



# Quarterly Report of Asseco South Eastern Europe Group

for the period of 3 months ended 31 March 2023



Present in  
**23 countries**



**PLN 380.1 million**  
in sales revenues



**3,933**  
highly committed  
employees



**PLN 45.5 million**  
of net profit  
for Shareholders  
of the Parent Company

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# Financial Highlights

## Asseco South Eastern Europe Group

	3 months ended 31 March 2023 PLN'000	3 months ended 31 March 2022 PLN'000	3 months ended 31 March 2023 EUR'000	3 months ended 31 March 2022 EUR'000
Sales revenues	380,064	311,665	80,857	67,065
Operating profit	50,220	45,924	10,684	9,882
Pre-tax profit	57,813	49,387	12,299	10,627
<b>Net profit for the reporting period</b>	<b>47,201</b>	<b>39,717</b>	<b>10,042</b>	<b>8,546</b>
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>45,513</b>	<b>38,448</b>	<b>9,683</b>	<b>8,273</b>
Net cash provided by (used in) operating activities	43,615	32,368	9,279	6,965
Net cash provided by (used in) investing activities	(16,372)	(13,509)	(3,483)	(2,907)
Net cash provided by (used in) financing activities	(10,380)	665	(2,208)	143
<b>Cash and cash equivalents at the end of the period (comparable data as at 31 December 2022)</b>	<b>306,031</b>	<b>298,034</b>	<b>65,454</b>	<b>63,548</b>
Basic earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	0.88	0.74	0.19	0.16
Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	0.88	0.74	0.19	0.16

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 2023 to 31 March 2023: EUR 1 = PLN 4.7005
  - for the period from 1 January 2022 to 31 March 2022: EUR 1 = PLN 4.6472
- The Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
  - exchange rate effective on 31 March 2023: EUR 1 = PLN 4.6755
  - exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899

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 2023	3 months ended 31 March 2022 (restated)
	Note	PLN'000	PLN'000
Operating revenues	<u>5.1</u>	380,064	311,665
Cost of sales	<u>5.2</u>	(279,908)	(227,059)
Allowances for trade receivables	<u>5.2</u>	(1,318)	(815)
<b>Gross profit on sales</b>		<b>98,838</b>	<b>83,791</b>
Selling costs	<u>5.2</u>	(24,225)	(19,355)
General and administrative expenses	<u>5.2</u>	(24,533)	(18,554)
<b>Net profit on sales</b>		<b>50,080</b>	<b>45,882</b>
Other operating income	<u>5.3</u>	722	375
Other operating expenses	<u>5.3</u>	(582)	(333)
Share of profits of associates and joint ventures		-	-
<b>Operating profit</b>		<b>50,220</b>	<b>45,924</b>
Financial income	<u>5.4</u>	12,169	6,269
Financial expenses	<u>5.4</u>	(4,570)	(2,806)
Impairment loss on financial instruments		(6)	-
<b>Pre-tax profit</b>		<b>57,813</b>	<b>49,387</b>
Corporate income tax ( <i>current and deferred tax expense</i> )	<u>5.5</u>	(10,612)	(9,670)
<b>Net profit for the reporting period</b>		<b>47,201</b>	<b>39,717</b>
<i>Attributable to:</i>			
<b>Shareholders of the Parent Company</b>		<b>45,513</b>	<b>38,448</b>
Non-controlling interests		1,688	1,269
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	<u>5.6</u>	0.88	0.74
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Net profit for the reporting period</b>		<b>47,201</b>	<b>39,717</b>
<b>Components that may be reclassified to profit or loss</b>		<b>(7,584)</b>	<b>4,849</b>
Net gain/loss on valuation of financial assets		2	(4)
Exchange differences on translation of foreign operations		(7,586)	4,853
<b>Components that will not be reclassified to profit or loss</b>		-	-
Actuarial gains/losses		-	-
<b>Total other comprehensive income</b>		<b>(7,584)</b>	<b>4,849</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>		<b>39,617</b>	<b>44,566</b>
<b>Shareholders of the Parent Company</b>		<b>37,947</b>	<b>42,965</b>
Non-controlling interests		1,670	1,601

# Interim Condensed Consolidated Statement of Financial Position

## Asseco South Eastern Europe Group

ASSETS	Note	31 March 2023	31 December 2022	31 March 2022
		PLN'000	PLN'000	(restated) PLN'000
<b>Non-current assets</b>				
Property, plant and equipment	<u>6.1</u>	138,883	135,969	127,556
Intangible assets	<u>6.2</u>	50,199	51,807	64,761
Right-of-use assets	<u>6.3</u>	43,189	43,131	49,709
Investment property		540	550	571
Goodwill	<u>6.4</u>	804,996	801,626	685,843
Investments accounted for using the equity method		169	170	-
Other receivables	<u>6.7</u>	7,866	7,886	686
Deferred tax assets		12,785	11,417	9,673
Other financial assets	<u>6.5</u>	2,401	2,424	1,306
Prepayments and accrued income	<u>6.6</u>	1,856	1,454	2,834
		<b>1,062,884</b>	<b>1,056,434</b>	<b>942,939</b>
<b>Current assets</b>				
Inventories	<u>6.8</u>	74,105	57,045	46,287
Prepayments and accrued income	<u>6.6</u>	54,744	48,008	39,458
Trade receivables	<u>6.7</u>	207,028	290,358	171,755
Contract assets	<u>6.7</u>	113,102	78,739	70,934
Corporate income tax receivable	<u>6.7</u>	1,365	2,433	1,896
Receivables from the state and local budgets	<u>6.7</u>	5,358	3,806	4,814
Other receivables	<u>6.7</u>	26,180	23,822	10,819
Other non-financial assets		12,147	9,936	3,842
Other financial assets	<u>6.5</u>	385	319	203
Cash and bank deposits	<u>6.9</u>	306,031	298,034	248,669
		<b>800,445</b>	<b>812,500</b>	<b>598,677</b>
<b>TOTAL ASSETS</b>		<b>1,863,329</b>	<b>1,868,934</b>	<b>1,541,616</b>

# Interim Condensed Consolidated Statement of Financial Position

## Asseco South Eastern Europe Group

EQUITY AND LIABILITIES	Note	31 March 2023	31 December 2022	31 March 2022
		PLN'000	PLN'000	(restated) PLN'000
		<b>Equity (attributable to shareholders of the Parent Company)</b>		
Share capital		518,943	518,943	518,943
Share premium		38,826	38,826	38,826
Transactions with non-controlling interests		(34,315)	(35,692)	(18,642)
Other capitals		83	(77)	(442)
Exchange differences on translation of foreign operations		(85,865)	(78,297)	(111,608)
Retained earnings		712,412	666,899	583,514
		<b>1,150,084</b>	<b>1,110,602</b>	<b>1,010,591</b>
<b>Non-controlling interests</b>		<b>8,384</b>	<b>8,515</b>	<b>3,791</b>
<b>Total equity</b>		<b>1,158,468</b>	<b>1,119,117</b>	<b>1,014,382</b>
<b>Non-current liabilities</b>				
Bank loans and borrowings	<u>6.11</u>	41,102	48,635	48,311
Lease liabilities	<u>6.10</u>	26,656	25,700	31,939
Other financial liabilities	<u>6.12</u>	91,990	91,566	55,928
Deferred tax liabilities		6,488	6,485	8,107
Provisions	<u>6.15</u>	3,554	3,886	2,328
Contract liabilities	<u>6.14</u>	7,668	8,455	5,407
Other liabilities	<u>6.13</u>	62	74	1,525
		<b>177,520</b>	<b>184,801</b>	<b>153,545</b>
<b>Current liabilities</b>				
Bank loans and borrowings	<u>6.11</u>	63,946	66,455	43,767
Lease liabilities	<u>6.10</u>	18,501	19,418	20,640
Other financial liabilities	<u>6.12</u>	60,839	62,071	42,492
Trade payables	<u>6.13</u>	123,497	123,980	81,142
Contract liabilities	<u>6.14</u>	143,014	148,360	94,423
Corporate income tax payable	<u>6.13</u>	12,521	9,081	9,557
Liabilities to the state and local budgets	<u>6.13</u>	24,120	46,357	24,123
Other liabilities	<u>6.13</u>	35,268	48,894	24,950
Provisions	<u>6.15</u>	4,263	5,289	5,043
Deferred income		2,794	2,570	1,637
Accruals	<u>6.16</u>	38,578	32,541	25,915
		<b>527,341</b>	<b>565,016</b>	<b>373,689</b>
<b>TOTAL LIABILITIES</b>		<b>704,861</b>	<b>749,817</b>	<b>527,234</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,863,329</b>	<b>1,868,934</b>	<b>1,541,616</b>

## Interim Condensed Consolidated Statement of Changes in Equity Asseco South Eastern Europe Group

	Share capital PLN'000	Share premium PLN'000	Transactions with non-controlling interests PLN'000	Other capitals PLN'000	Exchange differences on translation of foreign operations PLN'000	Retained earnings and current net profit PLN'000	Equity attributable to shareholders of the Parent Company PLN'000	Non-controlling interests PLN'000	Total equity PLN'000
<b>As at 1 January 2023</b>	<b>518,943</b>	<b>38,826</b>	<b>(35,692)</b>	<b>(77)</b>	<b>(78,297)</b>	<b>666,899</b>	<b>1,110,602</b>	<b>8,515</b>	<b>1,119,117</b>
Net profit for the reporting period	-	-	-	-	-	45,513	45,513	1,688	47,201
Other comprehensive income for the reporting period	-	-	-	2	(7,568)	-	(7,566)	(18)	(7,584)
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(7,568)</b>	<b>45,513</b>	<b>37,947</b>	<b>1,670</b>	<b>39,617</b>
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)
<b>As at 31 March 2023</b>	<b>518,943</b>	<b>38,826</b>	<b>(34,315)</b>	<b>83</b>	<b>(85,865)</b>	<b>712,412</b>	<b>1,150,084</b>	<b>8,384</b>	<b>1,158,468</b>

# 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
<b>As at 1 January 2022</b>	<b>518,943</b>	<b>38,826</b>	<b>(19,887)</b>	<b>(500)</b>	<b>(116,129)</b>	<b>545,066</b>	<b>966,319</b>	<b>4,157</b>	<b>970,476</b>
Net profit for the reporting period	-	-	-	-	-	188,258	188,258	7,728	195,986
Other comprehensive income for the reporting period	-	-	-	5	37,832	-	37,837	372	38,209
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>37,832</b>	<b>188,258</b>	<b>226,095</b>	<b>8,100</b>	<b>234,195</b>
Share-based payment transactions with employees	-	-	-	418	-	-	418	-	418
Obtaining control over subsidiaries	-	-	-	-	-	-	-	4	4
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))	-	-	(15,805)	-	-	-	(15,805)	51	(15,754)
Dividend	<u>5.7</u>	-	-	-	-	-	(66,425)	(66,425)	(3,797)
<b>As at 31 December 2022</b>	<b>518,943</b>	<b>38,826</b>	<b>(35,692)</b>	<b>(77)</b>	<b>(78,297)</b>	<b>666,899</b>	<b>1,110,602</b>	<b>8,515</b>	<b>1,119,117</b>

## Interim Condensed Consolidated Statement of Changes in Equity Asseco South Eastern Europe Group

	Share capital PLN'000	Share premium PLN'000	Transactions with non-controlling interests PLN'000	Other capitals PLN'000	Exchange differences on translation of foreign operations PLN'000	Retained earnings and current net profit PLN'000	Equity attributable to shareholders of the Parent Company PLN'000	Non-controlling interests PLN'000	Total equity PLN'000
<b>As at 1 January 2022</b>	<b>518,943</b>	<b>38,826</b>	<b>(19,887)</b>	<b>(500)</b>	<b>(116,129)</b>	<b>545,066</b>	<b>966,319</b>	<b>4,157</b>	<b>970,476</b>
Net profit for the reporting period	-	-	-	-	-	38,448	<b>38,448</b>	1,269	<b>39,717</b>
Other comprehensive income for the reporting period	-	-	-	(4)	4,521	-	<b>4,517</b>	332	<b>4,849</b>
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4)</b>	<b>4,521</b>	<b>38,448</b>	<b>42,965</b>	<b>1,601</b>	<b>44,566</b>
Share-based payment transactions with employees	-	-	-	62	-	-	<b>62</b>	-	<b>62</b>
Obtaining control over subsidiaries	-	-	-	-	-	-	-	4	<b>4</b>
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))	-	-	1,245	-	-	-	<b>1,245</b>	(1,568)	<b>(323)</b>
Dividend	-	-	-	-	-	-	-	-	<b>(403)</b>
<b>As at 31 December 2022 (restated)</b>	<b>518,943</b>	<b>38,826</b>	<b>(18,642)</b>	<b>(442)</b>	<b>(111,608)</b>	<b>583,514</b>	<b>1,010,591</b>	<b>3,791</b>	<b>1,014,382</b>

# Interim Condensed Consolidated Statement of Cash Flows

## Asseco South Eastern Europe Group

	Note	3 months ended 31 March 2023	3 months ended 31 March 2022 (restated) PLN'000
<b>Cash flows – operating activities</b>			
Pre-tax profit		<b>57,813</b>	<b>49,387</b>
<b>Total adjustments:</b>		<b>(7,035)</b>	<b>(7,566)</b>
Depreciation and amortization	5.2	22,539	22,239
Changes in working capital	7.1	(22,008)	(30,139)
Interest income/expenses		1,168	1,339
Gain/loss on foreign exchange differences		282	(1,204)
Gain/loss on financial assets		(24)	-
Other financial income/expenses		821	139
Gain/loss on sale, disposal and impairment of property, plant and equipment, and intangible assets		(49)	(2)
Costs of share-based payment transactions with employees		158	62
Impact of hyperinflation	2.9	(9,889)	-
Other adjustments to pre-tax profit		(33)	-
<b>Cash provided by (used in) operating activities</b>		<b>50,778</b>	<b>41,821</b>
Corporate income tax paid		(7,163)	(9,453)
<b>Net cash provided by (used in) operating activities</b>		<b>43,615</b>	<b>32,368</b>
<b>Cash flows – investing activities</b>			
<i>Inflows</i>			
Disposal of property, plant and equipment, intangible assets, and investment property		161	134
Loans collected		76	18
Interest received		-	1
Dividends received		1	-
<i>Outflows</i>			
Acquisition of property, plant and equipment, intangible assets (including R&D expenditures), and investment property	7.2	(15,536)	(11,786)
Expenditures for acquisition of subsidiaries and associates, net of cash and cash equivalents in companies acquired	7.2	(914)	(1,839)
Acquisition/settlement of financial assets carried at fair value through profit or loss		-	(24)
Loans granted		(160)	(13)
<b>Net cash provided by (used in) investing activities</b>		<b>(16,372)</b>	<b>(13,509)</b>
<b>Cash flows – financing activities</b>			
<i>Inflows</i>			
Proceeds from issuance of shares		-	4
Proceeds from bank loans and borrowings		4,795	13,790
Received grants related to assets and/or development projects		233	-
<i>Outflows</i>			
Repayments of bank loans and borrowings	7.3	(8,413)	(6,411)
Payments of lease liabilities	7.3	(5,683)	(5,401)
Interest paid	7.3	(738)	(914)
Acquisition of non-controlling interests		(339)	-
Dividends paid out to non-controlling shareholders	7.3	(235)	(403)
<b>Net cash provided by (used in) financing activities</b>		<b>(10,380)</b>	<b>665</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>16,863</b>	<b>19,524</b>
Net foreign exchange differences		(2,257)	62
Net cash and cash equivalents as at 1 January		264,764	204,629
<b>Net cash and cash equivalents as at 31 March</b>	6.9	<b>279,370</b>	<b>224,215</b>

# 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

<b>Name</b>	Asseco South Eastern Europe S.A.
<b>Registered seat</b>	Rzeszów, 14 Olchowa St.
<b>National Court Register number</b>	0000284571
<b>Statistical ID number (REGON)</b>	180248803
<b>Tax Identification Number (NIP)</b>	813-351-36-07
<b>Core business</b>	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.

These interim condensed consolidated financial statements cover the interim period ended 31 March 2023 and contain comparable data for the interim period ended 31 March 2022 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 2022 and 31 March 2022 in case of the statement of financial position.

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## 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 2022 which were published on 22 February 2023.

The scope of these interim condensed consolidated financial statements, being a part of the quarterly report, is in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information to be published by issuers of securities and conditions for recognizing as equivalent the information required by laws of non-EU member states (consolidated text: Journal of Laws of 2018, item 757) (the "Regulation"), and covers the reporting period from 1 January to 31 March 2023 and the comparable period from 1 January to 31 March 2022 in case of the statement of profit and loss and the statement of cash flows, as well as the financial position data as at 31 March 2023 and the comparable data as at 31 December 2022 and 31 March 2022 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.

### Economic and political situation on the territory of Ukraine

On 24 February 2022, the Russian invasion of Ukraine caused a radical change in the geopolitical situation of the entire region in which the Parent Company and other companies of our Group are located.

ASEE Group does not conduct any significant business operations in Russia, Belarus or in Ukraine. In the first quarter of 2023, the Group's total sales to the above-mentioned countries represented just 0.01% of our total revenues, as compared to 0.1% in the whole year 2022. The Group does not hold any cash at bank accounts in Russia. This situation has no significant direct impact on these consolidated financial statements.

The Group continues to analyze geopolitical developments and their impact on the Group's financial position and financial performance in the future.

At the moment the situation is dynamic and therefore it is difficult to assess the long-term economic effects for our region and impact on the overall macroeconomic situation, which indirectly affects the Group's financial results.

### Hyperinflation

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 Smarttek, 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 2.9. to these interim condensed consolidated financial statements.

## 2.2. 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.

## 2.3. 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'.

## 2.4. 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 2023, our approach to making estimates was not subject to any substantial modification in relation to the previous year.

## 2.5. 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 2022 which were published on 22 February 2023.

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 2022.

## 2.6. 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:

- Amendments to IFRS 16 'Leases – Lease Liability in a Sale and Leaseback' (issued on 22 September 2022) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 1 'Presentation of Financial Statements – Classification of Liabilities as Current or Non-current' – deferral of effective date (issued on 23 January 2020 and 15 July 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 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.

## 2.7. Changes in the presentation methods and in the comparable data

The Group has changed the comparable data disclosed as at 31 March 2022 and for the period of 3 months ended 31 March 2022 due to changes in the values of assets acquired that were recognized in the purchase price allocation of our subsidiary companies ContentSpeed, Web Studio, and BS Telecom.

Detailed information on the accounting for acquisition of ContentSpeed, Web Studio and BS Telecom has been presented in explanatory note 6.4. to the Group's consolidated financial statements for the year 2022 as the purchase price allocation process was completed in 2022.

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

STATEMENT OF PROFIT AND LOSS	3 months ended 31 March 2022	Purchase price allocation of subsidiaries	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000	PLN'000
Operating revenues	311,175	490	311,665
Cost of sales	(225,774)	(1,285)	(227,059)
Allowances for trade receivables	(815)	-	(815)
<b>Gross profit on sales</b>	<b>84,586</b>	<b>(795)</b>	<b>83,791</b>
Selling costs	(19,355)	-	(19,355)
General and administrative expenses	(18,554)	-	(18,554)
<b>Net profit on sales</b>	<b>46,677</b>	<b>(795)</b>	<b>45,882</b>
Other operating income	375	-	375
Other operating expenses	(333)	-	(333)
<b>Operating profit</b>	<b>46,719</b>	<b>(795)</b>	<b>45,924</b>
Financial income	6,269	-	6,269
Financial expenses	(2,806)	-	(2,806)
<b>Pre-tax profit</b>	<b>50,182</b>	<b>(795)</b>	<b>49,387</b>
Corporate income tax (current and deferred tax expense)	(9,793)	123	(9,670)
<b>Net profit for the reporting period</b>	<b>40,389</b>	<b>(672)</b>	<b>39,717</b>
<i>Attributable to:</i>			
<b>Shareholders of the Parent Company</b>	<b>39,120</b>	<b>(672)</b>	<b>38,448</b>
Non-controlling interests	1,269	-	1,269
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	0.75	-	0.74
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Net profit for the reporting period</b>	<b>40,389</b>	<b>(672)</b>	<b>39,717</b>
<i>Components that may be reclassified to profit or loss</i>	<b>4,862</b>	<b>(13)</b>	<b>4,849</b>
Net gain/loss on valuation of financial assets	(4)	-	(4)
Exchange differences on translation of foreign operations	4,866	(13)	4,853
<i>Components that will not be reclassified to profit or loss</i>	-	-	-

Actuarial gains/losses	-	-	-
<b>Total other comprehensive income</b>	<b>4,862</b>	<b>(13)</b>	<b>4,849</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>	<b>45,251</b>	<b>(685)</b>	<b>44,566</b>
Shareholders of the Parent Company	43,650	(685)	42,965
Non-controlling interests	1,601	-	1,601

ASSETS	31 March 2022	Purchase price allocation of subsidiaries	31 March 2022 (restated)
	PLN'000		PLN'000
<b>Non-current assets</b>			
Property, plant and equipment	127,766	(210)	127,556
Intangible assets	41,046	23,715	64,761
Right-of-use assets	49,499	210	49,709
Investment property	571	-	571
Goodwill	707,274	(21,431)	685,843
Other receivables	686	-	686
Deferred tax assets	9,613	60	9,673
Other financial assets	1,306	-	1,306
Prepayments and accrued income	2,834	-	2,834
	<b>940,595</b>	<b>2,344</b>	<b>942,939</b>
<b>Current assets</b>			
Inventories	46,287	-	46,287
Prepayments and accrued income	39,458	-	39,458
Trade receivables	171,755	-	171,755
Contract assets	70,893	41	70,934
Corporate income tax receivable	1,896	-	1,896
Receivables from the state and local budgets	4,814	-	4,814
Other receivables	10,819	-	10,819
Other non-financial assets	3,842	-	3,842
Other financial assets	203	-	203
Cash and bank deposits	248,669	-	248,669
	<b>598,636</b>	<b>41</b>	<b>598,677</b>
<b>TOTAL ASSETS</b>	<b>1,539,231</b>	<b>2,385</b>	<b>1,541,616</b>

EQUITY AND LIABILITIES	31 March 2022	Purchase price allocation of subsidiaries	31 March 2022 (restated)
	PLN'000		PLN'000
<b>Equity</b>			
<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	(18,642)	-	(18,642)
Other capitals	(442)	-	(442)
Exchange differences on translation of foreign operations	(111,573)	(35)	(111,608)
Retained earnings	584,882	(1,368)	583,514
	<b>1,011,994</b>	<b>(1,403)</b>	<b>1,010,591</b>
<b>Non-controlling interests</b>	<b>3,791</b>	-	<b>3,791</b>
<b>Total equity</b>	<b>1,015,785</b>	<b>(1,403)</b>	<b>1,014,382</b>
<b>Non-current liabilities</b>			
Bank loans and borrowings	48,311	-	48,311
Lease liabilities	31,939	-	31,939
Other financial liabilities	55,928	-	55,928
Deferred tax liabilities	4,962	3,145	8,107
Provisions	2,328	-	2,328
Contract liabilities	5,407	-	5,407
Other liabilities	1,525	-	1,525
	<b>150,400</b>	<b>3,145</b>	<b>153,545</b>
<b>Current liabilities</b>			
Bank loans and borrowings	43,767	-	43,767
Lease liabilities	20,640	-	20,640
Other financial liabilities	42,492	-	42,492
Trade payables	81,142	-	81,142
Contract liabilities	95,417	(994)	94,423

Corporate income tax payable	9,557	-	9,557
Liabilities to the state and local budgets	24,123	-	24,123
Other liabilities	24,950	-	24,950
Provisions	5,043	-	5,043
Deferred income	-	1,637	1,637
Accruals	25,915	-	25,915
	<b>373,046</b>	<b>643</b>	<b>373,689</b>
<b>TOTAL LIABILITIES</b>	<b>523,446</b>	<b>3,788</b>	<b>527,234</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,539,231</b>	<b>2,385</b>	<b>1,541,616</b>

3 months ended 31 March 2022	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
<b>Operating revenues</b>	<b>60,856</b>	<b>158,171</b>	<b>103,719</b>	-	-	<b>490</b>	<b>60,856</b>	<b>158,171</b>	<b>104,209</b>
Sales to external customers	56,553	151,625	102,997	-	-	490	56,553	151,625	103,487
Sales between and/or within segments	4,303	6,546	722	-	-	-	4,303	6,546	722
<b>Gross profit on sales</b>	<b>20,886</b>	<b>43,323</b>	<b>20,377</b>	-	<b>(646)</b>	<b>(149)</b>	<b>20,886</b>	<b>42,677</b>	<b>20,228</b>
Selling costs	(3,467)	(9,326)	(6,562)	-	-	-	(3,467)	(9,326)	(6,562)
General and administrative expenses	(4,762)	(8,732)	(5,060)	-	-	-	(4,762)	(8,732)	(5,060)
<b>Net profit on sales</b>	<b>12,657</b>	<b>25,265</b>	<b>8,755</b>	-	<b>(646)</b>	<b>(149)</b>	<b>12,657</b>	<b>24,619</b>	<b>8,606</b>
Other operating activities	(11)	(36)	89	-	-	-	(11)	(36)	89
Share of profits of associates	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>12,646</b>	<b>25,229</b>	<b>8,844</b>	-	<b>(646)</b>	<b>(149)</b>	<b>12,646</b>	<b>24,583</b>	<b>8,695</b>

## 2.8. Correction of errors

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

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

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

In line with IAS 29, the financial data of our Turkish subsidiaries have been restated to reflect the purchasing power at the end of the reporting period. Accordingly, non-monetary items in the statement of financial position as well as the statement of profit and loss should be 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. the 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 2023; whereas, all transactions conducted in Turkey in the previous year were converted into PLN using the exchange rate of 31 December 2022, although the Group usually translates transactions in the statement of profit and loss at the average exchange rate for the given reporting period.

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

#### **Basis of restatements due to hyperinflation**

- Price index:

Hyperinflation restatements of the financial data of our subsidiaries operating in Turkey have been based on officially available data on changes in the consumer price index (CPI) as published by the Turkish Statistical Institute. According to this index, the inflation rate for the period of 12 months ended 31 March 2023 reached 51%.

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

Inflation rate for particular periods	
March 2023 – December 2022	13%
March 2023 – March 2022	51%
December 2022 – December 2021	64%
December 2021 – December 2020	36%

Three-year cumulative inflation rate	
March 2023 – March 2020	182%
December 2022 – December 2019	156%

- Currency exchange rate:

All financial data of our subsidiary operations in Turkey, both in the 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 2023, this exchange rate was: TRY 1 = PLN 0.2239.

#### **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 2022 have been recognized in the financial data for the year 2022. Whereas, effects of changes in the price index since 1 January till 31 March 2023 have been recognized in the 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 2023 have been restated to reflect changes in the price index from the month when recognized till 31 March, except for depreciation charges on property, plant and equipment and amortization charges on intangible assets that have been remeasured based on the adjusted gross value of these assets, 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 2023.
- 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 2023, this exchange rate was: TRY 1 = PLN 0.2239. Translation of the statement of financial position has remained unchanged compared to the Group's usual practice, while the new principle of translating the statement of profit and loss has had 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 have been made in the interim consolidated financial statements for the period of 6 months ended 30 June 2022.
  - Because the three-year cumulative inflation rate exceeded 100% in April 2022, the already published data for the first quarter of 2022 have not been changed.

The impact of adopting IAS 29 on the consolidated financial statements for 2023 is summarized below:

STATEMENT OF PROFIT AND LOSS	3 months ended		3 months ended 31 March 2023 according to IAS/IFRS
	31 March 2023 without impact of IAS 29	Impact of hyperinflation	
		PLN'000	
Operating revenues	378,673	1,391	380,064
Cost of sales	(278,540)	(1,368)	(279,908)
Allowances for trade receivables	(1,318)	-	(1,318)
<b>Gross profit on sales</b>	<b>98,815</b>	<b>23</b>	<b>98,838</b>
Selling costs	(24,231)	6	(24,225)
General and administrative expenses	(24,474)	(59)	(24,533)
<b>Net profit on sales</b>	<b>50,110</b>	<b>(30)</b>	<b>50,080</b>
Other operating income	725	(3)	722
Other operating expenses	(592)	10	(582)

Share of profits of associates	-	-	-
<b>Operating profit</b>	<b>50,243</b>	<b>(23)</b>	<b>50,220</b>
Financial income	2,629	9,540	12,169
Financial expenses	(4,581)	11	(4,570)
Impairment loss on financial instruments	(6)	-	(6)
<b>Pre-tax profit</b>	<b>48,285</b>	<b>9,528</b>	<b>57,813</b>
Corporate income tax (current and deferred tax expense)	(10,557)	(55)	(10,612)
<b>Net profit for the reporting period</b>	<b>37,728</b>	<b>9,473</b>	<b>47,201</b>
<i>Attributable to:</i>			
<b>Shareholders of the Parent Company</b>	<b>36,040</b>	<b>9,473</b>	<b>45,513</b>
Non-controlling interests	1,688	-	1,688

<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Net profit for the reporting period</b>	<b>37,728</b>	<b>9,473</b>	<b>47,201</b>
<b>Components that may be reclassified to profit or loss</b>	<b>(4,897)</b>	<b>(2,687)</b>	<b>(7,584)</b>
Net gain/loss on valuation of financial assets	2	-	2
Exchange differences on translation of foreign operations	(4,899)	(2,687)	(7,586)
<b>Total other comprehensive income</b>	<b>(4,897)</b>	<b>(2,687)</b>	<b>(7,584)</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>	<b>32,831</b>	<b>6,786</b>	<b>39,617</b>
<b>Shareholders of the Parent Company</b>	<b>31,161</b>	<b>6,786</b>	<b>37,947</b>
Non-controlling interests	1,670	-	1,670

ASSETS	31 March 2023 without impact of IAS 29	Impact of hyperinflation	31 March 2023 according to IAS/IFRS
	PLN'000	PLN'000	PLN'000
<b>Non-current assets</b>			
Property, plant and equipment	136,453	2,430	138,883
Intangible assets	49,705	494	50,199
Right-of-use assets	43,189	-	43,189
Investment property	540	-	540
Goodwill	740,449	64,547	804,996
Investments accounted for using the equity method	169	-	169
Other receivables	7,866	-	7,866
Deferred tax assets	11,692	1,093	12,785
Other financial assets	2,401	-	2,401
Prepayments and accrued income	1,715	141	1,856
	<b>994,179</b>	<b>68,705</b>	<b>1,062,884</b>
<b>Current assets</b>			
Inventories	74,105	-	74,105
Prepayments and accrued income	51,134	3,610	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
	<b>796,835</b>	<b>3,610</b>	<b>800,445</b>
<b>TOTAL ASSETS</b>	<b>1,791,014</b>	<b>72,315</b>	<b>1,863,329</b>

EQUITY AND LIABILITIES	31 March 2023 without impact of IAS 29	Impact of hyperinflation	31 March 2023 according to IAS/IFRS
	PLN'000	PLN'000	PLN'000
<b>Equity</b>			
<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	(117,399)	31,534	(85,865)

Retained earnings	678,038	34,374	712,412
	<b>1,084,176</b>	<b>65,908</b>	<b>1,150,084</b>
<b>Non-controlling interests</b>	<b>8,384</b>	-	<b>8,384</b>
<b>Total equity</b>	<b>1,092,560</b>	<b>65,908</b>	<b>1,158,468</b>
<b>Non-current liabilities</b>			
Bank loans and borrowings	41,102	-	41,102
Lease liabilities	26,656	-	26,656
Other financial liabilities	91,990	-	91,990
Deferred tax liabilities	5,031	1,457	6,488
Provisions	3,554	-	3,554
Contract liabilities	7,094	574	7,668
Other liabilities	62	-	62
	<b>175,489</b>	<b>2,031</b>	<b>177,520</b>
<b>Current liabilities</b>			
Bank loans and borrowings	63,946	-	63,946
Lease liabilities	18,501	-	18,501
Other financial liabilities	60,839	-	60,839
Trade payables	123,786	(289)	123,497
Contract liabilities	138,349	4,665	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
	<b>522,965</b>	<b>4,376</b>	<b>527,341</b>
<b>TOTAL LIABILITIES</b>	<b>698,454</b>	<b>6,407</b>	<b>704,861</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,791,014</b>	<b>72,315</b>	<b>1,863,329</b>

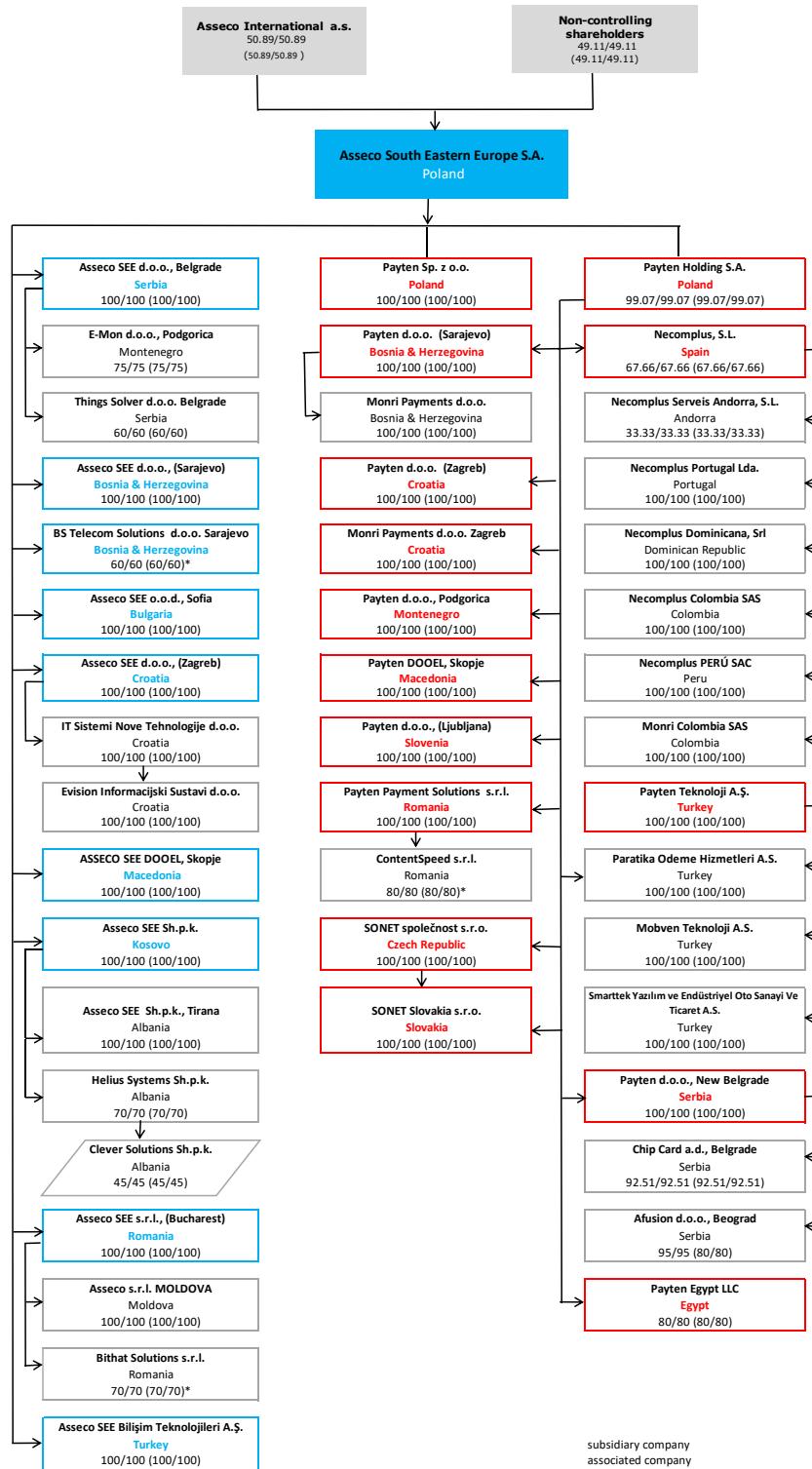
As described in section IV. Information on operating segments, the Management analyzes the operations of individual segments and their financial performance without the impact of hyperinflation revaluations. Therefore, in the explanatory note on operating segments, the impact of hyperinflation has been 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 2023	Banking Solutions		Payment Solutions		Dedicated Solutions	
	without impact of IAS 29 PLN'000	according to IAS/IFRS PLN'000	without impact of IAS 29 PLN'000	according to IAS/IFRS PLN'000	without impact of IAS 29 PLN'000	according to IAS/IFRS PLN'000
<b>Sales to external customers</b>	<b>75,695</b>	<b>75,720</b>	<b>179,278</b>	<b>179,217</b>	<b>136,371</b>	<b>137,798</b>
<b>Gross profit on sales</b>	<b>29,658</b>	<b>29,676</b>	<b>45,362</b>	<b>44,922</b>	<b>23,795</b>	<b>24,240</b>
Selling costs	(4,185)	(4,186)	(11,709)	(11,714)	(8,337)	(8,325)
General and administrative expenses	(8,059)	(8,062)	(10,264)	(10,324)	(6,151)	(6,147)
<b>Net profit on sales</b>	<b>17,414</b>	<b>17,428</b>	<b>23,389</b>	<b>22,884</b>	<b>9,307</b>	<b>9,768</b>
Other operating activities	25	25	141	142	(33)	(27)
Share of profits of associates	-	-	-	-	-	-
<b>Operating profit</b>	<b>17,439</b>	<b>17,453</b>	<b>23,530</b>	<b>23,026</b>	<b>9,274</b>	<b>9,741</b>
<b>Goodwill as at 31 March 2023</b>	<b>216,576</b>	<b>222,416</b>	<b>193,166</b>	<b>226,174</b>	<b>330,707</b>	<b>356,406</b>

### 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:



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

subsidiary company  
associated company

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

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During the period of 3 months ended 31 March 2023, the Group's composition changed as follows:

- ***Sale of shares in Payten Holding S.A. to ASEE S.A. by Payten Sp. z o.o.***

On 9 January 2023, Payten Sp. z o.o. signed an agreement to sell 242 shares in Payten Holding to ASEE S.A. The said transaction had no impact on the consolidated financial statements of the Group.

- ***Merger of Integrirani Poslovni Sustavi, Gastrobit, Web Studio and Monri Payments***

The companies of Integrirani Poslovni Sustavi d.o.o., Gastrobit d.o.o., Web Studio d.o.o. and Monri Payments d.o.o. merged on 14 February 2023 and from that date they have operated as one company called Monri Payments d.o.o. The said transaction had no impact on the consolidated financial statements of the Group.

- ***Acquisition of shares in AFusion d.o.o. Belgrade***

On 10 March 2023, Payten d.o.o. Belgrade acquired an additional 15% stake in AFusion from its non-controlling shareholders. This transaction had no impact on the Group's financial results. The difference between the purchase price paid and the value of net assets acquired has been recognized in equity of the Parent Company, under 'Transactions with non-controlling interests'.

## 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 one of our customers exceeded 10% of total sales generated by the Group in the period of 3 months ended 31 March 2023, accounting for 11.2% of total sales. It is a customer of the Payment Solutions and Dedicated Solutions segments and the increase in revenues from that customer was due to large deliveries of payment terminals carried in the first quarter of 2023 in relation to the comparable period last year.

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	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Sales revenues:</b>	<b>75,695</b>	<b>179,278</b>	<b>136,371</b>	<b>(12,671)</b>	<b>1,391</b>	<b>380,064</b>
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)	-	-
<b>Gross profit on sales</b>	<b>29,658</b>	<b>45,362</b>	<b>23,795</b>	<b>-</b>	<b>23</b>	<b>98,838</b>
Selling costs	(4,185)	(11,709)	(8,337)	-	6	(24,225)
General and administrative expenses	(8,059)	(10,264)	(6,151)	-	(59)	(24,533)
<b>Net profit on sales</b>	<b>17,414</b>	<b>23,389</b>	<b>9,307</b>	<b>-</b>	<b>(30)</b>	<b>50,080</b>
Other operating activities	25	141	(33)	-	7	140
Share of profits of associates	-	-	-	-	-	-
<b>Operating profit</b>	<b>17,439</b>	<b>23,530</b>	<b>9,274</b>	<b>-</b>	<b>(23)</b>	<b>50,220</b>
<b>Non-cash items</b>						
Depreciation and amortization	(3,220)	(15,440)	(3,518)	-	(361)	(22,539)
Impairment losses on assets	(293)	(493)	(592)	-	-	(1,378)
<b>Goodwill as at 31 March 2023</b>	<b>217,102</b>	<b>196,726</b>	<b>332,957</b>	<b>-</b>	<b>58,211</b>	<b>804,996</b>
3 months ended 31 March 2023	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
<b>Sales revenues:</b>	<b>16,103</b>	<b>38,140</b>	<b>29,013</b>	<b>(2,695)</b>	<b>296</b>	<b>80,857</b>
Sales to external customers	15,361	36,535	28,665	-	296	80,857
Sales between and/or within segments	742	1,605	348	(2,695)	-	-
<b>Gross profit on sales</b>	<b>6,310</b>	<b>9,651</b>	<b>5,061</b>	<b>-</b>	<b>5</b>	<b>21,027</b>
Selling costs	(890)	(2,491)	(1,774)	-	1	(5,154)
General and administrative expenses	(1,715)	(2,184)	(1,307)	-	(13)	(5,219)
<b>Net profit on sales</b>	<b>3,705</b>	<b>4,976</b>	<b>1,980</b>	<b>-</b>	<b>(7)</b>	<b>10,654</b>
Other operating activities	5	30	(6)	-	1	30
Share of profits of associates	-	-	-	-	-	-
<b>Operating profit</b>	<b>3,710</b>	<b>5,006</b>	<b>1,974</b>	<b>-</b>	<b>(6)</b>	<b>10,684</b>
<b>Non-cash items</b>						
Depreciation and amortization	(685)	(3,285)	(748)	-	(78)	(4,796)
Impairment losses on assets	(62)	(105)	(126)	-	-	(293)
<b>Goodwill as at 31 March 2023</b>	<b>46,434</b>	<b>42,076</b>	<b>71,213</b>	<b>-</b>	<b>12,450</b>	<b>172,173</b>

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 March 2023: EUR 1 = PLN 4.6755.

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 2022, in a breakdown by operating segments:

3 months ended 31 March 2022 (restated)	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Eliminations PLN'000	Total PLN'000
<b>Sales revenues:</b>	<b>60,856</b>	<b>158,171</b>	<b>104,209</b>	<b>(11,571)</b>	<b>311,665</b>
Sales to external customers	56,553	151,625	103,487	-	311,665
Sales between and/or within segments	4,303	6,546	722	(11,571)	-
<b>Gross profit on sales</b>	<b>20,886</b>	<b>42,677</b>	<b>20,228</b>	-	<b>83,791</b>
Selling costs	(3,467)	(9,326)	(6,562)	-	(19,355)
General and administrative expenses	(4,762)	(8,732)	(5,060)	-	(18,554)
<b>Net profit on sales</b>	<b>12,657</b>	<b>24,619</b>	<b>8,606</b>	-	<b>45,882</b>
Other operating activities	(11)	(36)	89	-	42
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>12,646</b>	<b>24,583</b>	<b>8,695</b>	-	<b>45,924</b>
<b>Non-cash items</b>					
Depreciation and amortization	(2,848)	(15,689)	(3,702)	-	(22,239)
Impairment losses on assets	(528)	368	(623)	-	(783)
<b>Goodwill as at 31 December 2022</b>	<b>222,656</b>	<b>223,583</b>	<b>355,387</b>	-	<b>801,626</b>
3 months ended 31 March 2022 (restated)	Banking Solutions EUR'000	Payment Solutions EUR'000	Dedicated Solutions EUR'000	Eliminations EUR'000	Total EUR'000
<b>Sales revenues:</b>	<b>13,095</b>	<b>34,036</b>	<b>22,424</b>	<b>(2,490)</b>	<b>67,065</b>
Sales to external customers	12,169	32,627	22,269	-	67,065
Sales between and/or within segments	926	1,409	155	(2,490)	-
<b>Gross profit on sales</b>	<b>4,494</b>	<b>9,183</b>	<b>4,353</b>	-	<b>18,030</b>
Selling costs	(746)	(2,007)	(1,412)	-	(4,165)
General and administrative expenses	(1,025)	(1,879)	(1,089)	-	(3,993)
<b>Net profit on sales</b>	<b>2,723</b>	<b>5,297</b>	<b>1,852</b>	-	<b>9,872</b>
Other operating activities	(2)	(8)	20	-	10
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>2,721</b>	<b>5,289</b>	<b>1,872</b>	-	<b>9,882</b>
<b>Non-cash items</b>					
Depreciation and amortization	(613)	(3,376)	(797)	-	(4,786)
Impairment losses on assets	(113)	79	(134)	-	(168)
<b>Goodwill as at 31 December 2022</b>	<b>47,476</b>	<b>47,673</b>	<b>75,777</b>	-	<b>170,926</b>

The financial results presented above have been converted at the average exchange rate in the first quarter of 2022: EUR 1 = PLN 4.6472, whereas the financial position data have been converted at the exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899.

## 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 2023 and in the comparable period were as follows:

	3 months ended 31 March 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
<b><i>Operating revenues by type of products</i></b>		
Proprietary software and services	270,194	218,166
Third-party software and services	32,454	35,507
Hardware and infrastructure	77,416	57,992
<b>Total</b>	<b>380,064</b>	<b>311,665</b>

#### 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 2023 and in the comparable period were as follows:

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
<b>3 months ended 31 March 2023</b>				
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
<b>Total operating revenues</b>	<b>72,231</b>	<b>171,672</b>	<b>136,161</b>	<b>380,064</b>
	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
<b>3 months ended 31 March 2022 (restated)</b>				
Proprietary software and services	54,334	106,229	57,603	218,166
Third-party software and services	1,442	806	33,259	35,507
Hardware and infrastructure	777	44,590	12,625	57,992
<b>Total operating revenues</b>	<b>56,553</b>	<b>151,625</b>	<b>103,487</b>	<b>311,665</b>

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

	3 months ended 31 March 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
<b>Revenues from contracts with customers recognized in accordance with IFRS 15, of which:</b>		
From goods and services transferred at a specific point in time	109,623	92,912
From goods and services transferred over the passage of time	246,992	196,576
<b>Other operating revenues (mainly from leases)</b>	<b>23,449</b>	<b>22,177</b>
<b>Total operating revenues</b>	<b>380,064</b>	<b>311,665</b>

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 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
<b>Operating revenues by countries</b>		
Albania	4,802	2,558
Austria	5,687	2,387
Bosnia and Herzegovina	21,454	22,627
Bulgaria	1,519	3,059
Croatia	39,491	37,519
Montenegro	4,709	4,348
Czech Republic	5,540	5,394
Spain	53,497	36,355
Colombia	2,767	1,991
Kosovo	4,478	2,964
Macedonia	12,793	12,771
Germany	2,916	529
Peru	5,247	3,138
Poland	3,156	2,664
Portugal	3,499	3,319
Romania	48,947	49,901
Serbia	104,187	78,858
Slovak Republic	1,757	1,954
Slovenia	6,581	4,655
Turkey	37,822	26,032
Italy	4,495	4,630
Other countries	4,720	4,012
<b>Total operating revenues</b>	<b>380,064</b>	<b>311,665</b>

*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 2023	3 months ended 31 March 2022
	PLN'000	PLN'000
<b>Future minimum lease payments</b>		
(i) within 1 year	85,985	92,106
(ii) within 1 to 5 years	72,626	76,678
(iii) within more than 5 years	2,029	2,307
<b>Total</b>	<b>160,640</b>	<b>171,091</b>

## 5.2. Structure of operating costs

The table below presents operating costs incurred in the period of 3 months ended 31 March 2023 and in the comparable period.

Operating costs	3 months ended 31 March 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
Cost of goods, materials and third-party services sold (COGS)	(127,125)	(106,480)
Employee benefits	(137,296)	(106,499)
Third-party non-project services and outsourcing of employees	(19,591)	(12,316)
Depreciation and amortization	(22,539)	(22,239)
Maintenance costs of property and company cars	(14,828)	(11,349)
Business trips	(1,820)	(886)
Advertising	(2,168)	(1,778)
Other operating expenses	(4,617)	(4,236)
<b>Total</b>	<b>(329,984)</b>	<b>(265,783)</b>
Cost of sales	(279,908)	(227,059)
Selling costs	(24,225)	(19,355)
General and administrative expenses	(24,533)	(18,554)
Recognition (reversal) of impairment losses on financial instruments	(1,318)	(815)
<b>Total</b>	<b>(329,984)</b>	<b>(265,783)</b>

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 2023 amounted to PLN 72 thousand, as compared to PLN 62 thousand in the first quarter of 2022. 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 which were published on 22 February 2023.

## 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 2023 amounted to PLN 87 thousand. 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 which were published on 22 February 2023.

### 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 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
Depreciation charges as disclosed in the table of changes in property, plant and equipment	(12,686)	(11,741)
Amortization charges as disclosed in the table of changes in intangible assets	(4,177)	(5,225)
Depreciation charges as disclosed in the table of changes in right-of-use assets	(5,667)	(5,265)
Depreciation charges on investment property	(9)	(8)
<b>Total depreciation and amortization charges disclosed in the statement of profit and loss and in the statement of cash flows</b>	<b>(22,539)</b>	<b>(22,239)</b>

### 5.3. Other operating income and expenses

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

Other operating income	3 months ended 31 March 2023	3 months ended 31 March 2022
	PLN'000	PLN'000
Gain on disposal of property, plant and equipment	131	74
Income from letting of own office space	13	15
Reversal of a provision for the costs of court litigation relating to other operations	16	68
Grants and subsidies received	149	-
Gain on modification of lease contracts	14	1
Other	399	217
<b>Total</b>	<b>722</b>	<b>375</b>

Other operating expenses	3 months ended 31 March 2023	3 months ended 31 March 2022
	PLN'000	PLN'000
Loss on disposal of property, plant and equipment	(4)	(2)
Charitable contributions to unrelated parties	(360)	(72)
Provisions created, including for the costs of court litigation relating to other operations	-	(20)
Other	(218)	(239)
<b>Total</b>	<b>(582)</b>	<b>(333)</b>

#### 5.4. Financial income and expenses

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

Financial income	3 months ended 31 March 2023 PLN'000	3 months ended 31 March 2022 PLN'000
Interest income on loans granted and bank deposits	754	427
Positive foreign exchange differences	1,668	5,723
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	176	81
Gain on the net monetary position – hyperinflation	9,563	-
Other financial income	8	38
<b>Total financial income</b>	<b>12,169</b>	<b>6,269</b>

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 2.9 to these interim condensed consolidated financial statements.

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

Financial expenses	3 months ended 31 March 2023 PLN'000	3 months ended 31 March 2022 PLN'000
Interest expenses on bank loans and borrowings	(945)	(525)
Interest expenses on leases	(475)	(394)
Other interest expenses	(144)	(178)
Negative foreign exchange differences	(2,179)	(960)
Loss on revaluation of conditional payments in transactions to obtain control	(159)	(184)
Loss on revaluation of liabilities from the acquisition of non-controlling interests (put options)	(636)	(409)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	(22)	(133)
Other financial expenses	(10)	(23)
<b>Total financial expenses</b>	<b>(4,570)</b>	<b>(2,806)</b>

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 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
Current corporate income tax expense as disclosed in the statement of profit and loss, of which:		
<i>Current portion of income tax</i>	(12,009)	(8,938)
<i>Corrections of CIT filings for prior years</i>	(12,122)	(8,945)
Deferred income tax	113	7
<b>Income tax expense as disclosed in the statement of profit and loss</b>	<b>1,397</b>	<b>(732)</b>
	<b>(10,612)</b>	<b>(9,670)</b>

During the period of 3 months ended 31 March 2023, our effective tax rate equalled 18.4%, as compared to 19.6% in the comparable period. The effective tax rate decreased mainly due to the impact of hyperinflation on the consolidated statement of profit and loss.

## 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 2023	3 months ended 31 March 2022 (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)	45,513	38,448
<b>Consolidated earnings per share for the reporting period (in PLN)</b>	<b>0.88</b>	<b>0.74</b>

## 5.7. Information on dividends paid out

Until 31 March 2023, the General Meeting has not yet adopted a resolution on distribution of the Parent Company's net profit for the year 2022. However, on 22 February 2023, 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 2022, in the amount of PLN 1.46 per share. The total amount allocated to the dividend payment (from the net profit for 2022) equals PLN 76,766 thousand.

In 2022, the Parent Company paid out to its shareholders a dividend for the year 2021. The Annual General Meeting of Asseco South Eastern Europe S.A. seated in Rzeszów, acting on the basis of art. 395 § 2 item 2 of the Commercial Companies Code as well as pursuant to §12 sec. 4 item 2 of the Company's Articles of Association, on 21 June 2022 decided to pay out a dividend in the total amount of PLN 66,425 thousand or PLN 1.28 per share to all of the Company's shareholders. The Company's Annual General Meeting established 29 June 2022 as the dividend record date. The dividend was paid out on 12 July 2022. 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 2023 and in the comparable period are presented below:

	3 months ended 31 March 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
<b>Net book value of property, plant and equipment as at 1 January</b>	<b>135,969</b>	<b>129,347</b>
<b>Additions, of which:</b>	<b>15,713</b>	<b>9,149</b>
Purchases and modernization	12,536	8,394
Other, including transfers from inventories	3,177	755
<b>Reductions, of which:</b>	<b>(12,883)</b>	<b>(11,983)</b>
Depreciation charges for the reporting period	(12,686)	(11,741)
Disposal and liquidation	(35)	(112)
Other	(162)	(130)
<b>Impact of hyperinflation</b>	<b>979</b>	<b>-</b>
<b>Change in presentation</b>	<b>(42)</b>	<b>-</b>
<b>Exchange differences on translation of foreign operations</b>	<b>(853)</b>	<b>1,043</b>
<b>Net book value of property, plant and equipment as at 31 March</b>	<b>138,883</b>	<b>127,556</b>

As at 31 March 2023, tangible assets with a book value of PLN 17,003 thousand served as collateral for bank loans.

As at 31 December 2022, tangible assets with a book value of PLN 17,053 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 2023 and in the comparable period are presented below:

	3 months ended 31 March 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
<b>Net book value of intangible assets as at 1 January</b>	<b>51,807</b>	<b>68,338</b>
<b>Additions, of which:</b>	<b>2,549</b>	<b>1,088</b>
Purchases and modernization	2,082	1,088
Costs of development projects in progress	467	-
<b>Reductions, of which:</b>	<b>(4,177)</b>	<b>(5,225)</b>
Amortization charges for the reporting period	(4,177)	(5,225)
<b>Impact of hyperinflation</b>	<b>126</b>	<b>-</b>
<b>Change in presentation</b>	<b>43</b>	<b>-</b>
<b>Exchange differences on translation of foreign operations</b>	<b>(149)</b>	<b>560</b>
<b>Net book value of intangible assets as at 31 March</b>	<b>50,199</b>	<b>64,761</b>

Both as at 31 March 2023 and 31 December 2022, 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 2023 and in the comparable period are presented below:

	3 months ended 31 March 2023	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000
<b>Net book value of right-of-use assets as at 1 January</b>	<b>43,131</b>	<b>51,218</b>
<b>Additions, of which:</b>	<b>5,917</b>	<b>3,282</b>
Conclusion of new lease contracts	4,594	2,564
Modification of existing contracts	1,323	700
Obtaining control over subsidiaries	-	18
<b>Reductions, of which:</b>	<b>(5,686)</b>	<b>(5,285)</b>
Depreciation charges for the reporting period	(5,667)	(5,265)
Early termination of contracts	(19)	(20)
<b>Exchange differences on translation of foreign operations</b>	<b>(173)</b>	<b>494</b>
<b>Net book value of right-of-use assets as at 31 March</b>	<b>43,189</b>	<b>49,709</b>

### 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 2023, 31 December 2022 and 31 March 2022, in a breakdown by operating segments:

Goodwill	3 months ended 31 March 2023	12 months ended 31 December 2022	3 months ended 31 March 2022 (restated)
	PLN'000	PLN'000	PLN'000
<b>Goodwill at the beginning of the period</b>	<b>801,626</b>	<b>680,773</b>	<b>680,773</b>
Banking Solutions	222,656	205,431	205,431
Payment Solutions	223,583	198,391	198,391
Dedicated Solutions	355,387	276,951	276,951
<b>Change in consolidation goodwill due to the acquisition of shares (+/-)</b>	<b>-</b>	<b>59,180</b>	<b>-</b>
Banking Solutions	-	8,037	-
Payment Solutions	-	475	-
Dedicated Solutions	-	50,668	-
<b>Change in consolidation goodwill due to the sale of shares (+/-)</b>	<b>-</b>	<b>(5,348)</b>	<b>-</b>
Banking Solutions	-	-	-
Payment Solutions	-	(5,348)	-
Dedicated Solutions	-	-	-
<b>Change due to hyperinflation (+/-):</b>	<b>9,317</b>	<b>70,739</b>	<b>-</b>
Banking Solutions	797	6,480	-
Payment Solutions	5,078	35,630	-
Dedicated Solutions	3,442	28,629	-
<b>Foreign exchange differences (+/-):</b>	<b>(5,947)</b>	<b>(3,718)</b>	<b>5,070</b>
Banking Solutions	(1,037)	2,708	1,936
Payment Solutions	(2,487)	(5,565)	940
Dedicated Solutions	(2,423)	(861)	2,194
<b>Total goodwill</b>	<b>804,996</b>	<b>801,626</b>	<b>685,843</b>
Banking Solutions	222,416	222,656	207,367
Payment Solutions	226,174	223,583	199,331
Dedicated Solutions	356,406	355,387	279,145
<b>Total at the end of the period</b>	<b>804,996</b>	<b>801,626</b>	<b>685,843</b>

In the period of 3 months ended 31 March 2023, 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 2023, translated at the exchange rate of 31 March 2023, amounted in total to PLN 9,062 thousand which was recognized in financial income, under 'Gain/Loss on the net monetary position', for the first quarter of 2023.

The inflation-related revaluation of goodwill from the date of obtaining control till the end of 2022 amounted in total to PLN 58,210 thousand which was recognized and described in detail in the consolidated financial statements for 2022. Foreign exchange differences arising from the hyperinflation restatement of prior year goodwill, at the exchange rate of 31 March 2023, 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 2.9 to these interim condensed consolidated financial statements.

**6.5. Other financial assets**

As at 31 March 2023, 31 December 2022 and 31 March 2022, 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 2023		31 December 2022		31 March 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
<b>Financial assets carried at fair value through profit or loss, of which:</b>						
Currency forward contracts	-	-	-	19	-	65
Shares in companies not quoted in an active market	-	26	-	27	-	26
	-	26	-	46	-	91
<b>Financial assets carried at fair value through other comprehensive income, of which:</b>						
Shares in companies quoted in an active market	30	1	28	1	25	-
Shares in companies not quoted in an active market	22	-	22	-	22	-
Other financial assets	1,016	-	1,035	-	-	-
	1,068	1	1,085	1	47	-
<b>Financial assets carried at amortized cost, of which:</b>						
Loans granted, of which:	15	142	15	63	3	104
<i>granted to related parties</i>	-	-	-	-	3	-
<i>granted to employees</i>	15	142	15	63	-	104
Cash deposits	1,318	216	1,324	209	1,256	8
	1,333	358	1,339	272	1,259	112
<b>Total</b>	<b>2,401</b>	<b>385</b>	<b>2,424</b>	<b>319</b>	<b>1,306</b>	<b>203</b>

As at 31 March 2023, term cash deposits in the amount of PLN 1,289 thousand served as collateral for bank loans that were obtained to finance the implementation of contracts.

As at 31 December 2022, term cash deposits in the amount of PLN 1,257 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 2023, the Group did not change its methods for measuring the fair value of financial instruments carried at fair value nor did it transfer any instruments between individual levels of the fair value hierarchy.

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

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

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

As at 31 December 2022	Carrying value PLN'000	Level 1 <sup>i</sup> PLN'000	Level 2 <sup>ii</sup> PLN'000	Level 3 <sup>iii</sup> PLN'000
<b><i>Financial assets carried at fair value through profit or loss</i></b>				
Currency forward contracts	19	-	19	-
Shares in companies not listed on regulated markets	27	-	-	27
<b>Total</b>	<b>46</b>	<b>-</b>	<b>19</b>	<b>27</b>
<b><i>Financial assets carried at fair value through other comprehensive income</i></b>				
Shares in companies quoted in an active market	29	29	-	-
Shares in companies not listed on regulated markets	22	-	-	22
Other financial assets	1,035	-	-	1,035
<b>Total</b>	<b>1,086</b>	<b>29</b>	<b>-</b>	<b>1,057</b>

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

As at 31 March 2022	Carrying value PLN'000	Level 1 <sup>i</sup> PLN'000	Level 2 <sup>ii</sup> PLN'000	Level 3 <sup>iii</sup> PLN'000
<b><i>Financial assets carried at fair value through profit or loss</i></b>				
Currency forward contracts	65	-	65	-
Shares in companies not listed on regulated markets	26	-	-	26
<b>Total</b>	<b>91</b>	<b>-</b>	<b>65</b>	<b>26</b>
<b><i>Financial assets carried at fair value through other comprehensive income</i></b>				
Shares in companies quoted in an active market	25	25	-	-
Shares in companies not listed on regulated markets	22	-	-	22
<b>Total</b>	<b>47</b>	<b>25</b>	<b>-</b>	<b>22</b>

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

	31 March 2023		31 December 2022		31 March 2022	
	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:	1,851	53,048	1,451	46,204	2,822	37,433
<i>maintenance services and license fees</i>	1,555	45,957	1,254	39,200	2,677	30,463
<i>insurances</i>	-	2,043	-	1,719	-	1,649
<i>rents and averaged instalments under operating leases</i>	-	294	-	363	145	216
<i>prepaid consulting services</i>	-	127	-	24	-	121
<i>other services</i>	296	4,627	197	4,898	-	4,984
Expenses related to services performed for which revenues have not been recognized yet	-	731	-	687	-	1,134
Other prepayments and accrued income	5	965	3	1,117	12	891
<b>Total</b>	<b>1,856</b>	<b>54,744</b>	<b>1,454</b>	<b>48,008</b>	<b>2,834</b>	<b>39,458</b>

## 6.7. Receivables and contract assets

The table below presents the amounts of receivables as at 31 March 2023, 31 December 2022 and 31 March 2022.

	31 March 2023		31 December 2022		31 March 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
<b>Trade receivables, of which:</b>	-	<b>207,028</b>	-	<b>290,358</b>	-	<b>171,755</b>
<b>Trade receivables:</b>	-	<b>208,323</b>	-	<b>291,539</b>	-	<b>173,211</b>
from related parties	-	754	-	925	-	491
from other entities	-	207,569	-	290,614	-	172,720
<b>Receivables from operating leases</b>	-	<b>9,870</b>	-	<b>9,229</b>	-	<b>7,004</b>
<b>Allowances for trade receivables (-)</b>	-	<b>(11,165)</b>	-	<b>(10,410)</b>	-	<b>(8,460)</b>
<b>Corporate income tax receivable</b>	-	<b>1,365</b>	-	<b>2,433</b>	-	<b>1,896</b>
<b>Receivables from the state and local budgets</b>	-	<b>5,358</b>	-	<b>3,806</b>	-	<b>4,814</b>
Value added tax	-	2,796	-	1,406	-	2,296
Other	-	2,562	-	2,400	-	2,518
<b>Other receivables</b>	<b>7,866</b>	<b>26,180</b>	<b>7,886</b>	<b>23,822</b>	<b>686</b>	<b>10,819</b>
Security deposits receivable	760	1,271	758	1,387	686	1,297
Other receivables	7,106	24,996	7,128	22,522	-	9,608
Allowances for other doubtful receivables (-)	-	(87)	-	(87)	-	(86)
<b>Total receivables</b>	<b>7,866</b>	<b>239,931</b>	<b>7,886</b>	<b>320,419</b>	<b>686</b>	<b>189,284</b>

The balance of other 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 arising from deferred payments for shares in Payten Holding S.A. which were sold by ASEE S.A. to the managers of ASEE Group companies, receivables from disposal of tangible assets, receivables from security deposits paid-in, as well as other receivables.

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

Contract assets	31 March 2023		31 December 2022		31 March 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term (restated)
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Uninvoiced receivables</b>	-	<b>32,547</b>	-	<b>14,375</b>	-	<b>47,559</b>
from related parties	-	9	-	26	-	-
from other entities	-	32,538	-	14,349	-	47,559
<b>Receivables from valuation of IT contracts</b>	-	<b>80,555</b>	-	<b>64,364</b>	-	<b>23,375</b>
from related parties	-	725	-	727	-	821
from other entities	-	79,830	-	63,637	-	22,554
<b>Total contract assets</b>	-	<b>113,102</b>	-	<b>78,739</b>	-	<b>70,934</b>

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

Allowances for trade receivables	3 months ended 31 March 2023 PLN'000		3 months ended 31 March 2022 PLN'000	
	Allowances as at 1 January	(10,410)	Allowances as at 1 January	(7,696)
Recognized during the reporting period		(2,288)		(2,293)
Utilized during the reporting period		-		6
Reversed during the reporting period		970		1,478
Foreign exchange differences and other		563		45
<b>Allowances as at 31 March</b>		<b>(11,165)</b>		<b>(8,460)</b>

## 6.8. Inventories

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

Inventories	31 March 2023		31 December 2022		31 March 2022	
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Computer hardware, third-party software licenses and other goods for resale	75,814		58,756		47,086	
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	15,693		15,145		14,842	
Impairment losses on inventories	(17,402)		(16,856)		(15,641)	
<b>Total</b>	<b>74,105</b>		<b>57,045</b>		<b>46,287</b>	

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

Impairment losses on inventories	3 months ended 31 March 2023 PLN'000		3 months ended 31 March 2022 PLN'000	
	Impairment losses as at 1 January	(16,856)	Impairment losses as at 1 January	(16,058)
Recognized during the reporting period		(1,081)		(728)
Utilized during the reporting period		19		-
Reversed during the reporting period		479		1,312
Foreign exchange differences		37		(167)
<b>Impairment losses as at 31 March</b>		<b>(17,402)</b>		<b>(15,641)</b>

## 6.9. Cash and cash equivalents

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

	31 March 2023 PLN'000	31 December 2022 PLN'000	31 March 2022 PLN'000
Cash at bank and on hand	264,448	241,925	205,451
Cash at split payment accounts	4	57	179
Short-term bank deposits (up to 3 months)	41,577	55,923	36,624
Cash in transit and other cash equivalents	2	129	6,415
<b>Total cash and cash equivalents as disclosed in the statement of financial position</b>	<b>306,031</b>	<b>298,034</b>	<b>248,669</b>
Interest accrued on cash and cash equivalents	(70)	(10)	-
Bank overdraft facilities utilized for current liquidity management	(26,591)	(33,260)	(24,454)
<b>Total cash and cash equivalents as disclosed in the cash flow statement</b>	<b>279,370</b>	<b>264,764</b>	<b>224,215</b>

As at 31 March 2023, cash in the amount of PLN 22,114 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 35,066 thousand.

As at 31 December 2022, cash in the amount of PLN 13,541 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 35,174 thousand.

## 6.10. Lease liabilities

As at 31 March 2023, 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 2023, 31 December 2022 and 31 March 2022.

Lease liabilities	31 March 2023		31 December 2022		31 March 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
Leases of real estate	21,140	14,390	21,233	15,104	27,471	16,084
Leases of transportation vehicles	5,443	3,792	4,369	3,696	4,079	3,112
Leases of IT hardware and other assets	73	319	98	618	389	1,444
	<b>26,656</b>	<b>18,501</b>	<b>25,700</b>	<b>19,418</b>	<b>31,939</b>	<b>20,640</b>

## 6.11. Bank loans and borrowings

The table below presents the Group's debt under bank loans and borrowings outstanding as at 31 March 2023, 31 December 2022 and 31 March 2022.

Currency	Repayment date	31 March 2023		31 December 2022		31 March 2022		
		Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	
<b>Bank overdraft facilities</b>		<b>-</b>	<b>26,591</b>	<b>-</b>	<b>33,260</b>	<b>-</b>	<b>24,454</b>	
fixed interest rate	MKD	31.03.2023	-	22	-	40	-	14
fixed interest rate	EUR	01.04.2023	-	76	-	97	-	87
fixed interest rate	TRY	06.04.2023	-	96	-	111	-	68
fixed interest rate	COP	04.05.2023	-	46	-	20	-	16
fixed interest rate	BGN	30.04.2025	-	-	-	4	-	-
fixed interest rate	BAM	13.06.2023	-	1,534	-	3,379	-	1,508
fixed interest rate	BAM	28.05.2023	-	1,691	-	4,036	-	4,689
fixed interest rate	BAM	25.10.2023	-	1,186	-	-	-	1,186
fixed interest rate	BAM	23.05.2023	-	3,592	-	3,600	-	3,558
fixed interest rate	BAM	15.05.2023	-	3,704	-	5,954	-	1,350
fixed interest rate	BAM	12.01.2024	-	-	-	2	-	3,202
fixed interest rate	BAM	15.09.2023	-	2,895	-	8,646	-	8,540
fixed interest rate	BAM	15.05.2023	-	1,433	-	-	-	-
fixed interest rate	BAM	05.08.2022	-	-	-	-	-	236
fixed interest rate	BAM	01.04.2023	-	-	-	1,920	-	-
fixed interest rate	BAM	24.06.2023	-	674	-	537	-	-
fixed interest rate	BAM	29.05.2023	-	1,197	-	1,200	-	-
fixed interest rate	BAM	29.01.2023	-	-	-	3,700	-	-
fixed interest rate	BAM	15.05.2023	-	-	-	14	-	-
fixed interest rate	BAM	04.08.2023	-	452	-	-	-	-
fixed interest rate	BAM	15.08.2023	-	1,022	-	-	-	-
fixed interest rate	BAM	15.08.2023	-	3,595	-	-	-	-
fixed interest rate	BAM	15.09.2023	-	1,790	-	-	-	-
fixed interest rate	BAM	21.03.2024	-	1,442	-	-	-	-
ROBOR + margin	RON	01.11.2023	-	144	-	-	-	-
<b>Other bank loans</b>		<b>41,102</b>	<b>37,355</b>	<b>48,635</b>	<b>33,195</b>	<b>48,311</b>	<b>19,313</b>	
1M EURIBOR + margin	EUR	31.07.2023	-	1,336	-	2,680	563	5,317
3M EURIBOR + margin	EUR	30.06.2024	851	3,405	1,708	3,701	4,237	3,390
3M EURIBOR + margin	EUR	31.12.2022	-	-	-	-	-	768
3M EURIBOR + margin	EUR	29.07.2026	26,974	8,092	29,763	5,411	25,140	-
3M EURIBOR + margin	EUR	23.02.2024	-	4,889	-	-	-	-
6M EURIBOR + margin	BAM	22.04.2024	235	521	235	694	921	504
6M EURIBOR + margin	BAM	25.10.2025	1,486	583	1,489	778	-	-
6M EURIBOR + margin	EUR	30.09.2023	-	31	-	44	26	57
6M EURIBOR + margin	EUR	08.07.2026	1,168	501	1,339	460	1,919	240
6M EURIBOR + margin	EUR	05.02.2024	-	275	56	299	300	253
1Y EURIBOR + margin	EUR	30.06.2022	-	-	-	-	-	6
1Y EURIBOR + margin	EUR	22.06.2027	3,298	676	3,529	458	-	-
fixed interest rate	EUR	14.09.2022	-	-	-	-	-	2,303
fixed interest rate	EUR	03.06.2022	-	-	-	-	-	698
fixed interest rate	EUR	22.04.2023	-	234	-	939	233	2,791
fixed interest rate	EUR	30.06.2024	438	1,753	879	1,759	2,181	1,745
fixed interest rate	EUR	10.01.2025	5,850	7,020	7,626	6,453	12,791	1,161
fixed interest rate	EUR	20.04.2025	802	4,814	2,011	4,827	-	-
fixed interest rate	EUR	10.08.2023	-	1,363	-	2,187	-	-
fixed interest rate	EUR	30.11.2023	-	1,862	-	2,490	-	-
fixed interest rate	PEN	13.02.2023	-	-	-	15	-	80
		<b>41,102</b>	<b>63,946</b>	<b>48,635</b>	<b>66,455</b>	<b>48,311</b>	<b>43,767</b>	

The Group's total debt amounted to PLN 105,048 thousand as at 31 March 2023, as compared to PLN 115,090 thousand as at 31 December 2022. 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.

Total proceeds from and repayments of bank loans disclosed in the statement of cash flows for the period of 3 months ended 31 March 2023 amounted to PLN 4,795 thousand (proceeds) and PLN 8,413 thousand (repayments).

As at 31 March 2023, tangible assets with a book value of PLN 17,003 thousand, trade receivables in the amount of PLN 6,205 thousand, cash in the amount of PLN 22,114 thousand, and financial assets (deposits) in the amount of PLN 1,289 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities. As at 31 March 2023, liabilities that were secured with such assets amounted to PLN 47,553 thousand.

As at 31 December 2022, tangible assets with a book value of PLN 17,053 thousand, trade receivables in the amount of PLN 8,012 thousand, cash in the amount of PLN 13,541 thousand, and financial assets (deposits) in the amount of PLN 1,257 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities. As at 31 December 2022, liabilities that were secured with such assets amounted to PLN 55,786 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 2023 and 31 December 2022, 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 2023, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy.

As at 31 March 2023, 31 December 2022 and 31 March 2022, 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 2023, 31 December 2022 and 31 March 2022:

Financial liabilities	31 March 2023		31 December 2022		31 March 2022	
	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	-	4,058	-	4,067	-	-
Liabilities under deferred and/or conditional payments for controlling interests	13,831	9,574	13,735	10,546	4,800	16,988
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	78,084	46,991	77,691	47,135	50,500	25,446
Currency forward contracts	75	209	140	317	628	4
Other financial liabilities	-	7	-	6	-	54
	<b>91,990</b>	<b>60,839</b>	<b>91,566</b>	<b>62,071</b>	<b>55,928</b>	<b>42,492</b>

As at 31 March 2022, ASEE Group recognized liabilities under put options granted to non-controlling shareholders in the total amount of PLN 125,075 thousand which were related to the following companies: Necoplus – PLN 46,991 thousand, ContentSpeed – PLN 5,052 thousand, Bithat – PLN 14,962 thousand, Helius – PLN 11,033 thousand, and BS TS – PLN 47,037 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 2022, liabilities under conditional payments for controlling interests amounted in total to PLN 23,405 thousand and were related to acquisitions of the following companies: Smarttek – PLN 888 thousand, ContentSpeed – PLN 3,900 thousand, Bithat – PLN 3,678 thousand, and Helius – PLN 9,546 thousand. The amount

of PLN 5,393 thousand represents a conditional payment for the buyout of non-controlling interests in IPS company. 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 2023, the Group did not transfer any financial liabilities between individual levels of the fair value hierarchy.

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

As at 31 March 2023	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Financial liabilities</b>				
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
<b>Total</b>	<b>152,829</b>	-	<b>284</b>	<b>152,545</b>

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

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

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

As at 31 December 2022	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Financial liabilities</b>				
Dividends payable	4,067	-	-	4,067
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	24,281	-	-	24,281
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	124,826	-	-	124,826
Currency forward contracts	457	-	457	-
Other financial liabilities	6	-	-	6
<b>Total</b>	<b>153,637</b>	-	<b>457</b>	<b>153,180</b>

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

As at 31 March 2022	Carrying value	Level 1 <sup>i)</sup>	Level 2 <sup>ii)</sup>	Level 3 <sup>iii)</sup>
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Financial liabilities</b>				
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	21,788	-	-	21,788
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	75,946	-	-	75,946
Currency forward contracts	632	-	632	-
Other financial liabilities	54	-	-	54
<b>Total</b>	<b>98,420</b>	-	<b>632</b>	<b>97,788</b>

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 2023, 31 December 2022 and 31 March 2022:

	31 March 2023		31 December 2022		31 March 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000
<b>Trade payables, of which:</b>	-	<b>123,497</b>	-	<b>123,980</b>	-	<b>81,142</b>
<b>Trade payables</b>	-	<b>106,899</b>	-	<b>106,743</b>	-	<b>70,002</b>
from related parties	-	192	-	191	-	801
from other entities	-	106,707	-	106,552	-	69,201
<b>Uninvoiced payables</b>	-	<b>16,598</b>	-	<b>17,237</b>	-	<b>11,140</b>
from related parties	-	53	-	48	-	215
from other entities	-	16,545	-	17,189	-	10,925
<b>Corporate income tax payable</b>	-	<b>12,521</b>	-	<b>9,081</b>	-	<b>9,557</b>
<b>Liabilities to the state and local budgets</b>	-	<b>24,120</b>	-	<b>46,357</b>	-	<b>24,123</b>
Value added tax (VAT)	-	11,471	-	30,959	-	10,062
Personal income tax (PIT)	-	2,933	-	4,270	-	3,444
Social insurance	-	9,210	-	9,636	-	9,976
Withholding income tax	-	255	-	1,137	-	251
Other	-	251	-	355	-	390
<b>Other liabilities</b>	<b>62</b>	<b>35,268</b>	<b>74</b>	<b>48,894</b>	<b>1,525</b>	<b>24,950</b>
Liabilities to employees (including salaries payable)	-	11,030	-	24,613	-	13,751
Liabilities from purchases of tangible assets and intangible assets	-	2,147	-	2,562	1,463	3,101
Other liabilities	62	22,091	74	21,719	62	8,098
<b>Total</b>	<b>62</b>	<b>195,406</b>	<b>74</b>	<b>228,312</b>	<b>1,525</b>	<b>139,772</b>

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 2023, 31 December 2022 and 31 March 2022, the Group's liabilities from contracts with customers resulted from obligations listed in the table below.

	31 March 2023		31 December 2022		31 March 2022	
	Long-term PLN'000	Short-term PLN'000	Long-term PLN'000	Short-term PLN'000	Long-term	Short-term (restated)
					PLN'000	PLN'000
<b>Liabilities from valuation of IT contracts, of which:</b>	-	<b>27,648</b>	-	<b>33,872</b>	-	<b>23,547</b>
From related parties	-	2	-	2	-	15
From other entities	-	27,646	-	33,870	-	23,532
<b>Deferred income from IT projects, of which:</b>	<b>7,668</b>	<b>115,366</b>	<b>8,455</b>	<b>114,488</b>	<b>5,407</b>	<b>70,876</b>
Maintenance services	5,378	57,140	7,258	60,250	4,023	48,833
License fees	2,290	21,990	1,197	7,150	1,384	4,645
Prepaid implementation services	-	11,573	-	12,240	-	1,786
Obligations to supply hardware	-	24,637	-	34,822	-	15,579
Other prepaid services	-	26	-	26	-	33
<b>Total contract liabilities</b>	<b>7,668</b>	<b>143,014</b>	<b>8,455</b>	<b>148,360</b>	<b>5,407</b>	<b>94,423</b>

### 6.15. Provisions

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

	3 months ended 31 March 2023 PLN'000	3 months ended 31 March 2022 PLN'000
<b>As at 1 January</b>	<b>9,175</b>	<b>6,364</b>
Provisions created during the reporting period	2,615	1,356
Provisions utilized/reversed during the reporting period	(3,868)	(333)
Exchange differences on translation of foreign operations	(105)	(16)
<b>As at the end of the reporting period, of which:</b>	<b>7,817</b>	<b>7,371</b>
Short-term	4,263	5,043
Long-term	3,554	2,328

### 6.16. Accruals and deferred income

The table below presents the Group's accruals and deferred income as at 31 March 2023, 31 December 2022 and 31 March 2022:

	31 March 2023		31 December 2022		31 March 2022	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term (restated)
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Accruals, of which:</b>						
Accruals for unused holiday leaves	-	10,978	-	8,440	-	7,884
Accruals for employee and management bonuses	-	27,600	-	24,101	-	18,031
	<b>-</b>	<b>38,578</b>	<b>-</b>	<b>32,541</b>	<b>-</b>	<b>25,915</b>
<b>Deferred income, of which:</b>						
Grants related to assets	-	2,794	-	2,570	-	1,637
	<b>-</b>	<b>2,794</b>	<b>-</b>	<b>2,570</b>	<b>-</b>	<b>1,637</b>

The total amount of accruals comprises: accruals for unused holiday leaves, as well as accruals for remunerations of the current period to be paid out in future periods which result from the bonus incentive schemes applied by the Group.

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

### 6.17. Related party transactions

	Sales to related parties	Purchases from related parties	Trade receivables and other receivables	Trade payables and other liabilities	Lease liabilities
	3 months ended 31 March PLN'000	3 months ended 31 March PLN'000	31 March 2023/ 31 December 2022 PLN'000	31 March 2023/ 31 December 2022 PLN'000	31 March 2023/ 31 December 2022 PLN'000
	Transactions with Asseco Poland	Transactions with other entities of Asseco Poland Group	Transactions with associates	Transactions with associates	Transactions with associates
2023	-	358	48	38	-
2022	-	83	47	10	-
<b>Transactions with Asseco Poland</b>					
2023	121	75	1,487	41	-
2022	243	412	1,620	93	-
<b>Transactions with other entities of Asseco Poland Group</b>					
2023	-	-	-	-	-
2022	-	-	58	-	-
<b>Transactions with associates</b>					
2023	-	-	-	-	-
2022	-	-	-	-	-

<b>Transactions with entities or individuals related through the Group's Key Management Personnel</b>					
2023	-	1,647	-	167	9,851
2022	-	551	-	133	10,213
<b>Transactions with Members of Management Board and Supervisory Board of ASEE S.A. and companies of ASEE Group</b>					
2023	-	-	8,213	7	267
2022	-	3	8,166	28	62

As at 31 March 2023, total receivables from related parties comprised trade receivables amounting to PLN 754 thousand, contract assets amounting to PLN 734 thousand, and other receivables amounting to PLN 8,260 thousand, of which PLN 8,213 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 2022, total receivables from related parties comprised trade receivables amounting to PLN 925 thousand, contract assets amounting to PLN 753 thousand, and other receivables amounting to PLN 8,213 thousand, of which PLN 8,166 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 2023, total liabilities to related parties comprised trade payables amounting to PLN 245 thousand and other liabilities amounting to PLN 8 thousand. As at 31 December 2022, total liabilities to related parties comprised trade payables amounting to PLN 239 thousand and other liabilities amounting to PLN 25 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., Belgrade<sup>1</sup>, Miljan Mališ and Mini Invest d.o.o., Belgrade<sup>2</sup>, 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 10,118 thousand as at 31 March 2023, as compared to PLN 10,275 thousand outstanding as at 31 December 2022.

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

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:

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

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

<sup>1</sup> 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.

<sup>2</sup> 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 2023, Mini Invest d.o.o. held 348,336 shares in ASEE S.A.

## 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 2023 PLN'000	3 months ended 31 March 2022 PLN'000
Change in inventories	(20,313)	(9,793)
Change in receivables and non-financial assets	40,382	21,590
Change in liabilities	(40,332)	(40,888)
Change in prepayments and accruals	(493)	(2,071)
Change in provisions	(1,252)	1,023
<b>Total</b>	<b>(22,008)</b>	<b>(30,139)</b>

### 7.2. Cash flows – investing activities

In the period of 3 months ended 31 March 2023, the amount of cash flows from investing activities was affected primarily by:

- acquisitions of property, plant and equipment for PLN 12,816 thousand, purchases of intangible assets for PLN 2,253 thousand, and expenditures for development projects in the amount of PLN 467 thousand;
- expenditures for the acquisition of subsidiaries in the amount of PLN 914 thousand resulting from conditional payments for shares in Smarttek and Helius companies.

### 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
<b>As at 1 January 2023</b>	<b>81,830</b>	<b>45,118</b>	<b>4,067</b>	<b>131,015</b>
<b>Changes arising from cash flows</b>	<b>(3,881)</b>	<b>(6,158)</b>	<b>(235)</b>	<b>(10,274)</b>
Inflows	4,795	-	-	4,795
Repayment of principal amount	(8,413)	(5,683)	(235)	(14,331)
Interest paid	(263)	(475)	-	(738)
<b>Non-cash changes</b>	<b>647</b>	<b>6,359</b>	<b>235</b>	<b>7,241</b>
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)
<b>Exchange differences on translation of foreign operations</b>	<b>(139)</b>	<b>(162)</b>	<b>(9)</b>	<b>(310)</b>
<b>As at 31 March 2023</b>	<b>78,457</b>	<b>45,157</b>	<b>4,058</b>	<b>127,672</b>

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.

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 2022:

Change in financial liabilities	Interest-bearing bank loans and borrowings PLN'000	Lease liabilities PLN'000	Dividends payable PLN'000	Total PLN'000
<b>As at 1 January 2022</b>	<b>60,644</b>	<b>54,134</b>	-	<b>114,778</b>
<b>Changes arising from cash flows</b>	<b>6,859</b>	<b>(5,795)</b>	<b>(403)</b>	<b>661</b>
Inflows	13,790	-	-	<b>13,790</b>
Repayment of principal amount	(6,411)	(5,401)	(403)	<b>(12,215)</b>
Interest paid	(520)	(394)	-	<b>(914)</b>
<b>Non-cash changes</b>	<b>(244)</b>	<b>3,730</b>	<b>403</b>	<b>3,889</b>
Interest accrued	525	394	-	<b>919</b>
Non-cash increase in liabilities	-	3,264	403	<b>3,667</b>
Non-cash decrease in liabilities	-	(20)	-	<b>(20)</b>
Foreign exchange differences recognized in financial income/expenses	(769)	92	-	<b>(677)</b>
<b>Exchange differences on translation of foreign operations</b>	<b>365</b>	<b>510</b>	-	<b>875</b>
<b>As at 31 March 2022</b>	<b>67,624</b>	<b>52,579</b>	-	<b>120,203</b>

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 2023, the related contingent liabilities amounted to PLN 70,707 thousand, as compared to PLN 74,612 thousand as at 31 December 2022, and PLN 52,243 thousand as at 31 March 2022.

Assets serving as collateral for bank guarantee facilities:

Category of assets	Net value of assets			Amount of granted guarantee secured with assets		
	31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 December 2022	31 March 2022
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Financial assets	35	-	-	35	-	-
Trade receivables	-	-	2,723	-	-	5,724
Other receivables	336	379	299	336	379	299
<b>Total</b>	<b>371</b>	<b>379</b>	<b>3,022</b>	<b>371</b>	<b>379</b>	<b>6,023</b>

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 2023.

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 2023, 31 December 2022 and 31 March 2022, the above-mentioned contracts resulted in the following off-balance-sheet liabilities to make future payments:

	31 March 2023 PLN'000	31 December 2022 PLN'000	31 March 2022 PLN'000
<b><i>Liabilities from rental of space</i></b>			
In the period up to 1 year	2,993	3,567	3,359
In the period from 1 to 5 years	3,013	3,356	5,035
Over 5 years	-	-	-
	<b>6,006</b>	<b>6,923</b>	<b>8,394</b>
<b><i>Liabilities from leases of equipment</i></b>			
In the period up to 1 year	247	469	611
In the period from 1 to 5 years	-	-	-
Over 5 years	-	-	-
	<b>247</b>	<b>469</b>	<b>611</b>

The said contracts meet the definition of a lease under IFRS 16. Off-balance-sheet liabilities disclosed as at 31 March 2023 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 2023	31 December 2022	31 March 2022
Management Board of the Parent Company	4	4	4
Management Boards of the Group companies	59	64	58
Production departments	3,245	3,189	2,853
Sales departments	283	275	264
Administration departments	342	342	311
<b>Total</b>	<b>3,933</b>	<b>3,874</b>	<b>3,490</b>

Number of employees in the Group companies as at:	31 March 2023	31 December 2022	31 March 2022
ASEE S.A.	31	31	26
ASEE B&H	110	111	103
ASEE Bulgaria	16	17	16
ASEE Macedonia	246	248	244
ASEE Turkey	104	100	88
BS Telecom Solutions	138	134	133
ASEE Croatia Group	355	347	329
ASEE Kosovo Group	148	150	85
ASEE Romania Group	151	146	138
ASEE Serbia Group	615	608	566
Necomplus Group	879	866	757
Payten B&H Group	68	68	68
Payten Macedonia Group	33	33	56
Payten Romania Group	114	107	79
Payten Serbia Group	209	207	191
Payten Turkey Group	364	349	280
Sonet Group	85	83	84
Monri Croatia	108	106	95
Payten Croatia	101	102	101
Payten Montenegro	16	19	20
Payten Egypt	9	9	-
Payten Slovenia	33	33	31
<b>Total</b>	<b>3,933</b>	<b>3,874</b>	<b>3,490</b>

### 8.4. Significant events after the reporting period

#### ▪ *Establishing of a new company Monri Payments d.o.o. Belgrade*

On 7 April 2023, we established a new company in Serbia, namely Monri Payments d.o.o. Belgrade. The sole shareholder in this company is Payten Holding S.A.

In the period from 31 March 2023 till the date of approval of these interim condensed consolidated financial statements, this is until 26 April 2023, 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 2023, 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 2023**

## I. Financial results of Asseco South Eastern Europe Group for the first quarter of 2023

PLN'000	3 months ended		3 months ended		3 months ended		3 months ended	
	31 March 2023		31 March 2022 (restated)		31 March 2023		31 March 2022 (restated)	
	PLN'000	PLN'000	PLN'000	%	EUR'000	EUR'000	%	
Sales revenues	380,064	311,665	22%		80,857	67,065	21%	
Gross profit on sales	98,838	83,791	18%		21,027	18,030	17%	
Net profit on sales	50,080	45,882	9%		10,654	9,873	8%	
Operating profit	50,220	45,924	9%		10,684	9,882	8%	
EBITDA	72,759	68,163	7%		15,479	14,668	6%	
Net profit for the reporting period	47,201	39,717	19%		10,042	8,546	18%	
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>45,513</b>	<b>38,448</b>	<b>18%</b>		<b>9,683</b>	<b>8,273</b>	<b>17%</b>	

Financial results achieved by ASEE Group in the first quarter of 2023 were once again considerably stronger than in the corresponding period last year. Sales revenues presented in Polish zlotys amounted to PLN 380.1 million, growing by PLN 68.4 million or 22% in relation to the first quarter of 2022. Operating profit reached PLN 50.2 million increasing by 9%, while EBITDA for the first quarter of 2023 amounted to PLN 72.8 million showing an improvement by 7%. Net profit attributable to Shareholders of the Parent Company for the first three months of 2023 amounted to PLN 45.5 million, reflecting an increase by PLN 7.1 million or 18%.

In the first quarter of 2023, our sales presented in euros totalled EUR 80.9 million, increasing by EUR 13.8 million or 21%. Operating profit reached EUR 10.7 million, while EBITDA amounted to EUR 15.5 million, both going up by 8% and 6%, respectively.

Improvement in the financial results of ASEE Group observed in the first quarter of 2023 is basically the effect of a larger scale of operations in the segments of Banking Solutions and Dedicated Solutions. The growing scale of operations is also partly attributable to the consolidation of several new companies that joined ASEE Group in 2022. The newly acquired subsidiaries of ASEE Group generated EUR 1.0 million of sales revenues in the first quarter of 2023. At the same time, our new subsidiaries contributed EUR 0.1 million to EBIT and EUR 0.2 million to EBITDA.

The above-mentioned results for the first quarter of 2023 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		Impact of hyperinflation	3 months ended		Impact of hyperinflation	3 months ended			
	31 March 2023			31 March 2023			31 March 2023			
	Without IAS 29	PLN'000		According to IFRS	PLN'000		Without IAS 29	EUR'000		
Sales revenues	378,673	1,391		380,064			80,561	296		
Gross profit on sales	98,815	23		98,838			21,022	5		
Net profit on sales	50,110	(30)		50,080			10,661	(6)		
Operating profit	50,243	(23)		50,220			10,689	(5)		
EBITDA	72,421	338		72,759			15,407	72		
Net profit for the reporting period	37,728	9,473		47,201			8,026	2,015		
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>36,040</b>	<b>9,473</b>		<b>45,513</b>			<b>7,667</b>	<b>2,015</b>		
								<b>9,683</b>		

More detailed information on financial reporting in hyperinflationary conditions is provided in explanatory note 2.9 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 2023	31 March 2022 (restated)		31 March 2023	31 March 2022 (restated)	
	PLN'000	PLN'000		%	EUR'000	
Sales revenues	171,733	151,625	13%	36,535	32,627	12%
Operating profit	23,530	24,583	-4%	5,006	5,289	-5%
EBITDA	38,971	40,272	-3%	8,291	8,666	-4%

In the first quarter of 2023, sales of the **Payment Solutions** segment reached EUR 36.5 million, increasing by EUR 3.9 million or 12%. The key revenue driver was the business line dealing with maintenance of POS terminals (EUR 3.1 million), mainly due to larger deliveries of POS terminals in Western Europe, which was partially offset by lower revenues from deliveries in Serbia. Deliveries also generated increased revenues from the installation and maintenance of POS terminals. In addition, this business line reported higher sales of independent POS network and ECR solutions offered to retail customers. The second highest revenue growth (EUR 1.4 million) was recorded by the business line responsible for e-Commerce solutions, primarily owing to our operations in Turkey offering a payment gateway. The business line dealing with maintenance of ATMs recorded weaker revenues year on year, mainly due to smaller equipment deliveries carried out in Bulgaria, Croatia, and Romania.

Operating profit of the **Payment Solutions** segment for the first quarter of 2023 amounted to EUR 5.0 million, shrinking by EUR 0.3 million or 5%. The segment's EBIT decreased mainly due to weaker results in the e-Commerce business. Such decline was partially offset by stronger performance of the business line dealing with maintenance of POS terminals.

Consolidated EBITDA of the **Payment Solutions** segment for the first quarter of 2023 amounted to EUR 8.3 million, falling by EUR 0.4 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 2023	31 March 2022		31 March 2023	31 March 2022	
	PLN'000	PLN'000		%	EUR'000	
Sales revenues	72,206	56,553	28%	15,361	12,169	26%
Operating profit	17,439	12,646	38%	3,710	2,721	36%
EBITDA	20,659	15,495	33%	4,395	3,334	32%

In the first quarter of 2023, the **Banking Solutions** segment generated EUR 15.4 million in sales revenues, achieving an increase by EUR 3.2 million or 26% in relation to the comparable period last year. Stronger revenues were recorded by all of the segment's three business lines: core banking systems, multi-channel solutions, and security solutions, with the biggest progress accomplished in core banking systems. In terms of geographical regions, such growth was generated mainly in Serbia through ongoing implementation of projects involving a broad portfolio of products offered by individual business lines.

Operating profit of the **Banking Solutions** segment for the first quarter of 2023 reached to EUR 3.7 million, improving by EUR 1.0 million or 36% in relation to the comparable period last year. As in the case of revenues, the largest increase in EBIT was generated by the business line responsible for core banking systems on the back of projects carried out.

Consolidated EBITDA of the **Banking Solutions** segment for the first quarter of 2023 increased by EUR 1.1 million or 32%, to the level of EUR 4.4 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 2023	31 March 2022 (restated)		31 March 2023	31 March 2022 (restated)	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	134,734	103,487	30%	28,665	22,269	29%
Operating profit	9,274	8,695	7%	1,974	1,872	5%
EBITDA	12,791	12,396	3%	2,721	2,668	2%

Sales revenues generated by the **Dedicated Solutions** segment in the first quarter of 2023 reached EUR 28.7 million, reflecting an increase by EUR 6.4 million or 29%. The main engine of growth was the business line offering third-party solutions, mainly in Serbia and to a lesser extent in Turkey, with a decline in revenues in Bosnia and Herzegovina. Within proprietary solutions, the largest increase was recorded by the business line responsible for BPM systems.

Operating profit of the Dedicated Solutions segment for the first quarter of 2023 amounted to EUR 2.0 million and was higher by EUR 0.1 million or 5% than in the comparable period last year. Such improvement was achieved mainly through organic growth.

EBITDA of the Dedicated Solutions segment for the first quarter of 2023 reached EUR 2.7 million, increasing by EUR 0.1 million or 2%.

### Net profit

Consolidated **net profit** of ASEE Group for the first quarter of 2023 amounted to EUR 8.0 million, showing a decrease by EUR 0.5 million or 6% in relation to the comparable period last year. The net result on financial activities in the first three months of 2023 equalled EUR -0.4 million, as compared to EUR 0.7 million reported a year ago. The result on financial activities decreased basically due to a different balance of foreign exchange differences – last year we recognized positive exchange differences on the valuation of cash assets in Turkey as the Turkish lira depreciated against the US dollar, and in Poland as the Polish zloty depreciated against euro.

In the first quarter of 2023, our effective tax rate equalled 21.9%, increasing by 2.4 percentage points in relation to the first three months of 2022. Such increase in the effective tax rate was affected by the recognition of additional tax liabilities expected by our Turkish operations, due to the imposition of an additional tax related to the financing of damages caused by the earthquake that hit Turkey in the first quarter of this year. Furthermore, the effective tax rate changed as a result of our operating activities, the distribution of taxable income among individual countries, as well as higher taxes on dividends paid out within the Group in the first quarter of 2023.

## II. Analysis of financial ratios

	3 months ended	3 months ended
	31 March 2023	31 March 2022 (restated)
Gross profit margin	26.0%	26.9%
EBITDA margin	19.1%	21.9%
Operating profit margin	13.2%	14.7%
Net profit margin	12.0%	12.3%
Return on equity (ROE)	18.1%	15.9%
Return on assets (ROA)	11.5%	10.8%

In the first quarter of 2023, our gross profit margin equalled 26% and it was by 0.9 percentage points lower than in the corresponding period last year.

Our EBITDA margin decreased from 21.9% in the first quarter of 2022 to the level of 19.1% this year.

The net profit margin reached 12.0% in the reporting period, shrinking by 0.3 percentage points in relation to the first quarter of the previous year.

The improved financial performance of ASEE Group in recent quarters resulted in higher values of ROE and ROA ratios. Return on equity for the trailing 12 months ended 31 March 2023 equalled 18.1%, increasing by 2.2 percentage points, while return on assets reached the level of 11.5%, increasing by 0.7 percentage points.

	31 March 2023	31 December 2022	31 March 2022
Working capital (in thousands of PLN)	273,104	247,484	224,988
Current liquidity ratio	1.5	1.4	1.6
Quick liquidity ratio	1.3	1.3	1.4
Absolute liquidity ratio	0.6	0.5	0.7

*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 2023, our working capital amounted to PLN 273.1 million, reflecting an increase by PLN 25.6 million in relation to its level reported at the end of 2022.

During the first three months of 2023, the value of current assets declined by PLN 12.1 million, primarily due to a decrease in trade receivables by PLN 83.3 million.

Such decrease was partially offset by increases in contract assets by PLN 34.4 million, in inventories by PLN 17.1 million, and in cash and cash equivalents by PLN 8 million.

In the same period, our total current liabilities declined by PLN 37.7 million. This resulted primarily from decreases in liabilities to the state and local budgets by PLN 22.2 million, in other liabilities by PLN 13.6 million, and in contract liabilities by PLN 5.3 million. Liabilities to the state and local budgets decreased mainly due to the lower amount of VAT payable. Other liabilities changed basically as a result of payment of variable portions of remuneration in the first quarter of 2023. The decrease in total current liabilities was to a small extent offset by an increase by PLN 6.0 million in accruals for unused holiday leaves and employee bonuses.

Our liquidity ratios as at 31 March 2023 remained at similar levels as recorded in 2022.

	31 March 2023	31 December 2022	31 March 2022 (restated)
Total debt ratio	37.8%	40.1%	34.2%
Debt / equity ratio	13.0%	14.3%	14.3%
Debt / (debt + equity) ratio	11.5%	12.5%	12.5%

*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 40.1% reported at the end of 2022 to the level of 37.8% as at 31 March 2023. Such change is primarily attributable to the decrease in total liabilities by PLN 45 million. In the first quarter of 2023, current liabilities declined by PLN 37.7 million, as described above. At the same time, non-current liabilities decreased by PLN 7.3 million primarily due to repayments of bank loans and borrowings.

Other financial liabilities dropped by PLN 0.8 million as compared to those disclosed at the end of 2022. In the first quarter of this year, we paid off a portion of liabilities arising from conditional payments for shares in Smarttek and Helius companies.

The total amount of bank loans and borrowings decreased from the level of PLN 115.1 million reported as at 31 December 2022 to PLN 105 million as at the end of the first quarter of 2023. Such decrease resulted from repayments of existing bank loans in line with their repayment schedules.

Our debt to equity ratio decreased by 1.3 percentage points while the ratio of debt to total interest-bearing liabilities plus equity dropped by 1 percentage point as compared to the end of 2022. These decreases were mainly due to an increase in equity by PLN 39.4 million.

### III. Structure of the statement of cash flows

	3 months ended	3 months ended
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	31 March 2023 PLN'000	31 March 2022 PLN'000
Net cash provided by (used in) operating activities	43,615	32,368
Net cash provided by (used in) investing activities	(16,372)	(13,509)
Net cash provided by (used in) financing activities	(10,380)	665
Net change in cash and cash equivalents	16,863	19,524
<b>Cash and cash equivalents at the end of the period</b>	<b>279,370</b>	<b>224,215</b>

In the first quarter of 2023, net cash provided by our operating activities amounted to PLN 43.6 million. Compared to the previous year, the amount of cash flows generated was higher basically due to stronger operating profit as well as changes in the structure of our working capital. During the first three months of 2023, the decrease in liabilities, accruals and provisions amounted to PLN 42.1 million (which was PLN 0.1 million more than in the comparable period last year), while the change in inventories and receivables amounted to PLN 20.1 million (which was PLN 8.3 million more 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. Despite that, in the first quarter of 2023, operating activities of ASEE Group generated more net cash flows than in the comparable period.

Net cash outflows from our investing activities amounted to PLN 16.4 million in the first quarter of 2023. 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 15.5 million. The acquisitions of property, plant and equipment and intangible assets included, among others, expenditures for infrastructure used in the outsourcing of payment processes, the total amount of which increased by PLN 3.8 million in comparison to the first quarter of 2022. Compared to the first quarter of 2022, expenditures for the acquisition of subsidiaries decreased by PLN 0.9 million. In the first quarter of 2023, such expenditures were related to the settlement of a portion of liabilities arising from conditional payments for shares in Smarttek and Helius companies.

In the first quarter of 2023, net cash provided by our financing activities amounted to PLN 10.4 million, primarily due to scheduled repayments of bank loans, borrowings and lease liabilities along with interest, as well as obtaining new bank loans.

#### 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 2023, in a breakdown by geographical area:

For the period of 3 months ended 31 March 2023 in thousands of PLN	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
Sales revenues	24,932	52,028	13,990	52,124	112,708	38,946	57,492	8,370	10,790	19,963	(12,670)	1,391	380,064
Cost of sales	(16,786)	(41,675)	(9,723)	(44,589)	(76,449)	(26,301)	(48,198)	(6,598)	(7,291)	(15,087)	14,157	(1,368)	(279,908)
Recognition (reversal) of impairment losses on financial instruments	(167)	(404)	80	(457)	(36)	(193)	(51)	(31)	(1)	(57)	(1)	-	(1,318)
<b>Gross profit on sales</b>	<b>7,979</b>	<b>9,949</b>	<b>4,347</b>	<b>7,078</b>	<b>36,223</b>	<b>12,452</b>	<b>9,243</b>	<b>1,741</b>	<b>3,498</b>	<b>4,819</b>	<b>1,486</b>	<b>23</b>	<b>98,838</b>
Selling costs	(1,605)	(5,245)	(998)	(3,343)	(5,544)	(4,166)	(965)	(477)	(785)	(1,236)	133	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)
<b>Net profit (loss) on sales</b>	<b>4,427</b>	<b>599</b>	<b>2,064</b>	<b>1,017</b>	<b>26,302</b>	<b>4,815</b>	<b>6,553</b>	<b>404</b>	<b>1,837</b>	<b>2,276</b>	<b>(184)</b>	<b>(30)</b>	<b>50,080</b>
Other operating income	103	197	42	27	107	125	50	16	17	46	(5)	(3)	722
Other operating expenses	(116)	(9)	(10)	(17)	(35)	(375)	(1)	(7)	(12)	(14)	4	10	(582)
Share of profits of associates	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating profit (loss)</b>	<b>4,414</b>	<b>787</b>	<b>2,096</b>	<b>1,027</b>	<b>26,374</b>	<b>4,565</b>	<b>6,602</b>	<b>413</b>	<b>1,842</b>	<b>2,308</b>	<b>(185)</b>	<b>(23)</b>	<b>50,220</b>

For the period of 3 months ended 31 March 2023 in thousands of EUR	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Hyperinflation	Total
Sales revenues	5,304	11,069	2,976	11,089	23,978	8,286	12,231	1,781	2,296	4,246	(2,695)	296	80,857

Cost of sales	(3,571)	(8,866)	(2,069)	(9,486)	(16,264)	(5,595)	(10,254)	(1,404)	(1,551)	(3,210)	3,012	(291)	(59,549)
Recognition (reversal) of impairment losses on financial instruments	(36)	(86)	17	(97)	(8)	(41)	(11)	(7)	-	(12)	-	-	(281)
<b>Gross profit on sales</b>	<b>1,697</b>	<b>2,117</b>	<b>924</b>	<b>1,506</b>	<b>7,706</b>	<b>2,650</b>	<b>1,966</b>	<b>370</b>	<b>745</b>	<b>1,024</b>	<b>317</b>	<b>5</b>	<b>21,027</b>
Selling costs	(341)	(1,116)	(212)	(711)	(1,179)	(886)	(205)	(101)	(167)	(265)	28	1	(5,154)
General and administrative expenses	(414)	(873)	(273)	(578)	(931)	(738)	(367)	(183)	(186)	(279)	(384)	(13)	(5,219)
<b>Net profit (loss) on sales</b>	<b>942</b>	<b>128</b>	<b>439</b>	<b>217</b>	<b>5,596</b>	<b>1,026</b>	<b>1,394</b>	<b>86</b>	<b>392</b>	<b>480</b>	<b>(39)</b>	<b>(7)</b>	<b>10,654</b>
Other operating income	22	42	9	6	23	27	11	3	4	9	(1)	(1)	154
Other operating expenses	(25)	(2)	(2)	(4)	(7)	(80)	-	(1)	(3)	(3)	1	2	(124)
<i>Share of profits of associates</i>	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Operating profit (loss)</b>	<b>939</b>	<b>168</b>	<b>446</b>	<b>219</b>	<b>5,612</b>	<b>973</b>	<b>1,405</b>	<b>88</b>	<b>393</b>	<b>486</b>	<b>(39)</b>	<b>(6)</b>	<b>10,684</b>

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

The table below presents the basic financial data from the statement of profit and loss for the period of 3 months ended 31 March 2022, in a breakdown by geographical area:

For the period of 3 months ended 31 March 2022 in thousands of PLN	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
Sales revenues	27,659	45,824	14,036	50,868	84,664	28,614	40,210	5,480	10,015	15,866	(11,571)	311,665
Cost of sales	(20,636)	(35,650)	(9,049)	(42,919)	(62,296)	(13,717)	(31,588)	(3,945)	(7,080)	(11,107)	10,928	(227,059)
Recognition (reversal) of impairment losses on financial instruments	-	(478)	(29)	(408)	(42)	332	-	12	(195)	(11)	4	(815)
<b>Gross profit on sales</b>	<b>7,023</b>	<b>9,696</b>	<b>4,958</b>	<b>7,541</b>	<b>22,326</b>	<b>15,229</b>	<b>8,622</b>	<b>1,547</b>	<b>2,740</b>	<b>4,748</b>	<b>(639)</b>	<b>83,791</b>
Selling costs	(1,219)	(4,243)	(1,273)	(3,029)	(4,306)	(2,392)	(848)	(486)	(665)	(1,147)	253	(19,355)
General and administrative expenses	(1,552)	(3,314)	(1,151)	(2,150)	(3,463)	(2,022)	(2,344)	(835)	(753)	(996)	26	(18,554)
<b>Net profit (loss) on sales</b>	<b>4,252</b>	<b>2,139</b>	<b>2,534</b>	<b>2,362</b>	<b>14,557</b>	<b>10,815</b>	<b>5,430</b>	<b>226</b>	<b>1,322</b>	<b>2,605</b>	<b>(360)</b>	<b>45,882</b>
Other operating income	35	94	49	75	47	11	16	2	2	85	(41)	375
Other operating expenses	(18)	(118)	(13)	(26)	(62)	(45)	(23)	(4)	(21)	(33)	30	(333)
<b>Operating profit (loss)</b>	<b>4,269</b>	<b>2,115</b>	<b>2,570</b>	<b>2,411</b>	<b>14,542</b>	<b>10,781</b>	<b>5,423</b>	<b>224</b>	<b>1,303</b>	<b>2,657</b>	<b>(371)</b>	<b>45,924</b>

For the period of 3 months ended 31 March 2022 in thousands of EUR	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
Sales revenues	5,952	9,861	3,020	10,946	18,218	6,157	8,653	1,179	2,155	3,414	(2,490)	67,065
Cost of sales	(4,441)	(7,671)	(1,947)	(9,235)	(13,405)	(2,952)	(6,797)	(849)	(1,523)	(2,390)	2,352	(48,858)
Recognition (reversal) of impairment losses on financial instruments	-	(103)	(6)	(88)	(9)	71	-	3	(42)	(4)	1	(177)
<b>Gross profit on sales</b>	<b>1,511</b>	<b>2,087</b>	<b>1,067</b>	<b>1,623</b>	<b>4,804</b>	<b>3,276</b>	<b>1,856</b>	<b>333</b>	<b>590</b>	<b>1,020</b>	<b>(137)</b>	<b>18,030</b>
Selling costs	(262)	(913)	(274)	(652)	(927)	(515)	(182)	(105)	(143)	(246)	54	(4,165)
General and administrative expenses	(334)	(713)	(248)	(463)	(745)	(435)	(504)	(180)	(162)	(215)	6	(3,993)
<b>Net profit (loss) on sales</b>	<b>915</b>	<b>461</b>	<b>545</b>	<b>508</b>	<b>3,132</b>	<b>2,326</b>	<b>1,170</b>	<b>48</b>	<b>285</b>	<b>559</b>	<b>(77)</b>	<b>9,872</b>
Other operating income	8	20	11	16	10	2	3	-	-	22	(9)	83
Other operating expenses	(4)	(25)	(3)	(6)	(13)	(10)	(5)	(1)	(5)	(7)	6	(73)
<b>Operating profit (loss)</b>	<b>919</b>	<b>456</b>	<b>553</b>	<b>518</b>	<b>3,129</b>	<b>2,318</b>	<b>1,168</b>	<b>47</b>	<b>280</b>	<b>574</b>	<b>(80)</b>	<b>9,882</b>

The above figures have been converted at the average exchange rate for the period from 1 January 2022 to 31 March 2022: EUR 1 = PLN 4.6472

## 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 2023 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'.

Moreover, 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 2.9 to the consolidated financial statements of the Group.

## VI. Governing bodies of Asseco South Eastern Europe S.A.

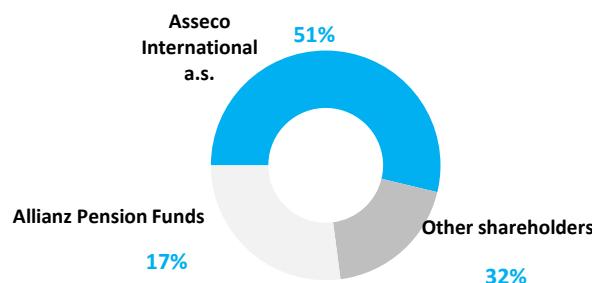
As at the date of publication of this report, this is on 26 April 2023, the Company's Management Board, Supervisory Board and Audit Committee are composed of the following persons:

Supervisory Board	Management Board	Audit Committee
Józef Klein	Piotr Jelerński	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 2023 till the publication of this report, this is till 26 April 2023, the compositions of the Company's management and supervisory bodies remained unchanged.

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

### Major shareholders as at 31 March 2023



As at 31 March 2023, 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.

To the best knowledge of the Company's Management Board, as at the date of publication of this report, this is on 26 April 2023, as well as on 31 March 2023, 22 February 2023 and 31 December 2022, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Major shareholders	Number of shares held	Percentage of total voting rights
Asseco International a.s.	26,407,081	50.89%
Pension Funds managed by PTE Allianz Poland S.A.*	8,748,258	16.86%
Other shareholders	16,738,912	32.26%
<b>Total</b>	<b>51,894,251</b>	<b>100.00%</b>

\*On 30 December 2022, General Pension Company Aviva Santander S.A. merged with General Pension Company Allianz Poland S.A. At present, the following pension funds managed by PTE Allianz Poland S.A.: Allianz OFE, Allianz DFE and II Allianz OFE are shareholders in ASEE.

## 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:

	26 April 2023	31 March 2023	22 February 2023	31 December 2022
Piotr Jeleński	1,253,492	1,253,492	1,253,492	1,253,492
Miljan Mališ <sup>1)</sup>	348,336	348,336	348,336	348,336
Michał Nitka	45,000	45,000	45,000	45,000
Kostadin Slavkoski	44,315	44,315	44,315	44,315

*1) 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 2023 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 2023. 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 2023.

### 8.6. Changes in the Group management policies

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

The Management Board of Asseco South Eastern Europe S.A. did not publish any financial forecasts for 2023.

### **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 2022 which were published on 22 February 2023.

### **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 2023 have also been described in the Management Report on Operations of the Group for the year 2022.

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, 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 2023**

## Financial Highlights

### Asseco South Eastern Europe S.A.

	3 months ended 31 March 2023 PLN'000	3 months ended 31 March 2022 PLN'000	3 months ended 31 March 2023 EUR'000	3 months ended 31 March 2022 EUR'000
Revenues from holding activities	19,984	13,625	4,251	2,932
Revenues from operating activities	3,112	2,734	662	588
Operating profit	16,263	10,052	3,460	2,163
Pre-tax profit	16,540	12,893	3,519	2,774
<b>Net profit for the reporting period</b>	<b>15,656</b>	<b>12,026</b>	<b>3,331</b>	<b>2,588</b>
Net cash provided by (used in) operating activities	(39,711)	7,663	(8,448)	1,649
Net cash provided by (used in) investing activities	62,563	27,248	13,310	5,863
Net cash provided by (used in) financing activities	(1,780)	(1,777)	(379)	(382)
<b>Cash and cash equivalents at the end of the period (comparable data as at 31 December 2022)</b>	<b>41,416</b>	<b>20,344</b>	<b>8,858</b>	<b>4,338</b>
Basic earnings per ordinary share for the reporting period (in PLN/EUR)	0.30	0.23	0.06	0.05
Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	0.30	0.23	0.06	0.05

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 2023 to 31 March 2023: EUR 1 = PLN 4.7005
  - for the period from 1 January 2022 to 31 March 2022: EUR 1 = PLN 4.6472
- The 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 2023: EUR 1 = PLN 4.6755
  - exchange rate effective on 31 December 2022: EUR 1 = PLN 4.6899

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.

	3 months ended 31 March 2023	3 months ended 31 March 2022
	PLN'000	PLN'000
<b>STATEMENT OF PROFIT AND LOSS</b>		
<b>Holding activities</b>	<b>19,984</b>	<b>13,625</b>
Dividend income	15,832	9,518
Revenues from sale of services	4,152	4,107
<b>Operating activities</b>	<b>3,112</b>	<b>2,734</b>
Revenues from sale of IT services and software	3,112	2,734
<b>Total sales revenues</b>	<b>23,096</b>	<b>16,359</b>
Cost of sales	(5,841)	(5,636)
Recognition/reversal of allowances for trade receivables	-	(197)
<b>Gross profit on sales</b>	<b>17,255</b>	<b>10,526</b>
Selling costs	(277)	(118)
General and administrative expenses	(716)	(332)
<b>Net profit on sales</b>	<b>16,262</b>	<b>10,076</b>
Other operating income	1	-
Other operating expenses	-	(24)
<b>Operating profit</b>	<b>16,263</b>	<b>10,052</b>
Financial income	931	3,079
Financial expenses	(652)	(238)
Recognition/reversal of impairment losses on loans granted and other financial instruments	(2)	-
<b>Pre-tax profit</b>	<b>16,540</b>	<b>12,893</b>
Corporate income tax	(884)	(867)
<b>Net profit</b>	<b>15,656</b>	<b>12,026</b>
<b>Earnings per share (in PLN):</b>		
basic earnings per share	0.30	0.23
diluted earnings per share	0.30	0.23
<b>COMPREHENSIVE INCOME:</b>		
<b>Net profit</b>	<b>15,656</b>	<b>12,026</b>
<b>Other comprehensive income:</b>		
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD</b>	<b>15,656</b>	<b>12,026</b>

# Interim Condensed Statement of Financial Position

## Asseco South Eastern Europe S.A.

ASSETS	31 March 2023	31 December 2022	31 March 2022
	PLN'000	PLN'000	PLN'000
<b>Non-current assets</b>			
Property, plant and equipment	278	310	410
Intangible assets	5,374	5,525	5,917
<i>of which goodwill from business combinations</i>	4,567	4,567	4,567
Right-of-use assets	45	73	154
Investments in subsidiaries	691,414	691,407	621,318
Deferred tax assets	-	93	210
Other receivables	7,153	7,175	47
Other financial assets	8,782	62,742	53,383
	<b>713,046</b>	<b>767,325</b>	<b>681,439</b>
<b>Current assets</b>			
Prepayments and accrued income	3,198	2,053	2,061
Trade receivables	5,545	4,335	7,731
Corporate income tax receivable	-	-	-
Receivables from the state and local budgets	-	-	4
Other receivables	10,869	14,502	161
Other financial assets	6,119	13,660	20,727
Cash and short-term deposits	41,416	20,344	49,276
	<b>67,147</b>	<b>54,894</b>	<b>79,960</b>
<b>TOTAL ASSETS</b>	<b>780,193</b>	<b>822,219</b>	<b>761,399</b>

# Interim Condensed Statement of Financial Position

## Asseco South Eastern Europe S.A.

EQUITY AND LIABILITIES	31 March 2023	31 December 2022	31 March 2022
	PLN'000	PLN'000	PLN'000
<b>TOTAL EQUITY</b>			
Share capital	518,943	518,943	518,943
Share premium	38,826	38,826	38,826
Other capitals	3,228	3,172	3,013
Retained earnings	166,169	150,513	157,754
	<b>727,166</b>	<b>711,454</b>	<b>718,536</b>
<b>Non-current liabilities</b>			
Bank loans	26,974	29,763	25,703
Lease liabilities	-	-	54
Other financial liabilities	76	141	628
Deferred tax liabilities	30	-	-
	<b>27,080</b>	<b>29,904</b>	<b>26,385</b>
<b>Current liabilities</b>			
Bank loans	9,428	8,091	5,317
Lease liabilities	56	90	118
Other financial liabilities	207	61,179	-
Trade payables	1,397	1,746	1,062
Contract liabilities	6,925	1,541	5,789
Corporate income tax payable	744	742	125
Liabilities to the state and local budgets	1,453	295	1,021
Other liabilities	191	406	295
Accruals	5,546	6,771	2,751
	<b>25,947</b>	<b>80,861</b>	<b>16,478</b>
<b>TOTAL LIABILITIES</b>	<b>53,027</b>	<b>110,765</b>	<b>42,863</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>780,193</b>	<b>822,219</b>	<b>761,399</b>

## Interim Condensed Statement of Changes in Equity Asseco South Eastern Europe S.A.

	Share capital	Share premium	Other capitals	Retained earnings	Total equity
<b>As at 1 January 2023</b>	<b>518,943</b>	<b>38,826</b>	<b>3,172</b>	<b>150,513</b>	<b>711,454</b>
Net profit for the reporting period	-	-	-	15,656	<b>15,656</b>
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,656</b>	<b>15,656</b>
Valuation of share-based payment plan	-	-	56	-	<b>56</b>
<b>As at 31 March 2023</b>	<b>518,943</b>	<b>38,826</b>	<b>3,228</b>	<b>166,169</b>	<b>727,166</b>

<b>As at 1 January 2022</b>	<b>518,943</b>	<b>38,826</b>	<b>2,981</b>	<b>145,728</b>	<b>706,478</b>
Net profit for the reporting period	-	-	-	71,210	<b>71,210</b>
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>71,210</b>	<b>71,210</b>
Dividend	-	-	-	(66,425)	<b>(66,425)</b>
Valuation of share-based payment plan	-	-	191	-	<b>191</b>
<b>As at 31 December 2022</b>	<b>518,943</b>	<b>38,826</b>	<b>3,172</b>	<b>150,513</b>	<b>711,454</b>

<b>As at 1 January 2022</b>	<b>518,943</b>	<b>38,826</b>	<b>2,981</b>	<b>145,728</b>	<b>706,478</b>
Net profit for the reporting period	-	-	-	12,026	<b>12,026</b>
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,026</b>	<b>12,026</b>
Valuation of share-based payment plan	-	-	31	-	<b>31</b>
<b>As at 31 March 2022</b>	<b>518,943</b>	<b>38,826</b>	<b>3,013</b>	<b>157,754</b>	<b>718,536</b>

# Interim Condensed Statement of Cash Flows

## Asseco South Eastern Europe S.A.

	3 months ended 31 March 2023	3 months ended 31 March 2022
	PLN'000	PLN'000
<b>Cash flows – operating activities</b>		
Pre-tax profit	16,540	12,893
<b>Total adjustments:</b>	<b>(13,821)</b>	<b>(14,863)</b>
Depreciation and amortization	228	250
Change in receivables	(1,276)	(6,102)
Change in liabilities, accruals and provisions	3,437	3,333
Interest income/expenses	(272)	(634)
Gain/loss on foreign exchange differences	(158)	(2,222)
Gain/loss on investing activities	(15,830)	(9,519)
Valuation of share-based payment plan	56	31
Other	(6)	-
<b>Selected operating cash flows</b>	<b>(42,430)</b>	<b>9,641</b>
Acquisition of shares in related entities	(61,254)	-
Dividends received	18,824	9,641
<b>Cash generated from operating activities</b>	<b>(39,711)</b>	<b>7,671</b>
Corporate income tax (paid) recovered	-	(8)
<b>Net cash provided by (used in) operating activities</b>	<b>(39,711)</b>	<b>7,663</b>
<b>Cash flows – investing activities</b>		
<b>Inflows:</b>	<b>62,580</b>	<b>27,560</b>
Disposal of property, plant and equipment, and intangible assets	1	-
Loans collected	61,434	27,179
Interest received	1,145	381
<b>Outflows:</b>	<b>(17)</b>	<b>(312)</b>
Acquisition of property, plant and equipment, and intangible assets	(17)	(32)
Acquisition/settlement of financial assets carried at fair value through profit or loss	-	(45)
Loans granted	-	(235)
<b>Net cash provided by (used in) investing activities</b>	<b>62,563</b>	<b>27,248</b>
<b>Cash flows – financing activities</b>		
<b>Inflows:</b>	<b>-</b>	<b>-</b>
<b>Outflows:</b>	<b>(1,780)</b>	<b>(1,777)</b>
Repayments of bank loans	(1,687)	(1,591)
Payments of lease liabilities	(34)	(32)
Interest paid	(59)	(154)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,780)</b>	<b>(1,777)</b>
<b>Net change in cash and cash equivalents</b>	<b>21,072</b>	<b>33,134</b>
Net foreign exchange differences	-	-
Cash and cash equivalents as at 1 January	20,344	16,142
<b>Cash and cash equivalents as at 31 March</b>	<b>41,416</b>	<b>49,276</b>

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This quarterly report has been approved for publication by the Management Board of Asseco South Eastern Europe S.A. on 26 April 2023.

**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

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# Technology for business, solutions for people.

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