



**Consolidated Financial Statements
of Asseco South Eastern Europe Group
for the year ended 31 December 2024**



Present in
27 countries



PLN 1,708.2 million
in sales revenues



4,181
highly committed
employees



Net profit
for Shareholders of
the Parent Company
PLN 199.2 million

Consolidated Financial Statements of Asseco South Eastern Europe Group

For the year ended 31 December 2024

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Consolidated Financial Statements of Asseco South Eastern Europe Group for the year ended 31 December 2024

These consolidated financial statements have been approved for publication by the Management Board of Asseco South Eastern Europe S.A. on 26 February 2025.

Management Board:

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

Asseco South Eastern Europe Group

The following table presents the selected financial data of Asseco South Eastern Europe Group:

	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000	12 months ended 31 December 2024 EUR'000	12 months ended 31 December 2023 EUR'000
Sales revenues	1,708,184	1,642,531	396,864	362,720
Operating profit	226,750	225,469	52,681	49,790
Pre-tax profit	251,260	254,887	58,376	56,287
Net profit for the reporting period	204,686	207,903	47,555	45,911
Net profit attributable to Shareholders of the Parent Company	199,223	199,937	46,286	44,152
Net cash provided by (used in) operating activities	203,864	309,609	47,364	68,371
Net cash provided by (used in) investing activities	(158,475)	(119,957)	(36,819)	(26,490)
Net cash provided by (used in) financing activities	(83,638)	(133,205)	(19,432)	(29,416)
Cash and cash equivalents at the end of the period	271,211	313,112	63,471	72,013
Basic earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	3.84	3.85	0.89	0.85
Diluted earnings per ordinary share for the reporting period attributable to Shareholders of the Parent Company (in PLN/EUR)	3.84	3.85	0.89	0.85

The selected financial data disclosed in these annual consolidated financial statements have been translated into 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:
 - in the period from 1 January 2024 to 31 December 2024: EUR 1 = PLN 4.3042
 - in the period from 1 January 2023 to 31 December 2023: EUR 1 = PLN 4.5284
- The Group's cash and cash equivalents as at the end of the reporting period and the comparable period of the previous year have been translated into EUR at the mid exchange rates as published by the National Bank of Poland. These exchange rates were as follows:
 - exchange rate effective on 31 December 2024: EUR 1 = PLN 4.2730
 - exchange rate effective on 31 December 2023: EUR 1 = PLN 4.3480

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

Consolidated Statement of Profit and Loss and Other Comprehensive Income

Asseco South Eastern Europe Group

STATEMENT OF PROFIT AND LOSS		12 months ended 31 December 2024	12 months ended 31 December 2023 (restated)
	Note	PLN'000	PLN'000
Operating revenues	<u>5.1</u>	1,708,184	1,642,531
Cost of sales	<u>5.2</u>	(1,259,667)	(1,212,064)
Allowances for trade receivables	<u>5.2</u>	(6,449)	(8,795)
Gross profit on sales		442,068	421,672
Selling costs	<u>5.2</u>	(112,111)	(101,308)
General and administrative expenses	<u>5.2</u>	(105,344)	(95,994)
Net profit on sales		224,613	224,370
Other operating income	<u>5.3</u>	3,610	3,672
Other operating expenses	<u>5.3</u>	(1,546)	(2,655)
Share of profits of associates and joint ventures		73	82
Operating profit		226,750	225,469
Financial income	<u>5.4</u>	89,731	56,707
Financial expenses	<u>5.4</u>	(65,221)	(27,289)
Impairment loss on financial instruments		-	-
Pre-tax profit		251,260	254,887
Corporate income tax (current and deferred tax expense)	<u>5.5</u>	(46,574)	(46,984)
Net profit for the reporting period		204,686	207,903
<i>Attributable to:</i>			
Shareholders of the Parent Company		199,223	199,937
Non-controlling interests		5,463	7,966
Basic consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	<u>5.6</u>	3.84	3.85
Diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	<u>5.6</u>	3.84	3.85
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period		204,686	207,903
Components that may be reclassified to profit or loss		(25,877)	(121,359)
Net gain/loss on valuation of financial assets		158	152
Exchange differences on translation of foreign operations		(26,035)	(121,511)
Restatement of non-monetary assets as at 1 January – impact of hyperinflation	<u>2.11</u>	-	-
Components that will not be reclassified to profit or loss		-	-
Actuarial gains/losses		-	-
Total other comprehensive income		(25,877)	(121,359)
TOTAL COMPREHENSIVE INCOME attributable to:		178,809	86,544
Shareholders of the Parent Company		173,586	79,522
Non-controlling interests		5,223	7,022

Consolidated Statement of Financial Position

Asseco South Eastern Europe Group

ASSETS	Note	31 December 2024	31 December 2023
		PLN'000	(restated) PLN'000
Non-current assets			
Property, plant and equipment	6.1	174,175	137,030
Intangible assets	6.2	90,278	86,277
Right-of-use assets	6.3	68,848	46,037
Investment property		436	474
Goodwill	6.4	1,018,670	875,434
Investments accounted for using the equity method		265	252
Other receivables	6.8	5,850	7,274
Deferred tax assets	5.5	11,711	12,375
Other financial assets	6.6	2,481	2,021
Prepayments and accrued income	6.7	3,090	3,088
		1,375,804	1,170,262
Current assets			
Inventories	6.9	109,968	97,872
Prepayments and accrued income	6.7	61,562	53,904
Trade receivables	6.8	292,385	299,114
Contract assets	6.8	87,249	95,104
Corporate income tax receivable	6.8	4,662	2,693
Receivables from the state and local budgets	6.8	15,841	5,044
Other receivables	6.8	71,917	79,663
Other non-financial assets		4,924	2,952
Other financial assets	6.6	4,079	1,173
Cash and cash equivalents	0	271,211	313,112
		923,798	950,631
Assets held for sale	6.11	15,320	-
		939,118	950,631
TOTAL ASSETS		2,314,922	2,120,893

Consolidated Statement of Financial Position

Asseco South Eastern Europe Group

		31 December 2024	31 December 2023
EQUITY AND LIABILITIES	Note		(restated)
		PLN'000	PLN'000
Equity (attributable to shareholders of the Parent Company)			
Share capital	6.12	518,943	518,943
Share premium	6.12	38,826	38,826
Transactions with non-controlling interests	6.12	(162,161)	(34,877)
Other capitals		1,580	717
Exchange differences on translation of foreign operations		(224,666)	(198,871)
Retained earnings		904,253	790,640
		1,076,775	1,115,378
Non-controlling interests	6.13	8,424	7,810
Total equity		1,085,199	1,123,188
Non-current liabilities			
Bank loans and borrowings	6.15	85,820	54,124
Lease liabilities	6.14	47,983	29,724
Other financial liabilities	6.16	394,195	174,055
Deferred tax liabilities	5.6	14,575	9,745
Provisions	6.19	5,543	3,906
Deferred income	6.20	1,045	-
Accruals	6.20	423	-
Contract liabilities	6.18	8,541	10,690
Other liabilities	6.17	54	47
		558,179	282,291
Current liabilities			
Bank loans and borrowings	6.15	76,912	51,610
Lease liabilities	6.14	17,650	17,704
Other financial liabilities	6.16	46,849	58,928
Trade payables	6.17	195,073	214,561
Contract liabilities	6.18	127,737	158,114
Corporate income tax payable	6.17	9,601	15,275
Liabilities to the state and local budgets	6.17	45,151	50,849
Other liabilities	6.17	104,482	102,856
Provisions	6.19	3,086	6,688
Deferred income	6.20	660	2,407
Accruals	6.20	40,206	36,422
		667,407	715,414
Liabilities directly related to assets held for sale	6.11	4,137	-
		671,544	715,414
TOTAL LIABILITIES		1,229,723	997,705
TOTAL EQUITY AND LIABILITIES		2,314,922	2,120,893

Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2024 (restated)		518,943	38,826	(34,877)	717	(198,871)	790,640	1,115,378	7,810	1,123,188
Net profit for the reporting period		-	-	-	-	-	199,223	199,223	5,463	204,686
Other comprehensive income for the reporting period		-	-	-	158	(25,795)	-	(25,637)	(240)	(25,877)
Total comprehensive income for the reporting period		-	-	-	158	(25,795)	199,223	173,586	5,223	178,809
Share-based payment transactions with employees		-	-	-	705	-	16	721	13	734
Obtaining control over subsidiaries		-	-	-	-	-	-	-	15,093	15,093
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))	<u>6.12</u>	-	-	(127,284)	-	-	-	(127,284)	(15,629)	(142,913)
Dividend	<u>5.7</u>	-	-	-	-	-	(85,626)	(85,626)	(4,086)	(89,712)
As at 31 December 2024		518,943	38,826	(162,161)	1,580	(224,666)	904,253	1,076,775	8,424	1,085,199

Consolidated Statement of Changes in Equity

Asseco South Eastern Europe Group

	Note	Share capital	Share premium	Transactions with non-controlling interests	Other capitals	Exchange differences on translation of foreign operations	Retained earnings and current net profit	Equity attributable to shareholders of the Parent Company	Non-controlling interests	Total equity
		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 1 January 2023		518,943	38,826	(35,692)	(77)	(78,304)	666,469	1,110,165	8,515	1,118,680
Net profit for the reporting period		-	-	-	-	-	199,937	199,937	7,966	207,903
Other comprehensive income for the reporting period		-	-	-	152	(120,567)	-	(120,415)	(944)	(121,359)
Total comprehensive income for the reporting period		-	-	-	152	(120,567)	199,937	79,522	7,022	86,544
Share-based payment transactions with employees		-	-	-	642	-	-	642	-	642
Obtaining control over subsidiaries		-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))		-	-	815	-	-	-	815	1,371	2,186
Dividend	5.7	-	-	-	-	-	(75,766)	(75,766)	(9,098)	(84,864)
As at 31 December 2023 (restated)		518,943	38,826	(34,877)	717	(198,871)	790,640	1,115,378	7,810	1,123,188

Consolidated Statement of Cash Flows

Asseco South Eastern Europe Group

	Note	12 months ended 31 December 2024	12 months ended 31 December 2023 (restated)
		PLN'000	PLN'000
Cash flows – operating activities			
Pre-tax profit		251,260	254,887
Total adjustments:		7,347	102,715
Depreciation and amortization	5.2	98,722	88,980
Changes in working capital	7.1	(71,031)	32,163
Interest income/expenses		8,872	5,296
Gain/loss on foreign exchange differences		169	409
Gain/loss on financial assets (valuation, disposal, etc.)		(293)	(905)
Gain/loss on sale of subsidiaries		-	-
Other financial income/expenses		24	(4,322)
Gain/loss on sale, disposal and impairment of property, plant and equipment, intangible assets, and right-of-use assets		2,742	1,452
Costs of share-based payment transactions with employees		721	642
Impact of hyperinflation		(32,502)	(20,907)
Other adjustments to pre-tax profit		(77)	(93)
Cash provided by (used in) operating activities		258,607	357,602
Corporate income tax paid		(54,743)	(47,993)
Net cash provided by (used in) operating activities		203,864	309,609
Cash flows – investing activities			
Inflows			
Disposal of property, plant and equipment, and intangible assets		1,926	1,014
Sale of shares in subsidiaries, net of cash and cash equivalents in subsidiaries sold		-	721
Disposal/settlement of financial assets carried at fair value through profit or loss		217	236
Disposal/settlement of financial assets carried at fair value through other comprehensive income		581	-
Disposal of investments in other debt securities carried at amortized cost		2,347	-
Loans collected		14,558	511
Interest received		36	444
Dividends received		71	-
Outflows		1,926	
Acquisition of property, plant and equipment, and intangible assets (including R&D expenditures)	7.2	(93,230)	(61,812)
Expenditures for acquisition of subsidiaries and associates, net of cash and cash equivalents in companies acquired	7.2	(80,944)	(60,062)
Acquisition/settlement of financial assets carried at fair value through profit or loss		(1)	(41)
Acquisition/settlement of financial assets carried at fair value through other comprehensive income		(1,255)	(525)
Acquisition/settlement of financial assets carried at amortized cost		(2,037)	(116)
Loans granted		(744)	(327)
Other cash flows from investing activities		-	-
Net cash provided by (used in) investing activities		(158,475)	(119,957)
Cash flows – financing activities			
Inflows			
Proceeds from non-controlling shareholders due to issuance of shares in subsidiaries		1,011	-
Proceeds from bank loans and borrowings	7.3	110,484	32,216
Received grants related to assets and/or development projects		-	903
Proceeds from sale of shares in subsidiaries to non-controlling shareholders		2,169	-
Outflows			
Repayments of bank loans and borrowings	7.3	(59,785)	(30,043)
Payments of lease liabilities	7.3	(21,677)	(22,009)
Interest paid	7.3	(9,280)	(5,340)
Acquisition of non-controlling interests	7.3	(9,899)	(22,454)
Dividends paid out by the Parent Company	7.3	(85,626)	(75,765)
Dividends paid out to non-controlling shareholders	7.3	(11,035)	(10,713)
Net cash provided by (used in) financing activities		(83,638)	(133,205)
Net increase (decrease) in cash and cash equivalents		(38,249)	56,447
Net foreign exchange differences		(7,730)	(35,914)
Net cash and cash equivalents as at 1 January		285,297	264,764
Net cash and cash equivalents as at 31 December	0	239,318	285,297

Explanatory Notes to the Consolidated Financial Statements

I. General information

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

General information on the Parent Company

Name	Asseco South Eastern Europe S.A.
Registered seat	14 Olchowa St., 35-322 Rzeszów, Poland
National Court Register number	0000284571
Statistical ID number (REGON)	180248803
Tax Identification Number (NIP)	813-351-36-07
Core business	Activities of head offices and holdings, production of software

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

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

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

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

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

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

These consolidated financial statements cover the year ended 31 December 2024 and contain comparable data for the year ended 31 December 2023.

II. Basis for the preparation of financial statements

2.1. Basis for preparation

These 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. In addition, our subsidiaries operating in a hyperinflationary economy (Turkey) restated their financial data, taking into account the change in purchasing power based on the general price index, so that they were expressed in the measuring units current at the end of the reporting period. The impact of hyperinflation on our consolidated financial statements has been described in explanatory note 2.11.

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

The scope of these consolidated financial statements is in accordance with 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, as amended) ("Regulation"), and covers the annual reporting period from 1 January to 31 December 2024, as well as the comparable period from 1 January to 31 December 2023.

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

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

The Russian invasion of Ukraine in February 2022 caused a radical change in the geopolitical situation of the region in which the Parent Company and other companies of our Group are located. During the period of 12 months ended 31 December 2024, ASEE Group did not conduct any significant business operations in Russia or Belarus, nor did it keep any cash in Russian banks. On 29 July 2024, the Group acquired 100% of shares in Askepnet TOV, based in Lviv, Ukraine. Detailed information on accounting for this acquisition has been presented in explanatory note 6.4 to these consolidated financial statements. ASEE Group has consolidated the financial results of Askepnet since 31 July 2024 and, although currently the contribution of this company to the Group's financial results is not material, the Management of ASEE S.A. believes this investment will have a positive impact on the Group's financial performance.

In 2022, Turkey was recognized as a country with a hyperinflationary economy. The Group consolidates the financial results of several subsidiaries operating in Turkey, including ASEE Turkey, Payten Turkey, Paratika, and Mobven, whose functional currency is that of a hyperinflationary economy. Therefore, these consolidated financial statements contain the financial data of our subsidiaries operating in Turkey adjusted for the rate of inflation so that they reflected changes in the appropriate price index. The effects of hyperinflation adjustments have been described in explanatory note 2.11. to these consolidated financial statements.

2.3. Compliance statement

These consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU IFRS").

IFRS include standards and interpretations accepted by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

As at the date of approving publication of these financial statements, given the ongoing process of implementing IFRS in the European Union as well as the Group's operations, in the scope of accounting

policies applied by the Group there is no difference between IFRS that came into force and IFRS endorsed by the EU.

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

2.4. Functional currency, presentation currency and hyperinflation

The presentation currency of these 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 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 exchange rates as published by the National Bank of Poland and effective on the last day of each month during the reporting period in case of the statement of comprehensive income as well as the statement of cash flows. The effects of such conversion are recognized in equity as 'Exchange differences on translation of foreign operations'.

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

2.5. Professional judgement and estimates

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

In relevant explanatory notes, we disclosed the main areas which in the process of applying the accounting policies were subject to accounting estimates and professional judgement made by our management, and whose estimates, if changed, could significantly affect the Group's financial data to be presented in these notes in the future.

In 2024, our approach to making estimates was not subject to any substantial modification in relation to the previous year.

2.6. Accounting policies applied

The table below provides a list of selected accounting policies along with explanatory notes in which they have been presented.

Selected accounting policies	Note	Page number
Hyperinflation	<u>2.11</u>	19
Sales revenues	<u>5.1</u>	31
Operating costs	<u>5.2</u>	35
Other operating activities	<u>5.3</u>	38
Financial income and expenses	<u>5.4</u>	39
Corporate income tax	<u>5.5</u>	40
Earnings per share	<u>5.6</u>	43
Property, plant and equipment	<u>6.1</u>	44
Intangible assets	<u>6.2</u>	46

Right-of-use assets	<u>6.3</u>	48
Goodwill	<u>6.4</u>	50
Impairment tests	<u>6.5</u>	58
Other financial assets	<u>6.6</u>	61
Prepayments and accrued income	<u>6.7</u>	63
Receivables and contract assets	<u>6.8</u>	64
Inventories	<u>6.9</u>	66
Cash and cash equivalents	<u>0</u>	67
Share capital	<u>6.12</u>	68
Non-controlling interests	<u>6.13</u>	69
Lease liabilities	<u>6.14</u>	70
Bank loans and borrowings	<u>6.15</u>	71
Other financial liabilities	<u>6.16</u>	73
Trade payables and other liabilities	<u>6.17</u>	74
Contract liabilities	<u>6.18</u>	75
Provisions	<u>6.19</u>	76
Accruals	<u>6.20</u>	78

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

New standards or amendments effective from 1 January 2024:

- Amendments to IFRS 16 'Leases – Lease Liability in a Sale and Leaseback';
- Amendments to IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures: Supplier Finance Arrangements';
- Amendments to IAS 1 'Presentation of Financial Statements': 'Classification of Liabilities as Current or Non-current', 'Non-current Liabilities with Covenants'.

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

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

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

- IFRS 18 'Presentation and Disclosure in Financial Statements' (issued on 9 April 2024) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2027;
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (issued on 9 May 2024) – not yet endorsed by the EU till the date of approval of these consolidated financial statements – effective for annual periods beginning on or after 1 January 2027;
- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability' (issued on 15 August 2023) – effective for annual periods beginning on or after 1 January 2025;
- Amendments to IFRS 9 and IFRS 7 'Classification and Measurement of Financial Instruments' (issued on 30 May 2024) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2026;
- Amendments to IFRS 9 and IFRS 7 'Contracts Referencing Nature-dependent Electricity' (issued on 18 December 2024) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2026;
- Annual Improvements to IAS/IFRS – Volume 11 (issued on 18 July 2024) – not yet endorsed by the EU till the date of approval of these financial statements – effective for annual periods beginning on or after 1 January 2026.

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

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

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

2.8. Changes in the presentation methods applied

During the reporting period, the methods of presentation were not subject to any change.

2.9. Correction of errors

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

2.10. Changes in the comparable data

The Group has changed the comparable data disclosed as at 31 December 2023 as well as for the period of 12 months ended 31 December 2023 due to the revaluation of net assets acquired that were recognized in the allocation of the purchase price of subsidiaries.

Detailed information on the acquired assets and liabilities has been presented in explanatory note 6.4 to these annual 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	12 months ended 31 December 2023 PLN'000	Purchase price allocation of subsidiaries PLN'000	12 months ended 31 December 2023 (restated) PLN'000
Operating revenues	1,642,531	-	1,642,531
Cost of sales	(1,211,525)	(539)	(1,212,064)
Allowances for trade receivables	(8,795)	-	(8,795)
Gross profit on sales	422,211	(539)	421,672
Selling costs	(101,308)	-	(101,308)
General and administrative expenses	(95,994)	-	(95,994)
Net profit on sales	224,909	(539)	224,370
Other operating income	3,672	-	3,672
Other operating expenses	(2,655)	-	(2,655)
Share of profits of associates	82	-	82
Operating profit	226,008	(539)	225,469
Financial income	56,707	-	56,707
Financial expenses	(27,289)	-	(27,289)
Impairment loss on financial instruments	-	-	-
Pre-tax profit	255,426	(539)	254,887
Corporate income tax (current and deferred tax expense)	(47,098)	114	(46,984)
Net profit for the reporting period	208,328	(425)	207,903
Attributable to:			
Shareholders of the Parent Company	200,362	(425)	199,937
Non-controlling interests	7,966	-	7,966
Basic and diluted consolidated earnings per share for the reporting period, attributable to shareholders of the Parent Company (in PLN)	3.86	(0.01)	3.85
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	208,328	(425)	207,903
Components that may be reclassified to profit or loss	(121,376)	17	(121,359)
Net gain/loss on valuation of financial assets	152	-	152
Exchange differences on translation of foreign operations	(121,528)	17	(121,511)
Components that will not be reclassified to profit or loss	-	-	-
Actuarial gains/losses	-	-	-
Total other comprehensive income	(121,376)	17	(121,359)

TOTAL COMPREHENSIVE INCOME attributable to:	86,952	(408)	86,544
Shareholders of the Parent Company	79,930	(408)	79,522
Non-controlling interests	7,022	-	7,022

	31 December 2023	Purchase price allocation of subsidiaries	31 December 2023 (restated)
	PLN'000	PLN'000	PLN'000
ASSETS			
Non-current assets			
Property, plant and equipment	137,030	-	137,030
Intangible assets	43,450	42,827	86,277
Right-of-use assets	46,309	(272)	46,037
Investment property	474	-	474
Goodwill	913,187	(37,753)	875,434
Investments accounted for using the equity method	252	-	252
Other receivables	7,274	-	7,274
Deferred tax assets	12,375	-	12,375
Other financial assets	2,021	-	2,021
Prepayments and accrued income	3,088	-	3,088
	1,165,460	4,802	1,170,262
Current assets			
Inventories	97,872	-	97,872
Prepayments and accrued income	53,904	-	53,904
Trade receivables	299,114	-	299,114
Contract assets	95,104	-	95,104
Corporate income tax receivable	2,693	-	2,693
Receivables from the state and local budgets	5,044	-	5,044
Other receivables	79,663	-	79,663
Other non-financial assets	2,952	-	2,952
Other financial assets	1,173	-	1,173
Cash and cash equivalents	313,112	-	313,112
	950,631	-	950,631
TOTAL ASSETS	2,116,091	4,802	2,120,893

	31 December 2023	Purchase price allocation of subsidiaries	31 December 2023 (restated)
	PLN'000	PLN'000	PLN'000
EQUITY AND LIABILITIES			
Equity <i>(attributable to shareholders of the Parent Company)</i>			
Share capital	518,943	-	518,943
Share premium	38,826	-	38,826
Transactions with non-controlling interests	(34,877)	-	(34,877)
Other capitals	717	-	717
Exchange differences on translation of foreign operations	(198,888)	17	(198,871)
Retained earnings	791,065	(425)	790,640
	1,115,786	(408)	1,115,378
Non-controlling interests	7,810	-	7,810
Total equity	1,123,596	(408)	1,123,188
Non-current liabilities			
Bank loans and borrowings	54,124	-	54,124
Lease liabilities	29,867	(143)	29,724
Other financial liabilities	174,055	-	174,055
Deferred tax liabilities	4,263	5,482	9,745
Provisions	3,906	-	3,906
Contract liabilities	10,690	-	10,690
Other liabilities	47	-	47
	276,952	5,339	282,291

Current liabilities			
Bank loans and borrowings	51,610	-	51,610
Lease liabilities	17,833	(129)	17,704
Other financial liabilities	58,928	-	58,928
Trade payables	214,561	-	214,561
Contract liabilities	158,114	-	158,114
Corporate income tax payable	15,275	-	15,275
Liabilities to the state and local budgets	50,849	-	50,849
Other liabilities	102,856	-	102,856
Provisions	6,688	-	6,688
Deferred income	2,407	-	2,407
Accruals	36,422	-	36,422
	715,543	(129)	715,414
TOTAL LIABILITIES	992,495	5,210	997,705
TOTAL EQUITY AND LIABILITIES	2,116,091	4,802	2,120,893

12 months ended 31 December 2023	Banking Solutions	Payment Solutions	Dedicated Solutions	Change – Banking Solutions	Change – Payment Solutions	Change – Dedicated Solutions	Banking Solutions	Payment Solutions	Dedicated Solutions
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	(restated) PLN'000	(restated) PLN'000	(restated) PLN'000
Sales to external customers	301,616	754,030	590,142	-	-	-	301,616	754,030	590,142
Gross profit on sales	114,970	216,152	95,706	-	(539)	-	114,970	215,613	95,706
Selling costs	(16,584)	(50,977)	(34,925)	-	-	-	(16,584)	(50,977)	(34,925)
General and administrative expenses	(30,284)	(42,324)	(23,711)	-	-	-	(30,284)	(42,324)	(23,711)
Net profit on sales	68,102	122,851	37,070	-	(539)	-	68,102	122,312	37,070
Other operating activities	256	282	724	-	-	-	256	282	724
Share of profits of associates	-	82	-	-	-	-	-	82	-
Operating profit	68,358	123,215	37,794	-	(539)	-	68,358	122,676	37,794
Goodwill as at 31 December 2023	209,569	239,496	402,998	-	(9,386)	(28,367)	209,569	230,110	374,631

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

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

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

Basis of restatements due to hyperinflation

- Price index:

Hyperinflation restatements of the financial data of our subsidiaries operating in Turkey have been based on officially available data on changes in the consumer price index (CPI) as published by the Turkish Statistical Institute. According to this index, the inflation rate for the period of 12 months ended 31 December 2024 reached 44%.

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

Inflation rate for particular periods	
December 2024 – December 2023	44%
December 2023 – December 2022	65%
Three-year cumulative inflation rate	
December 2024 – December 2021	291%

- Currency exchange rate:

All financial data of our subsidiary operations in Turkey, both in the statement of financial position and the statement of profit and loss are translated into the Group's presentation currency (PLN) using the TRY/PLN exchange rate effective on the reporting date, which is contrary to the Group's usual practice of translating the statement of profit and loss at the average exchange rate for the reporting period. As at 31 December 2024, this exchange rate was: TRY 1 = PLN 0.1161.

Assumptions for the approach and timing of hyperinflation restatements:

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

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

- Due to the revaluation of non-monetary assets and liabilities, deferred tax calculated as the difference between the tax value and the book value was also revalued.
- All transactions included in the statement of profit and loss for the year 2024 have been restated to reflect changes in the price index from the month when recognized till 31 December, except for

depreciation charges on property, plant and equipment and amortization charges on intangible assets that have been remeasured based on the adjusted gross value of these assets, as well as expenses and income from the accounting for restated amounts of accruals and contract liabilities. The remeasurement of depreciation and amortization charges has been based on the normal periods of useful life of relevant assets. The restatement of the statement of profit and loss for the inflation rate resulted in an increase in the value of individual items presented in the local currency due to changes in the price index from the date of their recognition till 31 December 2024.

- In correspondence to the restatement of the statement of profit and loss and the statement of financial position for the inflation rate in the current reporting period, the Group has recognized a gain/loss on the net monetary position, disclosed financial income/expenses in the statement of profit and loss. In correspondence to the revaluation of items in the statement of financial position for the inflation rate from the date of their initial recognition till the end of 2021, the Group has recognized exchange differences on translation of foreign operations disclosed separately in other comprehensive income for 2022 and in equity.
- Translation of financial data into the Group's presentation currency
 - Once the financial statements of our subsidiaries operating in Turkey were restated for the effects of inflation in the local currency, they have been translated into PLN which involved translating the statement of financial position and all items of the statement of profit and loss for the reporting period, using the TRY/PLN exchange rate effective on the reporting date. As at 31 December 2024, this exchange rate was: TRY 1 = PLN 0.1161. Translation of the statement of financial position has remained unchanged compared to the Group's usual practice, while the new principle of translating the statement of profit and loss has had a significant impact on its individual items. The effect of translating the statement of comprehensive income using the closing exchange rate of the reporting period has been recognized in correspondence in exchange differences on translation of foreign operations.
- Time of recognition
 - IAS 29 has been implemented by the Group since 1 January 2022 and the first hyperinflation restatements were made in the interim consolidated financial statements for the period of 6 months ended 30 June 2022. Because the three-year cumulative inflation rate exceeded 100% in April 2022, the already published data for the first quarter of 2022 were not subject to hyperinflation adjustments.

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

STATEMENT OF PROFIT AND LOSS	12 months ended	Impact of hyperinflation	12 months ended
	31 December 2024		31 December 2024
	without impact of IAS 29		according to IAS/IFRS
	PLN'000	PLN'000	PLN'000
Operating revenues	1,680,387	27,797	1,708,184
Cost of sales	(1,240,307)	(19,360)	(1,259,667)
Allowances for trade receivables	(6,449)	-	(6,449)
Gross profit on sales	433,631	8,437	442,068
Selling costs	(110,577)	(1,534)	(112,111)
General and administrative expenses	(103,200)	(2,144)	(105,344)
Net profit on sales	219,854	4,759	224,613
Other operating income	3,560	50	3,610
Other operating expenses	(1,545)	(1)	(1,546)
Share of profits of associates	73	-	73
Operating profit	221,942	4,808	226,750
Financial income	64,838	24,893	89,731
Financial expenses	(49,104)	(16,117)	(65,221)
Impairment loss on financial instruments	-	-	-
Pre-tax profit	237,676	13,584	251,260
Corporate income tax (current and deferred tax expense)	(44,874)	(1,700)	(46,574)
Net profit for the reporting period	192,802	11,884	204,686

Attributable to:

Shareholders of the Parent Company	187,479	11,744	199,223
Non-controlling interests	5,323	140	5,463
OTHER COMPREHENSIVE INCOME			
Net profit for the reporting period	192,802	11,884	204,686
Components that may be reclassified to profit or loss	(19,663)	(6,214)	(25,877)
Net gain/loss on valuation of financial assets	158	-	158
Exchange differences on translation of foreign operations	(19,821)	(6,214)	(26,035)
Total other comprehensive income	(19,663)	(6,214)	(25,877)
TOTAL COMPREHENSIVE INCOME attributable to:	173,139	5,670	178,809
Shareholders of the Parent Company	168,056	5,530	173,586
Non-controlling interests	5,083	140	5,223

ASSETS	31 December 2024 without impact of IAS 29 PLN'000	Impact of hyperinflation PLN'000	31 December 2024 according to IAS/IFRS PLN'000
Non-current assets			
Property, plant and equipment	168,458	5,717	174,175
Intangible assets	89,481	797	90,278
Right-of-use assets	68,848	-	68,848
Investment property	436	-	436
Goodwill	956,049	62,621	1,018,670
Investments accounted for using the equity method	265	-	265
Other receivables	5,850	-	5,850
Deferred tax assets	11,992	(281)	11,711
Other financial assets	2,481	-	2,481
Prepayments and accrued income	2,843	247	3,090
	1,306,703	69,101	1,375,804
Current assets			
Inventories	109,968	-	109,968
Prepayments and accrued income	59,664	1,898	61,562
Trade receivables	292,385	-	292,385
Contract assets	87,249	-	87,249
Corporate income tax receivable	4,662	-	4,662
Receivables from the state and local budgets	15,841	-	15,841
Other receivables	71,917	-	71,917
Other non-financial assets	4,924	-	4,924
Other financial assets	4,079	-	4,079
Cash and cash equivalents	271,211	-	271,211
	921,900	1,898	923,798
Assets held for sale	11,978	3,342	15,320
	933,878	5,240	939,118
TOTAL ASSETS	2,240,581	74,341	2,314,922

EQUITY AND LIABILITIES	31 December 2024 without impact of IAS 29 PLN'000	Impact of hyperinflation PLN'000	31 December 2024 according to IAS/IFRS PLN'000
Equity <i>(attributable to shareholders of the Parent Company)</i>			
Share capital	518,943	-	518,943
Share premium	38,826	-	38,826
Transactions with non-controlling interests	(162,161)	-	(162,161)
Other capitals	1,580	-	1,580
Exchange differences on translation of foreign operations	(237,396)	12,730	(224,666)
Retained earnings	848,281	55,972	904,253
	1,008,073	68,702	1,076,775
Non-controlling interests	8,177	247	8,424
Total equity	1,016,250	68,949	1,085,199
Non-current liabilities			
Bank loans and borrowings	85,820	-	85,820
Lease liabilities	47,983	-	47,983
Other financial liabilities	394,195	-	394,195
Deferred tax liabilities	13,770	805	14,575
Provisions	5,543	-	5,543

Deferred income	1,045	-	1,045
Accruals	423	-	423
Contract liabilities	7,067	1,474	8,541
Other liabilities	54	-	54
	555,900	2,279	558,179
Current liabilities			
Bank loans and borrowings	76,912	-	76,912
Lease liabilities	17,650	-	17,650
Other financial liabilities	46,849	-	46,849
Trade payables	195,073	-	195,073
Contract liabilities	124,624	3,113	127,737
Corporate income tax payable	9,601	-	9,601
Liabilities to the state and local budgets	45,151	-	45,151
Other liabilities	104,482	-	104,482
Provisions	3,086	-	3,086
Deferred income	660	-	660
Accruals	40,206	-	40,206
	664,294	3,113	667,407
Liabilities directly related to assets held for sale	4,137	-	4,137
	668,431	3,113	671,544
TOTAL LIABILITIES	1,224,331	5,392	1,229,723
TOTAL EQUITY AND LIABILITIES	2,240,581	74,341	2,314,922

For the sake of complete presentation of the impact of hyperinflation on the consolidated statement of financial position and the statement of profit and loss, we also included the write-down on assets held for sale resulting from the previous hyperinflation revaluation.

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

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

12 months ended 31 December 2024	Banking Solutions		Payment Solutions		Dedicated Solutions	
	without impact of IAS 29	according to IAS/IFRS	without impact of IAS 29	according to IAS/IFRS	without impact of IAS 29	according to IAS/IFRS
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales to external customers	314,312	316,799	861,104	872,388	548,100	562,126
Gross profit on sales	104,926	106,953	259,806	262,257	68,899	72,858
Selling costs	(17,511)	(17,574)	(59,677)	(60,745)	(33,389)	(33,792)
General and administrative expenses	(27,131)	(27,234)	(48,943)	(50,278)	(27,126)	(27,832)
Net profit on sales	60,284	62,145	151,186	151,234	8,384	11,234
Other operating activities	78	83	660	692	1,277	1,289
Share of profits of associates	-	-	73	73	-	-
Operating profit	60,362	62,228	151,919	151,999	9,661	12,523
Goodwill as at 31 December 2024	207,037	214,091	389,906	414,765	359,105	389,813

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

Selected accounting policies

Consolidation rules

These consolidated financial statements of ASEE Group encompass assets, liabilities and equity, revenues and costs, as well as cash flows of the Parent Company – ASEE S.A. and entities remaining under its control (subsidiaries).

Annual financial statements of our subsidiaries, after being adjusted to comply with IFRS, are prepared for the same reporting period as adopted by the Parent Company and using consistent accounting treatment of similar transactions and economic activities. Any discrepancies in the applied accounting policies are eliminated by making appropriate adjustments.

All significant outstanding settlements and transactions between the Group companies, including unrealized profits resulting from transactions within the Group, have been fully eliminated. All unrealized losses are eliminated as well, except for impairment losses.

Subsidiaries are subject to consolidation from the date the Group obtains control over such entities until such control ceases. The Parent Company controls a subsidiary only when it: (i) has power over a given entity, (ii) is exposed, or has rights, to variable returns from its involvement with a given entity, and (iii) has the ability to use power over a given entity to affect the amount of generated returns.

In a situation when the Group holds less than a majority of voting rights in a given entity, but it is sufficient to unilaterally direct the relevant activities of such entity, then the control is exercised.

Subsidiaries are consolidated for the period in which they were controlled by the Group (from the beginning of such control to its end). Should the Group lose control over a subsidiary company, the consolidated financial statements shall include the results of such subsidiary for the part of the year during which it was controlled by the Group. Acquisitions of subsidiaries are accounted for using the full consolidation method.

Any changes in equity interest / voting rights in a subsidiary that do not result in a loss of control are accounted for as capital transactions. In such events, in order to reflect changes in the ownership of a respective subsidiary, the Group shall adjust the carrying value of controlling interests and non-controlling interests. Any differences between the change in non-controlling interests and the fair value of consideration paid or received are recognized directly in equity (transactions with non-controlling interests) and attributed to the owners of the Parent Company.

Combinations of businesses under common control

A business combination involving business entities under common control is a business combination whereby all of the combining business entities are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory.

This refers in particular to transactions such as a transfer of companies or ventures between individual companies within the Group, or a merger of the Parent Company with its subsidiary.

In the event of a business combination in which an investment in one subsidiary is contributed to another subsidiary or in which two subsidiaries of ASEE S.A. are combined, the carrying value of our investment in the acquiree subsidiary is only transferred at the level of standalone financial statements. Hence, a takeover of one subsidiary by another subsidiary has no impact on the Group's financial results whatsoever.

The effects of combinations of businesses under common control are accounted for by the Group by the pooling of interests method, assuming that:

- assets and liabilities of the combining business entities are measured at their carrying values as disclosed in the Group's consolidated financial statements. This means that goodwill previously recognized in the consolidated financial statements as well as any other intangible assets recognized in the merger accounting process are transferred to the standalone financial statements, and at the consolidated level there is no fair value remeasurement of net assets as at the transaction date;
- merger-related transaction costs are expensed in the statement of profit and loss (financial expenses);
- mutual balances of accounts receivable/ payable are eliminated;
- any difference between the purchase price paid or transferred and the value of net assets acquired (at their carrying values disclosed in the consolidated financial statements) shall be recognized in equity of the acquirer (such amounts recognized in equity are not included in reserve capital, and therefore they are not distributable);
- the statement of profit and loss presents the financial results of both combined entities from the date when their merger was effected; whereas, the results for earlier reporting periods are not restated.

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

Name of entity	Registered seat	Equity interest / Voting rights held by the Group	
		31 December 2024	31 December 2023
Subsidiary companies			
ASEE Solutions d.o.o. Belgrade	Serbia	100/100	100/100
Things Solver d.o.o. Belgrade	Serbia	76.14/76.14	60/60
e-mon d.o.o., Podgorica	Montenegro	75/75	75/75
ASEE d.o.o., Sarajevo	Bosnia and Herzegovina	100/100	100/100
Dwelt d.o.o. Banja Luka	Bosnia and Herzegovina	60/60*	60/60*
BS Telecom Solutions d.o.o. Sarajevo	Bosnia and Herzegovina	60/60*	60/60
ASEE EOOD	Bulgaria	100/100	100/100
ASEE Solutions d.o.o.	Croatia	100/100	100/100
IT Sistemi Nove Tehnologije d.o.o.	Croatia	n/a	100/100
Evision Informacijski Sustavi d.o.o.	Croatia	n/a	100/100
ASEE DOOEL, Skopje	Macedonia	100/100	100/100
ASEE BSS DOOEL, Skopje	Macedonia	100/100	n/a
ASEE Sh.p.k.	Kosovo	100/100	100/100
ASEE Albania Sh.p.k.	Albania	100/100	100/100
Helius Systems Sh.p.k.	Albania	70/70*	70/70*
ASEE Solutions S.R.L.	Romania	100/100	100/100
ASEE Solutions S.R.L.	Moldova	100/100	100/100
Bithat Solutions s.r.l.	Romania	100/100	70/70*
Askepnet TOV	Ukraine	100/100	n/a
ASEE Bilişim Teknolojileri A.Ş.	Turkey	100/100	100/100
Payten Holding S.A.	Poland	99.07/99.07	99.07/99.07
Necomplus, S.L.	Spain	84.97/84.97	84.97/84.97
Necomplus Serveis Andorra, S.L.	Andorra	33.33/33.33	33.33/33.33
Necomplus Portugal Lda	Portugal	100/100	100/100
Necomplus Dominicana Srl	Dominican Republic	100/100	100/100
Necomplus Colombia SAS	Colombia	100/100	100/100
Necomplus PERÚ SAC	Peru	100/100	100/100
Monri Colombia SAS	Colombia	n/a	84.97/84.97
IfthenPay Lda	Portugal	80/80*	80/80*
WEO Unipessoal Lda	Portugal	80/80*	n/a
Payten Teknoloji A.Ş.	Turkey	100/100	100/100
Paratika Odeme Hizmetleri A.Ş.	Turkey	100/100	100/100
Mobven Teknoloji A.Ş.	Turkey	100/100	100/100
Payten Mobil Teknolojileri A.S.	Turkey	n/a	100/100
Payten d.o.o, New Belgrade	Serbia	100/100	100/100
Chip Card a.d., Belgrade	Serbia	92.51/92.51	92.51/92.51
Afusion d.o.o., Belgrade	Serbia	95/95	95/95
Monri Payments d.o.o., Belgrade	Serbia	100/100	100/100
Payten d.o.o. (Sarajevo)	Bosnia and Herzegovina	100/100	100/100
Monri Payments d.o.o.	Bosnia and Herzegovina	100/100	100/100
Payten d.o.o. (Zagreb)	Croatia	100/100	100/100
Monri Payments d.o.o. Zagreb	Croatia	100/100	100/100
Payten d.o.o., Podgorica	Montenegro	100/100	100/100
Payten DOOEL, Skopje	Macedonia	100/100	100/100
Payten d.o.o. (Ljubljana)	Slovenia	100/100	100/100
Avera d.o.o.	Slovenia	75/75*	75/75*
Payten Payment Solutions s.r.l.	Romania	100/100	100/100
ContentSpeed s.r.l.	Romania	80/80*	80/80*
SONET společnost s.r.o.	Czech Republic	100/100	100/100
SONET Slovakia s.r.o.	Slovak Republic	100/100	100/100
Payten Egypt LLC	Egypt	80/80	80/80

Touras India Private Limited	India	51/51	n/a
Touras Tech Global Private Limited	India	51/51	n/a
Touras Technologies Limited	United Arab Emirates	51/51	n/a
Safexpay Software Solutions L.L.C.	United Arab Emirates	51/51	n/a
Paygate (Private) Limited	Sri Lanka	51/51	n/a
Associated companies:			
Clever Solutions Sh.p.k.	Albania	45/45	45/45

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

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

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

During the period of 12 months ended 31 December 2024, the Group's composition changed as follows:

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

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

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

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

▪ ***Merger of Payten Teknoloji A.Ş. and Payten Mobil Teknolojileri A.S.***

The companies of Payten Teknoloji A.Ş. and Payten Mobil Teknolojileri A.S. merged on 29 April 2024 and from that date they have operated as one company called Payten Teknoloji. The said transaction had no impact on the consolidated financial statements of the Group.

▪ ***Establishing of ASEE BSS DOOEL, Skopje***

On 29 May 2024, ASEE S.A. established a new company called ASEE BSS DOOEL, Skopje in Macedonia and acquired 100% of its shares.

▪ ***Merger of Asseco SEE d.o.o. and IT Sistemi Nove Tehnologije d.o.o.***

The companies of Asseco SEE d.o.o. and IT Sistemi Nove Tehnologije d.o.o. merged on 5 June 2024 and from that date they have operated as one company called Asseco SEE d.o.o. The said transaction had no impact on the consolidated financial statements of the Group.

▪ ***Acquisition of shares in the companies Paygate India Private Limited in India and Paygate Limited in the United Arab Emirates***

On 1 July 2024, Payten Holding S.A. based in Warsaw concluded a framework agreement defining a scheme for the acquisition of 55% of shares in Paygate India Private Limited based in Gurugram, India and 51% of shares in Paygate Limited based in Dubai, the United Arab Emirates, as well as individual agreements for the acquisition of shares in both companies. After the Group obtained control over these companies, both companies changed their names: Paygate India Private Limited was renamed as Touras India Private Limited (hereinafter "Touras India") on 4 September 2024, and Paygate Limited was renamed as Touras Technologies Limited (hereinafter "Touras Tech UAE") on 30 August 2024. In addition, each of these companies has subsidiaries:

- Touras India Private Limited holds 100% of shares in Touras Tech Global Private Limited (formerly Safexpay Technologies Private Limited) based in Thane West, India;
- Touras Technologies Limited holds 100% of shares in Safexpay Software Solutions L.L.C. based in Dubai as well as in Paygate (Private) Limited based in Colombo, Sri Lanka.

Details of the provisional purchase price allocation of these companies have been presented in explanatory note 6.4 to these consolidated financial statements.

- **Agreement to acquire shares in Askepnet TOV based in Lviv by our subsidiary ASEE Solutions S.R.L. based in Bucharest**

On 29 July 2024, our subsidiary ASEE Solutions S.R.L. based in Bucharest concluded an agreement for the acquisition of 100% of shares in Askepnet TOV, a company based in Lviv, Ukraine.

Details of the provisional purchase price allocation of this company have been presented in explanatory note 6.4 to these consolidated financial statements.

- **Increase of the share capital of Things Solver d.o.o. Belgrade**

The share capital increase of Things Solver d.o.o. Belgrade was registered on 9 August 2024. The capital was contributed by ASEE Solutions d.o.o. Belgrade, as a result of which the equity interest held by ASEE Solutions d.o.o. Belgrade in Things Solver increased from 60% to 76.14%. This transaction has been recognized in the Group's equity, as a transaction with non-controlling interests.

- **Agreement to acquire shares in WEO Unipessoal Lda**

On 16 August 2024, Payten Holding S.A. based in Warsaw concluded an agreement for the acquisition of 80% of shares in WEO Unipessoal Lda, a company based in Armação de Pêra, Portugal.

Details of the provisional purchase price allocation of this company have been presented in explanatory note 6.4 to these consolidated financial statements.

- **Changing the name of a subsidiary company to ASEE Sh.p.k.**

On 5 September 2024, our Kosovo-based company Asseco SEE Sh.p.k. was renamed as ASEE Sh.p.k.

- **Buyout of non-controlling interests in Bithat Solutions s.r.l.**

On 10 September 2024, ASEE Solutions s.r.l. (Romania) signed an agreement to acquire 30% of non-controlling interests in Bithat Solutions s.r.l. for the price of EUR 0.9 million. Because these non-controlling interests were subject to put/call options and the acquisition of Bithat was initially accounted for using the present ownership method, the difference between the latest valuation of our liability and the purchase price in the amount of EUR 1.1 million was recognized in the statement of profit and loss.

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

On 6 November 2024, the name of our Croatia-based subsidiary company Asseco SEE d.o.o. was changed to ASEE Solutions d.o.o.

- **Change of shareholding in Touras India Private Limited**

On 11 November 2024, Touras India Private Limited increased its share capital through the issuance of 886,055 Class A and B shares, representing 4% of total shares in Touras India. All the newly issued shares were acquired by a minority shareholder of Touras India, thus the shareholding of Payten Holding S.A. in that company dropped from 55% to 51%. This transaction has been recognized in the Group's equity, as a transaction with non-controlling interests.

IV. Information on operating segments

According to IFRS 8, an operating segment is a separable component of the Group's business for which separate financial information is available and regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

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

- Banking Solutions,
- Payment Solutions,
- Dedicated Solutions.

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

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

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

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

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

Revenues from none of our clients exceeded 10% of total sales generated by the Group in the period of 12 months ended 31 December 2024.

Selected financial data for the period of 12 months ended 31 December 2024, in a breakdown by operating segments:

12 months ended 31 December 2024	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenues:	314,312	861,104	548,100	(43,129)	27,797	1,708,184
Sales to external customers	292,511	845,976	541,900	-	27,797	1,708,184
Sales between and/or within segments	21,801	15,128	6,200	(43,129)	-	-
Gross profit on sales	104,926	259,806	68,899	-	8,437	442,068
Selling costs	(17,511)	(59,677)	(33,389)	-	(1,534)	(112,111)
General and administrative expenses	(27,131)	(48,944)	(27,125)	-	(2,144)	(105,344)
Net profit on sales	60,284	151,185	8,385	-	4,759	224,613
Other operating activities	78	660	1,277	-	49	2,064
Share of profits of associates	-	73	-	-	-	73
Operating profit	60,362	151,918	9,662	-	4,808	226,750
Non-cash items						
Depreciation and amortization	(12,664)	(62,030)	(20,590)	-	(3,438)	(98,722)
Impairment losses on segment assets recognized in operating expenses	(1,016)	(5,075)	(4,256)	-	-	(10,347)
Impairment losses on goodwill recognized in financial expenses	-	(15,482)	(13,753)	-	-	(29,235)
Goodwill	207,037	389,907	359,105	-	62,621	1,018,670

12 months ended 31 December 2024	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Sales revenues:	73,024	200,062	127,340	(10,020)	6,458	396,864
Sales to external customers	67,959	196,547	125,900	-	6,458	396,864
Sales between and/or within segments	5,065	3,515	1,440	(10,020)	-	-
Gross profit on sales	24,378	60,361	16,007	-	1,960	102,706
Selling costs	(4,068)	(13,865)	(7,758)	-	(356)	(26,047)
General and administrative expenses	(6,303)	(11,371)	(6,303)	-	(498)	(24,475)
Net profit on sales	14,007	35,125	1,946	-	1,106	52,184
Other operating activities	18	153	298	-	11	480
Share of profits of associates	-	17	-	-	-	17
Operating profit	14,025	35,295	2,244	-	1,117	52,681
Non-cash items						
Depreciation and amortization	(2,942)	(14,412)	(4,784)	-	(800)	(22,938)
Impairment losses on segment assets recognized in operating expenses	(236)	(1,179)	(989)	-	-	(2,404)
Impairment losses on goodwill recognized in financial expenses	-	(3,597)	(3,195)	-	-	(6,792)
Goodwill	48,452	91,249	84,040	-	14,655	238,396

The financial results presented above have been converted at the average exchange rate for the period of 12 months ended 31 December 2024: EUR 1 = PLN 4.3042, whereas the financial position data have been converted at the exchange rate effective on 31 December 2024: EUR 1 = PLN 4.2730.

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

Selected financial data for the period of 12 months ended 31 December 2023, in a breakdown by operating segments:

12 months ended 31 December 2023 (restated)	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Sales revenues:	318,950	780,126	606,199	(59,487)	(3,257)	1,642,531
Sales to external customers	301,616	754,030	590,142	-	(3,257)	1,642,531
Sales between and/or within segments	17,334	26,096	16,057	(59,487)	-	-
Gross profit on sales	114,970	215,613	95,706	-	(4,617)	421,672
Selling costs	(16,584)	(50,977)	(34,925)	-	1,178	(101,308)
General and administrative expenses	(30,284)	(42,324)	(23,711)	-	325	(95,994)
Net profit on sales	68,102	122,312	37,070	-	(3,114)	224,370
Other operating activities	256	282	724	-	(245)	1,017
Share of profits of associates	-	82	-	-	-	82
Operating profit	68,358	122,676	37,794	-	(3,359)	225,469
Non-cash items						
Depreciation and amortization	(13,171)	(59,334)	(14,973)	-	(1,502)	(88,980)
Impairment losses on segment assets recognized in operating expenses	595	(1,317)	(9,033)	(16)	-	(9,771)
Goodwill	209,569	230,110	374,631	-	61,124	875,434

12 months ended 31 December 2023 (restated)	Banking Solutions	Payment Solutions	Dedicated Solutions	Eliminations	Hyperinflation	Total
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Sales revenues:	70,434	172,276	133,866	(13,137)	(719)	362,720
Sales to external customers	66,606	166,513	130,320	-	(719)	362,720
Sales between and/or within segments	3,828	5,763	3,546	(13,137)	-	-
Gross profit on sales	25,389	47,614	21,135	-	(1,020)	93,118
Selling costs	(3,662)	(11,257)	(7,713)	-	260	(22,372)
General and administrative expenses	(6,688)	(9,346)	(5,236)	-	72	(21,198)
Net profit on sales	15,039	27,011	8,186	-	(688)	49,548
Other operating activities	57	62	159	-	(54)	224
Share of profits of associates	-	18	-	-	-	18
Operating profit	15,096	27,091	8,345	-	(742)	49,790
Non-cash items						
Depreciation and amortization	(2,909)	(13,103)	(3,305)	-	(333)	(19,650)
Impairment losses on segment assets recognized in operating expenses	131	(290)	(1,994)	(4)	-	(2,157)
Goodwill	48,199	52,923	86,162	-	14,058	201,342

The financial results presented above have been converted at the average exchange rate for the period of 12 months ended 31 December 2023: EUR 1 = PLN 4.5284, whereas the financial position data have been converted at the exchange rate effective on 31 December 2023: EUR 1 = PLN 4.3480.

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

5.1. Structure of operating revenues

Selected accounting policies

The Group is engaged in the sale of licenses and broadly defined IT services, and distinguishes the following types of revenues:

- revenues from the sale of proprietary licenses and services,
- revenues from the sale of third-party licenses and services, and
- revenues from the sale of hardware.

a) Sale of proprietary licenses and services

The category of 'Proprietary licenses and services' includes revenues from contracts with customers under which we supply our own software and/or provide related services.

▪ **Comprehensive IT projects**

A large portion of those revenues is generated from the performance of comprehensive IT projects, whereby the Group is committed to provide the customer with a functional IT system. In those situations the customer can only benefit from a functional system, being the final product that is comprised of our proprietary licenses and significant related services (for example, modifications or implementation). Under such contracts, the Group is virtually always required to provide the customer with comprehensive goods or services, including the supply of proprietary licenses and/or own modification services and/or own implementation services. This means that the so-called comprehensive IT contracts most often result in a separate performance obligation that consists in providing the customer with a functional IT system. In the case of a performance obligation that involves the provision of a functional IT system, we closely examine the promise in granting a licence under each contract. Each license is analyzed for being distinct from other goods or services promised in the contract. As a general rule, the Group considers that a commitment to sell a license under such performance obligation does not satisfy the criteria of being distinct, because the transfer of the license is only part of a larger performance obligation, and services sold together with the license present such a significant value so that it is impossible to determine whether the license itself is a predominant obligation.

Revenues from a performance obligation to provide a functional IT system are recognized over time, during the period of its development. This is because, in accordance with IFRS 15, revenues may be recognized over time of transferring control of the supplied goods/services, as long as the entity's performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance completed to date throughout the duration of the contract. In the Management's opinion, in the case of execution of comprehensive IT projects the provider cannot generate an asset with an alternative use because such systems together with the accompanying implementation services are "tailor-made". Concurrently, the analysis carried out so far showed that essentially all contracts concluded by the Group meet the criterion of ensuring an enforceable right to payment for performance completed throughout the duration of the contract. This means that revenues from comprehensive IT projects, which include the sale of proprietary licenses and own services, shall be recognized according to the percentage of completion method (based on the costs incurred so far) over time of transferring control of the sold goods/services to the customer. Relatively small IT projects, which are usually completed within one year or generate revenues that are insignificant in the Management's opinion, constitute a specific case where revenues may be recognized in the amount the Group is entitled to invoice. The basic method of revenue recognition for these projects is the percentage of total costs incurred so far on a given project. In the case of projects where such approach is impractical for operational reasons or too expensive compared to the project size, the Group recognizes revenues after the completion of work is confirmed by the customer. Revenues are recognized on the basis of a sales invoice issued to the customer, unless such an invoice has not been issued at the reporting date. In such event, revenues are recognized through a posting instruction. The implementation time for the said IT projects may vary due to many factors of both internal and external nature. The most important internal factor is the availability of resources, in particular due to large-scale projects implemented at the same time. Whereas, the most important external factor is the availability of resources on the customer's part, without which it would be impossible to carry out a project either in the phase of defining the scope and requirements or testing the developed solution. Considering the above, it can be assumed that the duration of small projects is usually between 1 and 3 months.

▪ **Sale of proprietary licenses without significant related services**

In the event the sale of a proprietary license is distinct from other significant modification and/or implementation services, and thereby it constitutes a separate performance obligation, the Group considers whether the promise in granting the licence is to provide the customer with either:

- ✓ a right to access the entity's intellectual property in the form in which it exists throughout the licensing period; or
- ✓ a right to use the entity's intellectual property in the form in which it exists at the time of granting the license.

The vast majority of licenses sold separately by the Group (thus representing a separate performance obligation) are intended to provide the customer with a right to use the intellectual property, which means revenues from the sale of such licenses are recognized at the point in time at which control of the licence is transferred to the customer. This is tantamount to stating that in the case of proprietary licenses sold without significant related services, regardless of the licensing period, the arising revenues are recognized on a one-off basis at the point in time of transferring control of the licence. We have also identified instances of selling licenses the nature of which is to provide a right to access the intellectual property. Those licenses are, as a rule, sold for a definite period. In accordance with IFRS 15, the Group now recognizes such revenues based on the determination whether the license provides the customer with a right to access or a right to use.

▪ **Maintenance services and warranties**

The category of 'Proprietary licenses and services' also presents revenues from own maintenance services, including revenues from warranties. Such services, in principle, constitute a separate performance obligation where the customer consumes the benefits of goods/services as they are delivered by the provider, as a consequence of which revenues are recognized over time during the service performance period.

In many cases, the Group also provides a warranty for goods and services sold. Most warranties granted by the Group meet the definition of service, these are the so-called extended warranties the scope of which is broader than just an assurance to the customer

that the product/service complies with agreed-upon specifications. The conclusion regarding the extended nature of a warranty is made whenever the Group contractually undertakes to repair any errors in the delivered software within a strictly specified time limit and/or when such warranty is more extensive than the minimum required by law. In the context of IFRS 15, the fact of granting an extended warranty indicates that the Group actually provides an additional service. In accordance with IFRS 15, this means the Group needs to recognize an extended warranty as a separate performance obligation and allocate a portion of the transaction price to such service. In all cases where an extended warranty is accompanied by a maintenance service, which is even a broader category than an extended warranty itself, revenues are recognized over time because the customer consumes the benefits of such service as it is performed by the provider. If this is the case, the Group continues to allocate a portion of the transaction price to such maintenance service. Likewise, in cases where a warranty service is provided after the project completion and is not accompanied by any maintenance service, then a portion of the transaction price and analogically recognition of a portion of contract revenues will have to be deferred until the warranty service is actually fulfilled. In the case of warranties the scope of which is limited to the statutory minimum, our accounting policy remained unchanged, meaning such future and contingent obligations will be covered by provisions for warranty repairs which, if materialized, will be charged as operating costs.

b) Sale of third-party licenses and services

The category of 'Third-party licenses and services' includes revenues from the sale of third-party licenses as well as from the provision of services which, due to technological or legal reasons, must be carried out by subcontractors (this applies to hardware and software maintenance and outsourcing services provided by their manufacturers). Revenues from the sale of third-party licenses are as a rule accounted for as sales of goods, which means that such revenues are recognized at the point in time at which control of the licence is transferred to the customer. Concurrently, revenues from third-party services, including primarily third-party maintenance services, are recognized over time when such services are provided to the customer. Whenever the Group is involved in the sale of third-party licenses or services, we consider whether the Group acts as a principal or an agent; however, in most cases the conclusion is that the Group is the main party required to satisfy a performance obligation and therefore the resulting revenues are recognized in the gross amount of consideration.

c) Sale of hardware

The category of the 'Sale of hardware' includes revenues from contracts with customers for the supply of infrastructure. In this category, revenues are recognized basically at the point in time at which control of the equipment is transferred. This does not apply only to situations where hardware is not delivered separately from services provided alongside, in which case the sale of hardware is part of a performance obligation involving the supply of a comprehensive infrastructure system. However, such comprehensive projects are a rare practice in the Group as the sale of hardware is predominantly performed on a distribution basis.

In the case of contracts that contain a component of providing a service or equipment, the entity considers whether such arrangements contain a lease (i.e. whether the entity conveys the right to control the use of an identified asset for a period of time in exchange for consideration). The Group has not identified any finance lease components within contracts concluded with customers.

Variable consideration

In accordance with IFRS 15, if a contract consideration encompasses any amount that is variable, the Group shall estimate the amount of consideration to which it will be entitled in exchange for transferring promised goods or services to the customer, and shall include a portion or the whole amount of variable consideration in the transaction price but only to the extent that it is highly probable a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The Group is party to a number of contracts which provide for penalties for non-performance or improper performance of contractual obligations. Any contractual penalties may therefore affect the consideration, which has been stated as a fixed amount in the contract, and make it subject to change due to such expected penalties. Therefore, as part of estimating the amount of consideration receivable under a contract, the Group has estimated the expected amount of consideration while taking into account the probability of paying such contractual penalties as well as other factors that might potentially affect the consideration. This may consequently cause a reduction in revenues. Apart from contractual penalties, there are no other significant factors that may affect the amount of consideration (such as rebates or discounts), but in the event they were identified, they would also affect the amount of revenues recognized by the Group.

Allocating the transaction price to performance obligations

The Group allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group's company with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract is deemed to contain a significant financing component. As a practical expedient, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at the contract inception, that the period between when a promised good or service is transferred to the customer and when the customer pays for that good or service will be one year or less.

A contract with a customer does not contain a significant financing component if, among other factors, the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to the customer, and the difference between those amounts is proportional to the reason for the difference. This usually occurs when the contractual payment terms provide protection from the other party failing to adequately complete some or all of its obligations under the contract.

Costs of contracts with customers

The costs of obtaining a contract are those additional (incremental) costs incurred by the Group in order to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognizes such costs as an asset if it expects to recover those costs. Such capitalized costs of obtaining a contract shall be amortized over a period when the Group satisfies the performance obligations arising from the contract.

As a practical expedient, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group would have otherwise recognized is one year or less.

Costs to fulfil a contract are the costs incurred in fulfilling a contract with a customer. The Group recognizes such costs as an asset if they are not within the scope of another standard (for example, IAS 2 'Inventories', IAS 16 'Property, Plant and Equipment' or IAS 38 'Intangible Assets') and if those costs meet all of the following criteria: (i) the costs relate directly to a contract or to an anticipated contract with a customer; (ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and (iii) the costs are expected to be recovered.

Other practical expedients used by the Group

When appropriate, the Group also applies a practical expedient permitted under IFRS 15 whereby if the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date (for example, a service contract in which an entity bills a fixed amount for each hour of service provided), the Group may recognize revenue in the amount it is entitled to invoice.

Revenues other than revenues from contracts with customers (not subject to IFRS 15)

Revenues other than revenues from contracts with customers are generated by the Group primarily from outsourcing of IT hardware (e.g. ATMs, servers and POS terminals). Each time the Group determines whether all the risks and rewards incidental to the use of rented equipment have been transferred to the customer.

Estimates

As described above, the Group fulfils performance obligations, a large number of which (including those for the provision of a functional IT system) are measured using the percentage of completion method. Such valuation requires making estimates of future operating cash flows in order to measure the progress of project execution. The percentage of completion shall be measured as the relation of costs already incurred (provided such costs contribute to the progress of work) to the total costs planned, or as a portion of man-days worked out of the total work effort required. Making a valuation which results in revenue recognition each time requires the exercise of professional judgment and a significant amount of estimates.

Similarly, estimates and professional judgment are required in determining the expected amount of revenues from contracts with customers, in cases where the consideration is variable usually due to the determination of contractual penalties for delayed delivery of IT systems or performance of related services.

Estimates of revenues other than revenues from contracts with customers are related to the assessment of the nature of contracts involving the provision of assets to customers (the Group acting as a lessor). Considering the fact that the lease term is in most cases shorter than the substantial useful life of leased assets, and that significant risks and rewards incidental to ownership of leased assets have not been transferred to the Group's customers, the Group has concluded that these contracts are operating leases.

Operating revenues in the period of 12 months ended 31 December 2024 and in the comparable period were as follows:

	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Operating revenues by type of products		
Proprietary software and services	1,274,639	1,139,979
Third-party software and services	143,981	185,705
Hardware and infrastructure	289,564	316,847
Total	1,708,184	1,642,531

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

Operating revenues of individual segments from sales to external customers by type of products during the period of 12 months ended 31 December 2023 and in the comparable period were as follows:

	Banking Solutions PLN'000	Payment Solutions PLN'000	Dedicated Solutions PLN'000	Total PLN'000
12 months ended 31 December 2024				
Proprietary software and services	288,033	660,388	326,218	1,274,639
Third-party software and services	3,422	4,428	136,131	143,981
Hardware and infrastructure	3,543	192,444	93,577	289,564
Total operating revenues	294,998	857,260	555,926	1,708,184
12 months ended 31 December 2023				
Proprietary software and services	290,667	548,847	300,465	1,139,979
Third-party software and services	3,661	5,695	176,349	185,705
Hardware and infrastructure	6,872	193,790	116,185	316,847
Total operating revenues	301,200	748,332	592,999	1,642,531

ii. *Operating revenues in a breakdown by countries where they were generated*

	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Operating revenues by countries		
Albania	20,211	18,028
Austria	20,142	23,095
Bosnia and Herzegovina	118,574	99,331
Bulgaria	19,322	18,117
Croatia	205,219	186,855
Montenegro	28,960	25,664
Czech Republic	22,110	27,036
Dominican Republic	16,491	4,096
Spain	152,693	182,371
India	13,499	-
Colombia	6,210	12,320
Kosovo	28,105	29,236
Macedonia	59,553	62,824
Malta	612	8,521
Germany	25,012	38,788
Peru	24,056	21,117
Poland	10,366	11,752
Portugal	46,976	26,084
Romania	201,855	248,927
Serbia	397,311	372,932
Slovak Republic	10,089	9,411
Slovenia	29,449	24,439
Turkey	212,693	141,025
Italy	8,896	18,833
Other countries	29,780	31,729
Total operating revenues	1,708,184	1,642,531

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

	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Revenues from contracts with customers recognized in accordance with IFRS 15, of which:	1,607,238	1,545,917
From goods and services transferred at a specific point in time	440,572	503,722
From goods and services transferred over the passage of time	1,166,666	1,042,195
Other operating revenues (mainly from leases)	100,946	96,614
Total operating revenues	1,708,184	1,642,531

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.

iv. *Other performance obligations*

The table below discloses revenues that the Group expects to recognize in the future from performance obligations that are not satisfied or only partially satisfied as at the reporting date:

Transaction price allocated to performance obligations to be satisfied within:	PLN'000
1 year	742,356
Over 1 year	245,488
Total	987,844

Because the Group closely monitors its revenues for the next three years only, the amount disclosed in the line 'Over 1 year' corresponds to revenues contracted for 2026-2027.

v. *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:

	31 December 2024 PLN'000	31 December 2023 PLN'000
Future minimum lease payments		
(i) within 1 year	106,797	85,046
(ii) within 1 to 5 years	49,870	41,278
(iii) within more than 5 years	3,782	1,631
Total	160,449	127,955

5.2. Structure of operating costs

Selected accounting policies

The Group discloses its operating costs both by cost nature and cost function. Cost of sales comprises the costs arising directly from purchases of goods sold and generation of services sold. Selling costs include the costs of distribution and marketing activities. General and administrative expenses include the costs of the Group companies' management and administration activities.

Cost of goods, materials and services sold (COGS) represent the costs of purchases of goods and subcontractor services (excluding personal outsourcing) used for the implementation of projects. Such costs are associated both with revenues presented as own revenues (regarding revenues from services that are performed by subcontractors, if the use of third-party resources results from the Group's decision that treats such third-party resources as a substitute for own resources), as well as third-party revenues (services that must be performed by third parties – mostly software or hardware manufacturers).

Employee benefits comprise all sorts of benefits offered by the Group companies in exchange for work performed by their employees or for termination of employment. If an employee performs work for the benefit of Group companies, we recognize a cost equal to the undiscounted value of employee benefits expected to be paid in exchange for such work. In addition to remuneration, the costs of employee benefits include all paid absences, benefits resulting from the bonus schemes applied in the Group, post-employment benefits, as well as the costs of share-based payment transactions with employees.

Estimates

Due to the fact that the Group's costs are accounted for on an accrual basis, a portion of costs disclosed in the statement of profit and loss represent costs recognized as a result of estimates regarding, for example, the costs expected to arise from a bonus scheme offered to some employees of the Group companies.

The table below presents operating costs incurred in the period of 12 months ended 31 December 2024 and in the comparable period:

Operating costs	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 (restated) PLN'000
Cost of goods, materials and third-party services sold (COGS)	(551,102)	(589,023)
Employee benefits	(623,507)	(551,310)
Third-party non-project services and outsourcing of employees	(85,778)	(73,172)
Depreciation and amortization	(98,722)	(88,980)
Maintenance costs of property and company cars	(72,823)	(63,987)
Business trips	(9,473)	(9,238)
Advertising	(14,334)	(11,713)
Other operating expenses	(27,832)	(30,738)
Total	(1,483,571)	(1,418,161)

Cost of sales	(1,259,667)	(1,212,064)
Selling costs	(112,111)	(101,308)
General and administrative expenses	(105,344)	(95,994)
Recognition (reversal) of allowances for trade receivables	(6,449)	(8,795)
Total	(1,483,571)	(1,418,161)

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

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

Share-based payment transactions with employees

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

2021 plan

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

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

The purchase rights were vested on 23 September 2021. The purchase price was set at the market price on the acquisition date and amounted to PLN 40 per share. According to the concluded agreements, the managers shall exercise all the rights attached to shares acquired (dividend rights, voting rights, etc.) since the shares acquisition date, this is from 23 September 2021. The payment for shares shall be made in 9 instalments, the first one after signing the agreements and subsequently in 8 annual instalments, payable from 31 July 2023. Interest will be charged starting from the shares acquisition date till making the payment, in the amount of 1.5% + max (EURIBOR12M,0) on an annual basis. The amount of such variable component will be determined at the beginning of each subsequent annual interest period. The accrued interest will be paid each year along with the payment of consecutive instalments of the price. The right to pay the acquisition price in instalments is granted to persons participating in this plan provided they continue to serve in a managerial position at the Group and do not violate any material conditions of the agreement (among others, make timely payments according to the schedule, establish a pledge on shares acquired, refrain from selling these shares during the lock-up period, etc.). The managers are not allowed to sell these shares over a lock-up period of 5 years. The managers shall be entitled to make an early payment for all the shares acquired at the agreed price of PLN 40 per share upon expiry of a 4-year period, i.e. from 23 September 2025. Any unpaid portion of the selling price shall be secured by establishing a pledge on shares purchased by each buyer.

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

The fair value of this incentive plan was estimated based on the Black-Scholes Merton model. The value of option rights was measured using Monte Carlo simulation techniques combined with the linear least squares regression, i.e. the Longstaff-Schwartz method. The total fair value of the plan as at the rights vesting date amounted to PLN 1,984 thousand. The incentive plan costs will be accounted for, along with the corresponding increase in equity, as the costs of employee benefits and recognized in the financial results of ASEE Group for the years 2021-2029.

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

Market price of 1 share of ASEE on the acquisition date	PLN 40
Purchase price of 1 share	PLN 40
Expected volatility in share price	29%
Expected volatility in EUR/PLN exchange rate	6%
Interest rate on PLN	1.5% to 1.7%
Interest rate on EUR	-0.54% to - 0.40%

The expected share price volatility of 29% was computed based on historical quotes of our shares in the period of six months preceding the date of the shares sale transaction, taking into account their average prices.

In the valuation process, possible changes in the asset value resulting from the payment of dividends were taken into account. As at the valuation date, it is expected that dividends to be paid over the exercise period of purchase rights for ASEE shares will amount to PLN 1.00 per share annually.

The options may be exercised within 1 year for shares to be paid up in 2026, 2 years for shares to be paid up in 2027, and 3 years for shares to be paid up in 2028. These periods were correlated with the lock-up period applicable to the sale of shares.

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

The costs of this share-based payment plan disclosed in the consolidated financial statements of ASEE Group for the year ended 31 December 2024 amounted to PLN 292 thousand, as compared to PLN 291 thousand in 2023. In correspondence, this transaction was recognized as a separate item of the Group's equity, in the same amount as disclosed in remuneration costs.

2022 plan

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

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

The purchase rights were vested on 22 August 2022. The purchase price amounted to PLN 22.57 per share. According to the concluded agreements, the managers shall exercise all the rights attached to shares acquired (dividend rights, voting rights, etc.) since the shares acquisition date. The payment for shares shall be made in 9 instalments, the first one after signing the agreements and subsequently in 8 annual instalments, payable from 31 December 2024. Interest will be charged starting from the shares acquisition date till making the payment, in the amount of 1.5% + max (EURIBOR12M,0) on an annual basis. The amount of such variable component will be determined at the beginning of each subsequent annual interest period. The accrued interest will be paid each year along with the payment of consecutive instalments of the price. The right to pay the acquisition price in instalments is granted to persons participating in this plan provided they continue to serve in a managerial position at the Group and do not violate any material conditions of the agreement (among others, make timely payments according to the schedule, establish a pledge on shares acquired, refrain from selling these shares during the lock-up period, etc.). The managers are not allowed to sell these shares over a lock-up period of 5 years. The managers shall be entitled to make an early payment for all the shares acquired at the agreed price of PLN 22.57 per share upon expiry of a 4-year period, i.e. from 23 August 2026. Any unpaid portion of the selling price shall be secured by establishing a pledge on shares purchased by each buyer.

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

The fair value of this incentive plan was estimated based on the Black-Scholes Merton model. The value of option rights was measured using Monte Carlo simulation techniques combined with the linear least squares regression, i.e. the Longstaff-Schwartz method. The total fair value of the plan as at the rights vesting date amounted to PLN 2,141 thousand. The incentive plan costs will be accounted for, along with the corresponding increase in equity, as the costs of employee benefits and recognized in the financial results of ASEE Group for the years 2022-2030.

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

Market price of 1 share of Payten Holding S.A. on the acquisition date	PLN 26.06
Purchase price of 1 share	PLN 22.57
Expected volatility in share price	30-36%
Expected volatility in EUR/PLN exchange rate	6-8%
Interest rate on PLN	5.6%-6.5%
Interest rate on EUR	0.67%-1.26%

Payten Holding shares are not listed and their market price has been computed by reference to the market price of ASEE shares. The expected volatility in the price of Payten Holding shares has been calibrated based on historical quotes of ASEE shares in the period comparable to the maturity of purchase rights.

In the valuation process, possible changes in the asset value resulting from the payment of dividends were taken into account. As at the valuation date, it is expected that dividends to be paid over the exercise period of purchase rights for Payten Holding shares will amount to PLN 0.73 per share annually.

The options may be exercised within 4 months for shares to be paid up in 2027, within 1 year and 4 months for shares to be paid up in 2028, within 2 years and 4 months for shares to be paid up in 2029, and within 3 years and 4 months for shares to be paid up in 2030. These periods were correlated with the lock-up period applicable to the sale of shares.

The costs of this share-based payment plan disclosed in the consolidated financial statements of ASEE Group for the year ended 31 December 2024 amounted to PLN 413 thousand, as compared to PLN 351 thousand in 2023. In correspondence, this transaction was recognized as a separate item of the Group's equity, in the same amount as disclosed in remuneration costs.

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, as well as in right-of-use assets:

	12 months ended 31 December 2024	12 months ended 31 December 2023 (restated)
	PLN'000	PLN'000
Depreciation charges as disclosed in the table of changes in property, plant and equipment	(51,349)	(49,274)
Amortization charges as disclosed in the table of changes in intangible assets	(25,769)	(18,454)
Depreciation charges as disclosed in the table of changes in right-of-use assets	(22,237)	(21,509)
Depreciation charges on investment property	(32)	(34)
Reduction of amortization charges due to recognition of grants to internally generated licenses	665	291
Total depreciation and amortization charges disclosed in the statement of profit and loss and in the statement of cash flows	(98,722)	(88,980)

5.3. Other operating income and expenses

Selected accounting policies

In other operating activities, the Group discloses primarily income and expenses that are not related to our core IT operations.

Other operating income and expenses in the period of 12 months ended 31 December 2024 and in the comparable period were as follows:

Other operating income	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Gain on disposal of property, plant and equipment and right-of-use assets	1,476	585
Income from letting of own office space	170	52
Reversal of a provision for the costs of court litigation relating to other operations	136	44
Grants and subsidies received	311	725
Gain on modification of lease contracts	97	224
Other	1,420	2,042
Total	3,610	3,672

Other operating expenses	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Loss on disposal of property, plant and equipment	(97)	(9)
Charitable contributions to unrelated parties	(409)	(1,025)
Provisions created, including for the costs of court litigation relating to other operations	-	(67)
Allowances for other receivables	(226)	(682)
Other	(814)	(872)
Total	(1,546)	(2,655)

5.4. Financial income and expenses

Selected accounting policies

Interest income comprises primarily interest on investments in debt securities (including loans granted and cash deposits with a maturity of more than three months). Such income is measured at amortized cost using the effective interest rate. Other interest income comprises interest on trade receivables, interest on leases, as well as discounts on costs (liabilities) accounted for using the effective interest method.

Interest expenses incurred on external financing obtained by the Group are charged at amortized cost.

Financial income earned during the period of 12 months ended 31 December 2024 and in the comparable period was as follows:

Financial income	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Interest income on loans granted and bank deposits	7,779	2,883
Positive foreign exchange differences	7,996	16,278
Gain on exercise and/or valuation of financial assets carried at fair value through profit or loss	244	940
Gain on revaluation of conditional payments in transactions to obtain control	6,452	4,323
Gain on revaluation of liabilities from acquisition of non-controlling interests (put options)	43,940	9,243
Gain on the net monetary position – hyperinflation	23,282	22,992
Other financial income	38	48
Total financial income	89,731	56,707

Gain on the net monetary position resulted from the inflation-related revaluation of non-monetary items in the statement of financial position and the statement of profit and loss of our subsidiaries operating in

Turkey, using the rate of inflation in the current year. Detailed information on such revaluation is presented in note 2.11.

Financial expenses incurred during the period of 12 months ended 31 December 2024 and in the comparable period were as follows:

Financial expenses	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Interest expenses on bank loans and borrowings	(6,897)	(4,400)
Interest expenses on leases	(3,320)	(2,081)
Other interest expenses	(702)	(648)
Negative foreign exchange differences	(3,660)	(10,889)
Loss on revaluation of conditional payments in transactions to obtain control and/or buyout of minority interests	(10,786)	(2,216)
Loss on revaluation of liabilities from acquisition of non-controlling interests (put options)	(3,437)	(5,142)
Loss on exercise and/or valuation of financial assets carried at fair value through profit or loss	(188)	(95)
Dividends declared payable to minority shareholders in acquisitions accounted for using the present ownership method	(6,971)	(1,794)
Write-down on assets held for sale resulting from previous hyperinflation revaluation	(15,482)	-
Write-down on goodwill arising from consolidation	(13,753)	-
Other financial expenses	(25)	(24)
Total financial expenses	(65,221)	(27,289)

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

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

Gain/loss on revaluation of liabilities from acquisition of non-controlling interests (put options) results from changes in the estimates that are the basis for the calculation of a liability arising from put options if, under the purchase agreement, benefits incidental to ownership of such puttable equity instruments shall be transferred to the Parent Company (present ownership).

Dividends declared payable to minority shareholders in acquisitions accounted for using the present ownership method, relating to the companies: BS Telecom, IfthenPay, Avera, Helius and ContentSpeed.

Write-down on assets held for sale resulting from previous hyperinflation revaluation represents a write-down recognized following the reclassification of net assets of Mobven company to assets held for sale and their measurement at fair value less costs to sell. This write-down has been fully allocated to goodwill recognized on the acquisition of Mobven company which was increased in subsequent years by hyperinflation revaluation in accordance with IAS 29.

Write-down on goodwill arising from consolidation in the amount of PLN 13,753 thousand relates to the impairment of goodwill allocated to the Dedicated Solutions segment. The write-down amount was determined based on the conducted impairment tests which have been described in detail in explanatory note 6.5 to these consolidated financial statements.

5.5. Corporate income tax

Selected accounting policies

The Group recognizes and measures its current and deferred income tax assets and liabilities in accordance with the requirements of IAS 12 'Income Taxes' on the basis of taxable profit (tax loss), tax base, unused tax losses, unused tax credits and tax rates, taking into account the assessment of uncertainty over tax treatments.

Income tax comprises current and deferred portion.

Estimates

The Group makes an assessment of realizability of deferred income tax assets at each reporting date. This assessment requires the exercise of professional judgment and estimates, among others, regarding the future taxable income.

Pursuant to IFRIC 23, if the Group believes it is probable that a particular tax treatment or group of tax treatments of the Group companies will be accepted by the taxation authority, then each company of the Group shall determine the taxable profit (tax loss), tax base, unused tax losses, unused tax credits and tax rates consistently with the tax treatment that it used or plans to use in its income tax filings. When assessing such probability, the company shall assume that the taxation authority which is authorized to

inspect and challenge its tax treatments will carry out such an inspection and will have access to all information.

If the Group concludes it is not probable that a particular tax treatment or group of tax treatments will be accepted by the taxation authority, then a company of the Group shall reflect the effects of such uncertainty in accounting for income tax for the period when so ascertained. The Group shall recognize an income tax liability using one of the following two methods, depending on which approach provides better predictions of the resolution of the uncertainty:

- the Group determines the most likely scenario – the single most likely amount in a range of possible outcomes, or
- the Group recognizes the expected value – the sum of amounts weighted by the probability of possible outcomes.

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

	12 months ended 31 December 2024	12 months ended 31 December 2023 (restated)
	PLN'000	PLN'000
Current corporate income tax expense as disclosed in the statement of profit and loss, of which:	(48,110)	(51,848)
Current portion of income tax	(50,482)	(53,440)
Corrections of CIT filings for prior years	2,372	1,592
Deferred income tax	1,536	4,864
Income tax expense as disclosed in the statement of profit and loss	(46,574)	(46,984)

Companies of our Group operate in various tax jurisdictions and are subject to different tax laws, while in each country regulations pertaining to the value added tax, corporate income tax, personal income tax or social security are frequently amended, thereby depriving taxpayers of a possibility to refer to well established court decisions and precedents. The current regulations in force are not always unambiguous, which may cause additional discrepancies in their interpretation. Tax treatments may be subject to audit by the taxation authorities. Should any irregularities in tax settlements be detected, a taxpayer is obliged to pay the outstanding amounts along with the statutory interest thereon. Payment of tax arrears does not always release a taxpayer from penal and fiscal liability. Due to such circumstances, tax treatments are subject to a relatively high risk.

Settlement of tax liabilities may come under scrutiny for a period of several years back, depending on the country in which the Group company operates. In effect, the amounts of taxes payable disclosed in the financial statements may be later changed, after they are finally determined by the taxation authorities.

Global Minimum Tax (so-called Pillar 2)

In December 2022, the European Council adopted Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, which introduces within the EU the solutions previously formulated by the Organization for Economic Cooperation and Development (OECD) and accepted by more than 140 countries under the BEPS 2.0 (Base Erosion Profit Shifting) project. The Pillar 2 guidelines aim to address the problem of tax base erosion and profit shifting (BEPS) by introducing a global minimum top-up tax rate of 15% and implementing tax rules on the allocation of tax rights.

The Global Minimum Tax (Pillar 2) rules impose new tax and reporting obligations on companies which belong to capital groups (Polish and multinational) with revenues of at least EUR 750 million, and therefore they apply to Asseco Group and consequently to ASEE Group, being its sub-group. The purpose of Pillar 2 is to equalize taxation rules and it is implemented by imposing a minimum tax on capital groups, where the effective tax rate is taken into account and not the nominal rate, and the tax is calculated on a country-by-country (jurisdiction) basis, i.e. in aggregate for all group companies in a given country.

In the case of Poland, the regulations concerning Pillar 2 and implementing Council Directive (EU) 2022/2523 were published in the Journal of Laws of 19 November 2024 (Journal of Laws of 2024, item 1685). These regulations have been effective since 1 January 2025 (Asseco Poland S.A. did not elect to apply these regulations retrospectively from 1 January 2024). ASEE Group is continuously monitoring the progress of legislative work to implement the Pillar 2 rules under the BEPS 2.0 project in all the jurisdictions where the Group subsidiaries operate, and analyzing their potential impact on the Group. As at the date of publication of these annual consolidated financial statements of the Group, the global minimum tax regulations have been implemented in 9 countries where the Group companies operate (Bulgaria, Spain, Portugal, Croatia, Czech Republic, Slovakia, Slovenia, Romania, Turkey), while in the remaining jurisdictions where the Group

companies operate work on the implementation of these regulations is in progress or has not been initiated yet.

The Group has collected preliminary data and analyzed the possible use of temporary safe harbour mechanisms during the transitional period, based on financial data resulting from Country-by-Country Reporting (CbCR) and local financial packages received. Our preliminary internal assessment of the impact of Pillar 2 prepared using the financial data for 2024 (of ASEE subsidiaries only) did not reveal a material potential tax liability. In jurisdictions where the Group is present:

- simplified effective tax rate test is fulfilled (i.e. sETR is greater than 15 percent), or
- relevant *de minimis* test is applicable, or
- IIR/QDMTT rules do not apply for 2024,

hence no material tax liability will arise from the global minimum tax.

Accordingly, these consolidated financial statements do not include any amounts of tax liabilities arising from the international tax reform – Pillar 2.

The Group has applied the mandatory exception for the recognition and disclosure of deferred tax assets and liabilities related to income taxes under Pillar 2, in accordance with the amendments to IAS 12 issued in May 2023.

The table below presents the reconciliation of corporate income tax payable on pre-tax profit at the statutory tax rate, with corporate income tax computed at the Group's effective tax rate:

	12 months ended 31 December 2024	12 months ended 31 December 2023 (restated)
	PLN'000	PLN'000
Pre-tax profit	251,260	254,887
Statutory corporate income tax rate	19%	19%
Corporate income tax computed at the statutory tax rate	47,739	48,429
Difference due to different rates of corporate income tax paid abroad	(196)	(3,143)
Change in estimates of deferred tax assets recognized on the so-called "external temporary differences" resulting from dividend payments within the Group	6,634	6,466
Utilization of tax credits and other tax deductibles	(1,095)	(2,057)
Non-taxable income achieved in a special technological zone	(12,608)	(9,782)
Non-tax-deductible expenses incurred in a technological zone	9,036	6,227
Representation expenses	281	275
Depreciation and amortization charges, differences in rates of depreciation and amortization	186	241
Write-downs on receivables/inventories/tangible assets/goodwill	6,182	1,337
Costs of share-based payment transactions with employees	132	122
Remuneration of the Supervisory Board	100	101
Changes in the calculation of corporate income tax for the prior years	(2,345)	(1,643)
Gain/loss on disposal of a subsidiary	-	48
Utilization of tax losses and change in deferred tax assets arising from tax losses	(681)	832
Impact of hyperinflation	(3,823)	(3,863)
Other permanent differences	(2,968)	3,394
Corporate income tax at the effective tax rate of 18.5% in 2024, and 18.4% in 2023	46,574	46,984

In 2024, our effective tax rate equalled 18.5%, increasing by 0.1 percentage points in relation to the previous year.

The table below presents information on deferred tax assets and liabilities:

	Deferred tax liabilities, gross		Deferred tax assets, gross	
	31 December 2024	31 December 2023 (restated)	31 December 2024	31 December 2023
	PLN'000	PLN'000	PLN'000	PLN'000
Property, plant and equipment	3,180	1,812	3,191	3,611
Intangible assets	12,357	8,611	674	357
Right-of-use assets	5,507	5,048	-	-
Financial assets carried at fair value through profit or loss	-	32	-	45
Loans granted	213	129	-	177
Inventories	-	-	1,853	1,743
Prepayments and accrued income	563	-	59	38
Trade receivables	-	2	1,660	1,263
Contract assets	2,220	1,480	172	76
Other receivables	1,396	1,268	-	9
Provisions	-	-	881	1,420
Trade payables	98	75	926	436
Contract liabilities	597	234	1,444	388
Financial liabilities, including lease liabilities	-	-	6,235	5,823
Other liabilities	-	-	192	364
Accruals	-	5	3,540	2,777
Deferred income	19	224	-	151
Losses deductible against future taxable income	-	-	2,459	2,872
Deferred tax liabilities, gross	26,150	18,920		
Deferred tax assets, gross			23,286	21,550
Write-down due to inability to realize a deferred tax asset	-	-	-	-
Deferred tax assets, net			23,286	21,550
Deferred tax liabilities/assets, net	14,575	9,745	11,711	12,375

The Group made an estimate of taxable income planned to be achieved in the future and concluded it will enable full recovery of deferred tax assets disclosed in these consolidated financial statements.

5.6. Earnings per share

Selected accounting policies

Basic earnings per share attributable to shareholders of the Parent Company for each reporting period shall be computed by dividing net profit from continuing operations for the reporting period by the weighted average number of shares outstanding in that period.

Diluted earnings per share attributable to shareholders of the Parent Company for each reporting period shall be calculated by dividing net profit from continuing operations for the reporting period by the total of weighted average number of shares outstanding in that period and all shares from potential new issuances.

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.

	12 months ended 31 December 2024	12 months ended 31 December 2023 (restated)
Weighted average number of ordinary shares outstanding, used for calculation of basic earnings per share	51,894,251	51,894,251
Net profit attributable to shareholders of the Parent Company for the reporting period (in thousands of PLN)	199,223	199,937
Consolidated earnings per share for the reporting period (in PLN)	3.84	3.85

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 and art. 396 § 1 of the Commercial Companies Code, as well as pursuant to §12 sec. 4 item 2 of the Company's Articles of Association, on 7 May 2024 adopted a resolution to pay out a dividend in the total amount of PLN 85,626 thousand or PLN 1.65 per share to all of the Company's shareholders. The Company's Annual General Meeting established 13 June 2024 as the dividend record date. The dividend was paid out on 20 June 2024. The number of shares eligible for dividend was 51,894,251.

In 2023, 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 22 June 2023 adopted a resolution to pay out a dividend in the total amount of PLN 75,766 thousand or PLN 1.46 per share to all of the Company's shareholders. The Company's Annual General Meeting established 30 June 2023 as the dividend record date. The dividend was paid out on 13 July 2023. The number of shares eligible for dividend was 51,894,251.

VI. Explanatory notes to the consolidated statement of financial position

6.1. Property, plant and equipment

Selected accounting policies

Initial recognition

Property, plant and equipment are disclosed at purchase cost or production cost decreased by accumulated depreciation and any impairment losses. The initial value of a tangible asset corresponds to its purchase cost increased by expenditures related directly to the purchase and adaptation of such asset to its intended use. Such expenditures may also include the cost of replacing parts of machinery or equipment at the time that cost is incurred if the recognition criteria are met. Any costs incurred after a tangible asset is made available for use, such as maintenance or repair fees, are expensed in the statement of profit and loss at the time when incurred.

At the time of purchase tangible assets are divided into components of significant value for which separate periods of useful life may be adopted. General overhaul expenses constitute a component of assets as well.

Measurement at each reporting date

Such assets are depreciated using the straight-line method over their expected useful lives.

Impairment of property, plant and equipment

At each reporting date, the Group determines whether there are any indications of impairment of tangible assets. In the event such indications occur, or when it is necessary to carry out an annual impairment test, the Group estimates the recoverable amount of a given asset or cash-generating unit to which such asset has been allocated. Impairment losses on assets used in continuing operations are recognized as operating expenses.

Derecognition

Any gains or losses resulting from derecognition of an asset from the balance sheet (measured as the difference between net proceeds from disposal of such asset and its carrying value) are recognized in the statement of profit and loss for the period when such derecognition is made.

Estimates

At each reporting date, the Group determines if there are any objective indications of impairment of a given component of property, plant and equipment.

Such assets are as a rule depreciated using the straight-line method over their expected useful lives.

The level of depreciation rates is determined on the basis of anticipated period of useful life of property, plant and equipment. In 2024 the rates of depreciation and amortization applied by the Group were not subject to any substantial modifications.

The Group companies verify the adopted periods of useful life on an annual basis, taking into account the current estimates.

Changes in the net book value of property, plant and equipment that took place during the period of 12 months ended 31 December 2024 are presented below:

	Land and buildings PLN'000	Outsourcing and other equipment PLN'000	Transportation vehicles PLN'000	Other tangible assets PLN'000	Tangible assets under construction PLN'000	Total PLN'000
Net book value of property, plant and equipment as at 1 January 2024	6,866	97,728	11,109	16,751	4,576	137,030
Additions, of which:	414	73,350	9,203	5,989	14,603	103,559
Purchases and modernization	333	13,360	8,750	5,887	9,120	37,450
Obtaining control over subsidiaries	81	893	164	9	-	1,147
Acquisition of right-of-use assets	-	-	289	-	-	289
Transfers from tangible assets under construction	-	12,947	-	93	-	13,040
Transfers from inventories to tangible assets	-	45,962	-	-	5,480	51,442
Reversal of impairment losses	-	188	-	-	3	191
Reductions, of which:	(553)	(43,093)	(4,734)	(6,468)	(13,524)	(68,372)
Depreciation charges	(290)	(40,325)	(4,324)	(6,410)	-	(51,349)

Disposal and liquidation	-	(505)	(197)	(53)	-	(755)
Recognition of impairment losses	(263)	(561)	-	-	-	(824)
Transfers from tangible assets under construction	-	-	-	-	(13,040)	(13,040)
Transfers to inventories	-	(919)	-	-	(484)	(1,403)
Reclassification to assets held for sale	-	(783)	(213)	(5)	-	(1,001)
Other	-	(892)	15	773	-	(104)
Impact of hyperinflation	-	990	2,318	2,728	-	6,036
Exchange differences on translation of foreign operations	(102)	(1,992)	(870)	(994)	(16)	(3,974)
Net book value of property, plant and equipment as at 31 December 2024	6,625	126,091	17,041	18,779	5,639	174,175

As at 1 January 2024						
Gross value	11,218	371,531	22,674	47,972	4,582	457,977
Accumulated depreciation and impairment losses	(4,352)	(273,803)	(11,565)	(31,221)	(6)	(320,947)
Net book value as at 1 January 2024	6,866	97,728	11,109	16,751	4,576	137,030
As at 31 December 2024						
Gross value	11,494	426,738	29,565	56,908	5,642	530,347
Accumulated depreciation and impairment losses	(4,869)	(300,647)	(12,524)	(38,129)	(3)	(356,172)
Net book value as at 31 December 2024	6,625	126,091	17,041	18,779	5,639	174,175

Changes in the net book value of property, plant and equipment that took place during the period of 12 months ended 31 December 2023 are presented below:

	Land and buildings PLN'000	Outsourcing and other equipment PLN'000	Transportation vehicles PLN'000	Other tangible assets PLN'000	Tangible assets under construction PLN'000	Total PLN'000
Net book value of property, plant and equipment as at 1 January 2023	7,554	107,298	6,068	12,799	2,250	135,969
Additions, of which:	388	42,584	8,836	11,601	14,715	78,124
Purchases and modernization	86	22,121	8,766	10,744	13,365	55,082
Obtaining control over subsidiaries	302	623	70	12	-	1,007
Acquisition of right-of-use assets	-	158	-	-	-	158
Transfers from tangible assets under construction	-	9,831	-	837	-	10,668
Transfers from inventories to tangible assets	-	9,851	-	8	1,350	11,209
Reductions, of which:	(520)	(46,078)	(2,357)	(5,831)	(11,951)	(66,737)
Depreciation charges for the reporting period	(316)	(41,249)	(2,327)	(5,382)	-	(49,274)
Disposal and liquidation	(204)	(990)	(30)	(449)	-	(1,673)
Recognition of impairment losses	-	(127)	-	-	(1)	(128)
Transfers from tangible assets under construction	-	-	-	-	(10,668)	(10,668)
Transfers to inventories	-	(3,712)	-	-	(1,282)	(4,994)
Other	-	1,802	(3)	(1,608)	(152)	39
Impact of hyperinflation	-	1,743	772	4,008	-	6,523
Exchange differences on translation of foreign operations	(556)	(9,621)	(2,207)	(4,218)	(286)	(16,888)
Net book value of property, plant and equipment as at 31 December 2023	6,866	97,728	11,109	16,751	4,576	137,030

As at 1 January 2023						
Gross value	12,223	376,329	17,144	40,713	2,253	448,662
Accumulated depreciation and impairment losses	(4,669)	(269,031)	(11,076)	(27,914)	(3)	(312,693)
Net book value as at 1 January 2023	7,554	107,298	6,068	12,799	2,250	135,969
As at 31 December 2023						
Gross value	11,218	371,531	22,674	47,972	4,582	457,977
Accumulated depreciation and impairment losses	(4,352)	(273,803)	(11,565)	(31,221)	(6)	(320,947)
Net book value as at 31 December 2023	6,866	97,728	11,109	16,751	4,576	137,030

Some pieces of equipment have been transferred from inventories to tangible assets because they are utilized in the performance of our outsourcing contracts.

As at 31 December 2024, tangible assets with a book value of PLN 15,612 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities.

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

6.2. Intangible assets

Selected accounting policies

Intangible assets purchased

Intangible assets purchased in a separate transaction shall be capitalized at purchase cost. Intangible assets acquired as a result of a company takeover shall be capitalized at fair value as at the takeover date.

Internally generated intangible assets

The Group presents in separate categories the final products of development projects ("internally generated software and licenses") and the products which have not been finished yet ("costs of development projects in progress"). An intangible asset generated internally as a result of development work (or completion of the development phase of an internal project) is recognized if, and only if, the Company is able to demonstrate: (i) the technical feasibility of completing such intangible asset so that it would be available for use or sale; (ii) the intention to complete the construction of such intangible asset; (iii) the ability to use or sell such intangible asset; (iv) how such intangible asset is going to generate probable future economic benefits; (v) the availability of adequate technical, financial and other resources to complete the development work and to make the intangible asset ready for use or sale; (vi) its ability to reliably measure the expenditure for the development work attributable to such intangible asset.

The cost of an internally generated intangible asset is the sum of expenditures incurred from the date when the intangible asset first meets the above-mentioned recognition criteria. Expenditures previously recognized as expenses may not be capitalized. The cost of an internally generated intangible asset comprises directly attributable costs necessary to create, produce, and prepare that asset to be capable of operating in the manner intended by management.

The period of useful life of an intangible asset shall be assessed and classified as definite or indefinite. Intangible assets with a definite period of useful life are amortized using the straight-line method over their expected useful life, and amortization charges are expensed adequately in the statement of profit and loss.

All the intangible assets subject to amortization are amortized under the straight-line method. Intangible assets with an indefinite period of useful life and those which are no longer used are tested for possible impairment at least once a year and whenever there are indications to do so. Should the carrying value exceed the estimated recoverable amount (the higher of the following two amounts: net sales price or value in use), the value of these assets shall be reduced to the recoverable amount.

Any gains or losses resulting from derecognition of an intangible asset from the statement of financial position are measured as the difference between net proceeds from the sale of such an asset and its carrying value, and are recognized in the statement of profit and loss at the time when such derecognition is made.

Estimates

At each reporting date, the Group determines if there are any objective indications of impairment of a given component of intangible assets. The period of useful life of an intangible asset shall be assessed and classified as definite or indefinite. Intangible assets with a definite period of useful life are amortized using the straight-line method over their expected useful life, and amortization charges are expensed adequately in the statement of profit and loss.

The Group verifies the adopted periods of useful life on an annual basis, taking into account the current estimates.

The costs of internally generated intangible assets are measured and capitalized in line with the Group's accounting policy. The determination of when to begin the capitalization of such costs is subject to the management's professional judgement as to the technological and economic feasibility of completing the development project. This moment is determined by reaching a stage (milestone) of the project, at which the Group is reasonably certain of being able to complete the intangible asset so that it will be available for use or sale, and that future economic benefits to be obtained from use or sale of such intangible asset will exceed its production cost. When determining the amount of capitalizable expenditures, the Management Board needs to estimate the present value of future cash flows to be generated by the intangible asset.

Changes in the net book value of intangible assets that took place during the period of 12 months ended 31 December 2024 are presented below:

	Software and internally generated licenses	Costs of development projects in progress	Purchased software, patents, licenses and other intangibles	Intangible assets recognized in business combinations	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Net book value of intangible assets as at 1 January 2024 (restated)	70,549	-	14,512	1,216	86,277
Additions, of which:	29,979	-	3,439	-	33,418
Purchases and modernization	-	-	3,438	-	3,438
Obtaining control over subsidiaries	29,979	-	1	-	29,980
Capitalization of development project costs	-	-	-	-	-
Transfers from the costs of development projects in progress	-	-	-	-	-
Reductions, of which:	(22,502)	-	(5,852)	(710)	(29,064)
Amortization charges for the reporting period	(19,270)	-	(5,789)	(710)	(25,769)
Disposal and liquidation	-	-	(63)	-	(63)
Transfers to internally generated software	-	-	-	-	-
Impairment losses	(3,232)	-	-	-	(3,232)
Other	-	-	97	-	97
Impact of hyperinflation	136	-	490	-	626
Exchange differences on translation of foreign operations	(688)	-	(352)	(36)	(1,076)
Net book value of intangible assets as at 31 December 2024	77,474	-	12,334	470	90,278
As at 1 January 2024					
Gross value	137,471	-	64,904	5,190	207,565
Accumulated amortization and impairment losses	(66,922)	-	(50,392)	(3,974)	(121,288)
Net book value as at 1 January 2024 (restated)	70,549	-	14,512	1,216	86,277
As at 31 December 2024					
Gross value	165,112	-	68,402	5,013	238,527
Accumulated amortization and impairment losses	(87,638)	-	(56,068)	(4,543)	(148,249)
Net book value as at 31 December 2024	77,474	-	12,334	470	90,278

Changes in the net book value of intangible assets that took place during the period of 12 months ended 31 December 2023 are presented below:

	Software and internally generated licenses	Costs of development projects in progress	Purchased software, patents, licenses and other intangibles	Intangible assets recognized in business combinations	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Net book value of intangible assets as at 1 January 2023	36,972	4,012	16,486	2,146	59,616
Additions, of which:	49,772	634	5,411	-	55,817
Purchases and modernization	-	-	5,332	-	5,332
Obtaining control over subsidiaries	45,278	-	66	-	45,344
Capitalization of development project costs	-	634	-	-	634
Transfers from the costs of development projects in progress	4,494	-	13	-	4,507
Reductions, of which:	(12,179)	(4,507)	(6,340)	(783)	(23,809)
Amortization charges for the reporting period	(11,331)	-	(6,340)	(783)	(18,454)
Disposal and liquidation	-	-	-	-	-
Transfers to internally generated software	-	(4,507)	-	-	(4,507)
Impairment losses	(848)	-	-	-	(848)
Other	-	-	(13)	-	(13)
Impact of hyperinflation	269	-	773	-	1,042
Exchange differences on translation of foreign operations	(4,285)	(139)	(1,805)	(147)	(6,376)
Net book value of intangible assets As at 31 December 2023 (restated)	70,549	-	14,512	1,216	86,277

As at 1 January 2023					
Gross value	97,020	4,012	63,812	5,729	170,573
Accumulated amortization and impairment losses	(60,048)	-	(47,326)	(3,583)	(110,957)
Net book value as at 1 January 2023	36,972	4,012	16,486	2,146	59,616
As at 31 December 2023					
Gross value	137,471	-	64,904	5,190	207,565
Accumulated amortization and impairment losses	(66,922)	-	(50,392)	(3,974)	(121,288)
Net book value as at 31 December 2023 (restated)	70,549	-	14,512	1,216	86,277

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

In the period of 12 months ended 31 December 2024, the Group recognized impairment losses on intangible assets in the amount of PLN 3,232 thousand. Such impairment write-downs resulted from the Management's assessment of the amount of realizable revenues.

For impairment testing purposes, intangible assets are allocated to individual cash-generating units or groups of cash-generating units. The conducted annual impairment tests have been described in detail in explanatory note 6.5 to these consolidated financial statements.

Development projects

The Group carries out development projects focusing on the generation of new software or significant modification/extension of applications already marketed by the Group. However, during the year ended 31 December 2024, the Group neither capitalized any development work nor did it complete any projects from previous years. In the year 2023, total development expenditures which qualified for capitalization amounted to PLN 634 thousand and were made by the Dedicated Solutions segment, while the value of development projects completed in the period of 12 months ended 31 December 2023 amounted to PLN 4,507 thousand.

The total amount of research and development expenditures that were expensed in the period of 12 months ended 31 December 2024 equalled PLN 22,443 thousand, compared to PLN 23,499 thousand in the comparable period.

6.3. Right-of-use assets

Selected accounting policies

At the contract inception, the Group determines whether a contract is a lease or contains a lease.

Short-term leases and leases of low-value assets

The Group has applied the exemption not to recognize right-of-use assets and liabilities for short-term leases with terms less than 12 months which do not contain a purchase option. The Group has also applied the exemption for the recognition of leases of low-value assets. Lease payments under short-term leases and leases of low-value assets shall be expensed on a straight-line basis over the lease term.

Initial recognition and measurement of right-of-use assets

In the case of contracts identified as leases, the Group recognizes right-of-use assets as at the lease commencement date (i.e. the date when the asset being leased is available for use by the Group).

Right-of-use assets are initially recognized at cost. The cost of the right-of-use asset shall comprise: the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by the lessee; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset.

Subsequent measurement of right-of-use assets

The Group shall measure the right-of-use asset applying a cost model, this is at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability (i.e. modifications that are not required to be accounted for as a separate lease).

*Right-of-use assets are **depreciated** by the Group using the straight-line method. If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group shall depreciate the right-of-use asset from the lease commencement date to the end of the useful life of the underlying asset. Otherwise, the Group shall depreciate the right-of-use asset from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.*

The Group applies the provisions of IAS 36 'Impairment of Assets' to determine whether the right-of-use asset is impaired.

Estimates

At the contract inception, the Group makes an assessment whether the contract is a lease or contains a lease, and estimates the incremental borrowing rate and the lease term.

At each reporting date, the Group determines if there are any objective indications of impairment of a given right-of-use asset. Such assets are as a rule depreciated using the straight-line method over their expected useful lives.

Changes in the net book value of right-of-use assets that took place during the period of 12 months ended 31 December 2024 are presented below:

	Land and buildings PLN'000	Transportation vehicles PLN'000	Other PLN'000	Total PLN'000
Net book value of right-of-use assets as at 1 January (restated)	36,640	8,255	1,142	46,037
Additions, of which:	35,779	11,343	-	47,122
Conclusion of new lease contracts	19,430	10,413	-	29,843
Modification of existing contracts	10,474	930	-	11,404
Obtaining control over subsidiaries	5,875	-	-	5,875
Reductions, of which:	(17,267)	(5,144)	(829)	(23,240)
Depreciation charges for the reporting period	(16,626)	(4,815)	(796)	(22,237)
Acquisition of right-of-use assets	-	(17)	-	(17)
Early termination of contracts	(638)	(257)	-	(895)
Modification of existing contracts	(3)	(40)	(33)	(76)
Reclassification to assets held for sale	-	(15)	-	(15)
Other	57	(22)	(38)	(3)
Exchange differences on translation of foreign operations	(839)	(200)	(29)	(1,068)
Net book value of right-of-use assets as at 31 December 2024	54,370	14,232	246	68,848
As at 1 January 2024				
Gross value	87,836	20,754	3,012	111,602
Accumulated depreciation and impairment losses	(51,196)	(12,499)	(1,870)	(65,565)
Net book value as at 1 January 2024 (restated)	36,640	8,255	1,142	46,037
As at 31 December 2024				
Gross value	101,554	23,853	1,857	127,264
Accumulated depreciation and impairment losses	(47,184)	(9,621)	(1,611)	(58,416)
Net book value as at 31 December 2024	54,370	14,232	246	68,848

Changes in the net book value of right-of-use assets that took place during the period of 12 months ended 31 December 2023 are presented below:

	Land and buildings PLN'000	Transportation vehicles PLN'000	Other PLN'000	Total PLN'000
Net book value of right-of-use assets as at 1 January 2023	34,506	7,989	636	43,131
Additions, of which:	23,123	5,257	1,625	30,005
Conclusion of new lease contracts	16,014	4,872	1,566	22,452
Modification of existing contracts	5,504	157	59	5,720
Obtaining control over subsidiaries	1,605	228	-	1,833
Reductions, of which:	(17,330)	(4,201)	(891)	(22,422)
Depreciation charges for the reporting period	(16,502)	(4,117)	(890)	(21,509)
Early termination of contracts	(693)	(84)	(1)	(778)
Modification of existing contracts	(135)	-	-	(135)
Other	(95)	55	(158)	(198)
Exchange differences on translation of foreign operations	(3,564)	(845)	(70)	(4,479)
Net book value of right-of-use assets as at 31 January 2023 (restated)	36,640	8,255	1,142	46,037
As at 1 January 2023				
Gross value	88,181	19,513	2,912	110,606
Accumulated depreciation and impairment losses	(53,675)	(11,524)	(2,276)	(67,475)
Net book value as at 1 January 2023	34,506	7,989	636	43,131
As at 31 December 2023				
Gross value	87,836	20,754	3,012	111,602
Accumulated depreciation and impairment losses	(51,196)	(12,499)	(1,870)	(65,565)
Net book value as at 31 December 2021 (restated)	36,640	8,255	1,142	46,037

6.4. Goodwill

Selected accounting policies

Goodwill

Goodwill is an asset representing future economic benefits arising from assets acquired as part of a business acquisition that cannot be individually identified or separately recognized.

As at the acquisition date, the acquired goodwill is allocated to every cash-generating unit which may benefit from synergy effects arising from a business combination.

After initial recognition, goodwill is accounted for at purchase cost less any accumulated impairment charges. Goodwill is tested for impairment on an annual basis as at 31 December, or more frequently if there are indications to do so. Goodwill is not subject to amortization.

An impairment loss is determined by estimating the recoverable amount of a cash-generating unit to which goodwill has been allocated. In the event the recoverable amount of a cash-generating unit is lower than its carrying value, an impairment charge shall be recognized.

Goodwill is derecognized in the case of losing control over the cash-generating unit to which it was allocated.

Within the Group, there are often combinations of businesses under common control, whereby all of the combining business entities are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory. Under such transactions, the fair value of combined assets (including intangible assets) is not remeasured. Likewise, goodwill previously recognized in the consolidated financial statements remains unchanged.

Estimates

Goodwill is tested for impairment on an annual basis as well as at each reporting date when there is a justified indication to do so. Performing such a test requires estimating the recoverable amount of a cash-generating unit and is usually carried out using the discounted cash flow method, which entails the need to make estimates for future cash flows, changes in working capital and the weighted average cost of capital.

Detailed information on impairment tests has been provided in explanatory note 6.5.

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

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

	31 December 2024	31 December 2023 (restated)
	PLN'000	PLN'000
Goodwill		
Goodwill at the beginning of the period	875,434	794,100
Banking Solutions	214,988	230,982
Payment Solutions	262,127	223,101
Dedicated Solutions	398,319	340,017
Change in consolidation goodwill due to acquisition of shares (+/-)	170,826	140,382
Banking Solutions	-	-
Payment Solutions	167,166	57,446
Dedicated Solutions	3,660	82,936
Change due to hyperinflation (+/-):	28,533	37,498
Banking Solutions	2,441	3,208
Payment Solutions	15,550	20,436
Dedicated Solutions	10,542	13,854
Foreign exchange differences (+/-)	(21,125)	(96,546)
Banking Solutions	(3,338)	(19,202)
Payment Solutions	(8,832)	(38,856)
Dedicated Solutions	(8,955)	(38,488)
Impairment losses (-):	(13,753)	-
Banking Solutions	-	-
Payment Solutions	-	-
Dedicated Solutions	(13,753)	-
Reclassification to assets held for sale (-):	(21,245)	-
Banking Solutions	-	-
Payment Solutions	(21,245)	-
Dedicated Solutions	-	-
Total goodwill	1,018,670	875,434
Banking Solutions	214,091	214,988
Payment Solutions	414,766	262,127
Dedicated Solutions	389,813	398,319
Total as at 31 December	1,018,670	875,434

In the period of 12 months ended 31 December 2024, the balance of goodwill arising from consolidation was affected by the following transactions:

i. Hyperinflation in Turkey

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

The inflation-related revaluation of goodwill by the price index for 2024, translated at the exchange rate of 31 December 2024, amounted in total to PLN 27,442 thousand which was recognized in financial income, under 'Gain/Loss on the net monetary position', for the year 2024.

The inflation-related revaluation of goodwill from the date of obtaining control till the end of 2023 amounted in total to PLN 27,993 thousand which was recognized and described in detail in the consolidated financial statements for 2023. Foreign exchange differences arising from the hyperinflation restatement of prior year goodwill, at the exchange rate of 31 December 2024, were recognized in correspondence under 'Exchange differences on translation of foreign operations'.

The impact of hyperinflation on our consolidated financial statements has been described in explanatory note 2.11.

i. Acquisition of shares in the companies Touras India Private Limited (formerly Paygate India Private Limited) in India and Touras Technologies Limited (formerly Paygate Limited) in the United Arab Emirates

On 1 July 2024, Payten Holding S.A. based in Warsaw concluded a framework agreement defining a scheme for the acquisition of shares in the companies Paygate India Private Limited in India and Paygate Limited in the United Arab Emirates, as well as individual agreements for the acquisition of shares in both companies. After the Group obtained control over these companies, both companies changed their names: Paygate India Private Limited was renamed as Touras India Private Limited (hereinafter "Touras India"), and Paygate Limited was renamed as Touras Technologies Limited (hereinafter "Touras Tech UAE").

Acquisition of shares in Touras India Private Limited (formerly Paygate India Private Limited)

Payten Holding S.A. acquired 55% of shares in Touras India Private Limited, a company based in Gurugram, India. Touras India Private Limited holds 100% of shares in Touras Tech Global Private Limited (India) (formerly Safexpay Technologies Private Limited) based in Thane West, India.

The total purchase price of the 55% stake in Touras India determined at the acquisition date amounted to EUR 23.6 million and it comprised: a consideration of EUR 6 million already paid, as well as the fair value of conditional payments depending on financial results achieved by the acquired company and its subsidiary in the amount of EUR 17.6 million.

Non-controlling interests were measured on a proportionate basis against net assets and recognized at the level of ASEE Group.

In addition, Payten Holding signed a put/call option agreement with the non-controlling shareholders of Touras India. The amount of liabilities under put options has been disclosed in explanatory note 6.16 to these consolidated financial statements.

Until 31 December 2024, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Touras India as disclosed below may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of Touras India as at the date of obtaining control are presented below:

	Provisional values as at the acquisition date INR'000	Provisional values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired			
Property, plant and equipment	21,693	1,049	3
Intangible assets, of which:	498,400	24,091	3
<i>Intangible assets recognized as at the acquisition date (PPA)</i>	<i>479,339</i>	<i>23,169</i>	<i>3</i>
Right-of-use assets	114,480	5,534	3
Trade receivables	346,978	16,772	3
Receivables from the state and local budgets	248,162	11,995	3
Other receivables	106,228	5,135	3
Cash and cash equivalents	7,001	338	3
Other financial assets, including loans granted	357,681	17,289	3
Other assets	5,994	290	3
Total assets	1,706,617	82,493	
Liabilities acquired			
Bank loans and borrowings	44,747	2,163	3
Lease liabilities	6,931	335	3
Trade payables	50,357	2,434	3
Liabilities to the state and local budgets	158,755	7,674	3
Deferred tax liabilities, of which:	121,579	5,877	3
<i>Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)</i>	<i>119,835</i>	<i>5,792</i>	<i>3</i>
Other liabilities	749,070	36,207	3
Provisions	11,412	552	3
Total liabilities	1,142,851	55,242	
Net assets value	563,766	27,251	
Equity interest acquired	55%	55%	
Value of non-controlling interests	253,695	12,263	
Purchase price	2,108,619	101,922	
Goodwill as at the acquisition date	1,798,548	86,934	

Figures converted to PLN at the exchange rate effective on 28 June 2024: INR 1 = PLN 0.048336 (the last exchange rate quoted by the National Bank of Poland in June 2024, used for the conversion of data as at 30 June 2024)

Input data were derived from the acquired company's financial statements drawn up as at 30 June 2024. The input data were prepared in accordance with the ASEE Group's accounting policy.

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

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

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

Acquisition of shares in Touras Technologies Limited (formerly Paygate Limited) in the United Arab Emirates

Payten Holding S.A. acquired 51% of shares in Touras Tech Limited, a company based in Dubai. Touras Tech UAE holds 100% of shares in Safexpay Software Solutions LLC based in Dubai.

The total purchase price of the 51% stake in Touras Tech UAE determined at the acquisition date amounted to EUR 16 million and it comprised: a consideration of EUR 2 million already paid, a deferred payment of EUR2 million, as well as the fair value of conditional payments depending on financial results achieved by the acquired company and its subsidiary in the amount of EUR 12 million.

Non-controlling interests were measured on a proportionate basis against net assets and recognized at the level of ASEE Group.

In addition, Payten Holding signed a put/call option agreement with the non-controlling shareholders of Touras Tech UAE. The amount of liabilities under put options has been disclosed in explanatory note 6.16 to these consolidated financial statements.

Until 31 December 2024, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Touras Tech UAE as disclosed below may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of Touras Tech UAE as at the date of obtaining control are presented below:

	Provisional values as at the acquisition date AED'000	Provisional values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired			
Property, plant and equipment	10	11	3
Trade receivables	13,576	14,893	3
Receivables from the state and local budgets	74	81	3
Other receivables	58	64	3
Inventories	95	104	3
Cash and cash equivalents	162	178	3
Other assets	45	49	3
Total assets	14,020	15,380	
Liabilities acquired			
Trade payables	7,150	7,844	3
Liabilities to the state and local budgets	678	744	3
Other liabilities	909	997	3
Provisions	17	19	3
Total liabilities	8,754	9,604	
Net assets value	5,266	5,776	
Equity interest acquired	51%	51%	
Value of non-controlling interests	2,580	2,830	
Purchase price	63,074	69,192	
Goodwill as at the acquisition date	60,388	66,246	

Figures converted to PLN at the exchange rate effective on 26 June 2024: AED 1 = PLN 1.0970 (the last exchange rate quoted by the National Bank of Poland in June 2024, used for the conversion of data as at 30 June 2024)

Input data were derived from the acquired company's financial statements drawn up as at 30 June 2024. The input data were prepared in accordance with the ASEE Group's accounting policy.

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

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

ii. Acquisition of shares in Askepnet TOV

On 29 July 2024, ASEE Solutions s.r.l. (Romania) acquired 100% of shares in Askepnet TOV, a company based in Lviv, Ukraine.

The total purchase price of these shares determined at the acquisition date amounted to USD 1.7 million and it comprised: a consideration of USD 0.8 million paid on the transaction date, as well as the fair value of conditional payments depending on financial results achieved by the acquired company in the amount of USD 0.8 million.

Until 31 December 2024, the process of purchase price allocation has not yet been completed by the Group. Therefore, goodwill recognized on the acquisition of Askepnet as disclosed below may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of Askepnet as at the date of obtaining control are presented below:

	Provisional values as at the acquisition date UAH'000	Provisional values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired			
Property, plant and equipment	161	16	3
Intangible assets, of which:	45,933	4,446	3
<i>Intangible assets recognized as at the acquisition date (PPA)</i>	<i>45,916</i>	<i>4,445</i>	<i>3</i>
Right-of-use assets	2,566	248	3
Trade receivables	2,115	205	3
Cash and cash equivalents	1,229	119	3
Other assets	154	15	3
Total assets	52,158	5,049	
Liabilities acquired			
Lease liabilities	2,566	248	3
Trade payables	1,710	166	3
Contract liabilities	8,641	836	3
Liabilities to the state and local budgets	165	16	3
Deferred tax liabilities, of which:	8,265	800	3
<i>Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)</i>	<i>8,265</i>	<i>800</i>	<i>3</i>
Total liabilities	21,347	2,066	
Net assets value	30,811	2,983	
Equity interest acquired	100%	100%	
Purchase price	68,619	6,642	
Goodwill as at the acquisition date	37,808	3,659	

Figures converted to PLN at the exchange rate effective on 31 July 2024: UAH 1 = PLN 0.0968

Input data were derived from the acquired company's financial statements drawn up as at 31 July 2024. The input data were prepared in accordance with the ASEE Group's accounting policy.

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

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

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

iii. Acquisition of shares in WEO Unipessoal Lda

On 16 August 2024, Payten Holding S.A. acquired 80% of shares in WEO Unipessoal Lda, a company based in Armação de Pêra, Portugal. All non-controlling interests are subject to put/call options and accounted for using the present ownership method. Therefore, this acquisition is accounted for as if the Group had purchased 100% of shares in WEO, and consequently it does not recognize any non-controlling interests.

The total purchase price determined at the acquisition date amounted to EUR 3.7 million and it comprised: a consideration of EUR 1.2 million paid on the transaction date, the fair value of conditional payments depending on financial results achieved by the acquired company in the amount of EUR 1.3 million, as well as the fair value of liabilities under put options held by non-controlling shareholders in the amount of EUR 1.2 million.

During the fourth quarter of 2024, the Group recognized intangible assets existing in the acquired company, while the purchase price allocation process has not yet been completed by the Group until 31 December 2024. Therefore, goodwill recognized on the acquisition of WEO as disclosed below may be subject to change in the period of 12 months from the date of obtaining control over that company. The provisional values of identifiable assets and liabilities of WEO as at the date of obtaining control are presented below:

	Initial provisional values as at the acquisition date EUR'000	Initial provisional values as at the acquisition date PLN'000	Provisional values as at the acquisition date EUR'000	Provisional values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired					
Property, plant and equipment	21	90	21	90	3
Intangible assets, of which:	-	-	400	1,712	3
Intangible assets recognized as at the acquisition date (PPA)	-	-	400	1,712	3
Right-of-use assets	41	175	41	175	3
Trade receivables	1	4	1	4	3
Cash and cash equivalents	271	1,160	271	1,160	3
Other assets	16	68	16	68	3
Total assets	350	1,497	750	3,209	
Liabilities acquired					
Lease liabilities	41	175	41	175	3
Contract liabilities	130	556	130	556	3
Liabilities to the state and local budgets	25	107	25	107	3
Deferred tax liabilities, of which:	-	-	84	360	3
Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)	-	-	84	360	3
Other liabilities	13	56	13	56	3
Total liabilities	209	894	293	1,254	
Net assets value	141	603	457	1,955	
Equity interest acquired	100%*	100%*	100%*	100%*	
Purchase price	3,725	15,942	3,725	15,942	
Goodwill as at the acquisition date	3,584	15,339	3,268	13,987	

*The acquisition has been accounted for using the present ownership method due to the put/call options contained in the company acquisition agreement.
Figures converted to PLN at the exchange rate effective on 30 August 2024: EUR 1 = PLN 4.2798 (the last exchange rate quoted by the National Bank of Poland in August 2024, used for the conversion of data as at 31 August 2024)

Input data were derived from the acquired company's financial statements drawn up as at 31 August 2024. The input data were prepared in accordance with the ASEE Group's accounting policy.

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

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

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

iv. Allocation of the purchase price of IfthenPay LDA

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

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

As at 30 September 2024, the Group has already completed the process of purchase price allocation. The fair values of identifiable assets and liabilities of IfthenPay company as at the date of obtaining control are presented below (converted at the exchange rate of PLN/EUR effective on the acquisition date):

	Initial provisional values as at the acquisition date	Initial provisional values as at the acquisition date	Fair values as at the acquisition date	Fair values as at the acquisition date	Level in fair value hierarchy
	EUR'000	PLN'000	EUR'000	PLN'000	
Assets acquired					
Property, plant and equipment	119	540	119	540	3
Intangible assets, of which:	-	-	2,220	10,083	3
Intangible assets recognized as at the acquisition date (PPA)	-	-	2,220	10,083	3
Right-of-use assets	72	327	72	327	3
Other receivables	8,972	40,748	8,972	40,748	3
Cash and cash equivalents	1,684	7,648	1,684	7,648	3
Other assets	174	790	174	790	3
Total assets	11,021	50,053	13,241	60,136	
Liabilities acquired					
Lease liabilities	72	327	72	327	3
Trade payables	205	931	205	931	3
Contract liabilities	8,981	40,789	8,981	40,789	3
Liabilities to the state and local budgets	308	1,399	308	1,399	3
Deferred tax liabilities, of which:	-	-	466	2,116	3
Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)	-	-	466	2,116	3
Other liabilities	38	173	38	173	3
Total liabilities	9,604	43,619	10,070	45,735	
Net assets value	1,417	6,434	3,171	14,401	
Equity interest acquired	100%*	100%*	100%*	100%*	
Purchase price	13,825	62,789	13,825	62,789	
Goodwill as at the acquisition date	12,408	56,355	10,654	48,388	

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

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

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

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

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

v. Allocation of the purchase price of shares in Avera d.o.o.

On 28 November 2023, Payten Holding S.A. acquired 75% of shares in Avera d.o.o., a company based in Pristava pri Mestinju, Slovenia. All non-controlling interests are subject to put/call options and accounted for using the present ownership method. Therefore, this acquisition is accounted for as if the Group had purchased 100% of shares in Avera, and consequently it does not recognize any non-controlling interests.

The total purchase price determined at the acquisition date amounted to EUR 4.5 million and it comprised: a consideration of EUR 2.7 million paid on the transaction date, the fair value of conditional payments depending on financial results achieved by the acquired company in the amount of EUR 1.2 million, as well as the fair value of liabilities under put options held by non-controlling shareholders in the amount of EUR 0.6 million.

As at 31 December 2024, the Group has already completed the process of purchase price allocation. The fair values of identifiable assets and liabilities of Avera d.o.o. as at the date of obtaining control are presented below (converted at the exchange rate of PLN/EUR effective on the acquisition date):

	Initial provisional values as at the acquisition date EUR'000	Initial provisional values as at the acquisition date PLN'000	Fair values as at the acquisition date EUR'000	Fair values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired					
Property, plant and equipment	1	4	1	4	3
Intangible assets, of which:	-	-	500	2,177	3
<i>Intangible assets recognized as at the acquisition date (PPA)</i>	-	-	500	2,177	3
Right-of-use assets	56	244	56	244	3
Trade receivables	689	3,000	689	3,000	3
Inventories	144	627	144	627	3
Cash and cash equivalents	1,484	6,462	1,484	6,462	3
Other assets	6	26	6	26	3
Total assets	2,380	10,363	2,880	12,540	
Liabilities acquired					
Lease liabilities	56	244	56	244	3
Trade payables	157	684	157	684	3
Liabilities to the state and local budgets	148	644	148	644	3
Deferred tax liabilities, of which:	-	-	99	431	3
<i>Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)</i>	-	-	95	414	3
Other liabilities	21	91	17	74	3
Total liabilities	382	1,663	477	2,077	
Net assets value	1,998	8,700	2,403	10,463	
Equity interest acquired	100%*	100%*	100%*	100%*	
Purchase price	4,482	19,516	4,482	19,516	
Goodwill as at the acquisition date	2,484	10,816	2,079	9,053	

*The acquisition has been accounted for using the present ownership method due to the put/call options contained in the company acquisition agreement.
Figures converted to PLN at the exchange rate effective on the acquisition date, i.e. 28 November 2023: EUR 1 = PLN 4.3542

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

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

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

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

vi. Allocation of the purchase price of shares in Dwelt d.o.o. Banja Luka

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

The total purchase price determined at the acquisition date amounted to BAM 51.1 million and it comprised: a consideration of BAM 7.8 million paid on the transaction date, the fair value of conditional payments depending on financial results achieved by the acquired company in the amount of BAM 11.6 million, as well as the fair value of liabilities under put options held by non-controlling shareholders in the amount of BAM 31.7 million.

As at 31 December 2024, the Group has already completed the process of purchase price allocation. The fair values of identifiable assets and liabilities of Dwelt d.o.o. as at the date of obtaining control are presented below (converted at the exchange rate of PLN/BAM effective on the acquisition date):

	Initial provisional values as at the acquisition date BAM'000	Initial provisional values as at the acquisition date PLN'000	Fair values as at the acquisition date BAM'000	Fair values as at the acquisition date PLN'000	Level in fair value hierarchy
Assets acquired					
Property, plant and equipment	210	464	210	464	3
Intangible assets, of which:	29	64	14,299	31,604	3
<i>Intangible assets recognized as at the acquisition date (PPA)</i>	-	-	14,270	31,540	3
Right-of-use assets	543	1,200	420	928	3
Trade receivables	654	1,445	654	1,445	3
Cash and cash equivalents	1,005	2,221	1,005	2,221	3
Other assets	13	29	13	29	3
Total assets	2,454	5,423	16,601	36,691	
Liabilities acquired					
Lease liabilities	543	1,200	420	928	3
Trade payables	50	111	50	111	3
Liabilities to the state and local budgets	1,157	2,557	1,157	2,557	3
Deferred tax liabilities, of which:	-	-	1,427	3,154	3
<i>Deferred tax liabilities on intangible assets recognized as at the acquisition date (PPA)</i>	-	-	1,427	3,154	3
Total liabilities	1,750	3,868	3,054	6,750	
Net assets value	704	1,555	13,547	29,941	
Equity interest acquired	100%*	100%*	100%*	100%*	
Purchase price	51,071	112,877	51,071	112,877	
Goodwill as at the acquisition date	50,367	111,322	37,524	82,936	

*The acquisition has been accounted for using the present ownership method due to the put/call options contained in the company acquisition agreement.
Figures converted to PLN at the exchange rate effective on the acquisition date, i.e. 20 December 2023: BAM 1 = PLN 2.2102

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

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

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

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

6.5. Impairment tests

Selected accounting policies

At each reporting date, the Group determines whether there are any indications of impairment of non-financial fixed assets. In the event such indications occur, or when it is necessary to carry out an annual impairment test, the Group estimates the recoverable amount of a given asset or cash-generating unit to which such asset has been allocated.

The recoverable amount of an asset or cash-generating unit corresponds to the fair value of such asset or cash-generating unit less the costs necessary to make the sale of such asset or cash-generating unit, or to the value in use of such asset or cash-generating unit, whichever is higher. The recoverable amount is measured for individual assets unless a given asset does not generate cash flows significantly independent from cash flows generated by other assets or groups of assets. Impairment takes place when the carrying value of an asset is higher than its recoverable amount, in which case such asset shall be written-down to the determined recoverable amount. In order to determine the value in use, estimated future cash flows shall be discounted to their present value by applying a discount rate that reflects the current market assessments of the time value of money and the risks related to the given asset. Impairment losses on assets used in continuing operations are recognized as operating expenses.

At each reporting date, the Group determines whether there are any indications for reversal or reduction of an impairment charge that was recognized on a given asset in the prior periods. If such indications exist, the Group needs to estimate the recoverable amount of the relevant asset. A formerly recognized impairment charge may be reversed only when estimates applied for determination of the recoverable amount of the relevant asset have changed since the time of the last recognition of impairment. If this is the case, the carrying value of such asset shall be increased to its recoverable amount. The increased amount cannot exceed the given asset's book value (net of depreciation) that would be carried in case no impairment charge was recognized on such asset in the prior years. A reversal of an impairment charge shall be immediately recognized as a reduction of operating expenses. Following a reversal of an impairment loss, the depreciation charges made on the relevant asset during subsequent financial periods shall be adjusted in such a way as to enable systematic depreciation of the asset's verified book value (net of residual value) over the remaining period of its useful life.

Goodwill – impairment tests

After initial recognition, goodwill is accounted for at purchase cost less any accumulated impairment charges. Goodwill is tested for impairment on an annual basis, or more frequently if there are indications to do so. Goodwill is not subject to amortization. As at the acquisition date, the acquired goodwill is allocated to every cash-generating unit which may benefit from synergy effects of the related business combination. Each cash-generating unit or group of units to which goodwill is so allocated shall represent the lowest level within the Group at which goodwill is monitored for internal management purposes; and not be larger than any operating segment identified in accordance with IFRS 8 'Operating Segments'. An impairment loss is determined by estimating the recoverable amount of a cash-generating unit to which goodwill has been allocated. In the event the recoverable amount of a cash-generating unit is lower than its carrying value, an impairment charge shall be recognized. It is not possible to reverse any impairment loss that was previously recognized on goodwill.

In the event a cash-generating unit contains goodwill and a part of operation of this cash-generating unit is sold, goodwill related to the operation disposed shall be included in its carrying value for the purpose of determining a gain or loss on disposal of that operation. In such circumstances the value of goodwill sold shall be measured as a proportion of the value of operation disposed to the value of the portion of the cash-generating unit retained, unless the Group can demonstrate that some other method better reflects the goodwill associated with the operation disposed of.

Estimates

Each impairment test requires making estimates of the value in use of cash-generating units or groups of cash-generating units to which goodwill and/or intangible assets with indefinite useful life have been allocated. The value in use is estimated by determining both the future cash flows expected to be achieved from the cash-generating unit or units and a discount rate to be subsequently used in order to calculate the net present value of those cash flows.

Goodwill is presented in the consolidated financial statements in a breakdown corresponding to the Group's operating segments, i.e. Banking Solutions, Payment Solutions, and Dedicated Solutions.

Goodwill is subject to impairment testing on an annual basis and it was tested for impairment as at 31 December 2024.

The starting point for determining the value of cash generating units to which goodwill has been allocated was to estimate the recoverable amount of our investments in subsidiaries, in a breakdown by business units constituting the Group's operating segments. Subsequently, the recoverable amounts of individual business units from various subsidiaries were aggregated by operating segments to which they were assigned, together creating the value of the cash-generating unit to which goodwill was allocated.

The recoverable amount of investments in subsidiaries as at 31 December 2024 was determined on the basis of their value in use, applying the forecasted free cash flow to firm (FCFF) based on the financial forecasts approved by our management personnel.

The calculations were based on the following uniform assumptions:

- the budgets and forecasts of individual subsidiaries were analyzed in a breakdown to operating segments;
- the detailed forecast covered the period of 5 years at minimum. The first year data were adopted based on the budgets, while forecasted changes in cash flows were assumed for subsequent years;

- the assumed changes in cash flows depend upon the strategy of the entire Group and plans of individual companies, taking due account of conditions prevailing in particular geographical markets and sectors, and at the same time reflecting the present and potential order backlog. The potential order backlog presumes gaining new clients whilst keeping the present ones. The assumed changes are not materially different from average growth observed in relevant markets;
- the cash flow forecasts for foreign subsidiaries are determined in their functional currencies. Subsequently, in order to determine the recoverable amount of our segments, they are translated into PLN at the exchange rate of 31 December 2024. The revenue growth rate, which is calculated as the compound annual growth rate (CAGR) in the period of detailed forecast, equalled: 3.82% for the Banking Solutions segment, 6.73% for the Payment Solutions segment, and 7.92% for the Dedicated Solutions segment;
- the discount rates applied were equivalent to the weighted average cost of capital determined for individual subsidiaries (a single discount rate was applied for different business segments within one subsidiary). Particular components of the adopted discount rates were determined taking into account the market values of risk-free interest rates, the beta coefficient leveraged to reflect the average market debt/equity ratio, as well as the expected market yield. The discount rate ranged from 9.2% to 36.6% depending on the market where the segment section operates.

Presented below are the levels of discount rates, in a breakdown by countries in which our subsidiaries operate:

Country of the company's seat	31 December 2024	31 December 2023
Albania / Kosovo	11.6% - 14.4%	13.1% - 16.9%
Bosnia and Herzegovina	16.2% - 17.3%	16.7% - 18.7%
Bulgaria	9.7%	10.1%
Croatia	9.3% - 9.8%	9.1% - 9.9%
Czechia / Slovakia	9.3% - 9.9%	9.0% - 9.4%
Montenegro	13.5% - 14.4%	13.9% - 15.5%
Spain	9.2%	9.0%
Portugal	9.3%	9.1%
Macedonia	12.5% - 13.2%	12.8% - 14.2%
Romania / Moldova	14.3% - 14.9%	11.7% - 13.9%
Serbia	10.5% - 10.9%	12.2% - 14.6%
Slovenia	9.2%	9.3%
Turkey	35.8% - 36.6%	46.1% - 67.8%
Ukraine	33.3%	
India	12.8%	
United Arab Emirates	9.8%	

As a result of impairment tests carried out as at 31 December 2024, we identified impairment of the Dedicated Solutions segment and a necessity to recognize an impairment loss on goodwill allocated to this segment in the amount of PLN 13,753 thousand. Such impairment charge was recognized in financial expenses.

Other tests did not indicate a necessity to recognize any impairment losses on goodwill.

Impairment tests performed in 2023 did not indicate any impairment of goodwill.

Analysis of sensitivity

Additionally, the Parent Company carried out a sensitivity analysis of the goodwill impairment tests. The analysis of sensitivity shows how much the recoverable amount is going to change if the discount rate is increased by 1 pp with other assumptions remaining constant, or if the revenue growth rate is decreased by 1 pp with other assumptions remaining constant.

The results of such sensitivity analysis carried out as at 31 December 2024 are presented in the following table:

	Discount rate Change by 1 pp	Sales revenue growth rate Change by 1 pp
Banking Solutions	(50,165)	(112,018)
Payment Solutions	(172,518)	(250,756)
Dedicated Solutions	(43,208)	(88,459)

In the case of the Dedicated Solutions segment, any increase in the discount rate or a decline in the revenue growth rate may result in a further write-down on goodwill. While in the case of Banking Solutions and Payment Solutions, any reasonable modification of the key assumptions adopted in the model of valuation of goodwill allocated to these operating segments should not indicate a necessity of recognizing any goodwill impairment charges.

6.6. Other financial assets

Selected accounting policies

The Group classifies its financial assets to the following measurement categories specified in IFRS 9:

- measured at fair value through other comprehensive income
- measured at amortized cost
- measured at fair value through profit or loss.

The Group classifies its financial assets based on the Group's business model for managing financial assets and considering the characteristics of contractual cash flows for a particular financial asset. The Group reclassifies its investments in debt securities if, and only if, the model adopted for managing such assets is modified.

At initial recognition, the Group classifies its investments in equity instruments (other than investments in subsidiaries and associates), which are not held for trading and not quoted in an active market, as measured at fair value through other comprehensive income.

Whereas, investments in derivative instruments and equity instruments quoted in an active market are measured at fair value through profit or loss.

Measurement at initial recognition

With the exception of some trade receivables, the Group's financial assets are initially recognized at fair value. In the case of financial assets that are not classified as measured at fair value through profit or loss, at the time of initial recognition, the entity may increase their fair value by transaction costs directly attributable to their acquisition.

Measurement after initial recognition

Measurement of financial assets at amortized cost

Financial assets that are measured by the Group at amortized cost include: cash and cash equivalents, loans granted (which pass the SPPI classification test), assets from contracts with customers, trade receivables, as well as other receivables which are in the scope of IFRS 9.

Trade receivables with a maturity of less than 12 months are measured at an amount due for payment, less any allowance for expected losses. Long-term receivables that are within the scope of IFRS 9 are discounted as at the reporting date.

The Group measures its financial assets at amortized cost using the effective interest method.

Interest income on investments in debt securities is recognized by the Group as financial income. On disposal of investments in debt securities, the Group recognizes cumulative gains/losses through profit or loss.

Measurement of financial assets at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met: (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that are measured by the Group at fair value through other comprehensive income include: treasury and corporate bonds, as well as investments in equity instruments of companies not quoted in an active market.

Interest income on investments in debt securities is recognized by the Group as financial income. Dividends on equity instruments measured at fair value through other comprehensive income are recognized by the Group as financial income.

On disposal of investments in debt securities, the Group recognizes cumulative gains/losses through profit or loss. At the time of derecognition of an investment in equity instruments measured at fair value through other comprehensive income, cumulative gains or losses arising from the fair value measurement of that investment that were previously recognized in other comprehensive income, are not reclassified by the Group to profit or loss. However, such revaluation gains and losses may be transferred to another item within equity, for example to retained earnings.

Measurement of financial assets at fair value through profit or loss

Changes in the fair values of financial assets classified to this category are recognized by the Group through profit or loss. Interest income and dividends received on equity instruments quoted in an active market are recognized as financial income.

Derecognition

A financial asset is derecognized by the Group when: (i) the contractual rights to the cash flows from the financial asset expire, or (ii) the contractual rights to the cash flows from the financial asset have been transferred by the Group along with substantially all the risks and rewards of ownership of the financial asset.

Impairment of financial assets

In line with IFRS 9, impairment of financial assets is estimated based on the expected loss model. The model applies to financial assets measured at amortized cost as well as to financial assets measured at fair value through other comprehensive income, except for investments in equity instruments.

In order to estimate impairment losses on financial assets, the Group applies the following approaches:

- general approach,
- simplified approach.

The Group applies the general approach for financial assets measured at fair value through other comprehensive income as well as for financial assets measured at amortized cost, except for receivables and contract assets.

Under the general approach, the Group estimates impairment losses on financial assets using a three-stage model based on changes in the credit risk of financial assets since their initial recognition.

Where the credit risk of financial assets has not increased significantly since initial recognition (stage 1), the Group estimates an allowance for 12-month expected credit losses. Where the credit risk of financial assets has increased significantly since initial recognition (stages 2 and 3), the Group estimates an allowance for expected credit losses over the lifetime of financial instruments.

At each reporting date, the Group analyzes if there are indications of a significant increase in the credit risk of financial assets held.

In the case of trade receivables and assets from contracts with customers, the Group applies the simplified approach and therefore changes in credit risk are not monitored, while an impairment allowance is measured at an amount equal to expected credit losses over the lifetime of receivables. Detailed information on estimating impairment losses has been provided in explanatory note 6.8 to these consolidated financial statements.

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

	31 December 2024		31 December 2023	
	Non-current PLN'000	Current PLN'000	Non-current PLN'000	Current PLN'000
Financial assets carried at fair value through profit or loss, of which:				
Currency forward contracts	-	-	-	167
Shares in companies not quoted in an active market	-	166	-	167
Other financial assets	358	-	338	-
	358	166	338	334
Financial assets carried at fair value through other comprehensive income, of which:				
Shares in companies quoted in an active market	-	1	29	1
Shares in companies not quoted in an active market	20	-	21	-
Other financial assets	874	822	491	575
	894	823	541	576
Financial assets carried at amortized cost, of which:				
Loans granted, of which:	105	61	3	57
<i>granted to related parties</i>	105	3	-	-
<i>granted to employees</i>	-	58	3	57
<i>granted to other entities</i>	-	-	-	-
Corporate bonds	110	-	110	-
Term cash deposits	1,014	3,029	1,029	206
	1,229	3,090	1,142	263
Total other financial assets	2,481	4,079	2,021	1,173

As at 31 December 2024 and 31 December 2023, financial assets carried at amortized cost included term cash deposits which serve as collateral for bank loans that were obtained to finance the performance of contracts as well as for bank guarantees.

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

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

As at 31 December 2024	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial assets carried at fair value through profit or loss				
Currency forward contracts	-	-	-	-
Shares in companies not quoted in an active market	166	-	-	166
Other financial assets	358	-	-	358
Total	524	-	-	524
Financial assets carried at fair value through other comprehensive income				
Shares in companies quoted in an active market	1	1	-	-
Shares in companies not quoted in an active market	20	-	-	20

Other financial assets	1,696	-	-	1,696
Total	1,717	1	-	1,716

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

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

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

6.7. Prepayments and accrued income

Selected accounting policies

Prepayments comprise expenses incurred before the end of the reporting period that relate to future periods or to future revenues. Prepayments include in particular: (i) prepaid third-party services (inclusive of maintenance services) which shall be provided in future periods, (ii) advance payments of insurance, subscription, rental fees, etc., and (iii) any other expenses incurred in the current period but related to future periods.

Moreover, the Group capitalizes the costs incurred in obtaining a contract with a customer or in fulfilling a contract with a customer, if those costs are expected to be recovered by the Group.

Costs of contracts with customers

The costs of obtaining a contract are those additional (incremental) costs incurred by the Group in order to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. The Group recognizes such costs as an asset if it expects to recover those costs. Such capitalized costs of obtaining a contract shall be amortized over a period when the Group satisfies the performance obligations arising from the contract.

As a practical expedient, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group would have otherwise recognized is one year or less.

Costs to fulfil a contract are the costs incurred in fulfilling a contract with a customer. The Group recognizes such costs as an asset if they are not within the scope of another standard (for example, IAS 2 'Inventories', IAS 16 'Property, Plant and Equipment' or IAS 38 'Intangible Assets') and if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract with a customer,
- the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future, and
- the costs are expected to be recovered by the Group.

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

	31 December 2024		31 December 2023	
	Non-current PLN'000	Current PLN'000	Non-current PLN'000	Current PLN'000
Prepaid services, of which:	2,979	59,794	2,799	51,828
maintenance services, license and subscription fees	2,638	53,543	1,827	44,481
insurances	-	2,213	-	2,661
rents and averaged instalments under operating leases	-	331	106	427
prepaid consulting services	-	380	-	275
other services	341	3,327	866	3,984
Expenses related to services performed for which revenues have not been recognized yet	-	703	-	694
Other prepayments and accrued income	111	1,065	289	1,382
Total	3,090	61,562	3,088	53,904

6.8. Receivables and contract assets

Selected accounting policies

Contract assets represent the right to payment in exchange for goods or services that the entity transferred to the customer. Contract assets include receivables arising from valuation of IT contracts and from uninvoiced deliveries. Receivables from valuation of IT contracts result from the excess of the percentage of completion of implementation contracts over invoices issued. In the case of such assets, the Group has fulfilled its performance obligation but the right to payment is conditioned on something other than just the passage of time, which distinguishes contract assets from trade receivables. Receivables from uninvoiced deliveries arise from the supply of services which were performed during the reporting period (the Group has completed its performance obligation), but have not been invoiced until the end of the reporting period.

Trade receivables represent receivables arising from the sale of goods and services, as well as receivables from operating leases. Trade receivables, usually with payment terms ranging from 14 and 30 days, are recognized and disclosed at the amounts initially invoiced, less any allowances for doubtful receivables. Receivables with remote payment terms are recognized at the present value of expected payments, less any allowances for expected credit losses.

Allowances for trade receivables

In estimating an allowance for trade receivables, the Company applies the simplified approach whereby the impairment allowance is measured at an amount equal to expected credit losses over the lifetime of receivables. In order to estimate such expected credit losses, the Group uses a provisioning matrix prepared on the basis of historical payments received from customers, where appropriate adjusted by the impact of forward-looking information. For this purpose, the Group allocates its customers into homogeneous groups from which receivables are statistically analyzed in respect of aging and collection, based on data from minimum 2 years back.

The amount of impairment allowances is revised at each reporting date.

For trade receivables that are past-due more than 180 days, apart from the statistical method of estimating the amount of impairment loss based on the provisioning matrix, the Group also applies individual approach. For each amount of trade receivables that is significant and past-due more than 180 days, the management shall exercise professional judgment taking into account the contractor's financial standing and general market conditions.

Impairment allowances for trade receivables and contract assets are recognized under operating activities.

In the case of other receivables and other financial assets, impairment allowances are measured at an amount equal to the 12-month expected credit losses. Where the credit risk on a financial instrument has increased significantly since initial recognition, the Group shall measure the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses.

Allowances for other receivables are recognized under other operating activities or under financial activities if such receivables resulted from the sale of investments or other activities whose costs and revenues are by principle disclosed in financial activities.

Allowances for accrued interest receivables are recognized as financial expenses.

If the cause for recognition of an allowance is no longer valid, such allowance shall be reversed in the whole amount or appropriate portion, and increase in the value of the relevant asset.

Estimates

Each time, the Group exercises professional judgment involving the assessment of the percentage of completion of IT implementation contracts in relation to invoices issued. Similarly, a certain amount of estimates and professional judgment is needed in allocating the transaction price to individual performance obligations, which in turn affects the recognition of receivables/assets from contracts with customers.

The Group estimates the amount of allowances for receivables and assets from contracts with customers in accordance with the requirements of IFRS 9 'Financial Instruments'. In the simplified approach, this requires a statistical analysis which in principle involves making certain assumptions and applying professional judgment.

The table below presents the amounts of receivables as at 31 December 2024 as well as at 31 December 2023.

	31 December 2024		31 December 2023	
	Non-current PLN'000	Current PLN'000	Non-current PLN'000	Current PLN'000
Trade receivables, of which:	-	292,385	-	299,114
Trade receivables:	-	305,820	-	301,306
from related parties	-	550	-	744
from other entities	-	305,270	-	300,562
Receivables from operating leases	-	10,204	-	8,291
Allowances for trade receivables	-	(23,639)	-	(10,483)
Corporate income tax receivable	-	4,662	-	2,693
Receivables from the state and local budgets	-	15,841	-	5,044
Value added tax	-	12,426	-	3,793
Other	-	3,415	-	1,251
Other receivables	5,850	71,917	7,274	79,663
Receivables from payment transactions processed	-	63,034	-	71,493
Security deposits receivable	971	1,972	682	1,199
Other receivables	4,879	9,183	6,592	7,764
Allowances for other receivables	-	(2,272)	-	(793)
Total receivables	5,850	384,805	7,274	386,514

The balance of other current receivables includes, among others, restricted cash intended for settlement of other liabilities arising from payment transactions, receivables relating to guarantees of due performance of

contracts (i.e. security deposits provided to customers in order to compensate for their potential losses in case we fail to fulfil any contractual obligations), receivables from disposal of tangible assets, receivables from security deposits paid-in, receivables from sale of shares in subsidiaries, as well as other receivables.

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

The table below presents assets from contracts with customers as at 31 December 2024 as well as at 31 December 2023:

Contract assets	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
Uninvoiced receivables	-	35,163	-	27,329
from related parties	-	-	-	-
from other entities	-	35,163	-	27,329
Receivables from valuation of IT contracts	-	52,512	-	73,811
from related parties	-	2,020	-	462
from other entities	-	50,492	-	73,349
Allowances	-	(426)	-	(6,036)
Total contract assets	-	87,249	-	95,104

Changes in the value of assets from contracts with customers that took place during the period of 12 months ended 31 December 2024 and in the comparable period are presented below:

	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Contract assets as at 1 January	95,104	78,739
Reclassification of contract assets due to obtaining an unconditional right to payment	(225,385)	(162,665)
Fulfilment of new uninvoiced performance obligations; changes in estimated transaction prices, modification of other assumptions	212,891	190,887
Change in allowances	5,610	(6,036)
Obtaining control over subsidiaries	-	-
Exchange differences on translation of foreign operations	(971)	(5,821)
Contract assets as at 31 December	87,249	95,104

Related party transactions have been presented in explanatory note 6.21 to these consolidated financial statements.

The Group has adopted a relevant policy that allows for selling products and services to verified customers. Owing to that, in the Management's opinion the credited sales risk would not exceed the level covered with allowances for doubtful receivables.

The table below presents the ageing structure of receivables as at 31 December 2024:

	31 December 2024					
	Amount before allowance (gross)		Allowance		Amount after allowance (net)	
	PLN'000	%	PLN'000	%		
Receivables not yet due	232,802	74%	(299)	1%	232,503	80%
Past-due receivables	83,222	26%	(23,340)	99%	59,882	20%
Receivables past-due up to 3 months	40,105	13%	(344)	1%	39,761	14%
Receivables past-due from 3 to 6 months	13,889	4%	(178)	1%	13,711	5%
Receivables past-due from 6 to 12 months	18,366	6%	(12,397)	52%	5,969	2%
Receivables past-due over 12 months	10,862	3%	(10,421)	44%	441	0%
Book value of trade receivables	316,024		(23,639)		292,385	

The table below presents the ageing structure of receivables as at 31 December 2023:

	31 December 2023					
	Amount before allowance (gross)		Allowance		Amount after allowance (net)	
	PLN'000	%	PLN'000	%		
Receivables not yet due	254,410	82%	(624)	6%	253,786	85%
Past-due receivables	55,187	18%	(9,859)	94%	45,328	15%
Receivables past-due up to 3 months	35,574	11%	(643)	6%	34,931	12%
Receivables past-due from 3 to 6 months	7,497	2%	(417)	4%	7,080	2%
Receivables past-due from 6 to 12 months	4,578	1%	(2,367)	23%	2,211	1%
Receivables past-due over 12 months	7,538	2%	(6,432)	61%	1,106	0%
Book value of trade receivables	309,597		(10,483)		299,114	

Changes in the amount of allowances for trade receivables and contract assets during the period of 12 months ended 31 December 2024 and in the comparable period are presented in the table below:

Allowances for trade receivables and contract assets	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Allowances as at 1 January	(16,519)	(10,410)
Recognized during the reporting period	(14,007)	(14,921)
Utilized during the reporting period	7,429	1,311
Reversed during the reporting period	7,558	6,126
Obtaining control over subsidiaries	(8,769)	(85)
Loss of control over subsidiaries	7	-
Reclassification to assets held for sale	161	-
Foreign exchange differences	75	1,460
As at 31 December	(24,065)	(16,519)

6.9. Inventories

Selected accounting policies

The Group distinguishes two categories of inventories: goods for resale, and service parts (spare parts and computer hardware that have been purchased for the purposes of maintenance service contracts).

Inventories are measured by the Group at the lower of the following two values: purchase cost/production cost or net value realizable upon sale.

The initial value of service parts is expensed on a straight-line basis over the duration of the maintenance service contract, for which such parts have been purchased. The value of consumed inventories is measured using the specific identification method.

At each reporting date, the Group analyzes whether the carrying value of inventories is higher than or equal to their net realizable value. Impairment losses on inventories are recognized as operating expenses.

The table below presents inventories as at 31 December 2024 and in the comparable period:

Inventories	31 December 2024 PLN'000	31 December 2023 PLN'000
Computer hardware, third-party software licenses and other goods for resale	111,317	98,136
Computer hardware, spare parts and other materials intended for the performance of repair/maintenance services	17,977	17,527
Impairment losses on inventories	(19,326)	(17,791)
Total	109,968	97,872

Changes in the amount of impairment losses on inventories during the period of 12 months ended 31 December 2024 and in the comparable period are presented in the table below:

Impairment losses on inventories	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Impairment losses as at 1 January	(17,791)	(16,856)
Recognized during the reporting period	(5,804)	(6,235)
Utilized during the reporting period	264	455
Reversed during the reporting period	3,720	3,507
Obtaining of control over subsidiaries	-	(24)
Foreign exchange differences	285	1,362
As at 31 December	(19,326)	(17,791)

6.10. Cash and cash equivalents

Selected accounting policies

Cash and cash equivalents presented in the statement of financial position comprise cash at bank and on hand, short-term bank deposits with original maturity of less than 3 months, and other highly liquid instruments. The balance of cash and cash equivalents disclosed in the consolidated statement of cash flows consists of the above-defined cash and cash equivalents. For the purposes of the statement of cash flows, the Group decided not to include bank overdraft facilities (used as an element of financing for current operations) in the balance of cash and cash equivalents.

The table below presents cash and cash equivalents as at 31 December 2024 and in the comparable period:

	31 December 2024 PLN'000	31 December 2023 PLN'000
Cash at bank and on hand	190,146	239,652
Short-term bank deposits (up to 3 months)	80,216	70,022
Cash in transit and other cash equivalents	849	3,438
Total cash and cash equivalents as disclosed in the statement of financial position	271,211	313,112
Interest accrued on cash and cash equivalents	(28)	(43)
Bank overdraft facilities utilized for current liquidity management	(35,455)	(27,772)
Cash and cash equivalents reclassified to assets held for sale, less bank overdraft facilities utilized for current liquidity management	3,590	-
Total cash and cash equivalents as disclosed in the cash flow statement	239,318	285,297

As at 31 December 2024, cash in the amount of PLN 991 thousand held in bank accounts of ASEE S.A. and Payten Holding S.A. was subject to a registered pledge in order to secure the repayment of a bank loan. As at the reporting date, liabilities under the loan secured with these assets amounted to PLN 67,513 thousand.

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

6.11. Assets held for sale

Due to signing an agreement to sell shares in the company Mobven on 11 February 2025, the Group reclassified all assets and liabilities of Mobven to assets and liabilities held for sale. Prior to the initial classification of assets as held for sale, their carrying value was measured in accordance with relevant IFRSs. Having been classified as held for sale, these assets were recognized at the lower of carrying value and fair value less costs to sell.

The fair value of these assets less costs to sell was higher than their carrying value, so the Group recognized an impairment charge in the amount of PLN 15,482 thousand which is disclosed in financial expenses. Goodwill recognized on the acquisition of Mobven, which was previously subject to hyperinflation revaluations under IAS 29, was reduced.

The table below presents different categories of Mobven's assets and liabilities held for sale measured at fair value less costs to sell:

31 December 2024	
PLN'000	
Assets held for sale	
Property, plant and equipment	1,001
Intangible assets	-
Right-of-use assets	15
Goodwill	6,356
Deferred tax assets	(13)
Prepayments and accrued income	73
Trade receivables	3,810
Other receivables	130
Other financial assets	246
Cash and bank deposits	3,702
TOTAL ASSETS	15,320
Liabilities directly related to assets held for sale	
Bank loans, borrowings and debt securities	112
Lease liabilities	15
Trade payables	57
Contract liabilities	2,135
Deferred tax liabilities	42
Other liabilities	900
Provisions	66
Accruals	810
TOTAL LIABILITIES	4,137
NET ASSETS	11,183

The operations of Mobven company do not meet the definition of discontinued operations under IFRS 5.

6.12. Equity of the Parent Company

Share capital

The Parent Company's share capital as at 31 December 2024 and in the comparable period amounted to PLN 518,942,510.00 and has been fully paid up. The share capital is divided into 51,894,251 ordinary shares with a par value of PLN 10 each. The Parent Company has not issued any preference shares. The Parent Company's authorized capital is equal to its share capital.

Share premium

Equity includes share premium in the amount of PLN 30,395 thousand arising from the issuances of shares of series L, M and N, which was decreased by the incurred share issuance costs of PLN 3,605 thousand (recognized in 2009), as well as share premium in the amount of PLN 11,759 thousand arising from the issuance of shares of series P, R and S, which was decreased by the incurred share issuance costs of PLN 84 thousand (recognized in 2010). The share premium was additionally increased by the amount of PLN 396 thousand due to the reversal of a provision for issuance related expenses, and decreased by other costs amounting to PLN 35 thousand.

Transactions with non-controlling interests

The line 'Transactions with non-controlling interests' is related to:

- equity transactions within ASEE Group that are accounted for through the parent company's equity, such as purchases and sales of shares, issuances or redemptions of capital in subsidiaries, which change the Group's equity interest in those entities but do not result in obtaining or losing control; and

- recognition of a contingent financial liability to non-controlling shareholders (put options) if the purchase agreement does not provide for the transfer to the parent company of benefits incidental to ownership of equity instruments subject to a put option. In such a case, at each reporting date non-controlling interests (to which a portion of net profit attributable to non-controlling interests is still allocated) are reclassified by the Group as a financial liability, as if such puttable equity instrument was purchased on that date.

In 2024, the effects of the following transactions were recognized in the Parent Company's equity: PLN -1,264 thousand due to an increase in the share capital of Things Solver, PLN -694 thousand due to an increase in the share capital of Touras India, PLN -471 thousand due to recognition of liabilities under put options for shares in Necomplus Spain, PLN -124,855 thousand due to recognition of liabilities under put options for shares in Touras India and Touras UAE.

6.13. Non-controlling interests

Selected accounting policies

For each acquisition of a subsidiary company, the Group measures the value of non-controlling interests as at the acquisition date using the method of proportionate share in identifiable net assets of the entity acquired, or at fair value.

The table below presents changes in non-controlling interests:

	31 December 2024	31 December 2023
	PLN'000	PLN'000
As at 1 January	7,810	8,515
Share in profits of subsidiaries	5,463	7,966
Share-based payment transactions with employees	13	-
Obtaining control over subsidiaries	15,093	-
Transactions with non-controlling interests (including contingent financial liabilities to non-controlling shareholders (put options))	(15,629)	1,371
Dividends paid out to non-controlling shareholders	(4,086)	(9,098)
Exchange differences on translation of foreign operations	(240)	(944)
As at 31 December	8,424	7,810

The line 'Obtaining control over subsidiaries' is related to the recognition of non-controlling interests following the acquisition of Touras India and Touras UAE together with their subsidiaries, based on net assets of these companies. These acquisitions have been described in detail in explanatory note 6.4 to these annual consolidated financial statements.

The line 'Transactions with non-controlling interests' presents changes in non-controlling interests resulting from:

- changes in equity interest / voting rights in a subsidiary that do not result in a loss of control over the subsidiary. In 2024, two transactions have been disclosed in this line. The first was the issuance of shares by Things Solver that were acquired entirely by ASEE Serbia, as a result of which the Group's equity interest in Things Solver increased from 60% to 76.14%. The second was the issuance of shares by Touras India that were acquired by its minority shareholder, as a result of which the Group's equity interest in Touras India dropped from 55% to 51%. In 2023, this item represented basically the acquisition of a portion of non-controlling interests in Necomplus Spain. The Group's equity interest in Necomplus Spain increased from 67.659% to 84.969%.
- recognition of a contingent financial liability to non-controlling shareholders (put options) if the purchase agreement does not provide for the transfer to the parent company of benefits incidental to ownership of equity instruments subject to a put option. At each reporting date non-controlling interests (to which a portion of net profit attributable to non-controlling interests is still allocated) are reclassified by the Group as a financial liability, as if such puttable equity instrument was purchased on that date. As at 31 December 2024, this item was related to the reclassification of puttable non-controlling interests in Necomplus Spain as well as in Touras companies.

6.14. Lease liabilities

Selected accounting policies

Lease liabilities – initial recognition

At the lease commencement date, the Group measures the lease liability at the present value of lease payments outstanding at that date. The lease payments are discounted by the Group using the incremental borrowing rate. The lease payments comprise: fixed payments (including in-substance fixed lease payments), less any lease incentives receivable; variable lease payments that depend on an index or a rate; amounts expected to be payable under residual value guarantees; the exercise price of a purchase option (if the Group is reasonably certain to exercise that option); and payments of penalties for terminating the lease (if the Group is reasonably certain to exercise that option).

Variable lease payments that do not depend on an index or a rate are immediately recognized as expenses in the period in which the event or condition that triggers those payments occurs.

Lease liabilities – subsequent measurement

In subsequent periods, the amount of the lease liability is reduced by the lease payments made and increased by interest accrued on that liability. Such interest is calculated by the Group using the lessee's incremental borrowing rate, which constitutes the sum of the risk-free interest rate (being determined by the Group companies based on the quotations of relevant IRS derivatives or interest rates on government bonds for relevant currencies) and the credit risk premium for the Group companies (being quantified on the basis of margins offered to the Group companies on investment loans adequately secured with assets of these companies).

If a lease contract is subject to modification involving a change in the lease term, a revised amount of in-substance fixed lease payments, or a change in the assessment of an option to purchase the underlying asset, then the lease liability shall be remeasured to reflect such changes. Remeasurement of the lease liability requires making a corresponding adjustment to the right-of-use asset.

Estimates

The lease payments are discounted by the Group using the incremental borrowing rate that needs to be determined on the basis of the risk-free interest rate and the credit risk premium for the Group companies, which is quantified on the basis of margins offered to the Group companies on investment loans adequately secured with assets of these companies.

Some lease contracts contain options to extend or terminate the lease. The Group also concludes contracts for an indefinite period. The Management exercises judgment in order to determine the period over which it can be reasonably assumed that such contracts will be continued.

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

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

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

Lease liabilities	31 December 2024		31 December 2023 (restated)	
	Non-current PLN'000	Current PLN'000	Non-current PLN'000	Current PLN'000
Leases of real estate	37,722	13,193	24,191	13,793
Leases of transportation vehicles	10,261	4,203	5,269	3,072
Leases of IT hardware and other assets	-	254	264	839
	47,983	17,650	29,724	17,704

Leases of real estate

Net value of office buildings which are held under lease contracts amounted to PLN 54,370 thousand as at 31 December 2024, compared to PLN 36,640 thousand as at 31 December 2023.

Future minimum cash flows and liabilities arising from leases of real estate are as follows:

	31 December 2024 PLN'000	31 December 2023 (restated) PLN'000
Minimum lease payments		
in the period shorter than 1 year	16,090	15,781
in the period from 1 to 5 years	41,443	26,105
in the period longer than 5 years	393	796
Future minimum lease payments	57,926	42,682
Future interest expenses	(7,011)	(4,698)
Present value of lease liabilities	50,915	37,984
in the period shorter than 1 year	13,193	13,793

in the period from 1 to 5 years	37,340	23,447
in the period longer than 5 years	382	744
Lease liabilities	50,915	37,984

Within the Group, the average effective interest rate on the above-mentioned leases equalled 6.5% as at 31 December 2024.

Leases of cars, IT hardware and other assets

The net value of IT hardware, cars and other assets which are held under lease contracts amounted to PLN 14,478 thousand as at 31 December 2024, as compared to PLN 9,397 thousand as at 31 December 2023.

The aggregate future cash flows and liabilities arising from leases of cars, IT hardware and other assets are as follows:

	31 December 2024 PLN'000	31 December 2023 (restated) PLN'000
Minimum lease payments		
in the period shorter than 1 year	5,045	4,285
in the period from 1 to 5 years	10,987	5,830
in the period longer than 5 years	-	-
Future minimum lease payments	16,032	10,115
Future interest expenses	(1,314)	(671)
Present value of lease liabilities	14,718	9,444
in the period shorter than 1 year	4,457	3,911
in the period from 1 to 5 years	10,261	5,533
in the period longer than 5 years	-	-
Lease liabilities	14,718	9,444

Within the Group, the average effective interest rate on the above-mentioned leases equalled 4.5% as at 31 December 2024.

The table below presents the amounts of income, expenses, profits and losses arising from lease contracts that have been recognized in the consolidated statement of profit and loss / statement of comprehensive income:

	31 December 2024 PLN'000	31 December 2023 PLN'000
Depreciation of right-of-use assets	(22,237)	(21,509)
Interest expenses on lease liabilities	(3,320)	(2,081)
Costs of short-term leases	(16,917)	(15,482)
Costs of leases of low-value assets	(1,921)	(2,219)
Total amount recognized in the statement of profit and loss	(44,395)	(41,291)

6.15. Bank loans and borrowings

Selected accounting policies

The Group classifies its financial liabilities to the following categories:

- measured at amortized cost,
- measured at fair value through profit or loss.

Financial liabilities measured by the Group at amortized cost include bank loans, borrowings and debt securities. Other financial liabilities are measured by the Group at fair value through profit or loss, except for liabilities from acquisition of non-controlling interests in subsidiaries (put options) that are accounted for in accordance with IFRS 3.

All bank loans and borrowings are initially recognized at their purchase cost, representing the fair value of cash received net of any transaction costs directly attributable to incurring financial liabilities.

Subsequently to initial recognition, bank loans and borrowings are measured at amortized cost using the effective interest method. Determination of the amortized cost shall take into account the costs related to obtaining a bank loan or borrowing, as well as any discounts or bonuses received upon repayment of the liability.

A financial liability is removed by the Group from its statement of financial position when it is extinguished, this is when the obligation specified in the contract is discharged or cancelled or expires. The difference between the carrying value of a financial liability extinguished and the consideration paid, including any non-cash assets transferred, shall be recognized in profit or loss.

The table below presents the Group's debt outstanding as at 31 December 2024 and 31 December 2023.

Currency	31 December 2024		31 December 2023	
	Non-current PLN'000	Current PLN'000	Non-current PLN'000	Current PLN'000
Bank overdraft facilities	-	35,455	-	27,771
<i>fixed interest rate</i> BAM	-	34,817	-	23,045
<i>fixed interest rate</i> COP	-	2	-	13
<i>fixed interest rate</i> EUR	-	131	-	56
<i>fixed interest rate</i> INR	-	41	-	-
<i>fixed interest rate</i> MKD	-	12	-	40
<i>fixed interest rate</i> TRY	-	25	-	79
6M EURIBOR + margin EUR	-	427	-	-
3M EURIBOR + margin EUR	-	-	-	3,641
1M EURIBOR + margin EUR	-	-	-	897
Other bank loans	85,820	41,127	54,124	23,839
<i>fixed interest rate</i> BAM	14,057	6,944	12,369	3,108
<i>fixed interest rate</i> EUR	2,980	1,535	6,471	13,068
6M EURIBOR + margin BAM	-	-	633	983
6M EURIBOR + margin EUR	267	458	737	466
3M EURIBOR + margin EUR	68,516	32,190	33,914	6,214
Loans	-	330	-	-
<i>fixed interest rate</i> BAM	-	330	-	-
Total	85,820	76,912	54,124	51,610

The Group's total debt amounted to PLN 162,732 thousand as at 31 December 2024, compared to PLN 105,734 thousand as at 31 December 2023. The amount of debt increased as a result of obtaining new bank loans in order to finance our payment process outsourcing projects and company acquisitions, as well as due to using bank overdraft facilities in our current business operations.

Total proceeds from and repayments of bank loans disclosed in the statement of cash flows for the year 2024 amounted to PLN 110,484 thousand (proceeds) and PLN 59,785 thousand (repayments).

As at 31 December 2024, tangible assets with a book value of PLN 15,612 thousand, trade receivables in the amount of PLN 16,249 thousand, cash in the amount of PLN 991 thousand, and financial assets (deposits) in the amount of PLN 3,946 thousand served as collateral for bank loans as well as for bank overdraft and guarantee facilities. As at 31 December 2024, liabilities that were secured with such assets amounted to PLN 110,377 thousand.

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

In the reporting period, the margins realized by lenders to ASEE Group companies ranged from 1.0 to 4.99 percentage points on an annual basis. Whereas, in the comparable period such margins ranged from 1.0 to 5.7 percentage points per annum.

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 banks. These ratios are related to the level of indebtedness, e.g. debt to EBITDA. Both as at 31 December 2024 and 31 December 2023, ASEE Group companies did not infringe on any covenants defined in their bank loan agreements.

Fair value of financial liabilities

In the period of 12 months ended 31 December 2024, the Group did not transfer any debt instruments between individual levels of the fair value hierarchy.

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

6.16. Other financial liabilities

Selected accounting policies

Liabilities under put options represent liabilities arising from agreements concluded with shareholders or non-controlling shareholders of subsidiary companies. Under such agreements, the Group has an obligation to purchase equity instruments which is recognized at the estimated amount of future payment, even if such purchase obligation is conditional on the counterparty's exercise of its contractual right to cause such redemption (e.g. in situation where non-controlling shareholders are entitled to put shares of a subsidiary to be purchased by the parent company). If the purchase agreement does not provide for the transfer to the parent company of any benefits incidental to ownership of an equity instrument subject to a put option, then at each reporting date non-controlling interests (to which a portion of net profit attributable to non-controlling interests is still allocated) are reclassified by the Group as a financial liability, as if such puttable equity instrument was redeemed on that date. Changes in the amount of such reclassified items are recognized directly in the Group's equity, under 'Transactions with non-controlling interests'.

If, under the purchase agreement, benefits incidental to ownership of such puttable equity instruments shall be transferred to the Parent Company (present ownership), then at the date of obtaining control as well as at each subsequent reporting date, non-controlling interests resulting from such puttable equity instruments are not recognized. Hence, a business combination is accounted for as if, at the date of obtaining control, the Parent Company acquired not only an equity interest in a subsidiary but also any existing puttable equity instruments. Liabilities under put options are initially measured at fair value and increase the purchase price of a subsidiary. Subsequently, these liabilities are measured at fair value at each reporting date, and any changes in such estimates are recognized in the statement of profit and loss (as financial income/expenses). The share of profits attributable to puttable equity interests is allocated to the Parent Company, whereas any dividends paid out to non-controlling shareholders are recognized as financial expenses.

Deferred payments for the acquisition of shares

Liabilities under deferred payments for the acquisition of shares are recognized at the present value of the agreed consideration and they increase the purchase price of the controlling interest.

Conditional payments for the acquisition of shares

Liabilities under conditional payments for the acquisition of shares are recognized at the present value of the expected payment and they increase the purchase price of the controlling interest. In contrast to deferred payments, the amount of conditional payments may change at each reporting date due to changes in the probability of meeting the conditions set out in the agreement concluded with the seller of shares. Any changes in the amount of liabilities under conditional payments for the controlling interest are recognized as financial income or expenses, respectively.

Financial derivative instruments

Derivative instruments utilized by the Group in order to hedge against the risk of changes in foreign currency exchange rates include primarily currency forward contracts. Such financial derivatives are measured at fair value. Derivative instruments are recognized as assets if their value is positive or as liabilities if their value is negative.

Gains and losses resulting from changes in the fair value of derivatives are recognized directly in net financial profit or loss of the year in which they occurred.

The fair value of currency forward contracts is determined on the basis of the forward exchange rates available currently for contracts with similar maturity.

Estimates

The Group recognized liabilities under future conditional payments to the sellers of controlling interests in our subsidiaries, as well as liabilities under put options granted to non-controlling shareholders. Determination of the amounts payable under such liabilities required making estimates of future financial results of our subsidiaries. Such liabilities are discounted to the present value.

Financial liabilities	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
	PLN'000	PLN'000	PLN'000	PLN'000
Dividends payable	-	3,849	-	3,932
Liabilities under deferred and/or conditional payments for controlling interests / buyout of minority interests	136,583	16,747	930	46,725
Liabilities from acquisition of non-controlling interests in subsidiaries (put options)	257,612	26,253	173,125	8,219
Currency forward contracts	-	-	-	4
Other financial liabilities	-	-	-	48
	394,195	46,849	174,055	58,928

As at 31 December 2024, ASEE Group recognized liabilities under put options granted to non-controlling shareholders in the total amount of PLN 283,865 thousand which were related to the following companies: Necomplus – PLN 23,458 thousand, ContentSpeed – PLN 2,794 thousand, BS Telecom – PLN 35,595 thousand, IfthenPay – PLN 19,403 thousand, Helius Systems – PLN 9,716 thousand, Dwelt – PLN 42,665 thousand, Avera – PLN 2,891 thousand, Touras India – PLN 100,063 thousand, Touras Tech UAE – PLN 42,884 thousand, and WEO – PLN 4,396 thousand. The above-mentioned liabilities have been estimated using the price calculation formula as defined in the acquisition agreement, which corresponds to the amount of profits for the contractual term multiplied by a predetermined coefficient.

As at 31 December 2024, liabilities under conditional payments for controlling interests amounted in total to PLN 144,574 thousand and were related to acquisitions of the following companies: Smarttek – PLN 978 thousand, ContentSpeed – PLN 705 thousand, Helius Systems – PLN 1,233 thousand, Askepnet – PLN 3,491 thousand, WEO – PLN 4,114 thousand, Touras Indie – PLN 85,836 thousand, and Touras Tech ZEA – PLN 48,217 thousand. The above-mentioned liabilities have been estimated using the price calculation formula as defined in the acquisition agreement, which corresponds to the company's profit for the contractual term multiplied by a predetermined coefficient.

As at 31 December 2024, liabilities under deferred payments for controlling interests in the amount of PLN 8,756 thousand were related to the acquisition of Touras Tech UAE.

Fair value of financial liabilities

In the period of 12 months ended 31 December 2024, the Group did not transfer any financial liabilities between individual levels of the fair value hierarchy.

Both as at 31 December 2024 and 31 December 2023, the fair values of financial liabilities were not significantly different from their book values.

As at 31 December 2024	Carrying value PLN'000	Level 1 ⁱ⁾ PLN'000	Level 2 ⁱⁱ⁾ PLN'000	Level 3 ⁱⁱⁱ⁾ PLN'000
Financial liabilities				
dividends payable	3,849	-	-	3,849
liabilities from the acquisition of shares – deferred and conditional payments for controlling interests	153,330	-	-	153,330
liabilities from acquisition of non-controlling interests in subsidiaries (put options)	283,865	-	-	283,865
Total	441,044	-	-	441,044

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

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

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

6.17. Trade payables, state budget liabilities, and other liabilities

Selected accounting policies

Trade payables represent liabilities for goods and services received which have been invoiced, as well as payables for uninvoiced deliveries. Trade payables related to operating activities are recognized and disclosed at the amounts due for payment. Such liabilities result from goods and services provided to the Group companies, which have already been invoiced or have not been invoiced yet but receiving such invoices is considered as highly probable by the Management and their amount can be precisely determined.

Liabilities to the state and local budgets represent liabilities resulting from taxes and public levies, as well as from social security contributions and customs duties. Such liabilities are recognized at the amounts due for payment, determined in accordance with regulations applicable in the countries in which the Group companies operate.

Other liabilities include liabilities to points of sale for payment transactions processed, liabilities to employees arising from unpaid salaries as at the reporting date, liabilities from purchases of tangible and intangible assets, as well as other liabilities.

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

	31 December 2024		31 December 2023	
	Non-current PLN'000	Current PLN'000	Non-current PLN'000	Current PLN'000
Trade payables, of which:	-	195,073	-	214,561
Trade payables	-	179,426	-	195,547
from related parties	-	845	-	648
from other entities	-	178,581	-	194,899
Uninvoiced payables	-	14,649	-	16,751
from related parties	-	54	-	44
from other entities	-	14,595	-	16,707
Liabilities arising from project-related penalties	-	998	-	2,263
Corporate income tax payable	-	9,601	-	15,275
Liabilities to the state and local budgets	-	45,151	-	50,849
Value added tax (VAT)	-	25,808	-	34,834
Personal income tax (PIT)	-	5,144	-	4,302
Social insurance	-	10,824	-	10,622
Withholding income tax	-	2,731	-	713
Other	-	644	-	378
Other liabilities	54	104,482	47	102,856
Liabilities from payment transactions processed	-	72,599	-	69,584
Liabilities to employees (including salaries payable)	-	27,306	-	25,494
Liabilities from purchases of tangible assets and intangible assets	-	708	-	1,504
Other liabilities	54	3,869	47	6,274
Total	54	354,307	47	383,541

Trade payables are non-interest bearing. Related party transactions are presented in explanatory note 6.21 to these consolidated financial statements.

6.18. Contract liabilities

Selected accounting policies

Liabilities from contracts with customers represent obligations to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Contract liabilities include liabilities arising from the valuation of IT contracts, deferred income from right-to-access licenses that have not been recognized as at the reporting date, future revenues from the provision of services such as IT support (maintenance) which are recognized over time, as well as advance payments for deliveries of hardware.

Due to the large variety of performance obligations, it is difficult to determine the point in time at which the Group's performance obligations are satisfied. Most often, in the case of contracts for the implementation of comprehensive IT systems and maintenance contracts, the Group fulfils its performance obligations while providing services to customers. In the case of an obligation to provide the customer with a software license (with a right to use), the Group considers its performance obligation to have been fulfilled at the time of granting the license, but not earlier than at the beginning of the period when the customer can start using that software (usually when the license key is provided), which in the Group's opinion is tantamount to transferring the control of the license to the customer.

Estimates

Each time, the Group exercises professional judgment involving the assessment of the percentage of completion of IT implementation contracts in relation to invoices issued, as well as the allocation of the transaction price.

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

	31 December 2024		31 December 2023	
	Non-current	Current	Non-current	Current
	PLN'000	PLN'000	PLN'000	PLN'000
Liabilities from valuation of IT contracts, of which:	-	21,494	-	26,361
From related parties	-	-	-	-
From other entities	-	21,494	-	26,361
Deferred income from IT projects, of which:	8,541	106,243	10,690	131,753
Maintenance services, license and subscription fees	8,513	83,462	10,690	82,305
Prepaid implementation services	28	6,249	-	13,418
Obligations to supply hardware	-	16,510	-	36,005
Other prepaid services	-	22	-	25
Total contract liabilities	8,541	127,737	10,690	158,114

The table below explains changes in the balance of contract liabilities during the periods of 12 months ended 31 December 2024 and 31 December 2023:

	12 months ended 31 December 2024	12 months ended 31 December 2023
	PLN'000	PLN'000
Liabilities from valuation of long-term IT contracts and deferred income from IT projects as at 1 January	168,803	156,815
Invoices issued above the level of performance obligations satisfied	308,354	364,189
Fulfilment of new uninvoiced performance obligations; changes in estimated transaction prices, modification of other assumptions	(335,936)	(334,813)
Obtaining control over subsidiaries	1,443	-
Impact of hyperinflation	661	3,926
Reclassification to liabilities held for sale	(2,135)	-
Exchange differences on translation of foreign operations	(4,912)	(21,313)
Contract liabilities as at 31 December	136,278	168,804

6.19. Provisions

Selected accounting policies

Onerous contracts and provisions for losses

The Group recognizes provisions for onerous contracts in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amount of provision for onerous contracts is verified at each reporting date (the amount of provision should be equal to the difference between the entire expected loss and the loss already incurred till the reporting date), which may result in an increase or decrease in the provision.

Provision for warranty repairs

The provision for warranty repairs is created to cover any anticipated future costs of warranty or service obligations resulting from the executed IT contracts, provided such warranty obligations meet the definition of a standard warranty under IFRS 15.

If the warranty meets the definition of a service (is an extended warranty in accordance with IFRS 15), i.e. the warranty scope is broader than just an assurance to the customer that the product/service complies with agreed-upon specifications, then no provision is created. This is because the fulfilment of a non-standard guarantee is an obligation to perform a service, and as such should be recognized in revenues but not in the category of provisions.

The provision for (standard) warranty repairs is set aside in the cases where:

- (i) no contract for maintenance services has been signed with the customer, or
- (ii) the scope of the maintenance services contract does not fully cover all anticipated costs of the fulfilment of warranty obligations; or
- (iii) the scope of the manufacturer's warranty for any equipment resold is narrower than the scope of warranty the Group is contractually committed to provide to its customer.

The provision amount recognized at the reporting date shall be proportional to the progress of IT contract execution.

Any costs associated with the provision of our warranty services shall be, when incurred, deducted from the previously created provision.

At the reporting date, the Group verifies the amount of carried provision for warranty repairs. If the actual costs of warranty services or anticipated future costs are lower/higher than assumed at the time of initial recognition of a provision, such provision shall be decreased/increased accordingly to reflect the Group's current expectations in respect of the fulfilment of its warranty obligations in future periods.

Post-employment benefits

In accordance with our corporate remuneration schemes, the Group's employees are entitled to receive a retirement benefit. The amount of retirement benefits depends on the regulations of the labour law in force in individual countries where the Group companies operate.

The present value of such liabilities is measured by an independent actuary at each reporting date. Any actuarial gains or losses resulting from the remeasurement of obligations under defined benefit plans shall be recognized in other comprehensive income and cannot be later reclassified to profit or loss.

Provision for contractual penalties

Provisions for contractual penalties are created in connection with pending court proceedings based on available information, including opinions of independent experts.

Changes in the amounts of provisions during the period of 12 months ended 31 December 2024 are presented in the table below:

Provisions	Warranty repairs and product returns PLN'000	Provisions for contractual penalties PLN'000	Provisions for losses on contracts PLN'000	Costs related to ongoing court litigation PLN'000	Post-employment benefits PLN'000	Other provisions PLN'000	Total PLN'000
As at 1 January 2024	890	73	5,377	367	3,747	140	10,594
Obtaining control over subsidiaries	-	-	-	-	561	-	561
Provisions created during the reporting period	724	400	1,286	-	1,774	537	4,721
Provisions utilized/reversed	(440)	(12)	(5,269)	(139)	(495)	(485)	(6,840)
Reclassification to liabilities held for sale	-	-	-	-	(66)	-	(66)
Exchange differences on translation of foreign operations	(14)	(4)	(50)	(17)	(254)	(2)	(341)
As at 31 December 2024, of which:	1,160	457	1,344	211	5,267	190	8,629
Current	1,160	72	1,344	165	340	5	3,086
Non-current	-	385	-	46	4,927	185	5,543
As at 1 January 2024, of which:	890	73	5,377	367	3,747	140	10,594
Current	890	73	5,377	234	104	10	6,688
Non-current	-	-	-	133	3,643	130	3,906

In the comparable period, the amounts of provisions changed as follows:

Provisions	Warranty repairs and product returns PLN'000	Provisions for contractual penalties PLN'000	Provisions for losses on contracts PLN'000	Costs related to ongoing court litigation PLN'000	Post-employment benefits PLN'000	Other provisions PLN'000	Total PLN'000
As at 1 January 2023	1,013	-	2,743	411	4,363	645	9,175
Obtaining control over subsidiaries	-	-	-	-	-	-	-
Provisions created during the reporting period	671	146	5,889	83	3,209	618	10,616
Provisions utilized/reversed	(718)	(69)	(2,926)	(35)	(2,644)	(1,004)	(7,396)
Change in presentation	-	-	-	3	-	(3)	-
Exchange differences on translation of foreign operations	(76)	(4)	(329)	(95)	(1,181)	(116)	(1,801)
As at 31 December 2023, of which:	890	73	5,377	367	3,747	140	10,594
Current	890	73	5,377	234	104	10	6,688
Non-current	-	-	-	133	3,643	130	3,906
As at 1 January 2023, of which:	1,013	-	2,743	411	4,363	645	9,175
Current	1,013	-	2,743	286	713	534	5,289
Non-current	-	-	-	125	3,650	111	3,886

The provision for the costs of warranty repairs was created in connection with our obligations to provide contractually guaranteed repair services on software and hardware products supplied to our clients. The amount of reversed provisions represents our project-related provisions that were created in previous periods (based on historical data) and, subsequently, were not utilized for such projects.

The provision for post-employment benefits represents retirement benefits which are to be paid to the Group's employees when they go into retirement or leave the company, provided such entitlement was acquired in accordance with the country's applicable regulations.

6.20. Accruals and deferred income

Selected accounting policies

Accruals for unused holiday leaves

The Group creates a "provision" (recognized as a component of accruals) for unused holiday leaves, which relate to periods preceding the reporting date and will be used in the future, for all of the Group's employees in countries where unused holiday leaves constitute accumulating paid absences (absences that are carried forward and can be used in future periods if the current period's entitlement is not used in full). The amount of such provision depends on the average monthly salary and the number of leave days eligible but not used by an employee as at the end of the reporting period. The Group recognizes the costs of unused holiday leaves on an accrual basis, based on estimated amounts, and discloses them in the statement of profit and loss under salaries (where they occur).

Accruals for employee bonuses

An obligation under bonus plans results from employee service and not from a transaction with the Group's owners. Therefore, the cost of such plans (even if they provide for profit-sharing payments) is always recognized as an expense and not as a distribution of profit.

The Group shall recognize the expected cost of profit-sharing and bonus payments when, and only when:

- it has a present legal or constructive obligation to make such payments as a result of past events; and
- a reliable estimate of the obligation can be made.

A present obligation exists when, and only when, the Group has no realistic alternative but to make the payments.

Grants related to assets

Grants related to assets are government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long-term assets. Subsidiary conditions may also be attached restricting the type or location of the assets or the periods during which they are to be acquired or held by the Group companies. Grants are recognized when there is reasonable assurance that a Group company will comply with the conditions attaching to them, and that the grants will be received. The manner in which a grant is received does not affect the accounting method to be adopted in regard to the grant. While the purpose of allocating a grant received is an important issue. Therefore, a grant shall be accounted for in the same manner whether it is received in cash or as a reduction of a liability. If a grant received is related to assets, then it is accounted for as deferred income which is afterwards systematically, by way of equal annual write-offs, recognized in profit or loss over the estimated useful life of the related asset as a reduced depreciation expense.

Estimates

The Group estimates the amount of its obligations based on the adopted assumptions and methodology, assessing the probability of an outflow of resources embodying economic benefits and, as at the reporting date, recognizes liabilities for which such outflow is highly probable. Accruals for employee bonuses, in a large number of cases, depend on the estimates of profits achieved at various levels by the Group or its subsidiary companies.

The Group does not recognize any grant until there is reasonable assurance that the Group will comply with the conditions attaching

to the grant, and that the grant will be received. The assessment of compliance with such conditions requires professional judgment and is often associated with making estimates.

	31 December 2024		31 December 2023	
	Non-current PLN'000	Current PLN'000	Non-current PLN'000	Current PLN'000
Accruals, of which:				
Accruals for unused holiday leaves	-	11,700	-	9,768
Accruals for employee and management bonuses	423	28,506	-	26,654
	423	40,206	-	36,422
Deferred income, of which:				
Grants related to assets	1,045	660	-	2,407
	1,045	660	-	2,407

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

The balance of deferred income includes primarily to grants related to assets that were received by the Group in connection with its development projects or projects involving the formation of IT competence centers.

6.21. Related party transactions

The table below discloses the total values of transactions conducted with our related parties during the period of 12 months ended 31 December 2024 and in the comparable period, as well as outstanding balances of receivables and liabilities arising from such transactions as at 31 December 2024 and 31 December 2023:

	Sales to related parties PLN'000	Purchases from related parties PLN'000	Trade receivables and other receivables PLN'000	Trade payables and other liabilities PLN'000	Lease liabilities PLN'000
Transactions with Asseco Poland S.A.					
2024	-	1,768	47	766	-
2023	-	664	47	4	-
Transactions with other entities of Asseco Poland Group					
2024	2,460	528	2,543	8	-
2023	4,594	452	1,206	572	-
Transactions with entities or individuals related through the Key Management Personnel of the Group					
2024	-	1,969	26	129	5,031
2023	-	4,181	-	125	4,715
Transactions with Members of Management Board and Supervisory Board of ASEE S.A. and companies of ASEE Group					
2024	-	193	4,877	1,225	181
2023	-	18	6,836	19	330

As at 31 December 2024, total receivables from related parties comprised trade receivables amounting to PLN 550 thousand, contract assets amounting to PLN 2,020 thousand, and other receivables amounting to PLN 4,923 thousand, of which PLN 4,876 thousand represent receivables arising from the sale of shares in Payten Holding S.A. to the managers of ASEE Group companies, and PLN 47 thousand constitute a deposit for rental of office space.

As at 31 December 2023, total receivables from related parties comprised trade receivables amounting to PLN 744 thousand, contract assets amounting to PLN 462 thousand, and other receivables amounting to PLN 6,883 thousand, of which PLN 6,836 thousand represent receivables arising from the sale of shares in

Payten Holding S.A. to the managers of ASEE Group companies, and PLN 47 thousand constitute a deposit for rental of office space.

As at 31 December 2024, total liabilities to related parties comprised trade payables amounting to PLN 899 thousand and other liabilities amounting to PLN 1,229 thousand. As at 31 December 2023, total liabilities to related parties comprised trade payables amounting to PLN 692 thousand and other liabilities amounting to PLN 28 thousand.

Purchases from and sales to related parties presented in the table above resulted from purchases and sales of hardware and services that were conducted by companies of ASEE Group with related companies of Asseco Poland Group as well as with parties related through the Key Management Personnel or directly with the Key Management Personnel. The Group also incurs costs arising from rentals of space from MHM d.o.o., Belgrade¹, Miljan Mališ and Mini Invest d.o.o., Belgrade², 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 5,212 thousand as at 31 December 2024, as compared to PLN 5,045 thousand outstanding as at 31 December 2023.

Furthermore, Asseco International a.s., our parent company, received dividends from the Company in the total gross amount of PLN 43,572 thousand, compared to PLN 38,554 thousand in 2023.

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

On 23 September 2021, managers of ASEE Group companies signed agreements with Asseco International a.s. to acquire shares in ASEE S.A. and subsequently, on 22 August 2022, managers of ASEE Group companies signed agreements with ASEE S.A. to acquire shares in Payten Holding S.A. Both the share-based payment plans have been described in detail in explanatory note 5.2 in this report. Members of the Management Board of ASEE S.A., acting directly or through their related parties, acquired the following numbers of shares:

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

In the consolidated financial statements for the year ended 31 December 2024, the costs of share-based payment plan related to shares acquired by Members of the Management Board amounted to PLN 182 thousand.

Members of the Management Board and parties related through Members of the Management Board and Supervisory Board of Asseco South Eastern Europe S.A. received dividends from ASEE S.A. in the total gross amount of PLN 2,741 thousand, compared to PLN 2,455 thousand distributed in 2023. The above-stated amount does not include dividends payable to Asseco International a.s. The numbers of ASEE shares held by its Management Personnel as well as by their related parties have been presented in section 5 'Shares and Shareholders' of the Management Report on Operations of the Group for the year ended 31 December 2024. The dividend was paid out on 20 June 2024.

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

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

² Miljan Mališ, Member of the Management Board of ASEE S.A., is a shareholder in the company Mini Invest d.o.o. which in turn is a shareholder in ASEE S.A. As at 31 December 2024, Mini Invest d.o.o. held 298,436 shares in ASEE S.A.

VII. Explanatory notes to the consolidated statement of cash flows

7.1. Cash flows – operating activities

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

	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Change in inventories	(12,154)	(52,564)
Change in receivables and non-financial assets	44,128	(90,884)
Change in liabilities	(74,311)	146,420
Change in prepayments and accruals	(26,504)	25,970
Change in provisions	(2,190)	3,221
Total	(71,031)	32,163

7.2. Cash flows – investing activities

In the period of 12 months ended 31 December 2024, the amount of cash flows from investing activities was affected primarily by:

- acquisitions of property, plant and equipment (PLN 89,152 thousand) and intangible assets (PLN 4,078 thousand). Expenditures for the acquisition of tangible assets represent purchases and upgrades of tangible assets as well as expenditures for equipment originally recognized in inventories and subsequently transferred to non-current assets, in line with long-term intended use of such equipment;
- expenditures for acquisition of subsidiaries, net of cash and cash equivalents in subsidiaries acquired, as disclosed in the table below:

	12 months ended 31 December 2024		12 months ended 31 December 2023	
	Acquisition of subsidiaries PLN'000	Cash in subsidiaries acquired PLN'000	Acquisition of subsidiaries PLN'000	Cash in subsidiaries acquired PLN'000
Bithat	-	-	(1,355)	-
Helius	-	-	(7,609)	-
Smarttek	-	-	(394)	-
Avera	(5,104)	-	(11,610)	6,719
IfthenPay	(5,386)	-	(37,776)	7,626
Dwelt	(25,777)	-	(17,984)	2,321
ContentSpeed	(1,657)	-	-	-
Touras India	(25,904)	(1,795)	-	-
Touras UAE	(8,365)	176	-	-
WEO	(5,057)	1,167	-	-
Askepnet	(3,364)	122	-	-
Total	(80,614)	(330)	(76,728)	16,666

7.3. Cash flows – financing activities

The table below explains changes in financial liabilities attributable to financing activities, including both changes arising from cash flows and non-cash changes in 2024:

Change in financial liabilities	Bank loans and borrowings PLN'000	Lease liabilities PLN'000	Dividends payable PLN'000	Total PLN'000
As at 1 January 2024 (restated)	77,963	47,428	3,932	129,323
Changes arising from cash flows	44,739	(24,997)	(96,661)	(76,919)
Inflows	110,484	-	-	110,484
Repayment of principal amount	(59,785)	(21,677)	(96,661)	(178,123)
Interest paid	(5,960)	(3,320)	-	(9,280)

Non-cash changes	5,303	44,322	96,683	146,308
Interest accrued	5,913	3,320	-	9,233
Non-cash increase in liabilities	-	41,247	96,683	137,930
Non-cash decrease in liabilities	-	(1,007)	-	(1,007)
Obtaining control over subsidiaries	-	758	-	758
Foreign exchange differences recognized in financial income/expenses	(610)	4	-	(606)
Exchange differences on translation of foreign operations	(728)	(1,120)	(105)	(1,953)
As at 31 December 2024	127,277	65,633	3,849	196,759

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

Change in financial liabilities	Bank loans and borrowings PLN'000	Lease liabilities PLN'000	Dividends payable PLN'000	Total PLN'000
As at 1 January 2023	81,830	45,118	4,067	131,015
Changes arising from cash flows	(1,086)	(24,090)	(86,478)	(111,654)
Inflows	32,216	-	-	32,216
Repayment of principal amount	(30,043)	(22,009)	(86,478)	(138,530)
Interest paid	(3,259)	(2,081)	-	(5,340)
Non-cash changes	565	30,743	86,658	117,966
Interest accrued	3,237	2,081	-	5,318
Non-cash increase in liabilities	-	28,184	86,658	114,842
Non-cash decrease in liabilities	-	(1,111)	-	(1,111)
Obtaining control over subsidiaries	-	1,833	-	1,833
Foreign exchange differences recognized in financial income/expenses	(2,672)	(244)	-	(2,916)
Exchange differences on translation of foreign operations	(3,346)	(4,343)	(315)	(8,004)
As at 31 December 2023 (restated)	77,963	47,428	3,932	129,323

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

Dividends paid out to non-controlling shareholders represent distributions of dividends to the minority shareholders of the following companies:

	12 months ended 31 December 2024 PLN'000	12 months ended 31 December 2023 PLN'000
Avera	(1,883)	-
Chip Card	(648)	(549)
e-mon	(337)	(325)
ContentSpeed	(212)	-
Necomplus	(2,447)	(7,940)
Payten Holding	(640)	(286)
Helius	-	(662)
BS Telecom	(3,678)	(951)
IfthenPay	(1,190)	-
Total	(11,035)	(10,713)

In 2024, the line 'Acquisition of non-controlling interests' is mainly related to the partial exercise of put options by the minority shareholders of IPS Croatia (which merged with Monri Croatia in 2023) in the amount of PLN 6,026 thousand, as well as the buyout of non-controlling interests in Bithat for the amount of PLN 3,873 thousand.

VIII. Explanatory notes on objectives and principles of financial risk management

ASEE Group is exposed to risks arising either from the macroeconomic situation of the countries where the Group companies operate as well as from microeconomic situation in individual companies. The main market factors that may have an adverse impact on the Group's financial performance are: (i) fluctuations in foreign currency exchange rates versus the functional currencies of the Group companies, and (ii) changes in market interest rates. Business operations conducted by the Group are also exposed to credit risk and financial liquidity risk.

8.1. Foreign currency risk

Selected accounting policies

The currency of measurement applied by the Parent Company as well as the reporting currency used in these consolidated financial statements is the Polish zloty (PLN). The functional currencies of the Group's foreign subsidiaries include: EUR (euro), RON (Romanian new leu), RSD (Serbian dinar), MKD (Macedonian denar), TRY (Turkish lira), BGN (Bulgarian lev), BAM (Bosnia and Herzegovina convertible mark), and CZK (Czech koruna).

Transactions denominated in foreign currencies (i.e. other than the functional currency) are, at the time of initial recognition, translated into the functional currency at the exchange rate effective on the transaction date. Assets and liabilities denominated in foreign currencies are converted into the functional currency at the exchange rate effective at the end of the reporting period. Foreign currency non-cash items carried at historical cost are converted at the exchange rate effective on the original transaction date. Foreign currency non-cash items carried at fair value are converted using the exchange rate as of the date when such fair value is determined.

As at the reporting date, assets and liabilities denominated in currencies other than the Polish zloty (if it is the entity's functional currency) are translated into Polish zlotys at the mid exchange rates of such currencies as published by the National Bank of Poland and in effect on the last day of the reporting period. The resulting foreign exchange differences are accounted for respectively as financial income (expenses) or they may be capitalized as assets if so provided in the adopted accounting policies.

Individual items disclosed in the financial statements of our foreign operations are translated into the Group's functional currency in the following way:

- assets and liabilities are translated at the mid exchange rate effective at the end of the reporting period as published by the National Bank of Poland;
- revenues and costs are translated at the arithmetic average of mid exchange rates effective on the last day of each month as published by the National Bank of Poland;
- any foreign exchange differences resulting from such translation are recognized in other comprehensive income.

The Group's presentation currency is the Polish zloty; however, many of the Group's subsidiaries use different functional currencies in which their operating activities are conducted. The Group identifies the foreign currency risk associated with transactions concluded by the Group companies in currencies other than their functional currencies. As a result, the Group is exposed to potential losses arising from changes in the exchange rate of a transaction currency against the functional currency of a given subsidiary over the period from concluding a transaction denominated in a foreign currency till the date of issuing an invoice, receiving the payment, and the settlement of a financial instrument transaction.

As part of monitoring the Group's foreign currency risk, all transactions denominated in currencies other than the functional currency of a given subsidiary are subject to special registration. Moreover, our procedures applicable to the execution of IT projects require making systematic updates of the project implementation schedules as well as generated cash flows with regard to changes resulting from fluctuations in foreign exchange rates.

The tables below present the currency structure and the Group's exposure to fluctuations in the exchange rates of the Polish zloty against currencies in which most of our foreign transactions are concluded. These tables present the currency structure of various classes of financial instruments held as at 31 December 2024 and 31 December 2023.

Groups/categories of financial instruments	Carrying value as at	Foreign currency exposure as at	EUR		Other currencies
	31 Dec. 2024	31.12.2024		USD	
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Financial assets					
Cash and cash equivalents	271,211	245,685	123,064	26,140	96,481
Loans granted and bank deposits	4,319	4,318	50	107	4,161
Other financial assets	2,241	2,241	544	-	1,697
Trade receivables and contract assets	379,634	377,709	130,415	19,705	227,589
Financial liabilities					

Bank loans and borrowings	162,732	162,732	106,504	-	56,228
Lease liabilities	65,633	65,633	54,034	462	11,137
Other financial liabilities	441,044	441,044	389,354	-	51,690
Trade payables	195,073	193,388	92,914	17,211	83,263

Groups / categories of financial instruments	Carrying value as at 31 Dec. 2023	Foreign currency exposure as at 31.12.2023	EUR	USD	Other currencies
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Financial assets					
Cash and cash equivalents	313,112	311,275	194,900	27,872	88,503
Loans granted and bank deposits	1,405	1,393	47	-	1,346
Other financial assets	1,789	1,789	722	-	1,067
Trade receivables and contract assets	394,218	388,596	150,705	18,884	219,007
Financial liabilities					
Bank loans and borrowings	105,734	105,734	65,464	-	40,270
Lease liabilities	47,428	47,428	34,438	489	12,501
Other financial liabilities	232,983	232,983	232,911	-	72
Trade payables	214,561	213,003	133,580	17,656	61,767

The tables below present the analysis of sensitivity of our comprehensive income to fluctuations in foreign exchange rates as at 31 December 2024 and in the comparable period:

Analysis of sensitivity to foreign currency risk as at 31 December 2024					
Groups / categories of financial instruments	EUR		USD		
	+10%	-10%	+10%	-10%	
	Impact on comprehensive income	Impact on comprehensive income	Impact on comprehensive income	Impact on comprehensive income	
	PLN'000	PLN'000	PLN'000	PLN'000	
Financial assets					
Cash and cash equivalents	12,306	(12,306)	2,614	(2,614)	
Loans granted and bank deposits	5	(5)	11	(11)	
Other financial assets	54	(54)	-	-	
Trade receivables and contract assets	13,042	(13,042)	1,971	(1,971)	
Financial liabilities					
Bank loans and borrowings	(10,650)	10,650	-	-	
Lease liabilities	(5,403)	5,403	(46)	46	
Other financial liabilities	(38,935)	38,935	-	-	
Trade payables	(9,291)	9,291	(1,721)	1,721	

Analysis of sensitivity to foreign currency risk as at 31 December 2023					
Groups / categories of financial instruments	EUR		USD		
	+10%	-10%	+10%	-10%	
	Impact on comprehensive income	Impact on comprehensive income	Impact on comprehensive income	Impact on comprehensive income	
	PLN'000	PLN'000	PLN'000	PLN'000	
Financial assets					
Cash and cash equivalents	19,490	(19,490)	2,787	(2,787)	
Loans granted and bank deposits	5	(5)	-	-	
Other financial assets	72	(72)	-	-	
Trade receivables and contract assets	15,071	(15,071)	1,888	(1,888)	
Financial liabilities					
Bank loans and borrowings	(6,546)	6,546	-	-	
Lease liabilities	(3,444)	3,444	(49)	49	
Other financial liabilities	(23,291)	23,291	-	-	
Trade payables	(13,358)	13,358	(1,766)	1,766	

8.2. Interest rate risk

The Group identifies and measures the interest rate risk on a regular basis, and takes actions aiming to minimize its impact on our financial position. Any instruments bearing a variable interest rate expose the Group to the risk of cash flow fluctuations as a result of interest rate changes, which may affect the amount of interest income or expenses recognized in financial results. Changes in the market interest rates may have a negative influence on the financial results of the Group. The Group's exposure to changes in this market factor is attributable to changes in the amount of interest charged on variable-interest loans that are granted to the Group companies by external financial institutions.

The interest rate risk is identified by the Group at the time of concluding a transaction or a financial instrument exposed to such risk. All transactions vulnerable to the risk of market interest rate changes are subject to special registration and control by a competent department at each company of our Group.

Exposure to interest rate risk is measured as the total amount arising from all financial instruments exposed to the risk of changing interest rates.

In order to reduce their interest rate risk, the Group companies may: (i) try to avoid obtaining bank loans that are based on a variable interest rate or, if not possible, (ii) conclude forward rate agreements if the costs of such precaution are justified in relation to the expected benefits.

Detailed information on bank loans and borrowings, including their interest rates, currencies, and maturities are presented in explanatory note 6.15 to these consolidated financial statements.

The analysis of the Group's financial instruments exposed to interest rate risk showed that bank loans and borrowings as well as other receivables from the sale of Payten Holding shares to managers of the Group companies are exposed to changes in interest rates, because they bear interest based on EURIBOR. The amounts exposed to risk as well as the analysis of sensitivity are presented in the table below:

	Carrying value	Amount exposed to risk of changes in EURIBOR	Deviation assumed (in percentage points)		Impact on financial results	
	PLN'000	PLN'000			PLN'000	PLN'000
As at 31 December 2024						
Financial assets						
Other receivables	4,877	4,877	+ 1.0 pp	- 1.0 pp	49	(49)
Financial liabilities						
Bank loans and borrowings	162,732	101,857	+ 1.0 pp	- 1.0 pp	(1,019)	1,019
As at 31 December 2023						
Financial assets						
Other receivables	6,836	6,836	+ 1.0 pp	- 1.0 pp	68	(68)
Financial liabilities						
Bank loans and borrowings	105,734	47,485	+ 1.0 pp	- 1.0 pp	(475)	475

The analysis of sensitivity has been carried out for financial instruments held by ASEE Group as at 31 December 2024 and 31 December 2023. The impact of changes in interest rates has been presented on an annual basis. The sensitivity of financial instruments to interest rate risk has been determined by multiplying the total amount of instruments exposed to risk by adequate deviation in interest rates as assumed in the calculation.

8.3. Credit risk

The Group identifies the credit risk arising in situations where the counterparty to a transaction fails to perform its obligations towards the Group's company, thus exposing the Group to a potential financial loss. The Group's credit risk management policy is presented in explanatory note 6.8 relating to long- and short-term receivables.

The Group's total exposure to credit risk results from the fact of having receivables (note 6.8) and other financial assets (note 6.6).

8.4. Financial liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool takes into account the maturity of financial investments and financial assets, as well as projected cash flows from operations.

The Group's objective is to maintain a balance between continuity and flexibility of financing by using various sources of funds.

The tables below disclose the ageing structure of the Group's financial liabilities as at 31 December 2024 and 31 December 2023, by maturity:

Maturity of financial liabilities as at 31 December 2024	Liabilities falling due within 3 months	Liabilities falling due within 3 to 12 months	Liabilities falling due within 1 to 5 years	Liabilities falling due after 5 years	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Trade payables	194,643	81	349	-	195,073
Bank loans and borrowings	15,236	61,676	85,820	-	162,732
Lease liabilities *	5,343	15,792	52,430	393	73,958
Dividends payable	3,849	-	-	-	3,849
Ageing of liabilities for unpaid shares	-	8,756	-	-	8,756
Ageing of conditional payments recognized due to business acquisitions	3,418	4,573	136,583	-	144,574
Ageing of liabilities under put options granted to non-controlling shareholders	-	26,253	114,665	142,947	283,865
Total	222,489	117,131	389,847	143,340	872,807

* The amount analyzed for aging includes contractual undiscounted cash flows only, as opposed to the value presented in the statement of financial position

Maturity of financial liabilities as at 31 December 2023	Liabilities falling due within 3 months	Liabilities falling due within 3 to 12 months	Liabilities falling due within 1 to 5 years	Liabilities falling due after 5 years	Total
	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
Trade payables	212,390	2,026	145	-	214,561
Bank loans and borrowings	15,445	36,165	54,124	-	105,734
Lease liabilities *	5,737	14,329	31,949	782	52,797
Dividends payable	3,907	25	-	-	3,932
Ageing of conditional payments recognized due to business acquisitions	4,197	42,528	930	-	47,655
Ageing of liabilities under put options granted to non-controlling shareholders	-	8,219	173,125	-	181,344
Ageing of liabilities under forward/future contracts	4	-	-	-	4
Total	241,680	103,292	260,273	782	606,027

* The amount analyzed for aging includes contractual undiscounted cash flows only, as opposed to the value presented in the statement of financial position

8.5. Items of income, expenses, gains and losses recognized in the statement of profit and loss in correspondence to balance sheet items

As at 31 December 2024, the following items of income, expenses, gains and losses were recognized in the Group's statement of profit and loss, in a breakdown to corresponding items in the statement of financial position:

Items of income, expenses, gains and losses recognized in the statement of profit and loss	Category according to IFRS 9	Interest income (expenses)	Reversal (recognition) of impairment losses	Gain (loss) on exercise and valuation	Total
For 12 months ended 31 December 2024		PLN'000	PLN'000	PLN'000	PLN'000
Financial assets		7,779	(6,470)	(126)	1,183
Loans granted	MaAC	30	(21)	-	9
Cash deposits	MaAC	5	-	-	5
Financial assets carried at fair value through	FVtPL	234	-	(126)	108

profit or loss					
Trade receivables	MaAC	599	(6,449)	-	(5,850)
Cash and cash equivalents	FVtPL	6,911	-	-	6,911
Financial liabilities		(10,219)	-	36,372	26,153
Forward/future contracts	FVtPL	-	-	203	203
Liabilities under deferred and/or conditional payments for controlling interests	FVtPL	-	-	(4,334)	(4,334)
Liabilities from acquisition of non-controlling interests in subsidiaries (put options)	FVtPL	-	-	40,503	40,503
Bank loans and borrowings	MaAC	(6,897)	-	-	(6,897)
Lease liabilities	MaAC	(3,320)	-	-	(3,320)
Trade payables	MaAC	(2)	-	-	(2)
Total		(2,440)	(6,470)	36,246	27,336

As at 31 December 2023, the following items of income, expenses, gains and losses were recognized in the Group's statement of profit and loss, in a breakdown to corresponding items in the statement of financial position:

Items of income, expenses, gains and losses recognized in the statement of profit and loss	Category according to IFRS 9	Interest income (expenses)	Reversal (recognition) of impairment losses	Gain (loss) on exercise and valuation	Total
For 12 months ended 31 December 2023		PLN'000	PLN'000	PLN'000	PLN'000
Financial assets		2,877	(8,829)	42	(5,910)
Loans granted	MaAC	29	(23)	-	6
Cash deposits	MaAC	1	(11)	-	(10)
Financial assets carried at fair value through profit or loss	FVtPL	48	-	42	90
Trade receivables	MaAC	628	(8,795)	-	(8,167)
Cash and cash equivalents	FVtPL	2,171	-	-	2,171
Financial liabilities		(6,506)	-	7,045	539
Forward/future contracts	FVtPL	-	-	837	837
Liabilities under deferred and/or conditional payments for controlling interests	FVtPL	-	-	2,107	2,107
Liabilities from acquisition of non-controlling interests in subsidiaries (put options)	FVtPL	-	-	4,101	4,101
Bank loans and borrowings	MaAC	(4,400)	-	-	(4,400)
Lease liabilities	MaAC	(2,081)	-	-	(2,081)
Trade payables	MaAC	(25)	-	-	(25)
Total		(3,629)	(8,829)	7,087	(5,371)

IX. Other explanatory notes

9.1. Off-balance-sheet liabilities

Selected accounting policies

Off-balance-sheet liabilities are primarily contingent liabilities, by which the Group understands: a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully controlled by the Group, or a present obligation that arises from past events but is not recognized because: (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the statement of financial position; however, information about a contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Operating leases – the Group applies a practical expedient for rental contracts and other contracts of similar nature that are concluded for a period shorter than 12 months from the lease commencement date, as well as for leases of low-value assets. In both the above-mentioned exceptions, the lease payments are basically expensed on a straight-line basis in the period to which they are related. In such case, no right-of-use assets and corresponding financial liabilities are recognized. Such operating lease liabilities are recognized as off-balance-sheet liabilities.

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

As at 31 December 2024, the related contingent liabilities equalled PLN 76,374 thousand, while as at 31 December 2023 they amounted to PLN 95,239 thousand.

Assets serving as collateral for bank guarantee facilities:

Category of assets	Net value of assets		Amount of granted guarantee secured with assets	
	31 December 2024 PLN'000	31 December 2023 PLN'000	31 December 2024 PLN'000	31 December 2023 PLN'000
Financial assets	452	-	383	-
Trade receivables	1,153	-	2,091	-
Other receivables	392	838	393	838
Total	1,997	838	2,867	838

None of the above-described guarantee obligations meet the definition of a financial guarantee under IFRS 9, and therefore they are not recognized as liabilities in the statement of financial position of the Group as at 31 December 2024.

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

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

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

	31 December 2024 PLN'000	31 December 2023 PLN'000
Liabilities from rental of space		
In the period up to 1 year	3,906	4,058
In the period from 1 to 5 years	4,660	4,691
Over 5 years	-	-
	8,566	8,749
Liabilities under operating leases of equipment		
In the period up to 1 year	188	269
In the period from 1 to 5 years	-	-
Over 5 years	-	-
	188	269

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

Disputes in litigation 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.

9.2. 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 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. On the other hand, the highest revenues from SaaS solutions, including transactions, as well as financial results of the payment processing segment are generated in the third quarter. This is mainly because our MoneyGet ATM network is oriented towards serving tourist traffic, while our ECR cash registers and IPD payment terminals are targeted at seasonal points of sale.

9.3. Employment

Number of employees in the Group companies as at	31 December 2024	31 December 2023
Management Board of the Parent Company	4	4
Management Boards of the Group companies	70	65
Production departments	3,395	3,226
Sales departments	309	271
Administration departments	403	354
Total	4,181	3,920

Number of employees in the Group companies as at	31 December 2024	31 December 2023
ASEE S.A.	27	32
ASEE BSS Macedonia	181	-
ASEE Bulgaria	19	18
ASEE Croatia	360	360
ASEE Macedonia	67	249
ASEE Turkey	100	100
Avera	6	7
BS Telecom Solutions	158	151
e-mon	6	6
ASEE B&H Group	157	156
ASEE Kosovo Group	156	158
ASEE Romania Group	180	186
ASEE Serbia Group	606	609
Necomplus Group	759	714
Payten B&H Group	78	69
Payten Romania Group	77	82
Payten Serbia Group	239	220
Payten Turkey Group	392	376
Sonet Group	91	88
Touras Group	146	-
IfthenPay	19	17
Monri Croatia	146	122
Monri Serbia	4	2
Payten Croatia	100	102
Payten Montenegro	23	20
Payten Egypt	9	9

Payten Macedonia	36	35
Payten Slovenia	32	32
Weo Portugal	7	-
Total	4,181	3,920

Number of employees in countries where the Group operates	31 December 2024	31 December 2023
South Eastern Europe:	2,374	2,316
<i>Bosnia</i>	393	376
<i>Croatia</i>	606	584
<i>Macedonia</i>	284	284
<i>Serbia</i>	849	831
<i>Other</i>	242	241
Central Europe	375	388
Western Europe	467	433
Middle East	25	9
Turkey	492	476
India	130	-
Latin America	318	298
Total	4,181	3,920

9.4. Remuneration of the entity authorized to audit financial statements

The table below discloses the amounts of remuneration paid or payable to the entity authorized to audit the Company's and the Group's financial statements for the years ended 31 December 2024 and 31 December 2023, in a breakdown by type of service:

Remuneration of the entity authorized to audit financial statements	12 months ended 31 December 2024	12 months ended 31 December 2023
Audit of the annual financial statements	288	269
Review of the semi-annual financial statements	146	138
Other certification services	163	12
Total	597	419

In the year ended 31 December 2024 as well as in the previous year, the entity authorized to audit financial statements was BDO Sp. z o.o. s.k. It was selected by a resolution of the Supervisory Board of ASEE S.A. adopted on 7 July 2022, and subsequently on 10 May 2024. The entity authorized to attest sustainability reporting was also BDO Sp. z o.o. s.k. It was selected by a resolution of the Supervisory Board of ASEE S.A. of 6 September 2024.

Moreover, in the years 2023-2024 other firms of the BDO network carried out the audits of annual financial statements and reviews of interim financial statements, as well as other certification services, in favour of ASEE Group companies operating in countries other than Poland. In 2024, the total remuneration for such services amounted to PLN 1,077 thousand, as compared to PLN 1,001 thousand in 2023.

9.5. Remuneration of the Management Board and Supervisory Board

The table below presents the amounts of remuneration paid to individual members of the Company's Management Board and Supervisory Board for performing their duties during the year 2024:

Remuneration for the period of 12 months ended 31 December 2024	Fixed remuneration (Base salary)	Variable remuneration (Annual bonus)	Fringe benefits	Employee Capital Plans	Total remuneration
Management Board					
Piotr Jeleński	360	7,638	6	68	8,072
Michał Nitka	264	1,084	6	8	1,362
Miljan Mališ	244	774	-	-	1,018
Kostadin Slavkoski	194	806	-	-	1,000
	1,062	10,302	12	76	11,452

Supervisory Board					
Jozef Klein	84	-	-	-	84
Adam Góral	66	-	-	-	66
Jacek Duch	78	-	-	-	78
Artur Kucharski	108	-	-	-	108
Adam Pawłowicz	78	-	-	-	78
	414	-	-	-	414

The table below presents the amounts of remuneration paid to individual members of the Company's Management Board and Supervisory Board for performing their duties during the year 2023:

Remuneration for the period of 12 months ended 31 December 2023	Fixed remuneration (Base salary)	Variable remuneration (Annual bonus)	Fringe benefits	Employee Capital Plans	Total remuneration
Management Board					
Piotr Jeleński	360	7,390	5	56	7,811
Michał Nitka	264	1,048	5	8	1,325
Miljan Mališ	197	736	-	-	933
Kostadin Slavkoski	204	620	-	-	824
	1,025	9,794	10	64	10,893
Supervisory Board					
Jozef Klein	84	-	-	-	84
Adam Góral	66	-	-	-	66
Jacek Duch	78	-	-	-	78
Artur Kucharski	108	-	-	-	108
Adam Pawłowicz	78	-	-	-	78
	414	-	-	-	414

The amounts of remuneration disclosed in the tables above are due for performing managerial and supervisory functions in ASEE S.A. as well as in its subsidiary companies. The data presented in the tables above reflect the amounts of remuneration already paid out, as well as accruals for the part of variable remuneration which has not been paid out by the end of the reporting period.

Total remunerations paid or payable to members of the Management Boards and Supervisory Boards of ASEE Group subsidiaries in the year ended 31 December 2024 amounted to PLN 34,604 thousand (excluding the amounts stated in the tables above).

Total remunerations paid or payable to members of the Management Boards and Supervisory Boards of ASEE Group subsidiaries in the year ended 31 December 2023 amounted to PLN 32,997 thousand (excluding the amounts stated in the tables above).

9.6. Capital management

The primary objective of the Group's capital management is to maintain a favourable credit rating and a safe level of capital ratios in order to support the Group's business operations and maximize shareholder value.

The Group manages its capital structure and makes necessary adjustments in response to the changing economic conditions. In order to maintain or adjust its capital structure, the Group may decide to change its dividend policy, return some capital to shareholders, or issue new shares. During the last two years ended 31 December 2024 and 31 December 2023, we did not introduce any changes to our objectives, policies and processes adopted in this area.

The Group consistently monitors the level of its capital using the leverage ratio, which is calculated as the relation of net debt to total equity increased by net debt. Net debt includes interest-bearing bank loans and borrowings, lease liabilities, trade payables and other liabilities, decreased by cash and cash equivalents. The capital represents equity attributable to shareholders of the Parent Company.

In addition, the Management also monitors:

- Net debt / EBITDA ratio which is calculated as net debt divided by operating profit plus depreciation and amortization. In this case, net debt represents the sum of interest-bearing bank loans and lease liabilities, less cash and cash equivalents, and
- Bank loans and borrowings / EBITDA ratio which measures the amount of income generated available for the repayment of bank loans and borrowings.

Capital management	31 December 2024	31 December 2023
Bank loans and borrowings	162,732	105,734
Lease liabilities	65,633	47,428
Trade payables, contract liabilities, state budget liabilities and other liabilities	931,683	785,375
Minus cash and cash equivalents	(271,211)	(313,112)
Net debt	888,837	625,425
Equity	1,085,199	1,123,188
Equity and net debt	1,974,036	1,748,613
Leverage ratio	45.03%	35.77%
EBITDA	325,472	314,449
Net debt / EBITDA	(0.1)	(0.5)
Bank loans and borrowings / EBITDA	0.5	0.3

9.7. Climate and operations of ASEE Group

Considering the industry in which ASEE Group operates and the nature of its business (production of software and provision of IT services), its impact on the environment is quite limited. For the same reason, environmental changes as well as climate regulations do not significantly affect the Group's business in the short or medium term.

In 2021, ASEE Group implemented a policy for climate risk management that aims to:

- reduce the consumption of energy and natural resources;
- reduce greenhouse gas / CO₂ emissions;
- increase the proportion of energy from renewable sources in total consumption;
- care for the local natural environment.

Climate changes may affect the Group's operations in the following areas:

- global warming may affect our subsidiary companies in the long run, mainly due to its potential impact on tourism;
- extreme weather phenomena may affect the supply of equipment and limit our ability to provide on-site support services;
- new climate regulations may be introduced and impose new obligations on the operations of ASEE;
- increasing electricity costs may affect the operating expenses of ASEE.

The Group's operations may affect climate change by:

- transportation of purchased equipment over long distances;
- fuel consumption by company cars;
- use of energy, heating and air conditioning at offices;
- business trips;
- management of waste materials.

The risk management process was updated in 2024. The management framework integrates sustainability into decision-making processes, enabling ASEE Group to respond proactively to climate-related risks and opportunities. The Group has also identified strategic objectives that are in line with the transition to the sustainable economy, focusing on reducing greenhouse gas (GHG) emissions, increasing energy efficiency

and promoting the use of renewable energy sources. The transformation plan will be approved by the governing bodies in 2025 and its implementation will follow in subsequent years.

It should be emphasised that given ASEE Group's business model, which does not involve energy-intensive production processes, the direct material impact of climate-related issues is considered limited.

The Group took climate risks into account and analyzed the impact of climate change on its financial statements, in particular focusing on the following issues:

- useful life of assets;
- expected credit losses, including primarily allowances for receivables;
- impairment of non-financial assets;
- provisions, contingent liabilities and contingent assets;
- impact on revenues in the reporting period;
- impact on expenses (particularly energy costs) in the reporting period.

Based on the conducted analysis, the Group has concluded that the impact of climate change on its consolidated financial statements is insignificant.

Impact exerted by climate change on the ASEE Group's business has been described in detail in the Management Report on Operations, in chapter 'Sustainability Reporting' which was published on 26 February 2025.

9.8. Significant events after the reporting period

▪ **Acquisition of Fawaterk for E-payments LLC**

On 15 January 2025, Payten Holding S.A. acquired a 51% stake of shares in Fawaterk for E-payments LLC, a company based in Cairo, Egypt.

▪ **Sale of Mobven Teknoloji Anonim Şirketi**

An agreement to sell the company Mobven Teknoloji Anonim Şirketi was signed on 11 February 2024. Payten Teknoloji Anonim Şirketi sold all 100% shares it held in Mobven company, as a result of which the Group lost control over Mobven. As at the reporting date, the Group reclassified all assets and liabilities of Mobven to assets and liabilities held for sale and measured them at fair value less costs to sell. However, in accounting for the loss of control over that company in February 2025, the Group will reclassify foreign exchange differences on translation of that company as well as other previously recognized comprehensive income to the statement of profit and loss. The Group estimates that the amount of costs to be recognized in the statement of profit and loss may reach approx. PLN 7 million.

In the period from 31 December 2024 till the date of approval of these consolidated financial statements, this is until 26 February 2025, 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.

9.9. Significant events related to prior years

Until the date of preparing these consolidated financial statements for the period of 12 months ended 31 December 2024, we have not observed any significant events related to prior years, which have not but should have been included in these financial statements.

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