

Quarterly Report  
of **Asseco South Eastern Europe Group**  
for the period of 9 months ended  
30 September 2021

**ASSECO**  
SOUTH EASTERN EUROPE



Present in  
**23 countries**



**PLN 790.1 million**  
in sales revenues



**3,220**  
highly committed  
employees



**PLN 102.6 million**  
of 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 2021

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## Financial Highlights

### Asseco South Eastern Europe Group

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2021 EUR'000	9 months ended 30 Sept. 2020 EUR'000
Operating revenues	790,061	691,823	173,316	155,744
Operating profit	127,834	100,944	28,043	22,725
Pre-tax profit	129,116	98,783	28,324	22,238
<b>Net profit for the reporting period</b>	<b>105,952</b>	<b>82,557</b>	<b>23,243</b>	<b>18,585</b>
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>102,576</b>	<b>81,641</b>	<b>22,502</b>	<b>18,379</b>
Net cash provided by (used in) operating activities	142,552	108,799	31,272	24,493
Net cash provided by (used in) investing activities	(77,342)	(40,450)	(16,967)	(9,106)
Net cash provided by (used in) financing activities	(84,654)	(84,053)	(18,571)	(18,922)
<b>Cash and cash equivalents at the end of the period (comparable data as at 31 December 2020)</b>	<b>227,015</b>	<b>249,028</b>	<b>49,001</b>	<b>53,963</b>
Basic earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	1.98	1.57	0.43	0.35
Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	1.98	1.57	0.43	0.35

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 2021 to 30 September 2021: EUR 1 = PLN 4.5585
  - for the period from 1 January 2020 to 30 September 2020: EUR 1 = PLN 4.4420
- 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 2021: EUR 1 = PLN 4.6329
  - exchange rate effective on 31 December 2020: EUR 1 = PLN 4.6148

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. 2021	9 months ended 30 Sept. 2021	3 months ended 30 Sept. 2020 (restated)	9 months ended 30 Sept. 2020 (restated*)
	Note	PLN'000	PLN'000	PLN'000	PLN'000
Operating revenues	5.1	264,320	790,061	227,478	691,823
Cost of sales	5.2	(185,182)	(567,754)	(160,704)	(505,813)
Allowances for trade receivables	5.2	(475)	(896)	(556)	(213)
<b>Gross profit on sales</b>		<b>78,663</b>	<b>221,411</b>	<b>66,218</b>	<b>185,797</b>
Selling costs	5.2	(15,558)	(46,568)	(13,514)	(40,282)
General and administrative expenses	5.2	(16,213)	(48,080)	(15,791)	(45,209)
<b>Net profit on sales</b>		<b>46,892</b>	<b>126,763</b>	<b>36,913</b>	<b>100,306</b>
Other operating income	5.3	337	1,611	501	1,586
Other operating expenses	5.3	(137)	(540)	(438)	(948)
Share of profits of associates and joint ventures		-	-	-	-
<b>Operating profit</b>		<b>47,092</b>	<b>127,834</b>	<b>36,976</b>	<b>100,944</b>
Financial income	5.4	1,886	8,392	3,569	7,537
Financial expenses	5.4	(1,948)	(7,110)	(3,724)	(9,698)
Impairment losses on financial instruments		-	-	-	-
<b>Pre-tax profit</b>		<b>47,030</b>	<b>129,116</b>	<b>36,821</b>	<b>98,783</b>
Corporate income tax (current and deferred tax expense)	5.5	(8,218)	(23,164)	(5,377)	(16,226)
<b>Net profit for the reporting period</b>		<b>38,812</b>	<b>105,952</b>	<b>31,444</b>	<b>82,557</b>
<i>Attributable to:</i>					
<b>Shareholders of the Parent Company</b>		<b>37,734</b>	<b>102,576</b>	<b>31,229</b>	<b>81,641</b>
Non-controlling interests		1,078	3,376	215	916
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)					
	5.6	0.73	1.98	0.60	1.57
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Net profit for the reporting period</b>		<b>38,812</b>	<b>105,952</b>	<b>31,444</b>	<b>82,557</b>
<b>Components that may be reclassified to profit or loss</b>		<b>21,634</b>	<b>911</b>	<b>1,885</b>	<b>25,725</b>
Net gain/loss on valuation of financial assets		4	7	-	(7)
Differences on foreign currency translation of subsidiaries		21,630	904	1,885	25,732
<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>21,634</b>	<b>911</b>	<b>1,885</b>	<b>25,725</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>		<b>60,446</b>	<b>106,863</b>	<b>33,329</b>	<b>108,282</b>
<b>Shareholders of the Parent Company</b>		<b>58,941</b>	<b>103,424</b>	<b>33,089</b>	<b>107,217</b>
Non-controlling interests		1,505	3,439	240	1,065

\*The restatement has been disclosed in detail in explanatory note 2.7 to these interim condensed consolidated financial statements.

# Interim Condensed Consolidated Statement of Financial Position

## Asseco South Eastern Europe Group

ASSETS	Note	30 Sept. 2021 PLN'000	30 June 2021 PLN'000	31 Dec. 2020 (restated) PLN'000	30 Sept. 2020 (restated*) PLN'000
<b>Non-current assets</b>					
Property, plant and equipment	<u>6.1</u>	133,036	132,588	143,171	145,394
Intangible assets	<u>6.2</u>	31,031	29,524	30,101	27,859
Right-of-use assets	<u>6.3</u>	50,928	52,109	55,711	62,764
Investment property		586	581	599	606
Goodwill	<u>6.4</u>	618,916	567,000	569,835	561,087
Other receivables	<u>6.7</u>	662	774	821	923
Deferred tax assets		11,947	11,180	10,948	10,666
Other financial assets	<u>6.5</u>	476	392	5,165	4,840
Prepayments and accrued income	<u>6.6</u>	3,367	3,780	6,142	140
		<b>850,949</b>	<b>797,928</b>	<b>822,493</b>	<b>814,279</b>
<b>Current assets</b>					
Inventories	<u>6.8</u>	32,931	31,908	27,912	26,518
Prepayments and accrued income	<u>6.6</u>	36,594	33,427	30,991	23,156
Trade receivables	<u>6.7</u>	127,338	138,465	207,672	109,108
Contract assets	<u>6.7</u>	58,162	52,249	29,625	67,139
Corporate income tax receivable	<u>6.7</u>	1,952	1,392	2,105	1,234
Receivables from the state and local budgets	<u>6.7</u>	4,503	3,715	5,100	3,333
Other receivables	<u>6.7</u>	10,845	5,619	3,970	4,215
Other non-financial assets		5,748	4,832	3,557	12,405
Other financial assets	<u>6.5</u>	249	253	48	47
Cash and bank deposits	<u>6.9</u>	227,015	263,931	249,028	180,228
		<b>505,337</b>	<b>535,791</b>	<b>560,008</b>	<b>427,383</b>
<b>TOTAL ASSETS</b>		<b>1,356,286</b>	<b>1,333,719</b>	<b>1,382,501</b>	<b>1,241,662</b>

\*The restatement has been disclosed in detail in explanatory note 2.7 to these interim condensed consolidated financial statements.

# Interim Condensed Consolidated Statement of Financial Position

## Asseco South Eastern Europe Group

EQUITY AND LIABILITIES	Note	30 Sept. 2021 PLN'000	30 June 2021 PLN'000	31 Dec. 2020 (restated) PLN'000	30 Sept. 2020 (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		(3,070)	(3,922)	(11,624)	(11,394)
Other capitals		(577)	(581)	(584)	(586)
Differences on foreign currency translation of subsidiaries		(81,693)	(102,896)	(82,534)	(94,003)
Retained earnings		498,401	460,668	447,720	413,373
		<b>970,828</b>	<b>911,036</b>	<b>910,745</b>	<b>865,157</b>
<b>Non-controlling interests</b>		<b>3,774</b>	<b>3,494</b>	<b>2,460</b>	<b>2,139</b>
<b>Total equity</b>		<b>974,602</b>	<b>914,530</b>	<b>913,205</b>	<b>867,296</b>
<b>Non-current liabilities</b>					
Bank loans and borrowings	<a href="#">6.11</a>	24,859	21,424	29,139	34,187
Lease liabilities	<a href="#">6.10</a>	34,702	36,255	39,847	43,435
Other financial liabilities	<a href="#">6.12</a>	15,264	2,930	25,885	34,585
Deferred tax liabilities		3,636	4,009	4,183	4,299
Provisions	<a href="#">6.15</a>	2,317	2,108	2,072	1,856
Contract liabilities	<a href="#">6.14</a>	7,085	8,046	9,402	994
Other liabilities	<a href="#">6.13</a>	3,519	4,671	4,087	540
		<b>91,382</b>	<b>79,443</b>	<b>114,615</b>	<b>119,896</b>
<b>Current liabilities</b>					
Bank loans and borrowings	<a href="#">6.11</a>	22,490	21,128	30,145	34,591
Lease liabilities	<a href="#">6.10</a>	19,351	19,235	18,995	21,054
Other financial liabilities	<a href="#">6.12</a>	17,775	85,538	21,190	13,696
Trade payables	<a href="#">6.13</a>	70,299	73,968	111,830	48,567
Contract liabilities	<a href="#">6.14</a>	64,199	57,761	74,087	59,884
Corporate income tax payable	<a href="#">6.13</a>	6,852	5,174	7,986	6,626
Liabilities to the state and local budgets	<a href="#">6.13</a>	21,823	22,022	35,062	22,240
Other liabilities	<a href="#">6.13</a>	20,574	17,144	27,184	11,474
Provisions	<a href="#">6.15</a>	3,798	3,565	3,451	4,382
Accruals	<a href="#">6.16</a>	43,141	34,211	24,751	31,956
		<b>290,302</b>	<b>339,746</b>	<b>354,681</b>	<b>254,470</b>
<b>TOTAL LIABILITIES</b>		<b>381,684</b>	<b>419,189</b>	<b>469,296</b>	<b>374,366</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,356,286</b>	<b>1,333,719</b>	<b>1,382,501</b>	<b>1,241,662</b>

\*The restatement has been disclosed in detail in explanatory note 2.7 to these interim condensed consolidated financial statements.



## 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 2021</b>		<b>518,942</b>	<b>38,825</b>	<b>(11,624)</b>	<b>(584)</b>	<b>(82,534)</b>	<b>447,720</b>	<b>910,745</b>	<b>2,460</b>	<b>913,205</b>
Net profit for the reporting period		-	-	-	-	-	102,576	<b>102,576</b>	3,376	<b>105,952</b>
Other comprehensive income for the reporting period		-	-	-	7	841	-	<b>848</b>	63	<b>911</b>
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>841</b>	<b>102,576</b>	<b>103,424</b>	<b>3,439</b>	<b>106,863</b>
Obtaining control over subsidiaries		-	-	-	-	-	-	-	976	<b>976</b>
Increase of share capital in subsidiaries		-	-	(459)	-	-	-	<b>(459)</b>	459	-
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	9,013	-	-	-	<b>9,013</b>	(3,071)	<b>5,942</b>
Dividend for the year 2020	<u>5.7</u>	-	-	-	-	-	(51,895)	<b>(51,895)</b>	(489)	<b>(52,384)</b>
<b>As at 30 September 2021</b>		<b>518,942</b>	<b>38,825</b>	<b>(3,070)</b>	<b>(577)</b>	<b>(81,693)</b>	<b>498,401</b>	<b>970,828</b>	<b>3,774</b>	<b>974,602</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		-	-	-	-	-	115,988	115,988	1,554	117,542
Other comprehensive income for the reporting period		-	-	-	(5)	37,052	-	37,047	222	37,269
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(5)</b>	<b>37,052</b>	<b>115,988</b>	<b>153,035</b>	<b>1,776</b>	<b>154,811</b>
Share-based payment transactions with employees		-	-	-	740	-	-	740	-	740
Obtaining control over subsidiaries		-	-	-	-	-	-	-	861	861
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	(3,289)	-	-	-	(3,289)	(1,766)	(5,055)
Dividend for the year 2019	5.7	-	-	-	-	-	(38,402)	(38,402)	(462)	(38,864)
<b>As at 31 December 2020 (restated)</b>		<b>518,942</b>	<b>38,825</b>	<b>(11,624)</b>	<b>(584)</b>	<b>(82,534)</b>	<b>447,720</b>	<b>910,745</b>	<b>2,460</b>	<b>913,205</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		-	-	-	-	-	81,641	<b>81,641</b>	916	<b>82,557</b>
Other comprehensive income for the reporting period		-	-	-	(7)	25,583	-	<b>25,576</b>	149	<b>25,725</b>
<b>Total comprehensive income for the reporting period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(7)</b>	<b>25,583</b>	<b>81,641</b>	<b>107,217</b>	<b>1,065</b>	<b>108,282</b>
Share-based payment transactions with employees		-	-	-	740	-	-	<b>740</b>	-	<b>740</b>
Obtaining control over subsidiaries		-	-	-	-	-	-	-	861	<b>861</b>
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	(3,059)	-	-	-	<b>(3,059)</b>	(1,378)	<b>(4,437)</b>
Dividend for the year 2019	5.7	-	-	-	-	-	(38,402)	<b>(38,402)</b>	(460)	<b>(38,862)</b>
<b>As at 30 September 2020 (restated)</b>		<b>518,942</b>	<b>38,825</b>	<b>(11,394)</b>	<b>(586)</b>	<b>(94,003)</b>	<b>413,373</b>	<b>865,157</b>	<b>2,139</b>	<b>867,296</b>

# Interim Condensed Consolidated Statement of Cash Flows

## Asseco South Eastern Europe Group

	Note	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 (restated) PLN'000
<b>Cash flows – operating activities</b>			
Pre-tax profit		129,116	98,783
<b>Total adjustments:</b>		<b>38,510</b>	<b>27,126</b>
Depreciation and amortization	5.2	57,414	58,606
Change in inventories		(9,985)	11,439
Change in receivables and other non-financial assets		49,831	16,929
Change in liabilities, accruals and provisions		(61,233)	(69,975)
Interest income/expenses		2,176	2,867
Gain/loss on foreign currency translation differences		(1,055)	1,321
Gain/loss on financial assets (valuation, disposal, etc.)		-	470
Other financial income/expenses		1,824	2,474
Gain/loss on sale, disposal and impairment of property, plant and equipment, intangible assets, and right-of-use assets		(579)	2,157
Costs of share-based payment transactions with employees		-	740
Other adjustments to pre-tax profit		117	98
<b>Cash provided by (used in) operating activities</b>		<b>167,626</b>	<b>125,909</b>
Corporate income tax paid		(25,074)	(17,110)
<b>Net cash provided by (used in) operating activities</b>		<b>142,552</b>	<b>108,799</b>
<b>Cash flows – investing activities</b>			
<b>Inflows</b>			
Disposal of property, plant and equipment, intangible assets, and investment property		1,206	1,494
Disposal/settlement of financial assets carried at fair value through profit or loss or through other comprehensive income		37	4
Disposal of investments in other debt securities carried at amortized cost		4,821	540
Loans collected		3	17
Interest received		19	-
Dividends received		-	1
<b>Outflows</b>			
Acquisition of property, plant and equipment, intangible assets (including R&D expenditures), and investment property	7.1	(27,146)	(26,885)
Expenditures for the acquisition of subsidiaries, less cash and cash equivalents in subsidiaries acquired	7.1	(56,080)	(15,251)
Acquisition/settlement of financial assets carried at fair value through profit or loss		-	(365)
Loans granted		(194)	(5)
Other cash flows from investing activities		(8)	-
<b>Net cash provided by (used in) investing activities</b>		<b>(77,342)</b>	<b>(40,450)</b>
<b>Cash flows – financing activities</b>			
<b>Inflows</b>			
Proceeds from bank loans and borrowings	7.2	13,284	8,938
<b>Outflows</b>			
Repayments of bank loans and borrowings	7.2	(26,281)	(34,497)
Payments of lease liabilities	7.2	(14,838)	(16,595)
Interest paid	7.2	(1,930)	(2,792)
Acquisition of non-controlling interests		(2,505)	-
Dividends paid out by the Parent Company	7.2	(51,895)	(38,402)
Dividends paid out to non-controlling shareholders	7.2	(489)	(705)
<b>Net cash provided by (used in) financing activities</b>		<b>(84,654)</b>	<b>(84,053)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(19,444)</b>	<b>(15,704)</b>
Net foreign currency translation differences		(2,547)	2,153
Net cash and cash equivalents as at 1 January		248,860	190,661
<b>Net cash and cash equivalents as at 30 September</b>	6.9	<b>226,869</b>	<b>177,110</b>

# Explanatory notes to the Interim Condensed Consolidated Financial Statements

## I. General information

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

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

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

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

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

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, and transaction processing services, 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 these interim condensed consolidated financial statements.

## **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 2020 which were published on 24 February 2021.

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 2021 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. The Management is monitoring this situation on an ongoing basis, adjusting our individual decisions to changing conditions. 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 2021 and the comparable period from 1 January to 30 September 2020 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 2021 and the comparable data as at 30 June 2020, 31 December 2020 and 30 September 2020 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 2021, 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 2020.

### 2.5. Accounting policies applied

Significant accounting policies adopted by the Parent Company have been described in its consolidated financial statements for the year ended 31 December 2020 which were published on 24 February 2021.

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 2020.

### 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' (issued on 14 May 2020) – effective for annual periods beginning on or after 1 January 2022;
- Amendments to IAS 16 'Property, Plant and Equipment – Proceeds before Intended Use' (issued on 14 May 2020) – effective for annual periods beginning on or after 1 January 2022;
- Amendments to IAS 37 'Onerous Contracts – Cost of Fulfilling a Contract' (issued on 14 May 2020) – effective for annual periods beginning on or after 1 January 2022;
- Annual Improvements to IFRSs: 2018-2020 Cycle (issued on 14 May 2020) – effective for annual periods beginning on or after 1 January 2022;
- Amendments to IAS 1 and IFRS Practice Statement 2 'Disclosure of Accounting Policies' (issued on 12 February 2021) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IAS 8 'Definition of Accounting Estimates' (issued on 12 February 2021) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023;
- Amendments to IFRS 16 'Covid-19-Related Rent Concessions beyond 30 June 2021' (issued on 31 March 2021) – effective for annual periods beginning on or after 1 April 2021;
- Amendments to IAS 12 'Deferred Income Tax Related to Assets and Liabilities Arising from a Single Transaction' (issued on 6 May 2021) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2023.

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

The Group 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 2020 and 31 December 2020 as well as for the period of 9 months ended 30 September 2020 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. 2020	Purchase price allocation of subsidiaries	9 months ended 30 Sept. 2020 (restated)
	PLN'000	PLN'000	PLN'000
Operating revenues	691,823	-	691,823
Cost of sales	(505,431)	(382)	(505,813)
Allowances for trade receivables	(213)	-	(213)
<b>Gross profit on sales</b>	<b>186,179</b>	<b>(382)</b>	<b>185,797</b>
Selling costs	(40,282)	-	(40,282)
General and administrative expenses	(45,209)	-	(45,209)
<b>Net profit on sales</b>	<b>100,688</b>	<b>(382)</b>	<b>100,306</b>
Other operating income	1,586	-	1,586
Other operating expenses	(948)	-	(948)
Share of profits of associates and joint ventures	-	-	-
<b>Operating profit</b>	<b>101,326</b>	<b>(382)</b>	<b>100,944</b>



Financial income	7,537	-	7,537
Financial expenses	(9,698)	-	(9,698)
Impairment losses on financial instruments	-	-	-
<b>Pre-tax profit</b>	<b>99,165</b>	<b>(382)</b>	<b>98,783</b>
Corporate income tax (current and deferred tax expense)	(16,295)	69	(16,226)
<b>Net profit for the reporting period</b>	<b>82,870</b>	<b>(313)</b>	<b>82,557</b>
<i>Attributable to:</i>			
<b>Shareholders of the Parent Company</b>	<b>81,904</b>	<b>(263)</b>	<b>81,641</b>
Non-controlling interests	966	(50)	916
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)			
	1.58	(0.01)	1.57

<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Net profit for the reporting period</b>	<b>82,870</b>	<b>(313)</b>	<b>82,557</b>
<b>Components that may be reclassified to profit or loss</b>	<b>25,712</b>	<b>13</b>	<b>25,725</b>
Net gain/loss on valuation of financial assets	(7)	-	(7)
Differences on foreign currency translation of subsidiaries	25,719	13	25,732
<b>Components that will not be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>
Actuarial gains/losses	-	-	-
<b>Total other comprehensive income</b>	<b>25,712</b>	<b>13</b>	<b>25,725</b>
<b>TOTAL COMPREHENSIVE INCOME attributable to:</b>	<b>108,582</b>	<b>(300)</b>	<b>108,282</b>
<b>Shareholders of the Parent Company</b>	<b>107,471</b>	<b>(254)</b>	<b>107,217</b>
Non-controlling interests	1,111	(46)	1,065

	30 Sept. 2020	Purchase price allocation of subsidiaries	30 Sept. 2020 (restated)
ASSETS	PLN'000	PLN'000	PLN'000
<b>Non-current assets</b>			
Property, plant and equipment	145,394	-	145,394
Intangible assets	20,512	7,347	27,859
Right-of-use assets	62,764	-	62,764
Investment property	606	-	606
Goodwill	566,665	(5,578)	561,087
Other receivables	923	-	923
Deferred tax assets	10,666	-	10,666
Other financial assets	4,840	-	4,840
Prepayments and accrued income	140	-	140
	<b>812,510</b>	<b>1,769</b>	<b>814,279</b>
<b>Current assets</b>			
Inventories	26,518	-	26,518
Prepayments and accrued income	23,156	-	23,156
Trade receivables	109,108	-	109,108
Contract assets	67,139	-	67,139
Corporate income tax receivable	1,234	-	1,234
Receivables from the state and local budgets	3,333	-	3,333
Other receivables	4,215	-	4,215
Other non-financial assets	12,405	-	12,405
Other financial assets	47	-	47
Cash and bank deposits	180,228	-	180,228
	<b>427,383</b>	<b>-</b>	<b>427,383</b>
<b>TOTAL ASSETS</b>	<b>1,239,893</b>	<b>1,769</b>	<b>1,241,662</b>

	30 Sept. 2020	Purchase price allocation of subsidiaries	30 Sept. 2020 (restated)
EQUITY AND LIABILITIES	PLN'000	PLN'000	PLN'000
<b>Equity (attributable to shareholders of the Parent Company)</b>			
Share capital	518,942	-	518,942
Share premium	38,825	-	38,825
Transactions with non-controlling interests	(12,095)	701	(11,394)
Other capitals	(586)	-	(586)
Differences on foreign currency translation of subsidiaries	(94,012)	9	(94,003)

Retained earnings	413,636	(263)	413,373
	<b>864,710</b>	<b>447</b>	<b>865,157</b>
<b>Non-controlling interests</b>	<b>2,139</b>	<b>-</b>	<b>2,139</b>
<b>Total equity</b>	<b>866,849</b>	<b>447</b>	<b>867,296</b>
<b>Non-current liabilities</b>			
Bank loans and borrowings	34,187	-	34,187
Lease liabilities	43,435	-	43,435
Other financial liabilities	34,585	-	34,585
Deferred tax liabilities	2,977	1,322	4,299
Provisions	1,856	-	1,856
Contract liabilities	994	-	994
Other liabilities	540	-	540
	<b>118,574</b>	<b>1,322</b>	<b>119,896</b>
<b>Current liabilities</b>			
Bank loans and borrowings	34,591	-	34,591
Lease liabilities	21,054	-	21,054
Other financial liabilities	13,696	-	13,696
Trade payables	48,567	-	48,567
Contract liabilities	59,884	-	59,884
Corporate income tax payable	6,626	-	6,626
Liabilities to the state and local budgets	22,240	-	22,240
Other liabilities	11,474	-	11,474
Provisions	4,382	-	4,382
Accruals	31,956	-	31,956
	<b>254,470</b>	<b>-</b>	<b>254,470</b>
<b>TOTAL LIABILITIES</b>	<b>373,044</b>	<b>1,322</b>	<b>374,366</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,239,893</b>	<b>1,769</b>	<b>1,241,662</b>

	31 Dec. 2020	Purchase price allocation of subsidiaries	31 Dec. 2020 (restated)
ASSETS	PLN'000	PLN'000	PLN'000
<b>Non-current assets</b>			
Property, plant and equipment	143,171	-	143,171
Intangible assets	22,999	7,102	30,101
Right-of-use assets	55,711	-	55,711
Investment property	599	-	599
Goodwill	575,526	(5,691)	569,835
Other receivables	821	-	821
Deferred tax assets	10,948	-	10,948
Other financial assets	5,165	-	5,165
Prepayments and accrued income	6,142	-	6,142
	<b>821,082</b>	<b>1,411</b>	<b>822,493</b>
<b>Current assets</b>			
Inventories	27,912	-	27,912
Prepayments and accrued income	30,991	-	30,991
Trade receivables	207,672	-	207,672
Contract assets	29,625	-	29,625
Corporate income tax receivable	2,105	-	2,105
Receivables from the state and local budgets	5,100	-	5,100
Other receivables	3,970	-	3,970
Other non-financial assets	3,557	-	3,557
Other financial assets	48	-	48
Cash and bank deposits	249,028	-	249,028
	<b>560,008</b>	<b>-</b>	<b>560,008</b>
<b>TOTAL ASSETS</b>	<b>1,381,090</b>	<b>1,411</b>	<b>1,382,501</b>

	31 Dec. 2020	Purchase price allocation of subsidiaries	31 Dec. 2020 (restated)
EQUITY AND LIABILITIES	PLN'000	PLN'000	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	(12,290)	666	(11,624)
Other capitals	(584)	-	(584)
Differences on foreign currency translation of subsidiaries	(82,541)	7	(82,534)
Retained earnings	448,260	(540)	447,720
	<b>910,612</b>	<b>133</b>	<b>910,745</b>
<b>Non-controlling interests</b>	<b>2,460</b>	<b>-</b>	<b>2,460</b>
<b>Total equity</b>	<b>913,072</b>	<b>133</b>	<b>913,205</b>
<b>Non-current liabilities</b>			
Bank loans and borrowings	29,139	-	29,139
Lease liabilities	39,847	-	39,847
Other financial liabilities	25,885	-	25,885
Deferred tax liabilities	2,905	1,278	4,183
Provisions	2,072	-	2,072
Contract liabilities	9,402	-	9,402
Other liabilities	4,087	-	4,087
	<b>113,337</b>	<b>1,278</b>	<b>114,615</b>
<b>Current liabilities</b>			
Bank loans and borrowings	30,145	-	30,145
Lease liabilities	18,995	-	18,995
Other financial liabilities	21,190	-	21,190
Trade payables	111,830	-	111,830
Contract liabilities	74,087	-	74,087
Corporate income tax payable	7,986	-	7,986
Liabilities to the state and local budgets	35,062	-	35,062
Other liabilities	27,184	-	27,184
Provisions	3,451	-	3,451
Accruals	24,751	-	24,751
	<b>354,681</b>	<b>-</b>	<b>354,681</b>
<b>TOTAL LIABILITIES</b>	<b>468,018</b>	<b>1,278</b>	<b>469,296</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,381,090</b>	<b>1,411</b>	<b>1,382,501</b>

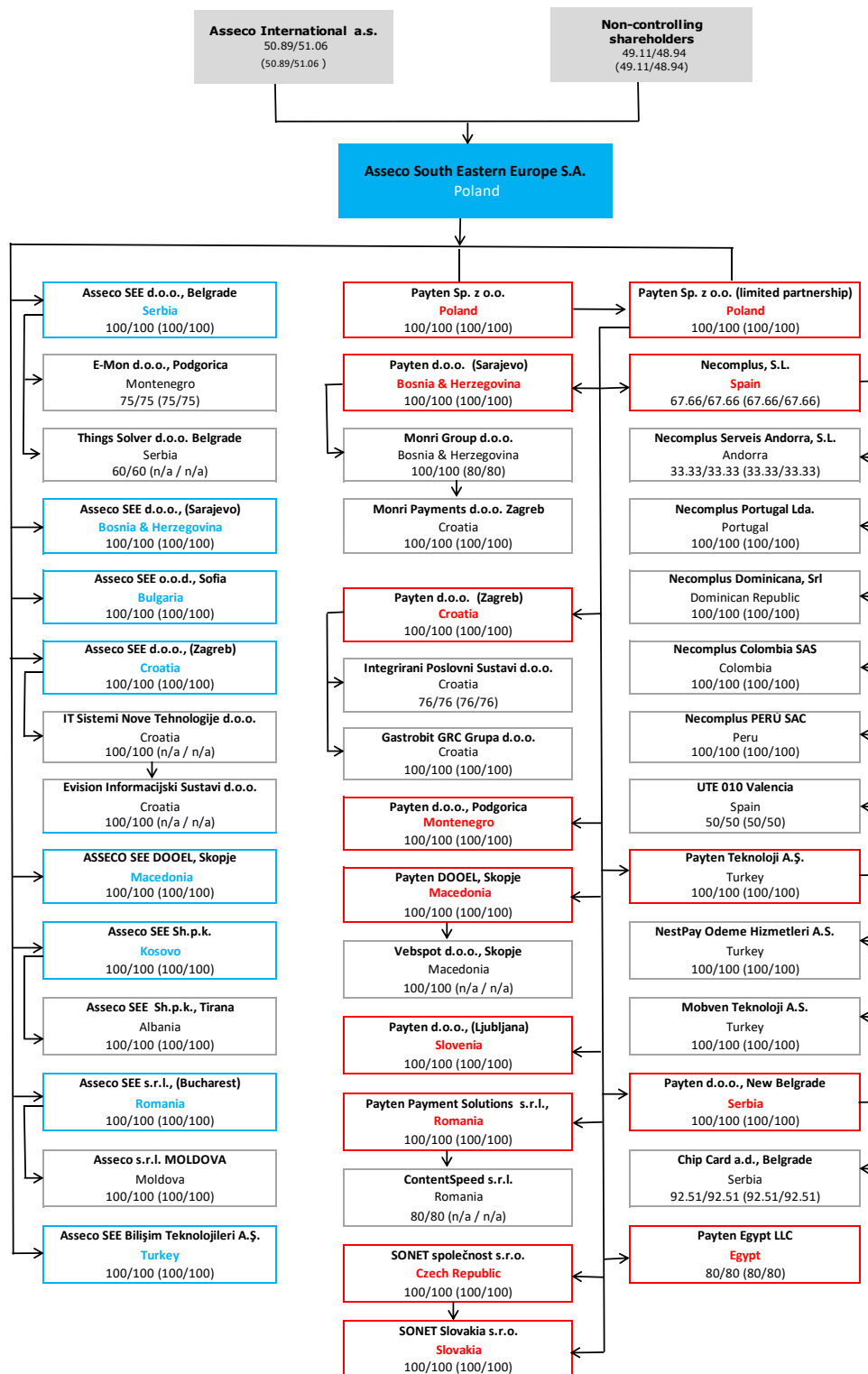
9 months ended 30 Sept. 2020	Banking Solutions	Payment Solutions	Dedicated Solutions	Change – Banking Solutions	Change – Payment Solutions	Change – Dedicated Solutions	Banking Solutions	Payment Solutions	Dedicated Solutions
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Operating revenues</b>	<b>156,191</b>	<b>353,952</b>	<b>213,878</b>	-	-	-	<b>156,191</b>	<b>353,952</b>	<b>213,878</b>
Sales to external customers	143,003	337,287	211,533	-	-	-	143,003	337,287	211,533
Sales between and/or within segments	13,188	16,665	2,345	-	-	-	13,188	16,665	2,345
<b>Gross profit on sales</b>	<b>54,014</b>	<b>94,366</b>	<b>37,799</b>	-	<b>(382)</b>	-	<b>54,014</b>	<b>93,984</b>	<b>37,799</b>
Selling costs	(9,383)	(17,531)	(13,368)	-	-	-	(9,383)	(17,531)	(13,368)
General and administrative expenses	(12,755)	(22,788)	(9,666)	-	-	-	(12,755)	(22,788)	(9,666)
<b>Net profit on sales</b>	<b>31,876</b>	<b>54,047</b>	<b>14,765</b>	-	<b>(382)</b>	-	<b>31,876</b>	<b>53,665</b>	<b>14,765</b>
Other operating activities	(115)	463	290	-	-	-	(115)	463	290
Share of profits of associates	-	-	-	-	-	-	-	-	-
<b>Operating profit</b>	<b>31,761</b>	<b>54,510</b>	<b>15,055</b>	-	<b>(382)</b>	-	<b>31,761</b>	<b>54,128</b>	<b>15,055</b>
<b>Goodwill as at 31 December 2020</b>	<b>207,063</b>	<b>188,768</b>	<b>179,695</b>	-	<b>(5,691)</b>	-	<b>207,063</b>	<b>183,077</b>	<b>179,695</b>

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

During the period of 9 months ended 30 September 2021, the Group's composition changed as follows:

- **Acquisition of shares in Things Solver d.o.o.**

On 7 October 2020, ASEE Serbia concluded a conditional agreement to acquire 53.76% of shares in the company Things Solver d.o.o. based in Belgrade. The Group obtained control over Things Solver d.o.o. on 8 January 2021 upon satisfying all the conditions precedent. On 28 February 2021, the equity interest held by ASEE Serbia in that company increased to 60% following an increase of its share capital.

- **Merger of Payten d.o.o. (Sarajevo) with Bassilichi CEE LLC**

The merger of Payten d.o.o. (Sarajevo) (the taking-over company) with Bassilichi CEE LLC (the acquired company) was registered on 1 February 2021.

- **Acquisition of shares in Vebspot d.o.o.**

On 17 February 2021, Payten Macedonia (Skopje) acquired 100% of shares in the company Vebspot d.o.o. based in Skopje.

- **Acquisition of a minority interest in Monri Group d.o.o.**

On 10 June 2021, Payten d.o.o. (Sarajevo) acquired 20% of shares in the company Monri Group d.o.o. (Sarajevo) thereby becoming the owner of 100% of shares in this company.

- **Acquisition of shares in ContentSpeed s.r.l., Bucharest**

On 22 July 2021, Payten Payment Solutions s.r.l. (Bucharest) acquired 80% of shares in ContentSpeed s.r.l., a company based in Bucharest (Romania).

- **Acquisition of shares in IT SISTEMI-NOVE TEHNOLOGIJE d.o.o., Split**

On 28 July 2021, AssecO SEE d.o.o., (Zagreb) signed an agreement to acquire 100% of shares in IT SISTEMI-NOVE TEHNOLOGIJE d.o.o., a company based in Split (Croatia). The Group obtained control over IT Sistemi d.o.o. on 8 September 2021 upon satisfying all the conditions precedent.

## 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.

The **Banking Solutions** portfolio includes multi-channel solutions designed to distribute banking products and services over new, alternative distribution channels and to improve business relations and communication with customers, as well as integrated core banking systems. 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 areas of mobile and electronic banking and digital transformation.

The **Payment Solutions** segment provides complete payment industry solutions, for financial and non-financial institutions, supporting card and card-less transactions. Our payment solutions are marketed under the Payten and Monri brands and include solutions for e-Commerce (NestPay®, MSU, Paratika), mobile payments (mPOS), payment card processing, as well as ATM and POS related services. 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).

The **Dedicated Solutions** segment provides services to the sectors of energy, finance, industry, public administration, telecommunications and tourism through the following business lines: development of customized software, implementation and support services, ensuring continuity of business processes, automation of operations, and development of IT infrastructure. Within this segment, the Company focuses primarily on proprietary solutions of ASEE. Such solutions include the multi-functional customer service and sales support platform (LIVE), content management and business process management solutions (ABC and BPM), asset lifecycle management solution (Fidelity), artificial intelligence and machine learning solution (Solver AI Suite), and the solution for quality assurance and development of mobile and web applications (Momentum). Furthermore, the product portfolio of the Dedicated Solutions segment includes a fully-fledged lease and asset lifecycle management solution (LeaseFlex).

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 2021.

Selected financial data for the period of 9 months ended 30 September 2021, in a breakdown to operating segments:

9 months ended 30 Sept. 2021	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Eliminations PLN'000	Total PLN'000
<b>Operating revenues:</b>	<b>179,007</b>	<b>390,447</b>	<b>246,451</b>	<b>(25,844)</b>	<b>790,061</b>
Sales to external customers	165,837	379,915	244,309	-	790,061
Sales between and/or within segments	13,170	10,532	2,142	(25,844)	-
<b>Gross profit on sales</b>	<b>65,060</b>	<b>109,173</b>	<b>47,178</b>	<b>-</b>	<b>221,411</b>
Selling costs	(10,901)	(19,913)	(15,754)	-	(46,568)
General and administrative expenses	(14,599)	(22,843)	(10,638)	-	(48,080)
<b>Net profit on sales</b>	<b>39,560</b>	<b>66,417</b>	<b>20,786</b>	<b>-</b>	<b>126,763</b>
Other operating activities	154	558	359	-	1,071
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>39,714</b>	<b>66,975</b>	<b>21,145</b>	<b>-</b>	<b>127,834</b>
<b>Goodwill as at 30 September 2021</b>	<b>207,707</b>	<b>211,529</b>	<b>199,680</b>	<b>-</b>	<b>618,916</b>

9 months ended 30 Sept. 2021	Banking Solutions EUR'000	Payment Solutions EUR'000	Dedicated Solutions EUR'000	Eliminations EUR'000	Total EUR'000
<b>Operating revenues:</b>	<b>39,269</b>	<b>85,652</b>	<b>54,064</b>	<b>(5,669)</b>	<b>173,316</b>
Sales to external customers	36,380	83,342	53,594	-	173,316
Sales between and/or within segments	2,889	2,310	470	(5,669)	-
<b>Gross profit on sales</b>	<b>14,272</b>	<b>23,949</b>	<b>10,350</b>	<b>-</b>	<b>48,571</b>
Selling costs	(2,391)	(4,368)	(3,457)	-	(10,216)
General and administrative expenses	(3,203)	(5,011)	(2,333)	-	(10,547)
<b>Net profit on sales</b>	<b>8,678</b>	<b>14,570</b>	<b>4,560</b>	<b>-</b>	<b>27,808</b>
Other operating activities	34	122	79	-	235
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>8,712</b>	<b>14,692</b>	<b>4,639</b>	<b>-</b>	<b>28,043</b>
<b>Goodwill as at 30 September 2021</b>	<b>44,833</b>	<b>45,658</b>	<b>43,100</b>	<b>-</b>	<b>133,591</b>

The financial results presented above have been converted at the average exchange rate for the period of 9 months ended 30 September 2021: EUR 1 = PLN 4.5585, whereas the financial position data have been converted at the exchange rate effective on 30 September 2021: EUR 1 = PLN 4.6329.

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

9 months ended 30 September 2021 (restated)	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Eliminations PLN'000	Total PLN'000
<b>Operating 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>93,984</b>	<b>37,799</b>	<b>-</b>	<b>185,797</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>53,665</b>	<b>14,765</b>	<b>-</b>	<b>100,306</b>
Other operating activities	(115)	463	290	-	638
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>31,761</b>	<b>54,128</b>	<b>15,055</b>	<b>-</b>	<b>100,944</b>
<b>Goodwill as at 31 December 2020 (restated)</b>	<b>207,063</b>	<b>183,077</b>	<b>179,695</b>	<b>-</b>	<b>569,835</b>

9 months ended 30 September 2021 (restated)	Banking Solutions EUR'000	Payment Solutions EUR'000	Dedicated Solutions EUR'000	Eliminations EUR'000	Total EUR'000
<b>Operating 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>21,158</b>	<b>8,508</b>	<b>-</b>	<b>41,826</b>
Selling costs	(2,112)	(3,947)	(3,009)	-	(9,068)
General and administrative expenses	(2,871)	(5,130)	(2,176)	-	(10,177)
<b>Net profit on sales</b>	<b>7,177</b>	<b>12,081</b>	<b>3,323</b>	<b>-</b>	<b>22,581</b>
Other operating activities	(26)	104	66	-	144
Share of profits of associates	-	-	-	-	-
<b>Operating profit</b>	<b>7,151</b>	<b>12,185</b>	<b>3,389</b>	<b>-</b>	<b>22,725</b>
<b>Goodwill as at 31 December 2020 (restated)</b>	<b>44,869</b>	<b>39,672</b>	<b>38,939</b>	<b>-</b>	<b>123,480</b>

The financial results presented above have been converted at the average exchange rate for 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 on 31 December 2020: EUR 1 = PLN 4.6148.



## 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 2021 and in the comparable period were as follows:

	3 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Operating revenues by type of products</b>				
Proprietary software and services	208,256	587,812	176,845	491,498
Third-party software and services	27,131	74,267	16,878	71,081
Hardware and infrastructure	28,933	127,982	33,755	129,244
<b>Total</b>	<b>264,320</b>	<b>790,061</b>	<b>227,478</b>	<b>691,823</b>

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

Operating revenues of individual segments from sales to external customers by type of products during the period of 9 months ended 30 September 2021 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. 2021</b>				
Proprietary software and services	160,307	288,812	138,693	<b>587,812</b>
Third-party software and services	2,983	2,704	68,580	<b>74,267</b>
Hardware and infrastructure	2,547	88,399	37,036	<b>127,982</b>
<b>Total operating revenues</b>	<b>165,837</b>	<b>379,915</b>	<b>244,309</b>	<b>790,061</b>

	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>

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

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Revenues from contracts with customers recognized in accordance with IFRS 15, of which:</b>	<b>722,061</b>	<b>619,231</b>
From goods and services transferred at a specific point in time	206,579	198,390
From goods and services transferred over the passage of time	515,482	420,841
<b>Other operating revenues (mainly from leases)</b>	<b>68,000</b>	<b>72,592</b>
<b>Total operating revenues</b>	<b>790,061</b>	<b>691,823</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 lease contracts and revenues generated therefrom are recognized in accordance with IFRS 16.

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

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Operating revenues by countries</b>		
Austria	16,197	17,401
Bosnia and Herzegovina	22,687	26,264
Bulgaria	7,694	10,464
Croatia	94,440	81,706
Montenegro	13,256	13,062
Czech Republic	12,192	13,237
Spain	102,804	71,359
Colombia	7,179	4,363
Kosovo	11,886	9,864
Macedonia	42,610	48,706
Peru	6,692	8,403
Poland	8,936	8,347
Portugal	10,042	9,398
Romania	99,770	81,889
Serbia	216,145	192,061
Slovakia	5,100	5,067
Slovenia	20,504	11,980
Turkey	66,597	53,665
Italy	7,511	9,458
Other countries	17,819	15,129
<b>Total operating revenues</b>	<b>790,061</b>	<b>691,823</b>

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

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

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Future minimum lease payments</b>		
(i) within 1 year	90,030	90,360
(ii) within 1 to 5 years	91,736	78,143
(iii) within more than 5 years	3,391	4,840
<b>Total</b>	<b>185,157</b>	<b>173,343</b>

## 5.2. Structure of operating costs

The table below presents operating costs incurred in the period of 9 months ended 30 September 2021 and in the comparable period.

Operating costs	3 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 (restated) PLN'000	9 months ended 30 Sept. 2020 (restated) PLN'000
Cost of goods, materials and third-party services sold (COGS)	(76,264)	(255,224)	(66,537)	(234,861)
Employee benefits	(95,261)	(278,547)	(81,225)	(233,999)
Third-party non-project services and outsourcing of employees	(10,894)	(30,170)	(8,228)	(23,050)
Depreciation and amortization	(19,511)	(57,414)	(19,867)	(58,606)
Maintenance costs of property and company cars	(9,664)	(27,460)	(8,783)	(24,055)
Business trips	(537)	(1,096)	(225)	(1,451)
Advertising	(1,134)	(2,625)	(721)	(2,201)
Other operating expenses	(4,163)	(10,762)	(4,979)	(13,294)
<b>Total</b>	<b>(217,428)</b>	<b>(663,298)</b>	<b>(190,565)</b>	<b>(591,517)</b>
Cost of sales	(185,182)	(567,754)	(160,704)	(505,813)
Selling costs	(15,558)	(46,568)	(13,514)	(40,282)
General and administrative expenses	(16,213)	(48,080)	(15,791)	(45,209)
Recognition (reversal) of allowances for trade receivables	(475)	(896)	(556)	(213)
<b>Total</b>	<b>(217,428)</b>	<b>(663,298)</b>	<b>(190,565)</b>	<b>(591,517)</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. 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, intangible assets, right-of-use assets, as well as in investment property:

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 (restated) PLN'000
Depreciation charges as disclosed in the table of changes in property, plant and equipment	(35,193)	(35,385)
Amortization charges as disclosed in the table of changes in intangible assets	(7,151)	(6,078)
Depreciation charges as disclosed in the table of changes in right-of-use assets	(15,044)	(17,118)
Depreciation charges on investment property	(26)	(25)
Reduction of amortization charges due to recognition of grants to internally generated licenses	-	-
<b>Total depreciation and amortization charges disclosed in the statement of profit and loss and in the statement of cash flows</b>	<b>(57,414)</b>	<b>(58,606)</b>

### 5.3. Other operating income and expenses

Other operating income and expenses in the period of 9 months ended 30 September 2021 and in the comparable period were as follows:

Other operating income	3 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000
Gain on disposal of property, plant and equipment, intangible assets and right-of-use assets	104	677	386	499
Income from letting of own office space	16	44	15	44
Reversal of a provision for the costs of court litigation relating to other operations	14	14	-	1
Other	203	876	100	1,042
<b>Total</b>	<b>337</b>	<b>1,611</b>	<b>501</b>	<b>1,586</b>

Other operating expenses	3 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000
Loss on disposal of property, plant and equipment	-	-	(49)	(58)
Charitable contributions to unrelated parties	(67)	(104)	(51)	(210)
Other	(70)	(436)	(338)	(680)
<b>Total</b>	<b>(137)</b>	<b>(540)</b>	<b>(438)</b>	<b>(948)</b>

### 5.4. Financial income and expenses

Financial income earned during the period of 9 months ended 30 September 2021 and in the comparable period was as follows:

Financial income	3 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000
Interest income on loans granted and bank deposits	599	1,891	156	894
Positive foreign currency translation differences	699	5,735	3,399	6,621
Gain on exercise and/or valuation of financial assets/liabilities carried at fair value through profit or loss	-	173	4	5
Gain on revaluation of conditional payments in transactions to obtain control	577	577	-	-
Other financial income	11	16	10	17
<b>Total financial income</b>	<b>1,886</b>	<b>8,392</b>	<b>3,569</b>	<b>7,537</b>

Financial expenses incurred during the period of 9 months ended 30 September 2021 and in the comparable period were as follows:

Financial expenses	3 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2020 PLN'000
Interest expenses on bank loans and borrowings	(232)	(718)	(354)	(1,170)
Interest expenses on leases	(431)	(1,267)	(510)	(1,706)
Other interest expenses	(524)	(953)	(129)	(214)
Negative foreign currency translation differences	-	(1,292)	(909)	(3,592)
Expenses related to obtaining control over subsidiaries	(332)	(446)	-	(7)
Loss on revaluation of conditional payments in transactions to obtain control	(25)	(1,890)	(1,724)	(2,475)
Loss on exercise and/or valuation of financial assets/liabilities carried at fair value through profit or loss	(404)	(503)	(49)	(443)
Other financial expenses	-	(41)	(49)	(91)
<b>Total financial expenses</b>	<b>(1,948)</b>	<b>(7,110)</b>	<b>(3,724)</b>	<b>(9,698)</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. 2021	9 months ended 30 Sept. 2021	3 months ended 30 Sept. 2020 (restated)	9 months ended 30 Sept. 2020 (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:	(8,962)	(24,578)	(6,465)	(18,067)
<i>Current portion of income tax</i>	<i>(9,040)</i>	<i>(26,048)</i>	<i>(6,634)</i>	<i>(20,196)</i>
<i>Adjustments to prior years' income tax</i>	<i>78</i>	<i>1,470</i>	<i>169</i>	<i>2,129</i>
Deferred income tax	744	1,414	1,088	1,841
<b>Income tax expense as disclosed in the statement of profit and loss</b>	<b>(8,218)</b>	<b>(23,164)</b>	<b>(5,377)</b>	<b>(16,226)</b>

During the period of 9 months ended 30 September 2021, our effective tax rate equalled 17.9% as compared with 16.4% 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. 2021	9 months ended 30 Sept. 2021	3 months ended 30 Sept. 2020 (restated)	9 months ended 30 Sept. 2020 (restated)
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)	37,734	102,576	31,229	81,641
<b>Consolidated earnings per share for the reporting period (in PLN)</b>	<b>0.73</b>	<b>1.98</b>	<b>0.60</b>	<b>1.57</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 10 June 2021 decided to pay out a dividend in the total amount of PLN 51,894 thousand or PLN 1.00 per share to all of the Company's shareholders.

The Company's Annual General Meeting established 24 June 2021 as the dividend record date. The dividend was paid out on 7 July 2021. The number of shares eligible for dividend was 51,894,251.

In 2020, the Parent Company paid out to its shareholders a dividend for the year 2019. 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.

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

### 6.1. Property, plant and equipment

Changes in the net book value of property, plant and equipment that took place during the period of 9 months ended 30 September 2021 and in the comparable period are presented below:

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Net book value of property, plant and equipment as at 1 January</b>	<b>143,171</b>	<b>147,061</b>
<b>Additions, of which:</b>	<b>25,189</b>	<b>30,599</b>
Purchases and modernization	18,432	25,349
Obtaining control over subsidiaries	582	2,250
Other	6,175	3,000
<b>Reductions, of which:</b>	<b>(36,534)</b>	<b>(38,525)</b>
Depreciation charges for the reporting period	(35,193)	(35,385)
Disposal and liquidation	(1,011)	(2,430)
Other	(330)	(710)
<b>Differences on foreign currency translation of subsidiaries</b>	<b>1,210</b>	<b>6,259</b>
<b>Net book value of property, plant and equipment as at 30 September</b>	<b>133,036</b>	<b>145,394</b>

As at 30 September 2021, tangible assets with a book value of PLN 7,983 thousand served as collateral for bank loans as well as for bank overdrafts and guarantee facilities.

As at 31 December 2020, tangible assets with a book value of PLN 8,087 thousand served as collateral for bank loans.

### 6.2. Intangible assets

Changes in the net book value of intangible assets that took place during the period of 9 months ended 30 September 2021 and in the comparable period are presented below:

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 (restated) PLN'000
<b>Net book value of intangible assets as at 1 January (restated)</b>	<b>30,101</b>	<b>23,978</b>
<b>Additions, of which:</b>	<b>7,644</b>	<b>10,543</b>
Purchases and modernization	4,850	2,129
Obtaining control over subsidiaries	2,672	7,576
Costs of development projects in progress	122	838
<b>Reductions, of which:</b>	<b>(7,151)</b>	<b>(7,723)</b>
Amortization charges for the reporting period	(7,151)	(6,078)
Disposal and liquidation	-	(271)
Other	-	(1,374)
<b>Differences on foreign currency translation of subsidiaries</b>	<b>437</b>	<b>1,061</b>
<b>Net book value of intangible assets as at 30 September</b>	<b>31,031</b>	<b>27,859</b>

Both as at 30 September 2021 and 31 December 2020, intangible assets did not serve as collateral for any bank loans.

### 6.3. Right-of-use assets

Changes in the net book value of right-of-use assets that took place during the period of 9 months ended 30 September 2021 and in the comparable period are presented below:

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Net book value of right-of-use assets as at 1 January</b>	<b>55,711</b>	<b>65,055</b>
<b>Additions, of which:</b>	<b>13,423</b>	<b>14,132</b>
Conclusion of new lease contracts	10,281	10,319
Modification of existing contracts	585	2,150
Obtaining control over subsidiaries	2,557	1,663
<b>Reductions, of which:</b>	<b>(18,500)</b>	<b>(19,244)</b>
Depreciation charges for the reporting period	(15,044)	(17,118)
Acquisition of right-of-use assets	(55)	-
Early termination of contracts	(1,124)	(2,075)
Modification of existing contracts (lease shortening, interest rate change)	(2,054)	(51)
Other	(223)	-
<b>Differences on foreign currency translation of subsidiaries</b>	<b>294</b>	<b>2,821</b>
<b>Net book value of right-of-use assets as at 30 September</b>	<b>50,928</b>	<b>62,764</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 2021 and in the comparable periods, in a breakdown to operating segments:

	9 months ended 30 Sept. 2021 PLN'000	6 months ended 30 June 2021 PLN'000	12 months ended 31 Dec. 2020 (restated) PLN'000	9 months ended 30 Sept. 2020 (restated) PLN'000
<b>Goodwill</b>				
<b>Goodwill at the beginning of the period (restated)</b>	<b>569,835</b>	<b>569,835</b>	<b>532,139</b>	<b>532,139</b>
Banking Solutions	207,063	207,063	194,903	194,903
Payment Solutions	183,077	183,077	165,893	165,893
Dedicated Solutions	179,695	179,695	171,343	171,343
<b>Change in consolidation goodwill due to the acquisition of shares (+/-)</b>	<b>47,435</b>	<b>9,607</b>	<b>13,898</b>	<b>12,696</b>
Banking Solutions	-	-	-	-
Payment Solutions	27,928	6,292	13,898	12,696
Dedicated Solutions	19,507	3,315	-	-
<b>Foreign currency translation differences (+/-)</b>	<b>1,646</b>	<b>(12,442)</b>	<b>23,798</b>	<b>16,252</b>
Banking Solutions	644	(4,020)	12,160	9,309
Payment Solutions	524	(4,216)	3,286	1,378
Dedicated Solutions	478	(4,206)	8,352	5,565
<b>Total goodwill</b>	<b>618,916</b>	<b>567,000</b>	<b>569,835</b>	<b>561,087</b>
Banking Solutions	207,707	203,043	207,063	204,212
Payment Solutions	211,529	185,153	183,077	179,967
Dedicated Solutions	199,680	178,804	179,695	176,908
<b>Total at the end of the period</b>	<b>618,916</b>	<b>567,000</b>	<b>569,835</b>	<b>561,087</b>

In the period of 9 months ended 30 September 2021, the balance of goodwill arising from consolidation was affected by the following transactions:

**i. Acquisition of shares in Things Solver d.o.o.**

On 7 October 2020, ASEE Serbia concluded a conditional agreement to acquire 53.76% of shares in the company Things Solver d.o.o. based in Belgrade. The Group obtained control over Things Solver d.o.o. on 8 January 2021 upon satisfying all the conditions precedent. The total purchase price amounted to EUR 979 thousand, of which EUR 879 thousand constituted a conditional payment depending on the financial results achieved by the acquired company. The first instalment of such conditional payment was paid in the first half of 2021.

Until 30 September 2021, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Things Solver may still be subject to change.

The provisional values of identifiable assets and liabilities of Things Solver d.o.o. as at the date of obtaining control are presented below (converted at the exchange rate of PLN/RSD effective as at the acquisition date):

	Provisional values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	177
Intangible assets	711
Trade receivables	1,198
Inventories	9
Cash and cash equivalents	538
Other assets	118
<b>Total assets</b>	<b>2,751</b>
<b>Liabilities acquired</b>	
Bank loans and borrowings	145
Trade payables	79
Liabilities to the state and local budgets	92
Provisions and accruals	7
Other liabilities	305
<b>Total liabilities</b>	<b>628</b>
<b>Net assets value</b>	<b>2,123</b>
<b>Equity interest acquired</b>	<b>53.76%</b>
<b>Value of non-controlling interests</b>	<b>982</b>
<b>Purchase price</b>	<b>4,456</b>
<b>Goodwill as at the acquisition date</b>	<b>3,315</b>

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

**ii. Acquisition of shares in Vebspot d.o.o.**

On 17 February 2021, Payten Macedonia (Skopje) acquired 100% of shares in the company Vebspot d.o.o. based in Skopje, for the total of EUR 1.5 million. The purchase price includes conditional payments in the amount of EUR 746 thousand depending on the financial results achieved by the acquired company.

Until 30 September 2021, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of Vebspot d.o.o. as at the date of obtaining control are presented below (converted at the exchange rate of PLN/MDK effective as at the acquisition date):

	Provisional values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	118
Intangible assets	280
Trade receivables	316
Receivables from the state and local budgets	13



Prepayments and accrued income	2
Cash and cash equivalents	253
Other assets	2
<b>Total assets</b>	<b>984</b>
<b>Liabilities acquired</b>	
Trade payables	8
Liabilities to the state and local budgets	43
Prepayments and accrued income	303
Other liabilities	184
<b>Total liabilities</b>	<b>538</b>
<b>Net assets value</b>	<b>446</b>
<b>Equity interest acquired</b>	<b>100%</b>
<b>Purchase price</b>	<b>6,738</b>
<b>Goodwill as at the acquisition date</b>	<b>6,292</b>

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

**iii. Allocation of the purchase price 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 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 to these interim condensed financial statements.

The purchase price allocation process was completed in the second quarter of 2021. The fair values of identifiable assets and liabilities of IPS company as at the date of obtaining control are presented below (converted at the exchange rate of PLN/HRK effective as at the acquisition date):

	Fair values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	59
Intangible assets	3,852
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>6,311</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
Deferred tax liabilities	683
Other liabilities	231
<b>Total liabilities</b>	<b>2,735</b>
<b>Net assets value</b>	<b>3,576</b>
<b>Equity interest acquired</b>	<b>76%</b>
<b>Value of non-controlling interests</b>	<b>858</b>
<b>Purchase price</b>	<b>8,221</b>
<b>Goodwill as at the acquisition date</b>	<b>5,503</b>

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

**iv. Allocation of the purchase price 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 constituted a conditional payment depending on future financial results achieved by the acquired company.

The purchase price allocation process was completed in the third quarter of 2021. The fair values of identifiable assets and liabilities of Gastrobit company as at the date of obtaining control are presented below (converted at the exchange rate of PLN/HRK effective as at the acquisition date):

	Fair values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	689
Intangible assets	3,773
Right-of-use assets	844
Trade receivables	236
Inventories	373
Cash and cash equivalents	813
Other assets	90
<b>Total assets</b>	<b>6,818</b>
<b>Liabilities acquired</b>	
Lease liabilities	860
Trade payables	8
Liabilities to the state and local budgets	415
Deferred tax liabilities	678
Other liabilities	325
<b>Total liabilities</b>	<b>2,286</b>
<b>Net assets value</b>	<b>4,532</b>
<b>Equity interest acquired</b>	<b>100%</b>
<b>Value of non-controlling interests</b>	<b>-</b>
<b>Purchase price</b>	<b>11,239</b>
<b>Goodwill as at the acquisition date</b>	<b>6,707</b>

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

**v. Acquisition of shares in ContentSpeed s.r.l., Bucharest**

On 22 July 2021, Payten Payment Solutions s.r.l. (Bucharest) acquired 80% of shares in ContentSpeed s.r.l., a company based in Bucharest (Romania), for the total of EUR 2.4 million. The purchase price includes conditional payments in the amount of EUR 1.2 million depending on the financial results achieved by the acquired company. All non-controlling interests are subject to put/call options and accounted for using the expected purchase method. As at 30 September 2021, the value of put options is measured at purchase price amounting to EUR 1.5 million, while the carrying amount of non-controlling interests stands at 0.

Until 30 September 2021, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of ContentSpeed s.r.l. as at the date of obtaining control are presented below (converted at the exchange rate of PLN/RON effective as at the acquisition date):

	Provisional values as at the acquisition date PLN'000
<b>Assets acquired</b>	
Property, plant and equipment	164
Intangible assets	578
Right-of-use assets	823
Trade receivables	1,019
Receivables from the state and local budgets	92
Inventories	2
Cash and cash equivalents	117
Other assets	189

<b>Total assets</b>	<b>2,984</b>
<b>Liabilities acquired</b>	
Lease liabilities	407
Trade payables	795
Liabilities to the state and local budgets	72
Deferred tax liabilities	160
Other liabilities	1,263
<b>Total liabilities</b>	<b>2,697</b>
<b>Net assets value</b>	<b>287</b>
<b>Equity interest acquired</b>	<b>100%*</b>
<b>Value of non-controlling interests</b>	<b>-</b>
<b>Purchase price</b>	<b>21,923</b>
<b>Goodwill as at the acquisition date</b>	<b>21,636</b>

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

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

**vi. Acquisition of shares in IT SISTEMI-NOVE TEHNOLOGIJE d.o.o., Split**

On 28 July 2021, Asseco SEE d.o.o., (Zagreb) signed an agreement to acquire 100% of shares in IT SISTEMI-NOVE TEHNOLOGIJE d.o.o., a company based in Split (Croatia), for the total amount of EUR 6 million. The Group obtained control over IT Sistemi d.o.o. on 8 September 2021 upon satisfying all the conditions precedent. IT Sistemi holds 100% of shares in the company Evision Informacijski Sustavi d.o.o.

Until 30 September 2021, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on this acquisition may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of IT Sistemi Group as at the date of obtaining control are presented below (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	120
Intangible assets	1,094
Right-of-use assets	1,731
Trade receivables	2,884
Receivables from the state and local budgets	308
Financial assets	103
Cash and cash equivalents	10,495
Other assets	888
<b>Total assets</b>	<b>17,623</b>
<b>Liabilities acquired</b>	
Lease liabilities	1,765
Trade payables	259
Liabilities to the state and local budgets	458
Other liabilities	4,190
<b>Total liabilities</b>	<b>6,672</b>
<b>Net assets value</b>	<b>10,951</b>
<b>Equity interest acquired</b>	<b>100%</b>
<b>Value of non-controlling interests</b>	<b>-</b>
<b>Purchase price</b>	<b>27,143</b>
<b>Goodwill as at the acquisition date</b>	<b>16,192</b>

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

**6.5. Other financial assets**

As at 30 September 2021, 30 June 2021, 31 December 2020 and 30 September 2020, 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. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term

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	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
<b>Financial assets carried at fair value through profit or loss, of which:</b>								
Currency forward contracts	-	-	-	2	-	-	-	-
Other assets	-	2	-	2	-	2	1	4
	-	2	-	4	-	2	1	4
<b>Financial assets carried at fair value through other comprehensive income, of which:</b>								
Shares in companies quoted in an active market	21	26	55	25	53	26	49	26
Shares in companies not quoted in an active market	22	-	21	-	21	-	21	-
	43	26	76	25	74	26	70	26
<b>Financial assets carried at amortized cost, of which:</b>								
Loans granted, of which:	433	213	316	216	315	12	-	9
<i>granted to related parties</i>	331	-	316	-	315	-	-	-
<i>granted to employees</i>	102	209	-	209	-	8	-	5
<i>granted to other entities</i>	-	4	-	7	-	4	-	4
Cash deposits	-	8	-	8	4,776	8	4,769	8
	433	221	316	224	5,091	20	4,769	17
<b>Total</b>	<b>476</b>	<b>249</b>	<b>392</b>	<b>253</b>	<b>5,165</b>	<b>48</b>	<b>4,840</b>	<b>47</b>

The line of 'Financial assets carried at amortized cost – long-term cash deposits' as at 31 December 2020 includes bank deposits with an original maturity of more than 3 months held by ASEE Macedonia. These cash deposits served as collateral for a bank guarantee used under an IT project 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 2021, the Group did not change its methods for measuring the fair value of financial instruments carried at fair value nor did it transfer any instruments between individual levels of the fair value hierarchy.

As at 30 September 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020, the fair values of financial assets were not significantly different from their book values.

As at 30 September 2021	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	2	-	-	2
<b>Total</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies quoted in an active market	47	47	-	-
Shares in companies not listed on regulated markets	22	-	-	22
<b>Total</b>	<b>69</b>	<b>47</b>	<b>-</b>	<b>22</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 2021	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	2	-	2	-
Other assets	2	-	-	2
<b>Total</b>	<b>4</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies quoted in an active market	80	80	-	-
Shares in companies not listed on regulated markets	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.

As at 31 December 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	2	-	-	2
<b>Total</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>2</b>
<b>Financial assets carried at fair value through other comprehensive income</b>				
Shares in companies quoted in an active market	79	79	-	-
Shares in companies not listed on regulated markets	21	-	-	21
<b>Total</b>	<b>100</b>	<b>79</b>	<b>-</b>	<b>21</b>

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

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>

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 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020, prepayments and accrued income included the following items:

	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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:	3,300	33,477	3,780	29,887	6,142	27,240	140	21,572
<i>maintenance services and license fees</i>	3,275	28,216	3,780	24,192	6,141	24,039	137	18,030
<i>insurances</i>	-	1,635	-	2,093	-	955	3	1,219
<i>rents and averaged instalments under operating leases</i>	-	401	-	285	-	207	-	249
<i>prepaid consulting services</i>	-	82	-	103	-	46	-	153
<i>other services</i>	25	3,143	-	3,214	1	1,993	-	1,921
Expenses related to services performed for which revenues have not been recognized yet	-	2,423	-	2,411	-	2,552	-	253
Other prepayments and accrued income	67	694	-	1,129	-	1,199	-	1,331
<b>Total</b>	<b>3,367</b>	<b>36,594</b>	<b>3,780</b>	<b>33,427</b>	<b>6,142</b>	<b>30,991</b>	<b>140</b>	<b>23,156</b>

## 6.7. Receivables and contract assets

The table below presents the amounts of receivables as at 30 September 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020.

	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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 receivables, of which:</b>	-	<b>127,338</b>	-	<b>138,465</b>	-	<b>207,672</b>	-	<b>109,108</b>
Trade receivables:	-	<b>127,002</b>	-	<b>136,958</b>	-	<b>205,436</b>	-	<b>107,304</b>
from related parties	-	397	-	723	-	1,742	-	270
from other entities	-	126,605	-	136,235	-	203,694	-	107,034
Receivables from operating leases	-	<b>8,063</b>	-	<b>8,396</b>	-	<b>8,609</b>	-	<b>8,515</b>
Allowances for trade receivables	-	<b>(7,727)</b>	-	<b>(6,889)</b>	-	<b>(6,373)</b>	-	<b>(6,711)</b>
<b>Corporate income tax receivable</b>	-	<b>1,952</b>	-	<b>1,392</b>	-	<b>2,105</b>	-	<b>1,234</b>
<b>Receivables from the state and local budgets</b>	-	<b>4,503</b>	-	<b>3,715</b>	-	<b>5,100</b>	-	<b>3,333</b>
Value added tax	-	2,374	-	1,946	-	3,350	-	1,703
Other	-	2,129	-	1,769	-	1,750	-	1,630
<b>Other receivables</b>	<b>662</b>	<b>10,845</b>	<b>774</b>	<b>5,619</b>	<b>821</b>	<b>3,970</b>	<b>923</b>	<b>4,215</b>
Security deposits receivable	662	1,297	774	1,210	819	1,272	921	2,081
Other receivables	-	9,634	-	4,495	2	2,784	2	2,220
Allowances for other doubtful receivables (-)	-	(86)	-	(86)	-	(86)	-	(86)
<b>Total receivables</b>	<b>662</b>	<b>144,638</b>	<b>774</b>	<b>149,191</b>	<b>821</b>	<b>218,847</b>	<b>923</b>	<b>117,890</b>

The table below presents receivables from contracts with customers as at 30 September 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020.

	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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>Contract assets</b>								
<b>Uninvoiced receivables</b>	-	<b>26,490</b>	-	<b>25,049</b>	-	<b>11,938</b>	-	<b>33,622</b>
from related parties	-	206	-	176	-	497	-	1,091
from other entities	-	26,284	-	24,873	-	11,441	-	32,531
<b>Receivables from valuation of IT contracts</b>	-	<b>31,672</b>	-	<b>27,200</b>	-	<b>17,687</b>	-	<b>33,517</b>
from related parties	-	676	-	319	-	238	-	854
from other entities	-	30,996	-	26,881	-	17,449	-	32,663
<b>Total contract assets</b>	-	<b>58,162</b>	-	<b>52,249</b>	-	<b>29,625</b>	-	<b>67,139</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 2021 and in the comparable period are presented in the table below:

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Allowances for trade receivables</b>		
<b>As at 1 January</b>	<b>(6,373)</b>	<b>(6,026)</b>
Recognized during the reporting period	(3,481)	(3,665)
Utilized during the reporting period	280	2
Reversed during the reporting period	2,152	3,450
Obtaining control over subsidiaries	(470)	(414)
Foreign currency translation differences	165	(58)

<b>Allowances as at 30 September</b>	<b>(7,727)</b>	<b>(6,711)</b>
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## 6.8. Inventories

The table below presents inventories as at 30 September 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020:

<b>Inventories</b>	<b>30 Sept. 2021</b>	<b>30 June 2021</b>	<b>31 Dec. 2020</b>	<b>30 Sept. 2020</b>
	<b>PLN'000</b>	<b>PLN'000</b>	<b>PLN'000</b>	<b>PLN'000</b>
Computer hardware, third-party software licenses and other goods for resale	37,566	36,477	32,696	30,223
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	12,377	13,086	12,581	13,027
Impairment losses on inventories	(17,012)	(17,655)	(17,365)	(16,732)
<b>Total</b>	<b>32,931</b>	<b>31,908</b>	<b>27,912</b>	<b>26,518</b>

Changes in the amount of impairment losses on inventories during the period of 9 months ended 30 September 2021 and in the comparable period are presented in the table below:

<b>Impairment losses on inventories</b>	<b>9 months ended 30 Sept. 2021 PLN'000</b>	<b>9 months ended 30 Sept. 2020 PLN'000</b>
<b>As at 1 January</b>	<b>(17,365)</b>	<b>(13,991)</b>
Recognized during the reporting period	(3,327)	(2,752)
Utilized during the reporting period	1,240	753
Reversed during the reporting period	2,641	1,741
Obtaining of control over subsidiaries	(10)	(1,695)
Foreign currency translation differences	(191)	(788)
<b>Impairment losses as at 30 September</b>	<b>(17,012)</b>	<b>(16,732)</b>

## 6.9. Cash and cash equivalents

The table below presents cash and cash equivalents as at 30 September 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020:

	<b>30 Sept. 2021</b>	<b>30 June 2021</b>	<b>31 Dec. 2020</b>	<b>30 Sept. 2020</b>
	<b>PLN'000</b>	<b>PLN'000</b>	<b>PLN'000</b>	<b>PLN'000</b>
Cash at bank and on hand	188,763	212,664	180,779	146,328
Cash at split payment accounts	-	119	276	184
Short-term bank deposits (up to 3 months)	38,229	51,075	67,956	33,635
Cash in transit and other cash equivalents	23	73	17	81
<b>Total cash and cash equivalents as disclosed in the statement of financial position</b>	<b>227,015</b>	<b>263,931</b>	<b>249,028</b>	<b>180,228</b>
Interest accrued on cash and cash equivalents	-	(2)	(76)	(40)
Bank overdraft facilities utilized for current liquidity management	(146)	(81)	(92)	(3,078)
<b>Total cash and cash equivalents as disclosed in the cash flow statement</b>	<b>226,869</b>	<b>263,848</b>	<b>248,860</b>	<b>177,110</b>

## 6.10. Lease liabilities

As at 30 September 2021, the Group was a lessee under lease contracts. Assets leased under such contracts included:

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

The table below presents the amounts of lease liabilities as at 30 September 2021, as well as at 30 June 2021, 31 December 2020, and 30 September 2020.

Financial liabilities	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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	29,036	14,567	29,648	14,391	32,453	13,319	35,512	14,701
Leases of transportation vehicles	4,634	3,071	5,235	3,045	5,149	3,595	5,166	3,590
Leases of IT hardware	1,032	1,713	1,372	1,799	2,245	2,081	2,757	2,763
	<b>34,702</b>	<b>19,351</b>	<b>36,255</b>	<b>19,235</b>	<b>39,847</b>	<b>18,995</b>	<b>43,435</b>	<b>21,054</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 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020.

	Curren- cy	Repayment date	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
			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>Bank overdraft facilities</b>			-	<b>146</b>	-	<b>81</b>	-	<b>92</b>	-	<b>3,078</b>
<i>fixed interest rate</i>	<i>MKD</i>	<i>30.09.2021</i>	-	21	-	13	-	20	-	21
<i>fixed interest rate</i>	<i>EUR</i>	<i>10.10.2021</i>	-	81	-	35	-	26	-	52
<i>fixed interest rate</i>	<i>TRY</i>	<i>09.10.2021</i>	-	36	-	19	-	37	-	15
<i>fixed interest rate</i>	<i>COP</i>	<i>04.10.2021</i>	-	8	-	14	-	9	-	179
<i>fixed interest rate</i>	<i>EUR</i>	<i>26.10.2020</i>	-	-	-	-	-	-	-	2,811
<b>Other bank loans</b>			<b>24,859</b>	<b>22,344</b>	<b>21,424</b>	<b>21,047</b>	<b>29,139</b>	<b>28,097</b>	<b>34,187</b>	<b>29,594</b>
<i>1M EURIBOR + margin</i>	<i>EUR</i>	<i>31.07.2023</i>	3,971	5,830	5,167	6,428	8,178	7,802	9,578	8,763
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>30.06.2024</i>	6,195	3,097	6,586	3,293	8,388	3,355	9,053	3,292
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>31.12.2022</i>	408	1,071	497	1,390	982	1,820	1,409	1,785
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>21.09.2022</i>	-	-	79	316	1,208	805	317	317
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>05.06.2023</i>	-	-	803	803	238	317	1,409	805
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>31.12.2021</i>	-	-	-	570	-	-	-	-
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>29.07.2026</i>	6,949	-	-	-	-	-	-	-
<i>6M EURIBOR + margin</i>	<i>EUR</i>	<i>01.03.2022</i>	-	141	-	206	-	-	-	-
<i>6M EURIBOR + margin</i>	<i>EUR</i>	<i>05.02.2024</i>	683	43	665	113	-	-	-	-
<i>6M EURIBOR + margin</i>	<i>EUR</i>	<i>08.07.2026</i>	1,911	363	1,865	354	-	928	-	5
<i>1Y EURIBOR + margin</i>	<i>EUR</i>	<i>30.06.2022</i>	-	17	-	22	12	23	17	22
<i>ROBOR + margin</i>	<i>RON</i>	<i>29.04.2022</i>	-	422	-	-	-	-	-	-
<i>fixed interest rate</i>	<i>EUR</i>	<i>31.03.2021</i>	-	-	-	-	-	246	-	483
<i>fixed interest rate</i>	<i>EUR</i>	<i>14.09.2022</i>	-	4,642	-	-	-	-	-	-
<i>fixed interest rate</i>	<i>EUR</i>	<i>28.06.2021</i>	-	-	-	-	-	905	-	1,358
<i>fixed interest rate</i>	<i>EUR</i>	<i>04.06.2021</i>	-	-	-	-	-	1,509	-	1,509
<i>fixed interest rate</i>	<i>EUR</i>	<i>03.06.2022</i>	-	2,079	-	2,709	1,358	2,716	2,037	2,716
<i>fixed interest rate</i>	<i>EUR</i>	<i>02.07.2021</i>	-	-	-	251	-	1,760	-	3,269
<i>fixed interest rate</i>	<i>EUR</i>	<i>28.08.2021</i>	-	-	-	60	-	241	-	332
<i>fixed interest rate</i>	<i>EUR</i>	<i>30.06.2024</i>	3,040	1,737	3,391	1,695	4,326	1,731	4,668	1,698
<i>fixed interest rate</i>	<i>EUR</i>	<i>30.09.2023</i>	52	56	63	55	-	-	-	-
<i>fixed interest rate</i>	<i>EUR</i>	<i>31.12.2021</i>	-	-	-	-	-	582	-	571
<i>fixed interest rate</i>	<i>EUR</i>	<i>01.03.2022</i>	-	-	-	-	69	276	341	68
<i>fixed interest rate</i>	<i>EUR</i>	<i>05.02.2024</i>	-	-	-	-	667	229	941	37
<i>fixed interest rate</i>	<i>EUR</i>	<i>30.09.2023</i>	1,618	2,773	2,257	2,709	3,621	2,715	4,300	2,489
<i>fixed interest rate</i>	<i>PEN</i>	<i>13.02.2023</i>	32	73	51	73	92	73	117	75
<i>fixed interest rate</i>	<i>TRY</i>	<i>01.04.2021</i>	-	-	-	-	-	64	-	-
<b>Loans</b>			-	-	-	-	-	<b>1,956</b>	-	<b>1,919</b>
<i>3M EURIBOR + margin</i>	<i>EUR</i>	<i>30.06.2021</i>	-	-	-	-	-	1,956	-	1,919
<b>Total</b>			<b>24,859</b>	<b>22,490</b>	<b>21,424</b>	<b>21,128</b>	<b>29,139</b>	<b>30,145</b>	<b>34,187</b>	<b>34,591</b>



The Group's total debt amounted to PLN 47,349 thousand as at 30 September 2021, as compared with PLN 59,284 thousand as at 31 December 2020. 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 2021 amounted to PLN 13,284 thousand (proceeds) and PLN 26,281 thousand (repayments).

As at 30 September 2021, tangible assets with a book value of PLN 7,983 thousand and trade receivables in the amount of PLN 4,227 thousand served as collateral for bank loans as well as for bank overdrafts and guarantee facilities. As at 30 September 2021, liabilities that were secured with such assets amounted to PLN 143 thousand.

As at 31 December 2020, tangible assets with a book value of PLN 8,087 thousand and trade receivables in the amount of PLN 4,013 thousand served as collateral for bank loans and bank guarantee facilities. As at 31 December 2020, liabilities that were secured with such assets amounted to PLN 2,602 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 2021 and 31 December 2020, ASEE Group companies did not infringe on any covenants defined in their loan agreements.

#### Fair value of financial liabilities

In the period of 9 months ended 30 September 2021, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy.

As at 30 September 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020, 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. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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	-	-	-	51,989	-	-	-	-
Liabilities under deferred and/or conditional payments for controlling interests	5,759	6,601	624	22,723	4,006	21,114	13,316	13,696
Liabilities from the acquisition of non-controlling interests in subsidiaries (put options)	9,254	11,092	2,278	10,824	21,874	-	21,256	-
Currency forward contracts	251	82	28	2	5	74	13	-
Other financial liabilities	-	-	-	-	-	2	-	-
	<b>15,264</b>	<b>17,775</b>	<b>2,930</b>	<b>85,538</b>	<b>25,885</b>	<b>21,190</b>	<b>34,585</b>	<b>13,696</b>

As at 30 September 2021, ASEE Group recognized liabilities amounting to PLN 11,092 thousand under put options that were granted to non-controlling shareholders of Necomplus company, liabilities amounting to PLN 2,335 thousand under put options that were granted to non-controlling shareholders of IPS company, as well as liabilities amounting to PLN 6,919 thousand under put options that were granted to non-controlling shareholders of ContentSpeed 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 and ContentSpeed additionally adjusted for net cash held.

Short-term liabilities arising from conditional payments for controlling interests are related to the acquisition of shares in IPS company (PLN 4,192 thousand), in Vebspot company (PLN 644 thousand), and in Things Solver company (PLN 1,765 thousand). Whereas, such long-term liabilities are related to the acquisition of shares in Vebspot company (PLN 660 thousand) and in ContentSpeed company (PLN 5,099 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 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020, the fair values of financial liabilities were not significantly different from their book values.

As at 30 September 2021	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	12,360	-	-	12,360
Liabilities from the acquisition of minority interests in subsidiaries (put options)	20,346	-	-	20,346
Currency forward contracts	333	-	333	-
<b>Total</b>	<b>33,039</b>	<b>-</b>	<b>333</b>	<b>32,706</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 2021	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	51,989	-	-	51,989
Liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	23,347	-	-	23,347
Liabilities from the acquisition of minority interests in subsidiaries (put options)	13,102	-	-	13,102
Currency forward contracts	30	-	30	-
<b>Total</b>	<b>88,468</b>	<b>-</b>	<b>30</b>	<b>88,438</b>

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

As at 31 December 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	25,120	-	-	25,120
Liabilities from the acquisition of minority interests in subsidiaries (put options)	21,874	-	-	21,874
Currency forward contracts	79	-	79	-
Other financial liabilities	2	-	-	2
<b>Total</b>	<b>47,075</b>	<b>-</b>	<b>79</b>	<b>46,996</b>

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

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	-
<b>Total</b>	<b>48,281</b>	<b>-</b>	<b>13</b>	<b>48,268</b>

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

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

The table below presents the Group's liabilities outstanding as at 30 September 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020:

	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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>70,299</b>	-	<b>73,968</b>	-	<b>111,830</b>	-	<b>48,567</b>
Trade payables	-	<b>58,717</b>	-	<b>60,981</b>	-	<b>102,484</b>	-	<b>39,806</b>
from related parties	-	517	-	231	-	325	-	173
from other entities	-	58,200	-	60,750	-	102,159	-	39,633
<b>Uninvoiced payables</b>	-	<b>11,582</b>	-	<b>12,987</b>	-	<b>9,346</b>	-	<b>8,761</b>
from related parties	-	57	-	78	-	62	-	-
from other entities	-	11,525	-	12,909	-	9,284	-	8,761
<b>Corporate income tax payable</b>	-	<b>6,852</b>	-	<b>5,174</b>	-	<b>7,986</b>	-	<b>6,626</b>
<b>Liabilities to the state and local budgets</b>	-	<b>21,823</b>	-	<b>22,022</b>	-	<b>35,062</b>	-	<b>22,240</b>
Value added tax (VAT)	-	11,034	-	11,860	-	19,615	-	8,864
Personal income tax (PIT)	-	1,916	-	2,055	-	4,479	-	2,914
Social insurance	-	8,499	-	7,576	-	10,349	-	9,671
Withholding income tax	-	127	-	151	-	148	-	129
Other	-	247	-	380	-	471	-	662
<b>Other liabilities</b>	<b>3,519</b>	<b>20,574</b>	<b>4,671</b>	<b>17,144</b>	<b>4,087</b>	<b>27,184</b>	<b>540</b>	<b>11,474</b>
Liabilities to employees (including salaries payable)	-	8,482	-	8,840	-	19,796	-	6,755
Liabilities from purchases of tangible assets and intangible assets	2,409	2,762	2,813	2,622	4,034	3,940	492	2,231
Other liabilities	1,110	9,330	1,858	5,682	53	3,448	48	2,488
<b>Total</b>	<b>3,519</b>	<b>119,548</b>	<b>4,671</b>	<b>118,308</b>	<b>4,087</b>	<b>182,062</b>	<b>540</b>	<b>88,907</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 2021, 30 June 2021, 31 December 2020 and 30 September 2020, the Group's liabilities from contracts with customers resulted from obligations listed in the table below.

	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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>9,425</b>	-	<b>12,739</b>	-	<b>23,134</b>	-	<b>9,759</b>
From related parties	-	-	-	-	-	-	-	-
From other entities	-	9,425	-	12,739	-	23,134	-	9,759
<b>Deferred income from IT projects, of which:</b>	<b>7,085</b>	<b>54,774</b>	<b>8,046</b>	<b>45,022</b>	<b>9,402</b>	<b>50,953</b>	<b>994</b>	<b>50,125</b>
Maintenance services	3,277	41,655	3,541	35,922	2,388	38,041	994	32,150
License fees	3,808	3,165	4,505	2,238	7,014	2,080	-	466
Prepaid implementation services	-	1,127	-	686	-	1,613	-	994
Obligations to supply hardware	-	8,790	-	6,150	-	9,219	-	16,469
Other prepaid services	-	37	-	26	-	-	-	46
<b>Total contract liabilities</b>	<b>7,085</b>	<b>64,199</b>	<b>8,046</b>	<b>57,761</b>	<b>9,402</b>	<b>74,087</b>	<b>994</b>	<b>59,884</b>

## 6.15. Provisions

Changes in the amount of provisions during the period of 9 months ended 30 September 2021 and in the comparable period are presented in the table below:

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>As at 1 January</b>	<b>5,523</b>	<b>4,860</b>
Obtaining control over subsidiaries	-	-
Provisions created during the reporting period	1,762	2,944
Provisions utilized/reversed during the reporting period	(1,106)	(1,480)
Differences on foreign currency translation of subsidiaries	(64)	(86)
<b>As at the end of the reporting period, of which:</b>	<b>6,115</b>	<b>6,238</b>
<b>Short-term</b>	<b>3,798</b>	<b>4,382</b>
<b>Long-term</b>	<b>2,317</b>	<b>1,856</b>

## 6.16. Accruals

	30 Sept. 2021		30 June 2021		31 Dec. 2020		30 Sept. 2020	
	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	-	5,958	-	6,763	-	4,719	-	4,456
Accrual for employee and management bonuses	-	37,183	-	27,448	-	20,032	-	27,500
	-	<b>43,141</b>	-	<b>34,211</b>	-	<b>24,751</b>	-	<b>31,956</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. 2021/ 31 Dec. 2020 PLN'000	Trade payables and other liabilities 30 Sept. 2021/ 31 Dec. 2020 PLN'000	Lease liabilities 30 Sept. 2021/ 31 Dec. 2020 PLN'000
<b>Transactions with Asseco Poland</b>					
2021	20	263	50	-	-
2020	48	180	53	17	-
<b>Transactions with entities of Asseco Poland Group</b>					
2021	1,513	280	1,276	29	-
2020	2,582	40	2,472	294	-
<b>Transactions with associates</b>					
2021	-	-	-	-	-
2020	-	-	-	-	-
<b>Transactions with entities or individuals related through the Group's Key Management Personnel</b>					
2021	-	952	-	168	16,566
2020	-	954	-	90	11,851
<b>Transactions with Members of Management Board and Supervisory Board of ASEE S.A. and companies of ASEE Group</b>					
2021	-	10	3	396	69
2020	-	31	2	-	109

As at 30 September 2021, total receivables from related parties comprised trade receivables amounting to PLN 397 thousand, contract assets amounting to PLN 882 thousand, and other receivables amounting to PLN 50 thousand. As at 31 December 2020, total receivables from related parties comprised trade receivables amounting to PLN 1,742 thousand, contract assets amounting to PLN 735 thousand, and other receivables amounting to PLN 50 thousand.

As at 30 September 2021, total liabilities to related parties comprised trade payables amounting to PLN 574 thousand, and other liabilities amounting to PLN 19 thousand. As at 31 December 2020, total liabilities to related parties comprised trade payables amounting to PLN 387 thousand, and other liabilities amounting to PLN 14 thousand.

Loans granted to related parties disclosed as at 30 September 2021 include a loan in the amount of PLN 331 thousand that granted to Member of the Management Board of a subsidiary company.

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 16,635 thousand as at 30 September 2021.

Furthermore, Asseco International a.s., our parent company, received dividends from ASEE S.A. in the gross amount of PLN 26,495 thousand.

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

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.

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

<sup>2</sup> Miljan Mališ, Member of the Management Board of ASEE S.A., is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A. As at 30 September 2021, Mini Invest d.o.o. held 353,336 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 2021, the amount of cash flows from investing activities was affected primarily by:

- acquisitions of property, plant and equipment (PLN 20,261 thousand), intangible assets (PLN 6,763 thousand), and expenditures for development projects (PLN 122 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	(4,932)	-
Things Solver	(3,006)	535
Vebspot	(5,718)	328
IT Sistemi	(10,205)	10,523
ContentSpeed	(27,216)	117
Mobven	(11,466)	-
Gastrobit	(5,040)	-
<b>Total</b>	<b>(67,583)</b>	<b>11,503</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 2021</b>	<b>59,192</b>	<b>58,842</b>	<b>-</b>	<b>118,034</b>
<b>Changes arising from cash flow</b>	<b>(13,660)</b>	<b>(16,105)</b>	<b>(52,384)</b>	<b>(82,149)</b>
Inflows	13,284	-	-	13,284
Outflows	(26,281)	(14,838)	(52,384)	(93,503)
Interest paid	(663)	(1,267)	-	(1,930)
<b>Non-cash changes</b>	<b>1,233</b>	<b>11,056</b>	<b>52,384</b>	<b>64,673</b>
Interest accrued	718	1,267	-	1,985
Non-cash increase in liabilities	-	10,867	52,384	63,251
Non-cash decrease in liabilities	-	(3,232)	-	(3,232)
Obtaining control over subsidiaries	552	2,560	-	3,112
Foreign currency translation differences recognized in financial income/expenses	(37)	(406)	-	(443)
<b>Differences on foreign currency translation of subsidiaries</b>	<b>439</b>	<b>260</b>	<b>-</b>	<b>699</b>
<b>As at 30 September 2021</b>	<b>47,204</b>	<b>54,053</b>	<b>-</b>	<b>101,257</b>

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, as presented in the interim condensed consolidated statement of cash flows for the period of 9 months ended 30 September 2021, represent payments to the minority shareholders of eMon and ChipCard companies (and of eMon, ChipCard and IPS companies in the comparable period).

## VIII. Other explanatory notes

### 8.1. Off-balance-sheet liabilities

Within its commercial activities ASEE Group uses bank guarantees as well as contract performance guarantees as forms of securing its business transactions with miscellaneous organizations, companies and administration bodies.

As at 30 September 2021, the related contingent liabilities amounted to PLN 37,198 thousand, as compared with PLN 32,150 thousand as at 30 June 2021, PLN 54,491 thousand as at 31 December 2020, and PLN 54,773 thousand as at 30 September 2020.

Assets serving as collateral for bank guarantee facilities:

Category of assets	Net value of assets				Amount of granted guarantee secured with assets			
	30 Sept.	30 June	31 Dec.	30 Sept.	30 Sept.	30 June	31 Dec.	30 Sept.
	2021	2021	2020	2020	2021	2021	2020	2020
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Financial assets	-	-	4,776	4,769	-	-	12,218	12,202
Trade receivables	3,266	3,199	3,205	1,555	4,026	3,657	2,371	1,842
Other receivables	298	289	287	286	298	289	287	286
Total	3,564	3,488	8,268	6,610	4,324	3,946	14,876	14,329

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 2021.

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 2021, as well as at 30 June 2021, 31 December 2020 and 30 September 2020, the above-mentioned contracts resulted in the following off-balance-sheet liabilities to make future payments:

	30 Sept. 2021 PLN'000	30 June 2021 PLN'000	31 Dec. 2020 PLN'000	30 Sept. 2020 PLN'000
<b><i>Liabilities from rental of space</i></b>				
In the period up to 1 year	3,641	3,476	2,862	1,241
In the period from 1 to 5 years	24	3	5,361	38
Over 5 years	-	-	-	-
	<b>3,665</b>	<b>3,479</b>	<b>8,223</b>	<b>1,279</b>
<b><i>Liabilities under operating leases of equipment</i></b>				
In the period up to 1 year	425	491	1,040	473
In the period from 1 to 5 years	-	-	-	-
Over 5 years	-	-	-	-
	<b>425</b>	<b>491</b>	<b>1,040</b>	<b>473</b>

The said contracts meet the definition of a lease under IFRS 16. Off-balance-sheet liabilities disclosed as at 30 September 2021 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. 2021	30 June 2021	31 Dec. 2020	30 Sept. 2020
Management Board of the Parent Company	4	4	4	4
Management Boards of the Group companies	58	54	46	50
Production departments	2,653	2,484	2,470	2,386
Sales departments	219	212	201	193
Administration departments	286	268	257	252
<b>Total</b>	<b>3,220</b>	<b>3,022</b>	<b>2,978</b>	<b>2,885</b>

Number of employees in the Group companies as at:	30 Sept. 2021	30 June 2021	31 Dec. 2020	30 Sept. 2020
ASEE S.A.	28	28	29	28
ASEE B&H	85	85	82	78
ASEE Bulgaria	18	21	17	17
ASEE Croatia Group	320	223	218	213
ASEE Macedonia	230	225	228	220
ASEE Kosovo Group	79	79	76	77
ASEE Romania Group	128	130	136	141
ASEE Serbia Group	527	525	488	483
ASEE Turkey	87	91	90	87
Payten B&H Group	70	67	70	64
Payten Croatia Group	182	179	180	181
Payten Montenegro Group	19	20	18	18
Payten Macedonia Group	52	53	31	30
Payten Serbia Group	180	178	178	170
Payten Slovenia	29	29	31	31
Payten Romania Group	66	40	47	49
Payten Turkey Group	249	233	217	195
Necomplus Group	785	726	751	713
Sonet Group	86	90	91	90
<b>Total</b>	<b>3,220</b>	<b>3,022</b>	<b>2,978</b>	<b>2,885</b>

## 8.4. Significant events after the reporting period

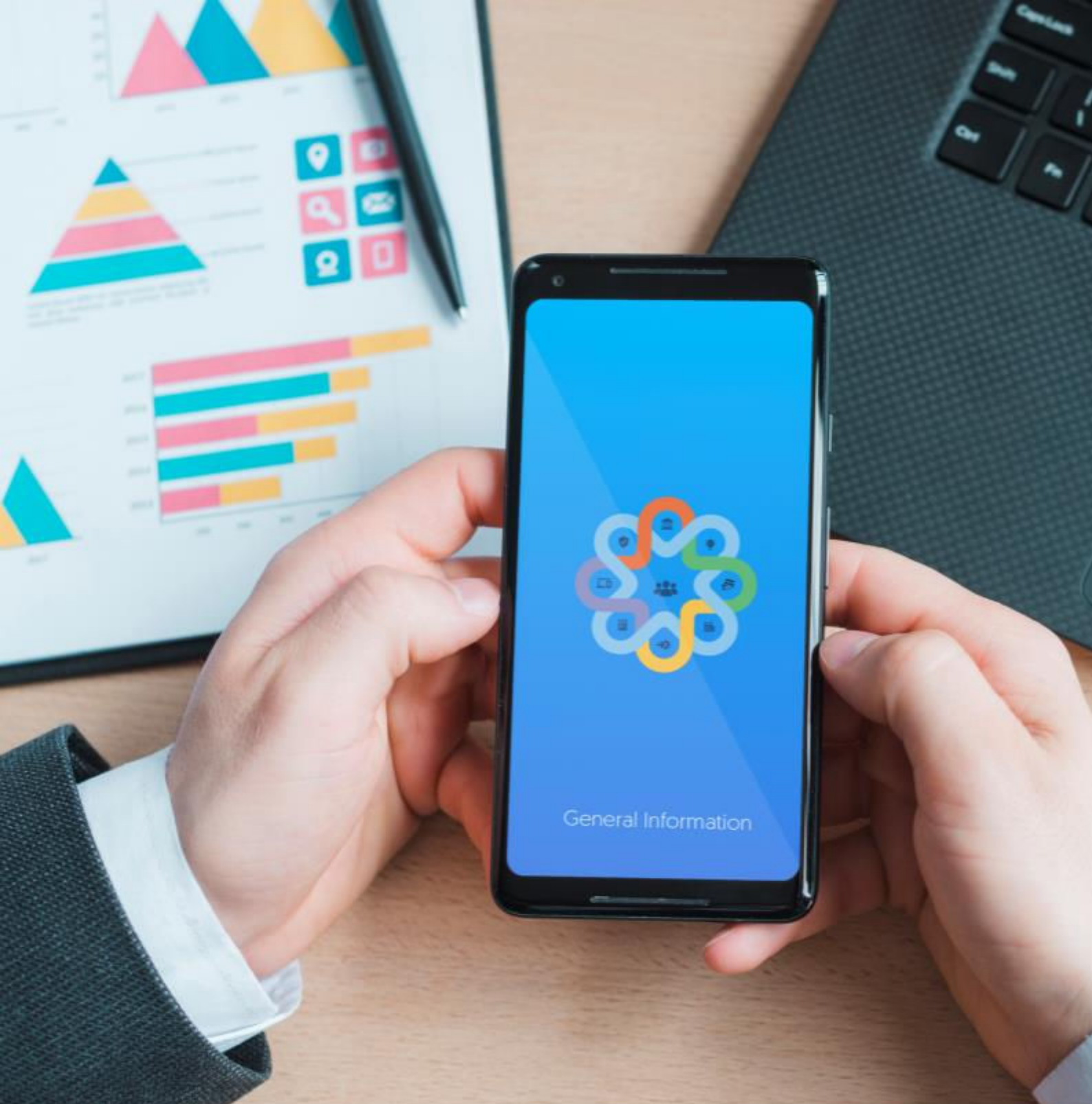
### ■ Acquisition of shares in Web Studio d.o.o., Rijeka

On 25 October 2021, Payten d.o.o., (Zagreb) signed an agreement to acquire 100% of shares in Web Studio d.o.o., a company based in Rijeka (Croatia).

In the period from 30 September 2021 till the date of approval of these interim condensed consolidated financial statements, this is until 27 October 2021, we have not observed any other major 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 2021, 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 2021

## I. Financial results of Asseco South Eastern Europe Group for the third quarter of 2021

PLN'000	3 months ended			3 months ended		
	30 Sept. 2021	30 Sept. 2020	Change	30 Sept. 2021	30 Sept. 2020	Change
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	264,320	227,478	16%	57,697	51,191	13%
Gross profit on sales	78,663	66,218	19%	17,178	14,902	15%
Net profit on sales	46,892	36,913	27%	10,243	8,307	23%
Operating profit	47,092	36,976	27%	10,286	8,322	24%
EBITDA	66,603	56,843	17%	14,546	12,792	14%
Net profit for the reporting period	38,812	31,444	23%	8,478	7,076	20%
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>37,734</b>	<b>31,229</b>	<b>21%</b>	<b>8,242</b>	<b>7,028</b>	<b>17%</b>

Financial results achieved by ASEE Group in the third quarter of 2021 were once again considerably stronger than in the corresponding period last year. Consolidated operating revenues presented in Polish zlotys grew by more than 16%, while EBIT and EBITDA improved by 27% and 17%, respectively. In the third quarter of 2021, operating revenues presented in Polish zlotys amounted to PLN 264.3 million, reflecting an increase by PLN 36.8 million in relation to the third quarter of 2020. Operating profit reached PLN 47.1 million increasing by PLN 10.1 million, while EBITDA for the third quarter of 2021 amounted to PLN 66.6 million improving by PLN 9.8 million. Net profit attributable to shareholders of the Parent Company for the third quarter of 2021 amounted to PLN 37.7 million, increasing by PLN 6.5 million or 21%.

Due to the weakening of the Polish zloty against euro, the results expressed in euros recorded a slower pace of growth. In the third quarter of 2021, our sales presented in euros totalled EUR 57.7 million, increasing by EUR 6.5 million or 13%. Operating profit reached EUR 10.3 million increasing by 24%, while EBITDA amounted to EUR 14.5 million going up by almost 14%.

Consolidated revenues increased with just a slightly higher share of proprietary software and services in the revenue structure. The strongest revenue growth was achieved by the Dedicated Solutions segment, especially in the business line responsible for the sale of own software and services. Revenues of the Payment Solutions segment recorded a smaller increase, while the Banking Solutions segment generated sales at a similar level as in the previous year. In the wake of stronger revenues, the segments of Dedicated Solutions and Payment Solutions substantially improved their financial performance. This was shown by a considerable increase in their operating profit and EBITDA.

The growing scale of operations is also partly attributable to the consolidation of several new companies by ASEE Group. As discussed above in the section on changes in the Group's organizational structure, this year ASEE Group has begun to consolidate the companies of Things Solver, Vebspot, ContentSpeed, IT Sistemi, and Evision. Furthermore, since June and August 2020 we have consolidated the financial results of IPS and Gastrobit companies that were taken over by Payten Croatia. In the third quarter of 2021, the newly acquired subsidiaries of ASEE Group generated EUR 1.3 million of sales revenues, while their contribution to EBIT amounted to EUR 0.14 million (net of amortization charges on assets recognized in the process of purchase price allocation) and EUR 0.22 million to EBITDA.



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

Payment Solutions	3 months ended			3 months ended		
	30 Sept. 2021	30 Sept. 2020	Change	30 Sept. 2021	30 Sept. 2020	Change
	PLN'000	PLN'000	%	EUR'000	EUR'000	%
Operating revenues	121,941	113,367	8%	26,610	25,513	4%
Operating profit	25,928	18,464	40%	5,665	4,155	36%
EBITDA	40,399	33,462	21%	8,825	7,530	17%

In the third quarter of 2021, the segment's revenues reached EUR 26.6 million, improving by EUR 1.1 million or 4% in relation to the comparable period last year. Such growth was generated by the three business lines: maintenance and sale of POS terminals, processing of payment transactions, and e-Commerce.

The business line dealing with maintenance and sale of POS terminals recorded stronger sales of solutions dedicated to non-financial customers, such as electronic fiscal cash registers (ECR) and Single POS solutions. Revenues from these business lines increased by more than EUR 0.7 million. Whereas, revenues from the provision of traditional POS terminal services decreased slightly by EUR 0.2 million mainly due to weaker sales of equipment realized in Bosnia and Herzegovina and in the Czech Republic. Such decreases were partially offset by higher sales of own services in the Western European countries and in Serbia.

The business line dealing with maintenance of ATMs reported weaker revenues primarily due to the smaller number of equipment deliveries in Serbia, which was partially offset by higher revenues generated by our independent network of ATMs MoneyGet.

In the third quarter of 2021, sales of our business lines responsible for processing of payment transactions and for e-Commerce increased by EUR 0.5 million and EUR 0.7 million, respectively. The pace of growth in e-Commerce revenues expressed in EUR was negatively affected by the weakening of the Turkish lira during the second quarter which persisted also in the third quarter.

Operating profit of the Payment Solutions segment for the third quarter of 2021 amounted to EUR 5.7 million, improving by nearly EUR 1.5 million or 36%. The increase in EBIT was primarily driven by the business line dealing with maintenance of POS terminals (including the sale of independent payment terminals Single POS and electronic cash registers to non-financial customers) as well as by our independent network of ATMs. The contribution from the business line engaged in processing of payment card transactions was a bit lower.

Consolidated EBITDA of the Payment Solutions segment for the third quarter of 2021 surpassed EUR 8.8 million, improving by EUR 1.3 million or 17% in relation to the comparable period last year. EBITDA increased less than EBIT due to lower depreciation charges recognized by the business line responsible for our independent network of ATMs (MoneyGet) as well as by the business line dealing with maintenance of POS terminals.



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

Banking Solutions	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	30 Sept. 2021	30 Sept. 2020		30 Sept. 2021	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Operating revenues	53,763	52,499	2%	11,733	11,815	-1%
Operating profit	11,848	13,560	-13%	2,583	3,053	-15%
EBITDA	14,795	16,511	-10%	3,227	3,716	-13%

In the third quarter of 2021, the Banking Solutions segment generated over EUR 11.7 million in sales revenues, recording a slight decrease by EUR 0.1 million in relation to the comparable period last year. Such a decrease was caused primarily by weaker sales of proprietary licenses in the business line offering core banking systems and other software as well as in the business line responsible for security solutions. This decline was mostly offset by higher revenues from maintenance services performed by all business lines.

Operating profit of the Banking Solutions segment for the third quarter of 2021 dropped by about EUR 0.5 million in relation to the comparable period last year. This was due to the above-mentioned lower sales of own software licenses. We have also observed changes in the geographical structure of operating results. Our operations in Macedonia, Bosnia and Herzegovina and Croatia reported weaker results which were compensated by stronger financial performance in Romania. These changes resulted from various phases of implementation of our projects in the third quarter. In terms of individual business lines, lower operating profit was generated from offering of security solutions and multi-channel solutions.

Consolidated EBITDA of the Banking Solutions segment for the third quarter of 2021 amounted to EUR 3.2 million, declining by EUR 0.5 million year on year. The reasons behind such change are similar to those related to operating profit.



## Results of the Dedicated Solutions segment

Dedicated Solutions	3 months ended	3 months ended	Change	3 months ended	3 months ended	Change
	30 Sept. 2021	30 Sept. 2020		30 Sept. 2021	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Operating revenues	88,616	61,612	44%	19,354	13,863	40%
Operating profit	9,316	4,952	88%	2,038	1,114	83%
EBITDA	11,409	6,870	66%	2,494	1,546	61%

In the third quarter of 2021, operating revenues generated by the Dedicated Solutions segment reached EUR 19.4 million, increasing by EUR 5.5 million or 40% in relation to the comparable period last year. Most of this growth was achieved by the business line offering proprietary dedicated solutions, primarily due to stronger sales of licenses and related implementation services by our operations in Serbia, Turkey, and Croatia and, to a smaller extent, by the growing scale of BPO operations carried out in Western Europe and Latin America. In addition, the business line responsible for the resale of infrastructure and third-party solutions and for integration services recorded stronger sales in Romania and Turkey. This was partially offset by lower revenues generated in Macedonia.

Operating profit of the Dedicated Solutions segment for the third quarter of 2021 reached EUR 2.0 million and was higher by EUR 0.9 million or 83% than in the comparable period last year. Such increase in EBIT was achieved mainly by the business line offering own solutions. This business line, apart from higher revenues described above, managed to improve its operating efficiency.

EBITDA of the Dedicated Solutions segment for the third quarter of 2021 reached EUR 2.5 million, increasing by EUR 1.0 million or 61%.

### Net profit

Consolidated net profit of ASEE Group for the third quarter of 2021 amounted to EUR 8.5 million, increasing by EUR 1.4 million or 20% in relation to the comparable period last year.

The net result on financial operations for the third quarter of 2021 remained at a similar level as a year ago; however, its structure was different. The main changes included a decline in the result on foreign currency translation differences by EUR 0.4 million and a gain on the revaluation of contingent liabilities arising from the acquisition of shares by approx. EUR 0.5 million. Such change was basically attributable to a negative result of approx. EUR 0.4 million recognized last year due to the obligation to purchase shares in the Turkish company Mobven, and a positive result of approx. EUR 0.1 million recognized this year on liabilities arising from the acquisition of the Croatian company Gastrobit. In addition, we recognized a higher interest income mainly in our operations in Turkey.

In the third quarter of 2021, our effective tax rate equalled 17.5%, increasing by 2.9 percentage points in relation to the comparable period of 2020. Such increase was caused mostly by higher tax on dividends received from our subsidiaries located outside of the European Union and, to a lesser extent, by higher income taxes paid by our major operations – growing share of Croatia and Western Europe (where effective tax rates are higher than average) in the Group's total taxable income.



## II. Financial results of Asseco South Eastern Europe Group for the period of 9 months ended 30 September 2021

PLN'000	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 Sept. 2021	30 Sept. 2020		30 Sept. 2021	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Operating revenues	790,061	691,823	14%	173,316	155,744	11%
Gross profit on sales	221,411	185,797	19%	48,571	41,827	16%
Net profit on sales	126,763	100,306	26%	27,808	22,581	23%
Operating profit	127,834	100,944	27%	28,043	22,725	23%
EBITDA	185,248	159,550	16%	40,638	35,918	13%
Net profit for the reporting period	105,952	82,557	28%	23,243	18,586	25%
<b>Net profit attributable to Shareholders of the Parent Company</b>	<b>102,576</b>	<b>81,641</b>	<b>26%</b>	<b>22,502</b>	<b>18,379</b>	<b>22%</b>

Operating revenues of ASEE Group presented in Polish zlotys totalled PLN 790.1 million for the first three quarters of 2021, reflecting an increase by PLN 98.2 million or 14% in relation to the first nine months of 2020. Operating profit improved by PLN 26.9 million or 27% and reached the level of PLN 127.8 million. The amount of EBITDA for the first three quarters of 2021 equalled PLN 185.3 million, showing an improvement by 16% in relation to PLN 159.6 million reported a year ago.

In the first three quarters of 2021, our consolidated sales revenues presented in euros increased by EUR 17.6 million or 11% and reached EUR 173.3 million. In the same period, our operating profit amounted to EUR 28.0 million, improving by EUR 5.3 million or 23%. Whereas, EBITDA increased from the level of EUR 35.9 million reported last year to EUR 40.6 million, going up by 13%.

Such a robust financial performance in relation to the previous year was accomplished by all of our operating segments, with the Banking Solutions segment being the key engine of growth, followed by the segments of Payment Solutions and Dedicated Solutions. ASEE Group achieved stronger financial results mainly on the back of organic growth.

The growing scale of operations is also partly attributable to the consolidation of several new companies by ASEE Group. In the first three quarters of 2021, the newly acquired subsidiaries of ASEE Group generated EUR 4.0 million of sales revenues, while their contribution to EBIT amounted to EUR 0.3 million (net of amortization charges on assets recognized in the process of purchase price allocation) and EUR 0.7 million to EBITDA.



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

Payment Solutions	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 Sept. 2021	30 Sept. 2020		30 Sept. 2021	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Operating revenues	379,915	337,287	13%	83,342	75,931	10%
Operating profit	66,975	54,128	24%	14,692	12,185	21%
EBITDA	109,758	98,557	11%	24,078	22,187	9%

Revenues generated by this segment in the first three quarters of 2021 reached EUR 83.3 million, improving by EUR 7.4 million or 10% in relation to the comparable period last year. Such growth was generated by the three business lines: maintenance and sale of POS terminals, processing of payment transactions, and e-Commerce.

Within the business line dealing with maintenance and sale of POS terminals, whose revenues increased by EUR 7.3 million, the largest growth was achieved in the provision of traditional POS terminal services, mainly owing to higher sales of own services and deliveries of equipment in the countries of Western Europe and Serbia. Such increases were partially offset by weaker revenues in Croatia, Bosnia and Herzegovina, Macedonia, and in Latin America. Significant revenue growth was generated also from the sale of solutions dedicated to non-financial customers, such as electronic fiscal cash registers (ECR) and Single POS solutions.

The business line dealing with maintenance of ATMs reported weaker revenues primarily due to the smaller number of equipment deliveries in Serbia and Croatia, which was partially offset by higher revenues generated by our independent network of ATMs MoneyGet.

In the first three quarters of 2021, sales of our business lines responsible for processing of payment transactions and for e-Commerce increased by EUR 0.9 million and EUR 1.3 million, respectively. The pace of growth in e-Commerce revenues expressed in EUR was negatively affected by the weakening of the Turkish lira during the second quarter which persisted also in the third quarter.

Operating profit of the Payment Solutions segment for the first three quarters of 2021 amounted to EUR 14.7 million, improving by nearly EUR 2.5 million or 21%. The increase in EBIT was primarily driven by the business line responsible for sales to non-financial customers (including independent payment terminals Single POS and electronic cash registers), the business line engaged in processing of payment transactions, as well as by our independent network of ATMs.

Consolidated EBITDA of the Payment Solutions segment for the third quarter of 2021 amounted to almost EUR 24.1 million, improving by EUR 1.9 million or 9% in relation to the comparable period last year. EBITDA increased less than EBIT due to lower depreciation charges recognized by the business line responsible for our independent network of ATMs (MoneyGet) as well as by the business line dealing with maintenance of POS terminals.



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

Banking Solutions	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 Sept. 2021	30 Sept. 2020		30 Sept. 2021	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Operating revenues	165,837	143,003	16%	36,380	32,193	13%
Operating profit	39,714	31,761	25%	8,712	7,151	22%
EBITDA	48,344	40,060	21%	10,605	9,018	18%

Revenues generated by the Banking Solutions segment in the first three quarters of 2021 reached almost EUR 36.4 million, showing an increase by EUR 4.2 million in relation to the comparable period last year. Such growth was driven primarily by higher sales of proprietary licenses and maintenance services in the business line offering core banking systems and other software as well as in the business line responsible for multi-channel solutions.

Operating profit of the Banking Solutions segment for the first three quarters of 2021 improved by more than EUR 1.6 million in relation to the comparable period last year. This was largely due to the above-mentioned stronger sales of own software licenses. The increase in operating profit was achieved mainly by our operations in Serbia and, to a lesser extent, in Macedonia and in Bosnia and Herzegovina. In terms of individual business lines, higher operating profit was generated from offering of core banking systems and multi-channel solutions.

Consolidated EBITDA of the Banking Solutions segment for the first three quarters of 2021 reached EUR 10.6 million, improving by EUR 1.6 million year on year. The reasons behind such change are similar to those related to operating profit.



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

Dedicated Solutions	9 months ended	9 months ended	Change	9 months ended	9 months ended	Change
	30 Sept. 2021	30 Sept. 2020		30 Sept. 2021	30 Sept. 2020	
	PLN'000	PLN'000		EUR'000	EUR'000	
Operating revenues	244,309	211,533	16%	53,594	47,620	13%
Operating profit	21,145	15,055	41%	4,639	3,389	37%
EBITDA	27,146	20,933	30%	5,955	4,713	26%

Revenues generated by the Dedicated Solutions segment in the first three quarters of 2021 reached EUR 53.6 million, increasing by EUR 6.0 million or 13% in relation to the comparable period last year. The main engine of growth was the business line offering proprietary dedicated solutions, primarily due to stronger sales of licenses and related implementation services by our operations in Serbia, Turkey, and Croatia. The second favourable factor was the growing scale of BPO operations carried out in Western Europe and Latin America. Revenues of the business line responsible for the resale of infrastructure and third-party solutions and integration services remained at a similar level as a year ago.

Operating profit of the Dedicated Solutions segment for the first three quarters of 2021 reached EUR 4.6 million and was higher by EUR 1.2 million or 37% than in the comparable period last year. The increase in EBIT was achieved in both the business lines of this segment. The business line offering own solutions, apart from higher revenues described above, managed to improve its operating efficiency. The business line responsible for third-party solutions and integration services also improved its operating profit on a year-on-year basis owing to better efficiency of operations.

EBITDA of the Dedicated Solutions segment for the first three quarters of 2021 reached EUR 6.0 million, increasing by EUR 1.2 million or 26%.

### Net profit

Consolidated net profit of ASEE Group for the first three quarters of 2021 amounted to EUR 23.2 million, reflecting an increase by EUR 4.7 million or 25% in relation to the comparable period last year.

The Group's net result on financial operations for the first three quarters of 2021 equalled almost EUR 0.3 million, improving by nearly EUR 0.8 million year on year. This improvement was primarily an effect of foreign currency translation differences which increased by EUR 0.3 million year on year, mainly due to the valuation of assets in our Turkish subsidiaries. The second favourable factor was the revaluation of deferred payments for the acquisition of shares in Mobven based in Turkey and in Gastrobit based in Croatia, which together improved our result on financial operations by EUR 0.3 million year on year. In addition, in the first nine months of 2021, we recorded higher interest income that was earned mainly on bank deposits held by our subsidiaries in Turkey.

In the first three quarters of 2021, our effective tax rate equalled 17.9%, increasing by 1.5 percentage points in relation to the comparable period of 2020. Such increase was caused firstly by higher tax on dividends received by ASEE S.A. from its subsidiaries located outside of the European Union. The second reason was a higher tax expense incurred on operations as a consequence of the higher effective tax rate in our Turkish companies as well as the growing share of Western Europe in the structure of taxable income.

## III. Consolidated financial highlights for the third quarter of 2021 (non-IFRS)

Key financial data published on a non-IFRS basis provide crucial information for assessing the financial position and business development of 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. 2021	30 Sept. 2020	30 Sept. 2021	30 Sept. 2020
Non-IFRS EBIT	47,994	37,776	130,512	103,512
Non-IFRS net profit	39,594	33,822	110,404	87,272



## IV. Analysis of financial ratios

	3 months ended	3 months ended	9 months ended	9 months ended
	30 Sept. 2021	30 Sept. 2020	30 Sept. 2021	30 Sept. 2020
Gross profit margin	29.8%	29.1%	28.0%	26.9%
EBITDA margin	25.2%	25.0%	23.4%	23.1%
Operating profit margin	17.8%	16.3%	16.2%	14.6%
Net profit margin	14.3%	13.7%	13.0%	11.8%
Return on equity (ROE)			14.9%	13.1%
Return on assets (ROA)			10.5%	8.9%

In the first three quarters of 2021, our gross profit margin equalled 28.0% and it was by 1.1 percentage points higher than in the corresponding period last year. This was achieved by improving efficiency across all the three operating segments. We used the available resources more efficiently and increased the share of own products and services in the revenue structure of ASEE Group.

Improved efficiency had a favourable impact on further margins of profit in the first three quarters of 2021. Our EBITDA margin increased to 23.4% from the level of 23.1% realized in the comparable period last year. While operating profit margin expanded from 14.6% in the first nine months of 2020 to 16.2% this year. This was achieved by improving efficiency across all the three operating segments.

The net profit margin reached 13.0%, growing by 1.2 percentage points in comparison with the first three quarters of 2020. Such slightly less dynamic increase in the net profit margin as compared to the EBIT and EBITDA margins was due to a higher effective tax rate, which was partially offset by a stronger result on financial operations.

The improved financial performance of ASEE Group in recent quarters resulted in higher values of ROE and ROA ratios. Return on equity for the trailing 12 months ended 30 September 2021 equalled 14.9%, increasing by 1.8 percentage points, while return on assets reached the level of 10.5%, increasing by 1.6 percentage points.

	30 Sept. 2021	30 June 2021	31 Dec. 2020	30 Sept. 2020
Working capital (in thousands of PLN)	215,035	196,045	205,327	172,913
Current liquidity ratio	1.7	1.6	1.6	1.7
Quick liquidity ratio	1.5	1.4	1.4	1.5
Absolute liquidity ratio	0.8	0.8	0.7	0.7

The above ratios have been computed using the following formulas:

Working capital = current assets - current liabilities

Current liquidity ratio = current assets / current liabilities

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

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

At the end of September 2021, our working capital amounted to PLN 215.0 million, reflecting an increase by PLN 9.7 million in relation to the level reported at the end of 2020.

In the first nine months of 2021, the value of current assets decreased by PLN 54.7 million, primarily due to decreases in trade receivables (by PLN 80.3 million) and in cash and cash equivalents (by PLN 22.0 million). Cash and cash equivalents were lower mainly due to the distribution of a dividend to the shareholders of ASEE in the amount of PLN 51.9 million in July 2021, as well as expenditures for company acquisitions. Decreases in the above-mentioned current assets were partially offset by an increase in contract assets (by PLN 28.5 million).

In the same period, our total current liabilities declined by PLN 64.4 million. This resulted primarily from decreases in trade payables (by PLN 41.5 million), in liabilities to the state and local budgets (by PLN 14.4 million), in bank loans and borrowings (by PLN 7.7 million), in contract liabilities (by PLN 9.9 million), as well as in other liabilities (by PLN 6.6 million). This was partially offset by an increase in accruals (by PLN 18.4 million).

Our liquidity ratios at the end of the third quarter of 2021 recorded a slight improvement in relation to previous quarters and they remain at safe levels.

	30 Sept. 2021	30 June 2021	31 Dec. 2020	30 Sept. 2020
Total debt ratio	28.1%	31.4%	33.9%	30.2%
Debt / equity ratio	10.4%	10.7%	12.9%	15.4%
Debt / (debt + equity) ratio	9.4%	9.7%	11.5%	13.3%

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

The total debt ratio decreased from 33.9% reported at the end of 2020 to the level of 28.1% as at 30 September 2021. Such change was caused by a decrease in total liabilities by PLN 87.6 million when total assets decreased only by PLN 26.2 million at the same time. Total liabilities were lower following a decrease in current liabilities (by PLN 64.4 million), as described above, and a smaller decrease in non-current liabilities (by PLN 23.2 million), primarily due to reclassifying the valuation of put options held by non-controlling shareholders of Necomplus from other liabilities to current liabilities in 2021, as well as transferring of bank loans and lease liabilities 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 ContentSpeed company. At the same time, total assets were lower due to a decrease in current assets (by PLN 26.2 million), as described above, which was accompanied by an increase in non-current assets (by PLN 28.5 million), primarily in the line of goodwill (by PLN 49.1 million) arising primarily from new company acquisitions.

Total bank loans and borrowings and lease liabilities were reduced by PLN 16.7 million as a result of scheduled repayments of interest-bearing liabilities, which was partially offset by the remeasurement of liabilities denominated in EUR and obtaining new bank loans. The lower balance of liabilities under bank loans and borrowings and lease liabilities translated into a decrease in the ratio of debt to equity from 12.9% to 10.4%, as well as in the ratio of debt to total interest-bearing liabilities and equity from 11.5% to 9.4%.

## V. Structure of the statement of cash flows

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
Net cash provided by (used in) operating activities	142,552	108,799
Net cash provided by (used in) investing activities	(77,342)	(40,450)
Net cash provided by (used in) financing activities	(84,654)	(84,053)
Net change in cash and cash equivalents	(19,444)	(15,704)
<b>Cash and cash equivalents at the end of the period</b>	<b>226,869</b>	<b>177,110</b>

In the first three quarters of 2021, our operating activities provided PLN 142.6 million of net cash inflows, reflecting an increase by PLN 33.8 million in relation to the comparable period of the previous year. Operating cash flows increased on the back of stronger financial performance as well as due to lower expenditures for working capital than a year ago, owing to the lower amount of receivables.

Net cash outflows from our investing activities amounted to PLN 77.3 million in the first three quarters of 2021. 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 27.1 million, as well as by the acquisitions of subsidiary companies for PLN 56.1 million. The acquisitions of tangible and intangible assets included, among others, our expenditures for infrastructure used in the outsourcing of payment processes. Expenditures for the acquisition of subsidiaries included the payment of a deferred portion of consideration for shares in Necomplus, Mobven and Gastrobot, as well as purchases of shares in the companies of Things Solver, Vebspot, ContentSpeed and IT Sistemi.

In the first three quarters of 2021, net cash used in our financing activities amounted to PLN 84.7 million, primarily due the payment of a dividend amounting to PLN 51.9 million, the scheduled repayments of bank loans, borrowings and lease liabilities along with interest, as well as the purchase of a minority interest in Monri company. Proceeds obtained from bank loans were lower than in the comparable period of the previous year.

## 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 2021, in a breakdown by geographical area:

For the period of 9 months ended 30 September 2021	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
in thousands of PLN												
Operating revenues	23,863	123,217	46,469	101,921	234,428	74,317	114,576	16,488	26,263	54,364	(25,845)	790,061
Cost of sales	(15,692)	(84,010)	(31,513)	(84,118)	(168,182)	(39,076)	(96,672)	(12,656)	(18,739)	(40,859)	23,763	(567,754)
Recognition (reversal) of impairment losses on financial instruments	-	459	(64)	(133)	253	(1,429)	-	33	12	(28)	1	(896)
Gross profit on sales	8,171	39,666	14,892	17,670	66,499	33,812	17,904	3,865	7,536	13,477	(2,081)	221,411
Selling costs	(1,638)	(8,698)	(3,431)	(6,723)	(13,233)	(6,094)	(1,831)	(735)	(2,538)	(2,535)	888	(46,568)
General and administrative expenses	(2,112)	(8,110)	(3,066)	(5,634)	(10,899)	(6,346)	(4,575)	(2,621)	(2,201)	(3,027)	511	(48,080)
Net profit (loss) on sales	4,421	22,858	8,395	5,313	42,367	21,372	11,498	509	2,797	7,915	(682)	126,763
Other operating income	2	331	215	239	468	242	80	29	9	116	(120)	1,611
Other operating expenses	(26)	(184)	(23)	(34)	(125)	(69)	(55)	(20)	(46)	(61)	103	(540)
Operating profit (loss)	4,397	23,005	8,587	5,518	42,710	21,545	11,523	518	2,760	7,970	(699)	127,834

For the period of 9 months ended 30 September 2021	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
in thousands of EUR												
Sales revenues	5,235	27,030	10,194	22,358	51,427	16,303	25,135	3,617	5,761	11,926	(5,670)	173,316
Cost of sales	(3,442)	(18,429)	(6,913)	(18,453)	(36,894)	(8,572)	(21,207)	(2,776)	(4,111)	(8,963)	5,210	(124,550)
Recognition (reversal) of impairment losses on financial instruments	-	101	(14)	(29)	56	(313)	-	7	3	(6)	-	(195)
Gross profit on sales	1,793	8,702	3,267	3,876	14,589	7,418	3,928	848	1,653	2,957	(460)	48,571
Selling costs	(359)	(1,908)	(753)	(1,475)	(2,903)	(1,337)	(402)	(161)	(557)	(556)	195	(10,216)
General and administrative expenses	(463)	(1,779)	(673)	(1,236)	(2,391)	(1,392)	(1,004)	(575)	(483)	(664)	113	(10,547)
Net profit (loss) on sales	971	5,015	1,841	1,165	9,295	4,689	2,522	112	613	1,737	(152)	27,808
Other operating income	-	73	47	52	103	53	18	6	2	25	(28)	351
Other operating expenses	(6)	(40)	(5)	(7)	(27)	(15)	(12)	(4)	(10)	(13)	23	(116)
Operating profit (loss)	965	5,048	1,883	1,210	9,371	4,727	2,528	114	605	1,749	(157)	28,043

The above figures have been converted at the average exchange rate for the period from 1 January 2021 to 30 September 2021: EUR 1 = PLN 4.5585

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 (restated)	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
in thousands of PLN												
Operating 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)	(78,371)	(37,236)	(69,517)	(164,263)	(31,015)	(70,544)	(10,969)	(18,956)	(32,703)	30,639	(505,813)
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	31,114	14,727	14,427	54,469	29,081	11,546	3,060	8,042	13,262	(1,559)	185,797
Selling costs	(1,295)	(6,876)	(2,732)	(5,997)	(11,849)	(5,874)	(2,058)	(876)	(1,507)	(1,900)	682	(40,282)
General and administrative expenses	(1,661)	(6,439)	(2,718)	(5,390)	(10,291)	(6,232)	(4,727)	(2,608)	(2,309)	(2,765)	(69)	(45,209)
Net profit (loss) on sales	4,672	17,799	9,277	3,040	32,329	16,975	4,761	(424)	4,226	8,597	(946)	100,306
Other operating income	28	611	130	100	492	329	96	22	53	211	(486)	1,586
Other operating expenses	(67)	(733)	(27)	-	(272)	(32)	(137)	(118)	(10)	(21)	469	(948)
Operating profit (loss)	4,633	17,677	9,380	3,140	32,549	17,272	4,720	(520)	4,269	8,787	(963)	100,944

For the period of 9 months ended 30 September 2020 (restated)	Bosnia	Croatia	Macedonia	Romania	Serbia	Turkey	Western Europe	Latin America	Central Europe	Other	Eliminations	Total
in thousands of EUR												
Operating revenues	6,863	24,780	11,754	18,912	48,874	13,654	18,514	3,158	6,107	10,376	(7,248)	155,744
Cost of sales	(5,150)	(17,643)	(8,383)	(15,650)	(36,979)	(6,982)	(15,881)	(2,469)	(4,267)	(7,363)	6,897	(113,870)
Recognition (reversal) of impairment losses on financial instruments	5	(133)	(56)	(14)	368	(127)	(34)	-	(29)	(28)	-	(48)
Gross profit on sales	1,718	7,004	3,315	3,248	12,263	6,545	2,599	689	1,811	2,985	(351)	41,826
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)	(621)	(16)	(10,177)
<b>Net profit (loss) on sales</b>	<b>1,052</b>	<b>4,006</b>	<b>2,088</b>	<b>685</b>	<b>7,279</b>	<b>3,820</b>	<b>1,072</b>	<b>(95)</b>	<b>952</b>	<b>1,935</b>	<b>(213)</b>	<b>22,581</b>
Other operating income	6	138	29	23	111	74	22	5	12	46	(109)	357
Other operating expenses	(15)	(165)	(6)	-	(61)	(7)	(31)	(27)	(2)	(5)	106	(213)
<b>Operating profit (loss)</b>	<b>1,043</b>	<b>3,979</b>	<b>2,111</b>	<b>708</b>	<b>7,329</b>	<b>3,887</b>	<b>1,063</b>	<b>(117)</b>	<b>962</b>	<b>1,976</b>	<b>(216)</b>	<b>22,725</b>

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

## 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. Looking from the perspective of the first 9 months of this year, the coronavirus pandemic had a limited impact on the operations of ASEE Group.

Concurrently, we would like to emphasize that the situation related to the COVID-19 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

As a socially responsible organization, ASEE Group has taken a number of actions in order to mitigate the threats caused by the COVID-19 pandemic and ensure safety of its employees, customers, business partners and all other stakeholders, as well as to ensure its business continuity.

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

- Maintenance of POS terminals settled for each intervention – 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 a majority of contracts in Necomplus companies and a significant number of contracts in Sonet companies, but only a small portion of revenues in Payten companies operating in Macedonia and Slovenia. Nonetheless, in the first nine months of 2021, negative impact of the pandemic was only observed in the Czech operations of ASEE Group due to the long-lasting and extensive lockdown.
- 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. However, in the countries where our ATMs are installed, tourist traffic is usually low in the first six months of the year and therefore the pandemic did not negatively affect our results on a year-on-year basis.

### 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 or decreasing the volume services performed;
- delays in the implementation of projects based on infrastructure provided by external vendors.

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 controlling costs, while monitoring and taking advantage of new market opportunities created by the current situation.

A more detailed description of the potential impact of the pandemic on our business operations can be found in the Group's annual financial statements for 2020, yet after a year of the pandemic duration it seems that most of ASEE's business lines affected by this phenomenon are functioning well in this new reality, and the pandemic situation has not deteriorated their financial results.

## 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 2021 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, both in 2020 and 2021 all the markets where ASEE Group operates have been affected by the COVID-19 coronavirus pandemic which, however, had a limited impact on the Group's results. Description of the impact exerted by the COVID-19 coronavirus pandemic on ASEE Group's business operations is provided in the item 'Impact of the COVID-19 coronavirus pandemic on the business of ASEE and Payten'.

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

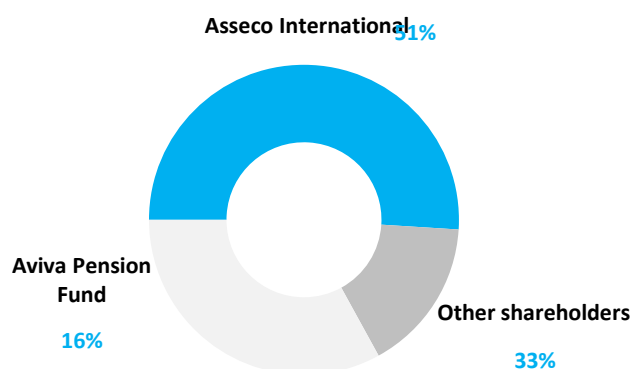
As at the date of publication of this report, this is on 27 October 2021, the Company's Management Board, Supervisory Board and Audit Committee were composed of the following persons:

<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	Michał Nitka	Jacek Duch
Artur Kucharski	Kostadin Slavkoski	
Adam Pawłowicz		

During the third quarter of 2021, the composition of the Issuer's management and supervisory bodies remained unchanged.

In the period from 30 September 2021 till the publication of this report, this is till 27 October 2021, 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.



As at 30 September 2021, Asseco International a.s. (our higher-level parent) held 26,407,081 shares representing 50.89% in the share capital of our Company, which carried 26,407,081 votes or 50.89% of total voting rights at the Company's General Meeting of Shareholders. The parent company of Asseco International a.s. is Asseco Poland S.A.

During the reporting period, as a result of the sale of our Company's shares that was conducted outside of the regulated market on 23 September 2021, Asseco International a.s. decreased its equity interest in the Company to 50.89%.

To the best knowledge of the Company's Management Board, as at the date of publication of this report, this is on 27 October 2021, as well as on 30 September 2021, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Major shareholders	Number of shares held	Percentage of total voting rights
Asseco International a.s.	26,407,081	50.89%
Aviva Pension Fund	8,544,000	16.46%
Other shareholders	16,943,170	32.65%
<b>Total</b>	<b>51,894,251</b>	<b>100.00%</b>

To the best knowledge of the Company's Management Board, as at 28 April 2021 and 31 December 2020, the Shareholders who, either directly or through their subsidiaries, held at least 5.0% of total voting rights were as follows:

Major shareholders as at 28 April 2021 and 31 December 2020	Number of shares held	Percentage of total voting rights
Asseco International a.s.	26,494,676	51.06%
Aviva Pension Fund	8,594,000	16.56%
Other shareholders	16,805,575	32.38%
<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:

	27 October 2021	30 September 2021	4 August 2021	31 December 2020
Piotr Jeleński	1,253,492	1,253,492	973,492	973,492
Miljan Mališ <sup>1)</sup>	353,336	353,336	322,715	322,715
Marcin Rulnicki	n/a	n/a	n/a	30,000
Michał Nitka	45,000	45,000	20,000	n/a
Kostadin Slavkoski	44,315	44,315	38,600	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 2021 and the date of publication of this report, neither Asseco South Eastern Europe S.A. nor Asseco South Eastern Europe Group were party to any proceedings pending before any court, arbitration authority or public administration.

#### **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 2021. 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 2021.

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

During the period of 9 months ended 30 September 2021, 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 2021**

The Management Board of Asseco South Eastern Europe S.A. did not publish any financial forecasts for 2021.

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

During the first 9 months of 2021, the Group had no employee stock option plans.

#### **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 2021 have been also described in the Management Report on Operations of the Group for the year 2020.

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 2021



# Financial Highlights

## Asseco South Eastern Europe S.A.

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000	9 months ended 30 Sept. 2021 EUR'000	9 months ended 30 Sept. 2020 EUR'000
Revenues from holding activities	97,741	53,865	21,441	12,126
Revenues from operating activities	9,457	8,223	2,075	1,851
Operating profit	88,931	45,600	19,509	10,266
Pre-tax profit	89,713	48,869	19,680	11,001
<b>Net profit for the reporting period</b>	<b>84,149</b>	<b>45,664</b>	<b>18,460</b>	<b>10,280</b>
Net cash provided by (used in) operating activities	79,441	36,014	17,427	8,108
Net cash provided by (used in) investing activities	(23,632)	6,813	(5,184)	1,534
Net cash provided by (used in) financing activities	(51,440)	(46,741)	(11,284)	(10,522)
<b>Cash and cash equivalents at the end of the period (comparable data as at 31 December 2020)</b>	<b>18,860</b>	<b>14,491</b>	<b>4,071</b>	<b>3,140</b>
Basic earnings per ordinary share for the reporting period (in PLN/EUR)	1.62	0.88	0.36	0.20
Diluted earnings per ordinary share for the reporting period (in PLN/EUR)	1.62	0.88	0.36	0.20

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 2021 to 30 September 2021: EUR 1 = PLN 4.5585
  - for the period from 1 January 2020 to 30 September 2020: EUR 1 = PLN 4.4420
- 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 2021: EUR 1 = PLN 4.6329
  - exchange rate effective on 31 December 2020: EUR 1 = PLN 4.6148

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. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 (restated*) PLN'000	9 months ended 30 Sept. 2020 (restated*) PLN'000
<b>Holding activities</b>	<b>16,895</b>	<b>97,741</b>	<b>2,888</b>	<b>53,865</b>
Dividend income	11,962	83,172	-	42,194
Revenues from sale of services	4,933	14,569	2,888	11,671
<b>Operating activities</b>	<b>2,997</b>	<b>9,457</b>	<b>2,522</b>	<b>8,223</b>
Revenues from sale of IT services and software	2,997	9,457	2,522	8,223
<b>Total operating revenues</b>	<b>19,892</b>	<b>107,198</b>	<b>5,410</b>	<b>62,089</b>
Cost of sales	(5,737)	(16,656)	(4,754)	(14,899)
Recognition/reversal of allowances for trade receivables	-	-	-	94
<b>Gross profit on sales</b>	<b>14,155</b>	<b>90,542</b>	<b>656</b>	<b>47,284</b>
Selling costs	(277)	(822)	(310)	(746)
General and administrative expenses	(238)	(925)	(276)	(859)
<b>Net profit on sales</b>	<b>13,640</b>	<b>88,795</b>	<b>70</b>	<b>45,679</b>
Other operating income	-	140	9	10
Other operating expenses	-	(4)	(3)	(89)
<b>Operating profit</b>	<b>13,640</b>	<b>88,931</b>	<b>76</b>	<b>45,600</b>
Financial income	906	1,644	1,440	7,342
Financial expenses	208	(862)	(187)	(4,761)
Recognition/reversal of impairment losses on loans granted and other financial instruments	-	-	-	688
<b>Pre-tax profit</b>	<b>14,754</b>	<b>89,713</b>	<b>1,329</b>	<b>48,869</b>
Corporate income tax	(1,222)	(5,564)	(318)	(3,205)
<b>Net profit for the reporting period</b>	<b>13,532</b>	<b>84,149</b>	<b>1,011</b>	<b>45,664</b>
<b>Earnings per share (in PLN):</b>				
basic earnings per share	0.26	1.62	0.02	0.88
diluted earnings per share	0.26	1.62	0.02	0.88

COMPREHENSIVE INCOME:	3 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2021 PLN'000	3 months ended 30 Sept. 2020 (restated*) PLN'000	9 months ended 30 Sept. 2020 (restated*) PLN'000
<b>Net profit</b>	<b>13,532</b>	<b>84,149</b>	<b>1,011</b>	<b>45,664</b>
<b>Other comprehensive income:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE REPORTING PERIOD</b>	<b>13,532</b>	<b>84,149</b>	<b>1,011</b>	<b>45,664</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. 2021 PLN'000	30 June 2021 PLN'000	31 Dec. 2020 PLN'000	30 Sept. 2020 PLN'000
<b>Non-current assets</b>				
Property, plant and equipment	517	573	455	333
Intangible assets	5,891	5,823	5,393	5,440
<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	210	236	290	317
Investments in subsidiaries	614,498	614,498	614,498	608,998
Deferred tax assets	431	423	1,080	710
Other receivables	47	47	47	47
Other financial assets	37,474	36,060	38,211	38,228
	<b>659,068</b>	<b>657,660</b>	<b>659,974</b>	<b>654,073</b>
<b>Current assets</b>				
Prepayments and accrued income	2,959	2,598	1,990	2,148
Trade receivables	6,543	8,344	6,038	6,847
Corporate income tax	-	-	-	-
Other receivables	280	563	254	258
Other financial assets	31,778	13,484	7,134	7,368
Cash and short-term deposits	18,860	68,854	14,491	7,130
	<b>60,420</b>	<b>93,843</b>	<b>29,907</b>	<b>23,751</b>
<b>TOTAL ASSETS</b>	<b>719,488</b>	<b>751,503</b>	<b>689,881</b>	<b>677,824</b>

# Interim Condensed Statement of Financial Position

## Asseco South Eastern Europe S.A.

EQUITY AND LIABILITIES	30 Sept. 2021 PLN'000	30 June 2021 PLN'000	31 Dec. 2020 PLN'000	30 Sept. 2020 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	2,935	2,935
Retained earnings	129,507	115,976	97,253	84,579
	<b>690,209</b>	<b>676,678</b>	<b>657,955</b>	<b>645,281</b>
<b>Non-current liabilities</b>				
Bank loans	10,920	5,167	8,178	9,578
Lease liabilities	107	138	228	214
Other financial liabilities	252	28	5	14
Deferred tax liabilities	-	-	-	-
	<b>11,279</b>	<b>5,333</b>	<b>8,411</b>	<b>9,806</b>
<b>Current liabilities</b>				
Bank loans	5,831	6,428	7,802	8,762
Lease liabilities	117	116	95	121
Other financial liabilities	72	51,894	4,996	4,932
Trade payables	1,598	1,754	1,514	1,212
Contract liabilities	4,859	3,873	3,010	3,432
Corporate income tax payable	455	1,265	390	438
Liabilities to the state and local budgets	585	535	580	447
Other liabilities	175	244	279	146
Accruals	4,308	3,383	4,849	3,247
	<b>18,000</b>	<b>69,492</b>	<b>23,515</b>	<b>22,737</b>
<b>TOTAL LIABILITIES</b>	<b>29,279</b>	<b>74,825</b>	<b>31,926</b>	<b>32,543</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>719,488</b>	<b>751,503</b>	<b>689,881</b>	<b>677,824</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 2021</b>	<b>518,942</b>	<b>38,825</b>	<b>2,935</b>	<b>97,253</b>	<b>657,955</b>
Net profit for the reporting period	-	-	-	84,149	84,149
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84,149</b>	<b>84,149</b>
Dividend for the year 2020	-	-	-	(51,895)	(51,895)
<b>As at 30 September 2021</b>	<b>518,942</b>	<b>38,825</b>	<b>2,935</b>	<b>129,507</b>	<b>690,209</b>

<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	-	-	-	58,337	58,337
<b>Total comprehensive income for the reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>58,337</b>	<b>58,337</b>
Dividend for the year 2019	-	-	-	(38,402)	(38,402)
Valuation of share-based payment plan	-	-	334	-	334
<b>As at 31 December 2020</b>	<b>518,942</b>	<b>38,825</b>	<b>2,935</b>	<b>97,253</b>	<b>657,955</b>

<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>

## Interim Condensed Statement of Cash Flows

### Asseco South Eastern Europe S.A.

	9 months ended 30 Sept. 2021 PLN'000	9 months ended 30 Sept. 2020 PLN'000
<b>Cash flows – operating activities</b>		
Pre-tax profit	89,713	48,869
<b>Total adjustments:</b>	<b>(84,046)</b>	<b>(46,878)</b>
Depreciation and amortization	593	495
Change in receivables	(535)	(3,228)
Change in liabilities, accruals and provisions	582	917
Interest income/expenses	(616)	(1,364)
Gain/loss on foreign currency translation differences	(762)	(1,344)
Gain/loss on investing activities	(83,308)	(42,694)
Valuation of share-based payment plan	-	334
Other	-	6
<b>Selected operating cash flows</b>	<b>75,421</b>	<b>35,513</b>
Sale of shares in subsidiaries	-	2,005
Acquisition of shares in related entities	(4,932)	(6,857)
Dividends received	80,353	40,365
<b>Cash generated from operating activities</b>	<b>81,088</b>	<b>37,504</b>
(Corporate income tax paid)	(1,647)	(1,490)
<b>Net cash provided by (used in) operating activities</b>	<b>79,441</b>	<b>36,014</b>
<b>Cash flows – investing activities</b>		
<b>Inflows:</b>	<b>5,199</b>	<b>7,643</b>
Disposal of property, plant and equipment, and intangible assets	139	1
Disposal/settlement of financial assets carried at fair value through profit or loss	-	4
Loans collected	4,195	6,069
Interest received	865	1,569
<b>Outflows:</b>	<b>(28,831)</b>	<b>(830)</b>
Acquisition of property, plant and equipment, and intangible assets	(1,075)	(174)
Acquisition/settlement of financial assets carried at fair value through profit or loss	-	(365)
Loans granted	(27,756)	(291)
<b>Net cash provided by (used in) investing activities</b>	<b>(23,632)</b>	<b>6,813</b>
<b>Cash flows – financing activities</b>		
<b>Inflows:</b>	<b>6,913</b>	<b>-</b>
Proceeds from bank loans and borrowings	6,913	-
<b>Outflows:</b>	<b>(58,353)</b>	<b>(46,741)</b>
Dividends paid out	(51,895)	(38,402)
Repayments of bank loans	(6,185)	(7,994)
Payments of lease liabilities	(92)	(87)
Interest paid	(181)	(258)
<b>Net cash provided by (used in) financing activities</b>	<b>(51,440)</b>	<b>(46,741)</b>
<b>Net change in cash and cash equivalents</b>	<b>4,369</b>	<b>(3914)</b>
Net foreign currency translation differences	14,491	11,044
Cash and cash equivalents as at 1 January	-	-
<b>Cash and cash equivalents as at 30 September</b>	<b>18,860</b>	<b>7,130</b>

This quarterly report has been approved for publication by the Management Board of Asseco South Eastern Europe S.A. on 27 October 2021.

**Management Board:**

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

# Technology for business, solutions for people.

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