



Quarterly Report **of Asseco South Eastern Europe Group** for the period of 3 months ended 31 March 2024



Present in
23 countries



PLN 367.1 million
in sales revenues



3,939
highly committed
employees



PLN 47.0 million
of net profit
for Shareholders of
the Parent Company



Quarterly Report of Asseco South Eastern Europe Group for the period of 3 months ended 31 March 2024

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Financial Highlights

Asseco South Eastern Europe Group

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000	3 months ended 31 March 2024 EUR'000	3 months ended 31 March 2023 EUR'000
Sales revenues	367,056	380,064	84,945	80,857
Operating profit	47,458	49,806	10,983	10,596
Pre-tax profit	57,787	57,399	13,373	12,211
Net profit for the reporting period	48,586	46,826	11,244	9,962
Net profit attributable to Shareholders of the Parent Company	47,010	45,138	10,879	9,603
Net cash provided by (used in) operating activities	(4,426)	43,615	(1,024)	9,279
Net cash provided by (used in) investing activities	(13,633)	(16,372)	(3,155)	(3,483)
Net cash provided by (used in) financing activities	(32,026)	(10,380)	(7,412)	(2,208)
Cash and cash equivalents at the end of the period (comparable data as at 31 December 2023)	259,649	313,112	60,371	72,013
Basic earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	0.91	0.87	0.21	0.19
Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	0.91	0.87	0.21	0.19

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 consolidated statement of profit and loss and consolidated 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 as follows:
 - for the period from 1 January 2024 to 31 March 2024: EUR 1 = PLN 4.3211
 - for the period from 1 January 2023 to 31 March 2023: EUR 1 = PLN 4.7005
- The Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 31 March 2024: EUR 1 = PLN 4.3009
 - exchange rate effective on 31 December 2023: EUR 1 = PLN 4.3480

In this report, all figures are presented in thousands of Polish zlotys (PLN), unless stated otherwise.

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

Asseco South Eastern Europe Group

STATEMENT OF PROFIT AND LOSS		3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
	Note	PLN'000	PLN'000
Operating revenues	<u>5.1</u>	367,056	380,064
Cost of sales	<u>5.2</u>	(269,535)	(280,322)
Allowances for trade receivables	<u>5.2</u>	(1,532)	(1,318)
Gross profit on sales		95,989	98,424
Selling costs	<u>5.2</u>	(24,082)	(24,225)
General and administrative expenses	<u>5.2</u>	(24,449)	(24,533)
Net profit on sales		47,458	49,666
Other operating income	<u>5.3</u>	475	722
Other operating expenses	<u>5.3</u>	(489)	(582)
Share of profits of associates and joint ventures		14	-
Operating profit		47,458	49,806
Financial income	<u>5.4</u>	16,826	12,169
Financial expenses	<u>5.4</u>	(6,492)	(4,570)
Impairment loss on financial instruments		(5)	(6)
Pre-tax profit		57,787	57,399
Corporate income tax (current and deferred tax expense)	<u>5.5</u>	(9,201)	(10,573)
Net profit for the reporting period		48,586	46,826
<i>Attributable to:</i>			
Shareholders of the Parent Company		47,010	45,138
Non-controlling interests		1,576	1,688
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)			
	<u>5.6</u>	0.91	0.87
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period		48,586	46,826
Components that may be reclassified to profit or loss		(16,512)	(7,588)
Net gain/loss on valuation of financial assets		77	2
Exchange differences on translation of foreign operations		(16,589)	(7,590)
Components that will not be reclassified to profit or loss		-	-
Actuarial gains/losses		-	-
Total other comprehensive income		(16,512)	(7,588)
TOTAL COMPREHENSIVE INCOME attributable to:		32,074	39,238
Shareholders of the Parent Company		30,464	37,568
Non-controlling interests		1,610	1,670

Interim Condensed Consolidated Statement of Financial Position

Asseco South Eastern Europe Group

ASSETS	Note	31 March 2024 PLN'000	31 December 2023 (restated) PLN'000	31 March 2023 (restated) PLN'000
Non-current assets				
Property, plant and equipment	<u>6.1</u>	141,295	137,030	138,883
Intangible assets	<u>6.2</u>	78,675	84,138	57,545
Right-of-use assets	<u>6.3</u>	44,846	46,037	43,189
Investment property		465	474	540
Goodwill	<u>6.4</u>	875,391	877,195	797,518
Investments accounted for using the equity method		196	252	169
Other receivables	<u>6.7</u>	7,202	7,274	7,866
Deferred tax assets		12,862	12,375	12,785
Other financial assets	<u>6.5</u>	2,013	2,021	2,401
Prepayments and accrued income	<u>6.6</u>	2,629	3,087	1,856
		1,165,574	1,169,883	1,062,752
Current assets				
Inventories	<u>6.8</u>	76,309	97,872	74,105
Prepayments and accrued income	<u>6.6</u>	54,900	53,904	54,744
Trade receivables	<u>6.7</u>	180,618	299,114	207,028
Contract assets	<u>6.7</u>	117,386	95,104	113,102
Corporate income tax receivable	<u>6.7</u>	4,088	2,693	1,365
Receivables from the state and local budgets	<u>6.7</u>	5,080	5,044	5,358
Other receivables	<u>6.7</u>	89,112	79,663	26,180
Other non-financial assets		8,107	2,952	12,147
Other financial assets	<u>6.5</u>	1,399	1,174	385
Cash and bank deposits	<u>6.9</u>	259,649	313,112	306,031
		796,648	950,632	800,445
TOTAL ASSETS		1,962,222	2,120,515	1,863,197

Interim Condensed Consolidated Statement of Financial Position

Asseco South Eastern Europe Group

EQUITY AND LIABILITIES	Note	31 March 2024 PLN'000	31 December 2023 (restated) PLN'000	31 March 2023 (restated) PLN'000
Equity <i>(attributable to shareholders of the Parent Company)</i>				
Share capital		518,943	518,943	518,943
Share premium		38,826	38,826	38,826
Transactions with non-controlling interests		(35,226)	(34,877)	(34,315)
Other capitals		954	717	83
Exchange differences on translation of foreign operations		(215,495)	(198,872)	(85,869)
Retained earnings		837,677	790,667	711,607
		1,145,679	1,115,404	1,149,275
Non-controlling interests		7,950	7,810	8,384
Total equity		1,153,629	1,123,214	1,157,659
Non-current liabilities				
Bank loans and borrowings	6.11	42,965	54,124	41,102
Lease liabilities	6.10	29,795	29,724	26,656
Other financial liabilities	6.12	176,809	174,055	91,990
Deferred tax liabilities		8,895	9,340	7,165
Provisions	6.15	3,858	3,906	3,554
Deferred income	6.16	1,550	-	-
Contract liabilities	6.14	10,985	10,690	7,668
Other liabilities	6.13	47	47	62
		274,904	281,886	178,197
Current liabilities				
Bank loans and borrowings	6.11	47,054	51,610	63,946
Lease liabilities	6.10	16,417	17,704	18,501
Other financial liabilities	6.12	45,857	58,928	60,839
Trade payables	6.13	98,133	214,561	123,497
Contract liabilities	6.14	137,838	158,114	143,014
Corporate income tax payable	6.13	17,422	15,275	12,521
Liabilities to the state and local budgets	6.13	28,230	50,849	24,120
Other liabilities	6.13	100,228	102,856	35,268
Provisions	6.15	5,344	6,688	4,263
Deferred income	6.16	664	2,407	2,794
Accruals	6.16	36,502	36,423	38,578
		533,689	715,415	527,341
TOTAL LIABILITIES		808,593	997,301	705,538
TOTAL EQUITY AND LIABILITIES		1,962,222	2,120,515	1,863,197

Interim Condensed Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2024 (restated)	518,943	38,826	(34,877)	717	(198,872)	790,667	1,115,404	7,810	1,123,214
Net profit for the reporting period	-	-	-	-	-	47,010	47,010	1,576	48,586
Other comprehensive income for the reporting period	-	-	-	77	(16,623)	-	(16,546)	34	(16,512)
Total comprehensive income for the reporting period	-	-	-	77	(16,623)	47,010	30,464	1,610	32,074
Share-based payment transactions with employees	-	-	-	160	-	-	160	-	160
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))	-	-	(349)	-	-	-	(349)	(1,314)	(1,663)
Dividend	-	-	-	-	-	-	-	(156)	(156)
As at 31 March 2024	518,943	38,826	(35,226)	954	(215,495)	837,677	1,145,679	7,950	1,153,629

Interim Condensed Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2023		518,943	38,826	(35,692)	(77)	(78,304)	666,469	1,110,165	8,515	1,118,680
Net profit for the reporting period		-	-	-	-	-	199,964	199,964	7,966	207,930
Other comprehensive income for the reporting period		-	-	-	152	(120,568)	-	(120,416)	(944)	(121,360)
Total comprehensive income for the reporting period		-	-	-	152	(120,568)	199,964	79,548	7,022	86,570
Share-based payment transactions with employees		-	-	-	642	-	-	642	-	642
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	815	-	-	-	815	1,371	2,186
Dividend	5.7	-	-	-	-	-	(75,766)	(75,766)	(9,098)	(84,864)
As at 31 December 2023 (restated)		518,943	38,826	(34,877)	717	(198,872)	790,667	1,115,404	7,810	1,123,214

Interim Condensed Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2023	518,943	38,826	(35,692)	(77)	(78,304)	666,469	1,110,165	8,515	1,118,680
Net profit for the reporting period	-	-	-	-	-	45,138	45,138	1,688	46,826
Other comprehensive income for the reporting period	-	-	-	2	(7,565)	-	(7,563)	(18)	(7,581)
Total comprehensive income for the reporting period	-	-	-	2	(7,565)	45,138	37,575	1,670	39,245
Share-based payment transactions with employees	-	-	-	158	-	-	158	-	158
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))	-	-	1,377	-	-	-	1,377	(1,566)	(189)
Dividend	-	-	-	-	-	-	-	(235)	(235)
As at 31 March 2023 (restated)	518,943	38,826	(34,315)	83	(85,869)	711,607	1,149,275	8,384	1,157,659

Interim Condensed Consolidated Statement of Cash Flows

Asseco South Eastern Europe Group

	Note	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
		PLN'000	PLN'000
Cash flows – operating activities			
Pre-tax profit		57,787	57,399
Total adjustments:		(53,042)	(6,621)
Depreciation and amortization	5.2	23,595	22,953
Changes in working capital	7.1	(69,556)	(22,008)
Interest income/expenses		1,322	1,168
Gain/loss on foreign exchange differences		(803)	282
Gain/loss on financial assets (valuation, disposal, etc.)		(63)	(24)
Other financial income/expenses		2,647	821
Gain/loss on sale, disposal and impairment of property, plant and equipment, and intangible assets		78	(49)
Costs of share-based payment transactions with employees		160	158
Impact of hyperinflation	2.10	(10,409)	(9,889)
Other adjustments to pre-tax profit		(13)	(33)
Cash provided by (used in) operating activities		4,745	50,778
Corporate income tax paid		(9,171)	(7,163)
Net cash provided by (used in) operating activities		(4,426)	43,615
Cash flows – investing activities			
Inflows			
Disposal of property, plant and equipment, intangible assets, and investment property		199	161
Sale of shares in subsidiaries, net of cash and cash equivalents in subsidiaries sold		158	-
Disposal/settlement of financial assets carried at fair value through profit or loss		10	-
Disposal of investments in other debt securities carried at amortized cost		111	-
Loans collected		53	76
Interest received		73	-
Dividends received		69	1
Outflows			
Acquisition of property, plant and equipment, intangible assets (including R&D expenditures), and investment property	7.2	(10,961)	(15,536)
Expenditures for acquisition of subsidiaries and associates, net of cash and cash equivalents in companies acquired	7.2	(2,944)	(914)
Acquisition/settlement of financial assets carried at fair value through other comprehensive income		(128)	-
Loans granted		(273)	(160)
Net cash provided by (used in) investing activities		(13,633)	(16,372)
Cash flows – financing activities			
Inflows			
Proceeds from bank loans and borrowings		-	4,795
Received grants related to assets and/or development projects		-	233
Outflows			
Repayments of bank loans and borrowings	7.3	(14,992)	(8,413)
Payments of lease liabilities	7.3	(5,449)	(5,683)
Interest paid	7.3	(1,401)	(738)
Acquisition of non-controlling interests	7.3	(6,050)	(339)
Dividends paid out by the Parent Company		-	-
Dividends paid out to non-controlling shareholders	7.3	(4,134)	(235)
Net cash provided by (used in) financing activities		(32,026)	(10,380)
Net increase (decrease) in cash and cash equivalents		(50,085)	16,863
Net foreign exchange differences		(3,253)	(2,257)
Net cash and cash equivalents as at 1 January		285,297	264,764
Net cash and cash equivalents as at 31 March	6.9	231,959	279,370

Explanatory notes to the Interim Condensed Consolidated Financial Statements

I. General information

Asseco South Eastern Europe Group ("ASEE Group", "Group", "ASEE") is a group of companies, the Parent Company of which is Asseco South Eastern Europe S.A. ("Parent Company", "ASEE S.A.", "Company", "Issuer") seated at 14 Olchowa St., Rzeszów, Poland.

General information on the Parent Company	
Name	Asseco South Eastern Europe S.A.
Registered seat	Rzeszów, 14 Olchowa St.
National Court Register number	0000284571
Statistical ID number (REGON)	180248803
Tax Identification Number (NIP)	813-351-36-07
Core business	Activities of head offices and holdings, production of software

The Parent Company Asseco South Eastern Europe S.A. based in Rzeszów, Poland, was established on 10 April 2007 as a joint stock company called Asseco Adria S.A. On 11 July 2007, the Company was entered in the register of entrepreneurs maintained by the District Court in Rzeszów, XII Commercial Department of the National Court Register, under the number KRS 0000284571. The Parent Company has been assigned the statistical number REGON 180248803. On 11 February 2008, the Parent Company's corporate name was changed from Asseco Adria S.A. to Asseco South Eastern Europe S.A.

Since 28 October 2009, the Company's shares have been listed on the main market of the Warsaw Stock Exchange S.A.

ASEE S.A. is the Parent Company of Asseco South Eastern Europe Group. The Parent Company shall operate within the territory of the Republic of Poland as well as abroad. The time of duration of both the Parent Company and the entities incorporated in the Group is indefinite.

The Group delivers complete solutions and proprietary software necessary to run a bank, as well as state-of-the-art payment solutions helping shape the payments market in the region, and provides integration and implementation services for IT systems and hardware from the world's major vendors. The Group conducts business operations in the countries of Central Europe, South Eastern Europe, Iberian Peninsula, as well as in Egypt, Turkey, Colombia, Peru, and the Dominican Republic.

The scope of Asseco South Eastern Europe Group's core business broken down by relevant segments is described in section IV of these consolidated financial statements.

The parent company of ASEE S.A. is Asseco International a.s. ("AI") based in Bratislava, Slovakia which is part of Asseco Poland Group. As at 31 March 2024, AI held 26,407,081 shares representing 50.89% in the share capital of our Company, which carried 26,407,081 votes or 50.89% of total voting rights at the Company's General Meeting of Shareholders. The ultimate parent company of the entire Asseco Poland Group is Asseco Poland S.A. based in Rzeszów, Poland.

These interim condensed consolidated financial statements cover the interim period ended 31 March 2024 and contain comparable data for the interim period ended 31 March 2023 in case of the statement of profit and loss, statement of other comprehensive income, statement of changes in equity and the statement of cash flows; and comparable data as at 31 December 2023 and 31 March 2023 in case of the statement of financial position.

II. Basis for the preparation of interim condensed 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, as well as financial liabilities carried at fair value through profit or loss.

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

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

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

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

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

The Russian invasion of Ukraine in February 2022 caused a radical change in the geopolitical situation of the region in which the Parent Company and other companies of our Group are located. ASEE Group does not conduct any significant business operations in Russia, Belarus or in Ukraine, nor does it hold any cash in Russian banks. At the time of publication of these financial statements, the Group has not observed any significant impact of the current economic and political situation in Ukraine or the sanctions imposed on Russia on the Group's operations. On a global scale, the war in Ukraine and the COVID-19 pandemic that took place in previous years have both translated into a less stable economic environment, rising inflation and higher interest rates. However, these changes have not materially affected the Group's financial performance and the impact of interest rate hikes is limited as more than half of the Group's debt is based on fixed interest rates.

In 2022, Turkey was recognized as a country with a hyperinflationary economy. The Group consolidates the financial data of several subsidiaries operating in Turkey, including ASEE Turkey, Payten Turkey, Paratika, Mobven, and Payten Mobil, whose functional currency is that of a hyperinflationary economy. Therefore, these interim condensed consolidated financial statements contain the financial data of our subsidiaries operating in Turkey adjusted for the rate of inflation so that they reflected changes in the appropriate price index. The effects of hyperinflation adjustments have been described in explanatory note 2.10 to these interim condensed consolidated financial statements.

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).

Some of the Group companies maintain their accounting books in accordance with the accounting policies set forth in their respective local regulations. The interim condensed consolidated financial statements include adjustments not disclosed in the accounting books of the Group's entities which were introduced to adjust the financial statements of those entities to IFRS.

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 thousands of PLN (PLN'000), unless stated otherwise. Any inaccuracies in totals, amounting to PLN 1 thousand, 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 comprehensive income as well as the statement of cash flows. The effects of such conversion are recognized in equity as 'Exchange differences on translation of foreign operations'.

As regards our subsidiaries operating in a hyperinflationary economy, individual items of the statement of comprehensive income are translated into PLN using the respective currency exchange rates as determined by the National Bank of Poland at the end of the reporting period. The difference resulting from the translation of the statement of comprehensive income at the exchange rate effective on the reporting date, instead of using the average exchange rate for the reporting period, is disclosed in the line 'Exchange differences on translation of foreign operations'.

2.5. Professional judgement and estimates

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

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

2.6. Accounting policies applied

Significant accounting policies adopted by the Parent Company have been described in its consolidated financial statements for the year ended 31 December 2023 which were published on 27 February 2024.

Accounting policies adopted in the preparation of these interim condensed consolidated financial statements have remained unchanged in relation to those followed when preparing the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of amendments to standards that have become effective from 1 January 2024.

New standards or amendments effective from 1 January 2024:

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

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

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

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

- IFRS 18 'Presentation and Disclosure in Financial Statements' (issued on 9 April 2024) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2027;
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (issued on 15 August 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2025;
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures: Supplier Finance Arrangements' (issued on 25 May 2023) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2024.

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

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

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

2.8. Changes in the presentation methods and in the comparable data

The Group has changed the comparable data disclosed as at 31 March 2023 and for the period of 3 months ended 31 March 2023 due to changes in the values of assets acquired that were recognized in the purchase price allocation of our subsidiary companies Bithat and Helius.

Detailed information on accounting for the acquisition of Bithat and Helius has been presented in explanatory note 6.4. to the Group's consolidated financial statements for the year 2023 which were published on 27 February 2024 as the purchase price allocation processes was completed in 2023.

The Group has also changed the comparable data disclosed as at 31 December 2023 due to changes in the values of assets acquired that were recognized in the purchase price allocation of our subsidiary companies IfthenPay and Dwelt. Detailed information on the acquired assets and liabilities of these companies has been presented in explanatory note 6.4 to these interim condensed consolidated financial statements.

The tables below present how the said changes affected the comparable data disclosed as at 31 December 2023:

ASSETS	31 December 2023	Purchase price allocation of subsidiaries	31 December 2023 (restated)
	PLN'000	PLN'000	PLN'000
Non-current assets			
Property, plant and equipment	137,030	-	137,030
Intangible assets	43,450	40,688	84,138
Right-of-use assets	46,309	(272)	46,037
Investment property	474	-	474
Goodwill	913,187	(35,992)	877,195
Investments accounted for using the equity method	252	-	252
Other receivables	7,274	-	7,274
Deferred tax assets	12,375	-	12,375
Other financial assets	2,021	-	2,021
Prepayments and accrued income	3,088	(1)	3,087
	1,165,460	4,423	1,169,883
Current assets			
Inventories	97,872	-	97,872
Prepayments and accrued income	53,904	-	53,904
Trade receivables	299,114	-	299,114

Contract assets	95,104	-	95,104
Corporate income tax receivable	2,693	-	2,693
Receivables from the state and local budgets	5,044	-	5,044
Other receivables	79,663	-	79,663
Other non-financial assets	2,952	-	2,952
Other financial assets	1,173	1	1,174
Cash and bank deposits	313,112	-	313,112
	950,631	1	950,632
TOTAL ASSETS	2,116,091	4,424	2,120,515

	31 December 2023	Purchase price allocation of subsidiaries	31 December 2023 (restated)
	PLN'000	PLN'000	PLN'000
EQUITY AND LIABILITIES			
Equity <i>(attributable to shareholders of the Parent Company)</i>			
Share capital	518,943	-	518,943
Share premium	38,826	-	38,826
Transactions with non-controlling interests	(34,877)	-	(34,877)
Other capitals	717	-	717
Exchange differences on translation of foreign operations	(198,888)	16	(198,872)
Retained earnings	791,065	(398)	790,667
	1,115,786	(382)	1,115,404
Non-controlling interests	7,810	-	7,810
Total equity	1,123,596	(382)	1,123,214
Non-current liabilities			
Bank loans and borrowings	54,124	-	54,124
Lease liabilities	29,867	(143)	29,724
Other financial liabilities	174,055	-	174,055
Deferred tax liabilities	4,263	5,077	9,340
Provisions	3,906	-	3,906
Contract liabilities	10,690	-	10,690
Other liabilities	47	-	47
	276,952	4,934	281,886
Current liabilities			
Bank loans and borrowings	51,610	-	51,610
Lease liabilities	17,833	(129)	17,704
Other financial liabilities	58,928	-	58,928
Trade payables	214,561	-	214,561
Contract liabilities	158,114	-	158,114
Corporate income tax payable	15,275	-	15,275
Liabilities to the state and local budgets	50,849	-	50,849
Other liabilities	102,856	-	102,856
Provisions	6,688	-	6,688
Deferred income	2,407	-	2,407
Accruals	36,422	1	36,423
	715,543	(128)	715,415
TOTAL LIABILITIES	992,495	4,806	997,301
TOTAL EQUITY AND LIABILITIES	2,116,091	4,424	2,120,515

The tables below present how the said changes affected the comparable data disclosed as at 31 March 2023 and for the period of 3 months ended 31 March 2023:

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2023	Purchase price allocation of subsidiaries	3 months ended 31 March 2023 (restated)
	PLN'000	PLN'000	PLN'000
Operating revenues	380,064	-	380,064
Cost of sales	(279,908)	(414)	(280,322)
Allowances for trade receivables	(1,318)	-	(1,318)
Gross profit on sales	98,838	(414)	98,424
Selling costs	(24,225)	-	(24,225)
General and administrative expenses	(24,533)	-	(24,533)
Net profit on sales	50,080	(414)	49,666
Other operating income	722	-	722
Other operating expenses	(582)	-	(582)
Operating profit	50,220	(414)	49,806
Financial income	12,169	-	12,169
Financial expenses	(4,570)	-	(4,570)
Impairment loss on financial instruments	(6)	-	(6)
Pre-tax profit	57,813	(414)	57,399
Corporate income tax (current and deferred tax expense)	(10,612)	39	(10,573)
Net profit for the reporting period	47,201	(375)	46,826
Attributable to:			
Shareholders of the Parent Company	45,513	(375)	45,138
Non-controlling interests	1,688	-	1,688
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	0.88	(0.01)	0.87

OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	47,201	(375)	46,826
Components that may be reclassified to profit or loss	(7,584)	(4)	(7,588)
Net gain/loss on valuation of financial assets	2	-	2
Exchange differences on translation of foreign operations	(7,586)	(4)	(7,590)
Components that will not be reclassified to profit or loss	-	-	-
Actuarial gains/losses	-	-	-
Total other comprehensive income	(7,584)	(4)	(7,588)
TOTAL COMPREHENSIVE INCOME attributable to:	39,617	(379)	39,238
Shareholders of the Parent Company	37,947	(379)	37,568
Non-controlling interests	1,670	-	1,670

	31 March 2023	Purchase price allocation of subsidiaries	31 March 2023 (restated)
ASSETS	PLN'000	PLN'000	PLN'000
Non-current assets			
Property, plant and equipment	138,883	-	138,883
Intangible assets	50,199	7,346	57,545
Right-of-use assets	43,189	-	43,189
Investment property	540	-	540
Goodwill	804,996	(7,478)	797,518
Investments accounted for using the equity method	169	-	169
Other receivables	7,866	-	7,866
Deferred tax assets	12,785	-	12,785
Other financial assets	2,401	-	2,401
Prepayments and accrued income	1,856	-	1,856
	1,062,884	(132)	1,062,752
Current assets			
Inventories	74,105	-	74,105
Prepayments and accrued income	54,744	-	54,744
Trade receivables	207,028	-	207,028
Contract assets	113,102	-	113,102
Corporate income tax receivable	1,365	-	1,365
Receivables from the state and local budgets	5,358	-	5,358
Other receivables	26,180	-	26,180
Other non-financial assets	12,147	-	12,147
Other financial assets	385	-	385

Cash and bank deposits	306,031	-	306,031
	800,445	-	800,445
TOTAL ASSETS	1,863,329	(132)	1,863,197

	31 March 2023	Purchase price allocation of subsidiaries	31 March 2023 (restated)
	PLN'000	PLN'000	PLN'000
EQUITY AND LIABILITIES			
Equity <i>(attributable to shareholders of the Parent Company)</i>			
Share capital	518,943	-	518,943
Share premium	38,826	-	38,826
Transactions with non-controlling interests	(34,315)	-	(34,315)
Other capitals	83	-	83
Exchange differences on translation of foreign operations	(85,865)	(4)	(85,869)
Retained earnings	712,412	(805)	711,607
	1,150,084	(809)	1,149,275
Non-controlling interests	8,384	-	8,384
Total equity	1,158,468	(809)	1,157,659
Non-current liabilities			
Bank loans and borrowings	41,102	-	41,102
Lease liabilities	26,656	-	26,656
Other financial liabilities	91,990	-	91,990
Deferred tax liabilities	6,488	677	7,165
Provisions	3,554	-	3,554
Contract liabilities	7,668	-	7,668
Other liabilities	62	-	62
	177,520	677	178,197
Current liabilities			
Bank loans and borrowings	63,946	-	63,946
Lease liabilities	18,501	-	18,501
Other financial liabilities	60,839	-	60,839
Trade payables	123,497	-	123,497
Contract liabilities	143,014	-	143,014
Corporate income tax payable	12,521	-	12,521
Liabilities to the state and local budgets	24,120	-	24,120
Other liabilities	35,268	-	35,268
Provisions	4,263	-	4,263
Deferred income	2,794	-	2,794
Accruals	38,578	-	38,578
	527,341	-	527,341
TOTAL LIABILITIES	704,861	677	705,538
TOTAL EQUITY AND LIABILITIES	1,863,329	(132)	1,863,197

3 months ended 31 March 2023	Banking Solutions	Payment Solutions	Dedicated Solutions	Change – Banking Solutions	Change – Payment Solutions	Change – Dedicated Solutions	Banking Solutions	Payment Solutions	Dedicated Solutions
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
								(restated)	
Sales revenues	75,695	179,278	136,371	-	-	-	75,695	179,278	136,371
Sales to external customers	72,206	171,733	134,734	-	-	-	72,206	171,733	134,734
Sales between and/or within segments	3,489	7,545	1,637	-	-	-	3,489	7,545	1,637
Gross profit on sales	29,658	45,362	23,795	(144)	5	(275)	29,514	45,367	23,520
Selling costs	(4,185)	(11,709)	(8,337)	-	-	-	(4,185)	(11,709)	(8,337)
General and administrative expenses	(8,059)	(10,264)	(6,151)	-	-	-	(8,059)	(10,264)	(6,151)
Net profit on sales	17,414	23,389	9,307	(144)	5	(275)	17,270	23,394	9,032
Other operating activities	25	141	(33)	-	-	-	25	141	(33)
Share of profits of associates	-	-	-	-	-	-	-	-	-
Operating profit	17,439	23,530	9,274	(144)	5	(275)	17,295	23,535	8,999

2.9. Correction of errors

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

2.10. Accounting effects of Turkey's status as a hyperinflationary economy

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

In accordance with IAS 29, the financial data of our Turkey-based subsidiaries have been restated to reflect the purchasing power at the end of the reporting period, based on the consumer price index (CPI) as published by the Turkish Statistical Institute. Accordingly, non-monetary items in the statement of financial position as well as the statement of profit and loss have been restated to reflect the purchasing power at the reporting date. Monetary items such as receivables, liabilities, bank debt, etc. already reflect the purchasing power at the reporting date because these items are composed of balances, amounts of receivables or payables in respective monetary units. IAS 29, in conjunction with IAS 21 on foreign currency translation, also requires all transactions carried out in a hyperinflationary currency, i.e. Turkish lira (TRY), to be translated into the Group's presentation currency, i.e. Polish zloty (PLN), using the exchange rate effective on the reporting date. Therefore, in the current reporting period all transactions conducted in Turkey were converted into PLN using the exchange rate effective on 31 March 2024; whereas, all transactions conducted in Turkey in the previous year were converted into PLN using the exchange rate of 31 December 2023, although the Group usually translates transactions in the statement of profit and loss at the average exchange rate for the given reporting period.

Basis of restatements due to hyperinflation

- Price index:

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

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

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

- Currency exchange rate:

All financial data of our subsidiary operations in Turkey, both in the statement of financial position and the statement of profit and loss are translated into the Group's presentation currency (PLN) using the TRY/PLN exchange rate effective on the reporting date, which is contrary to the Group's usual practice of translating the statement of profit and loss at the average exchange rate for the reporting period. As at 31 March 2024, this exchange rate was: TRY 1 = PLN 0.1237.

Assumptions for the approach and timing of hyperinflation restatements:

- Hyperinflation restatements in the local currency
 - The Group has analyzed items of the statement of financial position of its subsidiaries in Turkey and divided them into monetary and non-monetary assets/liabilities. Monetary items have not been restated because they are already expressed in terms of the monetary unit current at the end of the reporting period.
 - Significant non-monetary items existing in our Turkish subsidiaries include: goodwill arising from the acquisition of these companies, property, plant and equipment, intangible assets, right-of-use asset, prepayments, and liabilities from contracts with customers. Right-of-use assets have not been additionally revalued because they are periodically indexed by the inflation rate. Other non-monetary items have been restated to reflect the effects of inflation based on changes in the price index. Effects of changes in the price index in the period from initial recognition till 31 December 2023 have been recognized in the financial data for prior years. Whereas, effects of changes in the price index since 1 January till 31 March 2024 have been recognized in the financial statements for the current reporting period.

The restatements were made as at the date of initial recognition of non-monetary items, but not earlier than as at the date of acquisition of subsidiaries by the Group, because it is assumed that non-monetary items were then translated and recognized in the consolidated financial statements at fair value, reflecting the purchasing power as at the acquisition date. The restatement significantly increased the value of goodwill, property, plant and equipment, and intangible assets. Such restatement also resulted in higher costs in the statement of profit and loss in the form of higher depreciation and amortization charges due to the restated gross values of property, plant and equipment and intangible assets, higher expenses and income from the accounting for restated amounts of accruals and contract liabilities.

 - Due to the revaluation of non-monetary assets and liabilities, deferred tax calculated as the difference between the tax value and the book value was also revalued.
 - All transactions included in the statement of profit and loss for the year 2024 have been restated to reflect changes in the price index from the month when recognized till 31 March, except for depreciation charges on property, plant and equipment and amortization charges on intangible assets that have been remeasured based on the adjusted gross value of these assets, as well as expenses and income from the accounting for restated amounts of accruals and contract liabilities. The remeasurement of depreciation and amortization charges has been based on the normal periods of useful life of relevant assets. The restatement of the statement of profit and loss for the inflation rate resulted in an increase in the value of individual items presented in the local currency due to changes in the price index from the date of their recognition till 31 March 2024.
 - In correspondence to the restatement of the statement of profit and loss and the statement of financial position for the inflation rate in the current reporting period, the Group has recognized a gain/loss on the net monetary position, disclosed financial income/expenses in the statement of profit and loss. In correspondence to the revaluation of items in the statement of financial position for the inflation rate from the date of their initial recognition till the end of 2021, the Group has recognized exchange differences on translation of foreign operations disclosed separately in other comprehensive income for 2022 and in equity.
- Translation of financial data into the Group's presentation currency
 - Once the financial statements of our subsidiaries operating in Turkey were restated for the effects of inflation in the local currency, they have been translated into PLN which involved translating the statement of financial position and all items of the statement of profit and loss for the reporting period, using the TRY/PLN exchange rate effective on the reporting date. As at 31 March 2024, this exchange rate was: TRY 1 = PLN 0.1237. Translation of the statement of financial position has remained unchanged compared to the Group's usual practice, while the new principle of translating the statement of profit and loss has had a significant impact on its individual items. The effect of translating the statement of comprehensive income using the closing exchange rate of the reporting

period has been recognized in correspondence in exchange differences on translation of foreign operations.

- Time of recognition
 - IAS 29 has been implemented by the Group since 1 January 2022 and the first hyperinflation restatements were made in the interim consolidated financial statements for the period of 6 months ended 30 June 2022.

The impact of adopting IAS 29 on the consolidated financial statements for 2024 is summarized below:

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2024 without impact of	Impact of hyperinflation	3 months ended 31 March 2024 according to
	PLN'000	PLN'000	PLN'000
Operating revenues	365,333	1,723	367,056
Cost of sales	(267,526)	(2,009)	(269,535)
Allowances for trade receivables	(1,532)	-	(1,532)
Gross profit on sales	96,275	(286)	95,989
Selling costs	(24,026)	(56)	(24,082)
General and administrative expenses	(24,330)	(119)	(24,449)
Net profit on sales	47,919	(461)	47,458
Other operating income	474	1	475
Other operating expenses	(489)	-	(489)
Share of profits of associates	14	-	14
Operating profit	47,918	(460)	47,458
Financial income	6,667	10,159	16,826
Financial expenses	(6,538)	46	(6,492)
Impairment loss on financial instruments	(5)	-	(5)
Pre-tax profit	48,042	9,745	57,787
Corporate income tax (current and deferred tax expense)	(9,147)	(54)	(9,201)
Net profit for the reporting period	38,895	9,691	48,586
<i>Attributable to:</i>			
Shareholders of the Parent Company	37,374	9,636	47,010
Non-controlling interests	1,521	55	1,576
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	38,895	9,691	48,586
Components that may be reclassified	(12,182)	(4,330)	(16,512)
Net gain/loss on valuation of financial assets	77	-	77
Exchange differences on translation of foreign operations	(12,259)	(4,330)	(16,589)
Total other comprehensive income	(12,182)	(4,330)	(16,512)
TOTAL COMPREHENSIVE INCOME attributable to:	26,713	5,361	32,074
Shareholders of the Parent Company	25,158	5,306	30,464
Non-controlling interests	1,555	55	1,610

ASSETS	31 March 2024 without impact of IAS 29	Impact of hyperinflation	31 March 2024 according to IAS/IFRS
	PLN'000	PLN'000	PLN'000
Non-current assets			
Property, plant and equipment	136,417	4,878	141,295
Intangible assets	77,905	770	78,675
Right-of-use assets	44,846	-	44,846
Investment property	465	-	465
Goodwill	808,914	66,477	875,391
Investments accounted for using the equity method	196	-	196
Other receivables	7,202	-	7,202
Deferred tax assets	13,431	(569)	12,862
Other financial assets	2,013	-	2,013
Prepayments and accrued income	2,356	273	2,629
	1,093,745	71,829	1,165,574

Current assets			
Inventories	76,309	-	76,309
Prepayments and accrued income	52,440	2,460	54,900
Trade receivables	180,618	-	180,618
Contract assets	117,386	-	117,386
Corporate income tax receivable	4,088	-	4,088
Receivables from the state and local budgets	5,080	-	5,080
Other receivables	89,112	-	89,112
Other non-financial assets	8,107	-	8,107
Other financial assets	1,399	-	1,399
Cash and bank deposits	259,649	-	259,649
	794,188	2,460	796,648
TOTAL ASSETS	1,887,933	74,289	1,962,222

EQUITY AND LIABILITIES	31 March 2024 without impact of IAS 29	Impact of hyperinflation	31 March 2024 according to IAS/IFRS
	PLN'000	PLN'000	PLN'000
Equity <i>(attributable to shareholders of the Parent Company)</i>			
Share capital	518,943	-	518,943
Share premium	38,826	-	38,826
Transactions with non-controlling interests	(35,226)	-	(35,226)
Other capitals	954	-	954
Exchange differences on translation of foreign operations	(229,518)	14,023	(215,495)
Retained earnings	783,812	53,865	837,677
	1,077,791	67,888	1,145,679
Non-controlling interests	7,788	162	7,950
Total equity	1,085,579	68,050	1,153,629
Non-current liabilities			
Bank loans and borrowings	42,965	-	42,965
Lease liabilities	29,795	-	29,795
Other financial liabilities	176,809	-	176,809
Deferred tax liabilities	8,963	(68)	8,895
Provisions	3,858	-	3,858
Deferred income	1,550	-	1,550
Contract liabilities	9,807	1,178	10,985
Other liabilities	47	-	47
	273,794	1,110	274,904
Current liabilities			
Bank loans and borrowings	47,054	-	47,054
Lease liabilities	16,417	-	16,417
Other financial liabilities	45,857	-	45,857
Trade payables	98,133	-	98,133
Contract liabilities	132,709	5,129	137,838
Corporate income tax payable	17,422	-	17,422
Liabilities to the state and local budgets	28,230	-	28,230
Other liabilities	100,228	-	100,228
Provisions	5,344	-	5,344
Deferred income	664	-	664
Accruals	36,502	-	36,502
	528,560	5,129	533,689
TOTAL LIABILITIES	802,354	6,239	808,593
TOTAL EQUITY AND LIABILITIES	1,887,933	74,289	1,962,222

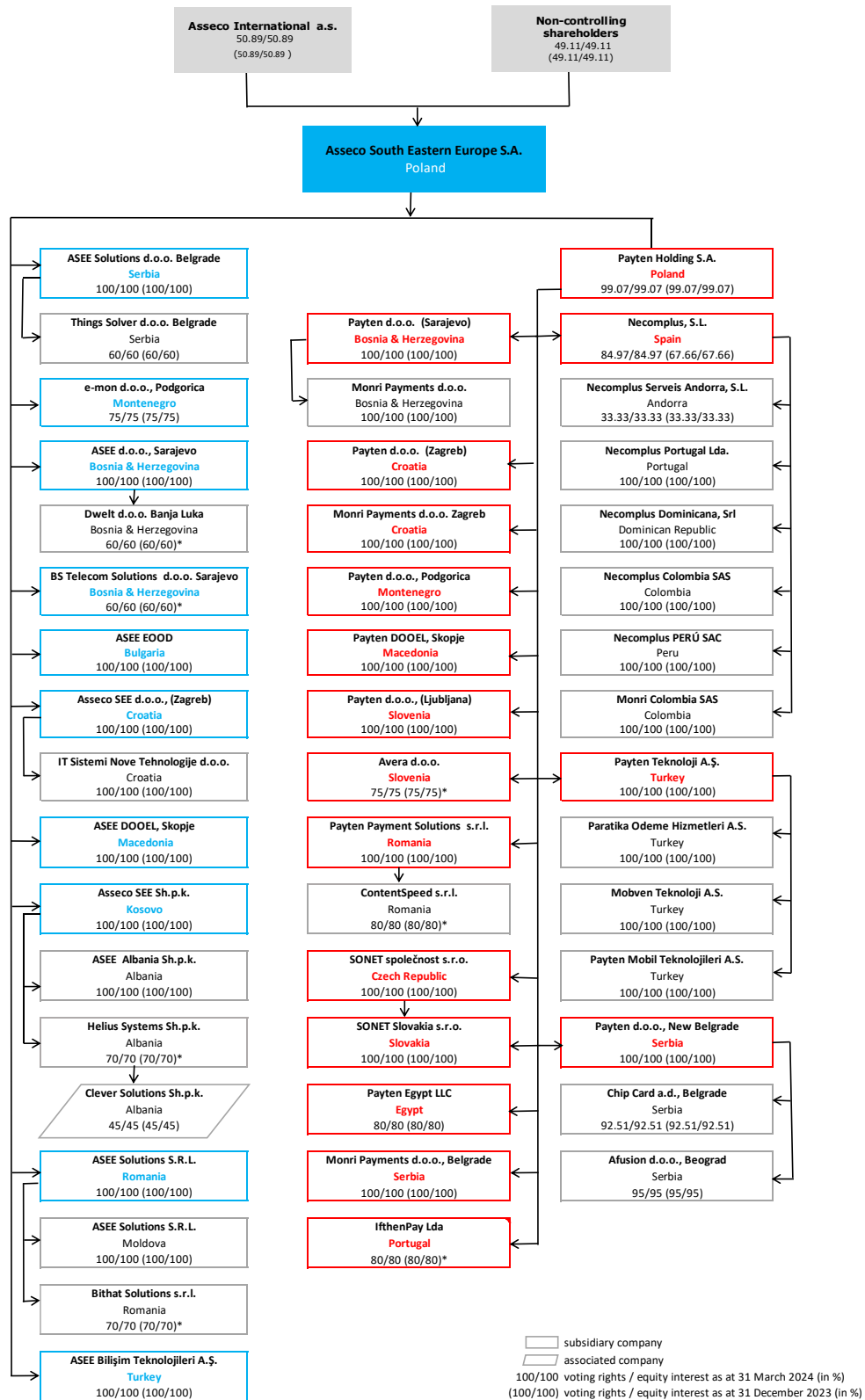
As described in section IV. Information on operating segments, the Management analyzes the operations of individual segments and their financial performance without the impact of hyperinflation revaluations. Therefore, in the explanatory note on operating segments, the impact of hyperinflation has been disclosed in a separate column in order to reconcile the financial data of segments with the data presented elsewhere in the consolidated financial statements.

The table below presents the financial data of segments in two variants: without the impact of IAS 29, and also in accordance with IAS/IFRS.

3 months ended 31 March 2024	Banking Solutions		Payment Solutions		Dedicated Solutions	
	without impact of IAS 29	according to IAS/IFRS	without impact of IAS 29	according to IAS/IFRS	without impact of IAS 29	according to IAS/IFRS
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales to external customers	76,753	76,799	180,119	180,243	117,202	118,755
Gross profit on sales	29,024	29,042	52,195	51,527	15,056	15,420
Selling costs	(4,245)	(4,250)	(12,935)	(12,964)	(6,846)	(6,868)
General and administrative expenses	(7,327)	(7,330)	(10,633)	(10,721)	(6,370)	(6,398)
Net profit on sales	17,452	17,462	28,627	27,842	1,840	2,154
Other operating activities	77	78	(183)	(183)	91	91
Share of profits of associates	-	-	14	14	-	-
Operating profit	17,529	17,540	28,458	27,673	1,931	2,245
Goodwill as at 31 March 2024	207,708	213,571	229,308	264,339	371,898	397,481

III. Organization and changes in the structure of Asseco South Eastern Europe Group, including the entities subject to consolidation

Organizational structure of Asseco South Eastern Europe Group is presented in the chart below:



* this investment is accounted for using the present ownership method, assuming we hold 100% of shares due to the existing put/call options

ASEE Group consists of ASEE S.A. as the parent company and the following subsidiaries and associates:

Name of entity	Registered seat	Equity interest / Voting rights held by the Group	
		31 March 2024	31 December 2023
Subsidiary companies			
ASEE Solutions d.o.o. Belgrade	Serbia	100/100	100/100
Things Solver d.o.o. Belgrade	Serbia	60/60	60/60
e-mon d.o.o., Podgorica	Montenegro	75/75	75/75
ASEE d.o.o., Sarajevo	Bosnia and Herzegovina	100/100	100/100
Dwelt d.o.o. Banja Luka	Bosnia and Herzegovina	60/60*	60/60*
BS Telecom Solutions d.o.o. Sarajevo	Bosnia and Herzegovina	60/60*	60/60*
ASEE EOOD	Bulgaria	100/100	100/100
Asseco SEE d.o.o., (Zagreb)	Croatia	100/100	100/100
IT Sistemi Nove Tehnologije d.o.o.	Croatia	100/100	100/100
Evision Informacijski Sustavi d.o.o.	Croatia	n/a	100/100
ASEE DOOEL, Skopje	Macedonia	100/100	100/100
Asseco SEE Sh.p.k.	Kosovo	100/100	100/100
ASEE Albania Sh.p.k.	Albania	100/100	100/100
Helius Systems Sh.p.k.	Albania	70/70*	70/70*
ASEE Solutions S.R.L.	Romania	100/100	100/100
ASEE Solutions S.R.L.	Moldova	100/100	100/100
Bithat Solutions s.r.l.	Romania	70/70*	70/70*
ASEE Bilişim Teknolojileri A.Ş.	Turkey	100/100	100/100
Payten Holding S.A.	Poland	99.07/99.07	99.07/99.07
Necomplus, S.L.	Spain	84.97/84.97	84.97/84.97
Necomplus Serveis Andorra, S.L.	Andorra	33.33/33.33	33.33/33.33
Necomplus Portugal Lda.	Portugal	100/100	100/100
Necomplus Dominicana, Srl	Dominican Republic	100/100	100/100
Necomplus Colombia SAS	Colombia	100/100	100/100
Necomplus PERÚ SAC	Peru	100/100	100/100
Monri Colombia SAS	Colombia	100/100	100/100
IfthenPay Lda	Portugal	80/80*	80/80*
Payten Teknoloji A.Ş.	Turkey	100/100	100/100
Paratika Odeme Hizmetleri A.S.	Turkey	100/100	100/100
Mobven Teknoloji A.S.	Turkey	100/100	100/100
Payten Mobil Teknolojileri A.S.	Turkey	100/100	100/100
Payten d.o.o, New Belgrade	Serbia	100/100	100/100
Chip Card a.d., Belgrade	Serbia	92.51/92.51	92.51/92.51
Afusion d.o.o., Belgrade	Serbia	95/95	95/95
Monri Payments d.o.o., Belgrade	Serbia	100/100	100/100
Payten d.o.o. (Sarajevo)	Bosnia and Herzegovina	100/100	100/100
Monri Payments d.o.o.	Bosnia and Herzegovina	100/100	100/100
Payten d.o.o. (Zagreb)	Croatia	100/100	100/100
Monri Payments d.o.o. Zagreb	Croatia	100/100	100/100
Payten d.o.o., Podgorica	Montenegro	100/100	100/100
Payten DOOEL, Skopje	Macedonia	100/100	100/100
Payten d.o.o. (Ljubljana)	Slovenia	100/100	100/100
Avera d.o.o.	Slovenia	75/75*	75/75*
Payten Payment Solutions s.r.l.	Romania	100/100	100/100
ContentSpeed s.r.l.	Romania	80/80*	80/80*
SONET společnost s.r.o.	Czech Republic	100/100	100/100
SONET Slovakia s.r.o.	Slovak Republic	100/100	100/100
Payten Egypt LLC	Egypt	80/80	80/80
Associated companies:			
Clever Solutions Sh.p.k.	Albania	45/45	45/45

* this investment is accounted for using the present ownership method, assuming we hold 100% of shares due to the existing put/call options

Both as at 31 March 2024 and 31 December 2023, all the subsidiary companies were subject to consolidation.

The Group had no shares in any jointly controlled entities as at 31 March 2024 or as at 31 December 2023.

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

- ***Merger of IT Sistemi Nove Tehnologije d.o.o. and Evision Informacijski Susteavi d.o.o.***

The companies of IT Sistemi Nove Tehnologije d.o.o. and Evision Informacijski Susteavi d.o.o. merged on 16 January 2024 and from that date they have operated as one company called IT Sistemi Nove Tehnologije d.o.o. The said transaction had no impact on the consolidated financial statements of the Group.

IV. 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 South Eastern Europe Group has identified the following reportable segments reflecting the structure of its business operations:

- Banking Solutions,
- Payment Solutions
- Dedicated Solutions.

These reportable segments correspond to the Group's operating segments.

The **Banking Solutions** portfolio includes fully-fledged solutions and products necessary to run a bank such as omnichannel solutions designed to distribute banking products and services, solutions allowing to improve communication with the customer, integrated core banking systems, authentication security solutions, reporting systems for regulatory compliance and managerial information, as well as risk management and anti-fraud systems. The segment also offers its clients 24x7 online services and consultancy in the areas of mobile and electronic banking and digital transformation.

The **Payment Solutions** segment provides complete payment industry solutions supporting online and offline payments, which are offered by the Payten Group for both financial and non-financial institutions. These solutions are intended for e-Commerce (online payment gateways, support for alternative payment methods – cryptocurrencies, QR codes, solutions enabling tokenization of cards, subscription payments), mobile payments (mPOS, vPOS, SoftPOS), payment card processing, as well as services related to ATMs and EFT POS terminals. The Group delivers software and services as well as ATMs and payment terminals, including outsourcing and equipment, providing the highest level of expertise, maintenance and support through the entire portfolio. This segment also operates an independent network of ATMs under the brand name of MoneyGet. In addition, the Group runs a network of independent EFT POS terminals at points of sale – IPD service under the Monri brand that enables merchants to replace two or more payment terminals at the point of sale with a single device connected directly to multiple acquirers (card issuers). Moreover, the segment offers complementary solutions for creating online and mobile stores and marketplace platforms, as well as cash register management and sales support systems (ECR) for retailers.

The **Dedicated Solutions** segment provides services to the sectors of utilities and telecommunications, public sector (including road infrastructure), government as well as to the banking and finance sector within the following business lines: BPM business process management, customer service and sales support platform, data registers, smart city, AI & Machine Learning, e-Tax, border control, authentication, dedicated solutions, BI and ERP. The Group focuses on selling its proprietary solutions but also offers a full range of integration services for solutions from leading global vendors.

The Group's financing activities as well as income taxes are monitored at the whole group level and therefore they are not allocated to individual operating segments. The Management also does not analyze assets and liabilities or cash flows in a breakdown by segments. The table below presents the key financial information reviewed by the chief operating decision maker in the Company.

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

Selected financial data for the period of 3 months ended 31 March 2024, in a breakdown by operating segments:

3 months ended 31 March 2024	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenues:	76,753	180,119	117,202	(8,741)	1,723	367,056
Sales to external customers	72,279	177,908	115,146	-	1,723	367,056
Sales between and/or within segments	4,474	2,211	2,056	(8,741)	-	-
Gross profit on sales	29,024	52,195	15,056	-	(286)	95,989
Selling costs	(4,245)	(12,935)	(6,846)	-	(56)	(24,082)
General and administrative expenses	(7,327)	(10,633)	(6,370)	-	(119)	(24,449)
Net profit on sales	17,452	28,627	1,840	-	(461)	47,458
Other operating activities	77	(183)	91	-	1	(14)
Share of profits of associates	-	14	-	-	-	14
Operating profit	17,529	28,458	1,931	-	(460)	47,458
Non-cash items						
Depreciation and amortization	(3,301)	(14,613)	(5,017)	-	(664)	(23,595)
Impairment losses on assets	(403)	(1,248)	(68)	-	-	(1,719)
Goodwill as at 31 March 2024	207,708	229,308	371,898	-	66,477	875,391

3 months ended 31 March 2024	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Sales revenues:	17,762	41,684	27,123	(2,023)	399	84,945
Sales to external customers	16,727	41,172	26,647	-	399	84,945
Sales between and/or within segments	1,035	512	476	(2,023)	-	-
Gross profit on sales	6,717	12,079	3,484	-	(66)	22,214
Selling costs	(982)	(2,993)	(1,585)	-	(13)	(5,573)
General and administrative expenses	(1,696)	(2,461)	(1,473)	-	(28)	(5,658)
Net profit on sales	4,039	6,625	426	-	(107)	10,983
Other operating activities	18	(42)	21	-	-	(3)
Share of profits of associates	-	3	-	-	-	3
Operating profit	4,057	6,586	447	-	(107)	10,983
Non-cash items						
Depreciation and amortization	(764)	(3,382)	(1,161)	-	(155)	(5,462)
Impairment losses on assets	(93)	(289)	(16)	-	-	(398)
Goodwill as at 31 March 2024	48,294	53,316	86,470	-	15,457	203,537

The financial results presented above have been converted at the average exchange rate in the first quarter of 2024: EUR 1 = PLN 4.3211, whereas the financial position data have been converted at the exchange rate effective on 31 March 2024: EUR 1 = PLN 4.3009.

The financial data of our subsidiaries operating in Turkey were restated due to hyperinflation. The Management analyzes the operations of individual segments and their financial performance without the impact of hyperinflation revaluations. Therefore, the impact of hyperinflation has been disclosed in a separate column in order to reconcile the financial data of segments with the data presented elsewhere in the interim condensed consolidated financial statements.

Selected financial data for the period of 3 months ended 31 March 2023, in a breakdown by operating segments:

3 months ended 31 March 2023 (restated)	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenues:	75,695	179,278	136,371	(12,671)	1,391	380,064
Sales to external customers	72,206	171,733	134,734	-	1,391	380,064
Sales between and/or within segments	3,489	7,545	1,637	(12,671)	-	-
Gross profit on sales	29,514	45,367	23,520	-	23	98,424
Selling costs	(4,185)	(11,709)	(8,337)	-	6	(24,225)
General and administrative expenses	(8,059)	(10,264)	(6,151)	-	(59)	(24,533)
Net profit on sales	17,270	23,394	9,032	-	(30)	49,666
Other operating activities	25	141	(33)	-	7	140
Share of profits of associates	-	-	-	-	-	-
Operating profit	17,295	23,535	8,999	-	(23)	49,806
Non-cash items						
Depreciation and amortization	(3,359)	(15,440)	(3,793)	-	(361)	(22,953)
Impairment losses on assets	(293)	(493)	(591)	-	-	(1,377)
Goodwill as at 31 December 2023	209,569	231,871	374,631	-	61,124	877,195

3 months ended 31 March 2023 (restated)	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Sales revenues:	16,103	38,140	29,014	(2,696)	296	80,857
Sales to external customers	15,361	36,535	28,665	-	296	80,857
Sales between and/or within segments	742	1,605	349	(2,696)	-	-
Gross profit on sales	6,279	9,652	5,003	-	5	20,939
Selling costs	(890)	(2,491)	(1,774)	-	1	(5,154)
General and administrative expenses	(1,715)	(2,184)	(1,307)	-	(13)	(5,219)
Net profit on sales	3,674	4,977	1,922	-	(7)	10,566
Other operating activities	5	30	(6)	-	1	30
Share of profits of associates	-	-	-	-	-	-
Operating profit	3,679	5,007	1,916	-	(6)	10,596
Non-cash items						
Depreciation and amortization	(715)	(3,285)	(807)	-	(77)	(4,884)
Impairment losses on assets	(62)	(105)	(126)	-	-	(293)
Goodwill as at 31 December 2023	48,199	53,328	86,162	-	14,058	201,747

The financial results presented above have been converted at the average exchange rate in the first quarter of 2023: EUR 1 = PLN 4.7005, whereas the financial position data have been converted at the exchange rate effective on 31 December 2023: EUR 1 = PLN 4.3480.

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

5.1. Structure of operating revenues

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

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Operating revenues by type of products		
Proprietary software and services	280,800	270,194
Third-party software and services	33,321	32,454
Hardware and infrastructure	52,935	77,416
Total	367,056	380,064

i. Operating revenues of segments in a breakdown by type of products

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

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
3 months ended 31 March 2024				
Proprietary software and services	70,684	141,443	68,673	280,800
Third-party software and services	819	850	31,652	33,321
Hardware and infrastructure	822	35,739	16,374	52,935
Total operating revenues	72,325	178,032	116,699	367,056

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
3 months ended 31 March 2023				
Proprietary software and services	70,645	129,336	70,213	270,194
Third-party software and services	746	1,310	30,398	32,454
Hardware and infrastructure	840	41,026	35,550	77,416
Total operating revenues	72,231	171,672	136,161	380,064

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

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Revenues from contracts with customers recognized in accordance with IFRS 15, of which:	343,598	356,615
From goods and services transferred at a specific point in time	86,027	109,623
From goods and services transferred over the passage of time	257,571	246,992
Other operating revenues (mainly from leases)	23,458	23,449
Total operating revenues	367,056	380,064

Operating revenues, which are not recognized in accordance with IFRS 15, represent primarily revenues generated by the Group from the provision of ATMs and POS terminals outsourcing services. Such contracts are treated as operating leases.

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

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Operating revenues by countries		
Albania	2,072	4,802
Austria	5,596	5,687
Bosnia and Herzegovina	23,054	21,454
Bulgaria	4,411	1,519
Croatia	44,075	39,491
Montenegro	6,001	4,709
Czech Republic	5,270	5,540
Spain	38,310	53,497
Colombia	2,722	2,767
Kosovo	5,232	4,478
Macedonia	12,853	12,793
Malta	166	1,169
Germany	6,198	2,916
Peru	5,753	5,247
Poland	3,110	3,156
Portugal	11,108	3,499
Romania	38,675	48,947
Serbia	91,367	104,187
Slovak Republic	2,312	1,757
Slovenia	5,150	6,581
Turkey	43,706	37,822
Italy	3,902	4,495
Other countries	6,013	3,551
Total operating revenues	367,056	380,064

iv. *Outsourcing contracts – the Group acting as a lessor*

The Group implements a number of contracts for outsourcing of payment transaction processes. The total amounts of future minimum lease payments receivable under such contracts have been estimated as follows:

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Future minimum lease payments		
(i) within 1 year	95,735	85,985
(ii) within 1 to 5 years	66,179	72,626
(iii) within more than 5 years	1,462	2,029
Total	163,376	160,640

5.2. Structure of operating costs

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

Operating costs	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
	PLN'000	PLN'000
Cost of goods, materials and third-party services sold (COGS)	(108,857)	(127,125)
Employee benefits	(141,915)	(137,296)
Third-party non-project services and outsourcing of employees	(19,428)	(19,591)
Depreciation and amortization	(23,595)	(22,953)
Maintenance costs of property and company cars	(15,918)	(14,828)
Business trips	(2,221)	(1,820)
Advertising	(2,709)	(2,168)
Other operating expenses	(4,955)	(4,617)
Total	(319,598)	(330,398)
Cost of sales	(269,535)	(280,322)
Selling costs	(24,082)	(24,225)
General and administrative expenses	(24,449)	(24,533)
Recognition (reversal) of impairment losses on financial instruments	(1,532)	(1,318)
Total	(319,598)	(330,398)

Third-party non-project services include consulting services which are not related to specific projects, as well as auditing, legal, banking, postal, courier services, and stock exchange fees.

Maintenance costs of property and company cars include the costs of equipment repairs and spare parts used for the executed projects, costs of repairs and maintenance of tangible assets (including infrastructure provided under our outsourcing contracts), maintenance costs of intangible assets, office space rental and maintenance fees, as well as maintenance of company cars.

Share-based payment transactions with employees

Currently, the Group has two share-based payment plans as defined in IFRS 2 which are settled in equity instruments.

2021 plan

On 23 September 2021, Asseco International a.s. and managers of ASEE Group companies signed agreements for the acquisition of shares in ASEE S.A. The whole incentive plan covers 547,550 shares of ASEE S.A. which represent 1.06% of the Company's share capital. Members of the Management Board of ASEE S.A. as well as parties related through Members of the Management Board of ASEE S.A. acquired 341,336 shares in total.

The above-mentioned agreements constitute an equity-settled share-based payment transaction as defined by IFRS 2.

The standalone financial statements present the costs related to the acquisition of 316,425 shares, including 280,000 shares acquired by Piotr Jeleński, CEO of ASEE S.A., and 25,000 shares acquired by Michał Nitka, Member of the Management Board of ASEE S.A.

The costs of this share-based payment plan disclosed in the interim condensed consolidated financial statements of ASEE Group for the period of 3 months ended 31 March 2024 amounted to PLN 73 thousand, as compared to PLN 72 thousand in the first quarter of 2023. In correspondence, this transaction was recognized as a separate item of the Group's equity, in the same amount as disclosed in remuneration costs.

Detailed information on the share-based payment plan has been presented in explanatory note 5.2 to the annual consolidated financial statements of ASEE Group for 2023 which were published on 27 February 2024.

2022 plan

On 22 August 2022, ASEE S.A. signed agreements to sell shares in Payten Holding S.A. to the managers of ASEE Group companies. The whole incentive plan covers 426,571 shares of Payten Holding S.A. which represent 0.93% of the company's share capital.

The above-mentioned agreements constitute an equity-settled share-based payment transaction as defined by IFRS 2.

The costs of this share-based payment plan disclosed in the interim condensed consolidated financial statements of ASEE Group for the period of 3 months ended 31 March 2024 amounted to PLN 87 thousand, as compared to PLN 86 thousand in the first quarter of 2023. In correspondence, this transaction was recognized as a separate item of the Group's equity, in the same amount as disclosed in remuneration costs.

Detailed information on the share-based payment plan has been presented in explanatory note 5.2 to the annual consolidated financial statements of ASEE Group for 2023 which were published on 27 February 2024.

i. Reconciliation of depreciation and amortization charges

The table below presents the reconciliation of depreciation and amortization charges recognized in the statement of profit and loss with those disclosed in the tables of changes in property, plant and equipment, as well as in intangible assets:

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 (restated) PLN'000
Depreciation charges as disclosed in the table of changes in property, plant and equipment	(12,331)	(12,686)
Amortization charges as disclosed in the table of changes in intangible assets	(5,944)	(4,591)
Depreciation charges as disclosed in the table of changes in right-of-use assets	(5,478)	(5,667)
Depreciation charges on investment property	(8)	(9)
Reduction of amortization charges due to recognition of grants to internally generated licenses	166	-
Total depreciation and amortization charges disclosed in the statement of profit and loss and in the statement of cash flows	(23,595)	(22,953)

5.3. Other operating income and expenses

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

Other operating income	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Gain on disposal of property, plant and equipment	185	131
Income from letting of own office space	11	13
Reversal of a provision for the costs of court litigation relating to other operations	39	16
Grants and subsidies received	2	149
Gain on modification of lease contracts	9	14
Other	229	399
Total	475	722

Other operating expenses	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Loss on disposal of property, plant and equipment	(45)	(4)
Charitable contributions to unrelated parties	(36)	(360)
Allowances for other receivables	(227)	-
Other	(181)	(218)
Total	(489)	(582)

5.4. Financial income and expenses

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

Financial income	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Interest income on loans granted and bank deposits	1,443	754
Positive foreign exchange differences	4,378	1,668
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	45	176
Gain on revaluation of conditional payments in transactions to obtain control	749	-
Gain on the net monetary position – hyperinflation	10,210	9,563
Other financial income	1	8
Total financial income	16,826	12,169

Gain on the net monetary position resulted from the hyperinflation revaluation of non-monetary assets and liabilities of our subsidiaries operating in Turkey. The impact of hyperinflation has been described in detail in explanatory note 2.10 to these interim condensed consolidated financial statements.

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

Financial expenses	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Interest expenses on bank loans and borrowings	(1,027)	(945)
Interest expenses on leases	(620)	(475)
Other interest expenses	(174)	(144)
Negative foreign exchange differences	(1,266)	(2,179)
Loss on revaluation of conditional payments in transactions to obtain control and/or buyout of minority interests	(390)	(159)
Loss on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(2,921)	(636)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	-	(22)
Dividends declared for minority shareholders in acquisitions accounted for using the present ownership method	(83)	-
Other financial expenses	(11)	(10)
Total financial expenses	(6,492)	(4,570)

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

Gain/loss on revaluation of conditional payments in transactions to obtain control resulted from changes in the estimates of deferred contingent liabilities arising from the acquisition of controlling interests in subsidiaries.

Gain/loss on revaluation of liabilities from the acquisition of non-controlling interests (put options) results from changes in the estimates that are the basis for the calculation of a liability arising from put options if, under

the purchase agreement, benefits incidental to ownership of such puttable equity instruments shall be transferred to the Parent Company (present ownership).

5.5. Corporate income tax

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

	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
	PLN'000	PLN'000
Current corporate income tax expense as disclosed in the statement of profit and loss, of which:	(10,227)	(12,009)
<i>Current portion of income tax</i>	(11,063)	(12,122)
<i>Corrections of CIT filings for prior years</i>	836	113
Deferred income tax	1,026	1,436
Income tax expense as disclosed in the statement of profit and loss	(9,201)	(10,573)

During the period of 3 months ended 31 March 2024, our effective tax rate equalled 15.9%, as compared to 18.4% in the comparable period. Such decrease in the effective tax rate is basically attributable to the recognition of an additional one-time tax for financing damages caused by the earthquake that hit Turkey in the first quarter of 2023.

5.6. Earnings per share

Both during the reporting period and the comparable period, there were no instruments that could potentially dilute basic earnings per share, hence our basic earnings per share and diluted earnings per share are equal. The table below presents net profits and numbers of shares used for the calculation of earnings per share.

	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,894,251	51,894,251
Net profit attributable to shareholders of the Parent Company for the reporting period (in thousands of PLN)	47,010	45,138
Consolidated earnings per share for the reporting period (in PLN)	0.91	0.87

5.7. Information on dividends paid out

Until 31 March 2024, the General Meeting has not yet adopted a resolution on distribution of the Parent Company's net profit for the year 2023. However, on 27 February 2024, in line with the Management's proposal presented at the Supervisory Board meeting, the Supervisory Board passed a resolution to recommend to the Company's General Meeting to approve payment of a dividend for the year 2023 in the amount of PLN 1.65 per share. The total amount allocated to the dividend payment (from the net profit for 2023) equals PLN 85,626 thousand.

In 2023, the Parent Company paid out to its shareholders a dividend for the year 2022. The Annual General Meeting of Asseco South Eastern Europe S.A. seated in Rzeszów acting on the basis of art. 395 § 2 item 2 and art. 396 § 1 of the Commercial Companies Code, as well as pursuant to §12 sec. 4 item 2 of the Company's Articles of Association, on 22 June 2023 adopted a resolution to pay out a dividend in the total amount of PLN 75,766 thousand or PLN 1.46 per share to all of the Company's shareholders. The Company's Annual General Meeting established 30 June 2023 as the dividend record date. The dividend was paid out on 13 July 2023. The number of shares eligible for dividend was 51,894,251.

VI. 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 2024 and in the comparable period are presented below:

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Net book value of property, plant and equipment as at 1 January	137,030	135,969
Additions, of which:	17,203	15,713
Purchases and modernization	9,200	12,536
Other, including transfers from inventories	8,003	3,177
Reductions, of which:	(12,761)	(12,883)
Depreciation charges for the reporting period	(12,331)	(12,686)
Disposal and liquidation	(122)	(35)
Other	(308)	(162)
Impact of hyperinflation	1,948	979
Change in presentation	(91)	(42)
Exchange differences on translation of foreign operations	(2,034)	(853)
Net book value of property, plant and equipment as at 31 March	141,295	138,883

As at 31 March 2024, tangible assets with a book value of PLN 18,150 thousand served as collateral for bank loans.

As at 31 December 2023, tangible assets with a book value of PLN 18,350 thousand served as collateral for bank loans.

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 2024 and in the comparable period are presented below:

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 (restated) PLN'000
Net book value of intangible assets as at 1 January (restated)	84,138	59,616
Additions, of which:	824	2,549
Purchases and modernization	824	2,082
Costs of development projects in progress	-	467
Reductions, of which:	(5,944)	(4,591)
Amortization charges for the reporting period	(5,944)	(4,591)
Impact of hyperinflation	218	126
Change in presentation	91	43
Exchange differences on translation of foreign operations	(652)	(198)
Net book value of intangible assets as at 31 March	78,675	57,545

Both as at 31 March 2024 and 31 December 2023, intangible assets did not serve as collateral for any bank loans.

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 2024 and in the comparable period are presented below:

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Net book value of right-of-use assets as at 1 January (restated)	46,037	43,131
Additions, of which:	5,246	5,917
Conclusion of new lease contracts	4,257	4,594
Modification of existing contracts	989	1,323
Reductions, of which:	(5,910)	(5,686)
Depreciation charges for the reporting period	(5,478)	(5,667)
Early termination of contracts	(432)	(19)
Exchange differences on translation of foreign operations	(527)	(173)
Net book value of right-of-use assets as at 31 March	44,846	43,189

6.4. Goodwill

For impairment testing purposes, goodwill arising from obtaining control over subsidiaries is allocated to the group of cash-generating units that constitute an operating segment.

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

Goodwill	3 months ended 31 March 2024 PLN'000	12 months ended 31 December 2023 (restated) PLN'000	3 months ended 31 March 2023 (restated) PLN'000
Goodwill at the beginning of the period (restated)	877,195	794,100	794,100
Banking Solutions	214,988	230,982	230,982
Payment Solutions	263,888	223,101	223,101
Dedicated Solutions	398,319	340,017	340,017
Change in consolidation goodwill due to the acquisition of shares (+/-)	-	142,145	-
Banking Solutions	-	-	-
Payment Solutions	-	59,209	-
Dedicated Solutions	-	82,936	-
Change due to hyperinflation (+/-):	10,253	37,498	9,317
Banking Solutions	877	3,208	797
Payment Solutions	5,588	20,436	5,078
Dedicated Solutions	3,788	13,854	3,442
Foreign exchange differences (+/-)	(12,057)	(96,548)	(5,899)
Banking Solutions	(2,294)	(19,202)	(1,106)
Payment Solutions	(5,137)	(38,858)	(2,483)
Dedicated Solutions	(4,626)	(38,488)	(2,310)
Total goodwill	875,391	877,195	797,518
Banking Solutions	213,571	214,988	230,673
Payment Solutions	264,339	263,888	225,696
Dedicated Solutions	397,481	398,319	341,149
Total at the end of the period	875,391	877,195	797,518

In the period of 3 months ended 31 March 2024, the balance of goodwill arising from consolidation was affected by the following transactions:

i. Hyperinflation in Turkey

Due to the recognition of the Turkish economy as hyperinflationary, the Group has applied IAS 29 which requires the restatement of non-monetary assets to take into account the change in purchasing power based on the general price index and to be expressed in the measuring units current at the end of the reporting period. One of the non-monetary assets is goodwill recognized as at the date of obtaining control over our Turkish subsidiaries. Such goodwill resulted from company acquisitions carried out in the years 2010-2021.

The inflation-related revaluation of goodwill by the price index for 2024, translated at the exchange rate of 31 March 2024, amounted in total to PLN 9,924 thousand which was recognized in financial income, under 'Gain/Loss on the net monetary position', for the first quarter of 2024.

Foreign exchange differences arising from the hyperinflation restatement of prior year goodwill, at the exchange rate of 31 March 2024, were recognized in correspondence under 'Exchange differences on translation of foreign operations'.

The impact of hyperinflation on the consolidated financial statements has been described in explanatory note 2.10 to these interim condensed consolidated financial statements.

ii. Acquisition of shares in IfthenPay Lda

On 13 October 2023, Payten Holding S.A. acquired 80% of shares in IfthenPay Lda, a company based in Santa Maria de Lamas (Portugal). All non-controlling interests are subject to put/call options and accounted for using the present ownership method. Therefore, this acquisition is accounted for as if the Group had purchased 100% of shares in IfthenPay, and consequently it does not recognize any non-controlling interests.

The total purchase price determined as at the acquisition date was EUR 13.8 million and it comprised: the consideration of EUR 8.3 million paid on the transaction date, the fair value of conditional payments depending on financial results achieved by the acquired company in the amount of EUR 1.4 million, as well as the fair value of liabilities under put options held by non-controlling shareholders in the amount of EUR 4.1 million.

During the first quarter of 2024, the Group recognized intangible assets existing in the acquired company, while the purchase price allocation process has not yet been completed by the Group until 31 March 2024. Therefore, goodwill recognized on the acquisition of IfthenPay Lda as disclosed below may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of IfthenPay as at the date of obtaining control are presented below (converted at the exchange rate of PLN/EUR effective on the acquisition date):

	Initial provisional values as at the acquisition date EUR'000	Initial provisional values as at the acquisition date PLN'000	Provisional values as at the acquisition date EUR'000	Provisional values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired					
Property, plant and equipment	119	540	119	540	3
Intangible assets, of which:	-	-	2,220	10,083	3
Intangible assets recognized as at the acquisition date (PPA)	-	-	2,220	10,083	3
Right-of-use assets	72	327	72	327	3
Other receivables	8,972	40,748	8,972	40,748	3
Cash and cash equivalents	1,684	7,648	1,684	7,648	3
Other assets	174	790	174	790	3
Total assets	11,021	50,053	13,241	60,136	
Liabilities acquired					
Lease liabilities	72	327	72	327	3
Trade payables	205	931	205	931	3
Contract liabilities	8,981	40,789	8,981	40,789	3
Liabilities to the state and local budgets	308	1,399	308	1,399	3
Deferred tax liabilities, of which:	-	-	466	2,116	3
Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)	-	-	466	2,116	3

Other liabilities	38	173	38	173	3
Total liabilities	9,604	43,619	10,070	45,735	
Net assets value	1,417	6,434	3,171	14,401	
Equity interest acquired	100%*	100%*	100%	100%	
Purchase price	13,825	62,789	13,825	62,789	
Goodwill as at the acquisition date	12,408	56,355	10,654	48,388	

*The acquisition has been accounted for using the present ownership method due to the put/call options contained in the company acquisition agreement.
Figures converted to PLN at the exchange rate effective on the acquisition date, i.e. 13 October 2023: EUR 1 = PLN 4.5417

Input data were derived from the company's financial statements drawn up as at 30 September 2023. The input data were prepared in accordance with the ASEE Group's accounting policy.

As a result of the purchase price allocation, the Group recognized intangible assets constituted by a system for authorization and processing of payment transactions. The software valuation was made on the basis of expected future sales revenues, expected EBITDA margin and return on assets employed. The estimated cash flows were discounted with a discount rate equivalent to the weighted average cost of capital determined for the acquired company. In correspondence to the recognition of assets, the Group recognized deferred tax liabilities.

In the consolidated financial statements of ASEE Group, goodwill arising from the acquisition of IfthenPay company was allocated to the Payment Solutions segment.

Acquisition-related expenses were recognized in the statement of profit and loss.

iii. Acquisition of shares in Dwelt d.o.o. Banja Luka

On 20 December 2023, ASEE d.o.o. Sarajevo acquired 60% of shares in Dwelt d.o.o., a company based in Banja Luka (Bosnia and Herzegovina). All non-controlling interests are subject to put/call options and accounted for using the present ownership method. Therefore, this acquisition is accounted for as if the Group had purchased 100% of shares in Dwelt, and consequently it does not recognize any non-controlling interests.

The total purchase price determined as at the acquisition date was BAM 51 million and it comprised: the consideration of BAM 7.8 million paid on the transaction date, the fair value of conditional payments depending on financial results achieved by the acquired company in the amount of BAM 11.6 million, as well as the fair value of liabilities under put options held by non-controlling shareholders in the amount of BAM 31.7 million.

During the first quarter of 2024, the Group recognized intangible assets existing in the acquired company, while the purchase price allocation process has not yet been completed by the Group until 31 March 2024. Therefore, goodwill recognized on the acquisition of Dwelt d.o.o. as disclosed below may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of Dwelt as at the date of obtaining control are presented below (converted at the exchange rate of PLN/BAM effective on the acquisition date):

	Initial provisional values as at the acquisition date BAM'000	Initial provisional values as at the acquisition date PLN'000	Provisional values as at the acquisition date BAM'000	Provisional values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired					
Property, plant and equipment	210	464	210	464	3
Intangible assets, of which:	29	64	14,299	31,604	3
Intangible assets recognized as at the acquisition date (PPA)	-	-	14,270	31,540	3
Right-of-use assets	543	1,200	420	928	3
Trade receivables	655	1,448	654	1,445	3
Cash and cash equivalents	1,005	2,221	1,005	2,221	3
Other assets	10	22	13	29	3
Total assets	2,452	5,419	16,601	36,691	
Liabilities acquired					
Lease liabilities	539	1,191	420	928	3
Trade payables	50	111	50	111	3
Liabilities to the state and local budgets	1,168	2,582	1,157	2,557	3
Deferred tax liabilities, of which:	-	-	1,427	3,154	3

Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)	-	-	1,427	3,154	3
Other liabilities	1	2	-	-	3
Total liabilities	1,758	3,886	3,054	6,750	
Net assets value	694	1,533	13,547	29,941	
Equity interest acquired	100%*	100%*	100%	100%	
Purchase price	51,071	112,877	51,071	112,877	
Goodwill as at the acquisition date	50,377	111,344	37,524	82,936	

*The acquisition has been accounted for using the present ownership method due to the put/call options contained in the company acquisition agreement.

Figures converted to PLN at the exchange rate effective on the acquisition date, i.e. 20 December 2023: BAM 1 = PLN 2.2102

Input data were derived from the company's financial statements drawn up as at 31 December 2023. The input data were prepared in accordance with the ASEE Group's accounting policy.

As a result of the purchase price allocation, the Group recognized intangible assets constituted by core software that supports all business and operational processes of electricity suppliers, distribution system operators and municipal utilities. The software valuation was made on the basis of expected future sales revenues, expected EBITDA margin and return on assets employed. The estimated cash flows were discounted with a discount rate equivalent to the weighted average cost of capital determined for the acquired company. In correspondence to the recognition of assets, the Group recognized deferred tax liabilities.

In the consolidated financial statements of ASEE Group, goodwill arising from the acquisition of Dwelt was allocated to the Dedicated Solutions segment.

Acquisition-related expenses were recognized in the statement of profit and loss.

6.5. Other financial assets

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

	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Financial assets carried at fair value through profit or loss, of which:						
Currency forward contracts	-	205	-	167	-	-
Shares in companies not quoted in an active market	-	166	-	167	-	26
Other financial assets	335	-	338	-	-	-
	335	371	338	334	-	26
Financial assets carried at fair value through other comprehensive income, of which:						
Shares in companies quoted in an active market	-	1	29	1	30	1
Shares in companies not quoted in an active market	21	-	21	-	22	-
Other financial assets	629	554	491	575	1,016	-
	650	555	541	576	1,068	1
Financial assets carried at amortized cost, of which:						
Loans granted, of which:	3	253	3	57	15	142
granted to related parties	-	-	-	-	-	-
granted to employees	3	253	3	57	15	142
Corporate bonds	-	-	110	-	-	-
Cash deposits	1,025	220	1,029	207	1,318	216
	1,028	473	1,142	264	1,333	358
Total	2,013	1,399	2,021	1,174	2,401	385

As at 31 March 2024, term cash deposits in the amount of PLN 1,155 thousand served as collateral for bank loans that were obtained to finance the implementation of contracts. As at 31 December 2023, term cash deposits in the amount of PLN 1,160 thousand served as collateral for bank loans that were obtained to finance the implementation of contracts.

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

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

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

As at 31 March 2024	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial assets carried at fair value through profit or loss				
Currency forward contracts	205	-	205	-
Shares in companies not quoted in an active market	166	-	-	166
Other financial assets	335	-	-	335
Total	706	-	205	501
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	1	1	-	-
Shares in companies not quoted in an active market	21	-	-	21
Other financial assets	1,183	-	-	1,183
Total	1,205	1	-	1,204

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

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

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

As at 31 December 2023	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial assets carried at fair value through profit or loss				
Currency forward contracts	167	-	167	-
Shares in companies not quoted in an active market	167	-	-	167
Other financial assets	338	-	-	338
Total	672	-	167	505
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	30	30	-	-
Shares in companies not quoted in an active market	21	-	-	21
Other financial assets	1,066	-	-	1,066
Total	1,117	30	-	1,087

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

As at 31 March 2023	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial assets carried at fair value through profit or loss				
Shares in companies not quoted in an active market	26	-	-	26
Total	26	-	-	26
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	31	31	-	-
Shares in companies not quoted in an active market	22	-	-	22
Other financial assets	1,016	-	-	1,016
Total	1,069	31	-	1,038

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

6.6. Prepayments and accrued income

As at 31 March 2024, 31 December 2023 and 31 March 2023, prepayments and accrued income included the following items:

	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Prepaid services, of which:	2,366	52,933	2,799	51,828	1,851	53,048
<i>maintenance services, license and subscription fees</i>	2,303	45,568	1,827	44,481	1,555	45,957
<i>insurances</i>	-	2,195	-	2,661	-	2,043
<i>rents and averaged instalments under operating leases</i>	53	388	106	427	-	294
<i>prepaid consulting services</i>	-	220	-	275	-	127
<i>other services</i>	10	4,562	866	3,984	296	4,627

Expenses related to services performed for which revenues have not been recognized yet	-	901	-	694	-	731
Other prepayments and accrued income	263	1,066	288	1,382	5	965
Total	2,629	54,900	3,087	53,904	1,856	54,744

6.7. Receivables and contract assets

The table below presents the amounts of receivables as at 31 March 2024, 31 December 2023 and 31 March 2023:

	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Trade receivables, of which:	-	180,618	-	299,114	-	207,028
Trade receivables:	-	183,500	-	301,306	-	208,323
from related parties	-	61	-	744	-	754
from other entities	-	183,439	-	300,562	-	207,569
Receivables from operating leases	-	8,982	-	8,291	-	9,870
Allowances for trade receivables (-)	-	(11,864)	-	(10,483)	-	(11,165)
Corporate income tax receivable	-	4,088	-	2,693	-	1,365
Receivables from the state and local budgets	-	5,080	-	5,044	-	5,358
Value added tax	-	3,709	-	3,793	-	2,796
Other	-	1,371	-	1,251	-	2,562
Other receivables	7,202	89,112	7,274	79,663	7,866	26,180
Receivables from payment transactions processed	-	81,757	-	71,493	-	17,707
Security deposits receivable	675	1,194	682	1,199	760	1,271
Other receivables	6,527	7,193	6,592	7,764	7,106	7,289
Allowances for other doubtful receivables (-)	-	(1,032)	-	(793)	-	(87)
Total receivables	7,202	278,898	7,274	386,514	7,866	239,931

The balance of other short-term receivables includes, among others, restricted cash intended for settlement of other liabilities arising from payment transactions, receivables relating to guarantees of due performance of contracts (i.e. security deposits provided to customers in order to compensate for their potential losses in case we fail to fulfil any contractual obligations), receivables from disposal of tangible assets, receivables from security deposits paid-in, receivables from the sale of shares in subsidiaries, as well as other receivables.

The balance of other long-term receivables includes deferred payments for shares in Payten Holding S.A. which were sold to the managers of ASEE Group companies in 2022. Detailed information on this transaction has been provided in explanatory note 5.2.

The table below presents receivables from contracts with customers as at 31 March 2024, 31 December 2023 and 31 March 2023:

Contract assets	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Uninvoiced receivables	-	40,412	-	27,329	-	32,547
from related parties	-	348	-	-	-	9
from other entities	-	40,064	-	27,329	-	32,538
Receivables from valuation of IT contracts	-	82,987	-	73,811	-	80,555
from related parties	-	876	-	462	-	725
from other entities	-	82,111	-	73,349	-	79,830
Allowances	-	(6,013)	-	(6,036)	-	-
Total contract assets	-	117,386	-	95,104	-	113,102

Related party transactions have been presented in explanatory note 6.17 to these interim condensed consolidated financial statements.

Changes in the amount of allowances for trade receivables and contract assets during the period of 3 months ended 31 March 2024 and in the comparable period are presented in the table below:

Allowances for trade receivables and contract assets	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Allowances as at 1 January	(16,519)	(10,410)
Recognized during the reporting period	(4,300)	(2,288)
Utilized during the reporting period	30	-
Reversed during the reporting period	2,768	970
Foreign exchange differences and other	144	563
Allowances as at 31 March	(17,877)	(11,165)

6.8. Inventories

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

Inventories	31 March 2024 PLN'000	31 December 2023 PLN'000	31 March 2023 PLN'000
Computer hardware, third-party software licenses and other goods for resale	75,652	98,136	75,814
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	18,683	17,527	15,693
Impairment losses on inventories	(18,026)	(17,791)	(17,402)
Total	76,309	97,872	74,105

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

Impairment losses on inventories	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Impairment losses as at 1 January	(17,791)	(16,856)
Recognized during the reporting period	(1,219)	(1,081)
Utilized during the reporting period	28	19
Reversed during the reporting period	793	479
Foreign exchange differences	163	37
Allowances as at 31 March	(18,026)	(17,402)

6.9. Cash and cash equivalents

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

	31 March 2024 PLN'000	31 December 2023 PLN'000	31 March 2023 PLN'000
Cash at bank and on hand	170,942	239,652	264,452
Short-term bank deposits (up to 3 months)	86,830	70,022	41,577
Cash in transit and other cash equivalents	1,877	3,438	2
Total cash and cash equivalents as disclosed in the statement of financial position	259,649	313,112	306,031
Interest accrued on cash and cash equivalents	(55)	(43)	(70)
Bank overdraft facilities utilized for current liquidity management	(27,635)	(27,772)	(26,591)
Total cash and cash equivalents as disclosed in the cash flow statement	231,959	285,297	279,370

As at 31 March 2024, cash in the amount of PLN 4,838 thousand held in bank accounts of ASEE S.A. and Payten Holding S.A. was subject to a registered pledge in order to secure the repayment of a bank loan. As at the reporting date, liabilities under the loan secured with these assets amounted to PLN 24,945 thousand.

As at 31 December 2023, cash in the amount of PLN 10,096 thousand held in bank accounts of ASEE S.A. was subject to a registered pledge in order to secure the repayment of a bank loan. As at the reporting date, liabilities under the loan secured with these assets amounted to PLN 33,914 thousand.

6.10. Lease liabilities

As at 31 March 2024, the Group was a lessee under lease contracts. Assets leased under such contracts included:

- offices and warehouses,
- cars,
- IT hardware and other assets.

The table below presents the amounts of lease liabilities as at 31 March 2024, 31 December 2023 and 31 March 2023:

Lease liabilities	31 March 2024		31 December 2023		31 March 2023	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	(restated) PLN'000	(restated) PLN'000	PLN'000	PLN'000
Leases of real estate	22,337	12,207	24,191	13,792	21,140	14,390
Leases of transportation vehicles	7,393	3,390	5,269	3,072	5,443	3,792
Leases of IT hardware and other assets	65	820	264	840	73	319
	29,795	16,417	29,724	17,704	26,656	18,501

6.11. Bank loans and borrowings

The table below presents the Group's debt under bank loans and borrowings outstanding as at 31 March 2024, 31 December 2023 and 31 March 2023:

	Currency	Repayment date	31 March 2024		31 December 2023		31 March 2023	
			Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
			PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Bank overdraft facilities			-	27,635	-	27,771	-	26,591
<i>fixed interest rate</i>	<i>MKD</i>	<i>10.04.2024</i>	-	19	-	40	-	22
<i>fixed interest rate</i>	<i>EUR</i>	<i>05.04.2024</i>	-	80	-	46	-	76
<i>fixed interest rate</i>	<i>TRY</i>	<i>07.04.2024</i>	-	53	-	79	-	96
<i>fixed interest rate</i>	<i>COP</i>	<i>04.04.2024</i>	-	8	-	13	-	46
<i>fixed interest rate</i>	<i>BAM</i>	<i>14.06.2024</i>	-	2,257	-	1,899	-	1,534
<i>fixed interest rate</i>	<i>BAM</i>	<i>10.05.2024</i>	-	1,590	-	982	-	1,691
<i>fixed interest rate</i>	<i>BAM</i>	<i>25.10.2023</i>	-	-	-	-	-	1,186
<i>fixed interest rate</i>	<i>BAM</i>	<i>24.05.2024</i>	-	3,309	-	3,322	-	3,592
<i>fixed interest rate</i>	<i>BAM</i>	<i>04.11.2024</i>	-	2,205	-	2,219	-	3,704
<i>fixed interest rate</i>	<i>BAM</i>	<i>15.09.2023</i>	-	-	-	-	-	2,895
<i>fixed interest rate</i>	<i>BAM</i>	<i>12.05.2024</i>	-	1,321	-	1,327	-	1,433
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.03.2024</i>	-	-	-	-	-	674
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.09.2024</i>	-	-	-	-	-	1,197
<i>fixed interest rate</i>	<i>BAM</i>	<i>04.08.2023</i>	-	-	-	-	-	452
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.12.2025</i>	-	942	-	945	-	1,022
<i>fixed interest rate</i>	<i>BAM</i>	<i>15.12.2024</i>	-	-	-	3,324	-	3,595
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.12.2025</i>	-	1,648	-	1,654	-	1,790
<i>fixed interest rate</i>	<i>BAM</i>	<i>21.03.2024</i>	-	-	-	1,325	-	1,442
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.12.2025</i>	-	1,613	-	1,619	-	-
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.09.2024</i>	-	-	-	1,107	-	-
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.09.2024</i>	-	1,030	-	2	-	-
<i>fixed interest rate</i>	<i>BAM</i>	<i>16.11.2024</i>	-	3,308	-	3,320	-	-
<i>fixed interest rate</i>	<i>BAM</i>	<i>18.12.2024</i>	-	3,301	-	-	-	-
<i>fixed interest rate</i>	<i>BAM</i>	<i>28.12.2025</i>	-	740	-	-	-	-
<i>fixed interest rate</i>	<i>BAM</i>	<i>06.03.2025</i>	-	2,201	-	-	-	-

<i>fixed interest rate</i>	<i>BAM</i>	<i>06.03.2025</i>	-	1,998	-	-	-	-
<i>fixed interest rate</i>	<i>EUR</i>	<i>10.03.2025</i>	-	12	-	10	-	-
<i>1M EURIBOR + margin</i>	<i>EUR</i>	<i>31.01.2024</i>	-	-	-	897	-	144
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>23.02.2024</i>	-	-	-	3,641	-	-
Other bank loans			42,965	19,419	54,124	23,839	41,102	37,355
<i>fixed interest rate</i>	<i>BAM</i>	<i>21.12.2028</i>	12,325	2,309	12,369	3,108	-	-
<i>fixed interest rate</i>	<i>EUR</i>	<i>22.04.2023</i>	-	-	-	-	-	234
<i>fixed interest rate</i>	<i>EUR</i>	<i>30.06.2024</i>	-	403	-	815	438	1,753
<i>fixed interest rate</i>	<i>EUR</i>	<i>10.01.2025</i>	-	5,389	542	6,503	5,850	7,020
<i>fixed interest rate</i>	<i>EUR</i>	<i>20.04.2024</i>	-	739	-	1,858	802	4,814
<i>fixed interest rate</i>	<i>EUR</i>	<i>10.08.2023</i>	-	-	-	-	-	1,363
<i>fixed interest rate</i>	<i>EUR</i>	<i>30.11.2023</i>	-	-	-	-	-	1,862
<i>fixed interest rate</i>	<i>EUR</i>	<i>28.06.2027</i>	755	307	974	176	-	-
<i>fixed interest rate</i>	<i>EUR</i>	<i>05.12.2025</i>	3,695	4,927	4,955	3,716	-	-
<i>1M EURIBOR + margin</i>	<i>EUR</i>	<i>31.07.2023</i>	-	-	-	-	-	1,336
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>30.06.2024</i>	-	1,044	-	1,847	851	3,405
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>29.09.2028</i>	24,945	5	33,914	19	26,974	8,092
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>23.02.2024</i>	-	-	-	-	-	4,889
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>14.12.2024</i>	-	3,226	-	4,348	-	-
<i>6M EURIBOR + margin</i>	<i>BAM</i>	<i>05.02.2024</i>	-	-	-	26	-	275
<i>6M EURIBOR + margin</i>	<i>BAM</i>	<i>22.04.2024</i>	-	54	-	217	235	521
<i>6M EURIBOR + margin</i>	<i>BAM</i>	<i>25.10.2025</i>	631	555	633	740	1,486	583
<i>6M EURIBOR + margin</i>	<i>EUR</i>	<i>30.09.2023</i>	-	-	-	-	-	31
<i>6M EURIBOR + margin</i>	<i>EUR</i>	<i>08.05.2026</i>	614	461	737	466	1,168	501
<i>1Y EURIBOR + margin</i>	<i>EUR</i>	<i>22.06.2027</i>	-	-	-	-	3,298	676
			42,965	47,054	54,124	51,610	41,102	63,946

The Group's total debt amounted to PLN 90,019 thousand as at 31 March 2024, as compared to PLN 105,734 thousand as at 31 December 2023. The amount of debt decreased as a result of scheduled repayments of bank loans for financing of our payment process outsourcing projects, as well as bank overdraft facilities used in our current business operations.

During the period of 3 months ended 31 March 2024, no new bank loans were obtained, while repayments of bank loans disclosed in the statement of cash flows amounted to PLN 14,992 thousand.

As at 31 March 2024, tangible assets with a book value of PLN 18,150 thousand, trade receivables in the amount of PLN 13,145 thousand, cash in the amount of PLN 4,838 thousand, and financial assets (deposits) in the amount of PLN 1,155 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities. As at 31 March 2024, liabilities that were secured with such assets amounted to PLN 38,436 thousand.

As at 31 December 2023, tangible assets with a book value of PLN 18,350 thousand, trade receivables in the amount of PLN 31,882 thousand, cash in the amount of PLN 10,096 thousand, and financial assets (deposits) in the amount of PLN 1,160 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities. As at 31 December 2023, liabilities that were secured with such assets amounted to PLN 53,915 thousand.

Some loans obtained from 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. Both as at 31 March 2024 and 31 December 2023, ASEE Group companies did not infringe on any covenants defined in their bank loan agreements.

Fair value of financial liabilities

In the period of 3 months ended 31 March 2024, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy.

As at 31 March 2024, 31 December 2023 and 31 March 2023, the fair values of bank loans were not significantly different from their book values, and they were determined using calculation models based on inputs that are not observable, neither directly or indirectly, in active markets (level 3 of the fair value hierarchy).

6.12. Other financial liabilities

The table below presents other financial liabilities of the Group outstanding as at 31 March 2024, 31 December 2023 and 31 March 2023:

Financial liabilities	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Dividends payable	-	25	-	3,932	-	4,058
Liabilities under deferred and/or conditional payments for controlling interests	946	36,990	930	46,725	13,831	9,574
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	175,863	8,841	173,125	8,219	78,084	46,991
Currency forward contracts	-	-	-	4	75	209
Other financial liabilities	-	1	-	48	-	7
	176,809	45,857	174,055	58,928	91,990	60,839

As at 31 March 2024, ASEE Group recognized liabilities under put options granted to non-controlling shareholders in the total amount of PLN 184,704 thousand which were related to the following companies: Necomplus – PLN 24,143 thousand, ContentSpeed – PLN 3,632 thousand, Bithat – PLN 8,360 thousand, Helius – PLN 8,215 thousand, BS Telecom – PLN 48,888 thousand, Dwelt – PLN 70,385 thousand, Avera – PLN 2,801 thousand, and IfthenPay – PLN 18,280 thousand. The above-mentioned liabilities have been estimated using the price calculation formula as defined in the acquisition agreement, which corresponds to the amount of profits for the contractual term multiplied by a predetermined coefficient.

As at 31 March 2024, liabilities under conditional payments for controlling interests amounted in total to PLN 37,936 thousand and were related to acquisitions of the following companies: Smarttek – PLN 946 thousand, ContentSpeed – PLN 2,228 thousand, Helius – PLN 1,216 thousand, Dwelt – PLN 25,797 thousand, Avera – PLN 2,150 thousand, and IfthenPay – PLN 5,599 thousand. The above-mentioned liabilities have been estimated using the price calculation formula as defined in the acquisition agreement, which corresponds to the company's profit for the contractual term multiplied by a predetermined coefficient.

In the period of 3 months ended 31 March 2024, the Group did not transfer any financial liabilities between individual levels of the fair value hierarchy.

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

As at 31 March 2024	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial liabilities				
Dividends payable	25	-	-	25
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	37,936	-	-	37,936
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	184,704	-	-	184,704
Other financial liabilities	1	-	-	1
Total	222,666	-	-	222,666

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

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

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

As at 31 December 2023	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial liabilities				
Dividends payable	3,932	-	-	3,932
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	47,655	-	-	47,655
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	181,344	-	-	181,344
Currency forward contracts	4	-	4	-
Other financial liabilities	48	-	-	48
Total	232,983	-	4	232,979

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

As at 31 March 2023	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial liabilities				
Dividends payable	4,058	-	-	4,058
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	23,405	-	-	23,405
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	125,075	-	-	125,075
Currency forward contracts	284	-	284	-
Other financial liabilities	7	-	-	7
Total	152,829	-	284	152,545

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

6.13. Trade payables, state budget liabilities and other liabilities

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

	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Trade payables, of which:	-	98,133	-	214,561	-	123,497
Trade payables	-	75,949	-	195,547	-	106,899
from related parties	-	181	-	648	-	192
from other entities	-	75,768	-	194,899	-	106,707
Uninvoiced payables	-	19,929	-	16,751	-	16,598
from related parties	-	60	-	44	-	53
from other entities	-	19,869	-	16,707	-	16,545
Liabilities arising from project-related penalties	-	2,255	-	2,263	-	-
Corporate income tax payable	-	17,422	-	15,275	-	12,521
Liabilities to the state and local budgets	-	28,230	-	50,849	-	24,120
Value added tax (VAT)	-	12,986	-	34,834	-	11,471
Personal income tax (PIT)	-	3,327	-	4,302	-	2,933
Social insurance	-	11,354	-	10,622	-	9,210
Withholding income tax	-	301	-	713	-	255
Other	-	262	-	378	-	251
Other liabilities	47	100,228	47	102,856	62	35,268
Liabilities from payment transactions processed	-	80,126	-	69,584	-	15,444
Liabilities to employees (including salaries payable)	-	14,512	-	25,494	-	11,030
Liabilities from purchases of tangible assets and intangible assets	-	512	-	1,504	-	2,147
Other liabilities	47	5,078	47	6,274	62	6,647
Total	47	244,013	47	383,541	62	195,406

Trade payables are non-interest bearing. Related party transactions have been presented in explanatory note 6.17 to these interim condensed consolidated financial statements.

6.14. Contract liabilities

As at 31 March 2024, 31 December 2023 and 31 March 2023, the Group's liabilities from contracts with customers resulted from obligations listed in the table below:

	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Liabilities from valuation of IT contracts, of which:	-	13,749	-	26,361	-	27,648
From related parties	-	-	-	-	-	2
From other entities	-	13,749	-	26,361	-	27,646
Deferred income from IT projects, of which:	10,985	124,089	10,690	131,753	7,668	115,366
Maintenance services, license and subscription fees	10,985	85,428	10,690	82,305	7,668	79,130
Prepaid implementation services	-	9,192	-	13,418	-	11,573
Obligations to supply hardware	-	28,947	-	36,005	-	24,637
Other prepaid services	-	522	-	25	-	26
Total contract liabilities	10,985	137,838	10,690	158,114	7,668	143,014

6.15. Provisions

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

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
As at 1 January	10,594	9,175
Provisions created during the reporting period	665	2,615
Provisions utilized/reversed during the reporting period	(1,886)	(3,868)
Exchange differences on translation of foreign operations	(171)	(105)
As at the end of the reporting period, of which:	9,202	7,817
Short-term	5,344	4,263
Long-term	3,858	3,554

6.16. Accruals and deferred income

The table below presents the Group's accruals and deferred income as at 31 March 2024, 31 December 2023 and 31 March 2023:

	31 March 2024		31 December 2023		31 March 2023	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Accruals, of which:						
Accruals for unused holiday leaves	-	12,030	-	9,768	-	10,978
Accruals for employee and management bonuses	-	24,472	-	26,655	-	27,600
	-	36,502	-	36,423	-	38,578
Deferred income, of which:						
Grants related to assets	1,550	664	-	2,407	-	2,794
	1,550	664	-	2,407	-	2,794

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.

6.17. Related party transactions

	Sales to related parties 3 months ended 31 March PLN'000	Purchases from related parties 3 months ended 31 March PLN'000	Trade receivables and other receivables 31 March 2024/ 31 December 2023 PLN'000	Trade payables and other liabilities 31 March 2024/ 31 December 2023 PLN'000	Lease liabilities 31 March 2024/ 31 December 2023 PLN'000
Transactions with Asseco Poland					
2024	-	448	47	150	-
2023	-	358	47	4	-
Transactions with other entities of Asseco Poland Group					
2024	848	554	1,285	28	-
2023	121	75	1,206	572	-
Transactions with entities or individuals related through the Key Management Personnel of the Group					
2024	-	514	-	88	3,431
2023	-	1,647	-	125	4,715
Transactions with Members of Management Board and Supervisory Board of ASEE S.A. and companies of ASEE Group					
2024	-	7	6,628	17	291
2023	-	-	6,836	19	330

As at 31 March 2024, total receivables from related parties comprised trade receivables amounting to PLN 61 thousand, contract assets amounting to PLN 1,224 thousand, and other receivables amounting to PLN 6,675 thousand, of which PLN 6,628 thousand represent receivables arising from the sale of shares in Payten Holding S.A. to the managers of ASEE Group companies, and PLN 47 thousand constitute deposits for rental of office space. As at 31 December 2023, total receivables from related parties comprised trade receivables amounting to PLN 744 thousand, contract assets amounting to PLN 462 thousand, and other receivables amounting to PLN 6,883 thousand, of which PLN 6,836 thousand represent receivables arising from the sale of shares in Payten Holding S.A. to the managers of ASEE Group companies, and PLN 47 thousand constitute deposits for rental of office space.

As at 31 March 2024, total liabilities to related parties comprised trade payables amounting to PLN 241 thousand and other liabilities amounting to PLN 42 thousand. As at 31 December 2023, total liabilities to related parties comprised trade payables amounting to PLN 692 thousand and other liabilities amounting to PLN 28 thousand.

Purchases from and sales to related parties presented in the table above resulted from purchases and sales of hardware and services that were conducted by companies of ASEE Group with related companies of Asseco Poland Group as well as with parties related through the Key Management Personnel or directly with the Key Management Personnel. The Group also incurs costs arising from rentals of space from MHM d.o.o., Belgrade¹, Miljan Mališ, Mini Invest d.o.o., Belgrade² and IfthenPay company management that meet the definition of a lease under IFRS 16. Hence, the Group disclosed right-of-use assets which are subject to depreciation, as well as lease liabilities in the statement of financial position. Lease liabilities arising from rental contracts concluded with parties related through the Key Management Personnel and directly with the Key Management Personnel amounted to PLN 3,772 thousand as at 31 March 2024, as compared to PLN 5,045 thousand outstanding as at 31 December 2023.

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

¹ President of the Management Board of ASEE S.A. holds indirectly a 15% stake in MHM d.o.o. through his wholly-owned Kompania Petyhorska d.o.o.

² Miljan Mališ, Member of the Management Board of ASEE S.A., is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A. As at 31 March 2024, Mini Invest d.o.o. held 318,436 shares in ASEE S.A.

On 23 September 2021, Asseco International a.s. and managers of ASEE Group companies signed agreements for the acquisition of shares in ASEE S.A., which has been described in detail in explanatory note 5.2 in this report. Members of the Management Board of ASEE S.A., acting directly or through their related parties, acquired the following numbers of shares:

Management Board Members	Number of shares acquired
Piotr Jeleński	280,000
Miljan Mališ	30,621
Michał Nitka	25,000
Kostadin Slavkoski	5,715
Total	341,336

In the period of 3 months ended 31 March 2024, the costs of share-based payment plan related to shares acquired by Members of the Management Board amounted to PLN 45 thousand.

Until the date of approval of the interim condensed consolidated financial statements, ASEE S.A. has not received information on any related party transactions conducted during the reporting period, which would be carried out other than on an arm's length basis.

VII. Explanatory notes to the consolidated statement of cash flows

7.1. Cash flows – operating activities

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

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Change in inventories	12,940	(20,313)
Change in receivables and non-financial assets	74,285	40,382
Change in liabilities	(148,377)	(40,332)
Change in prepayments and accruals	(7,183)	(493)
Change in provisions	(1,221)	(1,252)
Total	(69,556)	(22,008)

7.2. Cash flows – investing activities

In the period of 3 months ended 31 March 2024, the amount of cash flows from investing activities was affected primarily by:

- acquisitions of property, plant and equipment (PLN 10,166 thousand) and intangible assets (PLN 795 thousand),
- expenditures for the acquisition of subsidiaries resulting from conditional payments for shares in the company Avera (PLN 2,944 thousand).

7.3. Cash flows – financing activities

The table below explains changes in financial liabilities attributable to financing activities, including both changes arising from cash flows and non-cash changes:

Change in financial liabilities	Interest-bearing bank loans and borrowings PLN'000	Lease liabilities PLN'000	Dividends payable PLN'000	Total PLN'000
As at 1 January 2024	77,963	47,428	3,932	129,323
Changes arising from cash flows	(15,773)	(6,069)	(4,134)	(25,976)
Inflows	-	-	-	-
Repayment of principal amount	(14,992)	(5,449)	(4,134)	(24,575)
Interest paid	(781)	(620)	-	(1,401)
Non-cash changes	430	5,381	239	6,050

Interest accrued	817	620	-	1,437
Non-cash increase in liabilities	-	5,246	239	5,485
Non-cash decrease in liabilities	-	(435)	-	(435)
Foreign exchange differences recognized in financial income/expenses	(387)	(50)	-	(437)
Exchange differences on translation of foreign operations	(236)	(528)	(12)	(776)
As at 31 March 2024	62,384	46,212	25	108,621

Non-cash increase in lease liabilities resulted from the conclusion of new lease contracts as well as modification of existing contracts. Non-cash decrease in lease liabilities resulted from the modification or early termination of lease contracts.

Dividends paid out to non-controlling shareholders represent payments to the minority shareholders of the following companies: BS Telecom, Avera, eMon, and ContentSpeed.

Acquisition of non-controlling interests represents the payment of a conditional portion of the purchase price of minority interests in IPS Croatia (which merged with Monri Croatia in 2023) in the amount of PLN 6,050 thousand.

The table below explains changes in financial liabilities attributable to financing activities, including both changes arising from cash flows and non-cash changes in the first quarter of 2023:

Change in financial liabilities	Interest-bearing bank loans and borrowings PLN'000	Lease liabilities PLN'000	Dividends payable PLN'000	Total PLN'000
As at 1 January 2023	81,830	45,118	4,067	131,015
Changes arising from cash flows	(3,881)	(6,158)	(235)	(10,274)
Inflows	4,795	-	-	4,795
Repayment of principal amount	(8,413)	(5,683)	(235)	(14,331)
Interest paid	(263)	(475)	-	(738)
Non-cash changes	647	6,359	235	7,241
Interest accrued	733	475	-	1,208
Non-cash increase in liabilities	-	6,058	235	6,293
Non-cash decrease in liabilities	-	(160)	-	(160)
Foreign exchange differences recognized in financial income/expenses	(86)	(14)	-	(100)
Exchange differences on translation of foreign operations	(139)	(162)	(9)	(310)
As at 31 March 2023	78,457	45,157	4,058	127,672

Non-cash increase in lease liabilities resulted from the conclusion of new lease contracts as well as modification of existing contracts. Non-cash decrease in lease liabilities resulted from the modification or early termination of lease contracts.

Dividends paid out to non-controlling shareholders represent payments to the minority shareholders of eMon company.

VIII. Other explanatory notes

8.1. Off-balance-sheet liabilities

Within its commercial activities ASEE Group uses bank guarantees as well as contract performance guarantees as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies. As at 31 March 2024, the related contingent liabilities amounted to PLN 77,113 thousand, as compared to PLN 95,239 thousand as at 31 December 2023, and PLN 77,920 thousand as at 31 March 2023.

Assets serving as collateral for bank guarantee facilities:

Category of assets	Net value of assets			Amount of granted guarantee secured with assets		
	31 March 2024	31 December 2023	31 March 2023	31 March 2024	31 December 2023	31 March 2023
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Financial assets	-	-	35	-	-	35
Trade receivables	-	-	-	-	-	-
Other receivables	970	838	336	1,313	838	336
Total	970	838	371	1,313	838	371

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 2024.

The Group is party to a number of contracts for rental of:

- offices and warehouses,
- locations for ATMs,
- transportation vehicles,
- office equipment,
- other assets.

As at 31 March 2024, 31 December 2023 and 31 March 2023, the above-mentioned contracts resulted in the following off-balance-sheet liabilities to make future payments:

	31 March 2024	31 December 2023	31 March 2023
	PLN'000	PLN'000	PLN'000
Liabilities from rental of space			
In the period up to 1 year	3,587	4,058	2,993
In the period from 1 to 5 years	4,664	4,691	3,013
Over 5 years	-	-	-
	8,251	8,749	6,006
Liabilities from leases of equipment			
In the period up to 1 year	184	269	247
In the period from 1 to 5 years	-	-	-
Over 5 years	-	-	-
	184	269	247

The said contracts meet the definition of a lease under IFRS 16. Off-balance-sheet liabilities disclosed as at 31 March 2024 are related to lease contracts that were subject to exemptions provided under IFRS 16 (short-term leases and leases of low-value assets).

Disputes in litigation as at the end of the reporting period

During the reporting period, no significant proceedings were pending before any court, arbitration authority or public administration authority, concerning any liabilities or receivables of ASEE 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 higher than in the remaining periods, as bulk of such turnover is generated from the sale of IT services for large enterprises and public administration. Such entities often decide to make higher purchases of hardware and licenses in the last months of a year.

8.3. Employment

Number of employees in the Group companies as at	31 March 2024	31 December 2023	31 March 2023
Management Board of the Parent Company	4	4	4
Management Boards of the Group companies	63	65	59
Production departments	3,236	3,226	3,245
Sales departments	272	271	283
Administration departments	364	354	342
Total	3,939	3,920	3,933

Number of employees in the Group companies as at:	31 March 2024	31 December 2023	31 March 2023
ASEE S.A.	31	32	31
ASEE Bulgaria	19	18	16
ASEE Macedonia	248	249	246
ASEE Turkey	99	100	104
Avera	7	7	n/a
BS Telecom Solutions	152	151	138
e-Mon	7	6	6
ASEE B&H Group	159	156	110
ASEE Croatia Group	359	360	355
ASEE Kosovo Group	159	158	148
ASEE Romania Group	193	186	180
ASEE Serbia Group	603	609	609
Necomplus Group	718	714	879
Payten B&H Group	69	69	68
Payten Romania Group	82	82	85
Payten Serbia Group	223	220	209
Payten Turkey Group	371	376	364
Sonet Group	88	88	85
IfthenPay	18	17	n/a
Monri Croatia	134	122	108
Monri Serbia	2	2	n/a
Payten Croatia	102	102	101
Payten Montenegro	22	20	16
Payten Egypt	9	9	9
Payten Macedonia	34	35	33
Payten Slovenia	31	32	33
Total	3,939	3,920	3,933

Number of employees in countries where the Group operates	31 March 2024	31 December 2023	31 March 2023
Bosnia	380	376	316
Croatia	595	584	564
Macedonia	282	284	279
Romania	275	268	265
Serbia	828	831	818
Turkey	470	476	468
Western Europe	436	433	496
Latin America	300	298	383
Central Europe	119	120	116
Other	254	250	228
Total	3,939	3,920	3,933

8.4. Significant events after the reporting period

- ***Changing the name of a subsidiary company to ASEE Solutions d.o.o.***

On 1 April 2024, the name of our Serbia-based subsidiary company Asseco SEE d.o.o. Belgrade was changed to ASEE Solutions d.o.o. Belgrade.

In the period from 31 March 2024 till the date of approval of these interim condensed consolidated financial statements, this is until 24 April 2024, we have not observed any significant events, the disclosure of which might significantly affect the assessment of human resources, assets and financial position of ASEE Group.

8.5. Significant events related to prior years

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



**Summary and analysis of the financial results
of Asseco South Eastern Europe Group
for the period of 3 months ended 31 March 2024**

I. Financial results of Asseco South Eastern Europe Group for the first quarter of 2024

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 (restated) PLN'000	Change %	3 months ended 31 March 2024 EUR'000	3 months ended 31 March 2023 (restated) EUR'000	Change %
Sales revenues	367,056	380,064	-3%	84,945	80,857	5%
Gross profit on sales	95,989	98,424	-3%	22,214	20,939	6%
Net profit on sales	47,458	49,666	-4%	10,983	10,566	4%
Operating profit	47,458	49,806	-5%	10,983	10,596	4%
EBITDA	71,053	72,760	-2%	16,443	15,479	6%
Net profit for the reporting period	48,586	46,826	4%	11,244	9,962	13%
Net profit attributable to Shareholders of the Parent Company	47,010	45,138	4%	10,879	9,603	13%

Sales revenues presented in Polish zlotys amounted to PLN 367.1 million, decreasing by PLN 13 million or 3% in relation to the first quarter of 2023. Operating profit reached PLN 47.5 million decreasing by 5%, while EBITDA for the first quarter of 2024 amounted to PLN 71.1 million showing a decline by 2%. Net profit attributable to Shareholders of the Parent Company for the first three months of 2024 amounted to PLN 47.0 million, reflecting an increase by PLN 1.9 million or 4%.

Contrary to the amounts presented in PLN, those expressed in EUR recorded year-on-year improvement. In the first quarter of 2024, our sales presented in euros totalled EUR 84.9 million, increasing by EUR 4.1 million or 5%. Operating profit reached EUR 11 million, while EBITDA amounted to EUR 16.4 million, both going up by 4% and 6%, respectively. The difference in the year-on-year changes in our results expressed in EUR versus those presented in PLN is due to the appreciation of the Polish zloty which began in April 2023. The average exchange rate of EUR versus PLN in the first quarter of 2024 was 8% lower than in the first quarter of 2023.

Improvement in the financial results of ASEE Group observed in the first quarter of 2024 is basically the effect of a larger scale of operations in the Payment Solutions segment. The growing scale of operations is also partly attributable to the consolidation of several new companies that joined ASEE Group in 2023. The newly acquired subsidiaries of ASEE Group generated EUR 2.8 million of sales revenues in the first quarter of 2024. At the same time, our new subsidiaries contributed EUR 0.7 million to EBIT and EUR 1.1 million to EBITDA.

The above-mentioned results for the first quarter of 2024 also include the effects of hyperinflation related to our Turkish operations, recognized in accordance with IAS 29. Such impact is presented in the table below.

	3 months ended 31 March 2024 Without IAS 29 PLN'000	Impact of hyperinflation PLN'000	3 months ended 31 March 2024 According to IFRS PLN'000	3 months ended 31 March 2024 Without IAS 29 EUR'000	Impact of hyperinflation EUR'000	3 months ended 31 March 2024 According to IFRS EUR'000
Sales revenues	365,333	1,723	367,056	84,546	399	84,945
Gross profit on sales	96,275	(286)	95,989	22,280	(66)	22,214
Net profit on sales	47,919	(461)	47,458	11,090	(107)	10,983
Operating profit	47,918	(460)	47,458	11,089	(106)	10,983
EBITDA	70,850	203	71,053	16,396	47	16,443
Net profit for the reporting period	38,895	9,691	48,586	9,001	2,243	11,244
Net profit attributable to Shareholders of the Parent Company	37,374	9,636	47,010	8,649	2,230	10,879

More detailed information on financial reporting in hyperinflationary conditions is provided in explanatory note 2.10 to the interim condensed consolidated financial statements.

Described below are the financial results of individual operating segments which do not include the effects of hyperinflation. This approach is in line with information on operating segments that is reviewed by the Management Board.



Results of the **Payment Solutions** segment

Payment Solutions	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	31 March 2024	31 March 2023 (restated)		31 March 2024	31 March 2023 (restated)	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	177,908	171,733	4%	41,172	36,535	13%
Operating profit	28,458	23,535	21%	6,586	5,007	32%
EBITDA	43,071	38,976	11%	9,968	8,292	20%

In the first quarter of 2024, sales of the **Payment Solutions** segment reached EUR 41.2 million, increasing by EUR 4.6 million or 13%. Such growth was generated primarily by the business lines engaged in e-Commerce and payment processing whose revenues increased by EUR 3.7 million in aggregate. This improvement was largely achieved by our companies operating in Turkey and Western Europe, and to a lesser extent in Serbia and Croatia. Revenues also increased in the business lines responsible for offering independent POS and ECR solutions to retail customers, although on a much smaller scale by EUR 0.6 million, thanks to our operations in Slovenia, Romania, Bosnia and Herzegovina, Slovakia and the Czech Republic. As regards traditional business, the business line responsible for the supply and maintenance of ATMs recorded an increase in revenues by EUR 1.7 million mainly due to deliveries carried out in Croatia, Northern Macedonia and Bosnia and Herzegovina. The business line responsible for the supply and maintenance of POS terminals, on the other hand, recorded a decrease in revenues by EUR 1.4 million, mainly due to our operations in Western Europe and, to a lesser extent, in Bosnia and Herzegovina.

Operating profit of the Payment Solutions segment for the first quarter of 2024 amounted to EUR 6.6 million, improving by EUR 1.6 million or 32%. Just as in the case of revenues, the increase in operating profit was driven mainly by our e-Commerce and payment processing business lines, while financial performance of the business lines responsible for offering solutions to retail customers increased to a lesser extent. Whereas, the business line responsible for the supply and maintenance of POS terminals recorded weaker operating results year on year.

Consolidated EBITDA of the Payment Solutions segment for the first quarter of 2024 reached EUR 10.0 million, improving by EUR 1.7 million.



Results of the **Banking Solutions** segment

Banking Solutions	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	31 March 2024	31 March 2023		31 March 2024	31 March 2023	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	72,279	72,206	0%	16,727	15,361	9%
Operating profit	17,529	17,295	1%	4,057	3,679	10%
EBITDA	20,831	20,656	1%	4,821	4,394	10%

In the first quarter of 2024, the **Banking Solutions** segment generated EUR 16.7 million in sales revenues, achieving an increase by EUR 1.4 million or 9% in relation to the comparable period last year. Such growth was accompanied by a change in the revenue structure of individual business lines. Due to the progress or completion of some of our significant projects, revenues from implementation and modification services carried out by the business line responsible for core banking systems were weaker than in the comparable period of the previous year. Concurrently, the business line offering multi-channel solutions generated stronger revenues from services provided in Bulgaria and Croatia and subscription fees in Serbia. The third business line of this operating segment which offers security solutions also recorded an increase in revenues mainly on the back of implementation services performed in Croatia.

Operating profit of the Banking Solutions segment for the first quarter of 2024 reached to EUR 4.1 million, improving by EUR 0.4 million or 10% in relation to the comparable period last year. Just as in the case of revenues, the largest increase in operating profit was generated by the business line offering multi-channel solutions and, to a lesser extent, by the business line offering security solutions, while the business line responsible for core banking systems reported weaker results.

Consolidated EBITDA of the Banking Solutions segment for the first quarter of 2024 increased by EUR 0.4 million or 10%, to the level of EUR 4.8 million.



Results of the **Dedicated Solutions** segment

Dedicated Solutions	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	31 March 2024	31 March 2023 (restated)		31 March 2024	31 March 2023 (restated)	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	115,146	134,734	-15%	26,647	28,665	-7%
Operating profit	1,931	8,999	-79%	447	1,916	-77%
EBITDA	6,948	12,789	-46%	1,608	2,722	-41%

The beginning of 2024 was characterized by a slowdown in signing new contracts within the **Dedicated Solutions** segment. The segment's sales in the first quarter of 2024 declined by EUR 2.0 million or 7%, to the level of EUR 26.6 million. Such decrease in revenues was mainly attributable to the business line responsible for third-party solutions in Serbia and Romania, where deliveries of equipment and third-party solutions were lower. The business line offering proprietary solutions also reported a decline in revenues, mainly due to lower revenues from business process outsourcing in Western Europe as well as weaker revenues from implementation services in Croatia.

Operating profit of the Dedicated Solutions segment for the first quarter of 2024 amounted to EUR 0.4 million and was lower by EUR 1.5 million or 77% than in the comparable period last year.

EBITDA of the Dedicated Solutions segment for the first quarter of 2024 decreased by EUR 1.1 million or 41% to the level of EUR 1.6 million. The segment's EBITDA decreased less than EBIT mainly due to depreciation of assets that were recognized in the purchase price allocation of the Bosnia-based company Dwelt.

Net profit

Consolidated **net profit** of ASEE Group for the first quarter of 2024, excluding the effects of accounting under IAS 29, amounted to EUR 9.0 million, reflecting an increase by EUR 1.1 million or 13% in relation to the comparable period last year. The result on financial activities in the first three months of 2024 equalled EUR 0.0 million, as compared to EUR -0.4 million reported a year ago. The result on financial activities improved mainly due to the balance of positive and negative exchange differences, which increased by EUR 0.8 million. However, such increase was partially offset by EUR 0.4 million of higher financial expenses arising from the revaluation (including unwinding of discounts) of deferred liabilities from the acquisition of subsidiaries as well as put options granted to minority shareholders of subsidiaries. The Group also recognized higher interest income.

In the first quarter of 2024, our effective tax rate equalled 19.0%, decreasing by 3.0 percentage points in relation to the first three months of 2023. Such decrease is basically attributable to the one-time recognition of additional tax liabilities last year, due to the imposition of an additional one-time tax for financing damages caused by the earthquake that hit Turkey in the first quarter of 2023. Excluding this impact, our effective tax rate increased by approx. 1.7 percentage points mainly due to a higher share of taxable income in countries where the effective tax rates are higher than the Group's average.

II. Analysis of financial ratios

Profitability ratios

	3 months ended 31 March 2024	3 months ended 31 March 2023 (restated)
Gross profit margin	26.2%	25.9%
EBITDA margin	19.4%	19.1%
Operating profit margin	12.9%	13.1%
Net profit margin	12.8%	11.9%
Return on equity (ROE)*	17.6%	18.0%
Return on assets (ROA)*	10.6%	11.4%

* Ratios calculated on financial data for the trailing 12 months

In the first quarter of 2024, our gross profit margin equalled 26.2% and it was higher by 0.3 percentage points than in the corresponding period last year.

Analyzing individual operating segments (excluding hyperinflation restatements), gross profit margin in the Banking Solutions segment decreased by 0.7 pp, in the Payment Solutions segment it increased by 2.9 pp, while in the Dedicated Solutions segment it decreased by 4.4 pp.

Our EBITDA margin equalled 19.4% as compared to 19.1% realized in the comparable period last year. Operating profit margin dropped by 0.2 pp to the level of 12.9%. EBIT margin only declined in the Dedicated Solutions segment by -5.0 pp. Whereas, the Banking Solutions segment and the Payment Solutions segment both improved their EBIT margins by 0.3 pp and 2.3 pp, respectively.

The net profit margin reached 12.8%, reflecting an increase by 0.9 pp in comparison to the level achieved in the first quarter of 2023.

Return on equity for the trailing 12 months ended 31 March 2024 equalled 17.6%, decreasing by 0.4 pp, while return on assets dropped by 0.8 pp to the level of 10.6%.

Liquidity ratios

	31 March 2024	31 December 2023 (restated)	31 March 2023 (restated)
Working capital (in thousands of PLN)	262,959	235,217	273,104
Current liquidity ratio	1.5	1.3	1.5
Quick liquidity ratio	1.2	1.1	1.3
Absolute liquidity ratio	0.5	0.4	0.6

The above ratios have been computed using the following formulas:

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 = (short-term financial assets + cash and short-term bank deposits) / current liabilities

At the end of March 2024, our working capital amounted to PLN 263.0 million, reflecting an increase by PLN 27.7 million in relation to its level reported at the end of 2023.

During the first quarter of 2024, the value of current assets declined by PLN 154.0 million, primarily as a result of decreases in trade receivables by PLN 118.5 million, in cash and bank deposits by PLN 53.5 million, and in inventories by PLN 21.6 million. Such decline was partially offset by increases in contract assets by PLN 22.3 million and in other receivables by PLN 9.4 million. Other receivables increased due to higher receivables from payment transactions processed (Paratika, IfthenPay), while the value of inventories dropped mainly due to the completion of projects (including deliveries of POS terminals, ATMs and third-party licenses). Assets from contracts with customers increased following an increase in uninvoiced receivables by PLN 13.1 million and a higher valuation of IT contracts by PLN 9.2 million.

Over the same period, our current liabilities declined by PLN 181.7 million, primarily as a result of decreases in trade payables by PLN 116.4 million, in liabilities to the state and local budgets by PLN 20.5 million, in contract liabilities by PLN 20.3 million, as well as in other financial liabilities by PLN 13.1 million. Other financial liabilities

dropped primarily due to the settlement of a portion of conditional payment for the controlling interest in Avera company, making a conditional payment arising from the acquisition of non-controlling interests in IPS Croatia, as well as payment of dividends to minority shareholders.

Our liquidity ratios at the end of the first quarter of 2024 recorded a slight improvement in relation to those reported at the end of December 2023 which resulted from the changes described above.

Debt ratios

	31 March 2024	31 December 2023 (restated)	31 March 2023 (restated)
Total debt ratio	41.2%	47.0%	37.9%
Debt / equity ratio	11.8%	13.6%	13.0%
Debt / (debt + equity) ratio	10.6%	12.0%	11.5%

The above ratios have been computed using the following formulas:
Total debt ratio = (non-current liabilities + current liabilities) / assets
Debt / equity ratio = (interest-bearing bank loans + lease liabilities) / equity
Debt / (debt + equity) ratio = (interest-bearing bank loans + lease liabilities) / (interest-bearing bank loans + lease liabilities + equity)

The total debt ratio decreased from 47.0% reported at the end of 2023 to the level of 41.2% as at 31 March 2024. Such change is primarily attributable to the decrease in total liabilities by PLN 188.7 million. In the first quarter of 2024, our current liabilities declined by PLN 181.7 million, as described above. Concurrently, the total value of assets decreased by PLN 158.3 million, basically due to a decline in current assets by PLN 154.0 million, as described above.

Our debt to equity ratio decreased by 1.8 pp, while the ratio of debt to total interest-bearing liabilities plus equity dropped by 1.4 pp as compared to the end of 2023. The debt ratios declined due to a decrease in liabilities under bank loans by PLN 15.7 million. Such decrease resulted from repayments of existing bank loans in line with the planned schedules. In addition, the value of equity increased by PLN 30.4 million.

III. Structure of the statement of cash flows

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000
Net cash provided by (used in) operating activities	(4,426)	43,615
Net cash provided by (used in) investing activities	(13,633)	(16,372)
Net cash provided by (used in) financing activities	(32,026)	(10,380)
Net change in cash and cash equivalents	(50,085)	16,863
Cash and cash equivalents at the end of the period	231,959	279,370

In the first quarter of 2024, net cash provided by our operating activities was negative and amounted to PLN -4.4 million. Although the pre-tax profit generated during the first 3 months of 2024 was at a similar level as in the comparable period of the previous year, the amount of cash generated was considerably lower mainly due to negative changes in working capital.

During the first three months of 2024, the decrease in liabilities, accruals and provisions amounted to PLN 156.8 million (indicating that cash outflows were higher by PLN 114.7 million than in the comparable period last year), while the change in inventories and receivables amounted to only PLN 87.2 million (indicating that cash inflows were higher by PLN 67.2 million than in the comparable period last year). Such fluctuations in the Group's working capital result from the values and phases of ongoing projects, and above all from the schedule of settlements with suppliers and customers of ASEE. 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 cash flows without any impact on the statement of profit and loss.

Net cash outflows from our investing activities amounted to PLN -13.6 million in the first quarter of 2024. Our investing cash flows were most considerably influenced by the acquisitions of property, plant and equipment and intangible assets for the total amount of PLN 11 million. The acquisitions of tangible and intangible assets included, among others, our expenditures for infrastructure used in the outsourcing of payment processes. Expenditures under investing activities also include cash used for the acquisition of

subsidiaries, which amounted to PLN -2.9 million in the current reporting period and were related to the settlement of a portion of conditional payment for shares in Avera company.

In the first quarter of 2024, net cash used in our financing activities amounted to PLN -32 million. Such cash outflows resulted primarily from scheduled repayments of bank loans and borrowings and lease liabilities, along with interest, in the total amount of PLN 21.8 million, making a conditional payment arising from the acquisition of non-controlling interests in IPS company in the amount of PLN 6.1 million, as well as dividends paid out to non-controlling shareholders in the amount of PLN 4.1 million.

IV. Information on geographical structure of financial results

The table below presents the basic financial data from the statement of profit and loss for the period of 3 months ended 31 March 2024, in a breakdown by geographical area:

For the period of 3 months ended 31 March 2024 in thousands of PLN	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
Sales revenues	25,357	56,018	14,416	43,510	98,276	44,125	49,843	8,562	10,343	23,624	(8,741)	1,723	367,056
Cost of sales	(19,028)	(40,755)	(10,176)	(38,329)	(71,008)	(25,475)	(39,980)	(6,487)	(7,205)	(18,022)	8,939	(2,009)	(269,535)
Recognition (reversal) of impairment losses on financial instruments	(16)	(934)	(44)	(525)	(7)	(97)	28	-	-	63	-	-	(1,532)
Gross profit on sales	6,313	14,329	4,196	4,656	27,261	18,553	9,891	2,075	3,138	5,665	198	(286)	95,989
Selling costs	(1,408)	(5,725)	(871)	(2,490)	(5,689)	(4,135)	(969)	(494)	(750)	(1,549)	54	(56)	(24,082)
General and administrative expenses	(2,181)	(4,323)	(1,254)	(2,504)	(5,137)	(3,619)	(1,880)	(837)	(830)	(1,330)	(435)	(119)	(24,449)
Net profit (loss) on sales	2,724	4,281	2,071	(338)	16,435	10,799	7,042	744	1,558	2,786	(183)	(461)	47,458
Other operating income	28	24	154	40	189	23	14	-	2	47	(47)	1	475
Other operating expenses	(35)	(89)	(7)	(3)	(78)	(8)	(242)	(11)	(11)	(9)	4	-	(489)
Share of profits of associates	-	-	-	-	-	-	-	-	-	14	-	-	14
Operating profit (loss)	2,717	4,216	2,218	(301)	16,546	10,814	6,814	733	1,549	2,838	(226)	(460)	47,458

For the period of 3 months ended 31 March 2024 in thousands of EUR	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
Sales revenues	5,868	12,964	3,336	10,069	22,743	10,212	11,535	1,981	2,394	5,467	(2,023)	399	84,945
Cost of sales	(4,404)	(9,432)	(2,355)	(8,870)	(16,433)	(5,895)	(9,252)	(1,501)	(1,667)	(4,171)	2,069	(465)	(62,376)
Recognition (reversal) of impairment losses on financial instruments	(4)	(216)	(10)	(122)	(2)	(22)	6	-	-	15	-	-	(355)
Gross profit on sales	1,460	3,316	971	1,077	6,308	4,295	2,289	480	727	1,311	46	(66)	22,214
Selling costs	(326)	(1,325)	(202)	(576)	(1,317)	(957)	(224)	(113)	(174)	(358)	12	(13)	(5,573)
General and administrative expenses	(505)	(1,000)	(290)	(579)	(1,189)	(838)	(435)	(194)	(192)	(308)	(100)	(28)	(5,658)
Net profit (loss) on sales	629	991	479	(78)	3,802	2,500	1,630	173	361	645	(42)	(107)	10,983
Other operating income	6	6	36	9	45	5	3	-	-	11	(11)	-	110
Other operating expenses	(6)	(21)	(2)	(1)	(18)	(2)	(56)	(3)	(3)	(2)	1	-	(113)
Share of profits of associates	-	-	-	-	-	-	-	-	-	3	-	-	3
Operating profit (loss)	629	976	513	(70)	3,829	2,503	1,577	170	358	657	(52)	(107)	10,983

The above figures have been converted at the average exchange rate for the period from 1 January 2024 to 31 March 2024: EUR 1 = PLN 4.3211

The table below presents the basic financial data from the statement of profit and loss for the period of 3 months ended 31 March 2023, in a breakdown by geographical area:

For the period of 3 months ended 31 March 2023 (restated)	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
in thousands of PLN													
Sales revenues	24,932	52,028	13,990	52,124	112,708	38,946	57,492	8,370	10,790	19,964	(12,671)	1,391	380,064
Cost of sales	(16,918)	(39,421)	(9,715)	(45,302)	(78,042)	(26,301)	(48,198)	(6,598)	(7,441)	(15,174)	14,156	(1,368)	(280,322)
Recognition (reversal) of impairment losses on financial instruments	(167)	(404)	80	(457)	(36)	(193)	(51)	(31)	(1)	(58)	-	-	(1,318)
Gross profit on sales	7,847	12,203	4,355	6,365	34,630	12,452	9,243	1,741	3,348	4,732	1,485	23	98,424
Selling costs	(1,605)	(5,245)	(998)	(3,343)	(5,544)	(4,166)	(965)	(477)	(785)	(1,235)	132	6	(24,225)
General and administrative expenses	(1,947)	(4,105)	(1,285)	(2,718)	(4,377)	(3,471)	(1,725)	(860)	(876)	(1,307)	(1,803)	(59)	(24,533)
Net profit (loss) on sales	4,295	2,853	2,072	304	24,709	4,815	6,553	404	1,687	2,190	(186)	(30)	49,666
Other operating income	103	196	42	27	108	125	50	16	17	47	(6)	(3)	722
Other operating expenses	(116)	(9)	(10)	(17)	(35)	(375)	(1)	(7)	(12)	(15)	5	10	(582)
Share of profits of associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	4,282	3,040	2,104	314	24,782	4,565	6,602	413	1,692	2,222	(187)	(23)	49,806

For the period of 3 months ended 31 March 2023 (restated)	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
in thousands of EUR													
Sales revenues	5,304	11,069	2,976	11,089	23,978	8,286	12,231	1,781	2,296	4,247	(2,696)	296	80,857
Cost of sales	(3,599)	(8,387)	(2,067)	(9,638)	(16,603)	(5,595)	(10,254)	(1,404)	(1,583)	(3,228)	3,012	(291)	(59,637)
Recognition (reversal) of impairment losses on financial instruments	(36)	(86)	17	(97)	(8)	(41)	(11)	(7)	-	(12)	-	-	(281)
Gross profit on sales	1,669	2,596	926	1,354	7,367	2,650	1,966	370	713	1,007	316	5	20,939
Selling costs	(341)	(1,116)	(212)	(711)	(1,180)	(887)	(205)	(101)	(167)	(263)	28	1	(5,154)
General and administrative expenses	(414)	(873)	(273)	(578)	(931)	(739)	(367)	(183)	(186)	(278)	(384)	(13)	(5,219)
Net profit (loss) on sales	914	607	441	65	5,256	1,024	1,394	86	360	466	(40)	(7)	10,566
Other operating income	22	42	9	6	23	27	11	3	3	10	(1)	(1)	154
Other operating expenses	(25)	(2)	(2)	(4)	(7)	(80)	-	(1)	(3)	(3)	1	2	(124)
Share of profits of associates	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	911	647	448	67	5,272	971	1,405	88	360	473	(40)	(6)	10,596

The above figures have been converted at the average exchange rate for the period from 1 January 2023 to 31 March 2023: EUR 1 = PLN 4.7005

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

Non-recurring events which affected the financial performance, financial position and cash flows of ASEE Group in the first quarter of 2024 and in the comparable period included the acquisitions of subsidiary companies as well as other organizational changes in the Group as described in section 'Organization and changes in the structure of Asseco South Eastern Europe Group, including the entities subject to consolidation'.

Due to the existence of hyperinflation in Turkey, the Group has applied IAS 29 and made the inflation-related revaluation of non-monetary assets and liabilities as well as the statements of profit and loss of Turkish operations. The impact of hyperinflation on our financial statements has been described in detail in explanatory note 2.10 to the consolidated financial statements of the Group.

VI. Authorities of Asseco South Eastern Europe S.A.

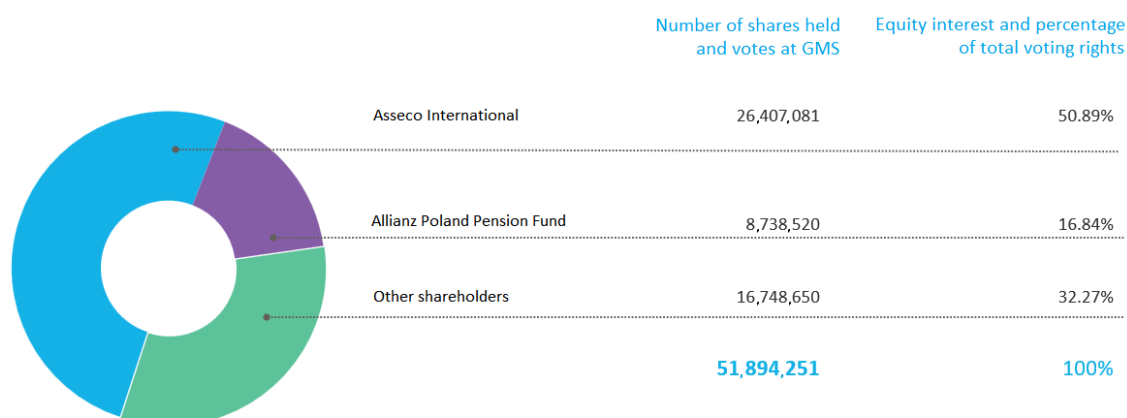
As at the date of publication of this report, this is on 24 April 2024, the Company's Management Board, Supervisory Board and Audit Committee are composed of the following persons:

Supervisory Board	Management Board	Audit Committee
Jozef Klein	Piotr Jeleński	Artur Kucharski
Adam Góral	Miljan Mališ	Adam Pawłowicz
Jacek Duch	Michał Nitka	Jacek Duch
Artur Kucharski	Kostadin Slavkoski	
Adam Pawłowicz		

During the reporting period as well as in the period from 31 March 2024 till the publication of this report, this is till 24 April 2024, the compositions of the Issuer's management and supervisory bodies remained unchanged.

VII. Shareholders structure of Asseco South Eastern Europe S.A.

To the best knowledge of the Company's Management Board, as at the date of publication of this report, this is on 24 April 2024, as well as on 31 March 2024, 27 February 2024 and 31 December 2023, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:



As at 31 March 2024, Asseco International a.s. (our higher-level parent) held 26,407,081 shares representing 50.89% in the share capital of our Company, which carried 26,407,081 votes or 50.89% of total voting rights at the Company's General Meeting of Shareholders. The parent company of Asseco International is Asseco Poland S.A.

Shares held by the management and supervisory personnel

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

	24 April 2024	31 March 2024	27 February 2024	31 December 2023
Piotr Jeleński ¹⁾	1,253,492	1,253,492	1,253,492	1,253,492
Miljan Mališ ²⁾	318,436	318,436	318,436	338,436
Michał Nitka	45,000	45,000	45,000	45,000
Kostadin Slavkoski	44,315	44,315	44,315	44,315

¹⁾ Piotr Jeleński, President of the Management Board of ASEE S.A. holds 6,000 shares through the Piotr Jeleński Family Foundation during setup

²⁾ Miljan Mališ, Member of the Management Board of ASEE S.A. is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A.

Members of the Supervisory Board did not hold any shares in Asseco South Eastern Europe S.A. in any of the above-mentioned periods.

VIII. Other Information

8.1. 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.

8.2. Changes in the organizational structure of the Issuer's Group

Description of the organizational structure of Asseco South Eastern Europe Group and changes thereto is provided in section III of the explanatory notes to the interim condensed consolidated financial statements of the Group.

8.3. Information on significant judicial proceedings

Both as at 31 March 2024 and at the date of publication of this report, neither Asseco South Eastern Europe S.A. nor Asseco South Eastern Europe Group were party to any proceedings pending before any court, arbitration authority or public administration.

8.4. Related party transactions

Transactions with our related parties have been presented in explanatory note 6.17 to the interim condensed consolidated financial statements of Asseco South Eastern Europe Group for the period of 3 months ended 31 March 2024. All transactions with related parties are carried out on an arm's length basis.

8.5. 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 6.11 and 8.1 to the interim condensed consolidated financial statements of Asseco South Eastern Europe Group for the period of 3 months ended 31 March 2024.

8.6. Changes in the Group management policies

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

8.7. Agreements concluded by the Group and Company 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.

8.8. 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.

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

The Management Board of Asseco South Eastern Europe S.A. did not publish any financial forecasts for 2024.

8.10. Information on monitoring of employee stock option plans

On 23 September 2021, Asseco International a.s. and managers of ASEE Group companies signed agreements for the acquisition of shares in ASEE S.A. The whole incentive plan covered 547,550 shares of ASEE S.A. representing 1.06% of the Company's share capital. Members of the Management Board of ASEE S.A. as well as parties related through Members of the Management Board of ASEE S.A. acquired 341,336 shares in total. Moreover, on 22 August 2022, ASEE S.A. signed agreements to sell shares in Payten Holding S.A. to the managers of ASEE Group companies. The whole incentive plan covered 426,571 shares of Payten Holding S.A. representing 0.93% of the company's share capital.

The above-mentioned agreements constitute an equity-settled share-based payment transaction as defined by IFRS 2.

Detailed information on the share-based payment plan has been presented in explanatory note 5.2 to the annual consolidated financial statements of ASEE Group for the period of 12 months ended 31 December 2023 which were published on 27 February 2024.

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

The factors that will affect the Group's financial performance at least till the end of the next quarter have been indicated and explained in chapter 'Summary and analysis of the financial results of ASEE Group', section I. 'Financial results of Asseco South Eastern Europe Group' of this quarterly report.

The factors that may affect the Group's financial performance in 2024 have also been described in the Management Report on Operations of the Group for the year 2023.

In addition to the above-mentioned descriptions, in the next quarter our financial results will be influenced by common factors with impact on the Group's operations (the existing order backlog, efficient implementation of ongoing projects, potential new contracts, the number of transactions processed and applicable fees, etc.). The Group continues to invest in the development of new products.

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

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



Interim Condensed Financial Statements of Asseco South Eastern Europe S.A.

for the period of 3 months ended 31 March 2024

Financial Highlights

Asseco South Eastern Europe S.A.

	3 months ended 31 March 2024 PLN'000	3 months ended 31 March 2023 PLN'000	3 months ended 31 March 2024 EUR'000	3 months ended 31 March 2023 EUR'000
Revenues from holding activities	6,885	19,984	1,593	4,332
Revenues from operating activities	3,075	3,112	712	675
Operating profit	3,524	16,263	816	3,525
Pre-tax profit	3,645	16,540	844	3,585
Net profit for the reporting period	3,885	15,656	899	3,394
Net cash provided by (used in) operating activities	6,825	(39,711)	1,579	(8,608)
Net cash provided by (used in) investing activities	1,457	62,563	337	13,562
Net cash provided by (used in) financing activities	(9,186)	(1,780)	(2,126)	(386)
Cash and cash equivalents at the end of the period (comparable data as at 31 December 2023)	28,457	29,361	6,617	6,753
Basic earnings per ordinary share for the reporting period (in PLN/EUR)	0.07	0.30	0.02	0.07
Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	0.07	0.30	0.02	0.07

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

- Items of the 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 as follows:
 - for the period from 1 January 2024 to 31 March 2024: EUR 1 = PLN 4.3211
 - for the period from 1 January 2023 to 31 March 2023: EUR 1 = PLN 4.7005
- The Company's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 31 March 2024: EUR 1 = PLN 4.3009
 - exchange rate effective on 31 December 2023: EUR 1 = PLN 4.3480

In this report, all figures are presented in thousands of Polish zlotys (PLN), unless stated otherwise.

Interim Condensed Statement of Profit and Loss and Other Comprehensive Income

Asseco South Eastern Europe S.A.

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN'000	PLN'000
Holding activities	6,885	19,984
Dividend income	3,691	15,832
Revenues from sale of services	3,194	4,152
Operating activities	3,075	3,112
Revenues from sale of IT services and software	3,075	3,112
Total sales revenues	9,960	23,096
Cost of sales	(5,199)	(5,841)
Recognition/reversal of allowances for trade receivables	-	-
Gross profit on sales	4,761	17,255
Selling costs	(194)	(277)
General and administrative expenses	(1,043)	(716)
Net profit on sales	3,524	16,262
Other operating income	-	1
Other operating expenses	-	-
Operating profit	3,524	16,263
Financial income	592	931
Financial expenses	(509)	(652)
Recognition/reversal of impairment losses on loans granted and other financial instruments	38	(2)
Pre-tax profit	3,645	16,540
Corporate income tax	240	(884)
Net profit	3,885	15,656
Earnings per share (in PLN):		
basic earnings per share	0.07	0.30
diluted earnings per share	0.07	0.30

COMPREHENSIVE INCOME:	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN'000	PLN'000
Net profit	3,885	15,656
Other comprehensive income:	-	-
TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD	3,885	15,656

Interim Condensed Statement of Financial Position

Asseco South Eastern Europe S.A.

ASSETS	31 March 2024	31 December 2023	31 March 2023
	PLN'000	PLN'000	PLN'000
Non-current assets			
Property, plant and equipment	493	278	278
Intangible assets	4,780	4,922	5,374
<i>of which goodwill from business combinations</i>	<i>4,567</i>	<i>4,567</i>	<i>4,567</i>
Right-of-use assets	313	345	45
Investments in subsidiaries	677,925	677,925	691,414
Deferred tax assets	1,151	361	-
Other receivables	5,712	5,774	7,153
Other financial assets	8,605	8,699	8,782
	698,979	698,304	713,046
Current assets			
Prepayments and accrued income	2,210	3,294	3,198
Trade receivables	3,490	10,702	5,545
Corporate income tax receivable	-	-	-
Receivables from the state and local budgets	-	-	-
Other receivables	13,585	15,691	10,869
Other financial assets	13,159	14,573	6,119
Cash and short-term deposits	28,457	29,361	41,416
	60,901	73,621	67,147
TOTAL ASSETS	759,880	771,925	780,193

Interim Condensed Statement of Financial Position

Asseco South Eastern Europe S.A.

EQUITY AND LIABILITIES	31 March 2024	31 December 2023	31 March 2023
	PLN'000	PLN'000	PLN'000
TOTAL EQUITY			
Share capital	518,943	518,943	518,943
Share premium	38,826	38,826	38,826
Other capitals	3,459	3,402	3,228
Retained earnings	160,190	156,305	166,169
	721,418	717,476	727,166
Non-current liabilities			
Bank loans	23,655	32,610	26,974
Lease liabilities	179	213	-
Other financial liabilities	-	-	76
Deferred tax liabilities	-	-	30
	23,834	32,823	27,080
Current liabilities			
Bank loans	4	18	9,428
Lease liabilities	123	122	56
Other financial liabilities	-	3,856	207
Trade payables	791	1,489	1,397
Contract liabilities	5,570	6,229	6,925
Corporate income tax payable	47	1,262	744
Liabilities to the state and local budgets	781	1,783	1,453
Other liabilities	139	202	191
Accruals	7,173	6,665	5,546
	14,628	21,626	25,947
TOTAL LIABILITIES	38,462	54,449	53,027
TOTAL EQUITY AND LIABILITIES	759,880	771,925	780,193

Interim Condensed Statement of Changes in Equity

Asseco South Eastern Europe S.A.

	Share capital	Share premium	Other capitals	Retained earnings	Total equity
As at 1 January 2024	518,943	38,826	3,402	156,305	717,476
Net profit for the reporting period	-	-	-	3,885	3,885
Total comprehensive income for the reporting period	-	-	-	3,885	3,885
Valuation of share-based payment plan	-	-	57	-	57
As at 31 March 2024	518,943	38,826	3,459	160,190	721,418

As at 1 January 2023	518,943	38,826	3,172	150,513	711,454
Net profit for the reporting period	-	-	-	81,558	81,558
Total comprehensive income for the reporting period	-	-	-	81,558	81,558
Dividend	-	-	-	(75,766)	(75,766)
Valuation of share-based payment plan	-	-	230	-	230
As at 31 December 2023	518,943	38,826	3,402	156,305	717,476

As at 1 January 2023	518,943	38,826	3,172	150,513	711,454
Net profit for the reporting period	-	-	-	15,656	15,656
Total comprehensive income for the reporting period	-	-	-	15,656	15,656
Valuation of share-based payment plan	-	-	56	-	56
As at 31 March 2023	518,943	38,826	3,228	166,169	727,166

Interim Condensed Statement of Cash Flows

Asseco South Eastern Europe S.A.

	3 months ended 31 March 2024	3 months ended 31 March 2023
	PLN'000	PLN'000
Cash flows – operating activities		
Pre-tax profit	3,645	16,540
Total adjustments:	2,964	(13,821)
Depreciation and amortization	217	228
Changes in working capital	6,710	2,161
Interest income/expenses	(33)	(272)
Gain/loss on foreign exchange differences	(219)	(158)
Gain/loss on investing activities	(3,768)	(15,830)
Valuation of share-based payment plan	57	56
Other	-	(6)
Selected operating cash flows	1,647	(42,430)
Sale of shares in subsidiaries	158	-
Acquisition of shares in related entities	(3,856)	(61,254)
Dividends received	5,345	18,824
Cash generated from operating activities	8,256	(39,711)
Corporate income tax (paid) recovered	(1,431)	-
Net cash provided by (used in) operating activities	6,825	(39,711)
Cash flows – investing activities		
Inflows:	2,600	62,580
Disposal of property, plant and equipment, and intangible assets	-	1
Loans collected	2,197	61,434
Interest received	403	1,145
Outflows:	(1,143)	(17)
Acquisition of property, plant and equipment, and intangible assets	(259)	(17)
Loans granted	(884)	-
Net cash provided by (used in) investing activities	1,457	62,563
Cash flows – financing activities		
Inflows:	-	-
Outflows:	(9,186)	(1,780)
Repayments of bank loans	(8,739)	(1,687)
Payments of lease liabilities	(33)	(34)
Interest paid	(414)	(59)
Net cash provided by (used in) financing activities	(9,186)	(1,780)
Net change in cash and cash equivalents	(904)	21,072
Cash and cash equivalents as at 1 January	29,361	20,344
Cash and cash equivalents as at 31 March	28,457	41,416

This quarterly report has been approved for publication by the Management Board of Asseco South Eastern Europe S.A. on 24 April 2024.

Management Board:

Piotr Jeleński	President of the Management Board
Miljan Mališ	Member of the Management Board
Michał Nitka	Member of the Management Board
Kostadin Slavkoski	Member of the Management Board

Technology for business, solutions for people.

[Asseco South Eastern Europe S.A.](#)

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