



**Quarterly Report  
of [Asseco South Eastern Europe Group](#)  
for the period of 9 months ended  
30 September 2020**

**asseco**  
SOUTH EASTERN EUROPE



Present in  
**23 countries**



**PLN 691.8 million**  
in sales revenues



**2,885**  
highly committed  
employees



**PLN 81.9 million**  
in net profit for  
Shareholders of  
the Parent Company

# Quarterly Report of Asseco South Eastern Europe Group for the period of 9 months ended 30 September 2020

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# Financial Highlights

## Asseco South Eastern Europe Group

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000	9 months ended 30 Sept. 2020 EUR'000	9 months ended 30 Sept. 2019 EUR'000
Sales revenues	691,823	605,776	155,744	140,597
Operating profit	101,326	75,008	22,811	17,409
Pre-tax profit	99,165	76,652	22,324	17,791
<b>Net profit for the reporting period</b>	<b>82,870</b>	<b>62,812</b>	<b>18,656</b>	<b>14,578</b>
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>81,904</b>	<b>61,735</b>	<b>18,438</b>	<b>14,328</b>
Net cash provided by (used in) operating activities	108,799	54,091	24,493	12,554
Net cash provided by (used in) investing activities	(40,450)	(66,296)	(9,106)	(15,387)
Net cash provided by (used in) financing activities	(84,053)	(15,485)	(18,922)	(3,594)
<b>Cash and cash equivalents at the end of period (comparable data as at 31 December 2019)</b>	<b>180,228</b>	<b>199,663</b>	<b>39,814</b>	<b>46,886</b>
Basic earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	1.58	1.19	0.36	0.28
Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	1.58	1.19	0.36	0.28

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 2020 to 30 September 2020: EUR 1 = PLN 4.4420
  - for the period from 1 January 2019 to 30 September 2019: EUR 1 = PLN 4.3086
- 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 30 September 2020: EUR 1 = PLN 4.5268
  - exchange rate effective on 31 December 2019: EUR 1 = PLN 4.2585

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 30 Sept. 2020	9 months ended 30 Sept. 2020	3 months ended 30 Sept. 2019 (restated)	9 months ended 30 Sept. 2019 (restated)
	Note	PLN'000	PLN'000	PLN'000	PLN'000
Operating revenues	5.1	227,478	691,823	228,802	605,776
Cost of sales	5.2	(160,386)	(505,431)	(174,699)	(457,280)
Allowances for trade receivables	5.2	(556)	(213)	(490)	(952)
<b>Gross profit on sales</b>		<b>66,536</b>	<b>186,179</b>	<b>53,613</b>	<b>147,544</b>
Selling costs	5.2	(13,514)	(40,282)	(13,003)	(37,033)
General and administrative expenses	5.2	(15,791)	(45,209)	(11,638)	(37,339)
<b>Net profit on sales</b>		<b>37,231</b>	<b>100,688</b>	<b>28,972</b>	<b>73,172</b>
Other operating income	5.3	501	1,586	1,872	3,137
Other operating expenses	5.3	(438)	(948)	(446)	(1,240)
Share of profits of associates and joint ventures		-	-	-	(61)
<b>Operating profit</b>		<b>37,294</b>	<b>101,326</b>	<b>30,398</b>	<b>75,008</b>
Financial income	5.4	3,569	7,537	860	5,908
Financial expenses	5.4	(3,724)	(9,698)	(1,349)	(4,174)
Impairment losses on financial instruments		-	-	-	(90)
<b>Pre-tax profit</b>		<b>37,139</b>	<b>99,165</b>	<b>29,909</b>	<b>76,652</b>
Corporate income tax (current and deferred tax expense)	5.5	(5,435)	(16,295)	(4,282)	(13,840)
<b>Net profit for the reporting period</b>		<b>31,704</b>	<b>82,870</b>	<b>25,627</b>	<b>62,812</b>
<i>Attributable to:</i>					
<b>Shareholders of the Parent Company</b>		<b>31,452</b>	<b>81,904</b>	<b>25,505</b>	<b>61,735</b>
Non-controlling interests		252	966	122	1,077
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)					
	5.6	0.61	1.58	0.49	1.19
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Net profit for the reporting period</b>		<b>31,704</b>	<b>82,870</b>	<b>25,627</b>	<b>62,812</b>
<b>Components that may be reclassified to profit or loss</b>		<b>1,877</b>	<b>25,712</b>	<b>25,067</b>	<b>12,853</b>
Net gain/loss on valuation of financial assets		-	(7)	6	10
Differences on foreign currency translation of subsidiaries		1,877	25,719	25,061	12,843
<b>Components that will not be reclassified to profit or loss</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Actuarial gains/losses		-	-	-	-
<b>Total other comprehensive income</b>		<b>1,877</b>	<b>25,712</b>	<b>25,067</b>	<b>12,853</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>		<b>33,581</b>	<b>108,582</b>	<b>50,694</b>	<b>75,665</b>
<b>Shareholders of the Parent Company</b>		<b>33,291</b>	<b>107,471</b>	<b>50,234</b>	<b>74,364</b>
Non-controlling interests		290	1,111	460	1,301

# Interim Condensed Consolidated Statement of Financial Position

## Asseco South Eastern Europe Group

ASSETS	Note	30 Sept. 2020 PLN'000	30 June 2020 PLN'000	31 Dec. 2019 (restated) PLN'000	30 Sept. 2019 (restated) PLN'000
<b>Non-current assets</b>					
Property, plant and equipment	<u>6.1</u>	145,394	146,781	147,061	156,326
Intangible assets	<u>6.2</u>	20,512	22,947	23,978	20,082
Right-of-use assets	<u>6.3</u>	62,764	65,618	65,055	69,445
Investment property		606	605	596	622
Goodwill	<u>6.4</u>	566,665	556,978	532,139	543,464
Other receivables	<u>6.7</u>	923	774	724	480
Deferred tax assets		10,666	9,830	8,978	8,095
Other financial assets	<u>6.5</u>	4,840	4,800	4,670	5,272
Prepayments and accrued income	<u>6.6</u>	140	247	614	166
		<b>812,510</b>	<b>808,580</b>	<b>783,815</b>	<b>803,952</b>
<b>Current assets</b>					
Inventories	<u>6.8</u>	26,518	26,911	37,215	34,675
Prepayments and accrued income	<u>6.6</u>	23,156	24,930	21,746	16,436
Trade receivables	<u>6.7</u>	109,108	132,189	164,530	135,389
Contract assets	<u>6.7</u>	67,139	59,760	28,050	45,575
Corporate income tax receivable	<u>6.7</u>	1,234	1,481	1,364	2,721
Receivables from the state and local budgets	<u>6.7</u>	3,333	2,661	2,008	3,301
Other receivables	<u>6.7</u>	4,215	4,198	2,889	5,320
Other non-financial assets		12,405	10,823	10,247	21,072
Other financial assets	<u>6.5</u>	47	41	572	2,833
Cash and bank deposits	<u>6.9</u>	180,228	199,314	199,663	149,817
		<b>427,383</b>	<b>462,308</b>	<b>468,284</b>	<b>417,139</b>
<b>TOTAL ASSETS</b>		<b>1,239,893</b>	<b>1,270,888</b>	<b>1,252,099</b>	<b>1,221,091</b>

# Interim Condensed Consolidated Statement of Financial Position

## Asseco South Eastern Europe Group

EQUITY AND LIABILITIES	Note	30 Sept. 2020	30 June 2020	31 Dec. 2019	30 Sept. 2019
		PLN'000	PLN'000	(restated) PLN'000	(restated) PLN'000
<b>Equity</b> <i>(attributable to shareholders of the Parent Company)</i>					
Share capital		518,942	518,942	518,942	518,942
Share premium		38,825	38,825	38,825	38,825
Transactions with non-controlling interests		(12,095)	(11,897)	(8,335)	(5,519)
Other capitals		(586)	(586)	(1,319)	(1,634)
Differences on foreign currency translation of subsidiaries		(94,012)	(95,851)	(119,586)	(91,019)
Retained earnings		413,636	382,184	370,134	342,222
		<b>864,710</b>	<b>831,617</b>	<b>798,661</b>	<b>801,817</b>
<b>Non-controlling interests</b>		<b>2,139</b>	<b>1,909</b>	<b>2,051</b>	<b>1,960</b>
<b>Total equity</b>		<b>866,849</b>	<b>833,526</b>	<b>800,712</b>	<b>803,777</b>
<b>Non-current liabilities</b>					
Bank loans and borrowings	<u>6.11</u>	34,187	39,342	43,255	50,586
Lease liabilities	<u>6.10</u>	43,435	45,965	47,489	52,651
Other financial liabilities	<u>6.12</u>	34,585	32,161	28,557	30,809
Deferred tax liabilities		2,977	3,048	3,167	2,568
Provisions	<u>6.15</u>	1,856	1,936	2,013	2,012
Contract liabilities	<u>6.14</u>	994	1,224	804	437
Other liabilities	<u>6.13</u>	540	722	494	634
		<b>118,574</b>	<b>124,398</b>	<b>125,779</b>	<b>139,697</b>
<b>Current liabilities</b>					
Bank loans and borrowings	<u>6.11</u>	34,591	39,441	49,742	51,902
Lease liabilities	<u>6.10</u>	21,054	21,243	18,923	18,963
Other financial liabilities	<u>6.12</u>	13,696	51,065	13,879	26,914
Trade payables	<u>6.13</u>	48,567	68,926	109,977	81,234
Contract liabilities	<u>6.14</u>	59,884	61,177	58,707	43,664
Corporate income tax payable	<u>6.13</u>	6,626	7,599	5,738	3,551
Liabilities to the state and local budgets	<u>6.13</u>	22,240	22,767	24,231	13,943
Other liabilities	6.13	11,474	10,934	19,247	9,041
Provisions	<u>6.15</u>	4,382	3,840	2,847	3,184
Accruals	<u>6.16</u>	31,956	25,972	22,317	25,221
		<b>254,470</b>	<b>312,964</b>	<b>325,608</b>	<b>277,617</b>
<b>TOTAL LIABILITIES</b>		<b>373,044</b>	<b>437,362</b>	<b>451,387</b>	<b>417,314</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,239,893</b>	<b>1,270,888</b>	<b>1,252,099</b>	<b>1,221,091</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	Differences on foreign currency translation of subsidiaries	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As at 1 January 2020</b>		<b>518,942</b>	<b>38,825</b>	<b>(8,335)</b>	<b>(1,319)</b>	<b>(119,586)</b>	<b>370,134</b>	<b>798,661</b>	<b>2,051</b>	<b>800,712</b>
Net profit for the reporting period		-	-	-	-	-	81,904	81,904	966	82,870
Other comprehensive income for the reporting period		-	-	-	(7)	25,574	-	25,567	145	25,712
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>25,574</b>	<b>81,904</b>	<b>107,471</b>	<b>1,111</b>	<b>108,582</b>
Share-based payment transactions with employees		-	-	-	740	-	-	740	-	740
Obtaining control over subsidiaries		-	-	-	-	-	-	-	114	114
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	(3,760)	-	-	-	(3,760)	(677)	(4,437)
Dividend for the year 2019	5.7	-	-	-	-	-	(38,402)	(38,402)	(460)	(38,862)
<b>As at 30 September 2020</b>		<b>518,942</b>	<b>38,825</b>	<b>(12,095)</b>	<b>(586)</b>	<b>(94,012)</b>	<b>413,636</b>	<b>864,710</b>	<b>2,139</b>	<b>866,849</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	Differences on foreign currency translation of subsidiaries	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As at 1 January 2019</b>		<b>518,942</b>	<b>38,825</b>	<b>(1,887)</b>	<b>3,153</b>	<b>(103,809)</b>	<b>308,201</b>	<b>763,425</b>	<b>1,664</b>	<b>765,089</b>
Impact of the adoption of IFRS 16		-	-	-	-	-	(729)	(729)	-	(729)
<b>As at 1 January 2019 (including impact of the adoption of IFRS 16)</b>		<b>518,942</b>	<b>38,825</b>	<b>(1,887)</b>	<b>3,153</b>	<b>(103,809)</b>	<b>307,472</b>	<b>762,696</b>	<b>1,664</b>	<b>764,360</b>
Net profit for the reporting period		-	-	-	-	-	89,647	89,647	1,303	90,950
Other comprehensive income for the reporting period		-	-	-	9	(15,777)	-	(15,768)	(126)	(15,894)
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>(15,777)</b>	<b>89,647</b>	<b>73,879</b>	<b>1,177</b>	<b>75,056</b>
Share-based payment transactions with employees		-	-	-	2,094	-	-	2,094	-	2,094
Obtaining control over subsidiaries		-	-	-	(6,575)	-	-	(6,575)	8,914	2,339
Increase of share capital in subsidiaries		-	-	-	-	-	-	-	1,119	1,119
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	(6,448)	-	-	-	(6,448)	(10,371)	(16,819)
Dividend for the year 2018	5.7	-	-	-	-	-	(26,985)	(26,985)	(452)	(27,437)
<b>As at 31 December 2019 (restated)</b>		<b>518,942</b>	<b>38,825</b>	<b>(8,335)</b>	<b>(1,319)</b>	<b>(119,586)</b>	<b>370,134</b>	<b>798,661</b>	<b>2,051</b>	<b>800,712</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	Differences on foreign currency translation of subsidiaries	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>As at 1 January 2019</b>		<b>518,942</b>	<b>38,825</b>	<b>(1,887)</b>	<b>3,153</b>	<b>(103,809)</b>	<b>308,201</b>	<b>763,425</b>	<b>1,664</b>	<b>765,089</b>
Impact of the adoption of IFRS 16		-	-	-	-	-	(729)	(729)	-	(729)
<b>As at 1 January 2019 (including impact of the adoption of IFRS 16)</b>		<b>518,942</b>	<b>38,825</b>	<b>(1,887)</b>	<b>3,153</b>	<b>(103,809)</b>	<b>307,472</b>	<b>762,696</b>	<b>1,664</b>	<b>764,360</b>
Net profit for the reporting period		-	-	-	-	-	61,735	61,735	1,077	62,812
Other comprehensive income for the reporting period		-	-	-	10	12,790	-	12,800	-	12,800
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>12,790</b>	<b>61,735</b>	<b>74,535</b>	<b>1,077</b>	<b>75,612</b>
Share-based payment transactions with employees		-	-	-	1,778	-	-	1,778	-	1,778
Obtaining control over subsidiaries		-	-	-	(6,575)	-	-	(6,575)	8,467	1,892
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	(3,632)	-	-	-	(3,632)	(8,795)	(12,427)
Dividend for the year 2018	<u>5.7</u>	-	-	-	-	-	(26,985)	(26,985)	(453)	(27,438)
<b>As at 30 September 2019 (restated)</b>		<b>518,942</b>	<b>38,825</b>	<b>(5,519)</b>	<b>(1,634)</b>	<b>(91,019)</b>	<b>342,222</b>	<b>801,817</b>	<b>1,960</b>	<b>803,777</b>

# Interim Condensed Consolidated Statement of Cash Flows

## Asseco South Eastern Europe Group

	Note	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 (restated) PLN'000
<b>Cash flows – operating activities</b>			
Pre-tax profit		99,165	76,652
<b>Total adjustments:</b>		<b>26,744</b>	<b>(8,322)</b>
Depreciation and amortization	5.2	58,224	47,292
Change in inventories		11,439	(2,467)
Change in receivables and other non-financial assets		16,929	(19,082)
Change in liabilities, accruals and provisions		(69,975)	(39,160)
Interest income/expenses		2,867	2,201
Gain/loss on foreign currency translation differences		1,321	(195)
Gain/loss on financial assets (valuation, disposal, etc.)		470	44
Other financial income/expenses		2,474	(1,415)
Gain/loss on sale, disposal and impairment of property, plant and equipment, and intangible assets		2,157	2,621
Costs of share-based payment transactions with employees		740	1,778
Other adjustments to pre-tax profit		98	61
<b>Cash provided by (used in) operating activities</b>		<b>125,909</b>	<b>68,330</b>
Corporate income tax paid		(17,110)	(14,239)
<b>Net cash provided by (used in) operating activities</b>		<b>108,799</b>	<b>54,091</b>
<b>Cash flows – investing activities</b>			
<b>Inflows</b>			
Disposal of property, plant and equipment, intangible assets, and investment property		1,494	1,026
Disposal/settlement of financial assets carried at fair value through profit or loss		4	144
Disposal of investments in other debt securities carried at amortized cost		540	3,507
Loans collected		17	33
Dividends received		1	1
<b>Outflows</b>			
Acquisition of property, plant and equipment, intangible assets (including R&D expenditures), and investment property	7.1	(26,885)	(45,675)
Expenditures for the acquisition of subsidiaries and associates, less cash and cash equivalents in subsidiaries acquired	7.1	(15,251)	(18,010)
Acquisition/settlement of financial assets carried at fair value through profit or loss		(365)	-
Acquisition of investments in other debt securities carried at amortized cost		-	(4,560)
Loans granted		(5)	(2,762)
<b>Net cash provided by (used in) investing activities</b>		<b>(40,450)</b>	<b>(66,296)</b>
<b>Cash flows – financing activities</b>			
<b>Inflows</b>			
Proceeds from bank loans and borrowings	7.2	8,938	50,186
<b>Outflows</b>			
Repayments of bank loans and borrowings	7.2	(34,497)	(23,965)
Payments of lease liabilities	7.2	(16,595)	(12,173)
Interest paid	7.2	(2,792)	(2,097)
Dividends paid out by the Parent Company	7.2	(38,402)	(26,985)
Dividends paid out to non-controlling shareholders	7.2	(705)	(451)
<b>Net cash provided by (used in) financing activities</b>		<b>(84,053)</b>	<b>(15,485)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(15,704)</b>	<b>(27,690)</b>
Net foreign currency translation differences		2,153	1,121
Net cash and cash equivalents as at 1 January		190,661	164,839
<b>Net cash and cash equivalents as at 30 September</b>	6.9	<b>177,110</b>	<b>138,270</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>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.

Asseco South Eastern Europe Group is engaged in the sale of its own and third-party software as well as in the provision of implementation, integration and outsourcing services. The Group is a provider of IT solutions, authentication solutions, online payment settlement systems, while it is also engaged in the sale, outsourcing and maintenance of ATMs and POS terminals, and provides integration and implementation services for IT systems and hardware. The Group conducts business operations in the countries of Central Europe, South Eastern Europe, Iberian Peninsula, as well as in Turkey, Colombia, Peru, and Dominican Republic.

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

These interim condensed consolidated financial statements cover the interim period ended 30 September 2020 and contain comparable data for the interim period ended 30 September 2019 in case of the statement of profit and loss, statement of comprehensive income, statement of changes in equity and the statement of cash flows, as well as comparable data as at 30 June 2020, 31 December 2019 and 30 September 2019 in case of the statement of financial position.

## **II. Basis for the preparation of interim condensed financial statements**

### **2.1. Basis for preparation**

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

These interim condensed consolidated financial statements do not include all information and disclosures required for annual consolidated financial statements, and therefore they should be read together with the Group's consolidated financial statements for the year ended 31 December 2019 which were published on 24 February 2020.

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 interim condensed consolidated financial statements, we have not observed any circumstances that would threaten the Group's ability to continue as a going concern.

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

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

At the time of publication of this report, the Group's Management Board does not see any significant threats to the business operations of ASEE Group. Our Management is monitoring the pandemic-related situation on an ongoing basis and takes due business decisions in response to the changing circumstances. The Group is trying to minimize the negative impact of the pandemic on its business, among others, by reducing costs, while monitoring and taking advantage of new market opportunities created by the current situation. The Management Board of ASEE does not see any significant risk of impairment of assets and has not recorded any significant change in credit risk. ASEE Group has sufficient financial resources to continue its business operations, including the settlement of current liabilities.

Concurrently, it should be noted that the situation related to the COVID-19 coronavirus pandemic is very dynamic and its effects on the economy are difficult to estimate, hence the above judgement has been prepared to the best knowledge of the Company's Management as at the date of publication of this report.

Description of the impact exerted by the COVID-19 coronavirus pandemic on ASEE Group's business is provided in this quarterly report in chapter 'Summary and analysis of the financial results of Asseco South Eastern Europe Group', section VII. 'Impact of the COVID-19 coronavirus pandemic on the business of ASEE and Payten'.

### **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).

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) ("Regulation"), and covers the reporting period from 1 January to 30 September 2020 and the comparable period from 1 January to 30 September 2019 in case of the statement of profit and loss and the statement of cash flows, as well as the financial data as at 30 September 2020 and the comparable data as at 30 June 2020, 31 December 2019 and 30 September 2019 in case of the statement of financial position.

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 'Differences on foreign currency translation of subsidiaries'.

### 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 9 months ended 30 September 2020, our approach to making estimates was not subject to any substantial modification in relation to the principles described in the consolidated financial statements for the year ended 31 December 2019.

### 2.5. Accounting policies applied

The significant accounting policies adopted by the Parent Company have been described in its consolidated financial statements for the year ended 31 December 2019 which were published on 24 February 2020.

The 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 2019.

### 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:

- IFRS 14 'Regulatory Deferral Accounts' (issued on 30 January 2014) – the European Commission has decided not to initiate the process of endorsement of this standard until the release of its final version – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28 'Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture' (issued on 11 September 2014) – work for the endorsement of these amendments has been postponed by the EU – the effective date of these amendments has been deferred indefinitely by the IASB;
- IFRS 17 'Insurance Contracts' (issued on 18 May 2017) and amendments to IFRS 17 (issued on 25 June 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IAS 1 'Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current' and 'Classification of Liabilities as Current or Non-current – Deferral of Effective Date' (issued on 23 January 2020 and 15 July 2020, respectively) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;

- Amendments to IFRS 3 'Reference to the Conceptual Framework', IAS 16 'Property, Plant and Equipment – Proceeds before Intended Use', IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract', and 'Annual Improvements to IFRS Standards 2018-2020' (issued on 14 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2022;
- Amendment to IFRS 16 'Leases – Covid-19-Related Rent Concessions' (issued on 18 May 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 June 2020; Earlier application is permitted, including in financial statements not yet authorized for issue at 28 May 2020;
- Amendments to IFRS 4 'Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9' (issued on 25 June 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2021;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: 'Interest Rate Benchmark Reform – Phase 2' (issued on 27 August 2020) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2021.

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

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

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 30 September 2019 and 31 December 2019 as well as for the period of 9 months ended 30 September 2019 due to changes in the values of assets acquired in subsidiaries that were recognized in the purchase price allocation process.

The detailed information on the acquired assets and liabilities has been presented in explanatory note 6.4 to these interim condensed consolidated financial statements.

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

STATEMENT OF PROFIT AND LOSS	9 months ended 30 Sept. 2019 PLN'000	Purchase price allocation of subsidiaries PLN'000	Change in presentation PLN'000	9 months ended 30 Sept. 2019 (restated) PLN'000
Operating revenues	605,776	-	-	605,776
Cost of sales	(458,612)	1,332	-	(457,280)
Allowances for trade receivables	(952)	-	-	(952)
<b>Gross profit on sales</b>	<b>146,212</b>	<b>1,332</b>	-	<b>147,544</b>
Selling costs	(37,033)	-	-	(37,033)
General and administrative expenses	(37,339)	-	-	(37,339)
<b>Net profit on sales</b>	<b>71,840</b>	<b>1,332</b>	-	<b>73,172</b>
Other operating income	3,137	-	-	3,137
Other operating expenses	(1,240)	-	-	(1,240)
Share of profits of associates and joint ventures	(61)	-	-	(61)
<b>Operating profit</b>	<b>73,676</b>	<b>1,332</b>	-	<b>75,008</b>
Financial income	5,908	-	-	5,908
Financial expenses	(4,264)	-	90	(4,174)
Impairment losses on financial instruments	-	-	(90)	(90)
<b>Pre-tax profit</b>	<b>75,320</b>	<b>1,332</b>	-	<b>76,652</b>
Corporate income tax (current and deferred tax expense)	(13,507)	(333)	-	(13,840)
<b>Net profit for the reporting period</b>	<b>61,813</b>	<b>999</b>	-	<b>62,812</b>
<i>Attributable to:</i>				
<b>Shareholders of the Parent Company</b>	<b>61,059</b>	<b>676</b>	-	<b>61,735</b>



Non-controlling interests	754	323	-	1,077
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	1.18	0.01	-	1.19

<b>OTHER COMPREHENSIVE INCOME</b>				
Net profit for the reporting period	61,813	999	-	62,812
<i>Components that may be reclassified to profit or loss</i>	12,853	-	-	12,853
Net gain/loss on valuation of financial assets	10	-	-	10
Differences on foreign currency translation of subsidiaries	12,843	-	-	12,843
<i>Components that will not be reclassified to profit or loss</i>	-	-	-	-
Actuarial gains/losses	-	-	-	-
<b>Total other comprehensive income</b>	<b>12,853</b>	<b>-</b>	<b>-</b>	<b>12,853</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>	<b>74,666</b>	<b>999</b>	<b>-</b>	<b>75,665</b>
<b>Shareholders of the Parent Company</b>	<b>73,688</b>	<b>676</b>	<b>-</b>	<b>74,364</b>
Non-controlling interests	978	323	-	1,301

	30 Sept. 2019	Purchase price allocation of subsidiaries	Change in presentation	30 Sept. 2019
	PLN'000	PLN'000	PLN'000	(restated) PLN'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	156,326	-	-	156,326
Intangible assets	18,806	1,276	-	20,082
Right-of-use assets	69,445	-	-	69,445
Investment property	622	-	-	622
Goodwill	547,509	(4,045)	-	543,464
Investments accounted for using the equity method	-	-	-	-
Other receivables	480	-	-	480
Deferred tax assets	8,095	-	-	8,095
Other financial assets	5,272	-	-	5,272
Prepayments and accrued income	166	-	-	166
	<b>806,721</b>	<b>(2,769)</b>	<b>-</b>	<b>803,952</b>
<b>Current assets</b>				
Inventories	34,675	-	-	34,675
Prepayments and accrued income	16,436	-	-	16,436
Trade receivables	135,389	-	-	135,389
Contract assets	45,575	-	-	45,575
Corporate income tax receivable	2,721	-	-	2,721
Receivables from the state and local budgets	3,301	-	-	3,301
Other receivables	5,320	-	-	5,320
Other non-financial assets	21,072	-	-	21,072
Other financial assets	2,833	-	-	2,833
Cash and bank deposits	149,817	-	-	149,817
	<b>417,139</b>	<b>-</b>	<b>-</b>	<b>417,139</b>
<b>TOTAL ASSETS</b>	<b>1,223,860</b>	<b>(2,769)</b>	<b>-</b>	<b>1,221,091</b>

	30 Sept. 2019	Purchase price allocation of subsidiaries	Change in presentation	30 Sept. 2019
	PLN'000	PLN'000	PLN'000	(restated) PLN'000
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
<i>(attributable to shareholders of the Parent Company)</i>				
Share capital	518,942	-	-	518,942
Share premium	38,825	-	-	38,825
Transactions with non-controlling interests	(4,410)	(1,109)	-	(5,519)
Other capitals	893	(2,527)	-	(1,634)
Differences on foreign currency translation of subsidiaries	(91,190)	171	-	(91,019)
Retained earnings	341,546	676	-	342,222
	<b>804,606</b>	<b>(2,789)</b>	<b>-</b>	<b>801,817</b>
<b>Non-controlling interests</b>	<b>1,960</b>	<b>-</b>	<b>-</b>	<b>1,960</b>
<b>Total equity</b>	<b>806,566</b>	<b>(2,789)</b>	<b>-</b>	<b>803,777</b>

<b>Non-current liabilities</b>				
Bank loans and borrowings	50,586	-	-	50,586
Lease liabilities	-	-	52,651	52,651
Other financial liabilities	83,460	-	(52,651)	30,809
Deferred tax liabilities	2,548	20	-	2,568
Provisions	2,012	-	-	2,012
Contract liabilities	437	-	-	437
Other liabilities	634	-	-	634
	<b>139,677</b>	<b>20</b>	<b>-</b>	<b>139,697</b>
<b>Current liabilities</b>				
Bank loans and borrowings	51,902	-	-	51,902
Lease liabilities	-	-	18,963	18,963
Other financial liabilities	45,877	-	(18,963)	26,914
Trade payables	81,234	-	-	81,234
Contract liabilities	43,664	-	-	43,664
Corporate income tax payable	3,551	-	-	3,551
Liabilities to the state and local budgets	13,943	-	-	13,943
Other liabilities	9,041	-	-	9,041
Provisions	3,184	-	-	3,184
Accruals	25,221	-	-	25,221
	<b>277,617</b>	<b>-</b>	<b>-</b>	<b>277,617</b>
<b>TOTAL LIABILITIES</b>	<b>417,294</b>	<b>20</b>	<b>-</b>	<b>417,314</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,223,860</b>	<b>(2,769)</b>	<b>-</b>	<b>1,221,091</b>

ASSETS	31 Dec. 2019	Purchase price allocation of subsidiaries	31 Dec. 2019
	PLN'000	PLN'000	(restated) PLN'000
<b>Non-current assets</b>			
Property, plant and equipment	147,061	-	147,061
Intangible assets	14,120	9,858	23,978
Right-of-use assets	65,055	-	65,055
Investment property	596	-	596
Goodwill	539,665	(7,526)	532,139
Other receivables	724	-	724
Deferred tax assets	8,978	-	8,978
Other financial assets	4,670	-	4,670
Prepayments and accrued income	614	-	614
	<b>781,483</b>	<b>2,332</b>	<b>783,815</b>
<b>Current assets</b>			
Inventories	37,215	-	37,215
Prepayments and accrued income	21,746	-	21,746
Trade receivables	164,530	-	164,530
Contract assets	28,050	-	28,050
Corporate income tax receivable	1,364	-	1,364
Receivables from the state and local budgets	2,008	-	2,008
Other receivables	2,889	-	2,889
Other non-financial assets	10,247	-	10,247
Other financial assets	572	-	572
Cash and bank deposits	199,663	-	199,663
	<b>468,284</b>	<b>-</b>	<b>468,284</b>
<b>TOTAL ASSETS</b>	<b>1,249,767</b>	<b>2,332</b>	<b>1,252,099</b>

EQUITY AND LIABILITIES	31 Dec. 2019	Purchase price allocation of subsidiaries	31 Dec. 2019
	PLN'000	PLN'000	(restated) PLN'000
<b>Equity</b> <i>(attributable to shareholders of the Parent Company)</i>			
Share capital	518,942	-	518,942

Share premium	38,825	-	38,825
Transactions with non-controlling interests	(9,186)	851	(8,335)
Other capitals	(1,319)	-	(1,319)
Differences on foreign currency translation of subsidiaries	(119,586)	-	(119,586)
Retained earnings	370,476	(342)	370,134
	<b>798,152</b>	<b>509</b>	<b>798,661</b>
<b>Non-controlling interests</b>	<b>2,051</b>	<b>-</b>	<b>2,051</b>
<b>Total equity</b>	<b>800,203</b>	<b>509</b>	<b>800,712</b>
<b>Non-current liabilities</b>			
Bank loans and borrowings	43,255	-	43,255
Lease liabilities	47,489	-	47,489
Other financial liabilities	28,557	-	28,557
Deferred tax liabilities	1,344	1,823	3,167
Provisions	2,013	-	2,013
Contract liabilities	804	-	804
Other liabilities	494	-	494
	<b>123,956</b>	<b>1,823</b>	<b>125,779</b>
<b>Current liabilities</b>			
Bank loans and borrowings	49,742	-	49,742
Lease liabilities	18,923	-	18,923
Other financial liabilities	13,879	-	13,879
Trade payables	109,977	-	109,977
Contract liabilities	58,707	-	58,707
Corporate income tax payable	5,738	-	5,738
Liabilities to the state and local budgets	24,231	-	24,231
Other liabilities	19,247	-	19,247
Provisions	2,847	-	2,847
Accruals	22,317	-	22,317
	<b>325,608</b>	<b>-</b>	<b>325,608</b>
<b>TOTAL LIABILITIES</b>	<b>449,564</b>	<b>1,823</b>	<b>451,387</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,249,767</b>	<b>2,332</b>	<b>1,252,099</b>

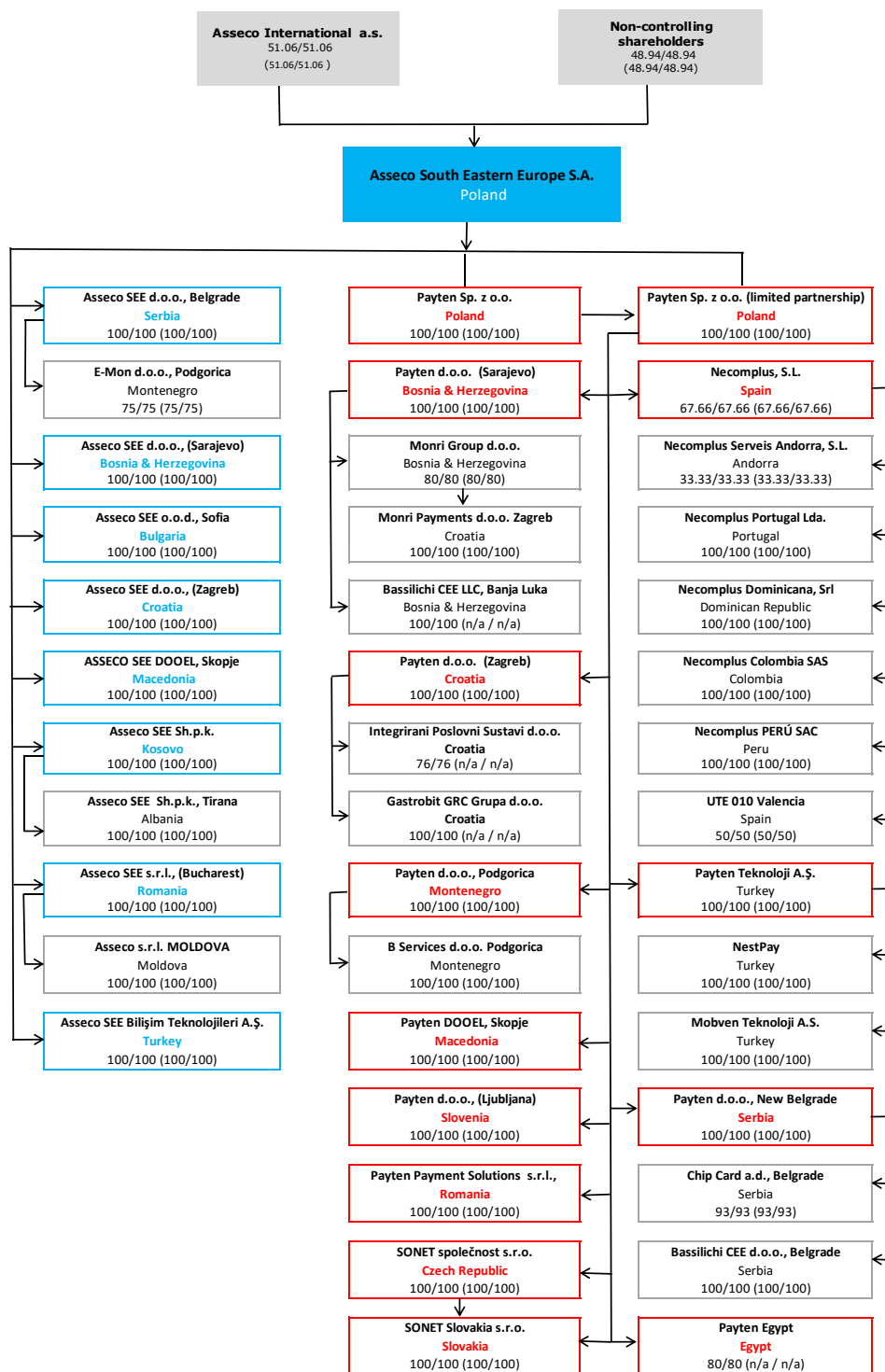
9 months ended 30 Sept. 2019	Banking Solutions	Payment Solutions	Dedicated Solutions	Change – Banking Solutions	Change – Payment Solutions	Change – Dedicated Solutions	Banking Solutions	Payment Solutions	Dedicated Solutions
								(restated)	
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales to external customers	128,775	259,471	217,530	-	-	-	128,775	259,471	217,530
Gross profit on sales	41,774	70,635	33,803	-	974	358	41,774	71,609	34,161
Selling costs	(9,314)	(14,485)	(13,234)	-	-	-	(9,314)	(14,485)	(13,234)
General and administrative expenses	(11,972)	(15,996)	(9,371)	-	-	-	(11,972)	(15,996)	(9,371)
Net profit on sales	20,488	40,154	11,198	-	974	358	20,488	41,128	11,556
Other operating activities	(73)	1,405	565	-	-	-	(73)	1,405	565
Share of profits of associates	-	(61)	-	-	-	-	-	(61)	-
Operating profit	20,415	41,498	11,763	-	974	358	20,415	42,472	12,121
Goodwill as at 31 December 2019	194,903	173,419	171,343	-	(7,526)	-	194,903	165,893	171,343

## 2.8. Corrections of material errors

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

### 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 30 September 2020 (in %)  
(100/100) voting rights / equity interest as at 31 December 2019 (in %)

During the period of 9 months ended 30 September 2020, the Group's composition changed as follows:

- ***Acquisition of shares in Bassilichi CEE LLC based in Banja Luka***

On 20 January 2020, Payten d.o.o. (Sarajevo) acquired 100% of shares in the company Bassilichi CEE LLC based in Banja Luka.

- ***Establishing of a new company Payten Egypt***

The establishment of Payten Egypt, based in Giza, was registered on 26 January 2020. 80% of shares in this company were acquired by Payten Sp. z o.o. sp.k.

- ***Transfer of shares in Payten Teknoloji A.Ş.***

On 20 March 2020, ASEE S.A. made a non-cash contribution to Payten Sp. z o.o. sp.k. of shares in the company Payten Teknoloji A.Ş. This transaction consisted in making a contribution of our investment in one subsidiary to another subsidiary company of ASEE S.A. and therefore it had no impact on the financial position and financial results of the Group.

- ***Acquisition of shares in Integrirani Poslovni Sustavi d.o.o., based in Oroslavje***

On 4 June 2020, Payten d.o.o. Zagreb signed an agreement to acquire 76% of shares in the company Integrirani Poslovni Sustavi d.o.o., based in Oroslavje.

- ***Transfer of shares in Payten d.o.o., New Belgrade***

On 26 June 2020, ASEE S.A. made a non-cash contribution to Payten Sp. z o.o. sp.k. of shares in the company Payten d.o.o., New Belgrade. This transaction consisted in making a contribution of our investment in one subsidiary to another subsidiary company of ASEE S.A. and therefore it had no impact on the financial position and financial results of the Group.

- ***Acquisition of shares in Gastrobit***

On 23 July 2020, Payten d.o.o. Zagreb signed an agreement to acquire 100% of shares in the company Gastrobit – GRC Grupa d.o.o., based in Dugo Selo.

#### 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:

- a) Banking Solutions,
- b) Payment Solutions,
- c) Dedicated Solutions (formerly Systems Integration).

##### ***Banking Solutions***

The Banking Solutions segment portfolio includes the omnichannel solution designed to distribute banking products and services over new, alternative distribution channels and to improve business relations and communication with the customer, as well as integrated core banking systems based on the Oracle and Microsoft platforms. This segment also offers authentication security solutions, reporting systems for regulatory compliance and managerial information, as well as risk management and anti-fraud systems. The Group also offers its clients online 24x7 services and consultancy in the area of digital banking and digital transformation.

##### ***Payment Solutions***

This segment provides complete payment industry solutions, for financial and non-financial institutions, supporting card and card-less transactions. The product portfolio of ASEE includes solutions for e-Commerce (NestPay®, MSU, Paratika), mobile payments (mPOS, HCE), payment card processing, as well as services related to ATMs and POS terminals. The Group delivers software, services 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. Furthermore, the segment offers comprehensive point-of-sale solutions that help merchants reduce the number of vendors and increase recurring revenues, including SinglePOS service enabling merchants to replace two or more EFT POS terminals at point of sale with a single device connected to a number of acquirers (usually banks) and ECR (Electronic Cash Registers).

##### ***Dedicated Solutions***

The Group serves the financial, industry and public administration sectors with the following business lines: development of IT infrastructure, implementations and support, ensuring continuity of business processes, automation of operations, and customized software development. This segment also includes a group of proprietary solutions of ASEE. Among such solutions are LIVE contact center, BPS content management solution, as well as Fidelity asset lifecycle management solution. Furthermore, the product portfolio of the Dedicated Solutions segment includes LeaseFlex, a fully-fledged lease and asset lifecycle management solution.

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 to segments. The table below presents the key financial information reviewed by the chief operating decision maker in the Group.

Revenues from none of our clients exceeded 10% of total sales generated by the Group in the period of 9 months ended 30 September 2020.

Selected financial data for the period of 9 months ended 30 September 2020, in a breakdown to operating segments:

9 months ended 30 Sept. 2020	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Eliminations PLN'000	Total PLN'000
<b>Sales revenues:</b>	<b>156,191</b>	<b>353,952</b>	<b>213,878</b>	<b>(32,198)</b>	<b>691,823</b>
Sales to external customers	143,003	337,287	211,533		691,823
Sales between and/or within segments	13,188	16,665	2,345	(32,198)	-
<b>Gross profit on sales</b>	<b>54,014</b>	<b>94,366</b>	<b>37,799</b>	<b>-</b>	<b>186,179</b>
Selling costs	(9,383)	(17,531)	(13,368)	-	(40,282)
General and administrative expenses	(12,755)	(22,788)	(9,666)	-	(45,209)
<b>Net profit on sales</b>	<b>31,876</b>	<b>54,047</b>	<b>14,765</b>	<b>-</b>	<b>100,688</b>
Other operating activities	(115)	463	290	-	638
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>31,761</b>	<b>54,510</b>	<b>15,055</b>	<b>-</b>	<b>101,326</b>
<b>Goodwill as at 30 September 2020</b>	<b>204,212</b>	<b>185,545</b>	<b>176,908</b>	<b>-</b>	<b>566,665</b>

9 months ended 30 Sept. 2020	Banking Solutions EUR'000	Payment Solutions EUR'000	Dedicated Solutions EUR'000	Eliminations EUR'000	Total EUR'000
<b>Sales revenues:</b>	<b>35,162</b>	<b>79,683</b>	<b>48,148</b>	<b>(7,249)</b>	<b>155,744</b>
Sales to external customers	32,193	75,931	47,620	-	155,744
Sales between and/or within segments	2,969	3,752	528	(7,249)	-
<b>Gross profit on sales</b>	<b>12,160</b>	<b>21,244</b>	<b>8,509</b>	<b>-</b>	<b>41,913</b>
Selling costs	(2,112)	(3,947)	(3,009)	-	(9,068)
General and administrative expenses	(2,871)	(5,130)	(2,177)	-	(10,178)
<b>Net profit on sales</b>	<b>7,177</b>	<b>12,167</b>	<b>3,323</b>	<b>-</b>	<b>22,667</b>
Other operating activities	(26)	104	66	-	144
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>7,151</b>	<b>12,271</b>	<b>3,389</b>	<b>-</b>	<b>22,811</b>
<b>Goodwill as at 30 September 2020</b>	<b>45,112</b>	<b>40,988</b>	<b>39,080</b>	<b>-</b>	<b>125,180</b>

The financial results presented above have been converted at the average exchange rate in the period of 9 months ended 30 September 2020: EUR 1 = PLN 4.4420, whereas the financial position data have been converted at the exchange rate effective as at 30 September 2020: EUR 1 = PLN 4.5268.

Selected financial data for the period of 9 months ended 30 September 2019, in a breakdown to operating segments:

9 months ended 30 Sept. 2019 (restated)	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Eliminations PLN'000	Total PLN'000
<b>Sales revenues:</b>	<b>142,514</b>	<b>270,381</b>	<b>218,806</b>	<b>(25,925)</b>	<b>605,776</b>
Sales to external customers	128,775	259,471	217,530		605,776
Sales between and/or within segments	13,739	10,910	1,276	(25,925)	-
<b>Gross profit on sales</b>	<b>41,774</b>	<b>71,609</b>	<b>34,161</b>	<b>-</b>	<b>147,544</b>
Selling costs	(9,314)	(14,485)	(13,234)	-	(37,033)
General and administrative expenses	(11,972)	(15,996)	(9,371)	-	(37,339)
<b>Net profit on sales</b>	<b>20,488</b>	<b>41,128</b>	<b>11,556</b>	<b>-</b>	<b>73,172</b>
Other operating activities	(73)	1,405	565		1,897
Share of profits of associates	-	(61)	-		(61)
<b>Operating profit</b>	<b>20,415</b>	<b>42,472</b>	<b>12,121</b>	<b>-</b>	<b>75,008</b>
<b>Goodwill as at 31 December 2019</b>	<b>194,903</b>	<b>165,893</b>	<b>171,343</b>	<b>-</b>	<b>532,139</b>

9 months ended 30 Sept. 2019 (restated)	Banking Solutions EUR'000	Payment Solutions EUR'000	Dedicated Solutions EUR'000	Eliminations EUR'000	Total EUR'000
<b>Sales revenues:</b>	<b>33,077</b>	<b>62,754</b>	<b>50,783</b>	<b>(6,017)</b>	<b>140,597</b>
Sales to external customers	29,888	60,222	50,487	-	140,597
Sales between and/or within segments	3,189	2,532	296	(6,017)	-
<b>Gross profit on sales</b>	<b>9,696</b>	<b>16,620</b>	<b>7,928</b>	<b>-</b>	<b>34,244</b>
Selling costs	(2,162)	(3,362)	(3,071)	-	(8,595)
General and administrative expenses	(2,779)	(3,712)	(2,175)	-	(8,666)
<b>Net profit on sales</b>	<b>4,755</b>	<b>9,546</b>	<b>2,682</b>	<b>-</b>	<b>16,983</b>
Other operating activities	(17)	326	131	-	440
Share of profits of associates	-	(14)	-	-	(14)
<b>Operating profit</b>	<b>4,738</b>	<b>9,858</b>	<b>2,813</b>	<b>-</b>	<b>17,409</b>
<b>Goodwill as at 31 December 2019</b>	<b>45,768</b>	<b>38,956</b>	<b>40,236</b>	<b>-</b>	<b>124,960</b>

The financial results presented above have been converted at the average exchange rate in the period of 9 months ended 30 September 2019: EUR 1 = PLN 4.3086, whereas the financial position data have been converted at the exchange rate effective as at 31 September 2019: EUR 1 = PLN 4.2585.



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

### 5.1. Structure of operating revenues

Operating revenues generated during the period of 9 months ended 30 September 2020 and in the comparable period were as follows:

	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000	3 months ended 30 Sept. 2019 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>Operating revenues by type of products</b>				
Proprietary software and services	176,845	491,498	150,836	411,329
Third-party software and services	16,878	71,081	35,224	89,171
Hardware and infrastructure	33,755	129,244	42,742	105,276
<b>Total</b>	<b>227,478</b>	<b>691,823</b>	<b>228,802</b>	<b>605,776</b>

#### i. Segment revenues in a breakdown by type of products

Revenues of individual segments from sales to external customers by type of products during the period of 9 months ended 30 September 2020 and in the comparable period were as follows:

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
<b>9 months ended 30 Sept. 2020</b>				
Proprietary software and services	137,955	248,540	105,003	<b>491,498</b>
Third-party software and services	2,404	6,619	62,058	<b>71,081</b>
Hardware and infrastructure	2,644	82,128	44,472	<b>129,244</b>
<b>Total operating revenues</b>	<b>143,003</b>	<b>337,287</b>	<b>211,533</b>	<b>691,823</b>

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
<b>9 months ended 30 Sept. 2019</b>				
Proprietary software and services	123,908	192,042	95,379	<b>411,329</b>
Third-party software and services	2,528	3,499	83,144	<b>89,171</b>
Hardware and infrastructure	2,339	63,930	39,007	<b>105,276</b>
<b>Total operating revenues</b>	<b>128,775</b>	<b>259,471</b>	<b>217,530</b>	<b>605,776</b>

#### ii. Breakdown of operating revenues by countries in which they were generated

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>Operating revenues by countries</b>		
Austria	17,401	11,916
Bosnia and Herzegovina	26,264	19,983
Bulgaria	10,464	7,859
Croatia	81,706	77,582
Montenegro	13,062	13,515
Czech Republic	13,237	1,554
Spain	71,359	62,506
Colombia	4,363	2,504
Kosovo	9,864	12,038

Macedonia	48,706	31,766
Peru	8,403	8,219
Poland	8,347	7,247
Portugal	9,398	9,333
Romania	81,889	84,154
Serbia	192,061	180,988
Slovakia	5,067	590
Slovenia	11,980	10,119
Turkey	53,665	42,277
Italy	9,458	5,832
Other countries	15,129	15,794
<b>Total operating revenues</b>	<b>691,823</b>	<b>605,776</b>

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

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>Revenues from contracts with customers recognized in accordance with IFRS 15, of which:</b>	<b>619,231</b>	<b>544,916</b>
From goods and services transferred at a specific point in time	198,390	287,863
From goods and services transferred over the passage of time	420,841	257,053
<b>Other operating revenues (mainly from leases)</b>	<b>72,592</b>	<b>60,860</b>
<b>Total operating revenues</b>	<b>691,823</b>	<b>605,776</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.

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:

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>Future minimum lease payments</b>		
(i) within 1 year	90,360	70,920
(ii) within 1 to 5 years	78,143	68,920
(iii) within more than 5 years	4,840	8,296
<b>Total</b>	<b>173,343</b>	<b>148,136</b>

## 5.2. Structure of operating costs

The table below presents operating costs incurred in the period of 9 months ended 30 September 2020 and in the comparable period.

Operating costs	3 months ended 30 Sept. 2020	9 months ended 30 Sept. 2020	3 months ended 30 Sept. 2019 (restated)	9 months ended 30 Sept. 2019 (restated)
	PLN'000	PLN'000	PLN'000	PLN'000
Cost of goods, materials and third-party services sold (COGS)	(66,537)	(234,861)	(88,835)	(225,614)
Employee benefits	(81,225)	(233,999)	(71,060)	(198,069)
Third-party non-project services and outsourcing of employees	(8,228)	(23,050)	(7,642)	(20,634)
Depreciation and amortization	(19,549)	(58,224)	(17,244)	(47,292)
Maintenance costs of property and company cars	(8,783)	(24,055)	(7,259)	(20,400)
Business trips	(225)	(1,451)	(1,442)	(3,992)
Advertising	(721)	(2,201)	(930)	(2,942)
Other operating expenses	(4,979)	(13,294)	(5,418)	(13,661)
<b>Total</b>	<b>(190,247)</b>	<b>(591,135)</b>	<b>(199,830)</b>	<b>(532,604)</b>
Cost of sales	(160,386)	(505,431)	(174,699)	(457,280)
Selling costs	(13,514)	(40,282)	(13,003)	(37,033)
General and administrative expenses	(15,791)	(45,209)	(11,638)	(37,339)
Recognition (reversal) of allowances for trade receivables	(556)	(213)	(490)	(952)
<b>Total</b>	<b>(190,247)</b>	<b>(591,135)</b>	<b>(199,830)</b>	<b>(532,604)</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.

### i. Share-based payment transactions with employees

On 23 June 2017, Asseco Poland S.A. and managers of ASEE Group companies signed agreements for the acquisition of 2,221,356 shares in ASEE S.A., representing 4.28% 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 1,572,424 shares in total.

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

The purchase rights were vested on 23 June 2017. The acquisition price was set at PLN 10.89 per share. As at the acquisition date, the market price per share equalled PLN 12.60. According to the concluded agreements, the managers shall exercise all the rights attached to shares acquired (dividend rights, voting rights, etc.) since the shares acquisition date, this is as of 23 June 2017. The consideration for the shares shall be paid in eight annual instalments till 31 July 2024. The right to pay the acquisition price in instalments is granted to persons participating in this plan provided they continue to serve in a managerial position at the Group and do not violate any material conditions of the agreement (among others, make timely payments according to the schedule, establish a pledge on shares acquired, refrain from selling these shares during the lock-up period, etc.). The managers are not allowed to sell these shares over a lock-up period of 2 years in relation to 50% of shares and 3 years for the remaining 50% of shares. The managers shall be entitled to make an earlier payment for shares acquired at the agreed price of PLN 10.89 per share, except for shares being subject to the lock-up obligation. Therefore, over a period of 2 years from the date of concluding the agreement, payments for shares acquired must be made in accordance with the agreed schedule. Hence, after 2 years have passed and still before the lapse of 3 years, the managers can make an early payment for 50% of shares at maximum. Upon expiry of the 3-year period, early payment can be made for all shares acquired. An unpaid portion of the selling price shall be secured by establishing a pledge on shares purchased by each buyer.

The agreements also provide for put and call options, enabling the parties to resell or repurchase any unpaid shares.

The fair value of this share-based incentive plan has been estimated as the sum of the discount between the shares market price on the transaction date and their actual acquisition price, and the valuation of put options measured using the Black-Scholes Merton model. The total fair value of the plan as at the rights vesting date amounts to PLN 5,642 thousand. The incentive plan costs will be accounted for, along with the corresponding increase in equity, as costs of employee benefits and recognized in the financial results of ASEE Group for the years 2017-2020.

The fair value of equity instruments awarded under the incentive plan has been measured based on the following assumptions:

Market price of 1 share of ASEE S.A. on the acquisition date	PLN 12.60
Acquisition price of 1 share	PLN 10.89
Expected share price volatility	25.61%
Risk-free interest rate	2.25%
Dividend yield	3.81%
Employee turnover ratio	9.0%

The expected share price volatility of 25.61% has been computed based on historical quotes of our shares in the period of two years preceding the date of the shares sale transaction, taking into account their average closing prices.

The risk-free interest rate has been assumed in correspondence to the interest offered on three-year Treasury bills, equalling 2.25%.

The dividend yield has been determined on the basis of dividend amounting to PLN 0.48 per share that was paid out to the shareholders of ASEE S.A. from the company's net profit for the year 2016.

The employee turnover ratio has been estimated based on historical data for the years 2015-2017 and updated with current changes in the employment of persons participating in the incentive plan.

The options exercise period has been set at 2 years in relation to 50% of shares and 3 years for the remaining 50% of shares. The options exercise period has been correlated with the lock-up period applicable to the sale of shares, lasting 2 or 3 years.

The costs of share-based payment plan disclosed in the interim condensed consolidated financial statements for the period of 9 months ended 30 September 2020 amounted to PLN 740 thousand (vs. PLN 1,778 thousand in the comparable period of 2019), of which costs related to shares acquired by Members of the Management Board amounted to PLN 442 thousand (vs. PLN 1,259 thousand in the comparable period of 2019). In correspondence, this transaction was recognized as a separate item of the Group's equity, in the same amount as disclosed in remuneration costs.

Accounting for this option plan has been completed by 30 June 2020 and all the costs of share-based payment transactions have already been recognized in the financial results of ASEE Group.

#### ii. 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:

	9 months ended 30 Sept. 2020	9 months ended 30 Sept. 2019 (restated)
	PLN'000	PLN'000
Depreciation charges as disclosed in the table of changes in property, plant and equipment	(35,385)	(31,203)
Amortization charges as disclosed in the table of changes in intangible assets	(5,696)	(3,908)

Depreciation charges as disclosed in the table of changes in right-of-use assets	(17,118)	(12,186)
Depreciation charges on investment property	(25)	(24)
Reduction of amortization charges due to recognition of grants to internally generated licenses	-	29
<b>Total depreciation and amortization charges disclosed in the statement of profit and loss and in the statement of cash flows</b>	<b>(58,224)</b>	<b>(47,292)</b>

### 5.3. Other operating income and expenses

Other operating income and expenses in the period of 9 months ended 30 September 2020 and in the comparable period were as follows:

Other operating income	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000	3 months ended 30 Sept. 2019 PLN'000	9 months ended 30 Sept. 2019 PLN'000
Gain on disposal of property, plant and equipment	386	499	72	543
Proceeds from letting of own office space	15	44	18	52
Reversal of a provision for the costs of court litigation relating to other operations	-	1	3	77
Other	100	1,042	1,779	2,465
<b>Total</b>	<b>501</b>	<b>1,586</b>	<b>1,872</b>	<b>3,137</b>

Other operating expenses	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000	3 months ended 30 Sept. 2019 PLN'000	9 months ended 30 Sept. 2019 PLN'000
Loss on disposal of property, plant and equipment	(49)	(58)	-	(14)
Charitable contributions to unrelated parties	(51)	(210)	(40)	(179)
Provisions created, including for the costs of court litigation relating to other operations	-	-	(21)	(196)
Other	(338)	(680)	(385)	(851)
<b>Total</b>	<b>(438)</b>	<b>(948)</b>	<b>(446)</b>	<b>(1,240)</b>

### 5.4. Financial income and expenses

Financial income earned during the period of 9 months ended 30 September 2020 and in the comparable period was as follows:

Financial income	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000	3 months ended 30 Sept. 2019 PLN'000	9 months ended 30 Sept. 2019 PLN'000
Interest income on loans granted and bank deposits	156	894	520	1,697
Positive foreign currency translation differences	3,399	6,621	340	2,025
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	4	5	-	156
Gain on remeasurement of an associate to fair value	-	-	-	2,003
Other financial income	10	17	-	27
<b>Total financial income</b>	<b>3,569</b>	<b>7,537</b>	<b>860</b>	<b>5,908</b>

Financial expenses incurred during the period of 9 months ended 30 September 2020 and in the comparable period were as follows:

Financial expenses	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000	3 months ended 30 Sept. 2019 PLN'000	9 months ended 30 Sept. 2019 PLN'000
Interest expenses on bank loans and borrowings	(354)	(1,170)	(387)	(876)
Interest expenses on leases	(510)	(1,706)	(573)	(1,402)
Other interest expenses	(129)	(214)	(18)	(43)
Negative foreign currency translation differences	(909)	(3,592)	(111)	(1,143)
Expenses related to obtaining control over subsidiaries	-	(7)	(255)	(598)
Loss on revaluation of conditional payments in	(1,724)	(2,475)	-	-

transactions to obtain control				
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	(49)	(443)	-	(109)
Other financial expenses	(49)	(91)	(5)	(3)
<b>Total financial expenses</b>	<b>(3,724)</b>	<b>(9,698)</b>	<b>(1,349)</b>	<b>(4,174)</b>

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

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.

## 5.5. Corporate income tax

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

	3 months ended 30 Sept. 2020	9 months ended 30 Sept. 2020	3 months ended 30 Sept. 2019 (restated)	9 months ended 30 Sept. 2019 (restated)
	PLN'000	PLN'000	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>	(6,465)	(18,067)	(4,891)	(14,467)
<i>Adjustments to prior years' income tax</i>	(6,634)	(20,196)	(4,890)	(14,271)
<i>Adjustments to prior years' income tax</i>	169	2,129	(1)	(196)
Deferred income tax	1,030	1,772	609	627
<b>Income tax expense as disclosed in the statement of profit and loss</b>	<b>(5,435)</b>	<b>(16,295)</b>	<b>(4,282)</b>	<b>(13,840)</b>

During the period of 9 months ended 30 September 2020, our effective tax rate equalled 16.4%, as compared with 18.1% in the comparable period.

## 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 30 Sept. 2020	9 months ended 30 Sept. 2020	3 months ended 30 Sept. 2019	9 months ended 30 Sept. 2019
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,894,251	51,894,251	51,894,251	51,894,251
Net profit attributable to shareholders of the Parent Company for the reporting period (in thousands of PLN)	31,452	81,904	25,505	61,735
<b>Consolidated earnings per share for the reporting period (in PLN)</b>	<b>0.61</b>	<b>1.58</b>	<b>0.49</b>	<b>1.19</b>

## 5.7. Information on dividends paid out

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 16 June 2020 decided to pay out a dividend in the total amount of PLN 38,402 thousand or PLN 0.74 per share to all of the Company's shareholders.

The Company's Annual General Meeting established 25 June 2020 as the dividend record date. The dividend was paid out on 8 July 2020. The number of shares eligible for dividend was 51,894,251.

In 2019, the Parent Company paid out to its shareholders a dividend for the year 2018. 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 11 April 2019 decided to pay out a dividend in the total amount of PLN 26,985 thousand or PLN 0.52 per share to all of the Company's shareholders.

The Company's Annual General Meeting established 28 June 2019 as the dividend record date. The dividend was paid out on 11 July 2019. 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

The net book value of property, plant and equipment, during the period 9 months ended 30 September 2020 and in the comparable period, changed as a result of the following transactions:

	9 months ended 30 Sept. 2020	9 months ended 30 Sept. 2019
	PLN'000	PLN'000
<b>Net book value of property, plant and equipment as at 1 January</b>	<b>147,061</b>	<b>126,873</b>
<b>Additions, of which:</b>	<b>30,599</b>	<b>58,532</b>
Purchases and modernization	25,349	42,330
Obtaining control over subsidiaries	2,250	13,630
Other	3,000	2,572
<b>Reductions, of which:</b>	<b>(38,525)</b>	<b>(32,195)</b>
Depreciation charges for the reporting period	(35,385)	(31,203)
Disposal and liquidation	(2,430)	(764)
Other	(710)	(228)
<b>Differences on foreign currency translation of subsidiaries</b>	<b>6,259</b>	<b>3,116</b>
<b>Net book value of property, plant and equipment as at 30 September</b>	<b>145,394</b>	<b>156,326</b>

As at 30 September 2020, tangible assets with a book value of PLN 8,112 thousand served as collateral for bank loans.

As at 31 December 2019, tangible assets with a book value of PLN 8,674 thousand served as collateral for bank loans.

### 6.2. Intangible assets

The net book value of intangible assets, during the period of 9 months ended 30 September 2020 and in the comparable period, changed as a result of the following transactions:

	9 months ended 30 Sept. 2020	9 months ended 30 Sept. 2019 (restated)
	PLN'000	PLN'000
<b>Net book value of intangible assets as at 1 January</b>	<b>23,978</b>	<b>10,854</b>
<b>Additions, of which:</b>	<b>3,196</b>	<b>16,163</b>
Purchases and modernization	2,129	3,320
Obtaining control over subsidiaries	229	12,756
Costs of development projects in progress	838	87
<b>Reductions, of which:</b>	<b>(7,341)</b>	<b>(6,774)</b>
Amortization charges for the reporting period	(5,696)	(3,908)
Disposal and liquidation	(271)	(1,242)
Other	(1,374)	(1,624)
<b>Differences on foreign currency translation of subsidiaries</b>	<b>679</b>	<b>(161)</b>
<b>Net book value of intangible assets as at 30 September</b>	<b>20,512</b>	<b>20,082</b>

Both as at 30 September 2020 and 31 December 2019, intangible assets did not serve as collateral for any bank loans.

During the period of 9 months ended 30 September 2020, the Group recognized the costs of liquidation and impairment losses on its proprietary software and licenses in the amount of PLN 1,464 thousand.

### 6.3. Right-of-use assets

The net book value of right-of-use assets, during the period of 9 months ended 30 September 2020 and in the comparable period, changed as a result of the following transactions:

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>Net book value of right-of-use assets as at 1 January</b>	<b>65,055</b>	<b>34,974</b>
<b>Additions, of which:</b>	<b>14,132</b>	<b>48,381</b>
Conclusion of new lease contracts	10,319	29,613
Modification of existing contracts	2,150	-
Obtaining control over subsidiaries	1,663	18,768
<b>Reductions, of which:</b>	<b>(19,244)</b>	<b>(14,940)</b>
Depreciation charges for the reporting period	(17,118)	(12,186)
Early termination of contracts	(2,075)	(2,389)
Modification of existing contracts (lease shortening, interest rate change)	(51)	(365)
<b>Other</b>	<b>-</b>	<b>(29)</b>
<b>Differences on foreign currency translation of subsidiaries</b>	<b>2,821</b>	<b>1,059</b>
<b>Net book value of right-of-use assets as at 30 September</b>	<b>62,764</b>	<b>69,445</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 changes in the amounts of goodwill during the period of 9 months ended 30 September 2020 and in the comparable periods, in a breakdown to operating segments:

Goodwill	9 months ended 30 Sept. 2020 PLN'000	6 months ended 30 June 2020 PLN'000	12 months ended 31 Dec. 2019 (restated) PLN'000	9 months ended 30 Sept. 2019 (restated) PLN'000
<b>Goodwill at the beginning of the period</b>	<b>532,139</b>	<b>532,139</b>	<b>481,089</b>	<b>481,089</b>
Banking Solutions	194,903	194,903	198,983	198,983
Payment Solutions	165,893	165,893	106,696	106,696
Dedicated Solutions	171,343	171,343	175,410	175,410
<b>Change in consolidation goodwill due to the acquisition of shares (+/-)</b>	<b>18,153</b>	<b>9,559</b>	<b>62,757</b>	<b>54,232</b>
Banking Solutions	-	-	-	-
Payment Solutions	18,153	9,559	62,757	54,232
Dedicated Solutions	-	-	-	-
<b>Foreign currency translation differences (+/-)</b>	<b>16,373</b>	<b>15,280</b>	<b>(11,707)</b>	<b>8,143</b>
Banking Solutions	9,309	7,278	(4,080)	2,382
Payment Solutions	1,499	3,004	(3,560)	3,500
Dedicated Solutions	5,565	4,998	(4,067)	2,261
<b>Total goodwill</b>	<b>566,665</b>	<b>556,978</b>	<b>532,139</b>	<b>543,464</b>
Banking Solutions	204,212	202,181	194,903	201,365
Payment Solutions	185,545	178,456	165,893	164,428
Dedicated Solutions	176,908	176,341	171,343	177,671
<b>Total at the end of period</b>	<b>566,665</b>	<b>556,978</b>	<b>532,139</b>	<b>543,464</b>



In the period of 9 months ended 30 September 2020, the balance of goodwill arising from consolidation was affected by the following transactions:

**i. Acquisition of shares in Basilichi CEE LLC based in Banja Luka**

On 20 January 2020, Payten d.o.o. (Sarajevo) acquired 100% of shares in the company Basilichi CEE LLC based in Banja Luka.

The transaction price amounted to EUR 1.

Until 30 September 2020, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Basilichi may still be subject to change.

The provisional values of identifiable assets and liabilities of Basilichi as at the date of obtaining control were as follows (converted at the exchange rate of PLN/BAM effective as at the acquisition date):

	Provisional values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	1,451
Intangible assets	162
Right-of-use assets	402
Trade receivables	352
Inventories	321
Cash and cash equivalents	223
Other assets	9
<b>Total assets</b>	<b>2,920</b>
<b>Liabilities acquired</b>	
Bank loans and borrowings	1,722
Lease liabilities	428
Trade payables	2,255
Liabilities to the state and local budgets	116
Provisions and accruals	42
Other liabilities	48
<b>Total liabilities</b>	<b>4,611</b>
<b>Net assets value</b>	<b>(1,691)</b>
<b>Equity interest acquired</b>	<b>100%</b>
<b>Purchase price</b>	<b>-</b>
<b>Goodwill as at the acquisition date</b>	<b>1,691</b>

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

**ii. Acquisition of shares in Integrirani Poslovni Sustavi d.o.o., based in Oroslavje**

On 4 June 2020, Payten d.o.o. Zagreb signed an agreement to acquire 76% of shares in the company Integrirani Poslovni Sustavi d.o.o. ("IPS"), based in Oroslavje.

The transaction price amounted to EUR 1,851 thousand, of which EUR 847 thousand constitutes a conditional payment depending on the future financial results achieved by the acquired company.

Payten d.o.o. Zagreb also signed a put option agreement with the non-controlling shareholders of IPS. The amount of liabilities under put options has been disclosed in explanatory note 6.12.

Until 30 September 2020, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of IPS may still be subject to change.

The provisional values of identifiable assets and liabilities of IPS as at the date of obtaining control were as follows (converted at the exchange rate of PLN/HRK effective as at the acquisition date):

	Provisional values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	59
Intangible assets	57
Right-of-use assets	406
Trade receivables	685
Receivables from the state and local budgets	32
Inventories	242
Cash and cash equivalents	774
Other assets	261
<b>Total assets</b>	<b>2,516</b>
<b>Liabilities acquired</b>	
Bank loans and borrowings	469
Lease liabilities	415
Other financial liabilities	245
Trade payables	395
Liabilities to the state and local budgets	297
Other liabilities	231
<b>Total liabilities</b>	<b>2,052</b>
<b>Net assets value</b>	<b>464</b>
<b>Equity interest acquired</b>	<b>76%</b>
<b>Value of non-controlling interests</b>	<b>111</b>
<b>Purchase price</b>	<b>8,221</b>
<b>Goodwill as at the acquisition date</b>	<b>7,868</b>

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

**iii. Acquisition of shares in Gastrobit – GRC Grupa d.o.o., based in Dugo Selo**

On 23 July 2020, Payten d.o.o. Zagreb signed an agreement to acquire 100% of shares in the company Gastrobit – GRC Grupa d.o.o. ("Gastrobit"), based in Dugo Selo.

The transaction price amounted to EUR 2,276 thousand, of which EUR 1,238 thousand constitutes a conditional payment depending on the future financial results achieved by the acquired company.

Until 30 September 2020, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Gastrobit may still be subject to change.

The provisional values of identifiable assets and liabilities of Gastrobit as at the date of obtaining control were as follows (converted at the exchange rate of PLN/HRK effective as at the acquisition date):

	Provisional values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	689
Intangible assets	4
Right-of-use assets	844
Trade receivables	236
Inventories	373
Cash and cash equivalents	813
Other assets	90
<b>Total assets</b>	<b>3,049</b>
<b>Liabilities acquired</b>	
Lease liabilities	860
Trade payables	8
Liabilities to the state and local budgets	415
Other liabilities	324
<b>Total liabilities</b>	<b>1,607</b>
<b>Net assets value</b>	<b>1,442</b>

Equity interest acquired	100%
Value of non-controlling interests	-
Purchase price	10,037
Goodwill as at the acquisition date	8,595

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

**iv. Change in allocation of the purchase price of shares in Sonet spol. s.r.o. and Sonet Slovakia s.r.o.**

On 5 September 2019, Payten Sp. z o.o. sp.k. based in Warsaw signed an agreement to acquire 100% of shares in the company Sonet spol. s.r.o. based in Brno as well as 50% of shares in the company Sonet Slovakia s.r.o. based in Bratislava, in which the remaining 50% stake is held by Sonet spol. s.r.o. based in Brno, for the total consideration of EUR 4 million, increased by EUR 1.4 million of net cash surplus as at the transaction closing date as determined in the agreement, and possible conditional payments up to the amount of EUR 0.2 million depending on the achievement of target financial results by Sonet.

As at 30 September 2020, the Group has already completed the process of purchase price allocation. The fair values of identifiable assets and liabilities of Sonet Group as at the date of obtaining control were as follows (converted at the exchange rate of PLN/CZK effective as at the acquisition date):

	Fair values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	1,806
Intangible assets	5,917
Right-of-use assets	873
Trade receivables	4,355
Receivables from the state and local budgets	118
Inventories	248
Cash and cash equivalents	8,879
Other assets	321
<b>Total assets</b>	<b>22,517</b>
<b>Liabilities acquired</b>	
Bank loans and borrowings	244
Lease liabilities	873
Trade payables	919
Liabilities to the state and local budgets	484
Deferred tax liabilities	942
Other liabilities	538
<b>Total liabilities</b>	<b>4,000</b>
<b>Net assets value</b>	<b>18,517</b>
Equity interest acquired	100%
Purchase price	24,382
Goodwill as at the acquisition date	5,865

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

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

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

Payten d.o.o. (Sarajevo) also signed a put option agreement with the non-controlling shareholders of Monri. The amount of liabilities under put options has been disclosed in explanatory note 6.12.

Until 30 September 2020, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of

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

	Provisional values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	76
Intangible assets	5,361
Trade receivables	637
Receivables from the state and local budgets	94
Cash and cash equivalents	495
Other assets	925
<b>Total assets</b>	<b>7,588</b>
<b>Liabilities acquired</b>	
Bank loans and borrowings	2,565
Trade payables	848
Liabilities to the state and local budgets	79
Prepayments and accrued income	427
Deferred tax liabilities	966
Other liabilities	530
<b>Total liabilities</b>	<b>5,415</b>
<b>Net assets value</b>	<b>2,173</b>
<b>Equity interest acquired</b>	<b>80%</b>
<b>Value of non-controlling interests</b>	<b>434</b>
<b>Purchase price</b>	<b>8,359</b>
<b>Goodwill as at the acquisition date</b>	<b>6,620</b>

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

#### 6.5. Other financial assets

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

	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term PLN'000	Short-term PLN'000	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	-	-	37	-	109	-	27	26
Other assets	1	4	1	4	-	4	1	4
	<b>1</b>	<b>4</b>	<b>38</b>	<b>4</b>	<b>109</b>	<b>4</b>	<b>28</b>	<b>30</b>
<b>Financial assets carried at fair value through other comprehensive income, of which:</b>								
Shares in companies quoted in an active market	49	26	48	25	53	25	55	25
Shares in companies not quoted in an active market	21	-	21	-	20	-	21	-
	<b>70</b>	<b>26</b>	<b>69</b>	<b>25</b>	<b>73</b>	<b>25</b>	<b>76</b>	<b>25</b>
<b>Financial assets carried at amortized cost, of which:</b>								
Loans granted, of which:	-	9	-	4	-	16	-	2,770
<i>granted to employees</i>	-	5	-	-	-	13	-	7
<i>granted to other entities</i>	-	4	-	4	-	3	-	2,763
Short-term deposits	4,769	8	4,693	8	4,488	527	5,168	8
	<b>4,769</b>	<b>17</b>	<b>4,693</b>	<b>12</b>	<b>4,488</b>	<b>543</b>	<b>5,168</b>	<b>2,778</b>
<b>Total</b>	<b>4,840</b>	<b>47</b>	<b>4,800</b>	<b>41</b>	<b>4,670</b>	<b>572</b>	<b>5,272</b>	<b>2,833</b>

In the comparable periods, this is as at 30 June 2020, 31 December 2019 and 30 September 2019, financial assets carried at fair value through profit or loss included currency forward contracts held by ASEE S.A. The fair value of currency forward contracts is determined at each reporting date using calculation models based on inputs that are directly observable in active markets.

The line of 'Financial assets carried at amortized cost – cash deposits' includes term bank deposits with an original maturity of more than 3 months that are held by ASEE Macedonia. These cash deposits, to a large extent, serve as collateral for a bank guarantee used under an IT project that is implemented for a public administration institution.

**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 9 months ended 30 September 2020, the Group did not change its methods for measuring the fair value of financial instruments carried at fair value nor did it transfer any instruments between individual levels of the fair value hierarchy.

As at 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019, the fair values of financial assets were not significantly different from their book values.

As at 30 September 2020	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>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	-	-	-	-
Other assets	5	-	-	5
<b>Total</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies quoted in an active market	75	75	-	-
Shares in companies not listed on regulated markets	21	-	-	21
<b>Total</b>	<b>96</b>	<b>75</b>	<b>-</b>	<b>21</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 30 June 2020	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>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	37	-	37	-
Other assets	5	-	-	5
<b>Total</b>	<b>42</b>	<b>-</b>	<b>37</b>	<b>5</b>
<b>Financial assets available for sale</b>				
Shares in companies quoted in an active market	73	73	-	-
Shares in companies not listed on regulated markets	21	-	-	21
<b>Total</b>	<b>94</b>	<b>73</b>	<b>-</b>	<b>21</b>

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

As at 31 December 2019	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>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	109	-	109	-
Other assets	4	-	-	4
<b>Total</b>	<b>113</b>	<b>-</b>	<b>109</b>	<b>4</b>
<b>Financial assets available for sale</b>				
Shares in companies quoted in an active market	78	78	-	-
Shares in companies not listed on regulated markets	20	-	-	20
<b>Total</b>	<b>98</b>	<b>78</b>	<b>-</b>	<b>20</b>

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

As at 30 September 2019	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>Financial assets carried at fair value through profit or loss</b>				
Currency forward contracts	53	-	53	-
Other assets	5	-	-	5
<b>Total</b>	<b>58</b>	<b>-</b>	<b>53</b>	<b>5</b>

**Financial assets available for sale**

Shares in companies not listed on regulated markets	80	80	-	-
Shares in companies quoted in an active market	21	-	-	21
<b>Total</b>	<b>101</b>	<b>80</b>	<b>-</b>	<b>21</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 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019, prepayments and accrued income included the following items:

	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term PLN'000	Short-term PLN'000	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:	140	21,572	247	23,050	613	20,162	166	15,369
<i>maintenance services and license fees</i>	137	18,030	247	18,958	560	17,543	12	12,419
<i>insurances</i>	3	1,219	-	1,805	-	783	-	1,099
<i>rents and averaging of instalments under operating leases</i>	-	249	-	263	-	340	-	335
<i>prepaid consulting services</i>	-	153	-	163	-	116	-	132
<i>other services</i>	-	1,921	-	1,861	53	1,380	154	1,384
Expenses related to services performed for which revenues have not been recognized yet	-	253	-	246	-	153	-	338
Other prepayments and accrued income	-	1,331	-	1,634	1	1,431	-	729
<b>Total</b>	<b>140</b>	<b>23,156</b>	<b>247</b>	<b>24,930</b>	<b>614</b>	<b>21,746</b>	<b>166</b>	<b>16,436</b>

**6.7. Receivables and contract assets**

The table below presents the amounts of receivables as at 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019.

	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term PLN'000	Short-term PLN'000	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>109,108</b>	-	<b>132,189</b>	-	<b>164,530</b>	-	<b>135,389</b>
Trade receivables:	-	107,304	-	131,923	-	162,866	-	131,471
from related parties	-	270	-	477	-	1,374	-	1,659
from other entities	-	107,034	-	131,446	-	161,492	-	129,812
Receivables from operating leases	-	8,515	-	6,497	-	7,690	-	8,457
Allowances for trade receivables	-	(6,711)	-	(6,231)	-	(6,026)	-	(4,539)
<b>Corporate income tax receivable</b>	-	<b>1,234</b>	-	<b>1,481</b>	-	<b>1,364</b>	-	<b>2,721</b>
<b>Receivables from the state and local budgets</b>	-	<b>3,333</b>	-	<b>2,661</b>	-	<b>2,008</b>	-	<b>3,301</b>
Value added tax	-	1,703	-	1,283	-	649	-	383
Other	-	1,630	-	1,378	-	1,359	-	2,918
<b>Other receivables</b>	<b>923</b>	<b>4,215</b>	<b>774</b>	<b>4,198</b>	<b>724</b>	<b>2,889</b>	<b>480</b>	<b>5,320</b>
Security deposits receivable	921	2,081	772	1,652	724	986	480	1,088
Other receivables	2	2,220	2	2,632	-	1,903	-	4,232
Allowances for other doubtful receivables (-)	-	(86)	-	(86)	-	-	-	-
<b>Total receivables</b>	<b>923</b>	<b>117,890</b>	<b>774</b>	<b>140,529</b>	<b>724</b>	<b>170,791</b>	<b>480</b>	<b>146,731</b>

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

Contract assets	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Uninvoiced receivables</b>	-	<b>33,622</b>	-	<b>30,540</b>	-	<b>8,667</b>	-	<b>19,295</b>
from related parties	-	1,091	-	-	-	-	-	-
from other entities	-	32,531	-	30,540	-	8,667	-	19,295
<b>Receivables from valuation of IT contracts</b>	-	<b>33,517</b>	-	<b>29,220</b>	-	<b>19,383</b>	-	<b>26,280</b>
from related parties	-	854	-	714	-	-	-	-
from other entities	-	32,663	-	28,506	-	19,383	-	26,280
<b>Total contract assets</b>	-	<b>67,139</b>	-	<b>59,760</b>	-	<b>28,050</b>	-	<b>45,575</b>

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

The balance of other receivables includes, among others, receivables relating to guarantees of due performance of contracts (i.e. cash security provided to customers in order to compensate for their potential losses should we fail to fulfil any contractual obligations), receivables from disposal of tangible assets, receivables from security deposits paid-in, as well as other receivables.

Changes in the amount of allowances for trade receivables during the period of 9 months ended 30 September 2020 and in the comparable period are presented in the table below:

Allowances for trade receivables	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>As at 1 January</b>	<b>(6,026)</b>	<b>(3,099)</b>
Recognized during the reporting period	(3,665)	(2,280)
Utilized during the reporting period	2	117
Reversed during the reporting period	3,450	1,320
Acquisition of subsidiaries and other	(414)	(475)
Foreign currency translation differences and other	(58)	(122)
<b>Impairment losses as at 30 September</b>	<b>(6,711)</b>	<b>(4,539)</b>

## 6.8. Inventories

The table below presents inventories as at 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019:

Inventories	30 Sept. 2020 PLN'000	30 June 2020 PLN'000	31 Dec. 2019 PLN'000	30 Sept. 2019 PLN'000
Computer hardware, third-party software licenses and other goods for resale	30,223	29,920	39,146	34,935
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	13,027	13,872	12,060	13,449
Impairment losses on inventories	(16,732)	(16,881)	(13,991)	(13,709)
<b>Total</b>	<b>26,518</b>	<b>26,911</b>	<b>37,215</b>	<b>34,675</b>

Changes in the amount of impairment losses on inventories during the period of 9 months ended 30 September 2020 and in the comparable period are presented in the table below:

Impairment losses on inventories	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>As at 1 January</b>	<b>(13,991)</b>	<b>(13,137)</b>
Recognized during the reporting period	(2,752)	(2,529)
Utilized during the reporting period	753	763
Reversed during the reporting period	1,741	3,356
Obtaining of control over subsidiaries	(1,695)	(1,907)
Foreign currency translation differences	(788)	(255)
<b>Impairment losses as at 30 September</b>	<b>(16,732)</b>	<b>(13,709)</b>

### 6.9. Cash and cash equivalents

The table below presents cash and cash equivalents as at 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019:

	30 Sept. 2020 PLN'000	30 June 2020 PLN'000	31 Dec. 2019 PLN'000	30 Sept. 2019 PLN'000
Cash at bank and on hand	146,328	154,051	139,854	104,800
Cash at split payment accounts	184	426	341	238
Short-term bank deposits (up to 3 months)	33,635	44,717	59,190	44,341
Cash in transit and other cash equivalents	81	120	278	438
<b>Total cash and cash equivalents as disclosed in the statement of financial position</b>	<b>180,228</b>	<b>199,314</b>	<b>199,663</b>	<b>149,817</b>
Interest accrued on cash and cash equivalents	(40)	(23)	(46)	(30)
Bank overdraft facilities utilized for current liquidity management	(3,078)	(3,917)	(8,956)	(11,517)
<b>Total cash and cash equivalents as disclosed in the cash flow statement</b>	<b>177,110</b>	<b>195,374</b>	<b>190,661</b>	<b>138,270</b>

### 6.10. Lease liabilities

As at 30 September 2020, the Group was a lessee under lease contracts. Assets leased under such contracts included:

- office and warehouse space,
- locations for ATMs,
- cars,
- IT hardware,
- other assets.

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

Financial liabilities	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term PLN'000	Short-term PLN'000	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	35,512	14,701	37,491	14,833	37,650	12,402	41,405	12,532
Leases of transportation vehicles	5,166	3,590	5,272	3,710	5,677	3,533	6,345	3,118
Leases of IT hardware	2,757	2,763	3,202	2,700	4,162	2,988	4,901	3,313
	<b>43,435</b>	<b>21,054</b>	<b>45,965</b>	<b>21,243</b>	<b>47,489</b>	<b>18,923</b>	<b>52,651</b>	<b>18,963</b>



### 6.11. Bank loans and borrowings

The table below presents the Group's debt under bank loans and borrowings outstanding as at 30 September 2020, as well as at 31 December 2019 and 30 September 2019.

	Curren- cy	Repayment date	30 Sept. 2020		31 Dec. 2019		30 Sept. 2019	
			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>3,078</b>	-	<b>8,956</b>	-	<b>11,517</b>
<i>fixed interest rate</i>	MKD	10.10.2020	-	21	-	60	-	47
<i>fixed interest rate</i>	EUR	10.10.2020	-	52	-	125	-	75
<i>fixed interest rate</i>	TRY	13.10.2020	-	15	-	55	-	45
<i>fixed interest rate</i>	COP	28.10.2020	-	179	-	58	-	58
<i>fixed interest rate</i>	EUR	26.10.2020	-	2,811	-	8,658	-	11,113
<i>fixed interest rate</i>	PEN	30.11.2019	-	-	-	-	-	179
<b>Other bank loans</b>			<b>34,187</b>	<b>29,594</b>	<b>40,061</b>	<b>37,573</b>	<b>47,306</b>	<b>37,105</b>
1M EURIBOR + margin	EUR	15.06.2021	-	1	-	4,516	-	8,759
1M EURIBOR + margin	EUR	31.07.2023	9,578	8,762	14,746	10,023	16,802	9,961
3M EURIBOR + margin	EUR	30.06.2024	9,053	3,292	10,857	3,102	11,933	3,182
3M EURIBOR + margin	EUR	31.12.2022	1,409	1,785	2,590	1,682	3,088	1,726
3M EURIBOR + margin	EUR	21.09.2020	-	-	-	656	-	898
3M EURIBOR + margin	EUR	21.09.2022	317	317	521	298	614	332
3M EURIBOR + margin	EUR	05.06.2023	1,409	805	1,895	757	2,141	781
6M EURIBOR + margin	EUR	13.03.2020	-	-	-	110	-	225
6M EURIBOR + margin	EUR	31.12.2020	-	-	-	426	-	-
6M EURIBOR + margin	EUR	08.02.2021	-	5	-	-	-	-
1Y EURIBOR + margin	EUR	30.06.2022	17	22	31	22	38	21
<i>fixed interest rate</i>	EUR	31.03.2021	-	483	227	908	467	933
<i>fixed interest rate</i>	EUR	02.04.2020	-	-	-	236	-	426
<i>fixed interest rate</i>	EUR	13.11.2019	-	-	-	-	-	292
<i>fixed interest rate</i>	EUR	28.06.2021	-	1,358	851	1,703	1,315	1,754
<i>fixed interest rate</i>	EUR	04.06.2021	-	1,509	1,419	2,838	2,192	2,192
<i>fixed interest rate</i>	EUR	03.06.2022	2,037	2,716	3,831	2,554	4,603	1,973
<i>fixed interest rate</i>	EUR	02.07.2021	-	3,269	1,655	2,601	2,435	1,948
<i>fixed interest rate</i>	EUR	28.08.2021	-	332	227	341	322	351
<i>fixed interest rate</i>	COP	28.09.2020	-	-	-	81	-	93
<i>fixed interest rate</i>	EUR	30.06.2024	4,668	1,698	1,211	3,784	1,333	89
<i>fixed interest rate</i>	EUR	27.09.2020	-	-	-	131	-	195
<i>fixed interest rate</i>	EUR	01.02.2020	-	-	-	56	-	57
<i>fixed interest rate</i>	EUR	31.12.2020	-	571	-	628	-	782
<i>fixed interest rate</i>	EUR	15.11.2020	-	-	-	120	23	135
<i>fixed interest rate</i>	PEN	13.02.2023	117	75	-	-	-	-
<i>fixed interest rate</i>	EUR	01.03.2022	341	68	-	-	-	-
<i>fixed interest rate</i>	EUR	05.02.2024	941	37	-	-	-	-
<i>fixed interest rate</i>	EUR	17.09.2020	-	-	-	-	-	-
<i>fixed interest rate</i>	HRK	29.04.2021	-	-	-	-	-	-
<i>fixed interest rate</i>	EUR	22.04.2023	4,300	2,489	-	-	-	-
<b>Loans</b>			-	<b>1,919</b>	<b>3,194</b>	<b>3,213</b>	<b>3,280</b>	<b>3,280</b>
3M EURIBOR + margin	EUR	30.06.2021	-	1,919	3,194	3,213	3,280	3,280
<b>Total</b>			<b>34,187</b>	<b>34,591</b>	<b>43,255</b>	<b>49,742</b>	<b>50,586</b>	<b>51,902</b>

The Group's total debt amounted to PLN 68,778 thousand as at 30 September 2020, as compared with PLN 92,997 thousand as at 31 December 2019. The amount of debt decreased as a result of repayment of bank loans obtained for financing of our payment process outsourcing projects, as well as repayment of bank account 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 9 months ended 30 September 2020 amounted to PLN 8,938 thousand (proceeds) and PLN 34,497 thousand (repayments).

As at 30 September 2020, tangible assets with a book value of PLN 8,112 thousand and trade receivables in the amount of PLN 2,826 thousand served as collateral for bank loans. As at 30 September 2020, liabilities that were secured with such assets amounted to PLN 2,887 thousand.

As at 31 December 2019, tangible assets with a book value of PLN 8,674 thousand and trade receivables in the amount of PLN 4,844 thousand served as collateral for bank loans. As at 31 December 2019, liabilities that were secured with such assets amounted to PLN 8,526 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 30 September 2020 and 31 December 2019, ASEE Group companies did not infringe any covenants defined in their loan agreements.

#### Fair value of financial liabilities

In the period of 9 months ended 30 September 2020, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy.

As at 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019, 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

Financial liabilities	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Dividend payment liabilities	-	-	-	38,476	-	-	-	-
Liabilities under deferred and/or conditional payments for controlling interests	13,316	13,696	11,162	12,585	11,692	13,876	18,382	26,913
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	21,256	-	20,998	-	16,819	-	12,427	-
Currency forward contracts	13	-	1	4	46	-	-	-
Other financial liabilities	-	-	-	-	-	3	-	1
	<b>34,585</b>	<b>13,696</b>	<b>32,161</b>	<b>51,065</b>	<b>28,557</b>	<b>13,879</b>	<b>30,809</b>	<b>26,914</b>

As at 30 September 2020, ASEE Group recognized liabilities amounting to PLN 18,000 thousand under put options that were granted to non-controlling shareholders of Necomplus company, liabilities amounting to PLN 699 thousand under put options that were granted to non-controlling shareholders of Monri company, as well as liabilities amounting to PLN 2,557 thousand under put options that were granted to non-controlling shareholders of IPS company. These liabilities have been estimated using the price calculation formula as defined in the agreement, i.e. the company's profit for the contractual term multiplied by a predetermined coefficient, and in the case Necomplus additionally adjusted for net cash held by Necomplus Group.

Short-term liabilities arising from deferred payments for controlling interests are related to the acquisition of shares in Necomplus S.L. (PLN 4,932 thousand) and in Sonet companies (PLN 2,264 thousand). Short-term liabilities arising from conditional payments for controlling interests are related to the acquisition of shares in Gastrobit company (PLN 5,595 thousand) and in Sonet company (PLN 905 thousand).

Long-term liabilities arising from conditional payments for controlling interests are related to the acquisition of shares in Mobven company (PLN 9,435 thousand) and in IPS company (PLN 3,881 thousand).

The amounts of liabilities arising from conditional payments for controlling interests 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.

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

As at 30 September 2020	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>Financial liabilities</b>				
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	27,012	-	-	27,012
Liabilities from the acquisition of minority interests in subsidiaries (put options)	21,256	-	-	21,256
Currency forward contracts	13	-	13	-
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>48,281</b>	<b>-</b>	<b>13</b>	<b>48,268</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 30 June 2020	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>Financial liabilities</b>				
Dividend payment liabilities	38,476	-	-	38,476
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	23,747	-	-	23,747
Liabilities from the acquisition of minority interests in subsidiaries (put options)	20,998	-	-	20,998
Currency forward contracts	5	-	5	-
Other financial liabilities	-	-	-	-
<b>Total</b>	<b>83,226</b>	<b>-</b>	<b>5</b>	<b>83,221</b>

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

As at 31 December 2019	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>Financial liabilities</b>				
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	25,568	-	-	25,568
Liabilities from the acquisition of minority interests in subsidiaries (put options)	16,819	-	-	16,819
Currency forward contracts	46	-	46	-
Other financial liabilities	3	-	-	3
<b>Total</b>	<b>42,436</b>	<b>-</b>	<b>46</b>	<b>42,390</b>

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

As at 30 September 2019	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>Financial liabilities</b>				
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	45,295	-	-	45,295
Liabilities from the acquisition of minority interests in subsidiaries (put options)	12,427	-	-	12,427
Currency forward contracts	-	-	-	-
Other financial liabilities	1	-	-	1
<b>Total</b>	<b>57,723</b>	<b>-</b>	<b>-</b>	<b>57,723</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 structure of the Group's liabilities outstanding as at 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019:

	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Trade payables, of which:</b>	-	<b>48,567</b>	-	<b>68,926</b>	-	<b>109,977</b>	-	<b>81,234</b>
<b>Trade payables</b>	-	<b>39,806</b>	-	<b>59,259</b>	-	<b>100,839</b>	-	<b>74,040</b>
from related parties	-	173	-	92	-	142	-	317
from other entities	-	39,633	-	59,167	-	100,697	-	73,723
<b>Uninvoiced payables</b>	-	<b>8,761</b>	-	<b>9,667</b>	-	<b>9,138</b>	-	<b>7,194</b>
from related parties	-	-	-	13	-	13	-	-
from other entities	-	8,761	-	9,654	-	9,125	-	7,194
<b>Corporate income tax payable</b>	-	<b>6,626</b>	-	<b>7,599</b>	-	<b>5,738</b>	-	<b>3,551</b>
<b>Liabilities to the state and local budgets</b>	-	<b>22,240</b>	-	<b>22,767</b>	-	<b>24,231</b>	-	<b>13,943</b>
Value added tax (VAT)	-	8,864	-	10,432	-	15,850	-	7,269
Personal income tax (PIT)	-	2,914	-	2,769	-	2,623	-	1,344
Social insurance	-	9,671	-	9,195	-	5,053	-	4,692
Withholding income tax	-	129	-	132	-	155	-	113
Other	-	662	-	239	-	550	-	525
<b>Other liabilities</b>	<b>540</b>	<b>11,474</b>	<b>722</b>	<b>10,934</b>	<b>494</b>	<b>19,247</b>	<b>634</b>	<b>9,041</b>
Liabilities to employees (including salaries payable)	-	6,755	-	7,352	-	14,846	-	6,557
Liabilities from purchases of tangible assets and intangible assets	492	2,231	672	1,049	445	756	577	676
Other liabilities	48	2,488	50	2,533	49	3,645	57	1,808
<b>Total</b>	<b>540</b>	<b>88,907</b>	<b>722</b>	<b>110,226</b>	<b>494</b>	<b>159,193</b>	<b>634</b>	<b>107,769</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 30 September 2020, 30 June 2020, 31 December 2019 and 30 September 2019, the Group's liabilities from contracts with customers resulted from obligations listed in the table below.

	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Liabilities from valuation of IT contracts, of which:</b>	-	<b>9,759</b>	-	<b>5,194</b>	-	<b>13,259</b>	-	<b>4,419</b>
From related parties	-	-	-	-	-	-	-	-
From other entities	-	9,759	-	5,194	-	13,259	-	4,419
<b>Deferred income from IT projects, of which:</b>	<b>994</b>	<b>50,125</b>	<b>1,224</b>	<b>55,983</b>	<b>804</b>	<b>45,448</b>	<b>437</b>	<b>39,245</b>
Maintenance services	994	32,150	879	34,170	804	25,288	135	23,745
License fees	-	466	345	775	-	1,570	126	418
Prepaid implementation services	-	994	-	1,047	-	1,865	-	719
Obligations to supply hardware	-	16,469	-	19,942	-	16,725	176	14,296
Other prepaid services	-	46	-	49	-	-	-	67
<b>Total contract liabilities</b>	<b>994</b>	<b>59,884</b>	<b>1,224</b>	<b>61,177</b>	<b>804</b>	<b>58,707</b>	<b>437</b>	<b>43,664</b>

### 6.15. Provisions

Changes in the amount of provisions during the period of 9 months ended 30 September 2020 and in the comparable period are presented in the table below:

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>As at 1 January</b>	<b>4,860</b>	<b>4,695</b>
Obtaining control over subsidiaries	-	232
Provisions created during the reporting period	2,944	2,151
Provisions utilized/reversed during the reporting period	(1,480)	(1,962)
Differences on foreign currency translation of subsidiaries	(86)	80
<b>As at the end of the reporting period, of which:</b>	<b>6,238</b>	<b>5,196</b>
<b>Short-term</b>	<b>4,382</b>	<b>3,184</b>
<b>Long-term</b>	<b>1,856</b>	<b>2,012</b>

### 6.16. Accruals

	30 Sept. 2020		30 June 2020		31 Dec. 2019		30 Sept. 2019	
	Long-term PLN'000	Short-term PLN'000	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>Accruals, of which:</b>								
Accrual for unused holiday leaves	-	4,456	-	5,518	-	3,938	-	3,492
Accrual for employee and management bonuses	-	27,500	-	20,454	-	18,379	-	21,729
	-	<b>31,956</b>	-	<b>25,972</b>	-	<b>22,317</b>	-	<b>25,221</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.

### 6.17. Related party transactions

	Sales to related parties 9 months ended 30 September PLN'000	Purchases from related parties 9 months ended 30 September PLN'000	Trade receivables and other receivables 30 Sept. 2020/ 31 Dec. 2019 PLN'000	Trade payables and other liabilities 30 Sept. 2020/ 31 Dec. 2019 PLN'000	Lease liabilities 30 Sept. 2020/ 31 Dec. 2019 PLN'000
<b>Transactions with AssecO Poland</b>					
2020	48	180	70	92	-
2019	48	1,058	60	33	-
<b>Transactions with entities of AssecO Poland Group</b>					
2020	2,582	40	2,193	408	-
2019	595	58	116	139	-
<b>Transactions with associates</b>					
2020	-	-	-	-	-
2019	261	-	-	-	-
<b>Transactions with entities or individuals related through the Group's Key Management Personnel</b>					
2020	-	954	-	75	12,268
2019	1,205	1,641	1,245	73	14,062
<b>Transactions with Members of Management Board and Supervisory Board of ASEE S.A. and companies of ASEE Group</b>					
2020	-	31	297	3	122
2019	-	7	256	-	153

As at 30 September 2020, total receivables from related parties comprised trade receivables amounting to PLN 270 thousand, contract assets amounting to PLN 1,945 thousand, and other receivables amounting to PLN 345 thousand. As at 31 December 2019, total receivables from related parties comprised trade receivables amounting to PLN 1,374 thousand, and other receivables amounting to PLN 303 thousand.

As at 30 September 2020, total liabilities to related parties comprised trade payables amounting to PLN 173 thousand, and other liabilities amounting to PLN 405 thousand. As at 31 December 2019, total liabilities to related parties comprised trade payables amounting to PLN 155 thousand, and other liabilities amounting to PLN 90 thousand.

In addition, short-term liabilities arising from deferred payments for controlling interests include a liability for the acquisition of Necomplus S.L. from Asseco Western Europe S.A. in the amount of PLN 4,932 thousand as at 30 September 2020, as compared with PLN 9,868 thousand reported as at 31 December 2019.

Moreover, bank loans and borrowings disclosed as at 30 September 2020 include a borrowing that was obtained by Necomplus S.L. from Asseco Western Europe S.A. in the amount of PLN 1,919 thousand, as compared with PLN 6,407 thousand as at 31 December 2019.

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 12,390 thousand as at 30 September 2020.

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

On 23 June 2017, Asseco Poland S.A. and managers of ASEE Group companies signed agreements for the acquisition of shares in ASEE S.A., which has been described in detail in explanatory note 5.2 in this report. Members of the Management Board of ASEE S.A., acting directly or through their related parties, acquired the following numbers of shares:

Management Board Members	Number of shares acquired
Piotr Jeleński	966,942
Miljan Mališ	300,000
Miodrag Mirčetić (Member of the Management Board till 30 September 2019)	275,482
Marcin Rulnicki	30,000
Kostadin Slavkoski (Member of the Management Board since 1 October 2019)	30,000

In the period of 9 months ended 30 September 2020, the costs of share-based payment plan related to shares acquired by Members of the Management Board amounted to PLN 442 thousand, as compared with PLN 1,259 thousand in the comparable period of 2019. Accounting for this option plan has been completed by 30 June 2020 and all the costs of share-based payment transactions have already been recognized in the financial results of ASEE Group.

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. Moreover, 20% of shares in MHM d.o.o. are held by I4 Invention d.o.o. which is also a shareholder in ASEE S.A. Whereas, 100% of shares in I4 Invention d.o.o. are held by Miodrag Mirčetić, who served as Member of the Management Board of ASEE S.A. till 30 September 2019.

<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 30 September 2020, Mini Invest d.o.o. held 322,715 shares in ASEE S.A.

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

### 7.1. Cash flows – investing activities

In the period of 9 months ended 30 September 2020, the amount of cash flows from investing activities was affected primarily by:

- acquisitions of property, plant and equipment (PLN 24,652 thousand), intangible assets (PLN 1,395 thousand), and expenditures for development projects (PLN 838 thousand),
- expenditures for the acquisition of subsidiaries decreased by cash and cash equivalents in subsidiaries acquired, as disclosed in the table below:

	Acquisition of subsidiaries PLN'000	Cash in subsidiaries acquired PLN'000
Necomplus Group	(4,936)	-
Bassilichi B&H	-	230
Monri Group	(433)	-
IPS	(4,488)	779
Gastrobit	(4,585)	817
Mobven	(2,635)	-
<b>Total</b>	<b>(17,077)</b>	<b>1,826</b>

### 7.2. Cash flows – financing activities

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

Change in financial liabilities	Interest-bearing bank loans and borrowings PLN'000	Lease liabilities PLN'000	Dividend payment liabilities PLN'000	Total PLN'000
<b>As at 1 January 2020</b>	<b>84,041</b>	<b>66,412</b>	<b>-</b>	<b>150,453</b>
<b>Changes arising from cash flow</b>	<b>(26,645)</b>	<b>(18,301)</b>	<b>(39,107)</b>	<b>(84,053)</b>
Inflows	8,938	-	-	8,938
Outflows	(34,497)	(16,595)	(39,107)	(90,199)
Interest paid	(1,086)	(1,706)	-	(2,792)
<b>Non-cash changes</b>	<b>5,129</b>	<b>13,613</b>	<b>39,107</b>	<b>57,849</b>
Interest accrued	1,170	1,706	-	2,876
Non-cash increase in liabilities	-	12,469	38,862	51,331
Non-cash decrease in liabilities	-	(2,076)	-	(2,076)
Obtaining control over subsidiaries	2,168	1,698	245	4,111
Foreign currency translation differences recognized in financial income/expenses	1,791	(184)	-	1,607
<b>Differences on foreign currency translation of subsidiaries</b>	<b>3,175</b>	<b>2,765</b>	<b>-</b>	<b>5,940</b>
<b>As at 30 September 2020</b>	<b>65,700</b>	<b>64,489</b>	<b>-</b>	<b>130,189</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 early termination of lease contracts.

Dividends paid out to non-controlling shareholders represent payments to the minority shareholders of eMon, ChipCard and IPS companies.

## 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.

The related contingent liabilities amounted to PLN 54,773 thousand as at 30 September 2020, as compared with PLN 48,663 thousand as at 30 June 2020, PLN 50,220 thousand as at 31 December 2019, and PLN 54,516 thousand as at 30 September 2019.

Assets serving as collateral for bank guarantee facilities:

Category of assets	30 Sept. 2020 PLN'000	Net value of assets		30 Sept. 2019 PLN'000	Amount of granted guarantee secured with assets			
		30 June 2020 PLN'000	31 Dec. 2019 PLN'000		30 Sept. 2020 PLN'000	30 June 2020 PLN'000	31 Dec. 2019 PLN'000	30 Sept. 2019 PLN'000
Financial assets	4,769	4,693	4,502	4,456	12,202	12,007	11,478	11,817
Trade receivables	1,555	3,734	1,364	878	1,842	1,677	1,681	1,879
Other receivables	286	281	274	3,266	286	281	-	3,266
<b>Total</b>	<b>6,610</b>	<b>8,708</b>	<b>6,140</b>	<b>8,600</b>	<b>14,329</b>	<b>13,965</b>	<b>13,159</b>	<b>16,962</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 30 September 2020.

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

- office and warehouse space,
- locations for ATMs,
- transportation vehicles,
- office equipment,
- other assets.

As at 30 September 2020, as well as at 30 June 2020, 31 December 2019 and 30 September 2019, the above-mentioned contracts resulted in the following off-balance-sheet liabilities to make future payments:

	30 Sept. 2020 PLN'000	30 June 2020 PLN'000	31 Dec. 2019 PLN'000	30 Sept. 2019 PLN'000
<b><i>Liabilities from rental of space</i></b>				
In the period up to 1 year	1,241	1,343	1,692	1,907
In the period from 1 to 5 years	38	180	139	1,140
Over 5 years	-	-	-	-
	<b>1,279</b>	<b>1,523</b>	<b>1,831</b>	<b>3,047</b>
<b><i>Liabilities under operating leases of equipment</i></b>				
In the period up to 1 year	473	190	126	64
In the period from 1 to 5 years	-	-	-	2
Over 5 years	-	-	-	-
	<b>473</b>	<b>190</b>	<b>126</b>	<b>66</b>

The said contracts meet the definition of a lease under IFRS 16. Off-balance-sheet liabilities disclosed as at 30 September 2020 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	30 Sept. 2020	30 June 2020	31 Dec. 2019	30 Sept. 2019
Management Board of the Parent Company	4	4	4	4
Management Boards of the Group companies	50	47	43	41
Production departments	2,386	2,253	2,207	2,262
Sales departments	193	184	175	178
Administration departments	252	254	247	238
<b>Total</b>	<b>2,885</b>	<b>2,742</b>	<b>2,676</b>	<b>2,723</b>

Number of employees in the Group companies as at:	30 Sept. 2020	30 June 2020	31 Dec. 2019	30 Sept. 2019
ASEE S.A.	28	28	29	30
ASEE B&H	78	75	69	70
ASEE Bulgaria	17	18	19	19
ASEE Croatia	213	205	176	174
ASEE Macedonia	220	214	190	178
ASEE Kosovo Group	77	77	71	66
ASEE Romania Group	141	138	138	138
ASEE Serbia Group	483	478	437	418
ASEE Turkey	87	88	92	92
Payten B&H Group	64	65	55	39
Payten Croatia Group	181	149	107	108
Payten Montenegro Group	18	18	17	22
Payten Macedonia	30	31	31	30
Payten Serbia Group	170	170	170	174
Payten Slovenia	31	32	32	32
Payten Romania	49	48	49	52
Payten Turkey Group	195	181	178	169
Necomplus Group	713	640	729	827
Sonet Group	90	87	86	85
<b>Total</b>	<b>2,885</b>	<b>2,742</b>	<b>2,675</b>	<b>2,723</b>

## 8.4. Significant events after the reporting period

In the period from 31 March 2020 till the date of approval of these interim condensed consolidated financial statements, this is until 28 October 2020, 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 9 months ended 30 September 2020, 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 9 months ended  
30 September 2020**

## I. Financial results of AssecO South Eastern Europe Group for the third quarter of 2020

PLN'000	3 months ended			3 months ended		
	30 Sept. 2020	30 Sept. 2019	Change	30 Sept. 2020	30 Sept. 2019	Change
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Sales revenues	227,478	228,802	-1%	51,191	52,684	-3%
Gross profit on sales	66,536	53,613	24%	14,974	12,339	21%
Net profit on sales	37,231	28,972	29%	8,379	6,675	26%
Operating profit	37,294	30,398	23%	8,393	7,006	20%
EBITDA	56,843	47,642	19%	12,792	10,974	17%
Net profit for the reporting period	31,704	25,627	24%	7,135	5,906	21%
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>31,452</b>	<b>25,505</b>	<b>23%</b>	<b>7,078</b>	<b>5,879</b>	<b>20%</b>

Financial results achieved by ASEE Group in the third quarter of 2020 were once again considerably stronger than in the corresponding period last year. Consolidated sales revenues presented in Polish zlotys remained at a similar level as a year ago, while the Group managed to significantly improve its operating profit and EBITDA. In the third quarter of 2020, sales revenues presented in Polish zlotys amounted to PLN 227.5 million, reflecting a decrease by PLN 1.3 million or 0.6% in relation to the third quarter of 2019. Operating profit reached PLN 37.3 million increasing by nearly 23%, while EBITDA for the third quarter of 2020 amounted to PLN 56.8 million improving by more than 19%. Net profit attributable to shareholders of the Parent Company for the third quarter of 2020 amounted to PLN 31.5 million, increasing by PLN 6 million or 23%.

In the third quarter of 2020, our sales presented in euros totalled EUR 51.2 million, decreasing by EUR 1.5 million or 3%. Operating profit reached EUR 8.4 million increasing by 20%, while EBITDA amounted to EUR 12.8 million going up by almost 17%.

Consolidated sales revenues of ASEE Group slightly dropped in the third quarter of 2020, however such decrease resulted from considerably weaker sales generated by the Dedicated Solutions segment, especially in the business line responsible for the resale of infrastructure and third-party solutions. Concurrently, both the Banking Solutions segment and the Payment Solutions segment recorded higher revenues. In the wake of changes in our revenue structure and continuing improvement of efficiency during recent quarters, the whole company as well as its segments of Banking Solutions and Dedicated Solutions recorded higher operating profitability. These changes resulted in a considerable increase in operating profit and EBITDA, despite slightly lower sales revenues than in the previous year.

The growing scale of operations and improving results are also partly attributable to the consolidation of several new companies in ASEE Group. Since 1 September 2019, the Group has consolidated the financial results of Sonet companies (Czech Republic and Slovakia). Furthermore, during the year 2019 and the first 3 quarters of 2020, ASEE Group conducted a number of smaller, local acquisitions, including in Serbia, Montenegro, Croatia, Turkey, and Bosnia and Herzegovina. In the third quarter of 2020, the newly acquired subsidiaries of ASEE Group generated EUR 5.5 million of sales revenues, while they contributed EUR 97 thousand to EBIT (including depreciation from purchase price allocation in the amount of EUR 109 thousand and a one-time write-down of capitalized software development expenditures of Mobven in the amount of EUR 310 thousand), and contributed EUR 655 thousand to our total EBITDA. Moreover, the results of those companies were partially recognized in the third quarter of 2019 already, when ASEE Group consolidated EUR 1.1 million of sales revenues, EUR 266 thousand of operating profit, and EUR 430 thousand of EBITDA from the same entities.



### Results of the **Payment Solutions** segment

Payment Solutions	3 months ended			3 months ended		
	30 Sept. 2020	30 Sept. 2019	Change	30 Sept. 2020	30 Sept. 2019	Change
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Sales revenues	113,367	98,551	15%	25,513	22,694	12%
Operating profit	18,782	16,900	11%	4,226	3,894	9%
EBITDA	33,462	29,788	12%	7,530	6,860	10%

In the third quarter of 2020, sales generated by the **Payment Solutions** segment reached EUR 25.5 million, improving by EUR 2.8 million or over 12% in relation to the comparable period last year. The strongest revenue growth was achieved from maintenance of POS terminals and e-Commerce. Growing sales of services related to maintenance of POS terminals were reported primarily by Payten Bosnia and Herzegovina which has integrated Basilichi, its newly acquired company. The increase in revenues was also driven by the consolidation of sales generated by Sonet companies in the whole three-month period, whereas the comparable data include Sonet sales just for the month of September 2019. Moreover, revenues reported by the business line dealing with maintenance of POS terminals include sales of new business lines that were not consolidated by ASEE Group in the comparable period, namely our independent network of POS terminals (IPD) and electronic cash registers (ECR), recognized mostly in the financial results of Payten Croatia. Whereas, higher sales of the business line dealing with e-Commerce were basically due to handling a larger volume of online transactions and carrying out new projects for authentication solutions, which improved the operating results of Payten companies in Turkey and Croatia. The business line responsible for maintenance and distribution of ATMs reported slightly weaker sales for the third quarter of 2020 than in the previous year. Sales of ATMs and traditional maintenance services increased, mainly owing to the integration of Basilichi companies in Serbia and Bosnia and Herzegovina, but at the same time our independent ATM network (MoneyGet) reported weaker revenues as it was directly affected by tourist traffic restrictions caused by the Covid-19 pandemic in Croatia, Montenegro and Albania. Slightly lower sales were reported also by the segment's business line responsible for processing of payment transactions.

Operating profit of the Payment Solutions segment for the third quarter of 2020 amounted to EUR 4.2 million, improving by EUR 0.3 million or nearly 9%. Higher EBIT was reported by the business line offering POS maintenance services, which included the results of our independent network of POS terminals (IPD) and electronic cash registers (ECR), as well as by the business lines responsible for e-Commerce solutions and payment processing. At the same time, operating profit declined in the business line dealing with maintenance of ATMs, where stronger results achieved from traditional deliveries and services were more than offset by weak performance of our independent network of ATMs.

Consolidated EBITDA of the Payment Solutions segment for the third quarter of 2020 reached EUR 7.5 million, improving by EUR 0.7 million or 10% in relation to the comparable period last year.



#### Results of the **Banking Solutions** segment

Banking Solutions	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	30 Sept. 2020	30 Sept. 2019		30 Sept. 2020	30 Sept. 2019	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	52,499	44,482	18%	11,815	10,230	16%
Operating profit	13,560	8,634	57%	3,053	1,991	53%
EBITDA	16,511	11,290	46%	3,716	2,602	43%

In the third quarter of 2020, the **Banking Solutions** segment generated EUR 11.8 million in sales revenues, achieving an increase by EUR 1.6 million or 16% in relation to the comparable period last year. Higher revenues were recorded by the business lines responsible for core banking systems and other software as well as for mobile solutions, while the business line offering security solutions, including authentication, fraud prevention and anti-money laundering solutions, reported sales at a similar level as a year ago. Sales of core banking systems and other software increased owing to new projects carried out in Serbia, Macedonia and Bosnia and Herzegovina. Whereas, higher sales of mobile solutions were achieved primarily by ASEE in Croatia.

Operating profit of the Banking Solutions segment for the third quarter of 2020 amounted to almost EUR 3.1 million, reflecting an increase by nearly EUR 1.1 million or 53% in relation to the comparable period last year. The larger scale of operations and better utilization of our team contributed to the achievement of higher operating profit in the business lines responsible for mobile solutions as well as for core banking systems and other software. Whereas, the business line offering security solutions reported a weaker EBIT than in the third quarter of 2019.

Consolidated EBITDA of the Banking Solutions segment for the third quarter of 2020 reached EUR 3.7 million, improving by EUR 1.1 million or 43% in relation to the comparable period last year.



### Results of the **Dedicated Solutions** segment

Dedicated Solutions	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	30 Sept. 2020	30 Sept. 2019		30 Sept. 2020	30 Sept. 2019	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	61,612	85,769	-28%	13,863	19,760	-30%
Operating profit	4,952	4,864	2%	1,114	1,121	-1%
EBITDA	6,870	6,564	5%	1,546	1,512	2%

Sales generated by the **Dedicated Solutions** segment in the third quarter of 2020 amounted to EUR 13.9 million, decreasing by EUR 5.9 million or 30% in relation to the comparable period last year. Weaker sales were reported mainly by the business line responsible for the resale of infrastructure and third-party solutions and integration services, basically because in the third quarter of 2020 ASEE companies operating in Serbia and Romania carried out much less important projects than a year ago. We also recorded a slight deterioration in proceeds from the sale of dedicated solutions, but not as severe as in the case of resale operations. Sales of our proprietary dedicated solutions were negatively influenced by a considerable reduction in the scale of BPO operations conducted by Necomplus companies in Spain and Portugal, which was partially compensated by stronger sales of such solutions in Serbia, Romania and in Turkey.

Despite a noticeable decline in sales, operating profit of the Dedicated Solutions segment for the third quarter of 2020 remained at a similar level as in the comparable period of the previous year and amounted to EUR 1.1 million. The segment managed to achieve a similar amount of EBIT by realizing slightly higher margins on resale and by implementing cost savings in the business line responsible for third-party solutions and integration services, even with a weaker operating result of the business line offering own solutions.

EBITDA of the Dedicated Solutions segment for the third quarter of 2020 reached EUR 1.5 million, remaining at a comparable level as a year ago.

### Net profit

Consolidated **net profit** of ASEE Group for the third quarter of 2020 amounted to EUR 7.1 million, increasing by EUR 1.2 million or 21% in relation to the comparable period last year.

In the third quarter of 2020, the net result on financial operations equalled EUR -35 thousand, as compared with EUR -116 thousand reported for the comparable period a year ago. The loss on financial activities was lower due to a better result on foreign currency translation differences, which compensated for the negative effect of revaluation of contingent liabilities arising from the acquisition of shares (mainly in the Turkish company Mobven) that amounted to EUR -388 thousand. Interest expenses incurred on bank loans and lease liabilities remained at a stable level.

In the third quarter of 2020, our effective tax rate equalled 14.6%, increasing by a slight 0.3 percentage point in relation to the comparable period of 2019. Such a slim increase in the effective tax rate resulted entirely from operating activities, because during the third quarter of 2020, just as in the corresponding period last year, there were no transfers of dividends from our subsidiaries located outside of the European Union to ASEE holding company.

## II. Financial results of AssecO South Eastern Europe Group for the period of 9 months ended 30 September 2020

PLN'000	9 months ended		Change	9 months ended		Change
	30 Sept. 2020	30 Sept. 2019		30 Sept. 2020	30 Sept. 2019	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	691,823	605,776	14%	155,744	140,597	11%
Gross profit on sales	186,179	147,544	26%	41,913	34,244	22%
Net profit on sales	100,688	73,172	38%	22,667	16,983	34%
Operating profit	101,326	75,008	35%	22,811	17,409	31%
EBITDA	159,550	122,300	31%	35,918	28,385	27%
Net profit for the reporting period	82,870	62,812	32%	18,656	14,578	28%
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>81,904</b>	<b>61,735</b>	<b>33%</b>	<b>18,438</b>	<b>14,328</b>	<b>29%</b>

Sales revenues of ASEE Group presented in Polish zlotys totalled PLN 691.8 million for the first three quarters of 2020, reflecting an increase by PLN 86 million or 14% in relation to the first nine months of 2019. Operating profit improved by PLN 26.3 million or 35%, reaching the level of PLN 101.3 million. The amount of EBITDA for the first three quarters of 2020 equalled PLN 159.6 million, showing an improvement by 31% in relation to PLN 122.3 million reported a year ago.

In the first three quarters of 2020, our consolidated sales revenues presented in euros increased by EUR 15.1 million or 11% and reached EUR 155.7 million. In the same period, our operating profit amounted to EUR 22.8 million, improving by EUR 5.4 million or 31%. Whereas, EBITDA increased from the level of EUR 28.4 million reported last year to EUR 35.9 million, going up by 27%.

Such a robust financial performance was accomplished mainly by expanding the scale of operations in the Payment Solutions segment, as well as by implementing major efficiency improvements in the Banking Solutions segment. Stronger financial results of ASEE Group were driven both by organic growth and company acquisitions.

During 2019 as well as in the first half of 2020, ASEE Group carried out a number of acquisitions that affected its current financial results. Since 1 May 2019, ASEE Group has fully consolidated the financial results of Multicard Serbia which used to be earlier accounted for using the equity method. Furthermore, since 1 August 2019, ASEE Group has fully consolidated the financial results of B Services Montenegro and Basilichi Serbia, and since 1 September 2019, also the financial results of Sonet (Czech Republic and Slovakia) and Mobven in Turkey. In the fourth quarter of 2019, ASEE Group finalized the acquisition of Monri companies in Bosnia and Herzegovina and in Croatia which have been subsequently subject to consolidation since 1 November 2019. In addition, in January 2020 the Group acquired the company Basilichi Bosnia and Herzegovina, whose financial results have been consolidated since 1 February 2020, and in June 2020 completed the acquisition of IPS Croatia which has been consolidated since 1 June 2020. Furthermore, in July 2020 we finalized the acquisition of Gastrobit GRC Group in Croatia, whose financial results have been consolidated since August. In the first three quarters of 2020, the newly acquired subsidiaries of ASEE Group generated EUR 12.3 million of sales revenues, while they contributed EUR 268 thousand to EBIT (including depreciation from purchase price allocation in the amount of EUR 326 thousand and a one-time write-down of capitalized software development expenditures of Mobven in the amount of EUR 310 thousand), and contributed EUR 1.9 million to our total EBITDA. Moreover, the results of those companies were partially recognized in the first three quarters of 2019 already, when ASEE Group consolidated EUR 1.1 million of sales revenues, EUR 266 thousand of operating profit, and EUR 430 thousand of EBITDA from the same entities.



### Results of the Payment Solutions segment

Payment Solutions	9 months ended		Change	9 months ended		Change
	30 Sept. 2020	30 Sept. 2020		30 Sept. 2020	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	337,287	259,471	30%	75,931	60,222	26%
Operating profit	54,510	42,472	28%	12,271	9,858	25%
EBITDA	98,557	77,677	27%	22,187	18,028	23%



Sales generated by the **Payment Solutions** segment in the first three quarters of 2020 reached EUR 75.9 million, improving by EUR 15.7 million or 26% in relation to the comparable period last year.

The strongest revenue growth (by EUR 10.3 million) was achieved by the segment's business line dealing with maintenance of POS terminals which consolidated most of revenues generated by new Payten subsidiaries, including Bassilichi Serbia, Bassilichi Bosnia and Herzegovina and Monri, as well as all revenues generated by the companies of Sonet, B Services, IPS and GRC Croatia. In the first three quarters of 2020, higher revenues from maintenance of POS terminals were recorded also by the companies of Necomplus Group, especially in Spain, Portugal and Colombia. This resulted from signing new contracts for maintenance and outsourcing of POS terminals, as well as from deliveries of infrastructure. New contracts also contributed to higher sales of POS maintenance services by Payten companies operating in Serbia, Montenegro and Macedonia.

Stronger revenues were generated also by the segment's business lines responsible for maintenance of ATMs (by EUR 3 million) and e-Commerce (by EUR 2.7 million). Growing revenues from maintenance of ATMs were partially due to the consolidation of results of Bassilichi Serbia and Bosnia and Herzegovina, signing new maintenance and outsourcing contracts, as well as the completion of software implementations and deliveries of hardware to customers of Payten companies, mainly in Serbia, Bulgaria and Slovenia. Such increases were partially offset by weaker revenues of our independent ATM network (MoneyGet) that was directly affected by tourist traffic restrictions caused by the Covid-19 pandemic in Croatia, Montenegro and Albania. Higher sales of the business line offering e-Commerce solutions resulted primarily from the growing volume of online transactions processed by Payten Turkey, as well as revenues from the online payment gateway operated by Monri Croatia. Sales of security solutions provided by Payten Croatia also increased.

The lower volume of POS terminal transactions processed (including dynamic currency exchange transactions – DCC) caused a decline in revenues of the business line responsible for processing in the first three quarters of 2020.

Operating profit earned by the Payment Solutions segment increased by EUR 2.4 million or 25% and reached EUR 12.3 million for the first three quarters of 2020. Higher profits were reported by all the business lines of this segment, except for the business line responsible for processing of payment transactions where lower sales and higher depreciation charges related to investments in infrastructure and software caused a decrease in EBIT.

EBITDA of the Payment Solutions segment for the first nine months of 2020 amounted to EUR 22.2 million, rising by EUR 4.2 million or 23% in relation to the comparable period last year.



#### Results of the **Banking Solutions** segment

Banking Solutions	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 Sept. 2020	30 Sept. 2020		30 Sept. 2020	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	143,003	128,775	11%	32,193	29,888	8%
Operating profit	31,761	20,415	56%	7,151	4,738	51%
EBITDA	40,060	27,690	45%	9,018	6,427	40%

In the first three quarters of 2020, the **Banking Solutions** segment generated EUR 32.2 million in sales revenues, achieving an increase by EUR 2.3 million or 8% in relation to the comparable period last year. The highest increase in revenues was recorded by the business line offering mobile solutions, primarily on the back of new projects carried out in Croatia, but also in Bulgaria, Serbia and Romania. Higher sales were reported also by the business line responsible for core banking systems and other software. Such sales increased basically in Serbia, Bosnia and Herzegovina and in Macedonia, but they were partially offset by lower proceeds from our operations in Bulgaria, Kosovo and Turkey. Whereas, the segment's line responsible for security solutions generated weaker sales than in the first three quarters of 2019, mainly due to delays in the implementation of projects and in signing new contracts.

Thanks to the better utilization of resources, the efficiency of the Banking Solutions segment improved significantly in the first three quarters of 2020. The segment's operating profit at the end of September 2020

reached almost EUR 7.2 million, increasing by EUR 2.4 million or 51%. Higher EBIT was achieved in the business lines offering mobile solutions, as well as core banking systems and other software. At the same time, operating performance of the business line responsible for security solutions was weaker.

Stronger operating profit translated into a higher amount of EBITDA achieved by the Banking Solutions segment. In the first three quarters of 2020, it amounted to EUR 9 million, increasing by EUR 2.6 million or 40% in relation to the comparable period last year.



#### Results of the **Dedicated Solutions** segment

Dedicated Solutions	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 Sept. 2020	30 Sept. 2020		30 Sept. 2020	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Sales revenues	211,533	217,530	-3%	47,620	50,487	-6%
Operating profit	15,055	12,121	24%	3,389	2,813	21%
EBITDA	20,933	16,933	24%	4,713	3,930	20%

Sales revenues generated by the **Dedicated Solutions** segment in the first nine months of 2020 reached EUR 47.6 million, reflecting a decrease by EUR 2.9 million or 6% in relation to the comparable period last year. Weaker revenues were reported by both the business lines of this segment. Sales of the business line responsible for infrastructure, third-party solutions and integration services declined especially in ASEE companies operating in Romania and Serbia which carried out less important projects than a year ago. Whereas, sales of the business line offering our own solutions were negatively affected by a considerable reduction of BPO operations conducted by Necomplus companies in Spain and Portugal, as well as by a lower number and scale of projects carried out in Serbia.

Despite a decline in sales, operating profit of the Dedicated Solutions segment for the first nine months of this year improved by EUR 0.6 million or 21%, reaching the amount of EUR 3.4 million. The increase in EBIT was achieved in both the business lines, with the greatest contribution resulting from the reduction of operating costs of the business line offering infrastructure, third-party solutions and integration services.

Following a higher operating profit, the segment's EBITDA improved as well. In the first nine months of 2020, it reached EUR 4.7 million as compared with EUR 3.9 million achieved in the comparable period last year. This reflects an increase by EUR 0.8 million or 20%.

#### Net profit

Consolidated **net profit** of ASEE Group for the first three quarters of 2020 amounted to EUR 18.6 million, reflecting an increase by EUR 4.1 million or 28% in relation to the comparable period last year.

The Group's net result on financial operations equalled EUR -487 thousand for the first three quarters of 2020. The loss on financial activities was mainly the effect of interest expenses incurred on bank loans and lease liabilities and the revaluation of contingent liabilities arising from the acquisition of shares, which in aggregate exceeded the total of interest income and positive foreign currency translation differences. In the comparable period of 2019, the Group's net result on financial operations equalled EUR +382 thousand. Our result on financial operations in 2020 deteriorated due to the revaluation of contingent liabilities arising from the acquisition of shares (EUR 557 thousand), lower interest income (EUR 193 thousand), higher interest expenses (EUR 119 thousand), as well as due to the year-ago recognition of a financial gain of EUR 465 thousand as a consequence of the revaluation of shares in the company Multicard after it was taken over by Payten Serbia on 17 April 2019. The above-mentioned changes were partially offset by a better result on foreign currency translation differences.

In the first three quarters of 2020, our effective tax rate equalled 16.4%, decreasing by 1.7 percentage points in relation to the comparable period of 2019. The effective tax rate of ASEE Group decreased primarily as a result of lower effective tax rates in its major operations (Serbia, Turkey, Romania), as well as a considerably lower tax rate in Croatia where we accounted for the effect of a positive tax treatment decision received by ASEE Croatia in June 2020, concerning income tax reliefs for 2019 in connection with capital expenditures



made. The positive impact of the lower tax rate on our operating activities partially compensated for income tax paid on dividends received by ASEE S.A. from its subsidiaries located outside of the European Union. In the first three quarters of 2020, dividends received from outside of the EU amounted to PLN 32.7 million, as compared with PLN 25.2 million in the comparable period of 2019.

### III. Consolidated financial highlights for the third quarter of 2020 (non-IFRS)

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

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

The presented non-IFRS data do not constitute financial data in accordance with IFRS as endorsed by the European Union. There is no uniform definition or calculation method for non-IFRS data and, consequently, they may not be comparable to such data presented by other entities, including entities operating in the same industry as ASEE Group. These financial data should be analyzed as additional information only, and not as a substitute for financial data prepared in accordance with EU IFRS. Non-IFRS data should not be considered more significant than measurements resulting directly from the consolidated financial statements.

	3 months ended	3 months ended	9 months ended	9 months ended
	30 Sept. 2020	30 Sept. 2019	30 Sept. 2020	30 Sept. 2019
Non-IFRS EBIT	37,777	30,680	103,513	76,786
Non-IFRS net profit	33,822	26,164	87,272	63,185

### IV. Analysis of financial ratios

	3 months ended	3 months ended	9 months ended	9 months ended
	30 Sept. 2020	30 Sept. 2020	30 Sept. 2020	30 Sept. 2020
Gross profit margin	29.2%	23.4%	26.9%	24.4%
EBITDA margin	25.0%	20.8%	23.1%	20.2%
Operating profit margin	16.4%	13.3%	14.6%	12.4%
Net profit margin	13.8%	11.1%	11.8%	10.2%
Return on equity (ROE)			13.2%	10.6%
Return on assets (ROA)			9.0%	7.7%

In the first three quarters of 2020, our gross profit margin equalled 26.9% and it was by 2.5 percentage points higher than in the corresponding period last year. This was driven by stronger performance in the segments of Banking Solutions and Dedicated Solutions owing to better utilization of resources and cost savings, as well as higher share of our own software and services in the revenue structure of ASEE Group which reached 71% in the first three quarters of 2020. In the comparable period last year, proprietary software and services accounted for 67.9% of total sales of ASEE Group.

Improved efficiency had a favourable impact on the next margins of profit in the first three quarters of 2020. Our EBITDA margin increased to 23.1% from the level of 20.2% achieved in the comparable period last year. While operating profit margin expanded from 12.4% in the first nine months of 2019 to 14.6% this year. The largest increase in operating profit margin was recorded in the Banking Solutions segment.

The net profit margin reached 11.8%, growing by 1.6 percentage points in comparison with the first three quarters of 2019. The slightly less dynamic increase in the net profit margin as compared to the EBIT and EBITDA margins was due to a weaker result on financial operations, which was partially offset by a lower effective tax rate.

The improved financial results of ASEE Group for recent quarters resulted in higher values of ROE and ROA ratios. Return on equity for the trailing 12 months ended 30 September 2020 equalled 13.2%, increasing by 2.6 percentage points, while return on assets reached the level of 9.0%, increasing by 1.3 percentage points.

	30 Sept. 2020	30 June 2020	31 Dec. 2019	30 Sept. 2019
Working capital (in thousands of PLN)	172,913	149,344	142,676	139,522
Current liquidity ratio	1.7	1.5	1.4	1.5
Quick liquidity ratio	1.5	1.3	1.3	1.3
Absolute liquidity ratio	0.7	0.6	0.6	0.5

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 September 2020, our working capital amounted to PLN 172.9 million, reflecting an increase by PLN 30.2 million in relation to its level reported at the end of 2019.

In the first nine months of 2020, the value of current assets decreased by PLN 40.9 million, primarily due to decreases in trade receivables (by PLN 55.4 million), inventories (by PLN 10.7 million), as well as in cash and cash equivalents (by PLN 19.4 million). Cash and cash equivalents were lower primarily due to the payment of a dividend to the shareholders of ASEE in the amount of PLN 38.4 million in July 2020. Decreases in the above-mentioned current assets were partially offset by an increase in contract assets by the amount of PLN 39.1 million.

In the same period, our total current liabilities declined by PLN 71.1 million. This resulted primarily from decreases in trade payables (by PLN 61.4 million), bank loans and borrowings (by PLN 15.2 million), and in other liabilities (by PLN 7.8 million). This was partially offset by an increase in accruals by the amount of PLN 9.6 million.

Our liquidity ratios at the end of the third quarter of 2020 recorded a slight improvement in relation to previous quarters and they remain at safe levels.

	30 Sept. 2020	30 June 2020	31 Dec. 2019	30 Sept. 2019
Total debt ratio	30.1%	34.4%	36.1%	34.2%
Debt / equity ratio	15.4%	17.5%	19.9%	21.7%
Debt / (debt + equity) ratio	13.3%	14.9%	16.6%	17.8%

The above ratios have been computed using the following formulas:

Total debt ratio = (long-term liabilities + short-term 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 36.1% reported at the end of 2019 to the level of 30.1% as at 30 September 2020. Such change was caused by a decrease in total liabilities by PLN 78.3 million when total assets decreased only by PLN 12.2 million at the same time. Total liabilities were lower following a decrease in current liabilities (by PLN 71.1 million), as described above, as well as a smaller decrease in non-current liabilities (by PLN 7.2 million), primarily in the lines of bank loans and lease liabilities which were transferred to current liabilities. This was partially offset by an increase in other financial liabilities, mainly due to the recognition of deferred conditional payment and the valuation of put options arising from the acquisition of IPS Croatia. At the same time, total assets were lower due to a decrease in current assets by (PLN 40.9 million), as described above, which was accompanied by an increase in non-current assets (by PLN 28.7 million), primarily in the line of goodwill (by PLN 34.5 million) arising from new company acquisitions, as well as from the remeasurement of this item using the current exchange rate.

The total amount of bank loans and borrowings as well as lease liabilities decreased from the level of PLN 159.4 million reported as at 31 December 2019 to PLN 133.3 million at the end of the third quarter of 2020. This decrease by PLN 26.1 million was the effect of planned repayments of interest-bearing debt, which was partially offset by the revaluation of liabilities denominated in EUR. The lower balance of liabilities under bank loans and borrowings and lease liabilities resulted in a decrease in the ratio of debt to equity

from 19.9% to 15.4%, as well as in the ratio of debt to total interest-bearing liabilities and equity from 16.6% to 13.3%.

## V. Structure of the statement of cash flows

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
Net cash provided by (used in) operating activities	108,799	54,091
Net cash provided by (used in) investing activities	(40,450)	(66,296)
Net cash provided by (used in) financing activities	(84,053)	(15,485)
Net change in cash and cash equivalents	(15,704)	(27,690)
<b>Cash and cash equivalents at the end of period</b>	<b>177,110</b>	<b>138,270</b>

In the first three quarters of 2020, our operating activities provided PLN 108.8 million of net cash inflows, reflecting an increase by PLN 54.7 million in relation to the comparable period of the previous year. Operating cash flows increased on the back of stronger financial performance and higher amount of depreciation charges in the first nine months of 2020, as well as due to lower expenditures for working capital than a year ago, owing to the reduction of inventories and receivables.

Net cash outflows from our investing activities amounted to PLN 40.5 million in the first three quarters of 2020. 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 26.9 million, as well as by the acquisitions of subsidiary companies for PLN 15.3 million. The acquisitions of tangible and intangible assets included, among others, our expenditures for infrastructure used in the outsourcing of payment processes and setting up an independent network of ATMs. In the first three quarters of 2020, we spent a total of PLN 19.7 million for this purpose, mainly in Payten companies operating in Serbia and Croatia. Expenditures for the acquisition of subsidiaries included payments for purchases of shares in the companies of Necomplus, Mobven and Monri, as well as for takeovers of IPS and Gastrobit companies in Croatia.

In the first three quarters of 2020, net cash used in our financing activities amounted to PLN 84.1 million, primarily due to the planned repayments of bank loans and borrowings and lease liabilities, along with interest (PLN 53.9 million), as well as the payment of a dividend to the shareholders of ASEE (PLN 38.4 million). Proceeds from bank loans were related to the financing of new outsourcing projects carried out by Payten, mainly in Serbia.

## VI. 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 9 months ended 30 September 2020, in a breakdown by geographical area:

For the period of 9 months ended 30 September 2020 in thousands of PLN	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
Sales revenues	30,486	110,074	52,212	84,007	217,099	60,658	82,241	14,029	27,126	46,089	(32,198)	691,823
Cost of sales	(22,878)	(77,990)	(37,236)	(69,517)	(164,263)	(31,015)	(70,544)	(10,969)	(18,956)	(32,703)	30,640	(505,431)
Recognition (reversal) of impairment losses on financial instruments	20	(589)	(249)	(63)	1,633	(562)	(151)	-	(128)	(124)	-	(213)
Gross profit on sales	7,628	31,495	14,727	14,427	54,469	29,081	11,546	3,060	8,042	13,262	(1,558)	186,179
Selling costs	(1,295)	(6,876)	(2,732)	(5,997)	(11,849)	(5,874)	(2,058)	(876)	(1,507)	(1,901)	683	(40,282)
General and administrative expenses	(1,661)	(6,439)	(2,718)	(5,390)	(10,291)	(6,232)	(4,727)	(2,608)	(2,309)	(2,766)	(68)	(45,209)
Net profit (loss) on sales	4,672	18,180	9,277	3,040	32,329	16,975	4,761	(424)	4,226	8,595	(943)	100,688
Other operating income	28	611	130	100	492	329	96	22	53	212	(487)	1,586
Other operating expenses	(67)	(729)	(27)	-	(272)	(32)	(137)	(118)	(10)	(24)	468	(948)
Share of profits of associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	4,633	18,062	9,380	3,140	32,549	17,272	4,720	(520)	4,269	8,783	(962)	101,326

For the period of 9 months ended 30 September 2020	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
<b>in thousands of EUR</b>												
Sales revenues	6,863	24,780	11,754	18,912	48,874	13,655	18,514	3,158	6,107	10,375	(7,248)	155,744
Cost of sales	(5,150)	(17,557)	(8,383)	(15,650)	(36,979)	(6,982)	(15,881)	(2,469)	(4,267)	(7,362)	6,898	(113,782)
Recognition (reversal) of impairment losses on financial instruments	5	(133)	(56)	(14)	368	(127)	(34)	-	(29)	(29)	-	(49)
Gross profit on sales	1,718	7,090	3,315	3,248	12,263	6,546	2,599	689	1,811	2,984	(350)	41,913
Selling costs	(292)	(1,548)	(615)	(1,350)	(2,667)	(1,322)	(463)	(197)	(339)	(429)	154	(9,068)
General and administrative expenses	(374)	(1,450)	(612)	(1,213)	(2,317)	(1,403)	(1,064)	(587)	(520)	(623)	(15)	(10,178)
Net profit (loss) on sales	1,052	4,092	2,088	685	7,279	3,821	1,072	(95)	952	1,932	(211)	22,667
Other operating income	6	138	29	23	111	74	22	5	12	47	(110)	357
Other operating expenses	(15)	(164)	(6)	-	(61)	(7)	(31)	(27)	(2)	(5)	105	(213)
Share of profits of associates	-	-	-	-	-	-	-	-	-	-	-	-
Operating profit (loss)	1,043	4,066	2,111	708	7,329	3,888	1,063	(117)	962	1,974	(216)	22,811

The above figures have been converted at the average exchange rate for the period from 1 January 2020 to 30 September 2020: EUR 1 = PLN 4.4420

The table below presents the basic financial data from the statement of profit and loss for the period of 9 months ended 30 September 2019, in a breakdown by geographical area:

For the period of 9 months ended 30 September 2019	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
<b>in thousands of PLN</b>												
Sales revenues	22,213	101,933	37,096	86,823	196,348	46,900	76,705	11,527	8,980	43,176	(25,925)	605,776
Cost of sales	(16,177)	(72,912)	(23,820)	(72,695)	(160,435)	(22,826)	(68,338)	(9,051)	(4,497)	(31,298)	24,769	(457,280)
Recognition (reversal) of impairment losses on financial instruments	-	(249)	(136)	12	(622)	46	-	(5)	-	-	2	(952)
Gross profit on sales	6,036	28,772	13,140	14,140	35,291	24,120	8,367	2,471	4,483	11,878	(1,154)	147,544
Selling costs	(1,382)	(5,114)	(2,831)	(5,830)	(10,651)	(5,247)	(2,059)	(742)	(1,127)	(2,370)	320	(37,033)
General and administrative expenses	(1,529)	(6,002)	(2,712)	(5,352)	(8,265)	(4,947)	(4,820)	(755)	(499)	(2,599)	141	(37,339)
Net profit (loss) on sales	3,125	17,656	7,597	2,958	16,375	13,926	1,488	974	2,857	6,909	(693)	73,172
Other operating income	37	(52)	410	150	1,728	606	81	8	57	253	(141)	3,137
Other operating expenses	(27)	155	(249)	(91)	(485)	(354)	(42)	(40)	(34)	(211)	138	(1,240)
Share of profits of associates	-	-	-	-	(61)	-	-	-	-	-	-	(61)
Operating profit (loss)	3,135	17,759	7,758	3,017	17,557	14,178	1,527	942	2,880	6,951	(696)	75,008

For the period of 9 months ended 30 September 2019	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
<b>in thousands of EUR</b>												
Sales revenues	5,156	23,658	8,610	20,151	45,571	10,885	17,803	2,675	2,084	10,021	(6,017)	140,597
Cost of sales	(3,755)	(16,922)	(5,528)	(16,872)	(37,236)	(5,298)	(15,861)	(2,101)	(1,044)	(7,264)	5,749	(106,132)
Recognition (reversal) of impairment losses on financial instruments	-	(58)	(32)	3	(144)	11	-	(1)	-	-	-	(221)
Gross profit on sales	1,401	6,678	3,050	3,282	8,191	5,598	1,942	573	1,040	2,757	(268)	34,244
Selling costs	(321)	(1,187)	(657)	(1,353)	(2,472)	(1,218)	(478)	(172)	(262)	(549)	74	(8,595)
General and administrative expenses	(355)	(1,393)	(629)	(1,242)	(1,918)	(1,148)	(1,119)	(175)	(116)	(604)	33	(8,666)
Net profit (loss) on sales	725	4,098	1,764	687	3,801	3,232	345	226	662	1,604	(161)	16,983
Other operating income	9	(12)	95	35	401	141	19	2	13	58	(33)	728
Other operating expenses	(6)	36	(58)	(21)	(113)	(82)	(10)	(9)	(8)	(49)	32	(288)
Share of profits of associates	-	-	-	-	(14)	-	-	-	-	-	-	(14)
Operating profit (loss)	728	4,122	1,801	701	4,075	3,291	354	219	667	1,613	(162)	17,409

The above figures have been converted at the average exchange rate for the period from 1 January 2019 to 30 September 2019: EUR 1 = PLN 4.3086

## VII. Impact of the COVID-19 coronavirus pandemic on the business of ASEE and Payten

All the markets where ASEE Group operates have been affected by the COVID-19 coronavirus pandemic. Thus, our companies are exposed to social and economic consequences of the pandemic, while the scale of threats depends on how the pandemic spreads in a given country, actions taken by local authorities, as well as the profile of our business operations.

Concurrently, we would like to emphasize that the situation related to the COVID-19 coronavirus pandemic is very dynamic and it is difficult to estimate its effects on the economy, hence the comments below have been prepared to the best knowledge of the Company's management as at the date of publication of this report. Further development of the pandemic may necessitate a verification of our current assumptions and a revision of estimates regarding the impact of this situation on the financial condition of ASEE Group.

### Ensuring safety of employees and business continuity

ASEE, as a socially responsible company, in connection with the threat caused by the COVID-19 coronavirus has taken a number of actions in order to ensure the safety of its employees, customers, business partners and all other stakeholders of the Company, as well as to ensure the continuation of the its business operations.

We have already undertaken measures aimed to limit the spread of the coronavirus, ensure safety and business continuity, including:

- sending instructions to our employees on how to behave during the coronavirus epidemic;
- enabling our employees to work from home;
- suspending all training programmes that require personal participation and replacing them with online trainings;
- abandoning foreign business trips;
- obligation to refrain from working in the office and maximum limitation of meetings with other colleagues and contractors, imposed on employees who return from holidays abroad and are not subject to quarantine under generally applicable regulations.

### Business lines that have been directly affected by the pandemic

Observing the existing course of the pandemic and its impact on social behaviour and the economy, we assess that the current situation will directly affect the following business lines in ASEE Group:

- **BPO (call center) at Necomplus Spain**

As part of this service, our company cooperates with a number of firms whose operations depend on the current economic situation, including tourist traffic (e.g. car rental or real estate brokerage). We estimate that the decline in the scale of operations of our customers will translate into a reduction of ASEE Group's revenues from business process outsourcing in 2020. During the 11 months of 2019, when ASEE Group consolidated the financial results of Necomplus, BPO revenues amounted to EUR 5.8 million. The negative impact of the lower scale of operations on our BPO results is limited the implementation of cost reductions, including sending some employees to temporary layoffs financed by the Spanish government.

- **Maintenance of POS terminals settled for each intervention**

Most contracts for the maintenance of POS terminals performed by Payten companies are settled on a monthly basis, in fixed amounts regardless of the number of transactions or technical interventions. In rare cases, maintenance service contracts provide for our remuneration depending on the number and type of interventions carried out. Agreements of this type constitute the majority of contracts in Necomplus companies, but only a small portion of revenues in Payten companies operating in Macedonia and Slovenia. In the first weeks of the pandemic, the number of service interventions dropped significantly because we performed critical repairs only. Therefore, we expect that revenues from contracts settled on a per-intervention basis may also decrease in the whole year 2020, which may be visible in the markets where Necomplus operates, while the results of other companies should not be significantly affected. In situations where maintenance services are carried out by our own human resources, we try to reduce the related costs among others by sending employees to temporary layoffs financed from the state aid funds, or by using outstanding holiday leaves. Where we use subcontractors to perform our contracts, the smaller scale of interventions should also be reflected in settlements with our partners.

- **Processing of card payment transactions made at POS terminals by Payten Serbia**

In this business line, the remuneration of ASEE Group depends on the number of transactions processed. In the first weeks of the pandemic, immediately after the introduction of local restrictions, we observed a significant decline in the number of transactions conducted at POS terminals. This was partially attributable to the lower number of transactions involving dynamic currency conversion (DCC). We expect that as the restrictions are being lifted and trading returns to normal, the number of transactions processed should increase. ASEE Group's revenues from processing are generated mainly in the Serbian market and they amounted to EUR 3.5 million in 2019.

- **MoneyGet independent ATM network**

Our independent network of ATMs operates under the brand of MoneyGet in Serbia, Croatia, Montenegro and Albania. Apart from Serbia, our ATMs are located in attractive tourist locations and are geared towards handling tourist traffic and DCC transactions. The observed slowdown in tourist traffic causes a decrease in revenues generated by the MoneyGet network, which directly depend on the number of transactions conducted in our ATMs. In 2019, revenues from MoneyGet ATMs reached almost EUR 2 million. In response to the decline in revenues due to lower tourist traffic in the markets of Croatia, Montenegro and Albania, we took actions to reduce our operating costs. In order to reduce the amount of rental fees, we decided to uninstall some ATMs and resign from selected locations. In other cases, we have attempted to renegotiate our contracts in order to temporarily suspend or limit the payment of rental fees. We have also suspended the expansion of our independent ATM network that was planned for 2020. Regardless of these actions, we expect the 2020 financial results of MoneyGet to be significantly worse than in the previous year.

- **Projects implemented in cooperation with external partners**

In the first weeks after the announcement of the pandemic, we noticed a slowdown in purchases of new equipment for processing centers due to difficulties in deliveries communicated by many manufacturers, as well as limitations of physical access to premises and human resources on the part of our customers. In some cases, this caused a delay in the implementation of projects involving the supply of infrastructure and third-party products, and related own services. As the pandemic-related restrictions are eased, the significance of this risk seems to decrease. Concurrently, we see an increased demand for equipment and services that enable customers to efficiently switch to remote work. The obligation to work in remote mode often entails the need to expand the network infrastructure and its security, and to purchase additional license applications for virtual communication and group work.

- **e-Commerce**

Revenues from e-Commerce are generated primarily by our payment gateway (NestPay) that supports the settlement of online card transactions, as well as by security solutions (Trides 3DSecure 2.0). Transaction-based revenues (NestPay and MSU) are generated primarily on the Turkish market and in part depend on the volume of processed transactions. Since the outbreak of the pandemic, we have observed a significant decrease in the number of transactions at some of our clients (including airlines, travel companies, and gym networks). At the same time, the volume of online transactions has increased significantly in grocery stores, bookstores, pharmacies, etc. We also see increased interest in our transaction security solution called Trides (3DSecure 2.0). For now, it is difficult to assess the cumulative impact of the above changes in customer behaviour on our revenues from e-Commerce in a longer term, but it seems that so far the pandemic has contributed to an increase in the volume of online transactions carried out with payment cards. In the entire 2019, revenues generated by this business line amounted to EUR 11.2 million, of which EUR 850 thousand came from the sale of our security solution.

- **Multi-channel access**

We see increased interest from our customers in all solutions that support remote access to services/products, provide the ability to work remotely, as well as in related security and network solutions. These solutions include: Digital Edge (omnichannel banking platform); Adaptive Elements (mobile banking); Digital Origination (solution for offering of bank products and services online); Live Virtual Branch (solution for banks enabling various forms of digital/remote contact and sales to the client). Sales of these solutions should increase revenues in the segments of Banking Solutions and Dedicated Solutions.

- **Solutions supporting remote communication and remote management of documents**

We have also noticed considerably higher interest in solutions supporting remote circulation of documents and business process automation. This is related to products such as: Live – Contact Center (solution enabling communication with customers over all communication channels), Video Chat, ABC – Asseco Business Correspondence, applications based on BPM – digital signature, scan from home, as well as LeaseFlex and SxS. In some markets (especially in Croatia, Macedonia, Serbia and Romania) we have noticed increased interest in the automation of processes that require multi-level acceptance within an organization and efficient contact with customers through social media channels (including mobile applications). There is also high demand from our customers (especially financial institutions and public administration) for electronic signature (PKI) and transaction authentication (SxS) solutions. In recent weeks, we received enquiries about temporary access to additional functionalities (in particular as part of the Live solution) to support enhanced B2C communication, which we implement in the SaaS model, mainly in Croatia and Macedonia.

Sales of these solutions should increase revenues in the Dedicated Solutions segment.

- **Modifications due to regulatory changes**

Regulatory changes related to the implementation of financial aid packages in different countries require modification of IT systems in banks and institutions of public administration. We believe that introduction of such changes will help us generate additional revenues, especially in the Banking Solutions segment.

Our other business lines have not yet felt any significant direct impact of the COVID-19 pandemic. Even before the outbreak of the pandemic, much of our implementation work was performed remotely, and thanks to that projects in the segments of Banking Solutions and Dedicated Solutions are conducted in line with their schedules. The activities of our ATM and POS maintenance teams have, in consultation with our customers, been limited to critical interventions, which should not have a significant impact on the amount of revenues, because our remuneration under most maintenance service contracts does not depend on the number of interventions carried out.

#### Possible long-term effects of the pandemic

As mentioned above, the situation related to the COVID-19 coronavirus pandemic is very dynamic and its effects on the economy are difficult to estimate. A lot depends on how long the restrictions will last and what will be their practical impact on the financial condition of our customers.

If the course of this pandemic is prolonged, it may have the following consequences for our business:

- delays in the execution of ongoing long-term implementation projects;
- resignation from or postponement of the implementation projects that are not critical to our customers;
- renegotiation of existing contracts in the case of reducing the scale of operations by our customers;
- delays in the implementation of projects based on infrastructure provided by external vendors.

On the other hand, we expect a further growth of interest in software solutions that enable the digitization of processes as well as services that improve remote work and customer service, as described in paragraphs above.

At the same time, we would like to emphasize that we currently see no significant threats to the business operations of ASEE and Payten. We are monitoring this situation on an ongoing basis, adjusting our individual decisions to changing conditions. We are trying to minimize the negative impact of the pandemic on our business, among others, by reducing costs, while monitoring and taking advantage of new market opportunities created by the current situation.

## VIII. 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 third quarter of 2020 and in the comparable period included the acquisitions of subsidiary companies as well as other organizational changes in the Group as described in the section 'Organization and changes in the structure of Asseco South Eastern Europe Group, including the entities subject to consolidation'.

Furthermore, in 2020 all the markets where ASEE Group operates have been affected by the COVID-19 coronavirus pandemic. Description of the impact exerted by the COVID-19 coronavirus pandemic on ASEE Group's business operations is provided in section VII. 'Impact of the COVID-19 coronavirus pandemic on the business of ASEE and Payten'.



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

As at the date of publication of this report, this is on 28 October 2020, the Company's Management Board, Supervisory Board and Audit Committee were composed of the following persons:

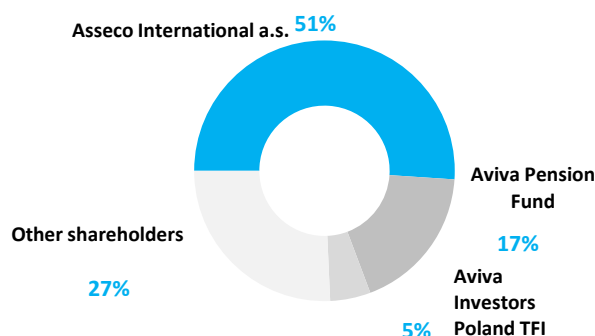
<u>Supervisory Board</u>	<u>Management Board</u>	<u>Audit Committee</u>
Jozef Klein	Piotr Jeleński	Artur Kucharski
Adam Góral	Miljan Mališ	Adam Pawłowicz
Jacek Duch	Marcin Rułnicki	Jacek Duch
Artur Kucharski	Kostadin Slavkoski	
Adam Pawłowicz		

During the reporting period, the composition of the Company's management and supervisory bodies remained unchanged.

In the period from 30 September 2020 till the publication of this report, this is till 28 October 2020, the compositions of the Company's Management Board, Supervisory Board and Audit Committee remained unchanged.

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

### Major shareholders as at 30 September 2020



As at 30 September 2020, Asseco International a.s. (our higher-level parent) held 26,494,676 shares representing 51.06% in the share capital of our Company, which carried 26,494,676 votes or 51.06% of total voting rights at the Company's General Meeting of Shareholders. The parent company of Asseco International a.s. 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 28 October 2020, as well as on 30 September 2020, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

<b>Major shareholders</b>	<b>Number of shares held</b>	<b>Percentage of total voting rights</b>
Asseco International a.s.	26,494,676	51.06%
Aviva Pension Fund	8,594,000	16.56%
Aviva Investors Poland TFI S.A.	2,662,119	5.13%
Other shareholders	14,143,456	27.25%
<b>Total</b>	<b>51,894,251</b>	<b>100%</b>



To the best knowledge of the Company's Management Board, as at 29 April 2020 and 31 December 2019, 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.	26,494,676	51.06%
Aviva Pension Fund	9,610,000	18.52%
Aviva Investors Poland TFI S.A.	2,679,355	5.16%
Other shareholders	13,110,220	25.26%
<b>Total</b>	<b>51,894,251</b>	<b>100.00%</b>

### 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:

	28 Oct. 2020	30 Sept. 2020	24 Feb. 2020	31 Dec. 2019
Piotr Jeleński	973,492	973,492	973,492	973,492
Miljan Mališ <sup>1)</sup>	322,715	322,715	322,715	322,715
Marcin Rulnicki	30,000	30,000	30,000	30,000
Kostadin Slavkoski	35,600	35,600	35,600	35,600

*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.

## XI. Other information

### 11.1. 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.

### 11.2. 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.

### 11.3. Information on significant judicial proceedings

As at 30 September 2020 and the publication date 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.

### 11.4. 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 9 months ended 30 September 2020. All transactions with related parties are carried out on an arm's length basis.

### 11.5. 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 9 months ended 30 September 2020.

#### **11.6. Changes in the Group management policies**

During the period of 9 months ended 30 September 2020, the Group's management practices remained unchanged.

#### **11.7. 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.

#### **11.8. 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.

#### **11.9. Opinion on feasibility of the Management's financial forecasts for 2020**

The Management Board of Asseco South Eastern Europe S.A. did not publish any financial forecasts for 2020.

#### **11.10. Information on monitoring of employee stock option plans**

On 23 June 2017, Asseco Poland S.A. and managers of ASEE Group companies signed agreements for the acquisition of 2,221,356 shares in ASEE S.A., representing 4.28% 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 1,572,424 shares in total. The remaining 648,932 shares were acquired by the management staff of subsidiary companies of ASEE Group.

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 interim condensed consolidated financial statements of the Group for the period of 9 months ended 30 September 2020.

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

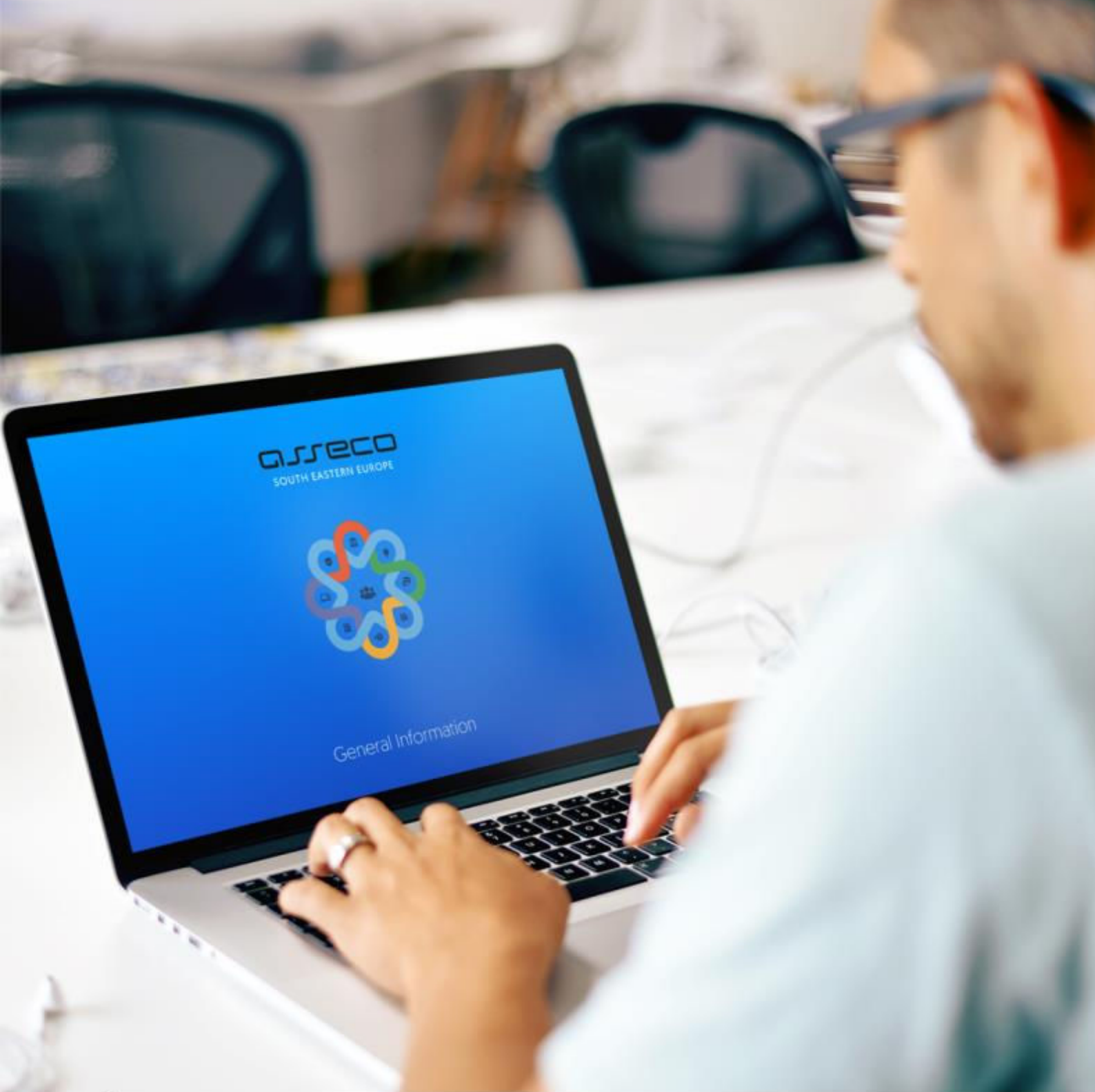
The factors that will affect the Group's financial performance at least till the end of the next quarter have been indicated and explained in chapter 'Summary and analysis of the financial results of ASEE Group', section I. 'Financial results of Asseco South Eastern Europe Group', as well as in description of the impact exerted by the COVID-19 coronavirus pandemic on ASEE Group's business operations provided in section VI. 'Impact of the COVID-19 coronavirus pandemic on the business of ASEE and Payten' of this quarterly report.

The factors that may affect the Group's financial performance in 2020 have been also described in the Management Report on Operations of the Group for the year 2019.

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.

#### **11.12. 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 9 months ended  
30 September 2020**

# Financial Highlights

## Asseco South Eastern Europe S.A.

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000	9 months ended 30 Sept. 2020 EUR'000	9 months ended 30 Sept. 2019 EUR'000
Revenues from holding activities	54,142	46,726	12,189	10,845
Revenues from operating activities	8,315	7,441	1,872	1,727
Operating profit	45,600	38,223	10,266	8,871
Pre-tax profit	48,869	39,004	11,001	9,053
<b>Net profit for the reporting period</b>	<b>45,664</b>	<b>36,584</b>	<b>10,280</b>	<b>8,491</b>
Net cash provided by (used in) operating activities	36,014	11,419	8,108	2,650
Net cash provided by (used in) investing activities	6,813	(20,766)	1,534	(4,820)
Net cash provided by (used in) financing activities	(46,741)	(13,626)	(10,522)	(3,163)
<b>Cash and cash equivalents at the end of period (comparable data as at 31 December 2019)</b>	<b>7,130</b>	<b>11,044</b>	<b>1,575</b>	<b>2,593</b>
Basic earnings per ordinary share for the reporting period (in PLN/EUR)	0.88	0.70	0.20	0.16
Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	0.88	0.70	0.20	0.16

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 2020 to 30 September 2020: EUR 1 = PLN 4.4420
  - for the period from 1 January 2019 to 30 September 2019: EUR 1 = PLN 4.3086
- 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 30 September 2020: EUR 1 = PLN 4.5268
  - exchange rate effective on 31 December 2019: EUR 1 = PLN 4.2585

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

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

## Asseco South Eastern Europe S.A.

STATEMENT OF PROFIT AND LOSS	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000	3 months ended 30 Sept. 2019 (restated*) PLN'000	9 months ended 30 Sept. 2019 (restated*) PLN'000
<b>Holding activities</b>	<b>2,949</b>	<b>54,142</b>	<b>3,805</b>	<b>46,726</b>
Dividend income	-	42,194	-	35,292
Revenues from sale of services	2,949	11,948	3,805	11,434
<b>Operating activities</b>	<b>2,528</b>	<b>8,315</b>	<b>2,837</b>	<b>7,441</b>
Revenues from sale of IT services and software	2,528	8,315	2,837	7,441
<b>Total sales revenues</b>	<b>5,477</b>	<b>62,457</b>	<b>6,642</b>	<b>54,167</b>
Cost of sales	(4,774)	(15,007)	(4,817)	(14,470)
Recognition/reversal of allowances for trade receivables	-	(94)	-	-
<b>Gross profit on sales</b>	<b>703</b>	<b>47,356</b>	<b>1,825</b>	<b>39,697</b>
Selling costs	(380)	(979)	(210)	(649)
General and administrative expenses	(254)	(698)	(319)	(849)
<b>Net profit on sales</b>	<b>69</b>	<b>45,679</b>	<b>1,296</b>	<b>38,199</b>
Other operating income	9	10	-	57
Other operating expenses	(3)	(89)	-	(33)
<b>Operating profit</b>	<b>75</b>	<b>45,600</b>	<b>1,296</b>	<b>38,223</b>
Financial income	1,349	7,335	503	1,102
Financial expenses	(96)	(4,754)	176	(273)
Recognition/reversal of impairment losses on loans granted and other financial instruments	-	688	21	(48)
<b>Pre-tax profit</b>	<b>1,328</b>	<b>48,869</b>	<b>1,996</b>	<b>39,004</b>
Corporate income tax	(318)	(3,205)	46	(2,420)
<b>Net profit for the reporting period</b>	<b>1,010</b>	<b>45,664</b>	<b>2,042</b>	<b>36,584</b>
<b>Earnings per share (in PLN):</b>				
basic earnings per share	0.02	0.88	0.04	0.70
diluted earnings per share	0.02	0.88	0.04	0.70

COMPREHENSIVE INCOME:	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000	3 months ended 30 Sept. 2019 (restated*) PLN'000	9 months ended 30 Sept. 2019 (restated*) PLN'000
<b>Net profit</b>	<b>1,010</b>	<b>45,664</b>	<b>2,042</b>	<b>36,584</b>
<b>Other comprehensive income:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD</b>	<b>1,010</b>	<b>45,664</b>	<b>2,042</b>	<b>36,584</b>

\* The restatement of comparable data is related to a change in the presentation of operating costs resulting from their adaptation to the nature of the Company's operations.

## Interim Condensed Statement of Financial Position

### Asseco South Eastern Europe S.A.

ASSETS	30 Sept. 2020	30 June 2020	31 Dec. 2019	30 Sept. 2019
	PLN'000	PLN'000	PLN'000	PLN'000
<b>Non-current assets</b>				
Property, plant and equipment	333	372	385	368
Intangible assets	5,440	5,511	5,626	5,560
<i>of which goodwill from business combinations</i>	<i>4,567</i>	<i>4,567</i>	<i>4,567</i>	<i>4,567</i>
Right-of-use assets	317	324	376	401
Investments in subsidiaries	608,998	608,998	606,812	606,812
Deferred tax assets	710	540	713	489
Other receivables	47	47	579	967
Other financial assets	38,228	38,537	31,738	27,231
	<b>654,073</b>	<b>654,329</b>	<b>646,229</b>	<b>641,828</b>
<b>Current assets</b>				
Trade receivables	6,847	8,429	3,617	1,200
Contract assets	-	131	-	3,510
Corporate income tax receivable	-	-	-	-
Other receivables	258	235	1,642	1,638
Prepayments and accrued income	2,148	2,505	1,228	2,034
Other financial assets	7,368	7,695	15,995	12,558
Cash and short-term deposits	7,130	43,057	11,044	13,971
	<b>23,751</b>	<b>62,052</b>	<b>33,526</b>	<b>34,911</b>
<b>TOTAL ASSETS</b>	<b>677,824</b>	<b>716,381</b>	<b>679,755</b>	<b>676,739</b>

## Interim Condensed Statement of Financial Position

### Asseco South Eastern Europe S.A.

EQUITY AND LIABILITIES	30 Sept. 2020	30 June 2020	31 Dec. 2019	30 Sept. 2019
	PLN'000	PLN'000	PLN'000	PLN'000
<b>TOTAL EQUITY</b>				
Share capital	518,942	518,942	518,942	518,942
Share premium	38,825	38,825	38,825	38,825
Other capitals	2,935	2,935	2,601	2,458
Retained earnings	84,579	83,568	77,317	73,656
	<b>645,281</b>	<b>644,270</b>	<b>637,685</b>	<b>633,881</b>
<b>Non-current liabilities</b>				
Bank loans	9,578	11,454	14,747	16,802
Lease liabilities	214	231	277	296
Other financial liabilities	14	1	4,978	4,932
	<b>9,806</b>	<b>11,686</b>	<b>20,002</b>	<b>22,030</b>
<b>Current liabilities</b>				
Bank loans	8,762	9,266	10,023	9,961
Lease liabilities	121	110	103	112
Other financial liabilities	4,932	43,337	4,936	4,936
Trade payables	1,212	1,374	2,180	1,593
Contract liabilities	3,432	2,282	1,391	2,444
Corporate income tax payable	438	1,059	374	14
Liabilities to the state and local budgets	447	639	137	169
Other liabilities	146	149	266	168
Accruals	3,247	2,209	2,658	1,431
	<b>22,737</b>	<b>60,425</b>	<b>22,068</b>	<b>20,828</b>
<b>TOTAL LIABILITIES</b>	<b>32,543</b>	<b>72,111</b>	<b>42,070</b>	<b>42,858</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>677,824</b>	<b>716,381</b>	<b>679,755</b>	<b>676,739</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 2020</b>	<b>518,942</b>	<b>38,825</b>	<b>2,601</b>	<b>77,317</b>	<b>637,685</b>
Net profit for the reporting period	-	-	-	45,664	45,664
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,664</b>	<b>45,664</b>
Dividend for the year 2019	-	-	-	(38,402)	(38,402)
Valuation of share-based payment plan	-	-	334	-	334
<b>As at 30 September 2020</b>	<b>518,942</b>	<b>38,825</b>	<b>2,935</b>	<b>84,579</b>	<b>645,281</b>

<b>As at 1 January 2019</b>	<b>518,942</b>	<b>38,825</b>	<b>1,655</b>	<b>64,064</b>	<b>623,486</b>
Restatement of opening balance resulting from the adoption of IFRS 16	-	-	-	(7)	(7)
<b>As at 1 January 2019 (including impact of the adoption of IFRS 16)</b>	<b>518,942</b>	<b>38,825</b>	<b>1,655</b>	<b>64,057</b>	<b>623,479</b>
Net profit for the reporting period	-	-	-	40,245	40,245
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,245</b>	<b>40,245</b>
Dividend for the year 2018	-	-	-	(26,985)	(26,985)
Valuation of share-based payment plan	-	-	946	-	946
<b>As at 31 December 2019</b>	<b>518,942</b>	<b>38,825</b>	<b>2,601</b>	<b>77,317</b>	<b>637,685</b>

<b>As at 1 January 2019</b>	<b>518,942</b>	<b>38,825</b>	<b>1,655</b>	<b>64,064</b>	<b>623,486</b>
Restatement of opening balance resulting from the adoption of IFRS 16	-	-	-	(7)	(7)
<b>As at 1 January 2019 (including impact of the adoption of IFRS 16)</b>	<b>518,942</b>	<b>38,825</b>	<b>1,655</b>	<b>64,057</b>	<b>623,479</b>
Net profit for the reporting period	-	-	-	36,584	36,584
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,584</b>	<b>36,584</b>
Dividend for the year 2019	-	-	-	(26,985)	(26,985)
Valuation of share-based payment plan	-	-	803	-	803
<b>As at 30 September 2019</b>	<b>518,942</b>	<b>38,825</b>	<b>2,458</b>	<b>73,656</b>	<b>633,881</b>



# Interim Condensed Statement of Cash Flows

## Asseco South Eastern Europe S.A.

	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2019 PLN'000
<b>Cash flows – operating activities</b>		
Pre-tax profit	48,869	39,004
<b>Total adjustments:</b>	<b>(46,878)</b>	<b>(34,776)</b>
Depreciation and amortization	495	442
Change in receivables	(3,228)	840
Change in liabilities, accruals and provisions	917	(912)
Interest income/expenses	(1,364)	(343)
Gain/loss on foreign currency translation differences	(1,344)	(210)
Gain/loss on investing activities	(42,694)	(35,292)
Valuation of share-based payment plan	334	803
Other	6	(104)
<b>Selected operating cash flows</b>	<b>35,513</b>	<b>9,114</b>
Sale of shares in subsidiaries	2,005	1,037
Acquisition of shares in related companies	(6,857)	(25,770)
Dividends received	40,365	33,847
<b>Cash generated from operating activities</b>	<b>37,504</b>	<b>13,342</b>
(Corporate income tax paid)	(1,490)	(1,923)
<b>Net cash provided by (used in) operating activities</b>	<b>36,014</b>	<b>11,419</b>
<b>Cash flows – investing activities</b>		
<b>Inflows:</b>	<b>7,643</b>	<b>5,311</b>
Disposal of property, plant and equipment, and intangible assets	1	43
Disposal/settlement of financial assets carried at fair value through profit or loss	4	144
Loans collected	6,069	4,715
Interest received	1,569	409
<b>Outflows:</b>	<b>(830)</b>	<b>(26,077)</b>
Acquisition of property, plant and equipment, and intangible assets	(174)	(163)
Acquisition/settlement of financial assets carried at fair value through profit or loss	(365)	-
Loans granted	(291)	(25,914)
<b>Net cash provided by (used in) investing activities</b>	<b>6,813</b>	<b>(20,766)</b>
<b>Cash flows – financing activities</b>		
<b>Inflows:</b>	<b>-</b>	<b>17,538</b>
Proceeds from bank loans and borrowings	-	17,538
<b>Outflows:</b>	<b>(46,741)</b>	<b>(31,164)</b>
Dividends paid out	(38,402)	(26,985)
Repayments of bank loans	(7,994)	(3,918)
Payments of lease liabilities	(87)	(85)
Interest paid	(258)	(176)
<b>Net cash provided by (used in) financing activities</b>	<b>(46,741)</b>	<b>(13,626)</b>
<b>Net change in cash and cash equivalents</b>	<b>(3,914)</b>	<b>(22,973)</b>
Net foreign currency translation differences	-	-
Cash and cash equivalents as at 1 January	11,044	36,944
<b>Cash and cash equivalents as at 30 September</b>	<b>7,130</b>	<b>13,971</b>

This quarterly report has been approved for publication by the Management Board of Asseco South Eastern Europe S.A. on 28 October 2020.

**Management Board:**

Piotr Jeleński	President of the Management Board
Miljan Mališ	Member of the Management Board
Marcin Rulnicki	Member of the Management Board
Kostadin Slavkoski	Member of the Management Board

# Solutions for demanding business.

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