities

Other financial liabilities	30 June 2020		31 Dec. 2019 restated	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Dividend payment liabilities	-	29.0	-	22.3
Liabilities under deferred and/or conditional payments for controlling interests	66.8	54.1	80.7	61.3
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	102.1	213.5	159.4	181.4
Other financial liabilities	5.1	0.3	3.8	0.1
	<b>174.0</b>	<b>296.9</b>	<b>243.9</b>	<b>265.1</b>

Both as at 30 June 2020 and 31 December 2019, dividend payment liabilities comprised basically dividends payable to non-controlling shareholders in subsidiaries and indirect subsidiaries of the Parent Company.

As at 30 June 2020 and 31 December 2019, 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 30 June 2020 and 31 December 2019:

Liabilities under deferred and/or conditional payments for controlling interests	30 June 2020 mPLN	31 Dec. 2019 restated mPLN
Liabilities from acquisitions made by Asseco Poland S.A. in international market	2.6	6.9
Liabilities from acquisitions made within the Asseco International segment	35.4	34.8
Liabilities from acquisitions made within the Formula Systems segment	82.9	100.3
	<b>120.9</b>	<b>142.0</b>

As at 30 June 2020 and 31 December 2019, 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 30 June 2020 and 31 December 2019:

Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	30 June 2020 mPLN	31 Dec. 2019 mPLN
Liabilities of companies within the Asseco Poland segment	0.3	61.2
Liabilities of companies within the Asseco International segment	129.5	72.0
Liabilities of companies within the Formula Systems segment	185.8	207.6
	<b>315.6</b>	<b>340.8</b>

Both as at 30 June 2020 and 31 December 2019, the fair values of financial liabilities were not significantly different from their book values.

As at 30 June 2020	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Financial liabilities</b>				
dividend payment liabilities	29.0	-	-	29.0
liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	120.9	-	-	120.9
liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	315.6	-	-	315.6
other financial liabilities	5.4	-	5.4	-
<b>Total</b>	<b>470.9</b>	<b>-</b>	<b>5.4</b>	<b>465.5</b>

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 2019 <i>restated</i>	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Financial liabilities</b>				
dividend payment liabilities	22.3	-	-	22.3
liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	142.0	-	-	142.0
liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	340.8	-	-	340.8
other financial liabilities	3.9	-	3.9	-
<b>Total</b>	<b>509.0</b>	<b>-</b>	<b>3.9</b>	<b>505.1</b>

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

#### 6.16. Trade payables, state budget liabilities and other liabilities

The table below presents the structure of the Group's liabilities outstanding as at 30 June 2020 and 31 December 2019:

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Trade payables, of which:</b>	<b>1.8</b>	<b>852.9</b>	<b>2.6</b>	<b>983.5</b>
<b>Invoiced payables</b>	<b>0.2</b>	<b>529.2</b>	<b>1.4</b>	<b>662.7</b>
from related parties	-	1.3	-	0.8
from other entities	0.2	527.9	1.4	661.9
<b>Uninvoiced payables</b>	<b>1.6</b>	<b>322.3</b>	<b>1.2</b>	<b>318.9</b>
from related parties	-	0.7	-	0.7
from other entities	1.6	321.6	1.2	318.2
<b>Liabilities arising from contractual penalties</b>	<b>-</b>	<b>1.4</b>	<b>-</b>	<b>1.9</b>
<b>Corporate income tax payable</b>	<b>-</b>	<b>81.2</b>	<b>-</b>	<b>89.5</b>
<b>Liabilities to the state and local budgets</b>	<b>-</b>	<b>204.6</b>	<b>-</b>	<b>231.0</b>
Value added tax (VAT)	-	89.0	-	126.5
Personal income tax (PIT)	-	49.0	-	50.1
Social insurance	-	54.7	-	47.2
Withholding income tax	-	3.8	-	1.7
Other	-	8.1	-	5.5
<b>Other liabilities</b>	<b>7.4</b>	<b>382.3</b>	<b>7.8</b>	<b>372.8</b>
Liabilities to employees (including salaries payable)	-	349.5	-	333.3
Other liabilities	7.4	32.8	7.8	39.5
<b>Total</b>	<b>9.2</b>	<b>1,521.0</b>	<b>10.4</b>	<b>1,676.8</b>

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 structure of the Group's liabilities from contracts with customers as at 30 June 2020 and 31 December 2019:

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Liabilities from valuation of IT contracts, of which:</b>	-	43.7	-	57.0
From related parties	-	8.5	-	9.7
From other entities	-	35.2	-	47.3
<b>Deferred income from IT projects, of which:</b>	82.8	690.1	57.7	570.3
Maintenance services and license fees	82.8	612.5	57.7	513.5
Other prepaid services	-	77.6	-	56.8
<b>Total contract liabilities</b>	<b>82.8</b>	<b>733.8</b>	<b>57.7</b>	<b>627.3</b>

### 6.18. Provisions

Changes in the amount of provisions during the period of 6 months ended 30 June 2020 and in the comparable period are presented in the table below:

	6 months ended 30 June 2020	6 months ended 30 June 2019 (restated)
	mPLN	mPLN
<b>As at 1 January</b>	<b>121.1</b>	<b>113.4</b>
Obtaining control over subsidiaries	1.7	3.5
Provisions created during the reporting period	15.5	7.3
Discount change and actuarial gains/losses	0.8	1.6
Provisions utilized during the reporting period	(7.7)	(11.2)
Provisions reversed during the reporting period	(3.0)	(2.0)
Change in presentation	(0.3)	(1.8)
Differences on foreign currency translation of subsidiaries	4.5	0.8
<b>As at the end of the reporting period, of which:</b>	<b>132.6</b>	<b>111.6</b>
<b>Short-term</b>	<b>39.1</b>	<b>35.7</b>
<b>Long-term</b>	<b>93.5</b>	<b>75.9</b>

### 6.19. Accruals and deferred income

	30 June 2020		31 Dec. 2019	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Accruals, of which:</b>				
Accrual for unused holiday leaves	-	183.0	-	145.1
Accrual for employee and management bonuses	-	159.5	1.9	195.4
	-	342.5	1.9	340.5
<b>Deferred income, of which:</b>				
Grants related to assets	54.7	3.5	41.0	4.8
Other	-	3.6	-	5.0
	54.7	7.1	41.0	9.8

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	
	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Transactions with associates and jointly controlled entities	13.4	3.5	6.0	0.3
Transactions with entities or individuals related through the Group's Key Management Personnel	0.9	1.1	2.8	2.7
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.9	1.4
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	0.1	-	4.6	4.1
Transactions with capital-related entities	25.1	-	1.0	-
<b>Total related party transactions</b>	<b>39.5</b>	<b>4.6</b>	<b>15.3</b>	<b>8.5</b>

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 proceeds 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, telecommunication 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	
	30 June 2020 mPLN	31 Dec. 2019 mPLN	30 June 2020 mPLN	31 Dec. 2019 mPLN
Transactions with associates and jointly controlled entities	1.6	16.6	8.8	9.8
Transactions with entities or individuals related through the Group's Key Management Personnel	6.6	7.6	16.1	14.6
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.7	0.7
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	52.1	73.7	9.6	10.0
Transactions with subsidiaries	14.1	8.2	0.2	0.2
<b>Total related party transactions</b>	<b>74.4</b>	<b>106.1</b>	<b>35.4</b>	<b>35.3</b>

As at 30 June 2020, receivables from related parties comprised trade receivables and contract assets amounting to PLN 16.1 million, as compared with PLN 26.3 million outstanding as at 31 December 2019.

As at 30 June 2020, liabilities to related parties comprised trade payables amounting to PLN 2.0 million, as compared with PLN 1.5 million outstanding as at 31 December 2019.

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, ASEE, Formula Systems) that were sold to their managers. Such sale transactions were conducted mainly in previous years, and the resulting receivables are described in detail in explanatory note 6.10 to the consolidated financial statements of the Group for the year ended 31 December 2018.



Name of entity	Loans granted		Borrowings	
	30 June 2020	31 Dec. 2019	30 June 2020	31 Dec. 2019
	mPLN	mPLN	mPLN	mPLN
Transactions with associates	15.8	14.9	-	-
Transactions with entities or individuals related through the Group's Key Management Personnel	-	-	1.8	2.1
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	1.2	-	-	-
<b>Total related party transactions</b>	<b>17.0</b>	<b>14.9</b>	<b>1.8</b>	<b>2.1</b>

Related party transactions were carried out on an arm's length basis.

## 7. Explanatory notes to the consolidated statement of cash flows

### 7.1. Cash flows – operating activities

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

	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Change in inventories	(8.2)	(8.5)
Change in receivables and non-financial assets	127.1	73.8
Change in liabilities	(189.1)	(291.9)
Change in prepayments and accruals	29.6	36.8
Change in provisions	3.9	(6.0)
<b>Total</b>	<b>(36.7)</b>	<b>(195.8)</b>

### 7.2. Cash flows – investing activities

In the period of 6 months ended 30 June 2020 and during the comparable period, the amount of cash flows from investing activities was affected primarily by acquisitions of property, plant and equipment and intangible assets, as well as by expenditures for development projects:

	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Acquisition of property, plant and equipment	(100.1)	(81.5)
Acquisition of intangible assets	(6.0)	(11.3)
Expenditures for development projects	(49.6)	(48.5)
Acquisition of investment property	-	(0.8)
<b>Total</b>	<b>(155.7)</b>	<b>(142.1)</b>

Expenditures for the acquisition of subsidiaries and associates, and cash and cash equivalents in the acquired subsidiaries as at the date of obtaining control, as presented in the table below:

for the period of 6 months ended 30 June 2020	Acquisition of subsidiaries and associates mPLN	Cash in subsidiaries acquired mPLN
Acquisitions made within the Asseco Poland segment	(5.9)	-
Acquisitions made within the Asseco International segment	(13.2)	1.0
Acquisitions made within the Formula Systems segment	(73.8)	24.7
<b>Total</b>	<b>(92.9)</b>	<b>25.7</b>

for the period of 6 months ended 30 June 2019	Acquisition of subsidiaries and associates mPLN	Cash in subsidiaries acquired mPLN
Acquisitions made within the Asseco Poland segment	(2.6)	-
Acquisitions made within the Asseco International segment	(3.5)	0.1
Acquisitions made within the Formula Systems segment	(215.0)	67.7
<b>Total</b>	<b>(221.1)</b>	<b>67.8</b>

The following table presents detailed cash flows relating to loans and cash deposits during the period of 6 months ended 30 June 2020 and in the comparable period:

for the period of 6 months ended 30 June 2020	Loans collected mPLN	Loans granted mPLN
Loans for employees	0.9	(1.0)
Loans for related parties	-	(1.2)
Loans for other entities	6.6	-
Term cash deposits with original maturities exceeding 3 months	24.0	(14.5)
<b>Total</b>	<b>31.5</b>	<b>(16.7)</b>

for the period of 6 months ended 30 June 2019	Loans collected mPLN	Loans granted mPLN
Loans for employees	0.9	(1.2)
Loans for related parties	-	(0.6)
Loans for other entities	1.9	(2.5)
Term cash deposits with original maturities exceeding 3 months	28.5	-
<b>Total</b>	<b>31.3</b>	<b>(4.3)</b>

### 7.3. Cash flows – financing activities

In the period of 6 months ended 30 June 2020 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	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Bank loans and borrowings obtained within the Asseco Poland segment	-	2.4
Bank loans and borrowings obtained within the Asseco International segment	60.9	49.9
Bank loans and borrowings obtained within the Formula Systems segment	538.0	376.8
<b>Total</b>	<b>598.9</b>	<b>429.1</b>

- Repayments of bank loans and borrowings:

Repayments of bank loans and borrowings	6 months ended 30 June 2020 mPLN	6 months ended 30 June 2019 mPLN
Bank loans repaid within the Asseco Poland segment	-	(55.0)
Bank loans repaid within the Asseco International segment	(26.8)	(48.1)
Bank loans repaid within the Asseco International segment	(458.2)	(172.3)
<b>Total</b>	<b>(485.0)</b>	<b>(275.4)</b>

- Expenditures for the acquisition of non-controlling interests in subsidiaries within the Formula Systems segment amounted to PLN 93.2 million and resulted primarily from the acquisition of an additional stake in Roshtov Software Industries (a subsidiary of Magic). The remaining expenditures for the acquisition of non-controlling interests, in the amount of PLN 6.6 million, resulted from the acquisition of shares in Formula Systems by Asseco Poland.
- In addition, in the period of 6 months ended 30 June 2020, Formula Group redeemed its previously issued bonds and other debt securities. In the first half of 2020, cash outflows for this purpose amounted to PLN 103.6 million (of which PLN 63.8 million were spent Matrix IT, and PLN 39.8 million by Sapiens Group).

- Proceeds from issuance of bonds were related entirely to the Formula Systems segment and in the first half of 2020 they totalled PLN 302.3 million (of which PLN 238.5 million were obtained by Sapiens Group, and PLN 63.8 million by Matrix IT).

## 8. Other explanatory notes

### 8.1. Off-balance-sheet liabilities

The table below presents our contingent liabilities as at 30 June 2020 and 31 December 2019:

Contingent liabilities	30 June 2020	31 Dec. 2019
	mPLN	mPLN
<b>Liabilities from guarantees of due performance of contracts</b>		
Liabilities falling due within 3 months	12.6	14.7
Liabilities falling due within 3 to 12 months	64.9	56.4
Liabilities falling due within 1 to 5 years	115.8	117.0
Liabilities falling due after 5 years	19.0	21.4
<b>Total</b>	<b>212.3</b>	<b>209.5</b>
<b>Liabilities arising from bank guarantees and guarantee bonds</b>		
Liabilities falling due within 3 months	3.1	0.3
Liabilities falling due within 3 to 12 months	1.8	1.4
Liabilities falling due within 1 to 5 years	2.4	2.8
Liabilities falling due after 5 years	-	-
<b>Total</b>	<b>7.3</b>	<b>4.5</b>
<b>Other contingent liabilities</b>	<b>0.6</b>	<b>1.6</b>

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 they are not recognized as liabilities in the statement of financial position of the Group as at 30 June 2020 and 31 December 2019.

In the period reported, none of the Group's companies granted any new significant guarantees and/or sureties. As at 30 June 2020, the value of a surety granted by Asseco Poland S.A. in favour of SG Equipment Leasing Polska Sp. z o.o. in order to secure the repayment of liabilities by Asseco Lietuva, as described in the annual report, amounted to PLN 1.1 million; whereas, the value of a guarantee granted by Asseco Central Europe, a.s. to Prosoft Kosice, a.s. (a joint venture of ACE Group) amounted to EUR 1.5 million (PLN 6.7 million).

#### Disputes in litigation as at the end of the reporting period

As at 30 June 2020, the Parent Company was party to two court proceedings initiated by the same claimant, 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 claimant makes unjustified demands upon the Parent Company to transfer proprietary software copyrights and extend the licenses granted.

In addition, during 2019, a new court dispute was brought against the Parent Company in which the claimant 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 30 June 2020.

As at 30 June 2020, claims brought in court against Asseco Data Systems S.A. amounted in total to PLN 19.5 million. The biggest portion of this amount is constituted by the above-mentioned claim of PLN 17.1 million, where Asseco Data Systems S.A. is liable jointly and severally with Asseco Poland S.A. In addition, during the reporting period, Asseco Data Systems S.A. received a claim for payment of PLN 0.9 million, arising from the transfer of receivables in connection with cooperation conducted under the consortium agreement of 5 April 2016. In the opinion of Asseco Data Systems S.A. and Asseco Group, based on the legal assessment made by the Group's advisors, the provisions for pending litigation that are recognized in this report have been created in a sufficient amount to cover possible risks arising from pending disputes.

During the reporting period, ACE Group (the Asseco International segment) was party to a dispute regarding a delay in delivery of an IT system to a customer in Slovakia. The Group has created a provision against the potential contractual penalty in the amount of PLN 6.0 million. In addition, during the reporting period, Asseco Central Europe, a.s. Group was party to just one more significant dispute that entered the stage of court proceedings. The claim is related to payment of contractual penalties in the amount of EUR 4.6 million (PLN 20.5 million). The Management Board of ACE Group has considered the plaintiff's claim to be unjustified and, therefore, brought a counter-claim for compensation for the lost contract in the amount of EUR 4.1 million (PLN 18.3 million).

In the reporting period, Matrix IT Group (the Formula Systems segment) was party to court proceedings where the total amount in dispute was ILS 22.1 million (PLN 25.4 million). In the opinion of Matrix Group and Asseco Group, based on the legal assessment made by the Group's advisors, the provisions for pending litigation that are recognized in this report have been created in a sufficient amount to cover possible risks arising from pending disputes.

In the reporting period, Magic Group (the Formula Systems segment) was party to court proceedings where the total amount in dispute was approx. PLN 39 million. The Group believes it has created a sufficient amount of provisions for ongoing court cases.

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	30 June 2020	31 Dec. 2019
Management Board of the Parent Company	10	10
Management Boards of the Group companies	189	172
Production departments	23,212	23,370
Sales departments	1,412	1,369
Administration departments	1,928	1,922
<b>Total</b>	<b>26,751</b>	<b>26,843</b>

Number of employees in the Group companies as at	30 June 2020	31 Dec. 2019
<b>Asseco Poland segment</b>	<b>3,443</b>	<b>3,521</b>
Asseco Poland S.A.	2,315	2,324
Asseco Data Systems S.A.	818	891
DahliaMatic Sp. z o.o.	51	52
ZUI Novum Sp. z o.o.	76	74

SKG S.A.	40	37
Park Wodny Sopot Sp. z o.o.	57	58
Podkarpacki Fundusz Nieruchomości Sp. z o.o.*	2	1
Gdyński Klub Koszykówki "Arka" S.A.	8	7
Asseco Resovia S.A.	7	7
GSTN Consulting Sp. z o.o.	3	4
Eversoft sp. z o.o.	52	59
ComCERT S.A.	14	7
<b>Asseco International segment</b>	<b>6,941</b>	<b>6,862</b>
Asseco Central Europe Group	3,226	3,232
Asseco South Eastern Europe Group	2,742	2,675
Asseco International, a.s.	4	4
Asseco Western Europe Group	160	142
Tecnologia Sistemas y Aplicaciones (Tecsisa)	44	40
Asseco Danmark A/S	31	29
Peak Consulting ApS	51	50
Asseco PST Holding SGPS Group (former Exictos)	441	443
Sintagma UAB	188	176
Asseco Georgia LLC	29	47
Asseco Software Nigeria Ltd.	19	17
Asseco Central Asia	6	7
<b>Formula Systems segment</b>	<b>16,367</b>	<b>16,460</b>
Formula Systems Group	16,367	16,460
<b>Total</b>	<b>26,751</b>	<b>26,843</b>

\* This is the total employment in Podkarpacki Fundusz Nieruchomości Sp. z o.o. and Aquapark Sopot Sp. z o.o.

#### 8.4. Significant events after the reporting period

##### ■ **Registration of the merger of Asseco Poland S.A. with SKG S.A.**

On 1 July 2020, the District Court in Rzeszów made an entry in the register of entrepreneurs of the merger between Asseco Poland S.A. and SKG S.A. The merger of both the companies was carried out by transferring all the assets of SKG to the Parent Company. Because the Parent Company (acting as the taking-over company) already held all the shares in SKG S.A. (being the acquired company), the merger was conducted without increasing the share capital of the taking-over company as well as without an exchange of shares in SKG S.A. As a result of the merger, the company of SKG S.A. has been dissolved without going into liquidation. The objective of the merger of Asseco Poland S.A. and SKG S.A. is to benefit from synergy effects as well as to further develop Asseco's competence in IT services provided to the public finance sector and in handling of customs, transport and forwarding processes. This merger has had no impact on the consolidated net profit of the Group or on the equity attributable to Shareholders of the Parent Company.

##### ■ **Acquisition of shares in Mobisoft Ltd.**

On 1 July 2020, Magic Software Enterprises acquired 70% of shares in the company Mobisoft Ltd. based in Israel.

##### ■ **Acquisition of shares in Gestetner Tech Ltd.**

On 21 July 2020, Matrix IT Integration & Infrastructures Ltd. acquired 51% of shares in the company Gestetner Tech Ltd. based in Israel.

##### ■ **Acquisition of shares in Gastrobit GRC Grupa d.o.o., Dugo Selo**

On 23 July 2020, Payten d.o.o. (Zagreb) acquired 100% of shares in the company Gastrobit GRC Grupa d.o.o. based in Croatia.

▪ ***Merger of Asseco Central Europe a.s. (Czech Republic) with TurboConsult s.r.o.***

The merger of Asseco Central Europe a.s. (the taking-over company) and TurboConsult s.r.o. (the acquired company) was registered on 1 August 2020. Both the companies are based in the Czech Republic and this merger will have no impact on the consolidated net profit of the Group or on the equity attributable to Shareholders of the Parent Company.

▪ ***Resolution on payment of a dividend by Formula Systems***

On 18 August 2020, the Board of Directors of Formula Systems Ltd. adopted a resolution on payment of a dividend in the total amount of USD 8 million. The dividend record date was set for 8 September 2020; whereas, the dividend payment was scheduled for 16 September 2020.

#### 8.5. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 6 months ended 30 June 2020, 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



These interim condensed consolidated financial statements of Asseco Group for the period of 6 months ended 30 June 2020 have been approved for publication by the Management Board of Asseco Poland S.A. on 27 August 2020.

**Management Board:**

President of the Management Board

Adam Góral

Vice President  
of the Management Board

Andrzej Dopierała

Vice President  
of the Management Board

Krzysztof Groyecki

Vice President  
of the Management Board

Rafał Marek Kozłowski

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

Sławomir Szmytkowski

Vice President  
of the Management Board

Artur Wiza

Vice President  
of the Management Board

Gabriela Żukowicz

**Person responsible for the preparation of consolidated financial statements:**

Director of the Financial Reporting  
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# Solutions for demanding business.

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