

Quarterly Report of [Asseco Group](#)  
for the period of 3 months ended 31 March 2021

**ASSECO**



Present in  
**60 countries**



**PLN 3,339 million**  
in sales revenues



**28,562**  
highly committed  
employees



**PLN 102.4 million**  
of net profit for  
Shareholders of  
the Parent Company



**PLN 8,576 million**  
in order backlog\*  
for 2021



**PLN 6.1 billion**  
in market capitalization

\*refers to own software and services

# Asseco Group

## Quarterly Report for the period of 3 months ended 31 March 2021

FINANCIAL HIGHLIGHTS.....	5
<b>A. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF ASSECO GROUP FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2021 .....</b>	<b>6</b>
INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME.....	7
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	8
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY .....	10
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.....	12
EXPLANATORY NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....	15
1. GENERAL INFORMATION .....	15
2. BASIS FOR THE PREPARATION OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS .....	16
2.1. Basis for preparation.....	16
2.2. Impact of the COVID-19 epidemic on the Group's business operations .....	16
2.3. Compliance statement.....	17
2.4. Functional currency and presentation currency .....	17
2.5. Professional judgement and estimates.....	17
2.6. Accounting policies applied .....	18
2.7. New standards and interpretations published but not in force yet .....	18
2.8. Changes in the presentation methods applied .....	19
2.9. Corrections of material errors .....	19
2.10. Restatement of comparable data .....	19
3. ORGANIZATION AND CHANGES IN THE STRUCTURE OF ASSECO GROUP, INCLUDING THE ENTITIES SUBJECT TO CONSOLIDATION .....	22
4. INFORMATION ON OPERATING SEGMENTS.....	29
5. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS .....	32
5.1. Structure of operating revenues.....	32
5.2. Structure of operating costs .....	34
5.3. Financial income and expenses .....	35
5.4. Corporate income tax .....	36
5.5. Earnings per share .....	36
5.6. Information on dividends paid out .....	36
6. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION.....	37
6.1. Property, plant and equipment .....	37
6.2. Intangible assets .....	37
6.3. Right-of-use assets.....	37
6.4. Goodwill .....	38
6.5. Associates and joint ventures .....	41
6.6. Entities with significant non-controlling interests .....	41
6.7. Receivables and contract assets .....	43
6.8. Prepayments and accrued income .....	44
6.9. Other financial assets.....	45
6.10. Inventories .....	46
6.11. Cash and cash equivalents .....	46
6.12. Bank loans, borrowings and debt securities .....	47
6.13. Lease liabilities .....	50
6.14. Other financial liabilities .....	50
6.15. Trade payables, state budget liabilities and other liabilities .....	52
6.16. Contract liabilities .....	52

6.17. Provisions.....	53
6.18. Accruals and deferred income .....	53
6.19. Related party transactions.....	54
<b>7. EXPLANATORY NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS .....</b>	<b>56</b>
7.1. Cash flows – operating activities .....	56
7.2. Cash flows – investing activities.....	56
7.3. Cash flows – financing activities .....	57
<b>8. OTHER EXPLANATORY NOTES.....</b>	<b>58</b>
8.1. Off-balance-sheet liabilities .....	58
8.2. Seasonal and cyclical business .....	60
8.3. Employment.....	60
8.4. Significant events after the reporting period .....	60
8.5. Significant events related to prior years.....	61
<b>B. COMMENTARY AND SUPPLEMENTARY INFORMATION TO THE QUARTERLY REPORT OF ASSECO GROUP .....</b>	<b>62</b>
1. SELECTED FINANCIAL DATA FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2021 (NON-IFRS) ...	63
2. SUMMARY AND ANALYSIS OF FINANCIAL RESULTS OF ASSECO GROUP FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2021 .....	64
3. MAJOR FACTORS AND EVENTS WITH IMPACT ON OUR FINANCIAL PERFORMANCE .....	69
Asseco Poland segment .....	69
Asseco International segment.....	76
Formula Systems segment .....	78
4. NON-RECURRING EVENTS WITH IMPACT ON OUR FINANCIAL PERFORMANCE.....	80
5. CORPORATE OFFICERS OF ASSECO POLAND S.A. ....	80
6. SHAREHOLDERS STRUCTURE OF ASSECO POLAND S.A. ....	81
7. OTHER INFORMATION.....	82
7.1. Issuance, redemption and repayment of non-equity and equity securities.....	82
7.2. Effects of changes in the organizational structure .....	82
7.3. Information on pending legal proceedings concerning liabilities or receivables of Asseco Poland or its subsidiaries .....	82
7.4. Related party transactions.....	82
7.5. Bank loans, borrowings, sureties, guarantees and off-balance-sheet liabilities.....	82
7.6. Changes in the Group management policies .....	82
7.7. Agreements concluded by Asseco Group with its management personnel providing for payment of compensations if such persons resign or are dismissed from their positions.....	83
7.8. Information on the agreements known to the Issuer which may result in future changes of the equity interests held by the existing shareholders and bondholders .....	83
7.9. Opinion on feasibility of the Management’s financial forecasts for 2021.....	83
7.10. Information on monitoring of employee stock option plans.....	83
7.11. Factors which in the Management’s opinion will affect the Group’s financial performance at least in the next quarter .....	83
7.12. Other factors significant for the assessment of human resources, assets and financial position .....	83
<b>C. INTERIM CONDENSED FINANCIAL STATEMENTS OF ASSECO POLAND S.A. FOR THE PERIOD OF 3 MONTHS ENDED 31 MARCH 2021 .....</b>	<b>84</b>
STANDALONE INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME .....	85
STANDALONE INTERIM STATEMENT OF FINANCIAL POSITION .....	86
STANDALONE INTERIM STATEMENT OF CHANGES IN EQUITY .....	88
STANDALONE INTERIM STATEMENT OF CASH FLOWS .....	89
<b>APPROVAL FOR PUBLICATION BY THE MANAGEMENT BOARD.....</b>	<b>90</b>

# Financial Highlights

## Asseco Group

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

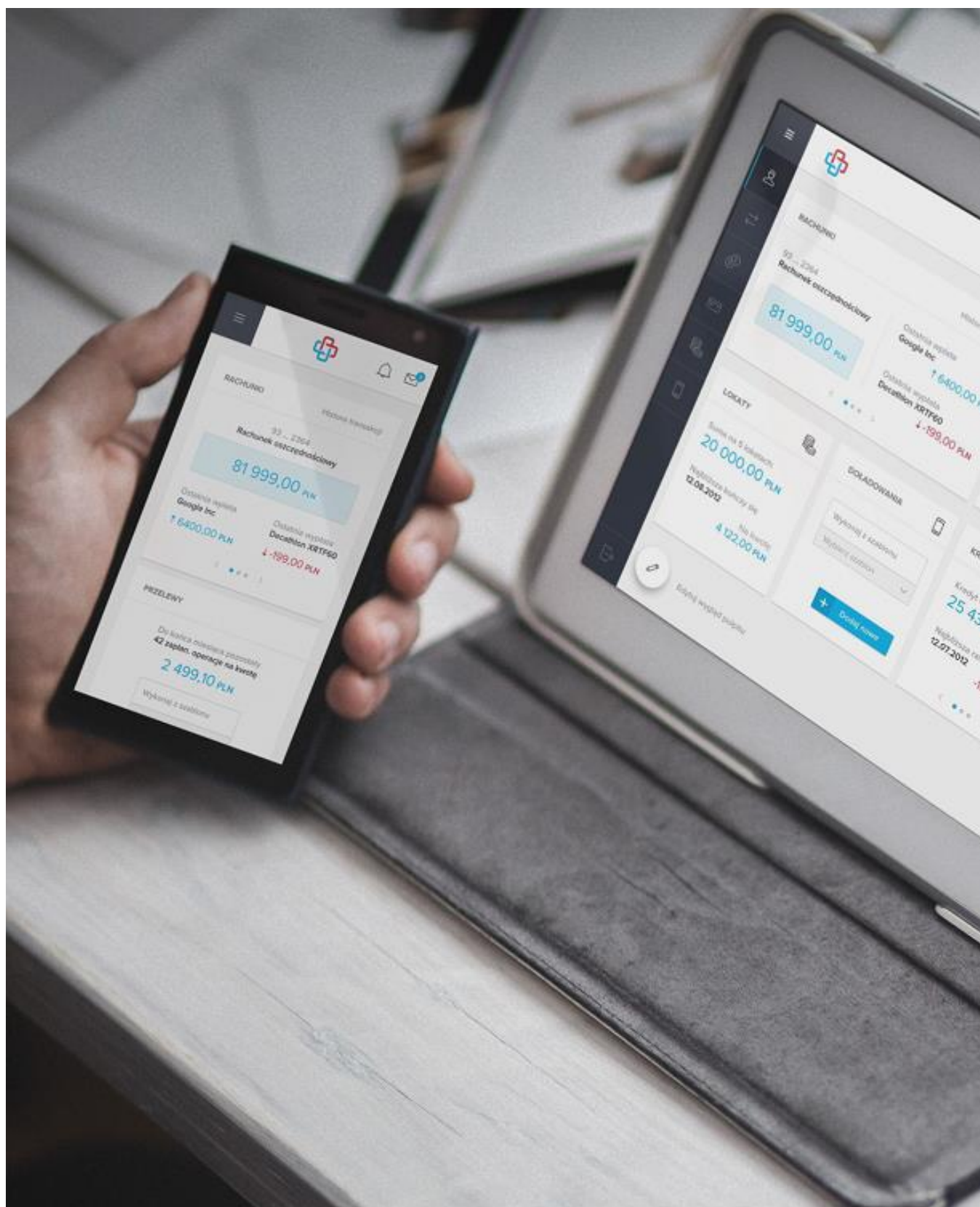
	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN	3 months ended 31 March 2021 mEUR	3 months ended 31 March 2020 mEUR
Operating revenues	3,339.1	2,920.4	730.3	664.3
Operating profit	323.0	249.8	70.6	56.8
Pre-tax profit before share of profits of associates	298.1	229.8	65.2	52.3
Net profit for the reporting period	233.2	176.4	51.0	40.1
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>102.4</b>	<b>81.7</b>	<b>22.4</b>	<b>18.6</b>
Net cash provided by (used in) operating activities	81.8	330.0	17.9	75.1
Net cash provided by (used in) investing activities	(75.9)	(57.0)	(16.6)	(13.0)
Net cash provided by (used in) financing activities	(256.8)	94.3	(56.2)	21.5
Cash and short-term deposits (comparable data as at 31 December 2020)	2,716.9	2,896.0	583.0	627.5
Basic earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	1.23	0.98	0.27	0.22
Diluted earnings per ordinary share attributable to Shareholders of the Parent Company (in PLN/EUR)	1.23	0.98	0.27	0.22

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 2021 to 31 March 2021: EUR 1 = PLN 4.5721
  - for the period from 1 January 2020 to 31 March 2020: EUR 1 = PLN 4.3963
- The Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at daily mid exchange rates as published by the National Bank of Poland. These exchange rates were respectively:
  - exchange rate effective on 31 March 2021: EUR 1 = PLN 4.6603
  - exchange rate effective on 31 December 2020: EUR 1 = PLN 4.6148

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





## A. Interim Condensed Consolidated Financial Statements of **Asseco Group** for the period of 3 months ended 31 March 2021

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

## Asseco Group

STATEMENT OF PROFIT AND LOSS	Note	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated*) mPLN
Operating revenues	<u>5.1</u>	3,339.1	2,920.4
Cost of sales	5.2	(2,624.1)	(2,312.8)
<b>Gross profit on sales</b>		<b>715.0</b>	<b>607.6</b>
Selling costs	5.2	(175.1)	(148.1)
General and administrative expenses	5.2	(214.0)	(205.1)
<b>Net profit on sales</b>		<b>325.9</b>	<b>254.4</b>
Other operating income		5.7	8.0
Other operating expenses		(8.6)	(12.6)
<b>Operating profit</b>		<b>323.0</b>	<b>249.8</b>
Financial income	<u>5.3</u>	19.0	46.7
Financial expenses	<u>5.3</u>	(43.9)	(66.7)
<b>Pre-tax profit before share of profits of associates and joint ventures</b>		<b>298.1</b>	<b>229.8</b>
Corporate income tax (current and deferred tax expense)	<u>5.4</u>	(64.7)	(51.6)
Share of profits of associates and joint ventures	<u>6.5</u>	(0.2)	(1.8)
<b>Net profit for the reporting period</b>		<b>233.2</b>	<b>176.4</b>
<i>Attributable to:</i>			
<b>Shareholders of the Parent Company</b>		<b>102.4</b>	<b>81.7</b>
Non-controlling interests		130.8	94.7
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	<u>5.5</u>	1.23	0.98
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Net profit for the reporting period</b>		<b>233.2</b>	<b>176.4</b>
<b>Components that may be reclassified to profit or loss</b>			
Differences on foreign currency translation of subsidiaries, associates and joint ventures		130.4	257.8
<b>Components that will not be reclassified to profit or loss</b>			
Actuarial gains/losses		4.0	(0.2)
Income tax relating to components of other comprehensive income		(0.6)	0.4
<b>Total other comprehensive income</b>		<b>133.8</b>	<b>258.0</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>		<b>367.0</b>	<b>434.4</b>
<b>Shareholders of the Parent Company</b>		<b>147.4</b>	<b>205.5</b>
Non-controlling interests		219.6	228.9

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

# Interim Consolidated Statement of Financial Position

## Asseco Group

ASSETS	Note	31 March 2021 mPLN	31 December 2020 (restated*) mPLN
<b>Non-current assets</b>			
Property, plant and equipment	<u>6.1</u>	908.8	914.7
Intangible assets	<u>6.2</u>	2,269.3	2,274.0
Right-of-use assets	<u>6.3</u>	727.2	724.7
Investment property		18.0	18.0
Goodwill	<u>6.4</u>	5,210.1	5,132.1
Investments accounted for using the equity method	<u>6.5</u>	168.2	162.4
Other receivables and trade receivables	<u>6.7</u>	90.7	94.2
Deferred tax assets		208.6	202.4
Prepayments and accrued income	<u>6.8</u>	114.4	101.6
Other financial assets	<u>6.9</u>	115.8	128.7
		<b>9,831.1</b>	<b>9,752.8</b>
<b>Current assets</b>			
Inventories	<u>6.10</u>	190.2	186.9
Prepayments and accrued income	<u>6.8</u>	347.4	291.5
Trade receivables	<u>6.7</u>	3,004.5	2,890.9
Contract assets	<u>6.7</u>	374.2	303.9
Corporate income tax receivable	<u>6.7</u>	75.8	101.0
Receivables from the state and local budgets	<u>6.7</u>	40.7	29.7
Other receivables	<u>6.7</u>	65.6	59.3
Other non-financial assets		10.0	7.5
Other financial assets	<u>6.9</u>	203.1	186.6
Cash and bank deposits	<u>6.11</u>	2,716.9	2,896.0
		<b>7,028.4</b>	<b>6,953.3</b>
<b>TOTAL ASSETS</b>		<b>16,859.5</b>	<b>16,706.1</b>

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



# Interim Consolidated Statement of Financial Position

## Asseco Group

		31 March 2021	31 December 2020
EQUITY AND LIABILITIES	Note		(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		(128.2)	(129.6)
Differences on foreign currency translation of subsidiaries, associates and joint ventures		139.5	94.9
Retained earnings and other capitals		1,918.7	1,815.9
		6,193.1	6,044.3
Non-controlling interests	6.6	3,066.0	2,912.9
Total equity		9,259.1	8,957.2
Non-current liabilities			
Bank loans, borrowings and debt securities	6.12	1,434.7	1,552.2
Lease liabilities	6.13	552.3	544.7
Other financial liabilities	6.14	173.3	184.0
Deferred tax liabilities		534.6	529.6
Contract liabilities	6.16	135.9	129.2
Accruals	6.18	0.9	0.9
Other liabilities	6.15	15.1	12.5
Provisions	6.17	108.8	109.7
Deferred income	6.18	63.9	64.7
		3,019.5	3,127.5
Current liabilities			
Bank loans, borrowings and debt securities	6.12	744.6	703.1
Lease liabilities	6.13	191.9	183.9
Other financial liabilities	6.14	373.3	331.5
Trade payables	6.15	1,016.3	1,191.7
Contract liabilities	6.16	1,039.1	900.1
Corporate income tax payable	6.15	59.8	67.4
Liabilities to the state and local budgets	6.15	212.2	296.2
Other liabilities	6.15	501.0	482.5
Provisions	6.17	30.5	36.7
Deferred income	6.18	8.4	7.5
Accruals	6.18	403.8	420.8
		4,580.9	4,621.4
TOTAL LIABILITIES		7,600.4	7,748.9
TOTAL EQUITY AND LIABILITIES		16,859.5	16,706.1

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

# Interim Consolidated Statement of Changes in Equity

## Asseco Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Differences on foreign currency translation of subsidiaries, associates and joint ventures	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 2021 (restated)</b>		<b>83.0</b>	<b>4,180.1</b>	<b>(129.6)</b>	<b>94.9</b>	<b>1,815.9</b>	<b>6,044.3</b>	<b>2,912.9</b>	<b>8,957.2</b>
Net profit for the reporting period		-	-	-	-	102.4	102.4	130.8	233.2
Other comprehensive income for the reporting period		-	-	-	44.6	0.4	45.0	88.8	133.8
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>44.6</b>	<b>102.8</b>	<b>147.4</b>	<b>219.6</b>	<b>367.0</b>
Dividend for the year 2020	5.6	-	-	-	-	-	-	(80.4)	(80.4)
Share-based payment transactions with employees		-	-	-	-	-	-	18.5	18.5
Transactions with non-controlling interests (including liabilities to non-controlling shareholders (put options))		-	-	1.4	-	-	1.4	(6.0)	(4.6)
Obtaining control over subsidiaries		-	-	-	-	-	-	1.4	1.4
<b>As at 31 March 2021</b>		<b>83.0</b>	<b>4,180.1</b>	<b>(128.2)</b>	<b>139.5</b>	<b>1,918.7</b>	<b>6,193.1</b>	<b>3,066.0</b>	<b>9,259.1</b>

## Interim Consolidated Statement of Changes in Equity

### Asseco Group

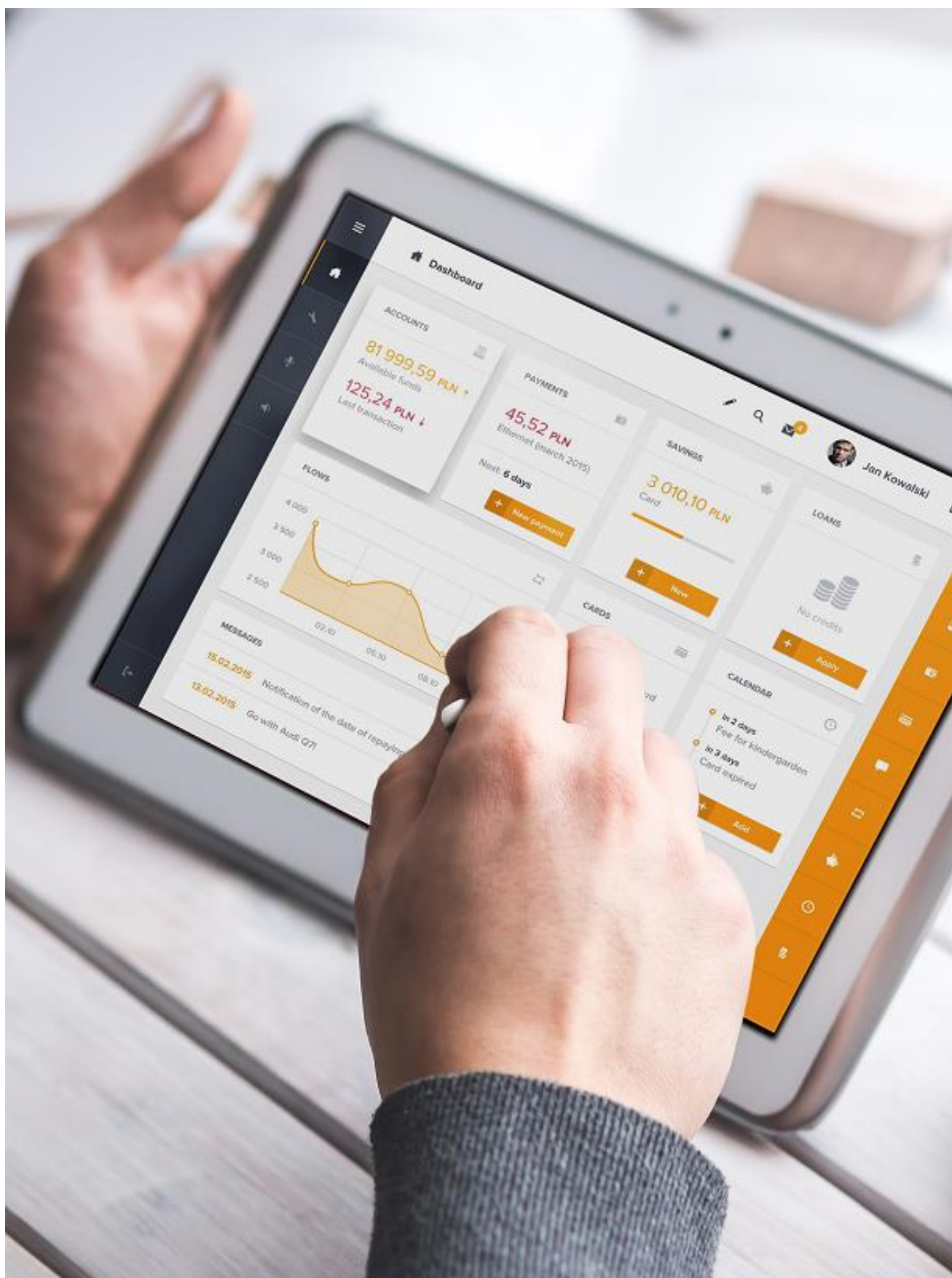
	Note	Share capital	Share premium	Transactions with non-controlling interests	Differences on foreign currency translation of subsidiaries, associates and joint ventures	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		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					-	81.7	81.7	94.7	176.4
Other comprehensive income for the reporting period					123.8	-	123.8	134.2	258.0
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>123.8</b>	<b>81.7</b>	<b>205.5</b>	<b>228.9</b>	<b>434.4</b>
Dividend for the year 2019	5.6	-	-	-	-	-	-	(27.3)	(27.3)
Share-based payment transactions with employees		-	-	-	-	-	-	7.2	7.2
Transactions with non-controlling interests (including liabilities to non-controlling shareholders (put options))		-	-	(11.2)	-	-	(11.2)	(46.2)	(57.4)
Obtaining control over subsidiaries		-	-	-	-	-	-	4.1	4.1
<b>As at 31 March 2020</b>		<b>83.0</b>	<b>4,180.1</b>	<b>(182.4)</b>	<b>132.0</b>	<b>1,746.5</b>	<b>5,959.2</b>	<b>2,385.6</b>	<b>8,344.8</b>

# Interim Consolidated Statement of Cash Flows

## Asseco Group

	Nota	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated) mPLN
<b>Cash flows – operating activities</b>			
Pre-tax profit before share of profits of associates and joint ventures		298.1	229.8
<b>Total adjustments:</b>		<b>(156.0)</b>	<b>157.9</b>
Depreciation and amortization		174.8	170.3
Changes in working capital	7.1	(361.9)	(51.1)
Interest income/expenses		17.2	13.0
Gain/loss on foreign currency translation differences		(8.3)	(7.1)
Other financial income/expenses		8.7	18.7
Gain/loss on disposal of property, plant and equipment and intangible assets		(2.0)	(0.5)
Costs of share-based payment transactions with employees		15.0	13.3
Gain/loss on disposal of property, plant and equipment and intangible assets		0.2	0.7
Other adjustments to pre-tax profit		0.3	0.6
<b>Cash provided by (used in) operating activities</b>		<b>142.1</b>	<b>387.7</b>
Corporate income tax paid		(60.3)	(57.7)
<b>Net cash provided by (used in) operating activities</b>		<b>81.8</b>	<b>330.0</b>
<b>Cash flows – investing activities</b>			
<b>Inflows</b>			
Disposal of property, plant and equipment, intangible assets, and investment property		4.6	2.3
Proceeds from the sale of shares in related entities, less cash in entities sold		2.7	1.8
Disposal of financial assets carried at fair value through other comprehensive income		-	23.5
Disposal of investments carried at amortized cost		-	10.6
Loans collected		0.6	1.2
Interest received		2.7	3.7
Other cash flows from investing activities		3.0	4.7
<b>Outflows</b>			
Acquisition of property, plant and equipment, intangible assets (including R&D expenditures), and investment property	7.2	(61.4)	(88.9)
Expenditures for the acquisition of subsidiaries and associates, plus cash and cash equivalents in subsidiaries acquired	7.2	(20.1)	(0.8)
Acquisition/settlement of financial assets carried at fair value through profit or loss as well as through other comprehensive income		-	(2.5)
Acquisition of investments in other debt securities carried at amortized cost		-	(1.8)
Loans granted (mainly cash deposits)		(0.5)	(10.8)
Other cash flows from investing activities		(7.5)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(75.9)</b>	<b>(57.0)</b>

<b>Cash flows – financing activities</b>			
<b>Inflows</b>			
Proceeds from the implementation of employee stock option plan		1.6	5.5
Proceeds from bank loans and borrowings	<u>7.3</u>	24.7	534.7
Received grants related to assets and/or development projects		2.9	3.4
<b>Outflows</b>			
Expenditures for the acquisition of non-controlling interests	<u>7.3</u>	(0.3)	(87.3)
Redemption of debt securities	<u>7.3</u>	(75.5)	(102.7)
Repayments of bank loans and borrowings	<u>7.3</u>	(81.3)	(110.6)
Payments of lease liabilities		(50.4)	(55.2)
Interest paid (including interest on leases)		(15.4)	(23.0)
Dividends paid out to non-controlling shareholders	<u>6.6</u>	(63.1)	(70.5)
<b>Net cash provided by (used in) financing activities</b>		<b>(256.8)</b>	<b>94.3</b>
<b>Net increase in cash and cash equivalents</b>		<b>(250.9)</b>	<b>367.3</b>
Net foreign currency translation differences		70.2	126.9
Net cash and cash equivalents as at 1 January		2,872.1	2,118.2
<b>Net cash and cash equivalents as at 31 March</b>	<u><b>6.11</b></u>	<b>2,691.4</b>	<b>2,612.4</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 31 March 2021. 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 2020 which were published on 23 March 2021.

### 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 31 March 2021 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 period of 3 months ended 31 March 2021, the Group has not recorded any material direct impact of the pandemic on its overall financial position and economic results. However, the epidemiological situation affected the organizational aspect of the Group's operations, because for the sake of our employees and customers, employees at some of the Group's companies performed their work on a remote basis that was enabled in 2020 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, 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 implementing local cost savings associated with performing business activities remotely. At the same time, the Group monitors the current situation in individual sectors of the economy, trying to take advantage of business opportunities which in the market of IT products and services are also created by the epidemic.

As described in explanatory note 6.4, the Group currently sees no indications of 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, despite the increased parameter that reflects generally higher business risk. 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, which mostly consisted in deferring the payment deadlines for tax and legal liabilities, receiving subsidies, deferring loan repayments or using bank loans guaranteed by the state. However, the Group did not renegotiate the existing lease contracts on a significant scale and no lease instalments were postponed or suspended, therefore the Group did not apply the practical expedient permitted under IFRS 16.

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 operation 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 quarterly report, is in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (consolidated text: Journal of Laws of 2018, item poz.757) ("Regulation"), and covers the reporting period from 1 January to 31 March 2021 and the comparable period from 1 January to 31 March 2020 in case of the statement of profit and loss and the statement of cash flows, as well as the financial data as at 31 March 2021 and the comparable data as at 31 December 2020 in case of the statement of financial position.

### 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, associates and joint ventures'.

### 2.5. Professional judgement and estimates

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

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

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

The Group's Management has not changed its judgement regarding the existence of control over entities in which the Parent Company holds less than 50% of shares in relation to such judgement that has been described in detail in item 2.5 of section 'Basis for the preparation of financial statements' contained in the Group's consolidated financial statements for the year ended 31 December 2020 which were published on 23 March 2021.

Hence, in the period covered by these interim condensed consolidated financial statements as well as at 31 March 2021, 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 2020.

Consequently, all of the above-mentioned entities have been fully consolidated in these interim condensed consolidated financial statements of Asseco Group for the period of 3 months ended 31 March 2021.

## ii. Estimates

In the period of 3 months ended 31 March 2021, 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 2020.

### 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 consolidated financial statements for the year 2020 which were published on 23 March 2021.

### 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) – 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) – the effective date of these amendments has been deferred indefinitely by the IASB;
- IFRS 17 'Insurance Contracts' (issued on 18 May 2017) and amendments to IFRS 17 (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 2023;
- Amendments to IAS 1 'Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current' and 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date' (issued on 23 January 2020 and 15 July 2020, respectively) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- 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;
- Amendments to IAS 1 and IFRS Practice Statement 2 ‘Disclosure of Accounting Policies’ (issued on 12 February 2021) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IAS 8 ‘Definition of Accounting Estimates’ (issued on 12 February 2021) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 16 ‘Covid-19-Related Rent Concessions beyond 30 June 2021’ (issued on 31 March 2021) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 April 2021;
- Amendments to IAS 12 ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’ (issued on 6 May 2021) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023.

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

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

#### 2.8. Changes in the presentation methods applied

Since 1 January 2021, income from letting of property and related expenses have been disclosed by the Group within its core operating activities instead of in other operating activities. This change is intended to ensure coherent presentation of rental income, regardless of rented assets.

Except for the modification described above, the applied methods of presentation were not subject to any changes during the reporting period.

#### 2.9. Corrections of material errors

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

#### 2.10. Restatement of comparable data

In 2021, the Group completed the process of purchase price allocation of Ofek Aerial Photography (1987) Ltd (Formula Group and segment) as well as changed the purchase price allocation of Mobisoft Ltd (Magic Group, Formula segment). In addition, in the second quarter of 2020, the Group completed the purchase price allocation of Tecsis company (Asseco International segment). These events resulted in changing the values of some assets and liabilities disclosed as at 31 December 2020, as well as some items disclosed in the statement of profit and loss for the period of 3 months ended 31 March 2020, which necessitated a restatement of such data.

Moreover, as described in explanatory note 2.8, the Group has modified the presentation of income and expenses from rental of property.

The table below presents impact of the said changes on the comparable data contained in the statement of financial position and the profit and loss account.

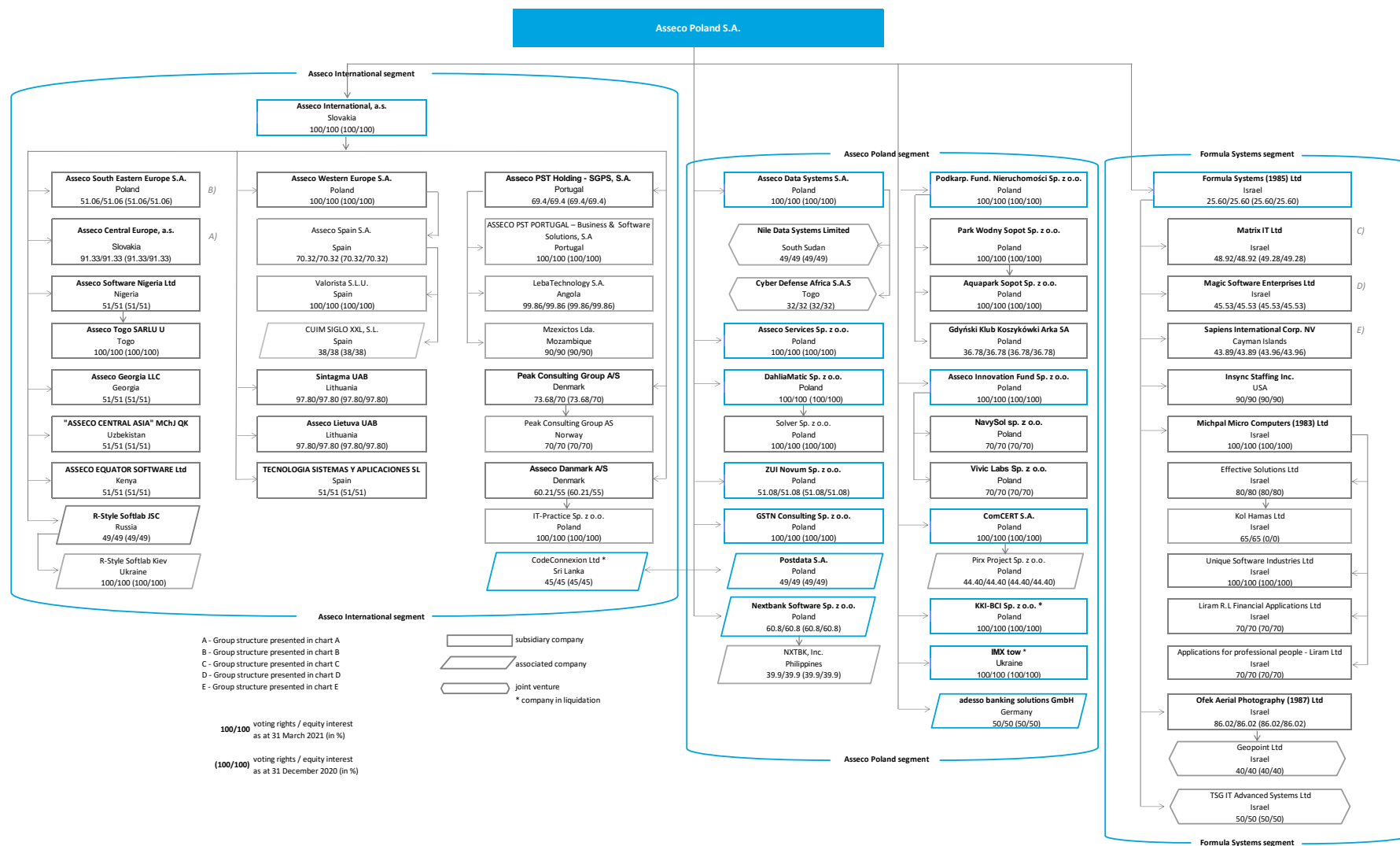
Restatement of the statement of financial position as at 31 December 2020	31 December 2020	Completion of purchase price allocation of Ofek company	Change in purchase price allocation of Mobisoft company	31 December 2020 (restated)
	mPLN	mPLN	mPLN	mPLN
<b>Non-current assets</b>	<b>9,750.3</b>	<b>0.4</b>	<b>2.1</b>	<b>9,752.8</b>
Property, plant and equipment	914.7	-	-	914.7
Intangible assets	2,274.0	-	-	2,274.0
Right-of-use assets	724.7	-	-	724.7
Investment property	18.0	-	-	18.0
Goodwill	5,129.1	0.9	2.1	5,132.1
Investments accounted for using the equity method	162.4	-	-	162.4
Other receivables and trade receivables	94.2	-	-	94.2
Deferred tax assets	202.9	(0.5)	-	202.4
Prepayments and accrued income	101.6	-	-	101.6
Other financial assets	128.7	-	-	128.7
<b>Current assets</b>	<b>6,954.2</b>	<b>(0.9)</b>	<b>-</b>	<b>6,953.3</b>
Inventories	186.9	-	-	186.9
Prepayments and accrued income	291.5	-	-	291.5
Trade receivables	2,891.9	(1.0)	-	2,890.9
Contract assets	303.9	-	-	303.9
Corporate income tax receivable	100.9	0.1	-	101.0
Receivables from the state and local budgets	29.7	-	-	29.7
Other receivables	59.3	-	-	59.3
Other non-financial assets	7.5	-	-	7.5
Other financial assets	186.6	-	-	186.6
Cash and bank deposits	2,896.0	-	-	2,896.0
<b>TOTAL ASSETS</b>	<b>16,704.5</b>	<b>(0.5)</b>	<b>2.1</b>	<b>16,706.1</b>
<b>Total equity</b>	<b>8,957.3</b>	<b>(0.1)</b>	<b>-</b>	<b>8,957.2</b>
Equity (attributable to shareholders of the Parent Company)	6,044.4	(0.1)	-	6,044.3
Non-controlling interests	2,912.9	-	-	2,912.9
<b>Non-current liabilities</b>	<b>3,127.5</b>	<b>-</b>	<b>-</b>	<b>3,127.5</b>
<b>Current liabilities</b>	<b>4,619.7</b>	<b>(0.4)</b>	<b>2.1</b>	<b>4,621.4</b>
Bank loans, borrowings and debt securities	703.1	-	-	703.1
Lease liabilities	183.9	-	-	183.9
Other financial liabilities	329.4	-	2.1	331.5
Trade payables	1,191.7	-	-	1,191.7
Contract liabilities	900.1	-	-	900.1
Corporate income tax payable	67.4	-	-	67.4
Liabilities to the state and local budgets	296.2	-	-	296.2
Other liabilities	482.9	(0.4)	-	482.5
Provisions	36.7	-	-	36.7
Deferred income	7.5	-	-	7.5
Accruals	420.8	-	-	420.8
<b>TOTAL LIABILITIES</b>	<b>7,747.2</b>	<b>(0.4)</b>	<b>2.1</b>	<b>7,748.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,704.5</b>	<b>(0.5)</b>	<b>2.1</b>	<b>16,706.1</b>



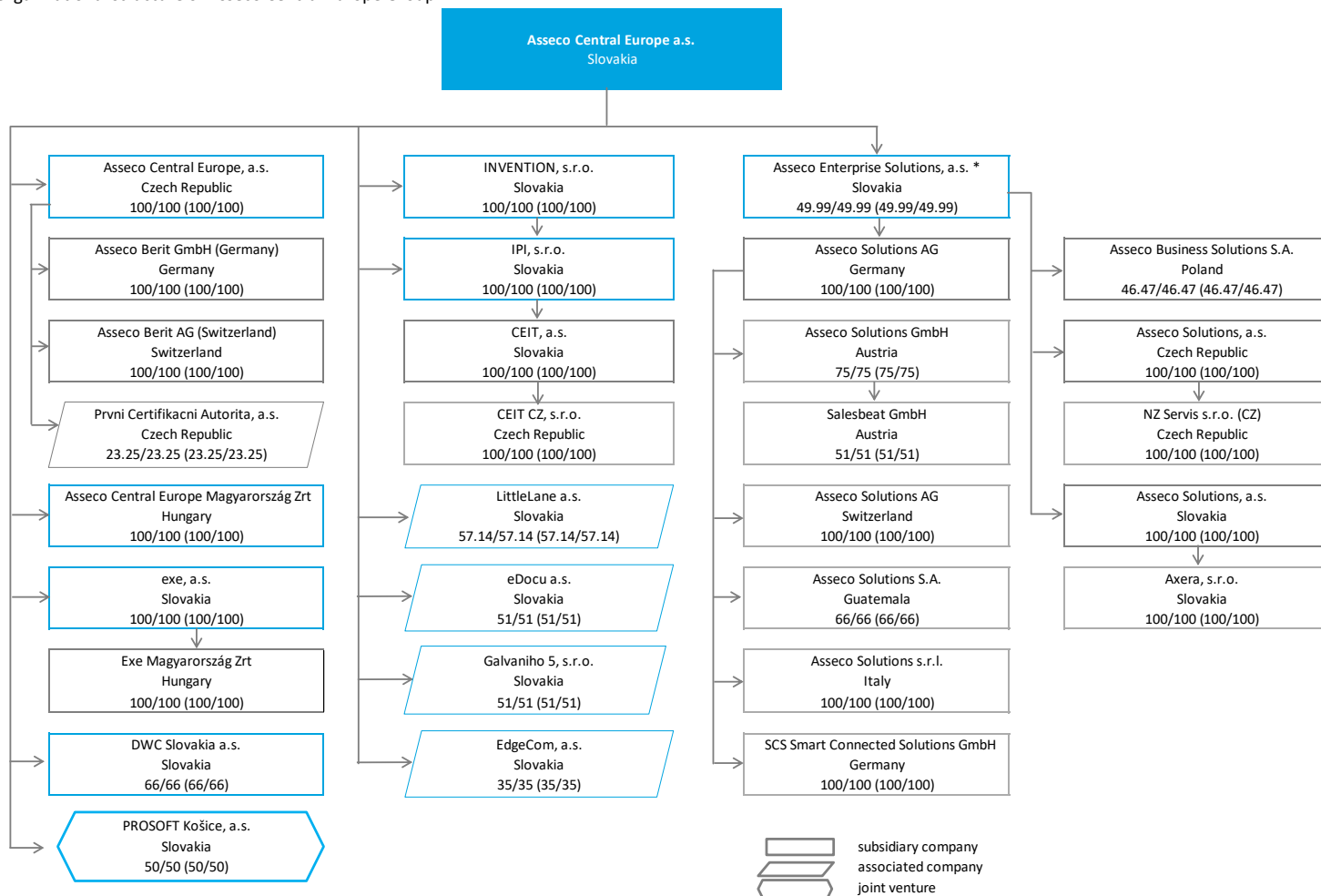
Restatement of the statement of profit and loss for the period of 3 months ended 31 March 2020	3 months ended 31 March 2020	Change in purchase price allocation of Tecsisa company	Change in presentation of income and expenses from rental of property	3 months ended 31 March 2020 (restated)
	mPLN	mPLN	mPLN	mPLN
Operating revenues	2,919.5	-	0.9	2,920.4
Cost of sales	(2,311.3)	(0.3)	(1.2)	(2,312.8)
<b>Gross profit on sales</b>	<b>608.2</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>607.6</b>
Selling costs	(148.1)	-	-	(148.1)
General and administrative expenses	(205.1)	-	-	(205.1)
<b>Net profit on sales</b>	<b>255.0</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>254.4</b>
Other operating income	8.9	-	(0.9)	8.0
Other operating expenses	(13.8)	-	1.2	(12.6)
<b>Operating profit</b>	<b>250.1</b>	<b>(0.3)</b>	<b>-</b>	<b>249.8</b>
Financial income	46.7	-	-	46.7
Financial expenses	(66.8)	0.1	-	(66.7)
<b>Pre-tax profit before share of profits of associates and joint ventures</b>	<b>230.0</b>	<b>(0.2)</b>	<b>-</b>	<b>229.8</b>
Corporate income tax (current and deferred tax expense)	(51.7)	0.1	-	(51.6)
Share of profits of associates and joint ventures	(1.8)	-	-	(1.8)
<b>Net profit for the reporting period</b>	<b>176.5</b>	<b>(0.1)</b>	<b>-</b>	<b>176.4</b>
<i>Attributable to:</i>				
<b>Shareholders of the Parent Company</b>	<b>81.7</b>	<b>-</b>	<b>-</b>	<b>81.7</b>
Non-controlling interests	94.8	(0.1)	-	94.7

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

The organizational structure of Asseco Group has been presented in the chart below (the voting rights and equity interest held as at 31 March 2021 and 31 December 2020 are disclosed under the name of each company):



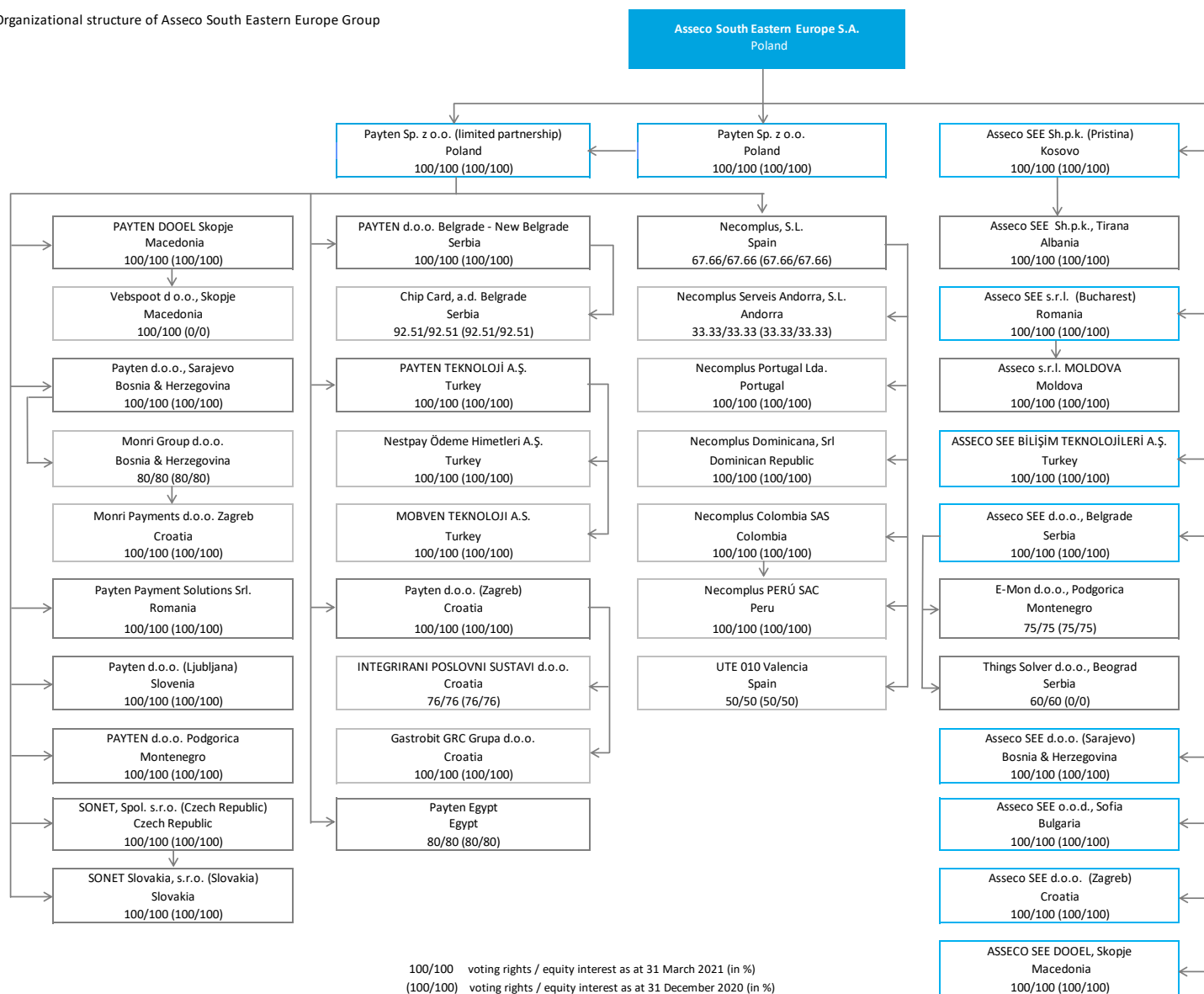
A. Organizational structure of AssecO Central Europe Group



100/100 voting rights / equity interest as at 31 March 2021 (in %)  
 (100/100) voting rights / equity interest as at 31 December 2020 (in %)

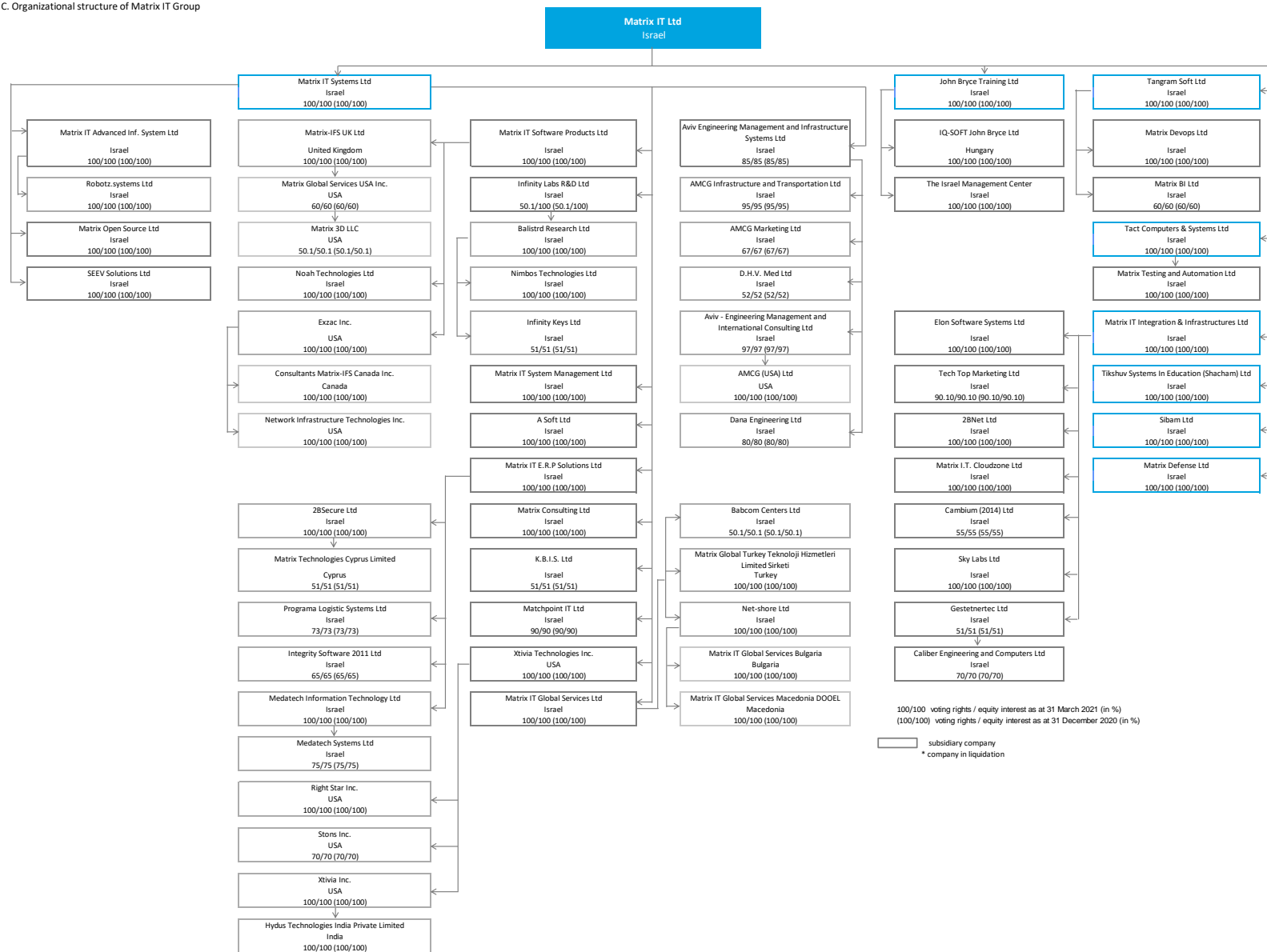
\* AssecO Central Europe, a.s. holds a 49.99999% stake in AssecO Enterprise Solutions, while the remaining 50.00001% of shares are held by AssecO International, a.s. AssecO Central Europe, a.s. maintains direct control over AssecO Enterprise Solutions, a.s.

B. Organizational structure of Asseco South Eastern Europe Group

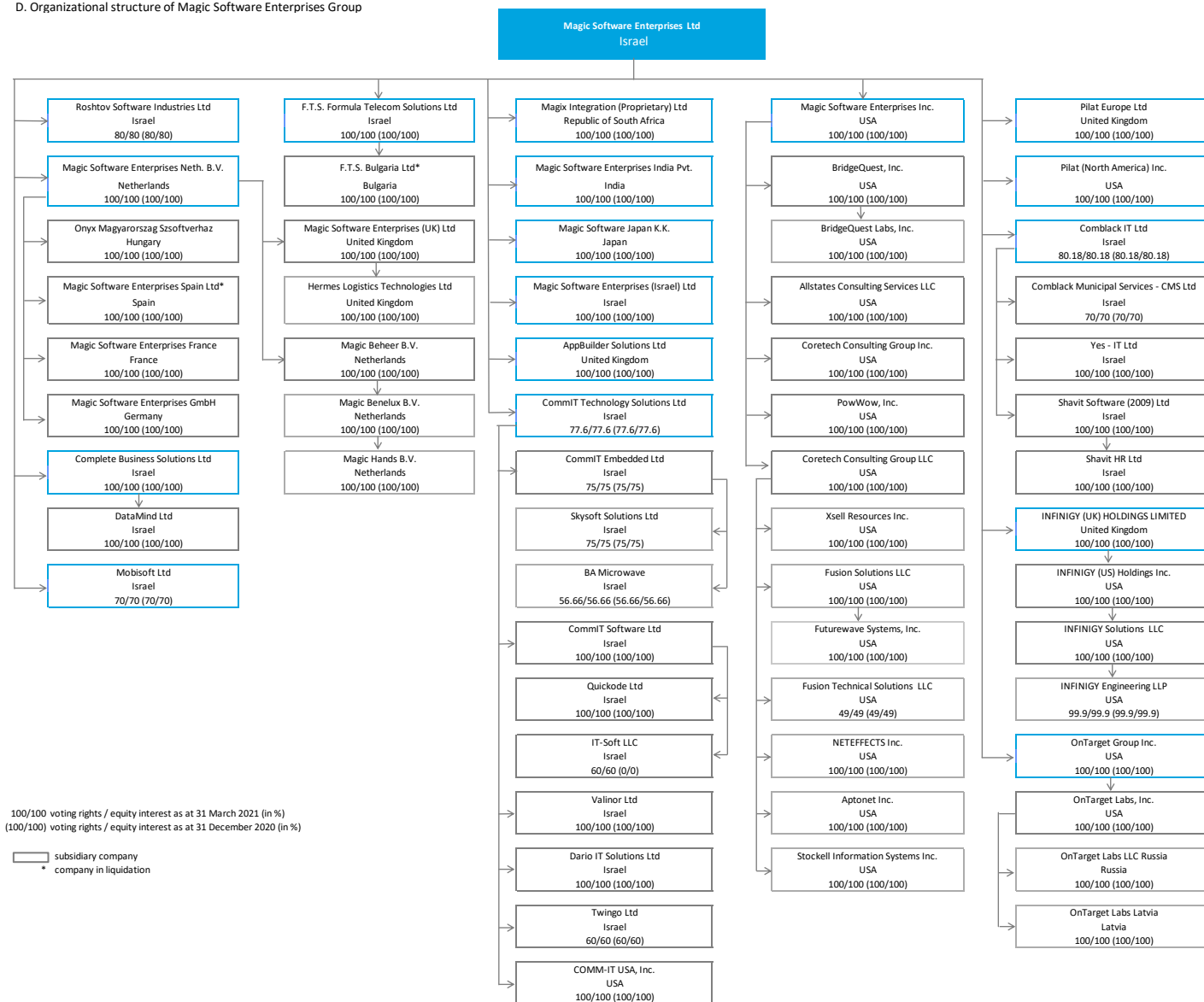


100/100 voting rights / equity interest as at 31 March 2021 (in %)  
 (100/100) voting rights / equity interest as at 31 December 2020 (in %)

C. Organizational structure of Matrix IT Group

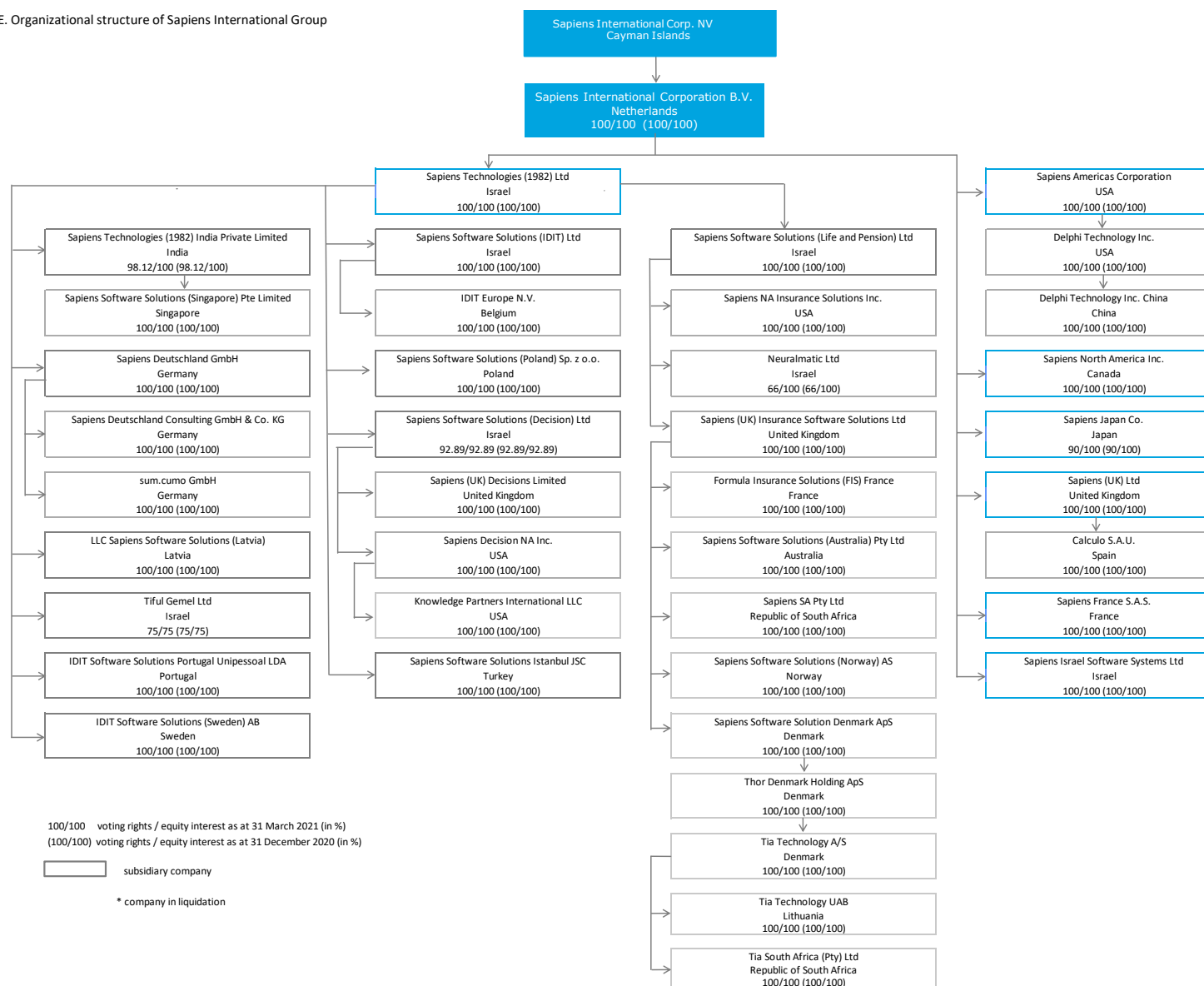


D. Organizational structure of Magic Software Enterprises Group





E. Organizational structure of Sapiens International Group



During the period of 3 months ended 31 March 2021, the Group's composition changed as follows:

### 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>			
Acquisition of shares in Things Solver d.o.o., Belgrade by Asseco SEE d.o.o. Belgrade	8 January 2021	53.76%	-
Acquisition of shares in Vebspoot d.o.o., Skopje by PAYTEN DOOEL Skopje	17 February 2021	100%	-
<b>Change of shareholdings in companies</b>			
Asseco SEE d.o.o. Belgrade increased its equity interest in Things Solver d.o.o., Belgrade	28 February 2021	60%	(0.5) mPLN
<b>Merger of companies</b>			
Merger of Basilichi CEE with Payten d.o.o., Sarajevo acting as the taking-over company	1 February 2021	n/a	n/a

### 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>			
Acquisition of shares in Kol Hamas Ltd by Effective Solutions Ltd	1 January 2021	65%	-
Acquisition of shares in IT-Soft LLC by CommIT Software Ltd	1 January 2021	60%	-

#### 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, Asseco Services, ComCERT, GSTN Consulting, and Asseco Innovation Fund. 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 3 months ended 31 March 2021.

Selected data from the statement of profit and loss and the cash flow statement for the period of 3 months ended 31 March 2021, in a breakdown to operating segments:

3 months ended 31 March 2021	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
	mPLN	mPLN	mPLN	mPLN	mPLN
<b>Revenues from external customers</b>	<b>364.3</b>	<b>817.3</b>	<b>2,157.5</b>	<b>-</b>	<b>3,339.1</b>
Inter-segment transactions	2.5	1.5	2.4	(6.4)	-
Total operating revenues of segment	366.8	818.8	2,159.9	(6.4)	3,339.1
<b>Operating profit/loss of segment</b>	<b>59.0</b>	<b>98.0</b>	<b>166.5</b>	<b>(0.5)</b>	<b>323.0</b>
Interest income <sup>1)</sup>	0.3	1.5	0.8	-	2.6
Interest expenses <sup>2)</sup>	(0.9)	(2.0)	(16.3)	0.1	(19.1)
<b>Corporate income tax</b>	<b>(12.0)</b>	<b>(21.1)</b>	<b>(31.6)</b>	<b>-</b>	<b>(64.7)</b>
<b>Non-cash items:</b>					
Depreciation and amortization (as disclosed in the cash flow statement)	(21.0)	(42.1)	(112.2)	0.5	(174.8)
of which amortization of intangible assets recognized in purchase price allocation (PPA)	(3.8)	(3.5)	(53.3)	-	(60.6)
Costs of share-based payment transactions with employees (SBP)	-	-	(15.0)	-	(15.0)
Recognition/reversal of impairment losses on segment's assets	(0.2)	(2.6)	2.3	-	(0.5)
Share of profits of associates and joint ventures	0.1	(1.3)	1.0	-	(0.2)
<b>Net profit/loss attributable to shareholders of the Parent Company</b>	<b>45.9</b>	<b>45.5</b>	<b>11.4</b>	<b>(0.4)</b>	<b>102.4</b>
<b>Cash provided by (used in) operating activities</b>	<b>61.1</b>	<b>34.2</b>	<b>47.8</b>	<b>(1.0)</b>	<b>142.1</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 31 March 2021, in a breakdown to operating segments:

31 March 2021	Asseco Poland segment	Asseco International segment	Formula Systems segment	Eliminations	Total
	mPLN	mPLN	mPLN	mPLN	mPLN
<b>Non-current assets</b>	<b>3,324.0</b>	<b>2,343.1</b>	<b>4,182.4</b>	<b>(18.4)</b>	<b>9,831.1</b>
of which goodwill	2,257.1	1,530.5	1,422.5	-	5,210.1
<b>Current assets</b>	<b>882.2</b>	<b>1,671.5</b>	<b>4,543.1</b>	<b>(68.4)</b>	<b>7,028.4</b>
<i>including:</i>					
trade receivables and contract assets	372.1	708.9	2,304.1	(6.4)	3,378.7
cash and bank deposits	360.5	666.8	1,689.6	-	2,716.9
<b>Non-current liabilities</b>	<b>221.4</b>	<b>366.2</b>	<b>2,449.9</b>	<b>(18.0)</b>	<b>3,019.5</b>
<i>including:</i>					
liabilities arising from bank loans, borrowings and debt securities	-	107.3	1,327.4	-	1,434.7
lease liabilities	66.6	155.3	344.7	(14.3)	552.3
<b>Current liabilities</b>	<b>323.1</b>	<b>1,163.2</b>	<b>3,160.9</b>	<b>(66.3)</b>	<b>4,580.9</b>
<i>including:</i>					
liabilities arising from bank loans, borrowings and debt securities	0.2	92.7	651.7	-	744.6
lease liabilities	12.1	55.2	126.7	(2.1)	191.9
trade payables and contract liabilities	199.3	538.2	1,322.0	(4.1)	2,055.4

Selected data from the statement of profit and loss and the cash flow statement for the period of 3 months ended 31 March 2020, in a breakdown to operating segments:

<b>3 months ended 31 March 2020 (restated)</b>	<b>Asseco Poland segment</b>	<b>Asseco International segment</b>	<b>Formula Systems segment</b>	<b>Eliminations</b>	<b>Total</b>
	<b>mPLN</b>	<b>mPLN</b>	<b>mPLN</b>	<b>mPLN</b>	<b>mPLN</b>
<b>Revenues from external customers</b>	<b>307.3</b>	<b>753.4</b>	<b>1,859.7</b>	<b>-</b>	<b>2,920.4</b>
Inter-segment transactions	3.4	1.2	2.8	(7.4)	-
Total operating revenues of segment	310.7	754.6	1,862.5	(7.4)	2,920.4
<b>Operating profit/loss of segment</b>	<b>42.7</b>	<b>80.9</b>	<b>126.9</b>	<b>(0.7)</b>	<b>249.8</b>
Interest income <sup>1)</sup>	1.3	1.8	1.0	-	4.1
Interest expenses <sup>2)</sup>	(1.3)	(2.1)	(17.8)	-	(21.2)
<b>Corporate income tax</b>	<b>(7.9)</b>	<b>(17.1)</b>	<b>(26.6)</b>	<b>-</b>	<b>(51.6)</b>
<b>Non-cash items:</b>					
Depreciation and amortization (as disclosed in the cash flow statement)	(23.2)	(42.8)	(104.8)	0.5	(170.3)
of which amortization of intangible assets recognized in purchase price allocation (PPA)	(4.0)	(3.5)	(45.8)	-	(53.3)
Costs of share-based payment transactions with employees (SBP)	-	(0.3)	(13.0)	-	(13.3)
Recognition/reversal of impairment losses on segment's assets	(0.2)	(1.5)	(1.9)	-	(3.6)
Share of profits of associates and joint ventures	(0.8)	(1.5)	0.5	-	(1.8)
<b>Net profit/loss attributable to shareholders of the Parent Company</b>	<b>32.1</b>	<b>42.7</b>	<b>7.4</b>	<b>(0.5)</b>	<b>81.7</b>
<b>Cash provided by (used in) operating activities</b>	<b>64.6</b>	<b>66.0</b>	<b>257.4</b>	<b>(0.3)</b>	<b>387.7</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 31 December 2020, in a breakdown to operating segments:

<b>31 December 2020 (restated)</b>	<b>Asseco Poland segment</b>	<b>Asseco International segment</b>	<b>Formula Systems segment</b>	<b>Eliminations</b>	<b>Total</b>
	<b>mPLN</b>	<b>mPLN</b>	<b>mPLN</b>	<b>mPLN</b>	<b>mPLN</b>
<b>Non-current assets</b>	<b>3,334.2</b>	<b>2,344.2</b>	<b>4,092.8</b>	<b>(18.4)</b>	<b>9,752.8</b>
of which goodwill	2,257.1	1,517.7	1,357.3	-	5,132.1
<b>Current assets</b>	<b>777.5</b>	<b>1,715.1</b>	<b>4,472.9</b>	<b>(12.2)</b>	<b>6,953.3</b>
<i>including:</i>					
trade receivables and contract assets	419.7	718.5	2,067.9	(11.3)	3,194.8
cash and bank deposits	271.7	740.3	1,884.0	-	2,896.0
<b>Non-current liabilities</b>	<b>225.0</b>	<b>385.3</b>	<b>2,534.9</b>	<b>(17.7)</b>	<b>3,127.5</b>
<i>including:</i>					
liabilities arising from bank loans, borrowings and debt securities	-	112.8	1,439.4	-	1,552.2
lease liabilities	68.1	144.3	346.2	(13.9)	544.7
<b>Current liabilities</b>	<b>389.9</b>	<b>1,160.5</b>	<b>3,081.3</b>	<b>(10.3)</b>	<b>4,621.4</b>
<i>including:</i>					
liabilities arising from bank loans, borrowings and debt securities	4.8	88.0	610.3	-	703.1
lease liabilities	12.2	55.0	118.5	(1.8)	183.9
trade payables and contract liabilities	242.9	577.1	1,278.5	(6.7)	2,091.8

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

### 5.1. Structure of operating revenues

Operating revenues generated during the period of 3 months ended 31 March 2021 and in the comparable period were as follows:

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated) mPLN
<b>Operating revenues by type of products</b>		
Proprietary software and services	2,602.8	2,354.8
Third-party software and services	281.5	186.8
Hardware and infrastructure	454.8	378.8
<b>Total operating revenues</b>	<b>3,339.1</b>	<b>2,920.4</b>
<b>Operating revenues by sectors</b>		
Banking and Finance	1,146.4	1,062.2
General Business	1,354.4	1,153.6
Public Institutions	838.3	704.6
<b>Total operating revenues</b>	<b>3,339.1</b>	<b>2,920.4</b>

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

Operating revenues of individual segments generated by type of products during the period of 3 months ended 31 March 2021 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>3 months ended 31 March 2021</b>					
Proprietary software and services	328.2	557.3	1,722.8	(5.5)	<b>2,602.8</b>
Third-party software and services	35.1	80.2	167.0	(0.8)	<b>281.5</b>
Hardware and infrastructure	3.5	181.3	270.1	(0.1)	<b>454.8</b>
<b>Total operating revenues</b>	<b>366.8</b>	<b>818.8</b>	<b>2,159.9</b>	<b>(6.4)</b>	<b>3,339.1</b>

	Asseco Poland segment mPLN	Asseco International segment mPLN	Formula Systems segment mPLN	Eliminations mPLN	Total (restated) mPLN
<b>3 months ended 31 March 2020</b>					
Proprietary software and services	276.0	509.0	1,576.0	(6.2)	<b>2,354.8</b>
Third-party software and services	28.1	78.0	82.0	(1.3)	<b>186.8</b>
Hardware and infrastructure	6.6	167.6	204.5	0.1	<b>378.8</b>
<b>Total operating revenues</b>	<b>310.7</b>	<b>754.6</b>	<b>1,862.5</b>	<b>(7.4)</b>	<b>2,920.4</b>

#### ii. Breakdown of segment operating revenues by sectors

Operating revenues of individual segments generated by sectors during the period of 3 months ended 31 March 2021 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>3 months ended 31 March 2021</b>					
Banking and Finance	102.2	272.3	774.4	(2.5)	<b>1,146.4</b>
General Business	93.3	394.2	870.2	(3.3)	<b>1,354.4</b>
Public Institutions	171.3	152.3	515.3	(0.6)	<b>838.3</b>
<b>Total operating revenues</b>	<b>366.8</b>	<b>818.8</b>	<b>2,159.9</b>	<b>(6.4)</b>	<b>3,339.1</b>

	Asseco Poland segment mPLN	Asseco International segment mPLN	Formula Systems segment mPLN	Eliminations mPLN	Total (restated) mPLN
<b>3 months ended 31 March 2020</b>					
Banking and Finance	109.8	234.3	721.1	(3.0)	<b>1,062.2</b>
General Business	65.1	353.9	737.7	(3.1)	<b>1,153.6</b>
Public Institutions	135.8	166.4	403.7	(1.3)	<b>704.6</b>
<b>Total operating revenues</b>	<b>310.7</b>	<b>754.6</b>	<b>1,862.5</b>	<b>(7.4)</b>	<b>2,920.4</b>

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

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated) mPLN
Israel	1,372.5	1,162.6
USA	499.0	482.4
Poland	426.7	356.6
Spain	180.9	140.4
Slovakia	107.0	109.9
Germany	84.0	69.6
Czech Republic	73.2	74.2
Serbia	67.9	63.7
United Kingdom	66.6	59.4
Denmark	47.9	55.3
Other countries	413.4	346.3
<b>Total operating revenues</b>	<b>3,339.1</b>	<b>2,920.4</b>

iv. *Revenues from contracts with customers within total operating revenues*

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated) mPLN
<b>Revenues from contracts with customers recognized in accordance with IFRS 15, of which:</b>	<b>3,314.4</b>	<b>2,893.1</b>
<b>From goods and services transferred at a specific point in time</b>	<b>743.8</b>	<b>531.3</b>
Asseco Poland segment	41.4	31.0
Asseco International segment	271.3	237.4
Formula Systems segment	432.8	264.1
Intragroup transactions	(1.7)	(1.2)
<b>From goods and services transferred over the passage of time</b>	<b>2,570.6</b>	<b>2,361.8</b>
Asseco Poland segment	324.2	277.8
Asseco International segment	523.2	490.4

Formula Systems segment	1,727.1	1,598.4
Intragroup transactions	(3.9)	(4.8)
<b>Revenues from operating leases recognized in accordance with IFRS 16*</b>	<b>24.7</b>	<b>27.3</b>
<b>Total operating revenues</b>	<b>3,339.1</b>	<b>2,920.4</b>

\*Operating revenues from leases are related entirely to the Asseco International segment.

Revenues from operating leases recognized in accordance with IFRS 16, as disclosed in the table above, represent primarily revenues generated by the Asseco International segment (in particular by Asseco South Eastern Europe Group) from the provision of ATM and POS terminal outsourcing services. Such contracts are treated as operating leases. In addition, as described in explanatory note 2.8, these revenues also comprise income from leasing out of property, including own office space (particularly in the Asseco Poland segment). Such income is also recognized in accordance with the guidelines of IFRS 16 as revenues from operating leases.

## 5.2. Structure of operating costs

The table below presents operating costs incurred in the period of 3 months ended 31 March 2021 and in the comparable period.

Operating costs	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated) mPLN
Cost of goods, materials and third-party services sold (COGS)	(628.5)	(476.8)
Employee benefits	(1,638.3)	(1,473.0)
Depreciation and amortization	(174.4)	(168.0)
Third-party services*	(436.0)	(391.1)
Other	(136.0)	(157.1)
<b>Total</b>	<b>(3,013.2)</b>	<b>(2,666.0)</b>
Cost of sales	(2,623.2)	(2,309.2)
Selling costs	(175.1)	(148.1)
General and administrative expenses	(214.0)	(205.1)
(Recognition)/Reversal of allowances for trade receivables	(0.9)	(3.6)
<b>Total</b>	<b>(3,013.2)</b>	<b>(2,666.0)</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 326.6 million in the period of 3 months ended 31 March 2021, as compared with PLN 294.6 million incurred in the period of 3 months ended 31 March 2020.

In the period of 3 months ended 31 March 2021, other operating costs included primarily maintenance of property and company cars in the amount of PLN 86.3 million, as well as business trips in the amount of PLN 3.7 million. Whereas, in the comparable period other operating costs included primarily maintenance of property and company cars in the amount of PLN 82.5 million, as well as business trips in the amount of PLN 20.1 million. The costs of business trips decreased in relation to the comparable period last year due to a significant reduction in business travels caused by the COVID-19 pandemic.

### i. Costs of employee benefits

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Salaries	(1,342.6)	(1,207.0)
Social insurance contributions	(103.5)	(87.9)
Costs of pension benefits	(111.8)	(107.7)
Costs of share-based payment transactions with employees	(15.0)	(13.3)
Other costs of employee benefits	(65.4)	(57.1)
<b>Total costs of employee benefits</b>	<b>(1,638.3)</b>	<b>(1,473.0)</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 28,243 persons, as compared with 25,831 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 in the comparable period also to company managers of ASEE Group within the Asseco International segment).

### 5.3. Financial income and expenses

Financial income earned during the period of 3 months ended 31 March 2021 and in the comparable period was as follows:

Financial income	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Interest income on investments in debt securities and bank deposits carried at amortized cost	2.2	3.7
Interest income on other investments in debt securities, leases and trade receivables	0.4	0.4
Other interest income	-	0.1
Positive foreign currency translation differences	10.8	34.5
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	2.8	0.3
Gain on revaluation of deferred and conditional payments for controlling interests in subsidiaries	0.6	0.4
Gain on revaluation of liabilities from the acquisition of non-controlling interests (put options)	2.2	7.0
Other financial income	-	0.3
<b>Total financial income</b>	<b>19.0</b>	<b>46.7</b>

Financial expenses incurred during the period of 3 months ended 31 March 2021 and in the comparable period were as follows:

Financial expenses	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated) mPLN
Interest expenses on bank loans, borrowings, debt securities, leases and trade payables	(19.1)	(21.2)
Other interest expenses	(3.4)	(2.9)
Negative foreign currency translation differences	(7.4)	(13.1)
Expenses related to obtaining control over subsidiaries	(2.2)	(2.0)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	(3.5)	(11.9)
Loss on revaluation of deferred and conditional payments for controlling interests in subsidiaries	(3.3)	(3.1)
Loss on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(0.8)	(5.4)
Other financial expenses	(4.2)	(7.1)
<b>Total financial expenses</b>	<b>(43.9)</b>	<b>(66.7)</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 31 March 2021	3 months ended 31 March 2020 (restated)
	mPLN	mPLN
Current income tax and prior years' adjustments	(78.1)	(68.2)
Deferred income tax	13.4	16.6
<b>Income tax expense as disclosed in the statement of profit and loss</b>	<b>(64.7)</b>	<b>(51.6)</b>

During the period of 3 months ended 31 March 2021, our effective tax rate equalled 21.7%, as compared with 22.5% in the comparable period.

#### 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 31 March 2021	3 months ended 31 March 2020
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	83,000,303	83,000,303
Net profit attributable to shareholders of the Parent Company for the reporting period (in millions of PLN)	102.4	81.7
<b>Consolidated earnings per share for the reporting period (in PLN)</b>	<b>1.23</b>	<b>0.98</b>

#### 5.6. Information on dividends paid out

Until 31 March 2021, the General Meeting of Shareholders has not yet adopted a resolution on distribution of the Parent Company's net profit for the year 2020. The relevant resolution was adopted on 20 May 2021, as described in explanatory note 8.4 to these interim condensed consolidated financial statements.

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 43.0 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.

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

### 6.1. Property, plant and equipment

Changes in the net book value of property, plant and equipment that took place during the period of 3 months ended 31 March 2021 and in the comparable period are presented below:

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
<b>Net book value of property, plant and equipment as at 1 January</b>	<b>914.7</b>	<b>822.7</b>
<b>Additions, of which:</b>	<b>33.7</b>	<b>60.2</b>
Purchases and modernization	30.8	37.1
Obtaining control over subsidiaries	0.7	21.9
Other	2.2	1.2
<b>Reductions, of which:</b>	<b>(45.3)</b>	<b>(41.3)</b>
Depreciation charges for the reporting period	(41.6)	(38.7)
Disposal and liquidation	(3.5)	(2.3)
Other	(0.2)	(0.3)
<b>Recognition / reversal of impairment losses</b>	<b>0.2</b>	<b>(0.4)</b>
<b>Change in presentation</b>	<b>(0.5)</b>	<b>-</b>
<b>Differences on foreign currency translation of subsidiaries</b>	<b>6.0</b>	<b>22.1</b>
<b>Net book value of property, plant and equipment as at 31 March</b>	<b>908.8</b>	<b>863.3</b>

### 6.2. Intangible assets

Changes in the net book value of intangible assets that took place during the period of 3 months ended 31 March 2021 and in the comparable period are presented below:

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 (restated) mPLN
<b>Net book value of intangible assets as at 1 January</b>	<b>2,274.0</b>	<b>2,111.5</b>
<b>Additions, of which:</b>	<b>29.9</b>	<b>73.6</b>
Purchases and modernization	5.2	6.4
Obtaining control over subsidiaries	1.8	42.1
Costs of development projects in progress	22.9	25.1
<b>Reductions, of which:</b>	<b>(86.0)</b>	<b>(80.3)</b>
Depreciation charges for the reporting period	(86.0)	(80.1)
Disposal and liquidation	-	(0.2)
<b>Reversal of impairment losses</b>	<b>0.2</b>	<b>-</b>
<b>Change in presentation</b>	<b>(0.1)</b>	<b>(6.8)</b>
<b>Differences on foreign currency translation of subsidiaries</b>	<b>51.3</b>	<b>121.6</b>
<b>Net book value of intangible assets as at 31 March</b>	<b>2,269.3</b>	<b>2,219.6</b>

### 6.3. Right-of-use assets

Changes in the net book value of right-of-use assets that took place during the period of 3 months ended 31 March 2021 and in the comparable period are presented below:

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
<b>Net book value of right-of-use assets as at 1 January</b>	<b>724.7</b>	<b>686.6</b>
<b>Additions, of which:</b>	<b>36.0</b>	<b>43.1</b>
Conclusion of new lease contracts	30.2	30.0
Modification of existing contracts (lease extension, interest rate change)	5.8	12.7
Obtaining control over subsidiaries	-	0.4
<b>Reductions, of which:</b>	<b>(49.0)</b>	<b>(53.0)</b>
Depreciation charges for the reporting period	(47.7)	(52.7)
Early termination of contracts	(0.7)	-
Modification of existing contracts (lease shortening, interest rate change)	(0.5)	-
Acquisition of right-of-use assets	(0.1)	(0.3)
<b>Change in presentation</b>	<b>0.1</b>	<b>-</b>
<b>Differences on foreign currency translation of subsidiaries</b>	<b>15.4</b>	<b>31.6</b>
<b>Net book value of right-of-use assets as at 31 March</b>	<b>727.2</b>	<b>708.3</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 Group’s Management has reviewed and analyzed the budgets and financial forecasts for individual segments to which goodwill was allocated, and concluded that the prevailing pandemic and related deterioration of the overall economic situation in the countries where the Group companies operate need to be monitored on an ongoing basis, but at this stage the Management has not found reasons to change the long-term forecasts and assumptions that were adopted for the impairment tests carried out and disclosed in the financial statements for the year ended 31 December 2020. The Management believes the assumptions adopted for impairment testing can still be fulfilled as at 31 March 2021, and thus they have deemed the results of recent goodwill impairment tests carried out as at 31 December 2020 to be still valid and there is no need to recognize any impairment charges on goodwill.

The following table presents the amounts of goodwill as at 31 March 2021 and 31 December 2020, in a breakdown to operating segments:

	31 March 2021 mPLN	31 December 2020 (restated) mPLN
<b>Goodwill</b>		
<b>Asseco Poland segment, of which:</b>	<b>2,257.1</b>	<b>2,257.1</b>
<i><b>Goodwill allocated to individual cash-generating units</b></i>	<i><b>335.6</b></i>	<i><b>335.6</b></i>
Asseco Data Systems S.A.	244.3	244.3
GSTN Consulting Sp. z o.o.	33.1	33.1
ZUI Novum Sp. z o.o.	0.3	0.3
DahliaMatic Sp. z o.o.	54.7	54.7
ComCERT S.A.	3.2	3.2
<i><b>Operating segments identified within the Parent Company</b></i>	<i><b>1,921.5</b></i>	<i><b>1,921.5</b></i>

Goodwill allocated to the Banking and Finance segment	890.2	890.2
Goodwill allocated to the Public Administration segment	850.3	850.3
Goodwill allocated to the General Business segment	181.0	181.0
<b>Asseco International segment, of which:</b>	<b>1,530.5</b>	<b>1,517.7</b>
Asseco Central Europe Group	771.6	768.6
Asseco South Eastern Europe Group	620.4	611.6
Asseco Spain S.A.	19.9	19.9
Sintagma UAB <sup>1)</sup>	0.7	0.7
Asseco Danmark <sup>2)</sup>	35.4	35.1
Asseco PST Holding SGPS S.A. (former Exictos)	69.8	69.2
Tecnologia Sistemas y Aplicaciones (Tecsisa)	12.7	12.6
<b>Formula Systems segment</b>	<b>1,422.5</b>	<b>1,357.3</b>
<b>Total goodwill</b>	<b>5,210.1</b>	<b>5,132.1</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 3 months ended 31 March 2021, the following changes in goodwill arising from consolidation took place (the table includes changed components only):

Goodwill as allocated to reportable segments:	Goodwill at the beginning of the period	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	768.6	-	3.0	<b>771.6</b>
Asseco South Eastern Europe Group	611.6	9.9	(1.1)	<b>620.4</b>
Asseco Danmark	35.1	-	0.3	<b>35.4</b>
Asseco PST Holding SGPS S.A. (former Exictos)	69.2	-	0.6	<b>69.8</b>
Tecnologia Sistemas y Aplicaciones (Tecsisa)	12.6	-	0.1	<b>12.7</b>
<b>Formula Systems segment</b>				
Formula Group	1,357.3	4.8	60.4	<b>1,422.5</b>

In the period of 3 months ended 31 March 2021, 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.

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

*i. Acquisition of shares in Kol Hamas Ltd by Michpal Micro Computers (1983) Ltd*

On 1 January 2021, Michpal Micro Computers (1983) Ltd acquired 65% of shares in the company Kol Hamas Ltd based in Israel. The purchase price amounted to ILS 0.6 million (PLN 0.7 million).

As part of the 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 0.7 million (PLN 0.8 million) and in deferred tax liabilities in the amount of ILS 0.2 million (PLN 0.2 million).

Until 31 March 2021, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over that company.

*ii. Acquisition of shares in IT-Soft LLC by Magic Group*

On 1 January 2021, CommIT Software Ltd (a subsidiary of Magic) acquired 60% of shares in the company IT-Soft LLC based in Israel. The purchase price amounted to ILS 4.0 million (PLN 4.6 million), of which ILS 1.2 million (PLN 1.4 million) was paid in cash, and the remaining amount constitutes a deferred payment depending on the future operating results achieved by that company.

As part of the provisional purchase price allocation, the whole excess of the purchase price paid over the value of net assets acquired in the amount of ILS 4.0 million (PLN 4.6 million) was allocated to goodwill.

Until 31 March 2021, 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.

*iii. Acquisition of shares in Things Solver d.o.o. within ASEE Group*

On 7 October 2020, ASEE Serbia concluded a conditional agreement to acquire 53.76% of shares in the company Things Solver d.o.o. based in Belgrade. The Group obtained control over Things Solver d.o.o. on 8 January 2021 upon satisfying all the conditions precedent. The total purchase price amounted to EUR 1.0 million, of which EUR 0.9 million constituted a conditional payment depending on the financial results achieved by that company. The first instalment of such conditional payment was paid on 31 March 2021. Goodwill recognized as a result of this acquisition amounted to PLN 3.3 million.

Until 31 March 2021, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Things Solver may be subject to change in the period of 12 months from the date of obtaining control over that company.

*iv. Acquisition of shares in VEBSLOT DOO within ASEE Group*

On 17 February 2021, Payten Macedonia (Skopje) acquired 100% of shares in the company Vebspot d.o.o. based in Skopje, for the total of EUR 1.5 million. The purchase price includes conditional payments in the amount of EUR 746 thousand depending on the financial results achieved by the acquired company. Goodwill recognized as a result of this acquisition amounted to PLN 6.3 million.

Until 31 March 2021, 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.

*v. Accounting for the acquisition of Ofek within Michpal Group*

On 13 March 2020, Formula Systems (Formula Group) 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 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 3.2 million (PLN 3.4 million) and in deferred tax liabilities in the amount of ILS 0.7 million (PLN 0.7 million), while the remaining amount of ILS 5.4 million (PLN 5.7 million) was allocated to goodwill.

As at 31 March 2021, 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 the acquisition date mPLN	Fair values as at the acquisition date mILS	Fair values as at the acquisition date mPLN
<b>Assets acquired</b>				
Property, plant and equipment	14.3	15.2	14.3	15.2
Intangible assets (including those identified under purchase price allocation)	3.2	3.4	3.2	3.4
Investments in associates accounted for using the equity method	3.0	3.2	3.0	3.2
Deferred tax assets	1.1	1.2	0.6	0.6
Trade receivables	15.1	16.0	14.3	15.2
Receivables from the state and local budgets	27.9	29.6	28.0	29.7



and other receivables				
Cash and cash equivalents	13.4	14.2	13.4	14.2
Other assets	0.4	0.4	0.5	0.6
<b>Total assets</b>	<b>78.4</b>	<b>83.2</b>	<b>77.3</b>	<b>82.1</b>
<b>Liabilities acquired</b>				
Trade payables	3.1	3.3	3.1	3.3
Deferred tax liabilities	0.7	0.7	0.7	0.7
Provisions	1.1	1.2	1.1	1.2
Financial liabilities	25.7	27.3	25.7	27.3
Other liabilities	21.1	22.4	20.8	22.1
<b>Total liabilities</b>	<b>51.7</b>	<b>54.9</b>	<b>51.4</b>	<b>54.6</b>
<b>Net assets value</b>	<b>26.7</b>	<b>28.3</b>	<b>25.9</b>	<b>27.5</b>
<b>Value of non-controlling interests</b>	<b>3.7</b>	<b>3.9</b>	<b>3.6</b>	<b>3.8</b>
<b>Equity interest acquired</b>	<b>86.02%</b>	<b>86.02%</b>	<b>86.02%</b>	<b>86.02%</b>
<b>Purchase price</b>	<b>27.7</b>	<b>29.4</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>	<b>5.4</b>	<b>5.7</b>

### 6.5. Associates and joint ventures

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

Financial data of associates and joint ventures	31 March 2021	31 December 2020 (restated)
	mPLN	mPLN
Non-current assets	328.1	331.4
Current assets	267.8	269.9
Non-current liabilities	111.7	126.2
Current liabilities	212.0	179.8
<b>Net assets</b>	<b>272.2</b>	<b>295.3</b>
<b>Book value of investments</b>	<b>168.2</b>	<b>162.4</b>

Financial data of associates and joint ventures	3 months ended 31 March 2021	3 months ended 31 March 2020
	mPLN	mPLN
Revenues	100.7	112.1
Operating profit	2.1	(3.0)
Net profit/loss	(1.5)	(1.0)
<b>Share of profits of associates and joint ventures</b>	<b>(0.2)</b>	<b>(1.8)</b>

In addition, other comprehensive income of associates and joint ventures for the period of 3 months ended 31 March 2021 that is attributable to shareholders of the Parent Company amounted to PLN 3.8 million and resulted from differences on foreign currency translation of subsidiaries operating abroad.

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. (of the Asseco Poland segment), CUIUM SIGLO XXL S.L. (of the Asseco International segment), as well as Galvaniho 5, s.r.o. and Prvni Certifkacni Autorita a.s. (both from ACE Group of the Asseco International segment).

### 6.6. Entities with significant non-controlling interests

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

In the Management's opinion, the entities with significant individual non-controlling interests are: Matrix IT Group, Magic Software Enterprises Group, Sapiens International Group, Asseco South Eastern Europe Group,

as well as Asseco Central Europe Group, among others including Asseco Business Solutions. In the case of other entities with non-controlling interests, individual non-controlling interests do not exceed 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 3 months ended 31 March 2021 and as at 31 March 2021, as well as for respective comparable periods. These figures are presented before consolidation adjustments, including the elimination of mutual transactions.

Percentage of non-controlling interests	31 March 2021	31 December 2020
Matrix IT Ltd *	87.48%	87.38%
Magic Software Enterprises Ltd *	88.34%	88.34%
Sapiens International Corp. NV *	88.76%	88.75%
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) 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*	
	31 March 2021	31 December 2020
Formula Group**	2,353.6	2,225.7
ASEE Group	471.7	455.4
ACE Group (including ABS)	235.1	225.7
Other individually insignificant	5.6	6.1
<b>Total</b>	<b>3,066.0</b>	<b>2,912.9</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 for the period of 3 months ended		Dividends paid out to non-controlling interests in the period of 3 months ended	
	31 March 2021	31 March 2020 (restated)	31 March 2021	31 March 2020
Matrix IT Ltd	52.8	39.7	(30.0)	(27.4)
Magic Software Enterprises Ltd	26.1	21.0	(0.8)	(3.9)
Sapiens International Corp. NV	25.3	15.2	(0.1)	-
ASEE Group	16.5	11.6	(0.4)	(0.4)
ACE Group (including ABS)	11.2	10.4	(0.9)	-
Other individually insignificant	(1.1)	(3.2)	(30.9)*	(38.8)*
<b>Total</b>	<b>130.8</b>	<b>94.7</b>	<b>(63.1)</b>	<b>(70.5)</b>

\* This amount represents mostly dividends paid out by the holding company Formula Systems (1985) Ltd

	Matrix IT Ltd	Magic Software Enterprises Ltd	Sapiens International Corp. NV	ASEE Group	ACE Group
<b>31 March 2021</b>					
Non-current assets	1,526.1	895.9	1,695.7	827.1	926.2
Current assets	2,211.7	877.4	1,169.3	529.6	648.6
of which cash and cash equivalents	535.4	387.1	564.1	246.2	207.5
Non-current liabilities	904.0	233.0	647.8	84.8	199.1
Current liabilities	1,822.4	498.1	699.2	314.3	460.2

<b>31 December 2020</b>	<i>(restated)</i>				
Non-current assets	1,489.3	873.7	1,658.1	832.2	914.8
Current assets	2,270.1	782.2	1,123.3	566.8	585.9
<i>of which cash and cash equivalents</i>	<i>753.2</i>	<i>331.2</i>	<i>573.4</i>	<i>252.0</i>	<i>168.3</i>
Non-current liabilities	933.4	239.3	698.4	114.7	187.1
Current liabilities	1,861.6	406.1	655.1	359.0	415.4

	<b>Matrix IT Ltd</b>	<b>Magic Software Enterprises Ltd</b>	<b>Sapiens International Corp. NV</b>	<b>ASEE Group</b>	<b>ACE Group</b>
<b>Period of 3 months ended 31 March 2021</b>					
Cash provided by (used in) operating activities	(88.7)	73.6	61.2	34.8	81.2
Net cash provided by (used in) investing activities	(9.7)	(15.4)	(10.8)	(18.7)	(3.5)
Net cash provided by (used in) financing activities	(123.1)	(4.9)	(85.2)	(13.5)	(40.1)
<b>Period of 3 months ended 31 March 2020</b>					
Cash provided by (used in) operating activities	132.6	77.6	36.3	3.1	58.9
Net cash provided by (used in) investing activities	(16.8)	4.3	4.2	(13.6)	(11.0)
Net cash provided by (used in) financing activities	239.5	(72.6)	32.5	(15.4)	(4.0)

#### 6.7. Receivables and contract assets

The table below presents receivables and assets from contracts with customers as at 31 March 2021 as well as at 31 December 2020.

	<b>31 March 2021</b>		<b>31 December 2020 <i>(restated)</i></b>	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Trade receivables, of which:</b>				
<b>Invoiced receivables</b>	<b>18.2</b>	<b>2,463.6</b>	<b>20.1</b>	<b>2,496.0</b>
from related parties	13.3	23.4	11.4	59.7
from other entities	4.9	2,440.2	8.7	2,436.3
<b>Uninvoiced receivables</b>	<b>0.9</b>	<b>635.0</b>	<b>0.9</b>	<b>487.5</b>
from related parties	-	13.0	-	22.9
from other entities	0.9	622.0	0.9	464.6
<b>Receivables from operating leases</b>	<b>-</b>	<b>10.1</b>	<b>-</b>	<b>10.2</b>
from other entities	-	10.1	-	10.2
<b>Net investment in the lease</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>
<b>Allowances for trade receivables (-)</b>	<b>-</b>	<b>(104.5)</b>	<b>-</b>	<b>(103.1)</b>
<b>Total trade receivables</b>	<b>19.5</b>	<b>3,004.5</b>	<b>21.4</b>	<b>2,890.9</b>
<b>Corporate income tax receivable</b>	<b>-</b>	<b>75.8</b>	<b>-</b>	<b>101.0</b>
<b>Receivables from the state and local budgets</b>	<b>-</b>	<b>40.7</b>	<b>-</b>	<b>29.7</b>
Value added tax	-	29.8	-	17.1
Other	-	10.9	-	12.6
<b>Other receivables</b>	<b>71.2</b>	<b>65.6</b>	<b>72.8</b>	<b>59.3</b>
Other receivables	71.2	77.7	72.8	71.2
Allowances for other doubtful receivables (-)	-	(12.1)	-	(11.9)
<b>Total receivables</b>	<b>90.7</b>	<b>3,186.6</b>	<b>94.2</b>	<b>3,080.9</b>

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

	31 March 2021		31 December 2020	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Contract assets</b>				
from related parties	-	16.0	-	8.4
from other entities	-	358.2	-	295.5
<b>Total contract assets</b>	<b>-</b>	<b>374.2</b>	<b>-</b>	<b>303.9</b>

Both as at 31 March 2021 and 31 December 2020, the carrying values of receivables and contract assets were not different from their fair values.

Related party transactions have been presented in explanatory note 6.19 to these interim condensed consolidated financial statements.

The Group has adopted a relevant policy that allows for selling products and services to verified customers only. However, due to the 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 not found any indications to increase the amount of allowances for expected credit losses or to amend the Group's policy in this respect.

Changes in the amount of allowances for trade receivables during the period of 3 months ended 31 March 2021 and in the comparable period are presented in the table below:

<b>Allowances for trade receivables</b>	<b>3 months ended 31 March 2021 mPLN</b>	<b>3 months ended 31 March 2020 mPLN</b>
<b>As at 1 January</b>	<b>(103.1)</b>	<b>(84.4)</b>
Recognized during the reporting period	(9.0)	(8.8)
Utilized during the reporting period	1.6	(0.4)
Reversed during the reporting period	8.0	5.2
Foreign currency translation differences	(2.0)	(4.2)
<b>As at the end of the reporting period</b>	<b>(104.5)</b>	<b>(92.6)</b>

## 6.8. Prepayments and accrued income

As at 31 March 2021 and 31 December 2020, prepayments and accrued income included the following items:

	31 March 2021		31 December 2020	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Prepaid services, of which:</b>	<b>94.9</b>	<b>296.6</b>	<b>82.0</b>	<b>252.2</b>
Maintenance services and license fees	93.2	232.4	80.5	208.8
Rents and averaging of instalments under operating leases	-	1.8	-	1.8
Insurances	0.2	19.8	0.2	9.0
Other services	1.5	42.6	1.3	32.6
<b>Expenses related to services performed for which revenues have not been recognized yet</b>	<b>19.2</b>	<b>29.8</b>	<b>19.3</b>	<b>19.4</b>
Costs incurred in obtaining contracts with customers	-	-	-	0.1
Costs incurred in fulfilling contracts with customers	19.2	28.4	19.3	18.5
Other costs of services for which revenues have not been recognized yet	-	1.4	-	0.8
<b>Other prepayments and accrued income</b>	<b>0.3</b>	<b>21.0</b>	<b>0.3</b>	<b>19.9</b>
<b>Total</b>	<b>114.4</b>	<b>347.4</b>	<b>101.6</b>	<b>291.5</b>

## 6.9. Other financial assets

Both as at 31 March 2021 and 31 December 2020, apart from receivables and cash and cash equivalents described in other explanatory notes, the Group also held other financial assets as presented in the table below.

	31 March 2021		31 December 2020	
	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	0.4	0.2	1.8	0.6
Corporate and Treasury bonds	4.7	-	4.7	-
Shares in companies quoted in an active market	1.4	0.1	1.6	0.1
Other assets	7.0	-	6.8	-
	<b>13.5</b>	<b>0.3</b>	<b>14.9</b>	<b>0.7</b>
<b>Financial assets carried at fair value through other comprehensive income, of which:</b>				
Shares in companies not quoted in an active market	10.2	3.7	10.2	3.7
	<b>10.2</b>	<b>3.7</b>	<b>10.2</b>	<b>3.7</b>
<b>Financial assets carried at amortized cost, of which:</b>				
Promissory notes	-	1.0	-	1.0
Loans, of which:				
granted to related parties	14.1	4.7	13.9	4.7
granted to employees	0.7	2.4	0.9	1.7
granted to other entities	77.3	20.3	79.1	20.4
Short-term deposits	-	170.7	9.7	154.4
	<b>92.1</b>	<b>199.1</b>	<b>103.6</b>	<b>182.2</b>
<b>Total</b>	<b>115.8</b>	<b>203.1</b>	<b>128.7</b>	<b>186.6</b>

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

In the period of 3 months ended 31 March 2021, the Group did not change its methods for measuring the fair value of financial instruments carried at fair value nor did it transfer any instruments between individual levels of the fair value hierarchy.

Both as at 31 March 2021 and 31 December 2020, the fair values of financial assets were not significantly different from their book values.

As at 31 March 2021	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
	mPLN	mPLN	mPLN	mPLN
<b>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	0.6	-	0.6	-
Corporate and Treasury bonds	4.7	4.7	-	-
Shares in companies quoted in an active market	1.5	1.5	-	-
Other assets	7.0	-	7.0	-
<b>Total</b>	<b>13.8</b>	<b>6.2</b>	<b>7.6</b>	<b>-</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies not listed on regulated markets	13.9	-	-	13.9
<b>Total</b>	<b>13.9</b>	<b>-</b>	<b>-</b>	<b>13.9</b>

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

As at 31 December 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	2.4	-	2.4	-
Corporate and Treasury bonds	4.7	4.7	-	-
Shares in companies quoted in an active market	1.7	1.7	-	-
Other assets	6.8	-	6.8	-
<b>Total</b>	<b>15.6</b>	<b>6.4</b>	<b>9.2</b>	<b>-</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies not listed on regulated markets	13.9	-	-	13.9
<b>Total</b>	<b>13.9</b>	<b>-</b>	<b>-</b>	<b>13.9</b>

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

### 6.10. Inventories

The table below presents inventories as at 31 March 2021 and in the comparable period:

Inventories	31 March 2021 mPLN	31 December 2020 mPLN
Computer hardware, third-party software licenses and other goods for resale	191.9	190.0
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	21.9	20.6
Impairment losses on inventories	(23.6)	(23.7)
<b>Total</b>	<b>190.2</b>	<b>186.9</b>

Changes in the amount of impairment losses on inventories during the period of 3 months ended 31 March 2021 and in the comparable period are presented in the table below:

Impairment losses on inventories	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
<b>As at 1 January</b>	<b>(23.7)</b>	<b>(20.0)</b>
Recognized during the reporting period	(2.0)	(1.0)
Utilized during the reporting period	0.9	-
Reversed during the reporting period	1.4	0.7
Acquisition of subsidiaries	-	(1.7)
Foreign currency translation differences	(0.2)	(1.1)
<b>As at the end of the reporting period</b>	<b>(23.6)</b>	<b>(23.1)</b>

### 6.11. Cash and cash equivalents

The table below presents cash and cash equivalents as at 31 March 2021 and in the comparable period:

	31 March 2021 mPLN	31 December 2020 mPLN
Cash at bank accounts	2,312.9	2,342.7
Cash at split payment accounts	4.2	10.3
Cash on hand	0.6	0.6
Short-term bank deposits (up to 3 months)	398.2	541.4
Other cash equivalents	1.0	1.0
<b>Total cash and cash equivalents as disclosed in the statement of financial position</b>	<b>2,716.9</b>	<b>2,896.0</b>
Interest accrued on cash and cash equivalents	0.1	0.1

Bank overdraft facilities utilized for current liquidity management	(25.6)	(24.0)
<b>Total cash and cash equivalents as disclosed in the cash flow statement</b>	<b>2,691.4</b>	<b>2,872.1</b>

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

## 6.12. Bank loans, borrowings and debt securities

The table below presents the Group's debt outstanding as at 31 March 2021 and 31 December 2020.

	31 March 2021		31 December 2020	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Bank loans	727.9	448.8	787.0	426.4
- overdraft facilities	-	91.3	-	66.7
- non-revolving loans	727.9	357.5	787.0	359.7
Bonds and other debt securities	704.7	292.1	763.2	272.7
Loans	2.1	3.7	2.0	4.0
<b>Total</b>	<b>1,434.7</b>	<b>744.6</b>	<b>1,552.2</b>	<b>703.1</b>

The Group's total liabilities under all bank loans and borrowings obtained and debt securities issued aggregated at PLN 2,179.3 million as at 31 March 2021, as compared with PLN 2,255.3 million outstanding as at 31 December 2020. Our total debt decreased mainly due to transactions conducted within the Formula Systems segment, including the redemption of bonds within Sapiens International Group and the repayment of bank loans within Matrix IT Group.

Bank overdraft facilities outstanding as at 31 March 2021 and 31 December 2020 are presented in the tables below.

Loan currency	Effective interest rate	Actual amount of debt as at 31 March 2021 mPLN	Maximum debt limit available mPLN	Unused amount of credit facilities mPLN
EUR	EONIA + margin	-	35.8	35.8
	EURIBOR + margin	12.3	149.9	137.6
	LIBOR + margin	-	9.3	9.3
	Fixed interest rate	13.0	22.0	9.0
ILS	Fixed interest rate	65.6	n/a*	n/a*
	Fixed interest rate	0.2	0.2	-
PLN	WIBOR + margin	0.2	379.5	379.3
	Fixed interest rate	-	200.0	200.0
MKD	Fixed interest rate	-	0.1	0.1
TRY	Fixed interest rate	-	0.3	0.3
CHF	Fixed interest rate	-	0.8	0.8
		<b>91.3</b>	<b>797.9</b>	<b>772.2</b>

\* Debt in the amount of PLN 65.6 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 31 March 2021 the total limit of such credit facilities reached ILS 1,500 million (PLN 1,785.1 million).

Loan currency	Effective interest rate	Actual amount of debt as at 31 December 2020 mPLN	Maximum debt limit available mPLN	Unused amount of credit facilities mPLN
EUR	EONIA + margin	-	35.6	35.6
	EURIBOR + margin	11.2	133.5	122.3
	Fixed interest rate	3.3	35.6	32.3
ILS	PRIME (Israel) + margin	4.7	n/a	n/a
	Fixed interest rate	42.7	n/a*	n/a*
PLN	WIBOR + margin	4.8	365.0	360.2
	Fixed interest rate	-	200.0	200.0
MKD	Fixed interest rate	-	0.2	0.2
TRY	Fixed interest rate	-	0.2	0.2
CHF	Fixed interest rate	-	0.9	0.9
		<b>66.7</b>	<b>771.0</b>	<b>751.7</b>

\* Debt in the amount of PLN 42.7 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 31 December 2020 the total limit of such credit facilities reached ILS 1,500 million (PLN 1,753.5 million).

Non-revolving bank loans outstanding as at 31 March 2021 and 31 December 2020 are presented in the table below.

Loan currency	Effective interest rate	31 March 2021		31 December 2020	
		Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
EUR	EURIBOR + margin	19.4	22.8	23.4	25.0
	Fixed interest rate	70.9	39.1	72.4	42.7
ILS	Fixed interest rate	622.2	288.8	675.2	285.3
	LIBOR + margin	-	3.1	0.8	3.0
JPY	Fixed interest rate	0.3	-	0.3	-
PEN	Fixed interest rate	0.1	0.1	0.1	0.1
CHF	Fixed interest rate	0.7	-	0.7	-
CZK	Fixed interest rate	14.3	3.6	14.1	3.5
TRY	Fixed interest rate	-	-	-	0.1
		<b>727.9</b>	<b>357.5</b>	<b>787.0</b>	<b>359.7</b>

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

Company	Division into short- and long-term portion	Series	31 March 2021 mPLN	31 December 2020 mPLN	Effective interest rate	Currency
Formula Systems	long-term portion	Series A	120.4	121.4	2.38%	ILS
		Series C	271.2	271.0	2.53%	ILS
	short-term portion	Series A	44.8	42.2	2.38%	ILS
		Series C	46.5	39.2	2.53%	ILS
Formula Systems subtotal			482.9	473.8		
Sapiens International	long-term portion	Series B	313.1	370.8	3.61%	ILS/USD
	short-term portion	Series B	81.8	74.4	3.61%	ILS/USD
Sapiens International subtotal			394.9	445.2		
Matrix IT	short-term portion	n/a	119.0	116.9	0.75%	ILS
Matrix IT subtotal			119.0	116.9		
Total bonds and other debt securities			996.8	1,035.9		



Borrowings outstanding as at 31 March 2021 and 31 December 2020 are presented in the table below.

Loan currency	Effective interest rate	Repayment date	31 March 2021		31 December 2020	
			Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
EUR	Fixed interest rate	Q3 2021	-	0.2	-	-
		Q4 2021	-	0.2	-	-
		2021	-	-	-	0.7
		2022	0.4	0.8	0.6	1.0
		2023	0.2	0.2	0.2	0.2
		2030	1.3	-	1.2	-
ILS	Fixed interest rate	not specified	-	1.9	-	-
		Q4 2020	-	-	-	1.8
UZS	LIBOR + margin	2021	-	0.3	-	0.3
CZK	Fixed interest rate	2025	0.2	0.1	-	-
			<b>2.1</b>	<b>3.7</b>	<b>2.0</b>	<b>4.0</b>

Assets serving as collateral for bank loan facilities:

Category of assets	Net value of assets		Utilized amount of bank loans secured with assets	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	mPLN	mPLN	mPLN	mPLN
Land and buildings	112.1	112.0	32.7	28.8
Other tangible assets	8.3	7.7	-	-
Long-term investments	2,052.7	1,883.6	495.4	486.2
Other financial assets	-	3.0	-	1.8
Inventories	4.7	5.9	12.2	6.9
Current and future receivables	43.0	40.3	35.0	31.4
<b>Total</b>	<b>2,220.8</b>	<b>2,052.5</b>	<b>575.3</b>	<b>555.1</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 31 March 2021 and 31 December 2020, Asseco Group companies did not infringe on any covenants defined in their loan agreements.

#### Fair value of financial liabilities

In the period of 3 months ended 31 March 2021, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy. Both as at 31 March 2021 and 31 December 2020, the fair values of bank loans and debt securities issued were not significantly different from their book values.

As at 31 March 2021	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Bank loans, borrowings and debt securities</b>				
Bank loans	1,176.7	-	-	1176.7
- overdraft facilities	91.3	-	-	91.3
- non-revolving loans	1,085.4	-	-	1,085.4
Bonds and other debt securities	996.8	877.8	119.0	-
Loans	5.8	-	-	5.8
<b>Total</b>	<b>2,179.3</b>	<b>877.8</b>	<b>119.0</b>	<b>1,182.5</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 2020	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Bank loans, borrowings and debt securities</b>				
Bank loans	1,213.4	-	-	1,213.4
- overdraft facilities	66.7	-	-	66.7
- non-revolving loans	1,146.7	-	-	1,146.7
Bonds and other debt securities	1,035.9	919.0	116.9	-
Loans	6.0	-	-	6.0
<b>Total</b>	<b>2,255.3</b>	<b>919.0</b>	<b>116.9</b>	<b>1,219.4</b>

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

### 6.13. Lease liabilities

As at 31 March 2021, 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 31 March 2021 as well as at 31 December 2020.

Lease liabilities	31 March 2021		31 December 2020	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Leases of real estate	523.8	171.9	512.5	163.0
Leases of transportation vehicles	25.3	15.9	28.2	16.4
Leases of IT hardware and other assets	3.2	4.1	4.0	4.5
<b>Total</b>	<b>552.3</b>	<b>191.9</b>	<b>544.7</b>	<b>183.9</b>

### 6.14. Other financial liabilities

Other financial liabilities	31 March 2021		31 December 2020 (restated)	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
Dividend payment liabilities	-	25.9	-	3.9
Liabilities under deferred and/or conditional payments for controlling interests	67.7	65.7	72.3	58.0
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	101.5	280.5	108.2	269.0
Other financial liabilities	4.1	1.2	3.5	0.6
	<b>173.3</b>	<b>373.3</b>	<b>184.0</b>	<b>331.5</b>

Both as at 31 March 2021 and 31 December 2020, dividend payment liabilities comprised basically dividends payable to non-controlling shareholders in subsidiaries and indirect subsidiaries of the Parent Company.

As at 31 March 2021 and 31 December 2020, the Group carried estimated liabilities arising from deferred and/or conditional payments for controlling interests. The amounts of the above-mentioned liabilities have been measured using the price calculation formula as defined in the controlling interest acquisition agreements, which usually corresponds to a given company's profit for the contractual term multiplied by a predetermined coefficient. The table below presents liabilities arising from deferred and/or conditional payments for controlling interests in subsidiaries as at 31 March 2021 and 31 December 2020:

Liabilities under deferred and/or conditional payments for controlling interests	31 March 2021 mPLN	31 December 2020 mPLN
Liabilities from acquisitions made by Asseco Poland S.A. in the Polish and international markets	2.3	2.6
Liabilities from acquisitions made within the Asseco International segment	34.5	29.5
Liabilities from acquisitions made within the Formula Systems segment	96.6	98.2
	<b>133.4</b>	<b>130.3</b>

As at 31 March 2021 and 31 December 2020, the Group had liabilities arising from the acquisition of non-controlling interests in subsidiaries (put options). The amounts of such liabilities have been estimated using the formula for calculation of the exercise price of options that the Group granted to non-controlling shareholders, which corresponds to a given company's profit for the contractual term multiplied by a predetermined coefficient.

The table below presents liabilities arising from put options granted to non-controlling shareholders in subsidiaries as at 31 March 2021 and 31 December 2020:

Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	31 March 2021 mPLN	31 December 2020 mPLN
Liabilities of companies within the Asseco International segment	138.5	138.5
Liabilities of companies within the Formula Systems segment	243.5	238.7
	<b>382.0</b>	<b>377.2</b>

Both as at 31 March 2021 and 31 December 2020, the fair values of financial liabilities were not significantly different from their book values.

As at 31 March 2021	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Other financial liabilities</b>				
Dividend payment liabilities	25.9	-	-	25.9
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	133.4	-	-	133.4
Liabilities from the acquisition of minority interests in subsidiaries (put options)	382.0	-	-	382.0
Other financial liabilities	5.3	-	5.3	-
<b>Total</b>	<b>546.6</b>	<b>-</b>	<b>5.3</b>	<b>541.3</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 2020 (restated)	Carrying value mPLN	Level 1 <sup>i)</sup> mPLN	Level 2 <sup>ii)</sup> mPLN	Level 3 <sup>iii)</sup> mPLN
<b>Other financial liabilities</b>				
Dividend payment liabilities	3.9	-	-	3.9
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	130.3	-	-	130.3
Liabilities from the acquisition of minority interests in subsidiaries (put options)	377.2	-	-	377.2
Other financial liabilities	4.1	-	4.1	-
<b>Total</b>	<b>515.5</b>	<b>-</b>	<b>4.1</b>	<b>511.4</b>

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

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

The table below presents the Group's liabilities outstanding as at 31 March 2021 and 31 December 2020:

	31 March 2021		31 December 2020 (restated)	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Trade payables, of which:</b>	<b>1.3</b>	<b>1,016.3</b>	<b>1.4</b>	<b>1,191.7</b>
<b>Invoiced payables</b>	<b>0.2</b>	<b>667.8</b>	<b>0.2</b>	<b>846.9</b>
from related parties	-	1.1	-	1.1
from other entities	0.2	666.7	0.2	845.8
<b>Uninvoiced payables</b>	<b>1.1</b>	<b>346.5</b>	<b>1.2</b>	<b>343.2</b>
from related parties	-	1.2	-	0.2
from other entities	1.1	345.3	1.2	343.0
<b>Liabilities arising from contractual penalties</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>1.6</b>
<b>Corporate income tax payable</b>	<b>-</b>	<b>59.8</b>	<b>-</b>	<b>67.4</b>
<b>Liabilities to the state and local budgets</b>	<b>-</b>	<b>212.2</b>	<b>-</b>	<b>296.2</b>
Value added tax (VAT)	-	86.4	-	165.1
Personal income tax (PIT)	-	52.3	-	64.0
Social insurance	-	58.8	-	57.9
Withholding income tax	-	2.4	-	1.9
Other	-	12.3	-	7.3
<b>Other liabilities</b>	<b>13.8</b>	<b>501.0</b>	<b>11.1</b>	<b>482.5</b>
Liabilities to employees (including salaries payable)	-	463.0	-	434.3
Other liabilities	13.8	38.0	11.1	48.2
<b>Total</b>	<b>15.1</b>	<b>1,789.3</b>	<b>12.5</b>	<b>2,037.8</b>

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 6.19 to these interim condensed consolidated financial statements.

### 6.16. Contract liabilities

The table below presents the Group's liabilities from contracts with customers as at 31 March 2021 and 31 December 2020:

	31 March 2021		31 December 2020	
	Long-term mPLN	Short-term mPLN	Long-term mPLN	Short-term mPLN
<b>Liabilities from valuation of IT contracts, of which:</b>	<b>-</b>	<b>96.2</b>	<b>-</b>	<b>120.6</b>
From related parties	-	11.9	-	12.0
From other entities	-	84.3	-	108.6
<b>Deferred income from IT projects, of which:</b>	<b>135.9</b>	<b>942.9</b>	<b>129.2</b>	<b>779.5</b>
Maintenance services and license fees	135.9	819.2	129.1	659.4
Other prepaid services	-	123.7	0.1	120.1
<b>Total contract liabilities</b>	<b>135.9</b>	<b>1,039.1</b>	<b>129.2</b>	<b>900.1</b>

### 6.17. Provisions

Changes in the amount of provisions during the period of 3 months ended 31 March 2021 and in the comparable period are presented in the table below:

	3 months ended 31 March 2021	3 months ended 31 March 2020
	mPLN	mPLN
<b>As at 1 January</b>	<b>146.4</b>	<b>121.1</b>
Obtaining control over subsidiaries	-	1.2
Provisions created during the reporting period	4.4	16.1
Discount change and actuarial gains/losses	2.6	2.0
Provisions utilized during the reporting period	(12.4)	(5.4)
Provisions reversed during the reporting period	(5.8)	(0.4)
Change in presentation	-	(0.2)
Differences on foreign currency translation of subsidiaries	4.1	7.5
<b>As at the end of the reporting period, of which:</b>	<b>139.3</b>	<b>141.9</b>
<b>Short-term</b>	<b>30.5</b>	<b>48.0</b>
<b>Long-term</b>	<b>108.8</b>	<b>93.9</b>

### 6.18. Accruals and deferred income

	31 March 2021		31 December 2020	
	Long-term	Short-term	Long-term	Short-term
	mPLN	mPLN	mPLN	mPLN
<b>Accruals, of which:</b>				
Accrual for unused holiday leaves	-	223.6	-	195.7
Accrual for employee and management bonuses	0.9	180.2	0.9	225.1
	<b>0.9</b>	<b>403.8</b>	<b>0.9</b>	<b>420.8</b>
<b>Deferred income, of which:</b>				
Grants related to assets	63.9	3.6	64.7	2.8
Other	-	4.8	-	4.7
	<b>63.9</b>	<b>8.4</b>	<b>64.7</b>	<b>7.5</b>

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.

## 6.19. Related party transactions

	Sales		Purchases	
	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Transactions with associates and joint ventures	2.4	9.3	0.2	4.4
Transactions with entities or individuals related through the Group's Key Management Personnel	0.6	0.4	0.3	1.5
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.6	0.4
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	-	-	2.9	2.0
Transactions with capital-related entities	32.8	12.1	0.7	0.3
<b>Total related party transactions</b>	<b>35.8</b>	<b>21.8</b>	<b>4.7</b>	<b>8.6</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 income from letting of own office space.

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

	Trade receivables, other receivables and contract assets as at		Trade payables, other liabilities and contract liabilities as at	
	31 March 2021 mPLN	31 December 2020 mPLN	31 March 2021 mPLN	31 December 2020 mPLN
Transactions with associates and joint ventures	6.8	12.5	12.1	12.4
Transactions with entities or individuals related through the Group's Key Management Personnel	6.0	6.0	13.5	14.1
Transactions with Members of the Management Board and Supervisory Board and Commercial Proxies of Asseco Poland S.A.	-	-	0.1	0.1
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	49.6	49.8	14.8	17.7
Transactions with subsidiaries	58.4	89.5	1.2	0.2
<b>Total related party transactions</b>	<b>120.8</b>	<b>157.8</b>	<b>41.7</b>	<b>44.5</b>

Therefore, the above tables disclose the outstanding balances of receivables and payables between companies of Asseco Group and entities belonging to Cyfrowy Polsat Group which holds 22.95% of equity interest and voting rights at the General Meeting of Shareholders of the Parent Company.

As at 31 March 2021, receivables from related parties comprised trade receivables and contract assets amounting to PLN 65.7 million, as compared with PLN 102.4 million outstanding as at 31 December 2020.

As at 31 March 2021, liabilities to related parties comprised trade payables amounting to PLN 2.3 million, as compared with PLN 1.3 million outstanding as at 31 December 2020.

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 6.9 to the consolidated financial statements of the Group for the year ended 31 December 2020.

Name of entity	Loans granted		Borrowings	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	mPLN	mPLN	mPLN	mPLN
Transactions with associates	16.7	16.5	-	-
Transactions with entities or individuals related through the Group's Key Management Personnel	0.6	0.6	1.9	1.8
Transactions with Members of Management Boards and Supervisory Boards and Commercial Proxies of other companies of the Group	1.5	1.5	0.3	0.3
<b>Total related party transactions</b>	<b>18.8</b>	<b>18.6</b>	<b>2.2</b>	<b>2.1</b>

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

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

### 7.1. Cash flows – operating activities

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

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Change in inventories	(3.0)	7.8
Change in receivables and non-financial assets	(159.6)	(9.7)
Change in liabilities	(268.4)	(97.2)
Change in prepayments and accruals	78.4	44.8
Change in provisions	(9.3)	3.2
<b>Total</b>	<b>(361.9)</b>	<b>(51.1)</b>

The decrease in working capital in the first quarter of 2021 and the related low level of net cash generated from operating activities was caused, among others, by postponing the collection of receivables at Matrix IT (the Formula Systems segment) from March to April as a result of Israeli holidays falling at the end of March. Another reason was the repayment of trade payables in Spain (the Asseco International segment) which resulted from the high level of orders placed at the end of the year in connection with increased sales of equipment during the holiday season.

Furthermore, the first quarter of a year is the time to settle tax and legal liabilities arising from the fourth quarter financial results of our companies, as well as to pay variable remunerations for the prior year, which poses an additional burden on operating cash flows.

### 7.2. Cash flows – investing activities

In the period of 3 months ended 31 March 2021 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:

Acquisitions of property, plant and equipment, intangible assets and expenditures for development projects	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Acquisition of property, plant and equipment	(34.4)	(61.5)
Acquisition of intangible assets	(3.9)	(2.6)
Expenditures for development projects	(23.1)	(24.8)
<b>Total</b>	<b>(61.4)</b>	<b>(88.9)</b>

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

Expenditures for the acquisition of subsidiaries and associates, plus cash and cash equivalents in subsidiaries acquired	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Acquisitions made within the Asseco Poland segment	-	(4.6)
Acquisitions made within the Asseco International segment	(5.6)	(3.2)
Acquisitions made within the Formula Systems segment	(14.5)	7.0
<b>Total</b>	<b>(20.1)</b>	<b>(0.8)</b>



### 7.3. Cash flows – financing activities

In the period of 3 months ended 31 March 2021 as well as in the comparable period, the amount of cash flows from financing activities was affected primarily by the following transactions:

- Proceeds from bank loans and borrowings:

Proceeds from bank loans and borrowings	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Bank loans and borrowings obtained within the Asseco International segment	2.9	20.6
Bank loans and borrowings obtained within the Formula Systems segment	21.8	514.1
<b>Total</b>	<b>24.7</b>	<b>534.7</b>

- Repayments of bank loans and borrowings:

Repayments of bank loans and borrowings	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Bank loans repaid within the Asseco International segment	(15.7)	(13.2)
Bank loans repaid within the Asseco International segment	(65.6)	(97.4)
<b>Total</b>	<b>(81.3)</b>	<b>(110.6)</b>

- Expenditures for the acquisition of non-controlling interests

Expenditures for the acquisition of non-controlling interests	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
Non-controlling interests acquired within the Asseco Poland segment	(0.3)	(6.6)
Non-controlling interests acquired within the Formula Systems segment	-	(80.7)
<b>Total</b>	<b>(0.3)</b>	<b>(87.3)</b>

- In addition, in the period of 3 months ended 31 March 2021, Sapiens company (the Formula Systems segment) redeemed its previously issued bonds. Cash outflows for this purpose amounted to PLN 75.5 million in the first quarter of 2021.

## 8. Other explanatory notes

### 8.1. Off-balance-sheet liabilities

The table below presents our contingent liabilities as at 31 March 2021 and 31 December 2020:

Contingent liabilities	31 March 2021	31 December 2020
	mPLN	mPLN
<b>Liabilities from guarantees of due performance of contracts</b>		
Liabilities falling due within 3 months	28.8	37.3
Liabilities falling due within 3 to 12 months	216.8	207.7
Liabilities falling due within 1 to 5 years	139.9	118.8
Liabilities falling due after 5 years	8.1	7.2
<b>Total</b>	<b>393.6</b>	<b>371.0</b>
<b>Liabilities arising from bank guarantees and guarantee bonds</b>		
Liabilities falling due within 3 months	2.8	3.8
Liabilities falling due within 3 to 12 months	25.2	23.8
Liabilities falling due within 1 to 5 years	6.8	6.7
Liabilities falling due after 5 years	-	-
<b>Total</b>	<b>34.8</b>	<b>34.3</b>
<b>Other contingent liabilities</b>	<b>2.9</b>	<b>2.9</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 31 March 2021 and 31 December 2020.

In the period reported, none of the Group's companies granted any new significant guarantees and/or sureties. As at 31 March 2021, guarantees granted by Asseco Central Europe a.s., as described in the annual report for 2020, amounted to EUR 1.5 million (PLN 7.0 million) for the company Prosoft Kosice a.s. and CZK 100 million (PLN 17.8 million) for the company Asseco Central Europe, a.s. (Czech Republic).

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

As at 31 March 2021, 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 the reporting period, there was also another pending court dispute 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 31 March 2021.

In addition, in February 2021, the Parent Company was served with a lawsuit from one of its customers for the payment of contractual penalties for exceeding the time limits specified in the maintenance contract. The amount in dispute is PLN 3.0 million. The Company's Management Board has considered the customer's claim to be unfounded.

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

As at 31 March 2021, 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 under the consortium agreement of 2016. In the opinion of Asseco Data Systems S.A. and Asseco Group, the provisions for pending litigation that are recognized in this report have been created in a sufficient amount to cover possible risks arising from existing disputes.

During the reporting period, Asseco Business Solutions S.A. was party to litigation in connection with the decision of the Office of Competition and Consumer Protection (OCCP) of December 2013, whereby the OCCP imposed a penalty on Asseco Business Solutions. The penalty resulted from the proceedings conducted by the Office of Competition and Consumer Protection regarding the use of prohibited clauses in contracts concluded by the Company (and its legal predecessors) with distributors of Wapro brand software. This case was described in the consolidated financial statements of Asseco Group for the year ended 31 December 2020 and its status remained unchanged during the reporting period.

In the reporting period, a court dispute was initiated against DahliaMatic S.A. in which the claimant brought a claim for payment of PLN 12.1 million as a contractual penalty. As at 31 March 2021, the whole amount of receivables from the claimant have been written down, and the company's Management Board assessed the validity of claims being the subject of the above-mentioned dispute proceedings and found them groundless. Thus the Management determined there was no need to create any additional provisions for such claims as at 31 March 2021.

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 6.3 million. Additionally, in 2021 other proceedings were pending before the Czech Antimonopoly Office regarding the participation in a tender in which one of ACE Group subsidiaries was a sub-supplier. The potential penalty is CZK 15 million (PLN 2.7 million), but the management of ACE Group has considered the risk of paying a penalty in such an amount to be unlikely and therefore created no provision for this purpose.

In addition, during the reporting period, ACE 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 CZK 115.7 million (PLN 20.6 million). The Management 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 CZK 102.9 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 15 million (PLN 17.9 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 ILS 34.1 million (PLN 40.1 million). The Group believes it has created a sufficient amount of provisions for ongoing court cases.

In 2020, Formula Systems (1985) Ltd and members of its management bodies have been sued personally by a minority shareholder, who holds 28 shares representing 0.0001% of the total number of shares in this company. The lawsuit concerns the correctness of granting the stock option plan to Mr. Guy Bernstein (CEO of Formula Systems) in 2020, the terms and value of which are described in explanatory note 5.2 in the consolidated financial statements for the year 2020, which was awarded to the CEO by a resolution of the Board of Directors that overruled the decision made by the general meeting of shareholders. In the lawsuit, the shareholder has questioned the correctness of the adopted procedure and has also alleged irregularities in the implementation of the option plans of 2011 and 2012. The lawsuit also concerns the remuneration of the company's CFO. The shareholder's objection asserts acting to the detriment of minority shareholders. After consulting with legal advisors, the company has deemed the claim to be unfounded, considering that both the Board of Directors and the company's managing officers (including the CEO and CFO) acted in accordance with the law. Formula Systems (1985) Ltd informed the Securities and Exchange Commission of the details of the claim in 6-K forms which are available to the public. The status of this case remained unchanged in the reporting period.

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

## 8.2. Seasonal and cyclical business

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

## 8.3. Employment

Number of employees in the Group companies as at	31 March 2021	31 December 2020
Management Board of the Parent Company	10	10
Management Boards of the Group companies	192	184
Production departments	24,885	24,455
Sales departments	1,469	1,393
Administration departments	2,006	1,967
<b>Total</b>	<b>28,562</b>	<b>28,009</b>

Number of employees in the Group companies as at	31 March 2021	31 December 2020
Asseco Poland segment	3,351	3,382
Asseco International segment	7,294	7,204
Formula Systems segment	17,917	17,423
<b>Total</b>	<b>28,562</b>	<b>28,009</b>

## 8.4. Significant events after the reporting period

- Acquisitions within Magic Group

On 1 April 2021, Coretech, a subsidiary of Magic, acquired 100% shares in Enable IT LLC based in the USA. The purchase price amounted to approx. USD 6 million.

On 4 April 2021, Magic Software Enterprises Ltd purchased 100% of shares in Manerva Ltd, a company based in Israel. The purchase price amounted to approx. ILS 10 million plus a conditional payment.

- Acquisitions and new companies within Matrix IT Group

On 5 April 2021, Babcom Centers Ltd acquired 60% of shares in SQ Hashita Ltd, a company based in Israel. The purchase price amounted to ILS 3.7 million (PLN 4.4 million).

On 5 April 2021, Dana Engineering Ltd acquired 75% of shares in A.A. Engineering Ltd, a company based in Israel. The purchase price amounted to ILS 10.5 million (PLN 12.5 million).

On 29 April 2021, Matrix IT Systems Ltd acquired 75% of shares in I.T.D. Group Ltd, a company based in Israel. The purchase price amounted to ILS 5.75 million (PLN 6.8 million).

Additionally, in April 2021, Exzac Inc. acquired a 60% stake in the newly founded company Matrix Payment Services LLC based in the USA.

Also in April 2021, Matrix Systems Management Ltd acquired a 60% stake in the newly founded company Matrix Advisory Europe Ltd based in Israel.

- Acquisition of Finantech by Asseco PST

On 1 April 2021, Asseco PST signed an agreement to acquire 76% of shares in the company Finantech – Sistemas de Informação S.A. based in Portugal. The total purchase price amounted to EUR 4.6 million, of which EUR 4.4 million was paid in cash, while the remaining portion of approx. EUR 0.2 million constitutes a conditional payment.

- Acquisition of ZAP Group

On 6 April 2021, Formula Systems (1985) Ltd signed an agreement to acquire 100% of shares in ZAP Group based in Israel. The purchase price amounted to approx. ILS 300 million, of which ILS 240 million was paid in cash, while the remaining portion of approx. ILS 60 million constitutes a conditional payment depending on future operating results of the acquired company.

- Issuance of bonds by Formula Systems

On 8 April 2021, Formula Systems (the Formula Systems segment) issued 5-year series C bonds with a face value of ILS 160 million, expanding the total value of the series C of bonds that were originally issued in March 2019. Financing obtained from this issuance was partially used to acquire the above-mentioned ZAP Group.

- Sale of shares in R-Style

On 26 April 2021, Asseco International, a.s. signed an agreement to sell its entire shareholding in R-Style Softlab JSC (an associated company being consolidated under the equity method within the Asseco International segment). According to the agreement, the sale of shares shall be carried out in several stages, and the final selling date shall be 17 May 2021. The consideration for shares in R-Style held by Asseco International, a.s. amounted to USD 4.4 million. Concurrently, as part of this transaction, the company R-Style made a commitment to pay out to Asseco Poland S.A. past-due dividends in the amount of RUB 191.2 million (approx. PLN 10 million).

- Increasing the share capital of GKK Arka S.A.

On 15 April 2021, the General Meeting of Shareholders of GKK Arka S.A. adopted a resolution to increase the share capital of this company. As a result, the company issued 84,101 new shares that were acquired by Asseco Poland S.A. and Podkarpacki Fundusz Nieruchomości Sp. z o.o. As at the reporting date, these have not been registered yet. Upon such registration, the direct and indirect equity interest held by Asseco Group in GKK Arka S.A. will grow from 36.78% to 89.16%.

- Establishing of a new company Asseco Cloud Sp. z o.o.

On 6 May 2021, we registered a new company called Asseco Cloud Sp. z o.o. in which 100% of shares were acquired by Asseco Poland S.A. The newly founded company will operate as a provider of infrastructure maintenance and IT support services, data processing center, and cloud-based solutions. This newly created entity will combine selected departments and divisions of Asseco Data Systems S.A. and Asseco Poland S.A.

- Establishing of a new company Krajowy Operator Chmury Medycznej Sp. z o.o.

On 6 May 2021, we registered a new company called Krajowy Operator Chmury Medycznej Sp. z o.o. (National Medical Cloud Operator) in which 100% of shares were acquired by Asseco Poland S.A. The equity interest held by Asseco Poland S.A. in this new company will be ultimately limited to 50% and it will operate as a jointly controlled entity of Asseco Poland S.A.

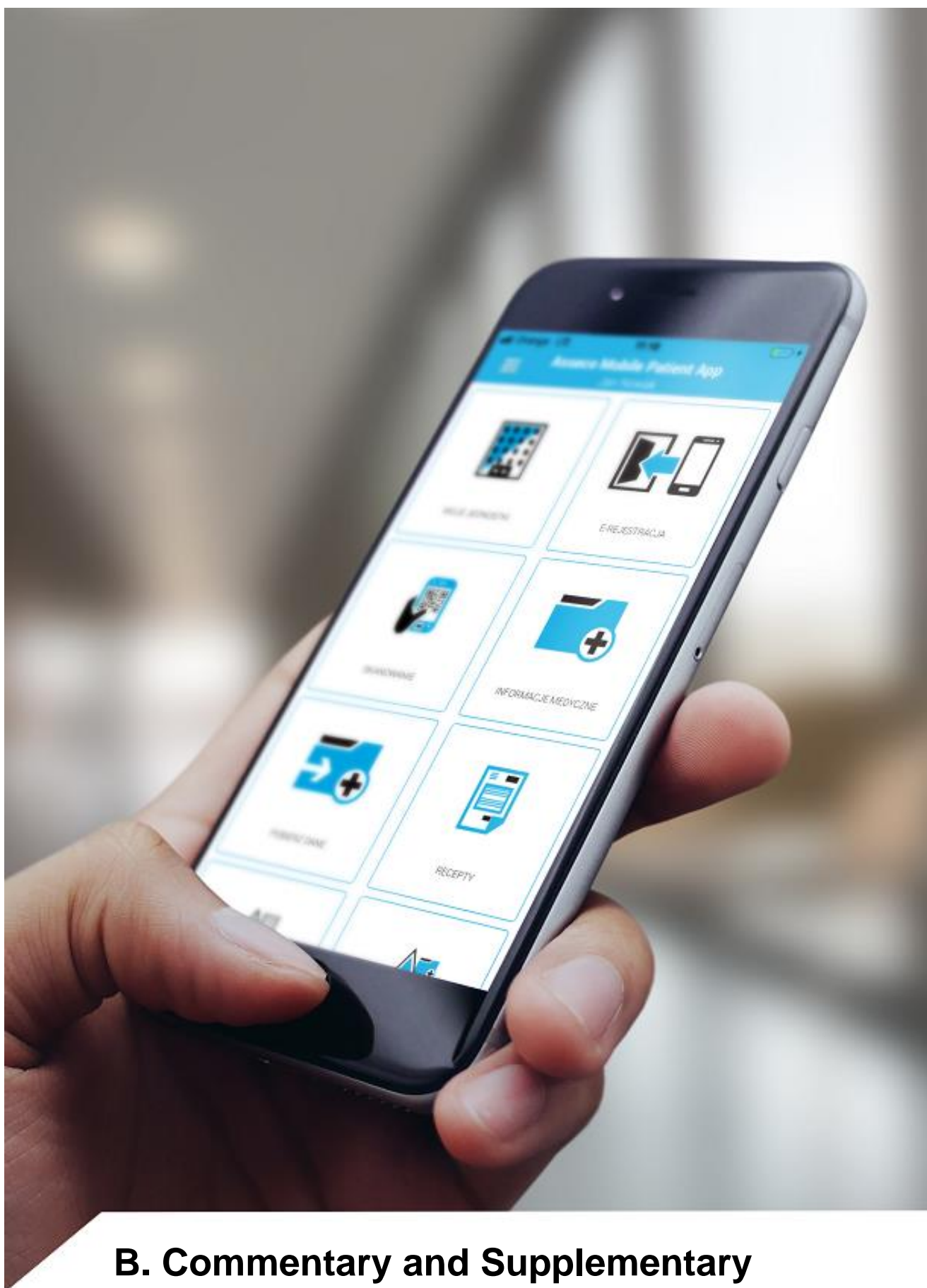
- Distribution of the net profit for 2020 and declaration of dividend payment by Asseco Poland S.A.

On 20 May 2021, the General Meeting of Shareholders of Asseco Poland S.A. resolved that the net profit for the financial year 2020 in the amount of PLN 265.6 million shall be distributed as follows:

- The amount of PLN 258.1 million was allocated for distribution among the Company's Shareholders through the payment of a dividend amounting to PLN 3.11 per share. The dividend record date was set for 4 June 2021; whereas, the dividend payment was scheduled for 18 June 2021;
- The remaining portion of the net profit for 2020 in the amount of PLN 7.5 million was allocated to the reserve capital.

## 8.5. Significant events related to prior years

Until the date of preparing these interim condensed consolidated financial statements for the period of 3 months ended 31 March 2021, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.



## B. Commentary and Supplementary Information to the Quarterly Report of **Asseco Group**



# Asseco Group

## Non-IFRS results for the first quarter of 2021

(unaudited data)

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

### 1. Selected financial data for the period of 3 months ended 31 March 2021 (non-IFRS)

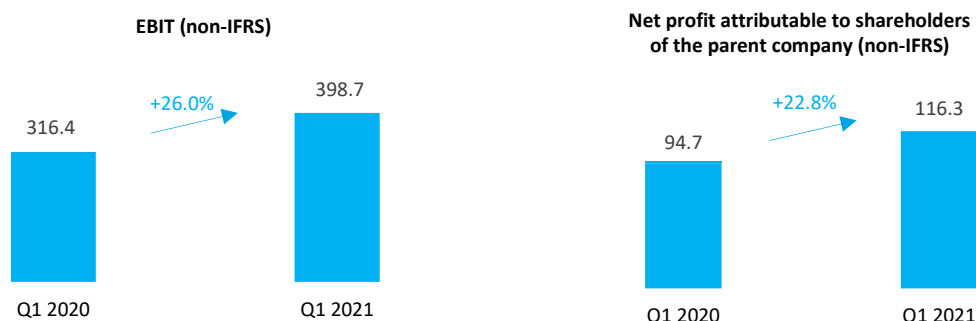
#### Financial and operational summary:

- The Group's revenues reached **PLN 3,339 million**, growing by **14%**
- Non-IFRS EBIT increased by **26%** to the level of **PLN 399 million**, while non-IFRS net profit improved by **23%** to **PLN 116 million**
- Growing sales across **all business sectors and operating segments** of the Group
- **80%** of revenues generated from proprietary software and services
- **Strong diversification** of business (by geographical regions, sectors, products)

#### Consolidated financial highlights for the first quarter of 2021 (non-IFRS)

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

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



#### Consolidated financial results of Asseco Group (non-IFRS)

mPLN	Q1 2021	Q1 2020 (restated)	Change
<b>Revenues</b>	<b>3,339.1</b>	<b>2,920.4</b>	<b>14.3%</b>
Proprietary software and services	2,602.8	2,354.8	10.5%
<b>EBITDA</b>	<b>497.8</b>	<b>420.1</b>	<b>18.5%</b>
<b>Non-IFRS EBIT</b>	<b>398.7</b>	<b>316.4</b>	<b>26.0%</b>
PPA & SBP	75.7	66.6	13.5%
<b>Non-IFRS net profit attributable to shareholders of the Parent Company</b>	<b>116.3</b>	<b>94.7</b>	<b>22.8%</b>
PPA & SBP & M&A	13.9	13.0	6.9%

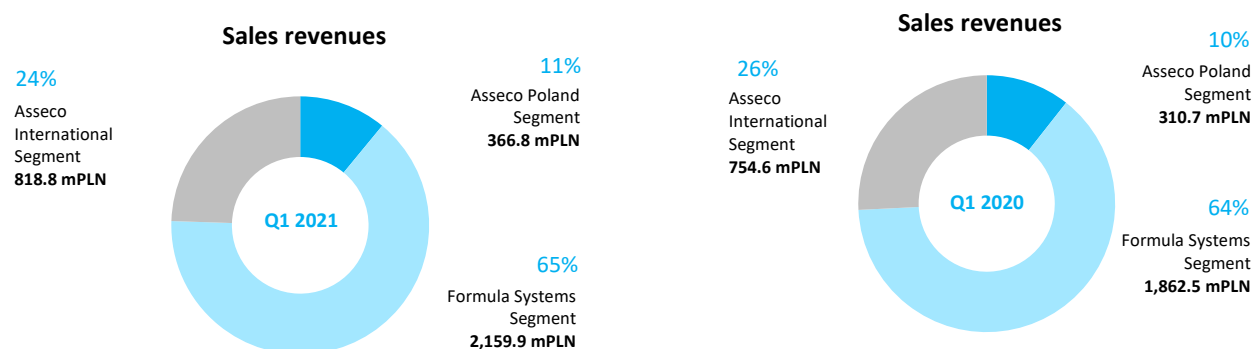
## 2. Summary and analysis of financial results of Asseco Group for the period of 3 months ended 31 March 2021

### Revenue structure in the first quarter of 2021

#### Asseco Group segments

The table below presents sales revenues generated by individual operating segments in the period of 3 months ended 31 March 2021 and in the comparable period last year:

Sales revenues by segments	3 months ended 31 March 2021	3 months ended 31 March 2020 (restated)	Change Q1 2021 vs. Q1 2020
Asseco Poland segment	366.8	310.7	18.1%
Formula Systems segment	2,159.9	1,862.5	16.0%
Asseco International segment	818.8	754.6	8.5%
Eliminations	(6.4)	(7.4)	(13.5%)
<b>Total</b>	<b>3,339.1</b>	<b>2,920.4</b>	<b>14.3%</b>



Figures including inter-segment sales.

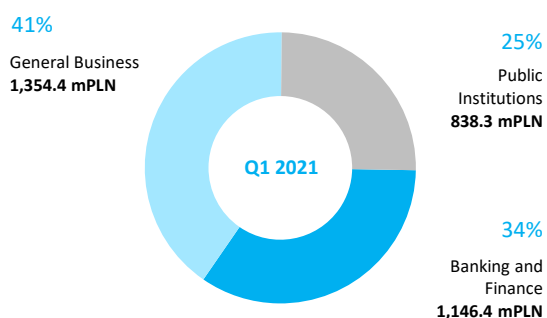
#### Business sectors

The table below presents sales revenues generated in particular business sectors in the period of 3 months ended 31 March 2021 and in the comparable period last year:

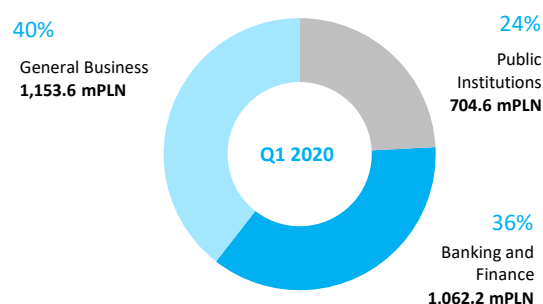
Sales revenues by sectors	3 months ended 31 March 2021	3 months ended 31 March 2020 (restated)	Change Q1 2021 vs. Q1 2020
Banking and Finance	1,146.4	1,062.2	7.9%
General Business	1,354.4	1,153.6	17.4%
Public Institutions	838.3	704.6	19.0%
<b>Total</b>	<b>3,339.1</b>	<b>2,920.4</b>	<b>14.3%</b>



### Sales revenues



### Sales revenues

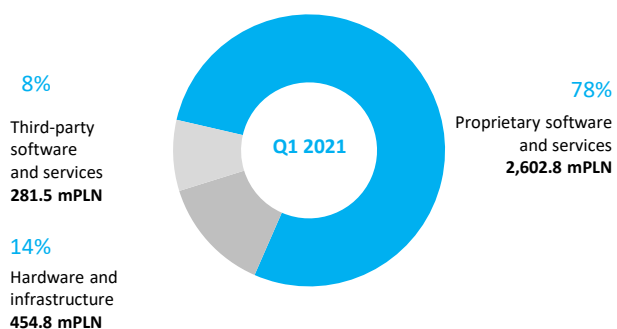


## Products

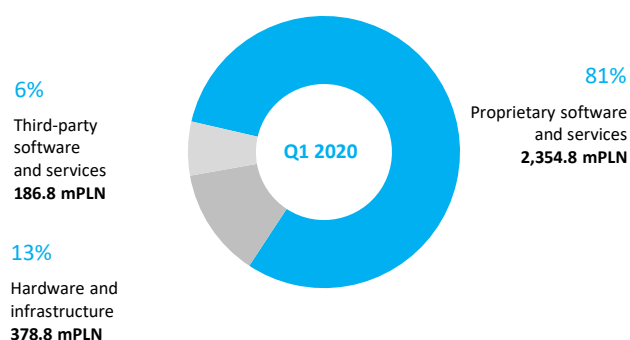
The table below presents sales revenues achieved from particular types of products in the period of 3 months ended 31 March 2021 and in the comparable period last year:

Sales revenues by type of products	3 months ended 31 March 2021	3 months ended 31 March 2020 (restated)	Change Q1 2021 vs. Q1 2020
Proprietary software and services	2,602.8	2,354.8	10.5%
Third-party software and services	281.5	186.8	50.7%
Hardware and infrastructure	454.8	378.8	20.1%
<b>Total</b>	<b>3,339.1</b>	<b>2,920.4</b>	<b>14.3%</b>

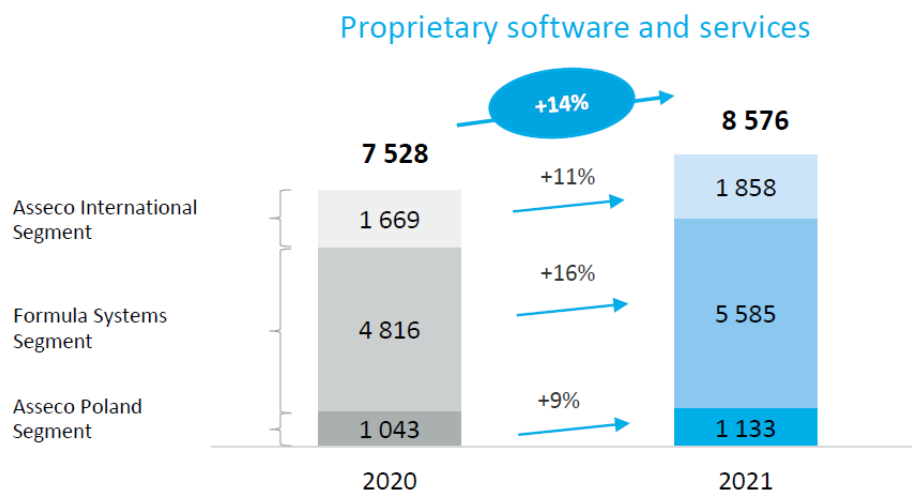
### Sales revenues



### Sales revenues



## Consolidated order backlog for 2021



Figures in millions of PLN.

If the order backlog for 2021 was translated at the same currency exchange rates as the order backlog for 2020, it would grow by 17%. Value of the order backlog for 2021 presented as at 18 May 2021; value of the order backlog for 2020 as at 22 May 2020.

The consolidated financial results of Asseco Group for the period of 3 months ended 31 March 2021 as well as for the last year's comparable period are presented in the table below:

mPLN	3 months ended 31 March 2021	3 months ended 31 March 2020 (restated)	Change Q1 2021 vs. Q1 2020
<b>Sales revenues</b>	<b>3,339.1</b>	<b>2,920.4</b>	<b>14.3%</b>
Proprietary software and services	2,602.8	2,354.8	10.5%
<b>Gross profit on sales</b>	<b>715.0</b>	<b>607.6</b>	<b>17.7%</b>
Selling costs	(175.1)	(148.1)	18.2%
General and administrative expenses	(214.0)	(205.1)	4.3%
Other operating activities	(2.9)	(4.6)	(37.0%)
<b>EBITDA</b>	<b>497.8</b>	<b>420.1</b>	<b>18.5%</b>
<b>EBIT</b>	<b>323.0</b>	<b>249.8</b>	<b>29.3%</b>
<b>Net profit attributable to shareholders of the Parent Company</b>	<b>102.4</b>	<b>81.7</b>	<b>25.3%</b>

EBITDA = EBIT + depreciation and amortization

## Profitability ratios

The table below presents the key profitability ratios achieved by the Group for the period of 3 months ended 31 March 2021 and for the comparable period:

	3 months ended 31 March 2021	3 months ended 31 March 2020	Change Q1 2021 vs. Q1 2020
Gross profit margin	21.4%	20.8%	0.6 pp
EBITDA margin	14.9%	14.4%	0.5 pp
Operating profit margin	9.7%	8.6%	1.1 pp
Net profit margin	7.0%	6.0%	1.0 pp

*Gross profit margin = gross profit on sales / sales*

*EBITDA margin = EBITDA / sales*

*Operating profit margin = operating profit / sales*

*Net profit margin = net profit / sales*

In the period of 3 months ended 31 March 2021, our EBITDA margin equalled 14.9% (vs. 14.4% a year ago), operating profit margin reached 9.7% (vs. 8.6% a year ago), while net profit margin improved to 7.0% (vs. 6.0% a year ago).

## Liquidity ratios

As at the end of March this year, our current liquidity, quick liquidity and absolute liquidity ratios remained at similar levels as at the end of the previous year and at the end of the first quarter of 2020. In comparison to the end of March last year, our working capital increased due to a decrease in the level of current liabilities.

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

The cash conversion rate equalled 8%. The relatively low level of this indicator in the first quarter of 2021 was caused, among others, by postponing the collection of receivables at Matrix IT from March to April as a result of Israeli holidays falling at the end of March. Another reason was the repayment of trade payables by Asseco Spain which resulted from the high level of orders placed at the end of the year in connection with increased sales of equipment during the holiday season. In addition, due to the high amount of spare cash and the potential costs of maintaining such a level of cash, this company settled some of its trade payables to suppliers before the due payment date, which allowed for obtaining discounts. Furthermore, the first months in a year are the time to settle the tax and legal liabilities arising from the fourth quarter financial results of our companies, as well as to pay variable remunerations for the prior year, which poses an additional burden on cash flows without any impact on the statement of profit and loss, and therefore deteriorates the conversion of current profits into cash. However, it should be noted that our cash conversion rate for the last 12 months is at a safe level and stands at 96%.

The table below presents the key liquidity ratios achieved by the Group as at 31 March 2021 and in the comparable periods:

	31 March 2021	31 December 2020 (restated)	31 March 2020
Working capital (in millions of PLN)	2,447.5	2,331.9	2,172.2
Current liquidity ratio	1.5	1.5	1.5
Quick liquidity ratio	1.4	1.4	1.4
Absolute liquidity ratio	0.6	0.6	0.6
Cash conversion rate	8%	115%	78%

*Working capital = current assets – current liabilities*

*Current liquidity ratio = current assets / current liabilities*

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

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

*Cash conversion rate = FCF / Non-IFRS EBIT*

## Debt ratios

The table below presents the key debt ratios achieved by the Group as at 31 March 2021 and in the comparable periods:

	31 March 2021	31 December 2020	31 March 2020
Total debt ratio	45.1%	46.4%	46.6%
Debt/equity ratio	31.6%	33.3%	38.5%
Debt/(debt + equity) ratio	24.0%	25.0%	27.8%

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

*Debt/equity ratio = (bank loans + debt securities + lease liabilities) / equity*

*Debt/(debt + equity) ratio = (bank loans + debt securities + lease liabilities) / (bank loans + debt securities + lease liabilities + equity)*

At the end of the first quarter of 2021, the total debt ratio stood at 45.1% as compared with 46.4% at the end of last year and 46.6% at the end of the first quarter of 2020.

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

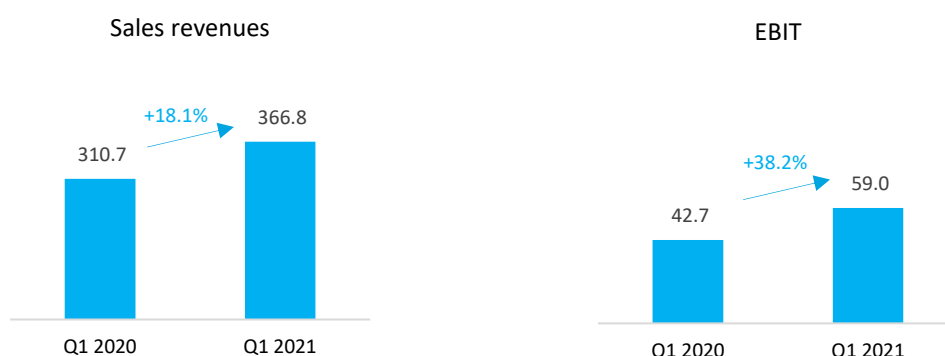
## Currency structure of sales revenues

Presented below is the foreign currency structure of our sales revenues in the period of 3 months ended 31 March 2021 as well as in the comparable period last year:

	3 months ended 31 March 2021	3 months ended 31 March 2020
NIS (Israeli new shekel)	41.1%	39.9%
EUR (euro)	17.6%	17.3%
USD (US dollar)	15.8%	17.7%
PLN (Polish zloty)	12.6%	11.9%
CZK (Czech crown)	2.1%	2.3%
GBP (British pound)	2.1%	1.9%
DKK (Danish krone)	1.8%	1.3%
RSD (Serbian dinar)	1.5%	2.2%
Other currencies	5.2%	5.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

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

#### Asseco Poland segment



The table below presents the selected financial data of the Asseco Poland segment for the period of 3 months ended 31 March 2021 and for the comparable period:

mPLN	3 months ended 31 March 2021	3 months ended 31 March 2020 (restated)	Change Q1 2021 / Q1 2020
<b>Sales revenues*</b>	<b>366.8</b>	<b>310.7</b>	<b>18.1%</b>
<b>EBIT</b>	<b>59.0</b>	<b>42.7</b>	<b>38.2%</b>
<i>EBIT margin</i>	<i>16.1%</i>	<i>13.7%</i>	<i>2.4 pp</i>
Non-IFRS EBIT	62.8	46.7	34.5%
<i>Non-IFRS EBIT margin</i>	<i>17.1%</i>	<i>15.0%</i>	<i>2.1 pp</i>
<b>EBITDA</b>	<b>80.0</b>	<b>65.9</b>	<b>21.4%</b>
<i>EBITDA margin</i>	<i>21.8%</i>	<i>21.2%</i>	<i>0.6 pp</i>
CFO BT	61.1	64.6	(5.4%)
CAPEX	(17.4)	(18.2)	(4.4%)
Lease expenditures	(3.0)	(9.2)	(67.4%)
FCF	40.7	37.2	9.4%
Cash conversion rate	64.8%	79.7%	(14.8) pp
Cash and cash equivalents (comparable data as at 31 December 2020)	360.5	271.7	32.7%
Interest-bearing debt (comparable data as at 31 December 2020)**	(78.9)	(85.1)	(7.3%)
<i>of which bank loans, borrowings and bonds issued</i>	<i>(0.2)</i>	<i>(4.8)</i>	<i>(95.8%)</i>
<i>of which leases</i>	<i>(78.7)</i>	<i>(80.3)</i>	<i>(2.0%)</i>

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

\*\* Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT + PPA + SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFOBT = cash generated from operating activities (before income tax paid)

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

FCF = |CFOBT| - |CAPEX| - |lease expenditures|

Cash conversion rate = FCF / Non-IFRS EBIT

In the first quarter of 2021, sales revenues generated by the Asseco Poland segment reached PLN 366.8 million as compared with PLN 310.7 million reported in the comparable period of the previous year. Operating profit amounted to PLN 59.0 million as compared with PLN 42.7 million earned in the first quarter of 2020. The Asseco Poland segment accounted for 11% of the Group's total sales in the first 3 months of 2021.

In the banking and finance sector, Asseco Poland, being the largest contributor to the Polish operating segment, continued to work for its existing customers by performing, among others, long-term service contracts which accounted for approx. 40% of revenues from this sector in the first quarter of 2021.

The Asseco Poland's sales force engaged in activities aimed at acquiring new projects both in Poland and in foreign markets. The Company expanded its cooperation with such institutions as Bank Ochrony Środowiska, Volkswagen Bank, and Raiffeisen Bank International AG. Asseco Poland has started to implement the first stage of a contract signed with Bank Gospodarstwa Krajowego in the fourth quarter of 2020 for maintenance, optimized development and transformation of the def2000 system into open architecture, enabling further maintenance and development of the system without significant technological and legal restrictions. In the first quarter of 2021, as part of the Common IT Platform project, Asseco continued to develop its concept BooX (Bank out of the Box) platform which is going to be the Company's basis offer for banking markets in Poland and worldwide. Asseco BooX is the first in Poland, comprehensive technology and process platform for selling and handling financial products. Not only does the platform ensure access to all systems necessary to perform banking services, but it also includes IT BPO services provided by Asseco employees as part of the total subscription fee. This solution, initially intended for cooperative banks, is also offered to commercial banks and fintech companies. BooX, being able to run as a cloud-based subscription platform, is an excellent solution for neo-banks, banks subject to consolidation, test and regulatory sandboxes, and marketplace solutions (in e-Commerce). It enables new business initiatives to demonstrate to the national regulator their high operational readiness already at the early stage of obtaining a banking license. Entities that are already present on the market can use the platform features (subscription, work in a technological sandbox) in the process of testing and launching new services. Carrying out a transformation or consolidation of banks is a natural application of the BooX platform. Innovation necessary for the development of financial institutions will be ensured by the use of solutions built into the platform that were developed within the Asseco Innovation Hub, e.g. voicebots. Asseco BooX is available in the subscription model, but it can also operate traditionally – based on the purchase of a license. The solution can be operated in stationary, cloud-based or hybrid models. Both the availability of particular functionalities and the cost incurred by institutions depend on the actual level of their use.

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

In March this year, Asseco became a supporting member of the Polish Association of Loan Institutions (PZIP) which brings together entities from the loan market, as well as digital lending and fintech companies. Joining the PZIP will strengthen cooperation with loan institutions and contribute to the technological development of this sector.

The cooperative banking market is another important business area for the segment of Asseco Poland. Subsidiaries of Asseco Group operating in the Polish market provide services to more than 420 cooperative banks and support nearly 320 banks in the area of modern e-Banking solutions offered in the Software-as-a-Service (SaaS) model. In the first quarter of 2021, Asseco worked on software solutions for cooperative banks associated in both major groups operating in Poland. We continued, among others, the project of developing the Integrated Cooperative Banking Solution which is carried out together with SGB-Bank. As part of this cooperation, SGB-Bank is responsible for gaining additional cooperative banks to join the project, while Asseco performs all the implementation and migration work, also acting as an integrator. So far, 30 cooperative banks have been migrated to this solution. The company is also the author of a unique project of Common IT Platform which is implemented together with the BPS Group of cooperative banks. This is a pioneer solution in Poland that can be described as a "bank in the nest", featuring everything that a modern financial institution needs today: a transaction system, online and mobile banking, reporting and analytical tools, as well as intuitive omnichannel solutions. The platform can be parameterized depending on the needs. Processes that are similar in all banks (accounting, settlements, reporting, risk management, anti-money laundering, product pricing) can be standardized and automated using this solution, consequently leading to lower back-office costs in each institution. The platform also enables banks to develop certain functionalities independently, such as building a commercial offer. The Common IT Platform is available in

the SaaS model, which reduces the costs of owning separate infrastructure and resources necessary for its maintenance. During the last year, the Company completed the implementation of this banking platform at 2 cooperative banks and is working on acquiring new customers. During the reporting period, Asseco Poland also signed new deals, including further migration projects as well as the implementation of My ID functionality for mobile banking. In March 2021, the Company launched a new BSGo mobile application, which will replace the existing mToken Asseco MAA application. The BSGo mobile banking for clients of cooperative banks provides fast and convenient access to banking products from any place and 24/7 all year round. This application runs on mobile devices and is connected to the internet banking system. It combines internet banking (retail and corporate) and the functionality of authorization and authentication via mobile devices.

Asseco Poland holds a leading position among providers of IT solutions for institutions operating in the Polish capital market. In the first quarter of 2021, the Company continued to work under contracts signed in previous reporting periods, including the implementation of ePROMAK NEXT, one of the most innovative trading platforms in this part of Europe, for the Brokerage House of PKO BP. It also signed new deals, including with BondSpot for the delivery and implementation of a system for trading in debt instruments quoted on this market. During the reporting period, Asseco also made efforts to expand the functionality of its PROMAK family systems, e.g. the development of a new version of PROMAK Plus (a transaction processing system that provides effective and automated support for business processes carried out at a brokerage house) which has been adjusted to comply with legal regulations for trading in American stocks, or expanding the functionality of the PROMAK Trustee system in connection with the EU SRD2 directive in order to provide comprehensive support for fiduciary activities, including automation of processes such as the payment of dividends or interest on bonds, redemption of bonds, handling of pre-emptive rights, stock splits and assimilations.

In the first quarter of 2021, the Company's Public Administration segment continued cooperation with major public sector institutions, including the Social Insurance Institution (ZUS), National Healthcare Fund (NFZ), Ministry of Finance, Ministry of Justice, Agency for Restructuring and Modernization of Agriculture (ARiMR), Agricultural Social Insurance Fund (KRUS), and the General Inspectorate of Road Transport (GITD).

During the reporting period, Asseco performed activities under the agreement for the support of operation and maintenance of the Comprehensive Information System (KSI) that was signed with the Social Insurance Institution in 2018 and subsequently annexed in 2019.

In addition, at the end of March 2021, the Company was carrying out 13 execution contracts under the 2018 framework agreement for the modification and development of the KSI system software, 5 of which were awarded during the first quarter of 2021. These execution contracts involve:

- adaptation of the KSI system to regulatory changes as regards the taxation of benefits, as well as handling of allowances and pension benefits in the settlement of taxes for 2019 and 2020 (contract signed in 2019);
- adjusting the functionality of KSI applications in order to enable individual clients to generate confirmations directly from their accounts on the Electronic Services Platform (PUE) as part of the so-called self-service, optimization of the doctor's profile and the wizard for issuing electronic sick leaves (e-ZLA), as well as creation of wizards for submitting applications by individual clients through the PUE platform (contract signed in 2020);
- optimizing the functionality of interactive applications that support ZUS employees in carrying out process tasks (contract signed in 2020);
- adaptation of the KSI system to legislative changes resulting from amendment of the Act on enforcement proceedings in administration and certain other acts (contract signed in 2020);
- automation of E2 application processes in the scope of pensions (designated with ENP and END symbols) and handling of death cases, as well as adapting the EPWD application to process applications (contract signed in 2020);
- adaptation of the KSI system to legislative changes resulting from the introduction of the so-called e-files, small business and other acts, stage II (contract signed in 2020);
- taxation of benefits – legislative changes of 2020 and optimization (contract signed in 2020);
- adaptation of the KSI system to legislative changes related to the registration of contracts for specific work at ZUS (contract signed in 2020);

- modification of the KSI software in order to enable the indexation of retirement and pension benefits in 2021 (contract signed in the first quarter of 2021);
- optimization of applications used for handling allowance benefits with regard to information security (contract signed in the first quarter of 2021);
- adjusting the IT systems to legislative changes requiring the disclosure of the insured person's occupation code in registration documents (contract signed in the first quarter of 2021);
- updating the 9a System that ensures continuing provision of statistical information on the statutory activities of the Social Insurance Institution (contract signed in the first quarter of 2021);
- modification of selected functionalities contained in the FW application in connection with the introduction of changes resulting from the Act of 4 July 2019 amending the Act on enforcement proceedings in administration and certain other acts (contract signed in the first quarter of 2021).

Asseco Poland was also engaged in the development and maintenance of the Client Portal and Service Bus (ESB) as part of the Electronic Services Platform at ZUS, in accordance with the agreement of 2018 and the agreement addendum signed in 2020.

Moreover, the Company was preparing the Comprehensive Information System and the Electronic Services Platform at ZUS to handle the tasks resulting from the introduction of the Act on special solutions related to the prevention, counteracting and combating of COVID-19, other infectious diseases and emergencies caused by them. The original agreement was concluded in 2020 and since that time 8 annexes were signed, of which 3 in the first quarter of 2021.

Asseco Poland also made the Comprehensive Information System and the Electronic Services Platform ready to perform the tasks arising from the Act on the Polish tourist voucher. The original agreement was concluded in 2020 and since that time 4 annexes were signed, of which 1 in the first quarter of 2021.

We also continued to work under the last year's agreement with ZUS for the preparation of their Comprehensive Information System to carry out the tasks required by the Act of 14 August 2020 amending the Act on anti-communist opposition activists and persons repressed for political reasons and certain other acts. During the reporting period, 1 annex was signed to the said agreement.

Asseco Poland also continued to carry out its contract with the Agency for Restructuring and Modernization of Agriculture (ARiMR) for the development and maintenance of their IT system – 8 system modification orders and 1 operational order were signed.

The Company worked under a contract that was concluded and annexed last year with the Ministry of Justice for the construction, 3-year maintenance and development of the IT system supporting the National Register of Debtors which is intended to facilitate restructuring and bankruptcy proceedings.

In addition, the Company implemented an agreement concluded in 2017 with the Ministry of Justice for the maintenance, modification and training for the ICT system of Electronic Land and Mortgage Register (EKW). Last year, the Company signed an addendum to this agreement.

Asseco Poland also worked for the Ministry of Finance and the National Revenue Administration, including projects for the maintenance and development of customs and tax systems implemented under the program "Platform of Electronic Tax and Customs Services (PUESC)" which is co-financed by the European Union. One of those projects, which is worth mentioning, is to build the Digital Border System. It is a very advanced and innovative solution that will automate customs controls on all types of borders (road, sea, rail, air), while streamlining the process of importing and exporting goods from the entire EU community.

In the first quarter of 2021, we concluded two new contracts with the Ministry of Finance represented by the Chamber of Tax Administration in Cracow. The first one, carried out in a consortium with Pentacomp, concerns the development, modernization and maintenance of components of the Tax and Customs Information System (SISC) in the area of Trading in Goods with Third Countries and Excise Duty Movements. The second one involves the expansion, modernization and development of the ZEFIR2 system which supports the collection and financial settlements of customs and tax liabilities for the benefit of the State Treasury and the EU budget. In both contracts, Asseco Poland will upgrade and modernize IT systems that were originally developed by the Company. The main goal is to adapt these systems to new EU legal regulations contained in the EU Customs Code, as well as to many national regulatory changes in excise tax or VAT settlements.



Furthermore, during the reporting period, the Company executed contracts for the maintenance and development of the Automatic Road Traffic Monitoring Center (CANARD) at the General Inspectorate of Road Transport (GITD).

Asseco Poland has consistently strengthened its presence in the healthcare market. At the end of March 2021, we continued cooperation with more than 400 hospitals. Whereas, in the segment of doctor offices, small and medium-sized outpatient clinics, and medical practices, the Company supported 9,600 facilities (34,000 users), representing about 40% share of the market.

During the first three months of 2021, Asseco won further tenders for the implementation of e-Services related to patient services and provision of Electronic Medical Records by hospitals, among others, at the John Paul II Specialized Hospital in Cracow, the Blessed Virgin Mary Provincial Specialized Hospital in Częstochowa, or at the Independent Public Clinical Hospital No. 4 in Lublin. Under such agreements, Asseco implements software that is primarily intended to streamline patient registration for appointments, make it easier for patients to check the results of examinations, as well as to provide them with online access to medical records. New e-Services are fully integrated with the existing solutions operated at hospitals, including Hospital Information Systems (HIS) and unit management systems (ERP).

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

During the period reported, the Company, acting in a consortium with Kamsoft, implemented the contract signed in 2019 with the National Healthcare Fund for the maintenance and development of the NHF Operations Support System.

Asseco Poland actively supports medical institutions in combating the SARS-CoV-2 virus pandemic. The Company developed the "Together against COVID" IT toolkit in order to streamline the procedure in the event of diagnosis or suspicion of a coronavirus infection, as well as to facilitate remote contact with patients in pandemic circumstances. In addition, as part of services provided to the NHF, in the previous year the Company implemented the so-called 'quarantine tag' enabling the identification of quarantined patients.

Leveraging on many years of experience in the computerization of medical facilities, Asseco has developed applications dedicated to patients: Medical Information (management of information provided by medical centers), Home Medicine Chest (personal administration of medicines), and My Measurements (self-monitoring of health condition by patients). Thanks to the integration of the My Measurements and the Medical Information solutions, various health parameters of a patient can be sent directly to the doctor's office and be recorded in the patient's medical history.

Regulatory changes, the imposed obligation to maintain part of medical records in electronic form, as well as the prevailing epidemic all emphasize the need for digitization at medical facilities. The systems of Asseco Medical Management Solutions (AMMS) and mMedica provide medical centers with comprehensive support in their work processes and are fully ready for regulatory changes introduced in the field of e-Health. In Poland, doctor referrals have to be issued in electronic form starting from 8 January 2021. Moreover, Electronic Medical Records and information on medical events will be subject to exchange as of 1 July 2021, meaning it will be possible to obtain data on the patient's medical history and treatment in the P1 System. Asseco participates in pilot projects, providing IT solutions that will ensure the fulfilment of this obligation.

Digitization of the healthcare system not only allows to simplify and accelerate the existing processes, but also opens the possibility for creating new, innovative services. After the end of the reporting period, Asseco established a new company Krajowy Operator Chmury Medycznej (Cloud for Health), the purpose of which is to enable medical facilities to provide e-Services while maintaining the highest standards of security, in cooperation with the National Cloud. The Cloud for Health specializes in the cloud-based implementations of Electronic Medical Records. It will also take care of efficient adjustment to legal regulations and contribute to the standardization of IT services in the healthcare sector.

Asseco Poland is a reputable provider of tailor-made software solutions and services for local and international defense organizations. The Company's clients include institutions such as the North Atlantic Treaty Organization (NATO), the European Border and Coast Guard Agency (Frontex), the European Chemicals Agency (ECHA), the European Defense Agency (EDA), the European Space Agency (ESA), the Polish Ministry of National Defense and the National Cyberspace Security Center. For several years, Asseco Poland has developed own product lines intended for the uniformed services and civilian market, including unmanned systems and cybersecurity systems.

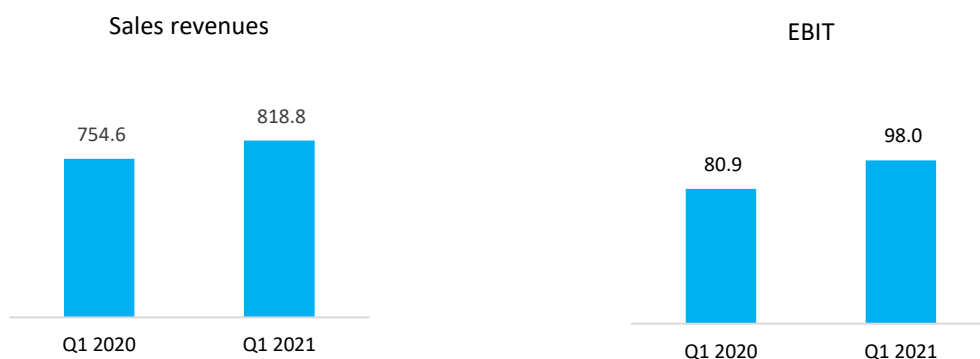
Asseco is also strengthening its position in the cybersecurity consulting segment thanks to its subsidiary ComCERT. ComCERT is the first consulting company in Poland specialized in CERT (Computer Emergency Response Team) services for enterprises and institutions, not affiliated with any telecommunications operator. ComCERT experts analyze clients' systems for vulnerability to hacker attacks, support them during an incident, and analyze the status of systems after the event. At the junction of these three services, our experts also develop Security Operations Center (SOC) teams at clients' premises, not only by actively helping them to maintain a high level of network security, but also by expanding their competence. ComCERT cooperates with other companies from Asseco Group in the implementation of projects in the field of cybersecurity. For instance, it takes part in a project carried out by Asseco Data Systems in the Togolese Republic. Asseco Data Systems, together with the government of Togo, has established a joint venture called Cyber Defense Africa (CDA) whose primary mission is to support the CERT.tg entity responsible for safeguarding the critical infrastructure, companies, administration and citizens of Togo against cyber threats. Additionally, through the CERT.tg website, enterprises, individuals and organizations can directly report cybersecurity incidents and have access to a wide range of information. The launch of CERT.tg is a key stage in creating the first organization in Africa that combines the functions of SOC and CERT, i.e. the National Security Center. This entity is responsible for the security of the country's critical infrastructure, as well as 24/7 monitoring of cybercrime threats. CERT.tg also offers a number of services for enterprises in the area of information security, including audits and forensic analyses related to counteracting cyberspace crimes. Thanks to the strategic partnership of the Ministry of Digital Economy and Digital Transformation of Togo with Asseco Data Systems, CERT.tg will also offer world-class training, e.g. in forensics and operational security. These sessions will be dedicated to IT professionals and IT system managers at enterprises. Moreover, CERT.tg offers courses and training for government officials and private individuals.

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

During the reporting period, Asseco Poland continued to work for leading energy industry groups under previously signed contracts and also gained new orders. The company is a leader among Polish producers of IT solutions for the domestic energy sector. The Asseco Utility Management Solutions (AUMS) is a package of integrated products that provide comprehensive support for all areas of operation in this sector, from generation, transmission and distribution of electric power to the sale of products and services. In Poland, more than 60% of all electricity bills are issued using AUMS Billing & CIS, our proprietary billing and customer service system. Domestic companies that have chosen the AUMS billing system include the following energy groups: ENEA, ENERGA, TAURON, PGE, and PGNIG OD. Asseco Poland makes continuous efforts to expand the functionality of its AUMS family systems. In April 2021, we launched AUMS Billing & CIS 4.0 which is a continuation of our previous product line 3.0. The system was created in response to the changing market requirements, as a result of investments supported also by a project co-financed by the National Center for Research and Development, and in cooperation with a group of local and foreign experts. Version 4.0 of the Company's flagship product is one of the most innovative customer service systems on the market, bringing significant technological improvements as well as automation of business processes. It includes optimizations in the management of work in the system as well as standardization of data exchange. The system features open architecture and gives unlimited possibilities for independent development by the energy company itself or in cooperation with external partners (no vendor-locking). The applied technologies enable the use of open-source databases, and additionally the implemented tools and the adopted multi-cloud and hybrid cloud strategy allow for transferring the system to any cloud of the selected provider. AUMS Billing & CIS 4.0 also offers a number of new functionalities primarily related to the possibility of expanding the business offer with convergent products or services. The upgrade also introduces a new data model based on a billing account, which is used to record data on many contracting parties, including buyers and recipients. The standard solution also offers mechanisms for making settlements of individual recipient devices within the Internet of Things.

In the first quarter of 2021, Asseco Poland continued cooperation with Cyfrowy Polsat Group under the project of transformation of IT systems at that Group. In addition, dedicated, separate teams carried out projects also for other telecommunications and media clients of Asseco. The Company continues to develop its product portfolio and functionality of available solutions, e.g. in the reporting period, it worked on the development of Asseco Dynamic Portal (ADP), a modern portal environment based on a fast content delivery system, integrated with analytical and marketing tools. ADP allows for the collection of data about online behaviour of customers. It is also useful in the segmentation of a business offering and delivery of personalized products and services.

The first quarter of 2021 was also a period of intensive work for our subsidiary Asseco Data Systems (ADS) operating in the Polish market. The company maintained and developed the EMIR-SEKS/AD system for the Social Insurance Institution (ZUS), which is used for administration, calculation and payment of retirement and pension benefits. A new 4-year contract for the maintenance and development of this system was also signed with ZUS. As part of cooperation with the Agricultural Social Insurance Fund (KRUS), the company performed work related to maintenance and development of the pension benefits administration system called "Farmer". ADS, acting in a consortium with Asseco Poland, is also responsible for the maintenance and development of the Workflow system, which constitutes a core component of the Integrated Information System (ZSI) that handles the mission-critical business processes at KRUS, as well as for providing comprehensive support for IT systems that handle insurance and short-term benefits at this institution. During the reporting period, this company increased its sales of security and trust services, including digital signature. ADS, as the first firm in Poland, integrated the service of qualified validation of electronic signature with the newly audited qualified preservation service. This will enable customers to additionally secure their signed and sealed electronic documents in the long term, in compliance with formal and legal requirements. At the same time, the preservation service guarantees the maintenance and constant updating of cryptographic algorithms in order to ensure the highest level of security. The company also participated in standardization works at the national and European level related to the video verification of identity, based on which it will be possible to issue a qualified e-signature certificate. During the first quarter of 2021, ADS developed a platform for managing HR processes in business, as well as integrated IT solutions for managing universities, the teaching process, and employee competence development. Asseco cooperates with more than 50 universities and colleges in Poland. They are very diverse, ranging from large public universities, such as the Maria Curie-Skłodowska University (UMCS) and the University of Life Sciences in Lublin, the Silesian University of Technology, the Polish Naval Academy, through private universities, and ending up with vocational colleges. In March 2021, ADS and UMCS signed a cooperation agreement. It will involve the execution of scientific, implementation, educational and IT projects, as well as cooperation in the completion of diploma theses – bachelor's, master's and doctoral dissertations in the field of information technology, as well as in the performance of implementation doctorates. The main goal of this cooperation is to develop the use of VR (Virtual Reality) technology and new cybersecurity solutions, as well as the creation of modern IT solutions for higher education. Asseco Academy, being one of the leading training providers on the Polish market for many years, dynamically responds to the changing needs of customers and adjusts its training offer to match the demand. In 2020 alone, the academy organized more than 1,300 courses, of which over 800 took place in virtual classrooms and were attended by over 6,500 participants. ADS also focused on activities related to the digitization of local administration bodies. Moreover, the company implemented projects related to software supporting the management of lease contracts, mass communication, including handling of correspondence and documents in paper and electronic form, as well as active planning, implementation and monitoring of intelligent services in the city (Smart City). In the first quarter of 2021, the company also worked on upgrading the Rzeszów parking zone to inform about the number of vacant parking spaces, as well as on the construction of a multimedia exhibition for cultural events to be held at the Underground Tourist Route in Rzeszów. In the period reported, ADS signed an agreement to ensure the continuity of operation of the Silesian Public Services Card system after 21 March 2021, for a period of 18 months with an option to extend it to 24 months. The project is carried out in a consortium with mBank.



The table below presents the selected financial data of the Asseco International segment for the period of 3 months ended 31 March 2021 and for the comparable period:

mPLN	3 months ended 31 March 2021	3 months ended 31 March 2020 (restated)	Change Q1 2021 / Q1 2020
<b>Sales revenues*</b>	<b>818.8</b>	<b>754.6</b>	<b>8.5%</b>
<b>EBIT</b>	<b>98.0</b>	<b>80.9</b>	<b>21.1%</b>
<i>EBIT margin</i>	<i>12.0%</i>	<i>10.7%</i>	<i>1.3 pp</i>
Non-IFRS EBIT	101.5	84.7	19.8%
<i>Non-IFRS EBIT margin</i>	<i>12.4%</i>	<i>11.2%</i>	<i>1.2 pp</i>
<b>EBITDA</b>	<b>140.1</b>	<b>123.7</b>	<b>13.3%</b>
<i>EBITDA margin</i>	<i>17.1%</i>	<i>16.4%</i>	<i>0.7 pp</i>
CFO BT	34.2	66.0	(48.2%)
CAPEX	(17.8)	(21.4)	(16.8%)
Lease expenditures	(14.8)	(14.4)	2.8%
FCF	1.6	30.2	(94.7%)
Cash conversion rate	1.6%	35.7%	(34.1) pp
Cash and cash equivalents (comparable data as at 31 December 2020)	666.8	740.3	(9.9%)
Interest-bearing debt (comparable data as at 31 December 2020)**	(410.5)	(400.1)	2.6%
<i>of which bank loans, borrowings and bonds issued</i>	<i>(200.0)</i>	<i>(200.8)</i>	<i>(0.4%)</i>
<i>of which leases</i>	<i>(210.5)</i>	<i>(199.3)</i>	<i>5.6%</i>

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

\*\* Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT + PPA + SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFOBT = cash generated from operating activities (before income tax paid)

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

FCF = |CFOBT| - |CAPEX| - |lease expenditures|

Cash conversion rate = FCF / Non-IFRS EBIT

In the first quarter of 2021, the Asseco International segment generated PLN 818.8 million in sales revenues, achieving an increase by 8.5%. Operating profit improved by 21.1% and amounted to PLN 98.0 million. The segment's share in the consolidated sales reached 24%.

Asseco Central Europe Group, which represents Asseco in the **Central European region**, reported stronger sales revenues for the first quarter of 2021, while managing to improve its profitability.

During the first three months of 2021, our companies operating in the Czech Republic and Slovakia executed projects under contracts concluded in previous years as well as new contracts with domestic public sector institutions (e.g. for the Public Health Office of the Slovak Republic, the Supreme Audit Office of the Slovak Republic, the Czech Social Security Administration, the State Land Office of the Czech Republic, the Ministry of Internal Affairs of the Czech Republic, and the Ministry of Labour and Social Affairs of the Czech Republic), financial institutions (e.g. for international insurance company Youplus), as well as other companies, including in the utilities sector (e.g. N-ERGIE).

Asseco CEIT, a subsidiary of Asseco Central Europe (ACE) Group, which specializes in combining industrial systems and intelligent processes, thus implementing the Industry 4.0 concept, signed new deals with automotive companies in the period reported. They concerned, inter alia, the automation of intralogistics. Research and development are the key areas of the company's operations. At its headquarters in Slovakia, the company is currently building the 5G campus that will engage in research and development in logistics and in production.

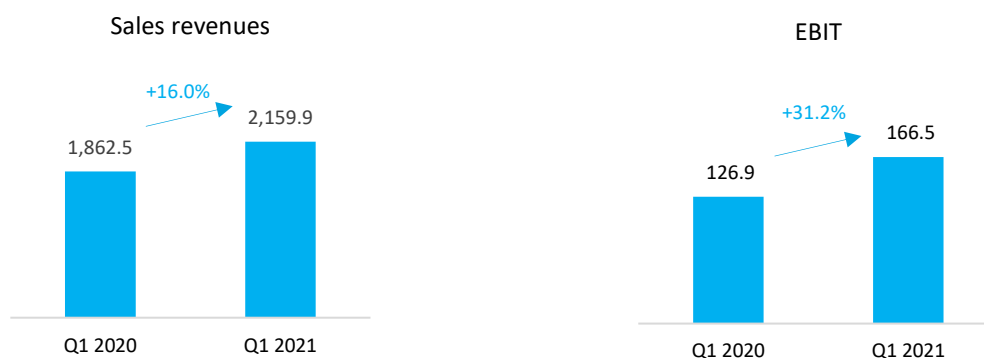
ACE Magyarorszag, a subsidiary of ACE Group operating in Hungary, during the period reported implemented activities under the government program for the development of rural areas. As part of this program, the company is a supplier of a comprehensive solution for primary care physicians which will streamline communication in doctor-to-doctor and doctor-to-patient relations.

Asseco Central Europe Group has observed strong demand for ERP solutions that are marketed by Asseco Enterprise Solutions. Revenues generated by Asseco Business Solutions, which specializes in enterprise management systems, in the first quarter of 2021 were 8% higher than a year ago. This company recorded stronger sales both in the domestic market (by 9% yoy) and in foreign markets (by 4% yoy). Asseco BS software solutions have already been deployed in 50 countries worldwide. During the period reported, the largest foreign sales were recorded in countries such as France, Great Britain, Germany, the Netherlands, and Romania. Together they accounted for 86% of revenues from international markets. Revenues from proprietary licenses and services represented 90% of Asseco BS total sales in the first quarter of 2021. The company generated 90% of its revenues in the general business sector, while the remaining 10% were recorded in the sectors of banking and finance as well as public administration. During the reporting period, Asseco BS signed new deals, including with PROFI Sp. z o.o. (licensing and implementation of the Asseco Softlab ERP system and providing maintenance services), Columbus Energy S.A. (licensing and implementation of the Asseco Softlab LS I WMS in the cloud and providing maintenance services), and MFO S.A. (licensing and implementation of the Asseco Softlab ERP system and Softlab Analytics and providing maintenance services). Favourable sales results were reported also by Asseco Solutions subsidiaries. All of these companies managed to generate higher revenues from proprietary software and related services. This was a consequence of the growing trend among enterprises to spend more on ERP solutions, as well as a large number of regulatory changes and additional functionalities implemented into new versions of software. The increased demand was particularly noticeable in the German market where Asseco Solutions recorded a 25% improvement in revenues. The company generated 14% more revenues in the Czech market, while its sales in Slovakia increased by 5%.

Asseco South Eastern Europe Group, which operates in the **South Eastern European markets**, reported much stronger financial results for the first quarter of 2021 than in the comparable period last year. Such a robust financial performance was accomplished mainly by expanding the scale of operations in the segments of banking solutions and payment solutions (Payten). At Payten, the key revenue driver was the business line dealing with maintenance of POS terminals, mainly owing to stronger sales of own services by operations located in Western Europe and in Croatia. The remaining growth was generated by the business lines responsible for e-Commerce and for processing of payment transactions. In the banking solutions segment, higher revenues were achieved primarily by the business lines responsible for multi-channel solutions as well as for core banking systems and other software. Both the business lines managed to generate higher revenues from the sale of proprietary software licenses. The growing scale of operations of Asseco SEE Group is also partly attributable to the consolidation of several new companies. This Group has consolidated the financial results of Basilichi Bosnia and Herzegovina since 1 February 2020, two smaller subsidiaries in Croatia (IPS and Gastrobit) respectively since June and August 2020, and Vebspot company based in Macedonia since March 2021. The financial results of the above-mentioned companies are presented within the payment solutions segment. Furthermore, since January 2021, the Group has consolidated Things Solver company based in Serbia which operates within the dedicated solutions segment.

In the first quarter of 2021, the Group generated higher revenues in the **Western European markets**. Asseco PST, which is present in Portugal and Portuguese-speaking countries in Africa, continued its cooperation with banks by providing maintenance of core banking systems. During the first three months of 2021, the company executed projects involving the implementation of internet and mobile banking solutions for financial institutions with a strong market position in Angola and Mozambique. The company also worked on the development of solutions dedicated to the banking segment, including its core banking platform Banka and in the area of payments. Asseco Spain, a subsidiary of Asseco Western Europe, gained new contracts for the supply of IT hardware, software and related services. The company was involved in tele-working and remote education projects. During the past quarter, Asseco Lithuania carried out projects, among others, for the National Library of Lithuania (development of the Virtual Electronic Heritage System), the Lithuanian Transport Safety Administration (development and implementation of an electronic system for services, consulting and information for the transportation industry), as well as for the state-owned energy group Ignitis (maintenance and development of their billing system). The company also takes part in an ongoing tender for building a new billing system for Ignitis Corporation which is present in 4 countries (Lithuania, Latvia, Estonia and Poland). In January 2021, Asseco Lithuania completed the development and implementation of the publicly available portal of the Lithuanian Migration Information System (MIGRIS), which significantly improved and shortened migration procedures in this country. The internal layer of the MIGRIS system is currently being developed, including its integration with other systems operated at the Migration Department of the Lithuanian Ministry of the Interior. In the first quarter of 2021, Asseco Lithuania, in cooperation with Asseco Poland, carried out work in order to upgrade two customs systems for the Department of Customs Duties at the Ministry of Finance in Lithuania. This project was completed in April. In the reporting period, this company concluded new contracts with the Lithuanian Ministry of National Defense, the Lithuanian Competition Council, as well as a leading waste management company in Lithuania. Peak Consulting, which operates in the Danish market, implemented projects for the Danish military forces, courts of law, the Digitization Agency at the Ministry of Finance, financial institutions, as well as for the Nordic Regional Security Coordinator, which is a joint office of the operators of electricity transmission systems from Finland, Norway, Sweden and Denmark.

#### Formula Systems segment



The table below presents the selected financial data of the Formula Systems segment for the period of 3 months ended 31 March 2021 and for the comparable period:

mPLN	3 months ended 31 March 2021	3 months ended 31 March 2020	Change Q1 2021 / Q1 2020
<b>Sales revenues*</b>	<b>2,159.9</b>	<b>1,862.5</b>	<b>16.0%</b>
<b>EBIT</b>	<b>166.5</b>	<b>126.9</b>	<b>31.2%</b>
<i>EBIT margin</i>	<i>7.7%</i>	<i>6.8%</i>	<i>0.9 pp</i>
Non-IFRS EBIT	234.8	185.7	26.4%
<i>Non-IFRS EBIT margin</i>	<i>10.9%</i>	<i>10.0%</i>	<i>0.9 pp</i>
<b>EBITDA</b>	<b>278.7</b>	<b>231.7</b>	<b>20.3%</b>
<i>EBITDA margin</i>	<i>12.9%</i>	<i>12.4%</i>	<i>0.5 pp</i>



CFO BT	47.8	257.4	(81.4%)
CAPEX	(23.7)	(45.9)	(48.4%)
Lease expenditures	(33.1)	(31.9)	3.8%
FCF	(9.0)	179.6	(105.0%)
Cash conversion rate	(3.8%)	96.7%	(100.5) pp
Cash and cash equivalents (comparable data as at 31 December 2020)	1,689.6	1,884.0	(10.3%)
Interest-bearing debt (comparable data as at 31 December 2020)**	(2,450.5)	(2,514.4)	(2.5%)
<i>of which bank loans, borrowings and bonds issued</i>	<i>(1,979.1)</i>	<i>(2,049.7)</i>	<i>(3.4%)</i>
<i>of which leases</i>	<i>(471.4)</i>	<i>(464.7)</i>	<i>1.4%</i>

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

\*\* Liabilities towards external entities

EBIT = operating profit

Non-IFRS EBIT = EBIT + PPA + SBP, where PPA means amortization charges on intangible assets recognized in purchase price allocation, and SBP means the costs of share-based payment transactions with employees

EBITDA = EBIT + depreciation and amortization

CFOBT = cash generated from operating activities (before income tax paid)

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

FCF = |CFOBT| - |CAPEX| - |lease expenditures|

Cash conversion rate = FCF / Non-IFRS EBIT

In the first quarter of 2021, revenues generated by the companies of Formula Systems Group reached PLN 2,159.9 million and were 16.0% higher than in the corresponding period last year. The Formula Systems segment accounted for 65% of the Group's consolidated sales in the period reported.

Operating profit surged by 31.2% to the level of PLN 166.5 million. The level of EBIT reported by the Formula Systems segment was negatively affected by additional amortization charges on intangible assets recognized in the purchase price allocation process (PPA) as well as by the costs of share-based payment transactions with employees (SBP). In the first quarter of 2021, the impact of PPA and SBP reduced the segment's EBIT by PLN 68.3 million.

In the first quarter of 2021, the Formula Group companies achieved significant growth in revenues and operating profit.

Matrix IT, a leading IT company in Israel, reported record-high results at all major lines of the income statement for the first quarter of 2021. Such improvement resulted from both organic growth as well as acquisitions conducted in previous reporting periods. In the first three months of 2021, the company focused on supporting its existing customers and gaining new orders. During this period, Matrix IT signed several important deals with the government and defense sector in Israel. In addition, the company gained more contracts for the implementation of projects related to information security, cloud, data processing and analysis, implementation of infrastructure and innovative organizational solutions, including supply chain management systems, ERP and CRM. Matrix IT continues to pursue growth through innovation, developing and implementing state-of-the-art technologies in the areas of cloud computing, cyberspace, big data, artificial intelligence, machine learning, IoT, automation, and augmented reality. In 2021, the company intends to maintain its leading position on the Israeli market and expand the scale of operations in the USA and Europe.

The financial performance of Sapiens International, a leading global provider of software and IT services for the insurance industry, reflects the company's continued focus on supporting its existing 600 customers and gaining new business. The situation caused by the coronavirus pandemic has increased the importance of digital solutions, and has highlighted the need for insurance companies to migrate from legacy software to new platforms. Sapiens never stops to expand the functionality of its software and develop new products and services, thereby gaining a strong ability to tighten its relations with existing contractors as well as to enter into cooperation with new partners. In the first quarter of 2021, the company managed to significantly boost its revenues in Europe just as in other regions of the world, including in South Africa and Asia Pacific. In Europe, there was an increased demand in the segments of property and liability insurance, and life and annuity insurance. Furthermore, the achieved results were favourably affected by business acquisitions finalized in Spain, Scandinavia and in the DACH region during previous reporting periods. Sales in North America stabilized

at a similar level as in the first quarter of 2020. Increased demand for digital products, combined with high recurring revenue and a solid balance sheet, determine the company's strong position in this challenging market environment. Sapiens raised its annual revenue guidance for 2021 from USD 457-463 million to the range of USD 459-464 million.

Magic Software, a global provider of end-to-end integration and application development platforms and IT consulting services, recorded double-digit growth in revenues for the first quarter of 2021 which was driven by organic growth (approx. in 60%) and company acquisitions carried out in previous years (approx. in 40%). Organic growth was achieved mostly by working with the company's existing customers. 62% of growth in sales was generated in North America, while 28% in Israel. In the period January-March 2021, revenues from North America accounted for 50% of Magic Software's total sales, the Israeli market – 38%, Europe – 7%, and Asia Pacific and the rest of the world – 5%. In this period, 21% of Magic Software's revenues were generated from the sale of IT solutions, while professional IT services accounted for 79% of sales. The company is constantly looking for potential acquisition targets – small and medium-sized businesses that match its strategy for geographical expansion, and will expand its product portfolio and customer base. In the first quarter of 2021, the company took over IT-Soft, a provider of R&D employees outsourcing services. Taking into account the pace of growth in the American and Israeli markets, Magic Software increased its 2021 revenue guidance to the range of USD 425-435 million from its prior range of USD 420-430 million.

Michpal Group also recorded strong sales, especially in the areas of human resource management software provided by Unique Software Industries, and consulting services provided by Effective Solutions. The increase in revenues is also partly attributable to the consolidation of Liram company, a provider of integrated management systems in the field of finance, accounting, taxes and compliance which was acquired in 2020, as well as the consolidation of Kol Hamas, an Israeli provider of HR, payroll, accounting and tax services which was taken over in January 2021.

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

The prevailing pandemic did not have a significant impact on the financial results of Asseco Group generated during the interim reporting period ended 31 March 2021.

Further information concerning the impact exerted by the COVID-19 epidemic on the Group's business operations in the period reported can be found in explanatory note 2.2 to these condensed consolidated financial statements.

During the period of 3 months ended 31 March 2021, we observed no events being unusual due to their type, value or frequency that would significantly affect the Group's assets, liabilities, equity, net profit or cash flows.

In the period of 3 months ended 31 March 2021, the financial results achieved by the Group were not affected by any other one-time events.

#### 5. Corporate officers of Asseco Poland S.A.

During the period of 3 months ended 31 March 2021, the Management Board of Asseco Poland was composed of the following persons:

Management Board	Period of service
Adam Góral	01.01.2021 - 31.03.2021
Andrzej Dopierała	01.01.2021 - 31.03.2021
Krzysztof Groyecki	01.01.2021 - 31.03.2021
Sławomir Szmytkowski	01.01.2021 - 31.03.2021
Rafał Kozłowski	01.01.2021 - 31.03.2021
Marek Panek	01.01.2021 - 31.03.2021
Paweł Piwowar	01.01.2021 - 31.03.2021



Zbigniew Pomianek	01.01.2021 - 31.03.2021
Artur Wiza	01.01.2021 - 31.03.2021
Gabriela Żukowicz	01.01.2021 - 31.03.2021

On 23 March 2021, Asseco Poland received Mr. Rafał Kozłowski's resignation from the position of Vice President of the Management Board of the Company with effect from 1 April 2021. The resignation was filed as Rafał Kozłowski decided to fully engage in managing the operations of Asseco Enterprise Solutions Group and took the position of President of the Management Board at Asseco Enterprise Solutions, being the parent of that group.

Concurrently, the Supervisory Board, during its meeting held on 23 March 2021, appointed Mrs. Karolina Rzońca-Bajorek to serve as Vice President of the Company's Management Board with effect from 1 April 2021.

Apart from the above-mentioned change, since the publication of the last financial report, i.e. from 23 March 2021, till the date of publication of this report, the composition of the Management Board of Asseco Poland has remained unchanged.

In addition, the Supervisory Board, during its meeting held on 23 March 2021, adopted resolutions on the appointment of Members of the Management Board of Asseco Poland S.A. for the new 5-year term of office running from 2022 to 2026. Mr. Adam Góral has been appointed to serve as President of the Management Board, while Mr. Andrzej Dopierała, Mr. Krzysztof Grodecki, Mr. Marek Panek, Mr. Paweł Piwowar, Mr. Zbigniew Pomianek, Mrs. Karolina Rzońca-Bajorek, Mr. Sławomir Szmytkowski, Mr. Artur Wiza, and Mrs. Gabriela Żukowicz have been appointed to serve as Vice Presidents of the Management Board. These appointments shall take effect from 1 January 2022.

During the period of 3 months ended 31 March 2021, the Company's Supervisory Board was composed of the following persons:

Supervisory Board	Period of service
Jacek Duch	01.01.2021 - 31.03.2021
Adam Noga	01.01.2021 - 31.03.2021
Izabela Albrycht	01.01.2021 - 31.03.2021
Piotr Augustyniak	01.01.2021 - 31.03.2021
Dariusz Brzeski	01.01.2021 - 31.03.2021
Artur Kucharski	01.01.2021 - 31.03.2021
Piotr Żak	01.01.2021 - 31.03.2021

Since the publication of the last financial report, i.e. from 23 March 2021, till the date of publication of this report, the composition of the Supervisory Board of Asseco Poland has remained unchanged.

Moreover, the Annual General Meeting of Shareholders of Asseco Poland, which was held after the reporting period, on 20 May 2021, adopted resolutions on the appointment of Mrs. Izabela Albrycht, Mr. Piotr Augustyniak, Mr. Dariusz Brzeski, Mr. Jacek Duch, Mr. Artur Gabor, Mr. Piotr Maciąg, Mr. Adam Noga, and Mr. Piotr Żak to serve as Members of the Company's Supervisory Board over the new joint term of office running from 2022 to 2026. These appointments shall take effect from 1 January 2022.

## 6. Shareholders structure of Asseco Poland S.A.

Since the publication of the last financial report, i.e. from 23 March 2021, till the date of publication of this report, the shareholders structure of Asseco Poland S.A. has remained unchanged.

The table below presents the major shareholders of Asseco Poland S.A. as at 23 March 2021, 31 March 2021 and 26 May 2021.

Major shareholders as at 23 March 2021, 31 March 2021 and 26 May 2021	Number of shares held / number of votes attached	Equity interest / percentage of total voting rights
Cyfrowy Polsat S.A. <sup>1)</sup>	19,047,373	22.95%
Aviva Open Pension Fund <sup>2)</sup>	8,299,733	9.9996%
Adam Góral, President of the Management Board <sup>3)</sup>	8,083,000	9.74%
NN Open Pension Fund <sup>4)</sup>	4,171,121	5.03%
Other shareholders	43,399,076	52.29%
<b>Total</b>	<b>83,000,303</b>	<b>100.00%</b>

1) In accordance with the regulatory filing no. 20/2020 of 31 July 2020

2) In accordance with the regulatory filing no. 6/2020 of 20 March 2020

3) In accordance with the regulatory filing no. 51/2012 of 15 December 2012

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

## Shares held by the management and supervisory personnel

The table below discloses the numbers of Asseco Poland shares held by its management and supervisory staff as at the date of publication of this report and at the reporting date, as well as at the date of publication of the previous financial report and at the end of the previous financial year.

	26 May 2021	31 March 2021	23 March 2021	31 December 2020
Jacek Duch – Chairman of the Supervisory Board	31,458	31,458	31,458	31,458
Adam Góral – President of the Management Board	8,083,000	8,083,000	8,083,000	8,083,000

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

## 7. Other information

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

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

### 7.2. Effects of changes in the organizational structure

Description of the organizational structure of Asseco Group and changes thereto is provided in explanatory note 3 to the condensed consolidated financial statements for the period of 3 months ended 31 March 2021.

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

Asseco Group's disputes in litigation have been described in explanatory note 8.1 to the condensed consolidated financial statements for the period of 3 months ended 31 March 2021.

### 7.4. Related party transactions

Transactions with our related parties have been presented in explanatory note 6.19 to the interim condensed consolidated financial statements for the period of 3 months ended 31 March 2021. All transactions with related parties are carried out on an arm's length basis.

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

Bank loans and borrowings obtained, sureties and guarantees granted, as well as off-balance-sheet liabilities have been disclosed in explanatory notes 6.13 and 8.1 to the interim condensed consolidated financial statements for the period of 3 months ended 31 March 2021.

### 7.6. Changes in the Group management policies

During the period of 3 months ended 31 March 2021, the Group's management practices remained unchanged.

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

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

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

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

**7.9. Opinion on feasibility of the Management's financial forecasts for 2021**

The Management Board of Asseco Poland S.A. did not publish any financial forecasts for the year 2021.

**7.10. Information on monitoring of employee stock option plans**

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

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

The Management Board of Asseco Poland S.A. believes the Group's current financial standing, production potential and market position pose no threats to its continued operations and development over a period not shorter than 12 months from the end of the reporting period.

The Group is continuously monitoring how the situation caused by the COVID-19 pandemic affects the operations of all of its subsidiaries, and a detailed description of the impact of the COVID-19 epidemic on the Group's business operations has been provided in explanatory note 2.2 to the interim condensed consolidated financial statements for the period of 3 months ended 31 March 2021.

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

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

- development of the economic and political situation in Poland, European Union and other countries in which the Group conducts its business operations;
- inflation and currency exchange rate fluctuations (foremost of the dollar and euro, but also currencies of the countries where the Group operates);
- increased or decreased demand for IT solutions in the sectors of banking and finance, public administration, and enterprises;
- more and more severe competition both from Polish and international IT companies, which is observed especially when it comes to the execution of large and prestigious contracts;
- changes in the credit standing, financial liquidity and availability of debt financing for our customers;
- changes of market interest rates and lending margins applied by banks;
- opportunities and risks resulting from relatively rapid technological changes and innovations in the IT market;
- risk of postponing the IT spending decisions by potential clients;
- necessity to attract and support highly qualified employees and key personnel.

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

- execution of complex information technology projects carried out under long-term agreements;
- implementation of the Group's business strategy involving organic growth and expansion into new foreign markets;

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

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



## C. Interim Condensed Financial Statements of **Asseco Poland S.A.** for the period of 3 months ended 31 March 2021

# Standalone Interim Statement of Profit and Loss and Other Comprehensive Income

## Asseco Poland S.A.

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN (restated)
Operating revenues	261.6	206.7
Cost of sales	(182.1)	(144.9)
<b>Gross profit on sales</b>	<b>79.5</b>	<b>61.8</b>
Selling costs	(11.6)	(9.8)
General and administrative expenses	(23.4)	(20.9)
<b>Net profit on sales</b>	<b>44.5</b>	<b>31.1</b>
Other operating income	1.9	0.7
Other operating expenses	(0.4)	(0.4)
<b>Operating profit</b>	<b>46.0</b>	<b>31.4</b>
Financial income	120.6	109.5
Financial expenses	(2.0)	(6.3)
<b>Pre-tax profit</b>	<b>164.6</b>	<b>134.6</b>
Corporate income tax	(9.5)	(5.6)
<b>Net profit for the reporting period</b>	<b>155.1</b>	<b>129.0</b>
<b>Earnings per share (in PLN):</b>		
Basic and diluted earnings per share for the reporting period	1.87	1.55
<b>Other comprehensive income:</b>		
<b>Net profit for the reporting period</b>	<b>155.1</b>	<b>129.0</b>
Components that may be reclassified to profit or loss	-	-
Components that will not be reclassified to profit or loss	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD</b>	<b>155.1</b>	<b>129.0</b>

# Standalone Interim Statement of Financial Position

## Asseco Poland S.A.

ASSETS	31 March 2021	31 December 2020
	mPLN	mPLN
<b>Non-current assets</b>		
Property, plant and equipment	307.5	310.5
Intangible assets	2,209.3	2,208.8
<i>of which goodwill from business combinations</i>	<i>1,936.9</i>	<i>1,936.9</i>
Right-of-use assets	88.9	90.2
Investment property	0.3	0.3
Investments in subsidiaries and associates	2,069.7	2,069.2
Other receivables and trade receivables	58.4	57.0
Prepayments and accrued income	38.2	40.9
Other financial assets	25.5	25.9
	<b>4,797.8</b>	<b>4,802.8</b>
<b>Current assets</b>		
Inventories	2.8	1.4
Trade receivables	165.8	220.6
Contract assets	128.9	112.0
Corporate income tax receivable	2.7	2.3
Receivables from the state and local budgets	1.2	-
Other receivables	74.9	24.1
Prepayments and accrued income	38.4	39.9
Other assets	1.8	2.2
Cash and bank deposits	254.9	164.8
	<b>671.4</b>	<b>567.3</b>
<b>TOTAL ASSETS</b>	<b>5,469.2</b>	<b>5,370.1</b>

# Standalone Interim Statement of Financial Position

## Asseco Poland S.A.

EQUITY AND LIABILITIES	31 March 2021	31 December 2020
	mPLN	mPLN
<b>TOTAL EQUITY</b>		
Share capital	83.0	83.0
Share premium	4,180.1	4,180.1
Retained earnings	794.2	639.1
	<b>5,057.3</b>	<b>4,902.2</b>
<b>Non-current liabilities</b>		
Lease liabilities	62.3	63.2
Other financial liabilities	3.8	3.8
Deferred tax liabilities	24.6	21.8
Contract liabilities	41.9	46.9
Other liabilities	0.3	0.3
Provisions	3.9	3.8
Deferred income	50.9	51.8
	<b>187.7</b>	<b>191.6</b>
<b>Current liabilities</b>		
Lease liabilities	8.9	8.8
Other financial liabilities	2.6	2.3
Trade payables	58.3	84.1
Contract liabilities	85.8	98.9
Other liabilities	20.2	35.3
Provisions	3.0	5.7
Accruals and deferred income	45.4	41.2
	<b>224.2</b>	<b>276.3</b>
<b>TOTAL LIABILITIES</b>	<b>411.9</b>	<b>467.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,469.2</b>	<b>5,370.1</b>

## Standalone Interim Statement of Changes in Equity

### Asseco Poland S.A.

	Share capital	Share premium	Retained earnings and current net profit	Total equity
<b>As at 1 January 2021</b>	<b>83.0</b>	<b>4,180.1</b>	<b>639.1</b>	<b>4,902.2</b>
Net profit	-	-	155.1	155.1
<b>As at 31 March 2021</b>	<b>83.0</b>	<b>4,180.1</b>	<b>794.2</b>	<b>5,057.3</b>
<b>As at 1 January 2020</b>	<b>83.0</b>	<b>4,180.1</b>	<b>629.3</b>	<b>4,892.4</b>
Net profit	-	-	129.0	129.0
<b>As at 31 March 2020</b>	<b>83.0</b>	<b>4,180.1</b>	<b>758.3</b>	<b>5,021.4</b>



# Standalone Interim Statement of Cash Flows

## Asseco Poland S.A.

	3 months ended 31 March 2021 mPLN	3 months ended 31 March 2020 mPLN
<b>Cash flows – operating activities</b>		
Pre-tax profit	164.6	134.6
<b>Total adjustments:</b>	<b>(121.1)</b>	<b>(98.0)</b>
Depreciation and amortization	14.0	15.9
Changes in working capital	(15.1)	(12.7)
Interest income/expenses	0.3	(0.2)
Gain (loss) on foreign currency translation differences	(1.5)	(0.8)
Dividend income	(119.5)	(104.8)
Other financial income/expenses	1.3	5.1
Gain (loss) on investing activities	(1.1)	(0.5)
Other adjustments	0.5	-
<b>Net cash generated from operating activities</b>	<b>43.5</b>	<b>36.6</b>
Corporate income tax paid	(6.6)	(6.4)
<b>Net cash provided by (used in) operating activities</b>	<b>36.9</b>	<b>30.2</b>
<b>Cash flows – investing activities</b>		
<b>Inflows:</b>		
Disposal of property, plant and equipment, and intangible assets	7.7	0.7
Disposal of investments in related companies	1.3	0.5
Loans collected	0.4	2.0
Dividends received	60.1	6.5
Interest received	0.1	0.8
<b>Outflows:</b>		
Acquisition of property, plant and equipment, and intangible assets	(8.9)	(11.1)
Expenditures for development projects in progress	(5.0)	(4.9)
Acquisition of shares in related companies	(0.8)	(7.7)
Loans granted	(0.3)	(0.6)
<b>Net cash provided by (used in) investing activities</b>	<b>54.6</b>	<b>(13.8)</b>
<b>Cash flows – financing activities</b>		
<b>Inflows:</b>		
Grants received	2.8	3.4
<b>Outflows:</b>		
Payments of lease liabilities	(2.2)	(8.2)
Interest paid	(2.1)	(0.8)
<b>Net cash provided by (used in) financing activities</b>	<b>(1.5)</b>	<b>(5.6)</b>
<b>Net change in cash and cash equivalents</b>	<b>90.0</b>	<b>10.8</b>
Net foreign currency translation differences	0.1	0.2
Cash and cash equivalents as at 1 January	164.8	168.7
<b>Cash and cash equivalents as at 31 March</b>	<b>254.9</b>	<b>179.7</b>



## Approval for publication by the Management Board

These interim condensed consolidated financial statements of Asseco Group for the period of 3 months ended 31 March 2021 have been approved for publication by the Management Board of Asseco Poland S.A. on 26 May 2021.

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**Management Board:**

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Adam Góral  
President  
of the Management Board

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Andrzej Dopierała  
Vice President  
of the Management Board

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Krzysztof Groyecki  
Vice President  
of the Management Board

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Marek Panek  
Vice President  
of the Management Board

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Paweł Piwowar  
Vice President  
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Zbigniew Pomianek  
Vice President  
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Karolina Rzońca-Bajorek  
Vice President  
of the Management Board

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Sławomir Szmytkowski  
Vice President  
of the Management Board

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Artur Wiza  
Vice President  
of the Management Board

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Gabriela Żukowicz  
Vice President  
of the Management Board

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

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Rafał Obodziński  
Director of the Financial  
Reporting Department

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# Technology for business, solutions for people.

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